

## PART 3.—FINANCE.

201. The following is a statement of the revenue and expenditure of Victoria in the financial year ended on the 30th June, 1898; the excess of the former over the latter; the debit balance brought forward from 1896-7, and that carried forward to 1898-9 :—

Finance  
account,  
1897-8.

## FINANCE ACCOUNT OF VICTORIA, 1897-8.\*

(Exclusive of special receipts and expenditure.†)

	£
Revenue ... ..	6,898,240
Expenditure ... ..	6,692,444
	<hr/>
Surplus for year ... ..	205,796
Debit balance from 1896-7 ... ..	2,650,151
	<hr/>
Debit balance to subsequent year ... ..	2,444,355‡
	<hr/>

202. Contrary to the method adopted in the Treasurer's finance statement, the proceeds of Treasury bonds in aid of revenue are not here regarded as revenue, nor the amounts redeemed (£250,000 in 1897-8) as expenditure; and hence the above debit balances are greater than those shown in the statement referred to. On the other hand, the Mallee Land receipts (specifically set apart by special Act for the redemption of loans) are still included in this work—although not in the Treasurer's statement—as revenue, an equivalent amount being entered in the expenditure as a transfer to the Mallee Lands account; hence both revenue and expenditure as here given are greater by £10,777 than those shown in the statement referred to. Special receipts and expenditure, however, are not included in either case.

Apparent  
discrepancy  
as compared  
with  
Treasurer's  
finance  
statement.

203. In order to provide temporarily for the accumulating deficits, Acts were passed authorizing the issue of temporary Treasury bonds for £750,000 at  $4\frac{1}{2}$  per cent. on the 23rd December, 1892, and for

Treasury  
bonds.

\* According to a preliminary statement distributed to members of the Legislative Assembly in August, 1899, by the Honorable the Treasurer, the actual revenue of 1898-9 was £7,378,842 (exclusive of £13,042 received from Mallee Lands and paid into "Mallee Land Account"), and the approximate expenditure (exclusive of special expenditure), £7,027,415, the former thus exceeding the latter by £351,427, which amount, being deducted from the balance at the beginning of the financial year, leaves a debit balance of £2,092,928, and this being added to the balance at the debit of the Land Sales by Auction Fund, results in a total debit balance of £2,513,696, of which £250,000 is covered by the issue of temporary Treasury-bills. The estimated population at the middle of the same twelve months was about 1,175,000; so that the revenue per head was £6 5s. 7d., and the expenditure per head £5 19s. 7d.

† For particulars of special expenditure, see table following paragraphs 235 to 237 *post*.

‡ This debit balance would be increased to £2,880,832 if the balance to the debit of the Land Sales by Auction Fund were included. See paragraph 235 *post*.

£1,250,000 at 4 per cent. on the 3rd November, 1893. The whole of the former were floated in 1892-3, and paid off in equal instalments of £250,000 in the three years ended with 1897-8; and of the latter, bonds for £250,000 were floated in 1894-5, which realized £252,500, and are still outstanding.\* If the nominal amount of the latter be set off against the deficiency at the end of 1897-8 the cash overdraft—covered by advances from the Trust funds—would be reduced to £2,194,355, thus :—

Actual debit balance at end of 1897-8	...	...	£2,444,355†
Treasury bonds outstanding	...	...	250,000
			£2,194,355
Cash overdraft (as shown in Treasurer's finance statement)			£2,194,355

Net revenue and expenditure, 1893-4 to 1897-8.

204. In the following table the receipts and expenditure, exclusive of advances recouped and to be recouped, are given for each of the fifteen financial years ended with 1897-8; also the surplus or deficiency of revenue in each year, and the credit or debit balances carried forward from year to year :—

NET PUBLIC REVENUE AND NET PUBLIC EXPENDITURE,  
1883-4 TO 1897-8.‡

Year.	Excluding Advances Recouped and to be Recouped.			
	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	Balances carried forward. Credit (+). Debit (-).
	£	£	£	£
1883-4	5,934,578	5,653,293	+ 281,285	+ 384,072
1884-5	6,290,361	6,121,564	+ 168,797	+ 552,869
1885-6	6,416,406	6,513,540	- 97,134	+ 455,735
1886-7	6,733,826	6,561,251	+ 172,575	+ 628,310
1887-8	7,607,598	7,287,151	+ 320,447	+ 948,757
1888-9	8,675,990	7,919,902	+ 756,088	+ 1,704,845
1889-90	8,519,159	9,645,737	- 1,126,578	+ 578,267
1890-91	8,343,588	9,128,699	- 785,111	- 206,844
1891-2	7,729,572	8,482,917	- 753,345	- 960,189
1892-3	6,959,229	7,989,757	- 1,030,528	- 1,990,717
1893-4	6,716,814	7,310,240	- 593,432	- 2,584,149
1894-5	6,714,652§	6,760,439	- 45,787	- 2,629,936
1895-6	6,458,682	6,540,182	- 81,500	- 2,711,436
1896-7	6,645,129	6,583,844	+ 61,285	- 2,650,151
1897-8	6,898,240	6,692,444	+ 205,796	- 2,444,355

Surpluses and deficiencies in various years.

205. These figures show that prior to 1888-9 there was, with one exception, a surplus from year to year; but in the five years 1889-90 to 1893-4, there occurred a series of heavy deficits—varying from nearly £1,127,000 in the first, to nearly £600,000 in the last of those

\* For further particulars, see paragraphs relating to loans floated, *post*.

† See footnote (†) on previous page.

‡ For particulars relating to earlier years, see *Victorian Year-Book*, 1892, Vol. I., paragraph 268.

§ Including premium on issue of Treasury Bonds, £2,500.

|| Including deficiency on issue of Treasury Bonds, £4,228 in 1895-6; £4,089 in 1896-7; and £2,817 in 1897-8.

years, and aggregating about four and a quarter millions sterling— notwithstanding a simultaneous contraction in the expenditure from over nine to about seven and a quarter millions. Owing to rigid economy and retrenchment, however, it was possible during the last four years to further reduce the expenditure to between six and a half and six and three-quarter millions, and not only to balance both sides of the account, but to reduce the accumulated debit balance by £140,000. The revenue, moreover, appears to have touched its lowest point in 1895–6, having since so much improved that the amount received in 1897–8 was nearly up to the level of 1892–3, and there is now a fair prospect of the debit balance being cleared off in the course of a few years. It should be pointed out that the debit balance would probably be less by over half-a-million sterling but for the system, in vogue for some years, of charging forward expenditure from one year to another having been abandoned in 1889–90 with the view of placing the accounts on a sounder basis.\*

206. In 1892–3 the recurrence of large annual deficits in the revenue forced the Government to either raise further revenue by means of fresh taxation or retrench the expenditure until both sides of the public account balanced. Both expedients were tried. Fresh taxation took the form of increased protective duties (estimated by the Treasurer of the day to bring in an additional revenue of £240,000), a beer excise duty, and increased excise (spirit), probate, and stamp duties; but all these, with the single exception of the beer duty, having failed to augment the revenue, it became necessary to add a primage duty (subsequently abolished in 1895–6) in 1893–4, and an income tax and an increased excise duty on tobacco in 1894–5. On the other hand, the utmost economy was exercised in all classes of public expenditure, more especially under the heads of public works and salaries to State employés. The construction of railways and other public works was suddenly checked by reason, not only of the want of surplus revenue, but also of the practical cessation of public borrowing—the public debt having been increased by little more than one million sterling during the six years ended with 1897–8, as compared with an average of nearly two and a half millions sterling per annum during the ten years prior to that period. This, of course, had the effect, not only of throwing out of employment large numbers of people who, though not permanently employed by the State, were practically accustomed to continuous employment, either as casual State hands, or as contractors and contractors' servants, but also of lessening proportionally the work entailed on the producing and trading classes of the community in supplying their ordinary wants. Altogether, it is estimated that the retrenchment in the ordinary expenditure during the seven years ended with 1898–9 amounted in the aggregate to about eleven and a quarter millions sterling—taking the expenditure of 1891–2 as a basis for comparison, and in the loan expenditure during the same period of about sixteen millions—taking the previous ten years as a basis for comparison, or a grand total of twenty-seven and a quarter millions sterling in the seven

Retrenchment,  
1892-3 to  
1898-9.

\* See issue of this work for 1892, Vol. I., paragraph 267.

years. In the public service considerable retrenchment was effected by the retirement of sexagenarians, the reduction of staffs through vacancies not being filled up as officers retired, the lowering of the scale salaries for new officers, and for old officers on promotion,\* the stoppage of promotion (which virtually commenced in 1890), and percentage reductions in the salaries of State employés, and in the emoluments of Ministers of the Crown and Members of Parliament. By the *Public Service Act* 1893 (No. 1324) the former Public Service Board of three Commissioners was abolished, and the duties transferred to the Audit Commissioners. A reduction, averaging about 17 per cent., was made in the salaries of the various classes of the clerical division; the system of automatic increments of salary in each class was abolished in respect to every officer newly appointed or promoted, who (irrespective of exceptional ability or the value of his services) must not only remain at least twelve months at each grade—25 grades in all—but receive special recommendation before promotion to the next; whilst the maximum salary of the highest grade was reduced to £600. The *Teachers' Salaries Act* 1893 (No. 1334) followed, with the object of effecting a reduction—which averaged 16 per cent.—in the scale of payments to teachers, and the abolition of regular increments in the case of those newly appointed or promoted. In addition to these, various Retrenchment Acts were passed from time to time effecting permanent or temporary reductions in the salaries of various officers from the Governor downwards. The salary of the Governor was permanently reduced from £10,000 to £7,000 on the 25th October, 1895; and Ministers effected a reduction in their own salaries from £14,000 to £11,200 from 1st July, 1893, and a further reduction to £10,400 from 28th September, 1894. The reimbursement to members of the Legislative Assembly was lowered from £300 to £285 each on the 1st July, 1892, to £270 on 1st July, 1893, and to £240 on 1st January, 1895; but the original amount was restored on the 26th October, 1897. State employés were, from 1st July, 1892, subjected to a graduated scale of percentage reductions, varying from  $2\frac{1}{2}$  per cent. on salaries of £150 and under £300, and 5 per cent. on those of £300 and under £750, to  $7\frac{1}{2}$  per cent. on those of £750 and upwards; but the scale was increased on 1st July, 1893, to 5 per cent. on salaries from £101 to £150, 6 per cent. from £151 to £250, 7 per cent. from £251 to £400, 8 per cent. from £401 to £500, and so on, adding 1 per cent. for every £100 up to £1,000, above which the deduction was at the rate of 15 per cent. These percentage reductions were made applicable to all persons employed by the State, excepting only the Supreme Court Judges, the Audit Commissioners (by reason of their increased duties), and officers brought from outside the colony under special agreements. It is some consolation, however, to find that, owing to the public revenue and expenditure having been balanced by the expedients referred to, aided by an improved revenue, the original salaries are being gradually restored, employés with salaries not exceeding £157 having been exempted from the percentage reductions since

\* This, however, did not operate in the case of old officers, in consequence of the complete stoppage of promotions.



1st January, 1897, and those with salaries from £157 to £200 since 1st July, 1898, whilst all reductions will cease from 1st July, 1899, after having been in force for a period of seven years. The following statement shows some of the principal savings effected by retrenchment in official salaries during the period referred to, the total amounting to close on two millions sterling; but one most important item has been left out of account, viz., the stoppage of promotions, whereby a number of anomalies have been created through the higher positions in the service being filled in numerous instances by lower grade officers—which must have resulted in a large annual saving—estimated for the year 1896–7 alone at not less than £200,000—to say nothing of minor savings, such as the deduction of half-pay during sickness, and the employment of men in railway workshops, &c., for less than full time:—

RETRENCHMENT IN OFFICIAL SALARIES, 1892–3 TO 1898–9.

Year.	Governor.	Ministers.	Members of Parliament.	Reductions in Salary (of State Employés.	Saving by Officers Pensioned off.			Grand Total.
					Salaries prior to Retirement (estimated).†	Less increase in amount of Pensions, † Compensation, &c.	Net Saving.	
	£	£	£	£	£	£	£	£
1892–3 ...	...	...	1,275	60,349	104,300	46,160	58,140	119,764
1893–4 ...	...	2,800	2,550	174,878	226,400	100,210	126,190	306,418
1894–5 ...	...	3,400	3,820	171,353	338,600	149,800	188,800	367,373
1895–6 ...	2,047	3,600*	5,100	143,155	323,600	143,180	180,420	334,322
1896–7 ...	3,000*	3,600	5,100	112,000	301,700	133,500	168,200	291,900
1897–8 ...	3,000	3,600	1,621	82,035	307,800	136,200	171,600	261,856
1898–9 ...	3,000	3,600	...	48,998	293,800	130,000§	163,800	219,398
<b>Total ...</b>	<b>11,047</b>	<b>20,600</b>	<b>19,466</b>	<b>792,768</b>	<b>1,896,200</b>	<b>839,050</b>	<b>1,057,150</b>	<b>1,901,031</b>

NOTE.—In this table no account is taken of the saving through stoppage of promotions since 1890.

207. It was estimated (in 1894) that the number of employés who leave the State service annually from various causes—whose places are, under ordinary circumstances, filled by new appointments—was 1,210, or about 5 per cent. of the whole. But between 30th June, 1894, and 30th June, 1897—respecting which particulars are available—several of the offices which became vacant were not re-filled, and hence the number of State employés fell off by 1,842, the amount of nominal salaries payable by £216,000, and of actual salaries by £127,000. Of the 22,000 who remained at the latter period, about 45 per cent. were employed in the Railways, 25 per cent. (including non-permanent and exempt officers) in the Departments under the control of the Public Service Board, and 22 per cent. as teachers in the Department of Public Instruction, whilst the

Decrease in State employés, 1894 to 1897.

\* Permanent annual reduction.—† Assumed to be equivalent to 2·26 times the pension payable.—‡ As compared with 1891–2.—§ Assumed.

remainder were attached to the Defence and Police Departments. The following are the particulars:—

STATE EMPLOYÉS, 1894 AND 1897.

Branch of Service.	Number employed on 30th June—		Decrease.
	1894.	1897.	
Public Service (Proper)* ... ..	5,483	4,837	646
"    Temporary and Exempt	728	618	110
Teachers—Permanent ... ..	4,501	4,581	+ 80†
"    Temporary ... ..	251	249	2
Police ... ..	1,456	1,413	43
Naval and Military ... ..	622	539	83
Railways—Permanent ... ..	10,439	8,678	1,761
"    Temporary ... ..	476	1,199	+ 723†
Total ... ..	23,956	22,114	1,842
Nominal Salaries ... ..	£ 3,076,500	£ 2,860,044	£ 216,456
Actual Salaries ... ..	2,905,184	2,777,894	127,290

Range of salaries of State employés.

208. In 1894, about three-fourths of the members of the Public Service proper (*i.e.*, those under the Public Service Board, exclusive of teachers), and nine-tenths of all State employés received less than £201 per annum. The following statement shows, in respect of each branch of the service in 1894 and of all branches in 1896, the numbers in receipt of various salaries, together with the nominal amounts payable:—

NUMBER AND SALARIES OF PERMANENT EMPLOYÉS OF THE STATE, 1894 AND 1896.

Nominal Salary.	Number of Officers on 30th June, 1894.				Total on 30th June.	
	Public Service. †	Naval and Military and Police.	Teachers.	Railways.	1894.	1896.
Under £100 ... ..	1,622	370	2,230	2,791	7,013	6,857
£100 to £200 ... ..	2,534	1,589	<i>a</i> 794	<i>a</i> 5,921	13,173§	12,846
£200 ,, £300 ... ..	787	69	<i>b</i> 1,212	<i>b</i> 1,543	1,625§	1,583
£300 ,, £400 ... ..	262	31	<i>c</i> 222	<i>c</i> 140	306§	298
£400 ,, £500 ... ..	137	8	41	25	211	159
£500 ,, £600 ... ..	54	4	2	7	67	67
£600 ,, £1,000 ... ..	76	4	...	9	89	68
£1,000 and upwards	11	3	...	3	17	15
Total ... ..	5,483	2,078	4,501	10,439	22,501	21,893

\* Officers of Parliament are included under this head.

† Increase.

‡ Under control of Public Service Board, exclusive of teachers. Officers of Parliament, exempt from State control are, however, included.

§ Estimated.

|| Between £600 and £700, 33 in Public Service and 4 in Railways; between £700 and £800, 27 in Public Service, 1 in Naval and Military, and 5 in Railways; between £800 and £900, 11 in Public Service; between £900 and £1,000, 5 in Public Service and 3 in Naval and Military and Police.

*a* £100 to £150. *b* £150 to £250. *c* £250 to £400.

NUMBER AND SALARIES OF PERMANENT EMPLOYÉES OF THE STATE,  
1894 AND 1896—*continued.*

Nominal Salary.	Amount of Nominal Salaries.					
	£	£	£	£	£	£
Under £100 ...	110,882	24,337	85,077	177,996	398,292	415,260
£100 to £200 ...	373,503	233,936	<i>a</i> 90,827	<i>a</i> 700,679	1,823,364*	1,786,742
£200 ,, £300 ...	174,718	16,651	<i>b</i> 241,523	<i>b</i> 282,050	385,800*	377,482
£300 ,, £400 ...	86,179	10,582	<i>c</i> 60,463	<i>c</i> 42,653	104,600*	102,483
£400 ,, £500 ...	61,712	3,548	18,821	11,748	95,829	73,333
£500 ,, £600 ...	29,902	2,131	1,025	3,775	36,833	38,761
£600 ,, £1,000 ...	54,302	3,522	...	6,728	64,552	52,250
£1,000 and upwards	11,700	3,850	...	3,350	18,900	19,660
Total ...	902,898	298,557	497,736	1,228,979	2,928,170	2,865,971

209. In the Public Service proper the number of officers was reduced from 6,046 in 1891—when the number was at a maximum—to 4,702 in 1897, the latter being fewer than in any year since 1886. During the whole period of six years the number of retirements, &c., was 1,680, of which 519 were of professional or clerical and 1,161 of non-clerical officers; whilst the new appointments numbered 336, viz., 26 of professional or clerical and 310 of non-clerical officers, thus resulting in a net decrease of 1,344 officers—493 being in the professional and clerical divisions, and 851 in the non-clerical division. Of the number in the service in 1897, 9 were in the first division, 155 in the professional, 1,699 in the clerical, and 2,839 in the non-clerical division; 9 of those in the clerical being in the first class, 25 in the second, 103 in the third, 401 in the fourth, and 1,161 in the fifth class. Nearly half of the whole number were in the Post and Telegraph Department, and about one-fifth in the Chief Secretary's Department, but warders and attendants in Gaols and Lunatic Asylums tended to augment the latter proportion. The following were the numbers in the various Departments at the two periods referred to:—

Reduction in officers under Public Service Board.

OFFICERS IN VARIOUS DEPARTMENTS OF THE PUBLIC SERVICE  
(PROPER), 1891 AND 1897.

Department.	Number of Officers on 31st December.		Decrease.
	1891.	1897.	
Posts and Telegraphs ...	2,971	2,187	784
Chief Secretary† ...	1,048	940	108
Trade and Customs ...	493	397	96
Law ...	422	299	123

NOTE.—There were also 1,396 persons (including 1,237 non-clerical) employed temporarily, or outside the Public Service Acts, on the 31st December, 1897. Their salaries amounted to only £127,647.

\* Estimated.      *a* £100 to £150.      *b* £150 to £250.      *c* £250 to £400.

† Including Premier's Office.

OFFICERS IN VARIOUS DEPARTMENTS OF THE PUBLIC SERVICE  
(PROPER), 1891 AND 1897—*continued.*

Department.	Number of Officers on 31st December.		Decrease.
	1891.	1897.	
Treasury ... ..	301	276	25
Lands .. .. .	260	233	27
Public Works ... ..	169	99	70
Education* ... ..	149	96	53
Other Branches ... ..	233	175	58
Total* ... ..	6,046	4,702	1,344

Anomalies  
in Public  
Service.

210. Promotions having virtually ceased since 1890, a large number of the higher positions in the Public Service (Proper) are at present filled by officers with a lower grade classification. On 31st December, 1897, there were 110 such positions, not properly filled up, in the upper classes of the service, besides 90 more in the fourth class. It is estimated that the amount per annum necessary to grade the officers up to their proper positions would be about £55,000 for the upper classes, and close on £80,000 for all classes of the Public Service (Proper). The following is a comparison of the number of classified positions with the actual number of officers, in the higher classes of the Public Service on 31st December, 1897 :—

ANOMALIES IN THE HIGHER CLASSES OF THE PUBLIC SERVICE  
(PROPER), 1897.

On 31st December, 1897.	First Division.	Clerical Division.			Total.
		Class I.	Class II.	Class III.	
Number of Positions ... ..	12	29	52	163	256
„ Officers ... ..	9	9	25	103	146
Deficiency ... ..	3	20	27	60	110

Reduction,  
employés,  
1891 to 1898.

211. In the Railway Department the number of employés on the 30th June, 1898, was 10,460, of which 8,830 were on the permanent, and 1,630 on the temporary† staff. As there were 3,097 miles of railway open on that date, there were on an average 338 employés per 100 miles open, as compared with 449 per 100 miles in the United States in 1897. Of the permanent staff, 206 were in the secretary's, accountant's, and traffic audit branches; 3,333 in the traffic branch; 104 in the

NOTE.—This table relates only to officers under the control of the Public Service Board.

\* Exclusive of Teachers, who are also under the Public Service Board.

† Exclusive of butty-gangs under the Board of Land and Works and men employed in regrading works.

telegraph branch ; 2,718 in the locomotive ; and 2,469 in the engineering branch. Of the temporary staff, 43 were in the secretary's, accountant's, and traffic audit branches ; 284 were in the traffic ; 45 in the telegraph ; 334 in the locomotive ; and 924 in the engineering branch. During the last seven years the permanent staff was reduced by 3,474 officers and men—or by nearly a third—and the temporary staff by 185, or by a total of 3,659 ; and their annual salaries were reduced by £605,393, as will be seen by the following figures, which show the number and annual salaries of railway employés for 1897 and 1898, and two previous triennial periods :—

## RAILWAY EMPLOYÉS, 1891, 1894, 1897, AND 1898.

On 30th June.	Number of Employés.			Annual Salaries (Nominal). £
	Permanent.	Temporary.	Total.	
1891 ... ..	12,304	1,815	14,119	1,929,142
1894 ... ..	10,439	476	10,915	1,268,500*
1897 ... ..	8,678	1,199	9,877	1,233,013
1898 ... ..	8,830	1,630	10,460	1,323,749

NOTE.—In 1898 the nominal salaries of the permanent staff amounted to £1,182,740, and the actual salaries to £1,169,854 ; and of the temporary staff to £141,009 and £140,995 respectively.

212. The changes in taxation effected in 1892–3 were described in the last issue of this work. Since then, a primage duty of 1 per cent. on imports (with a few exemptions) was imposed on 20th July, 1893, which brought in a revenue of about £78,600 per annum ; and an income tax in 1894–5, yielding about £170,000 per annum ; whilst the raising of the excise duty on tobacco on 5th June, 1895, might—the consumption remaining stationary—have been expected to yield an additional annual revenue of £19,500.† On the other hand, a re-action apparently having set in against certain high duties—the increase of which in 1892–3 appeared to have had a detrimental effect on the revenue, the Customs tariff was, in 1895–6, again revised, and the rates of duty in many cases lowered from 1st January, 1896, with the result that, although the remission on a stationary trade was equivalent to about £155,000 per annum,† the Customs revenue fell off in 1895–6 by only £41,000, and owing to the revival of trade increased in 1896–7 by £25,000, as compared with 1894–5.‡ From the same date (viz., 1st January, 1896) the primage duty was remitted ; and the excise duty on spirits reduced—such reduction being equivalent—assuming a uniform consumption—to £11,600 per annum, but as a matter of fact the amount of duty received in 1895–6 fell off—owing to a diminished consumption—by more than double the sum named, although the lower rates had been in force for only six months of the financial year. To sum up, increased taxation equivalent to £78,600 per annum was imposed in 1893–4, and £189,500 in 1894–5 ; but remissions equivalent to £245,200§ per annum were made in 1895–6. The latter, however, had

Changes in  
taxation  
effected by  
legislation.

\* Approximate.

† See tables following paragraphs 295 and 296 *post*.

‡ See also paragraph 294 *post*.

§ In 1894–5 and 1896–7 remissions were also made equivalent to £2,300.



little or no influence in reducing the revenue. As regards other sources of revenue, the railways were extended by an average length of 32 miles in 1893-4, 101 miles in 1894-5, 39 miles in 1895-6, and 5 miles in 1896-7, but remained stationary in 1897-8; and, in consequence, the revenue derivable therefrom might under ordinary circumstances have been expected to increase at the rate of £1,000 per mile by reason of such extension. Owing to the depression in trade resulting in a serious decline in traffic, however, the railway revenue fell off, as compared with 1892-3, by £200,000 in 1893-4, by £345,000 in 1894-5, by £380,000 in 1895-6, and, a partial recovery having taken place, by only £165,000 in 1896-7 and £172,000 in 1897-8.

Revenue  
1897-8 and  
previous  
years.

213. The revenue in 1897-8 was larger than in 1896-7 by over £250,000, and larger than in 1895-6 by about £440,000; and, although less than in any of the six years 1887-8 to 1892-3, was exceeded in no other years since the first settlement of the colony.\*

Expenditure  
1897-8 and  
previous  
years.

214. The ordinary expenditure of 1897-8 was over £110,000 more than in 1896-7, and about £150,000 more than in 1895-6, but less than in any other year since 1886-7. Prior to 1853 the annual expenditure never exceeded one million sterling; from 1853 to 1872-3 it approximated to three millions; from 1873-4 to 1879-80 it was between four and four and three-quarter millions; from 1880-81 to 1883-4 it ranged between five and five and three-quarter millions; from 1884-5 to 1889-90 and 1890-91, it increased from six to over nine millions sterling; after 1890-91 it rapidly fell off to about six and a half millions in 1895-6, but rose again to six and two-third millions in 1897-8.

Revenue and  
expenditure  
per head,  
1883-4 to  
1897-8.

215. A statement of the revenue and expenditure per head during each of the last fifteen years will be found in the following table:—

REVENUE AND EXPENDITURE PER HEAD, 1883-4 TO 1897-8.\*

Year.	Average Population of each Financial Year.	Revenue per Head.			Expenditure per Head.		
		£	s.	d.	£	s.	d.
1883-4	920,694	6	8	11	6	2	9
1884-5	944,564	6	13	2	6	9	7
1885-6	969,202	6	12	5	6	14	5
1886-7	1,000,510	6	14	7	6	11	1
1887-8	1,032,993	7	7	4	7	1	1
1888-9	1,076,966	8	1	1	7	7	1
1889-90	1,103,727	7	14	5	8	14	10
1890-91	1,133,266	7	7	3	8	1	1
1891-2	1,157,678	6	13	6	7	6	7
1892-3	1,167,373	5	19	3	6	16	11
1883-4	1,174,006	5	14	5	6	4	6
1894-5	1,179,103	5	13	10	5	14	8
1895-6	1,181,751	5	9	4	5	10	8
1896-7	1,174,944	5	13	1	5	12	1
1897-8	1,176,248	5	17	3	5	13	9

\* Figures showing the revenue and expenditure in each year from the first settlement of the colony will be found in the Statistical Summary of Victoria (first folding sheet), to be published later on. For amounts per head for each year prior to 1883-4, see *Victorian Year-Book*, 1892, Vol. I., paragraph 273.

216. It will be noticed that the revenue per head rose from £5 9s. 4d. in 1895-6 to £5 17s. 3d. in 1897-8, the latter being higher than in any year since 1892-3; whilst the expenditure per head in 1897-8 was higher by 1s. 8d. than in 1896-7, and by 3s. 1d. than in 1895-6, but lower than in any previous year shown. In proportion to population the revenue and, as a consequence, the expenditure declined steadily year by year from 1862 to 1872-3; which was followed by a gradual rise from year to year until the revenue per head reached a maximum in 1888-9, and the expenditure in 1889-90; again a rapid decline took place to a minimum in 1895-6, which has been followed by a partial recovery. It will also be noticed that the revenue exceeded the expenditure in 1897-8 by 3s. 5d. per head, as compared with an excess of 1s. per head in 1896-7.

Revenue and expenditure per head in 1897-8 and former years.

217. In the forty-two and a half years ended with 1897-8 the revenue raised exceeded the Treasurer's estimate on twenty-two occasions, or by £4,874,021; and was less than that estimate on twenty-one occasions, or by £5,996,545. Deducting the former from the latter, the net amount by which the estimate exceeded the result is found to have been £1,122,524. The following table shows the revenue estimated and actually raised, also the difference between those amounts, in each of the last fifteen years:—

Revenue estimated and raised.

REVENUE ESTIMATED AND RAISED, 1883-4 to 1897-8.\*

Year.	According to Treasurer's Estimate.	Actually raised.	More (+) or Less (-) than Estimate.
	£	£	£
1883-4 ... ..	5,779,775	5,934,578	+154,803
1884-5 ... ..	6,048,720	6,290,361	+241,641
1885-6 ... ..	6,285,308	6,416,406	+131,098
1886-7 ... ..	6,516,797	6,733,826	+217,029
1887-8 ... ..	6,968,706	7,607,598	+638,892
1888-9 ... ..	7,792,624	8,675,990	+883,366
1889-90 ... ..	8,328,270	8,519,159	+190,889
1890-91 ... ..	8,631,345	8,343,588	-287,757
1891-2 ... ..	8,581,995	7,729,572	-852,423
1892-3 ... ..	8,054,152	6,959,229	-1,094,923
1893-4 ... ..	7,563,147	6,716,814	-846,333
1894-5 ... ..	6,809,601	6,714,652	-94,949
1895-6 ... ..	6,803,645	6,458,682	-344,963
1896-7† ... ..	6,693,707	6,645,129	-48,578
1897-8† ... ..	6,813,973	6,898,240	+84,267

NOTE.—Recoups are deducted for all the years.

218. The year in which the revenue exceeded the estimate by the largest amount is shown to have been 1888-9, the excess being £883,366, which is £244,000 larger than in 1887-8, and over two and

Years of excessive and defective estimates.

\* For particulars for each year prior to 1883-4 see issue of this work for 1892, Vol. I., paragraph 275. In July, 1898, the revenue for 1898-9 was estimated at £6,907,439.

† The proceeds from mallee lands payable into the Mallee Land Account have been added to Treasurer's estimate as well as to amount received.

a half times as large as the next largest excess (£348,428) in 1881-2; whilst the year in which it fell most short of the estimate was 1892-3, viz., by £1,095,000, which was £243,000 larger than in 1891-2, nearly £250,000 larger than in 1893-4, and nearly four times as large as in 1890-91. In each of the last four years, the actual has been remarkably close to the estimate (*i.e.*, within £100,000), with one exception.

Expenditure  
authorized  
and  
incurred.

219. The sums voted by the Legislature in any year exceed, as is well known, those actually spent, the difference being sometimes erroneously designated the "savings" of the year. The following table shows the amount voted and expended and the difference in each of the fifteen years ended with 1897-8:—

AMOUNTS VOTED AND EXPENDED, 1883-4 TO 1897-8.\*

Year.	Amounts.		Balance Unexpended.
	Voted.	Expended.	
	£	£	£
1883-4 ... ..	4,495,241	4,181,169	314,072
1884-5 ... ..	4,679,081	4,432,858	246,223
1885-6 .. ...	4,990,824	4,696,924	293,900
1886-7 ... ..	5,055,629	4,770,705	284,924
1887-8 ... ..	5,635,949	5,324,347	311,602
1888-9 ... ..	6,364,193	5,869,351	494,842
1889-90 ... ..	7,850,859	7,196,089	654,770
1890-91 ... ..	7,191,162	6,795,508	395,654
1891-2 ... ..	6,623,745	5,822,582	801,163
1892-3 ... ..	5,679,770	5,099,953	579,817
1893-4 ... ..	4,782,287	4,429,002	353,285
1894-5 ... ..	4,437,621	4,156,079	301,542
1895-6 ... ..	4,011,417	3,902,436	108,981
1896-7 ... ..	4,034,036	3,948,903	85,133
1897-8 ... ..	4,192,665	4,114,971	77,694

NOTE.—The probable expenditure from votes in 1898-9 was estimated in July, 1898, at £4,291,851.

Amount  
unexpended  
1884-98.

220. The sum of the unexpended balances in the fifteen years amounted to an aggregate of nearly  $5\frac{1}{2}$  millions sterling (the exact amount being £5,303,602), or to an average of about £353,573 per annum. In the last three years the balances have been considerably lower than in any of the previous years shown.

Heads of  
revenue,  
1892-3 to  
1897-8.

221. The sources from which the revenue of Victoria is derived may be grouped in five main divisions, viz.:—Taxation, Crown Lands, Railways and other Reproductive Public Works, Posts and Telegraphs, and Other Sources. In 1897-8 £2,910,000, or 42 per cent., was derived from taxation; £396,000, or 6 per cent., from Crown lands; £3,317,000, or 48 per cent., from what may be termed the commercial undertakings of the Government, viz.:—Railways, Waterworks, and Posts and Telegraphs, to which the Railways alone

\* For particulars for earlier years, see previous issue of this work, especially that for 1892, Vol. I., paragraph 277.

contributed as much as £2,603,000, or 38 per cent. of the total revenue; whilst the balance, amounting to £275,000, or about 4 per cent. of the whole, was derived from other sources. Of the Land Revenue, amounting to £396,000, by far the greater proportion, or £285,000—being equal to 4 per cent. of the total revenue—was derived from the sale of public land, which, being a receipt arising from the realization of one of the most valuable assets of the State, is obviously not a permanent source of income. As a rule, portion of this amount is properly treated as capital, from £50,000 to £100,000 having in former years been paid annually towards the construction of railways as directed by the *Land Act* 1890,\* which provides that all proceeds arising from the sale of public lands by auction shall be paid to the credit of the Railway Construction Account. This contribution, however, has since 1891–2 been temporarily diverted into the Land Sales by Auction Fund, until the expenditure authorized out of that fund on certain public works has been fully covered.† Moreover, it has been provided that the proceeds arising from the sale and occupation of lands in the mallee country should, on and after 1st July, 1896, be payable into a separate account, called the Mallee Land Account, and are to be available solely for the redemption of loans; the sums already paid into this account amounted to £14,912 in 1896–7, and £10,777 in 1897–8. The following is a statement of the amounts received under different heads ‡ in each of those divisions during the last six financial years :—

## HEADS OF REVENUE, 1892–3 TO 1897–8.

Heads of Revenue.	1892–3.	1893–4.	1894–5.	1895–6.	1896–7.	1897–8.
<b>TAXATION.</b>	£	£	£	£	£	£
Customs duties (including primage)	1,716,257	1,688,456	1,782,203	1,705,765	1,728,677	1,809,548
Wharfage rates ...	23,028	28,247	26,937	27,907	30,703	30,856
Excise duties ...	251,254	308,927	308,975	297,030	294,746	301,318
Ports and harbors (chiefly tonnage dues)	15,507	15,993	17,123	17,414	19,603	19,221
Licences (business) ....	19,869	18,022	17,328	17,378	17,099	17,594
Probate and succession duties	183,928	144,771	139,084	148,432	86,906	238,780
Duties on bank notes...	23,720	24,694	20,774	19,317	19,128	18,844
Stamp duties § ...	170,000	145,000	139,000	162,500	153,500	172,400
Land tax ...	119,216	123,457	120,093	127,178	115,524	115,451
Income tax ...	...	...	140,796	168,088	179,301	186,225
<b>Total ...</b>	<b>2,522,779</b>	<b>2,497,567</b>	<b>2,712,313</b>	<b>2,691,009</b>	<b>2,645,187</b>	<b>2,910,237</b>

\* 48 Vict. No. 812, and 54 Vict. No. 1106 (Consolidated Act), section 78.

† See table following paragraph 235 *post*.

‡ The heads of Revenue and Expenditure are arranged according to a classification agreed upon at a conference of representatives of several of the Australian Colonies upon the subject of statistics, which was held in Tasmania in January, 1875. See Report of Conference, with introductory letter by the Government Statist of Victoria, Parliamentary Paper No. 11, Session 1875.

§ Estimated roughly, as the Postal Authorities are unable to furnish reliable statements in consequence of stamp duty, postage, and fees all being collected by means of one class of stamps. The telegraph revenue is also collected by means of stamps; but as there are other means of ascertaining this the figures may be taken as correct. The "Postal receipts" include commission on money orders and postal notes.

## HEADS OF REVENUE, 1892-3 TO 1897-8—continued.

Heads of Revenue.	1892-3.	1893-4.	1894-5.	1885-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>LAND REVENUE.</b>						
Land sales (including rents counting towards purchase money)*	364,685	382,511	357,736	295,200	307,008	285,164
Rents of Crown lands (not counting towards purchase money)*	117,781	117,634	115,719	114,943	121,154	110,909
Penalties under Land Acts	302	623	125	1,324	301	223
<b>Total ...</b>	<b>482,768</b>	<b>500,768</b>	<b>473,580</b>	<b>411,467</b>	<b>428,463</b>	<b>396,296</b>
<b>PUBLIC WORKS.</b>						
Railways ...	2,912,788	2,709,575	2,583,442	2,394,475	2,597,255	2,602,547
Water supply—						
Metropolitan (interest)	98,951	95,328	93,699	93,744	93,732	93,816
Country † ...	70,992	83,468	79,215	89,114	87,898	89,611
Other public works ...	6,036	4,976	4,505	4,991	5,586	4,836
<b>Total ...</b>	<b>3,088,767</b>	<b>2,893,347</b>	<b>2,760,861</b>	<b>2,582,324</b>	<b>2,784,471</b>	<b>2,790,810</b>
<b>POST AND TELEGRAPHS.</b>						
Postal receipts, &c. ‡ ...	401,628	403,270	382,783	380,138	383,841	388,086
Telegraphs and telephones	144,776	133,461	126,938	136,428	138,900	138,315
<b>Total ...</b>	<b>546,404</b>	<b>536,731</b>	<b>509,721</b>	<b>516,566</b>	<b>522,741</b>	<b>526,401</b>
<b>OTHER SOURCES</b>						
Mint charges ...	13,305	13,746	15,881	18,149	19,413	23,333
" subsidy returned	5,136	...	10,028	3,045	3,665	5,004
Fees, Fines, &c. (inclusive of fee stamps) ‡	120,275	106,060	91,237	88,122	88,315	88,534
Interest on public account	70,746	56,043	41,399	32,228	25,350	25,089
Rents (other than Crown lands)	1,996	2,063	2,214	2,771	2,860	3,521
Reimbursements in aid §	64,716	61,187	48,474	56,085	62,885	61,369
Miscellaneous receipts	42,337	49,302	48,944	56,916	61,779	67,646
<b>Total ...</b>	<b>318,511</b>	<b>288,401</b>	<b>258,177</b>	<b>257,316</b>	<b>264,267</b>	<b>274,496</b>
<b>Total ordinary revenue</b>	<b>6,959,229</b>	<b>6,716,814</b>	<b>6,714,652</b>	<b>6,458,682</b>	<b>6,645,129</b>	<b>6,898,240</b>

\* Including proceeds from mallee lands payable into the Mallee Land Account.

† Including interest on loans to local bodies for waterworks, &c.

‡ See footnote (§) page 127 ante.

§ Embracing amounts received by departments which are not charged, or are only casually charged, with the collection of revenue, such as proceeds of the labour of prisoners, sums paid for the care of lunatics, and of children in Industrial and Reformatory Schools; for the service of the police when specially applied for; for the sale of works by the Government Printer; for the storage of gunpowder; for quarantine expenses, &c.



222. Comparing the revenue of 1897-8 with that of 1892-3 (five years previously), it will be observed that there was a total net decrease of £61,000, resulting from a falling-off of £514,000 under fourteen heads, less an increase of £453,000 under eleven, whilst the revenue from one source (Mint subsidy returned) was practically stationary. By far the most serious contraction was under Railways, where there was a falling-off of £310,000. The next most prominent decrease was in the land revenue, which fell off by £86,000, especially under the head of Land sales. There was also a falling-off of £46,000 under interest on the Public Account, and £32,000 under fees; whilst postal receipts, &c., which, besides receipts from postage, include commission on money orders, proceeds of parcels post, &c., show a decrease of £14,000, and telegraph receipts one of £4,000. On the other hand, by far the largest increase, viz., £388,000, occurred under the general head of Taxation, in consequence of the revenue from Customs having risen by £93,000, from Excise by £50,000, from duties on estates of deceased persons by £55,000, supplemented by £186,000 from income tax—an impost which did not exist in 1892-3, but was levied for the first time in 1894-5. There was also an increase of £19,000 under Country Water Supply, which, however, is mainly accounted for by the larger amount of interest payable by corporations on their increased borrowings for the extension of waterworks; also a substantial increase of £10,000 under Mint charges; and one of £25,000 under Miscellaneous receipts.

Revenue  
1892-3 and  
1897-8  
compared.

223. In reference to the postal revenue, it should be pointed out that this has been estimated in the office of the Government Statist, and may be regarded as a fair approximation to the truth; although it is to be regretted that little or no assistance in framing the estimate has been derived from the records of the Post-office itself.\* The total stamp revenue in 1897-8 was £677,252, † but after deducting the amounts received on account of telegrams, and for duties and fees collected in the Registrar-General and Titles offices, which are known, there remains a balance of £506,216 for postage, and other stamp duties and fees, as compared with £517,966 in 1892-3. Thus the stamp revenue, exclusive of the items referred to, showed a decrease of about £11,500 as compared with that received five years previously. In 1897-8, as compared with 1892-3 a decrease of about £14,000 is estimated to have taken place under the head of postage, and of £32,000 under fees, but on the other hand the revenue from Stamp duty is estimated to have increased by about £2,000. The importance of distinguishing stamp duty (taxation) from postal revenue and fees has often been referred to in previous issues of this work.

Postal and  
stamp  
revenue  
estimated.

224. The heads of revenue arranged in the preceding table are necessarily comprehensive; but, in order to give some idea of the subordinate items embraced therein, the details for the six years under

Heads of  
revenue  
detailed.

\* Since this was written, the Report for the Post Office Department for 1898 has appeared, which contains such an estimate for the first time.

† Including collections in cash £50,020, which at one time were collected by stamps.

some of the more important heads, except taxation, which will be dealt with later on, are summarized below :—

HEADS OF REVENUE DETAILED, 1892-3 TO 1897-8.

Heads of Revenue.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>LAND SALES.</b>						
	£	£	£	£	£	£
By Auction—Principal ...	53,828	37,204	27,103	18,778	15,034	16,476
"    Interest on De- ferred Pay- ments	3,513	3,101	2,177	1,475	1,143	1,069
Under Deferred Payments—						
Progress Payments	259,154	287,854	278,494	233,284	} 287,205	265,223
Final Payments	43,119	50,421	44,280	39,059		
Private Contract, &c. ...	5,071	3,931	5,682	2,604	2,703	1,811
In Mallee District (including Deferred Payments) *	...	...	...	...	923	585
<b>Total</b> ...	<b>364,685</b>	<b>382,511</b>	<b>357,736</b>	<b>295,200</b>	<b>307,008</b>	<b>285,164</b>
<b>RENTS OF CROWN LANDS.</b>						
Pastoral Occupation—						
Rents, pastoral and grazing lands	29,568	32,151	27,059	26,894	32,089	29,243
Grazing licences ...	20,033	17,827	17,874	17,263	17,510	19,266
Mallee pastoral leases, &c.	13,062	12,293	13,885	16,773	} 13,989* } -7†	} 10,192* }
Auriferous and Mineral Lands (including Miners' Rights)	19,347	23,857	23,721	24,854		
Licences and Leases (not agricultural)	35,051	30,690	32,607	28,561	30,564	29,162
Business Licences on gold- fields	143	115	111	155	147	120
Land occupied by Water Supply Department	577	701	462	443	579	522
<b>Total</b> ...	<b>117,781</b>	<b>117,634</b>	<b>115,719</b>	<b>114,943</b>	<b>121,154</b>	<b>110,909</b>
<b>WATER SUPPLY, ETC.</b>						
Melbourne (Yan Yean) ...	1,269‡	...	...	...	...	...
Geelong ...	10,946	10,667	10,226	10,677	10,136	10,419
Gold-fields (Coliban Scheme)	22,356	23,112	23,324	24,450	25,145	25,501
Interest on Loans—						
Municipalities ...	10,971	17,526	16,316	17,972	17,933	18,931
Melbourne and Metropoli- tan Board of Works	97,682	95,328	93,699	93,744	93,732	93,816
Water Trusts ...	20,883	26,658	24,232	26,770	28,278	27,797
Irrigation Trusts ...	5,820	5,497	5,065	9,215	6,403	6,958
Rents of Reservoirs ...	16	8	2	30	3	5
Cost of Special Audit—Co- huna Irrigation Trust	...	...	50	...	...	...
<b>Total</b> ...	<b>169,943</b>	<b>178,796</b>	<b>172,914</b>	<b>182,858</b>	<b>181,630</b>	<b>183,427</b>

\* Payable into the Mallee Land Account

† Amount by which refunds exceeded revenue

‡ Revenue transferred to Melbourne and Metropolitan Board of Works. Amount paid in final adjustment of accounts with the recently constituted Melbourne and Metropolitan Board of Works.

HEADS OF REVENUE DETAILED—*continued.*

Heads of Revenue.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>OTHER PUBLIC WORKS.</b>						
Alfred Graving Dock and Patent Slip	1,131	1,630	2,457	1,781	2,555	919
Fifty-ton Crane and Ferry Fares (from Harbor Trust)	646	533	274	287	348	464
Interest on Loans to Municipalities—						
Bridges ... ..	1,546	1,519	1,374	1,423	1,508	1,469
Tramways ... ..	2,713	1,294	400	1,500	250	800
Vermin-proof fencing ... ..	...	...	...	...	925	1,024
Yarra improvement ... ..	...	...	...	...	...	160
<b>Total ... ..</b>	<b>6,036</b>	<b>4,976</b>	<b>4,505</b>	<b>4,991</b>	<b>5,586</b>	<b>4,836</b>
<b>POST AND TELEGRAPHS.</b>						
Postal receipts, &c. :—						
Postage on letters, &c. (estimated)	364,694	366,010	347,109	340,546	345,589	344,845
Ditto Parcels ... ..	10,488	10,271	10,937	11,680	9,164	13,844
Private Boxes, Transit Rates, &c.	10,564	10,289	7,857	10,331	9,657	9,682
Commission on Money Orders and Postal Notes	15,882	16,700	16,880	17,581	19,431	19,715
Electric Telegraphs ... ..	104,460	96,595	90,463	99,022	101,605	98,863
Telephone Exchanges						
Private Telephone Wires, &c.	40,308	36,837	36,020	37,402	37,295	39,452
Expenses reimbursed ... ..	8	29	455	4	...	...
<b>Total ... ..</b>	<b>546,404</b>	<b>536,731</b>	<b>509,721</b>	<b>516,566</b>	<b>522,741</b>	<b>526,401</b>
<b>FINES, FEES, ETC.</b>						
Fees under Stamps Act—						
Registrar-General * ... ..	8,692	7,051	5,884	6,212	6,136	6,773
Births, Deaths, and Marriages †	1,928	1,737	1,149	1,257	1,250	1,642
Friendly Society Valuations, &c.	39	123	85	107	482	175
Titles Office * ... ..	33,460	29,276	24,534	24,899	24,709	24,918
Other (estimated) ... ..	20,397	16,975	15,235	14,634	14,423	13,792
Fees—						
Preparation and Registration of Grants and Leases, and Survey of Lands	22,310	22,726	14,755	13,073	13,119	14,028
Customs and Harbor Departments	8,393	7,348	6,773	6,498	6,234	5,707
Law Courts ... ..	4,094	3,088	1,938	879	524	536
Crown Solicitor ... ..	854	360	777	486	972	270
Curator of Estates of Deceased Persons	1,540	1,508	1,318	929	1,141	1,350
Mines Department ... ..	916	1,151	1,230	1,507	1,949	1,997
Transfers of Victuallers' Licences	2,358	2,612	2,258	2,332	2,164	2,116
Factories and Shops ... ..	2,157	1,429	1,474	1,547	2,786	2,556
Patents ... ..	3,202	2,751	2,954	3,067	3,450	3,397
Trade Marks ... ..	542	499	525	616	659	695
Other ... ..	872	618	459	498	1,303	896

\* Collected in cash.

† Collected in cash prior to, and in stamps on and after, 21st May, 1893.

HEADS OF REVENUE DETAILED—*continued.*

Heads of Revenue.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>FINES, FEES, ETC.—<i>continued.</i></b>						
<b>Fines, &amp;c.—</b>						
Law Courts ... ..	6,384	5,382	4,621	6,392	5,719	5,556
Customs ... ..	335	195	4,135	1,962	290	851
Under Public Service Act, &c.	592	410	404	245	267	311
Other * ... ..	1,210	821	729	982	738	968
<b>Total ... ..</b>	<b>120,275</b>	<b>106,060</b>	<b>91,237</b>	<b>88,122</b>	<b>88,315</b>	<b>88,534</b>
<b>REIMBURSEMENTS IN AID.</b>						
Towards Maintenance of In- dustrial School Children, Prisoners, Lunatics, and Inebriates	22,091	18,458	18,060	19,004	18,926	20,014
Receipts for Miscellaneous Ser- vices †	12,473	18,589	9,637	6,977	8,409	8,290
Sale of Books and Documents (Government Printer)	27,978	21,332	18,042	21,279	20,366	21,022
Aboriginal Stations—Sale of Produce	467	395	561	407	446	207
Defence Department—Sale of Rifles, &c.	1,707	2,413	974	1,147	1,502	1,209
Mines and Water Supply— Refund of part cost of Boring, Hire of Boiler, Sale of Water, &c.	...	...	556	439	360	1,395
Amount received from Ex- porters for Packing Produce for Export	...	...	644	6,832	12,876	9,232
<b>Total ... ..</b>	<b>64,716</b>	<b>61,187</b>	<b>48,474</b>	<b>56,085</b>	<b>62,885</b>	<b>61,369</b>
<b>MISCELLANEOUS RECEIPTS.</b>						
Sale of Government Property...	3,159	3,171	4,567	12,493	6,505	5,394
Transfers from Trust Funds—						
Intestate Estates Fund ...	9,518	4,073	8,251	4,380	4,933	6,659
Pension Fund (Schedule D) Constitution Act	4,000	4,000	4,000	4,000	4,000	4,000
Other Funds ... ..	4,543	2,498	3,136	3,008	3,211	2,753
Estates of Illegitimate Persons	52	21	34	53	15	70

\* Including mining leases, &c., £437 in 1892-3, £530 in 1893-4, £562 in 1894-5, £570 in 1895-6, £533 in 1896-7, and £712 in 1897-8; also confiscated money and property, £692 in 1892-3, £216 in 1893-4, £93 in 1894-5, £350 in 1895-6, £141 in 1896-7, and £131 in 1897-8.

Consisting of the following items:—

	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
Storage of Gunpowder .. ..	4,309	2,832	2,083	1,944	2,295	2,420
Police Protection .. ..	4,979	3,682	2,859	2,190	2,123	2,248
Percentage on Payment of Imperial Pensions ..	917	876	992	968	924	908
Harbor Trust, for Collection of Wharfage ..	1,000	1,050	800	800	800	800
Railway Department, for Firewood cut by Un- employed	..	8,981	1,091	232	238	..
Services of Dock Staff .. ..	441	369	503	288	240	522
Customs Department's Services .. ..	52	31	98	159	606	168
Australian Governments, for Maintenance of Light- houses	690	700	1,169	393	1,163	782
Other Items .. ..	85	68	42	3	20	442

HEADS OF REVENUE DETAILED—*continued.*

Heads of Revenue.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
MISCELLANEOUS RECEIPTS— <i>continued.</i>	£	£	£	£	£	£
Repayments to the Credit of Appropriations*	3,554	3,140	2,386	1,884	1,548	526
Customs Overtime Receipts ...	2,735	2,618	3,002	3,040	3,236	3,347
Education Department—Sale of Books, &c.	714	1,208	1,479	2,606	4,188	5,828
Police Department—Hospital Stoppages	550	621	516	461	591	535
Marine Board Act ...	2,033	1,955	1,951	2,030	1,969	1,912
Receipts under Public Service Regulations	418	619	685	908	630	590
Purchase of Discharges from Artillery Corps and Refund of Deferred Pay of Deserters	517	109	87	21	94	37
Valuation of Improvements on Resumed Mallee Blocks	784	170	278	416	153	118
Ditto, Interest on ...	...	...	...	...	74	6
Mallee Fencing Rate ...	...	...	...	...	670	737
Land Sales—Auctioneer's Bonus	26	37	11	11	15	7
Loans or advances repaid—Municipalities—						
Vermin Fencing ...	7,684	13,751	11,888	16,672	16,564	15,901
Yarra Improvement Act...	...	...	...	...	...	140
Queen-street Bridge ...	941	928	351	337	324	310
Port Melbourne Lagoon†	743	5,495	495	577	577	578
Seed Advances Act† ...	...	...	...	7	1,791	1,399
Settlement on Lands Act ...	...	...	...	...	131	695
Mining Companies—For Prospecting	125	3,549	1,009	3,283	2,798	682
Mining Development Act ...	...	...	...	...	...	151
Coburg Cemetery Trustees...	...	...	50	50	...	50
Interest—Beet Sugar Works	...	...	...	...	...	370
Rebate on Freights received by Agent-General	...	989	...	93	51	...
Exchange on dishonoured Federal Bank Drafts	...	196	...	...	...	...
Premium on Treasury Bonds ...	...	...	2,500	...	...	...
Ditto, Government Stock ...	...	...	1,598	...	...	6,736
Insurances received ...	...	...	...	...	757	...
Balance of Compensation Refunded	...	...	398	296	465	1
River Water supplied to Hydraulic Power Company	...	...	...	...	2,707	791
Judgment received towards Cost of Removing a Wreck	...	...	...	...	3,036	...

\* Including for 1892-3, on account of public service, £480; lands, £404; rabbit-proof fencing, £182; gold prospecting votes, £553; endowments to municipalities, £700; foreign mails, £686. For 1893-4, on account of defence works and buildings, &c., £1,605; sundry public works, £551; gold prospecting, £344; posts and telegraphs, £147. For 1894-5, on account of Customs Departments, £672; defence works, £322; gold prospecting, £300; Lands Department, £288; sundry public works, £248. For 1895-6, on account of public works, £590, public instruction, £454; Chief Secretary's Department (grants, &c.) £219; and Defence Department, £117. For 1896-7, agricultural grants, £242; Defence Department, £218; gratuities to masters of vessels, £333; and Customs Department, £108.

† Including interest.





AMOUNTS OVERDUE TO REVENUE, ETC.—*continued.*

Overdue in respect to—	Balance Outstanding.
	£
Interest on Advances to Municipal Councils—Port Melbourne Lagoon Works ... ..	495
Loans to Wineries under Treasury Bonds (Act No. 1451) ...	4,829
Beet Sugar Company—Interest on Loan (Act 1440) ...	711
Tucker Village Settlement—Loan repayable when title granted to selectors ... ..	2,000
All other ... ..	1,361
Total ... ..	404,633

226. In the following table the heads of revenue and the amounts received under each head are given for the last twelve financial years; also the amounts received under the most important heads for the last twenty-four years :—

Heads of revenue, 1886-7 to 1897-8.

## HEADS OF REVENUE, 1886-7 TO 1897-8.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
<b>TAXATION.</b>		£	<b>TAXATION—<i>contd.</i></b>		£
Customs Duties (including wharfage rates)	1886-7	2,132,361	Ports and Harbors (chiefly tonnage dues)	1886-7	34,920
	1887-8	2,353,050		1887-8	34,327
	1888-9	2,879,830		1888-9	45,884
	1889-90	2,658,010*		1889-90	29,789
	1890-91	2,525,572		1890-91	20,669
	1891-2	2,388,961		1891-2	18,880
	1892-3	1,739,285*		1892-3	15,507
	1893-4	1,716,703		1893-4	15,993
	1894-5	1,809,140		1894-5	17,123
	1895-6	1,733,672*		1895-6	17,414
1896-7	1,759,380	1896-7	19,603		
1897-8	1,840,404	1897-8	19,221		
Excise ... ..	1886-7	120,701	Licences (business)	1886-7	18,898
	1887-8	128,369		1887-8	21,002
	1888-9	146,555		1888-9	23,904
	1889-90	137,332		1889-90	21,756
	1890-91	129,990		1890-91	22,152
	1891-2	143,575		1891-2	20,755
	1892-3	251,254†		1892-3	19,869
	1893-4	308,927		1893-4	18,022
	1894-5	308,975		1894-5	17,328
	1895-6	297,030		1895-6	17,378
1896-7	294,746	1896-7	17,099		
1897-8	301,318	1897-8	17,594		

\* Rates of duties altered in 1889-90, increased in 1892-3, and reduced in 1895-6. Primage duty imposed on 1st January 1894; remitted on 31st December, 1895.

† Duty on spirits increased on 27th October, 1892. Beer duty re-imposed on 1st September, 1892.

## HEADS OF REVENUE, 1886-7 TO 1897-8—continued.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
		£			£
<b>TAXATION—contd.</b>			<b>TAXATION—contd.</b>		
	1886-7	114,909	Income Tax ...	1894-5	140,796
	1887-8	151,861		1895-6	168,088
	1888-9	236,449		1896-7	179,301
	1889-90	400,150		1897-8	186,225
	1890-91	184,886			
Duties on Estates of Deceased Persons	1891-2	247,534			
	1892-3	183,928*			
	1893-4	144,771			
	1894-5	139,084			
	1895-6	148,432			
	1896-7	86,906			
	1897-8	238,780			
	1886-7	28,104			
	1887-8	27,879			
	1888-9	34,023			
Duties on Bank notes	1889-90	32,173			
	1890-91	30,736			
	1891-2	27,954			
	1892-3	23,720			
	1893-4	24,694			
	1894-5	20,774			
	1895-6	19,317			
	1896-7	19,128			
	1897-8	18,844			
	1886-7	165,000			
Stamp Duties†...	1887-8	230,000			
	1888-9	260,000			
	1889-90	230,000			
	1890-91	218,000			
	1891-2	175,000			
	1892-3	170,000			
	1893-4	145,000			
	1894-5	139,000			
	1895-6	162,500			
	1896-7	153,500			
1897-8	172,400				
Land Tax ‡ ...	1886-7	124,742			
	1887-8	124,515			
	1888-9	123,025			
	1889-90	121,604			
	1890-91	120,633			
	1891-2	126,651			
	1892-3	119,216			
	1893-4	123,457			
	1894-5	120,093			
	1895-6	127,178			
1896-7	115,524				
1897-8	115,451				
			<b>LAND REVENUE.</b>		
			Land Sales (including rents counting towards purchase money)	1886-7	504,734
				1887-8	549,149
				1888-9	494,733
				1889-90	442,583
				1890-91	476,542
				1891-2	392,544
				1892-3	364,685
				1893-4	382,511
				1894-5	357,736
				1895-6	295,200
			1896-7	307,008	
			1897-8	285,164	
			Rents of Crown Lands (not counting towards purchase money)	1886-7	81,562
				1887-8	106,817
				1888-9	119,778
				1889-90	136,358
				1890-91	136,601
				1891-2	127,040
				1892-3	117,781
				1893-4	117,634
				1894-5	115,719
				1895-6	114,943
			1896-7	121,154	
			1897-8	110,909	
			Penalties under Land Acts	1886-7	795
				1887-8	301
				1888-9	1,517
				1889-90	835
				1890-91	308
				1891-2	...
				1892-3	302
				1893-4	623
				1894-5	125
				1895-6	1,324
			1896-7	301	
			1897-8	223	

\* Duties increased on 3rd October, 1892.

† Since 1st January, 1884, the revenue from stamp duties has been estimated. See footnote (\$) on page 127 *ante*. Further duties imposed on 12th December, 1892. For particulars of the duties levied, see paragraph 325 *post*.

‡ The amount of land tax payable annually varied in the years named from £126,000 to £120,000. The fluctuations in the revenue above and below this limit were due to the irregular payment of the tax. Further particulars are given in paragraph 321 *et seq.*, *post*.

## HEADS OF REVENUE, 1886-7 TO 1897-8—continued.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.		
<b>PUBLIC WORKS.</b>		£	<b>OTHER SOURCES.</b>		£		
Railways	1886-7	2,453,345	Mint Charges ...	1886-7	11,058		
	1887-8	2,741,488		1887-8	10,377		
	1888-9	3,104,907		1888-9	10,051		
	1889-90	3,134,066		1889-90	11,317		
	1890-91	3,306,580		1890-91	10,655		
	1891-2	3,098,251		1891-2	11,755		
	1892-3	2,912,788		1892-3	13,305		
	1893-4	2,709,575		1893-4	13,746		
	1894-5	2,583,442		1894-5	15,881		
	1895-6	2,394,475		1895-6	18,149		
	1896-7	2,597,255		1896-7	19,413		
	1897-8	2,602,547		1897-8	23,333		
	Water Supply *	1886-7		215,401	Mint Subsidy returned	1886-7	1,986
		1887-8		235,743		1887-8	3,874
1888-9		245,734	1888-9	3,642			
1889-90		260,227	1889-90	4,478			
1890-91		281,081	1890-91	4,760			
1891-2		141,701	1891-2	10,498			
1892-3		169,943	1892-3	5,136			
1893-4		178,796	1893-4	...			
1894-5		172,914	1894-5	10,028			
1895-6		182,858	1895-6	3,045			
1896-7		181,630	1896-7	3,665			
1897-8		183,427	1897-8	5,004			
Other Public Works		1886-7	5,062	Fees, Fines, &c.† (exclusive of Land Act penalties)		1886-7	131,095
		1887-8	4,764			1887-8	164,721
	1888-9	5,805	1888-9		174,998		
	1889-90	4,848	1889-90		162,807		
	1890-91	6,701	1890-91		162,452		
	1891-2	8,614	1891-2		137,148		
	1892-3	6,036	1892-3		120,275		
	1893-4	4,976	1893-4		106,060		
	1894-5	4,505	1894-5		91,237		
	1895-6	4,991	1895-6		88,122		
	1896-7	5,586	1896-7		88,315		
	1897-8	4,836	1897-8		88,534		
	POST AND TELE- GRAPHS.	1886-7	413,535		Interest on Public Account, &c.	1886-7	93,216
		1887-8	485,533			1887-8	136,811
1888-9		552,877	1888-9	107,888			
1889-90		526,400‡	1889-90	66,700			
1890-91		499,327	1890-91	56,492			
1891-2		502,806	1891-2	33,243			
1892-3		546,404‡	1892-3	70,746			
1893-4		536,731	1893-4	56,043			
1894-5		509,721	1894-5	41,399			
1895-6		516,566	1895-6	32,228			
1896-7	522,741	1896-7	25,350				
1897-8	526,401	1897-8	25,089				

\* Including interest on loans to local bodies.

† Partly estimated (since 1882-3). See also footnote (§) on page 127 ante.

‡ Inland postal rate reduced from 2d. to 1d. on the 1st January, 1890, but raised again to 2d. on 12th September, 1892.

## HEADS OF REVENUE, 1886-7 TO 1897-8—continued.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
		£			£
OTHER SOURCES— <i>continued.</i>	1886-7	5,049	OTHER SOURCES— <i>continued.</i>	1892-3	64,716
	1887-8	2,908		1893-4	61,187
	1888-9	3,224	Reimbursements in aid— <i>contd.</i>	1894-5	48,474
	1889-90	4,019		1895-6	56,085
	1890-91	2,427		1896-7	62,885
Rents (other than Land)	1891-2	1,893		1897-8	61,369
	1892-3	1,996		1886-7	23,320
	1893-4	2,063		1887-8	25,068
	1894-5	2,214		1888-9	34,036
	1895-6	2,771		1889-90	58,487
	1896-7	2,860		1890-91	70,502
	1897-8	3,521	Miscellaneous Receipts *	1891-2	42,356
Reimbursements in aid	1886-7	54,033		1892-3	42,337
	1887-8	69,041		1893-4	49,302
	1888-9	67,130		1894-5	48,944
	1889-90	75,220		1895-6	56,916
	1890-91	76,522		1896-7	61,779
	1891-2	72,413		1897-8	67,646

## SUMMARY OF REVENUE, 1874-5 TO 1897-8.

Year.	Revenue derived from—							Total.
	Taxation.		Land.	Railways.	Water Supply.	Posts and Telegraphs.	Other Sources.	
	Customs and Excise.†	Other.						
£	£	£	£	£	£	£	£	
1874-5	1,660,710	64,112	946,753	921,714	96,707	198,326	348,101	4,236,423
1875-6	1,691,225	89,167	1,020,012	983,033	102,438	209,213	230,068	4,325,156
1876-7	1,666,600	104,085	1,046,415	1,078,082	115,869	226,597	486,229	4,723,877
1877-8	1,523,757‡	189,196	957,715	1,202,280	112,183	239,002	280,280	4,504,413
1878-9	1,414,472	315,616	969,235	1,222,241	120,346	244,761	334,849	4,621,520
1879-80	1,419,012	271,911	844,064	1,468,909	121,103	249,414	246,869	4,621,282
1880-81	1,611,439	392,265	836,470	1,578,432	139,411	272,316	355,678	5,186,011
1881-2	1,911,199	406,507	826,139	1,715,260	138,274	297,701	297,282	5,592,362
1882-3	1,903,715	430,540	679,933	1,838,284	152,328	324,967	281,486	5,611,253
1883-4	1,892,762	425,758	719,309	2,079,249	165,033	349,278	303,298	5,934,687
1884-5	2,060,764	487,407	666,557	2,200,067	165,968	380,556	329,042	6,290,361
1885-6	2,142,169	492,391	563,608	2,306,791	190,815	394,184	391,063	6,481,021
1886-7	2,253,062	486,573	587,091	2,453,345	215,401	413,535	324,819	6,733,826

\* Including unexpended balances from Centennial Exhibition repaid, £12,000, and repayments to credit of appropriations, £20,620, in 1889-90; repayments to credit of appropriations, £20,784 in 1890-91, and repayment of loans to municipal councils for rabbit-proof fencing, £13,901 in 1890-91, £11,857 in 1891-2, £7,684 in 1892-3, £13,751 in 1893-4, £11,888 in 1894-5, £16,672 in 1895-6, £16,564 in 1896-7, and £15,901 in 1897-8.

† Including wharfage rates.

‡ Port of Melbourne transferred to a Trust, with annu revenue of about £85,000 from wharfage rates.



SUMMARY OF REVENUE—*continued.*

Year.	Revenue derived from—							Total.
	Taxation.		Land.	Railways.	Water Supply.	Post and Telegraphs.	Other Sources.	
	Customs and Excise.*	Other.						
	£	£	£	£	£	£	£	£
1887-8	2,481,419	589,584	656,267	2,741,488	235,743	485,533	417,564	7,607,598.
1888-9	3,026,385	723,285	616,028	3,104,907	245,734	552,877	406,774	8,675,990
1889-90	2,795,342	835,472	579,776	3,134,066	260,227	526,400	387,876	8,519,159
1890-91	2,655,562	597,076	613,451	3,306,580	281,081	499,327	390,511	8,343,588.
1891-2	2,532,536	616,774	519,584	3,098,251	141,701†	502,806	317,920	7,729,572
1892-3	1,990,539	532,240	482,768	2,912,788	169,943	546,404	324,547	6,959,229
1893-4	2,025,630	471,937	500,768	2,709,575	178,796	536,731	293,377	6,716,814.
1894-5	2,118,115	594,198	473,580	2,583,442	172,914	509,721	262,682	6,714,652
1895-6	2,030,702	660,307	411,467	2,394,475	182,858	516,566	262,307	6,458,682.
1896-7	2,054,126	591,061	428,463	2,597,255	181,630	522,741	269,853	6,645,129
1897-8	2,141,722	768,515	396,296	2,602,547	183,427	526,401	279,332	6,898,240

NOTE.—Amounts raised by means of Treasury Bonds are excluded. Prior to 1886-7, recoups from loans, &c., were included (under "Other Sources") as follow:—£66,723 in 1874-5; £210,139 in 1876-7; £19,001 in 1877-8; £101,243 in 1878-9; £20,655 in 1879-80; £70,970 in 1880-81; £2,390 in 1881-2; £9,187 in 1882-3; £109 in 1883-4; and £64,615 in 1885-6. In 1889-90 a special receipt of £140,000, proceeds of the sale of the old Melbourne Police Court, has also been left out of account; it was expended on the improvement of Law Courts, offices, &c.

227. Of the total ordinary expenditure of Victoria in 1897-8, £1,195,000—or 18 per cent.—was disbursed to defray the cost of government, maintenance of law and order, and provision against foreign attack; £572,000—or 8½ per cent.—was contributed towards public instruction and the advancement and dissemination of general knowledge; £279,000—or 4⅙ per cent.—was expended on public charities or devoted to the preservation of the public health; £67,000—or 1 per cent.—was expended on the management and survey of the Crown lands, or about £44,000 less than the gross annual rental therefrom during the same financial year; as much as £4,171,000—or 62 per cent.—was absorbed in carrying on the various commercial undertakings of the Government, viz., £1,560,000 on Railways, £18,000 on Waterworks, and £1,713,000‡ on interest and expenses of loans raised for their construction, and £506,000 on Posts and Telegraphs; £115,000 was paid as interest on amounts borrowed for the construction of other public works, and £24,000 on the unfunded debt (created for revenue purposes); £65,000 was the cost of collecting the revenue from Customs duties and Excise, whilst £27,000 was spent on the maintenance of Ports and Harbors; and £143,000—or 2 per cent.—was granted in aid of the agricultural and mining industries. The

Heads of expenditure, 1892-3 to 1897-8.

\* Including wharfage rates.

† Melbourne Waterworks transferred to a Board of Works, with annual revenue of about £200,000.

‡ The total payment for interest and expenses of the public debt was £1,852,000, but the amount here given is that paid for Railways and Waterworks only.

amounts just enumerated, together with £98,000 expended on Miscellaneous services, form the ordinary expenditure for the year;\* but, besides this, an amount of £229,000—or nearly 3½ per cent. of the total expenditure—was spent on the construction of various public works of a permanent character, the cost of erection and of maintenance of public offices and buildings of all kinds, expenditure on roads and bridges, and municipal subsidies (£100,000); and £10,777 (as against £14,912 in 1896-7)—being proceeds arising from the sale and rental of land in the Mallee District—was set aside (in a separate account called the Mallee Land Account) for the redemption of loans falling due. These amounts might be considered as a set-off against the proceeds of land sales—£285,000—before referred to.† The following is a classification of the expenditure under 11 divisions and 30 subsidiary heads, during each of the last six years:—

HEADS OF EXPENDITURE,‡ 1892-3 TO 1897-8.

Heads of Expenditure.	Amount Expended.					
	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>GENERAL GOVERNMENT.</b>						
Civil List § ... ..	38,674	32,554	31,127	27,761	28,091	27,841
Legislature ... ..	81,850	62,713	65,910	59,479	59,454	67,967
Civil Establishment    ...	125,929	110,502	106,400	110,293	117,129	123,347
Retiring Allowances and Pensions	189,429	234,345	283,441	306,161	302,481	304,965
Gratuities, Compensations, &c.	56,438	65,557	66,066	36,723	30,743	30,932
Total ... ..	492,320	505,671	552,944	540,417	537,898	555,052
<b>LAW, ORDER, AND PROTECTION.</b>						
Judicial and Legal ...	198,935	181,899	168,896	154,155	156,137	154,797
Police ... ..	271,162	254,864	247,344	244,054	249,136	251,351
Gaols and Penal Establishments	59,336	54,472	52,071	49,371	50,099	49,372
Defences — Naval and Military	220,785	207,577	194,020	168,575	181,649	184,316
Total ... ..	750,218	698,812	662,331	616,155	637,021	639,836

\* This is not strictly true, as there are many items included under the various heads which will not recur in subsequent years.

† See paragraph 221 *ante*.

‡ For further details see table following paragraph 231 *post*.

§ Including Governor's salary, and salaries of Ministers, Commissioners of Audit, Agent-General, expenses of Executive Council and Public Service Board.

|| Including cost of the following Departments: Public Service Board (Office). Chief Secretary Premier's Office, Sporthand Writer, Agent-General's Office, Audit Office, Registrar of Friendly Societies, Treasury, Stores and Transport, Government Printer, Inspector of Factories, and Marine Board.

## HEADS OF EXPENDITURE\*—continued.

Heads of Expenditure.	Amount expended.					
	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>EDUCATION, SCIENCE, CHARITY, ETC.</b>	£	£	£	£	£	£
Public Instruction, Science, &c.†	782,676	665,394	604,109	571,036	568,357	572,372
Charitable Institutions, Medical, &c.‡	290,751	263,809	255,417	254,726	263,723	279,263
<b>Total ...</b>	<b>1,073,427</b>	<b>929,203</b>	<b>859,526</b>	<b>825,762</b>	<b>832,080</b>	<b>851,635</b>
<b>CROWN LANDS.</b>						
Administration and Survey	76,505	92,783	67,848	57,906	58,034	67,128
Agriculture, &c. ...	166,807	89,311	102,941	102,235	77,893	89,988
Mining ...	104,498	81,776	85,696	52,620	53,316	53,435
<b>Total ...</b>	<b>347,810</b>	<b>263,870</b>	<b>256,485</b>	<b>212,761</b>	<b>189,243</b>	<b>210,551</b>
<b>PUBLIC WORKS AND SERVICES.</b>						
Railways—Working Ex- penses §	1,769,145	1,539,822	1,428,701	1,418,893	1,476,696	1,559,552
Land Sales by Auction Fund	53,818	37,207	27,103	18,778	15,000	16,509
Water Supply ...	31,709	29,538	27,140	15,857	13,987	18,368
General Public Works	731,987	526,331	249,733	245,045	222,565	212,052
<b>Total ...</b>	<b>2,586,659</b>	<b>2,132,898</b>	<b>1,732,677</b>	<b>1,698,573</b>	<b>1,728,248</b>	<b>1,806,481</b>
<b>POSTS AND TELEGRAPHS ¶</b>	<b>637,616</b>	<b>571,767</b>	<b>553,456</b>	<b>502,662</b>	<b>493,455</b>	<b>506,268</b>
<b>PUBLIC DEBT CHARGES.</b>						
Interest, &c., on debt (proper)—**						
Funded—Railways ...	1,450,758	1,492,780	1,461,534	1,467,172	1,474,843	1,439,710
„ Water Supply	269,524	279,329	270,356	270,251	270,653	273,193
„ Other Works	115,903	118,825	112,223	112,190	114,096	114,790
Unfunded ...	...	29,789	36,083	43,750	32,500	24,363
<b>Total ...</b>	<b>1,836,185</b>	<b>1,920,723</b>	<b>1,880,196</b>	<b>1,893,363</b>	<b>1,892,092</b>	<b>1,852,056</b>
Interest — Savings Banks ††	78,522	115,610	99,296	85,913	87,051	70,034

\* For further details see table following paragraph 231 *post*.

† Including expenditure under the following heads: - Education, Government Statist, Observatory, Government Botanist, Public Library, Museums, and National Gallery, Grants to Mechanics' Institutes, Free Libraries &c., and Grants to Schools of Mines and Design.

‡ Including expenditure under the following heads: Chief Medical Officer, Central Board of Health, Hospitals for Insane, Industrial and Reformatory Schools, and Grants to Charitable Institutions.

§ The figures in this line do not agree with those shown in the Railways Commissioners' Accounts since the former include payments for all stores purchased each year, whether used or not, whilst the latter take account only of the value of Stores taken out of stock. There was no expenditure on construction in any of the years.

|| The cost of erecting and repairing Government Offices, and making and repairing furniture therefor is not charged to the respective departments, but is placed under this head, which also embraces the cost of all public works, except Railways, Waterworks, and Telegraph lines, and works provided for out of loans; it also includes expenditure on Roads and Bridges, and the annual subsidy (£427,500 in 1892-3, £310,000 in 1893-4, and £100,000 in 1894-5 and subsequent years) to Municipalities.

¶ Excluding interest on Post Office Savings Banks deposits shown below.

\*\* Including expenses of paying interest, &c.

†† Consisting of interest on Government Savings Banks Deposits, and on advances from the Commissioners of Savings Banks, both before and after the transfer to them of the Government Savings Banks on 1st October, 1897. This may be practically regarded as interest on floating debt, as the money has been spent by the Government.

## HEADS OF EXPENDITURE\*—continued.

Heads of Expenditure.	Amount expended.					
	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
Redemption Fund— Mallee Land Account†	...	...	...	...	14,912	10,777
<b>TRADE, NAVIGATION, ETC.</b>						
Customs and Excise ...	78,922	73,761	68,335	66,527	66,112	64,777
Harbors and Lights ...	31,126	27,327	29,260	25,909	27,099	27,441
Total ...	110,048	101,088	97,595	92,436	93,211	92,218
<b>OTHER EXPENDITURE.</b>						
Mint Subsidy ‡ ...	20,000	20,000	20,000	20,000	20,000	20,000
Aborigines ...	5,579	5,596	5,516	5,460	5,407	5,452
Miscellaneous Services §	51,373	45,008	40,417	46,680	53,226	72,084
Total ...	76,952	70,604	65,933	72,140	78,633	97,536
Total ordinary Ex- penditure	7,989,757	7,310,246	6,760,439	6,540,182	6,583,844	6,692,444

Chief items  
of expendi-  
ture,  
1892-3 to  
1897-8  
compared.

228. An analysis of this table will show that in 1897-8, as compared with 1892-3, five years previously, a total increase in the ordinary expenditure, amounting to £154,345, took place under four heads, but a decrease of £1,451,658 under the other twenty-three heads except one (which remained stationary), resulting in a net decrease of over £1,297,313 under all heads. The only large increase was £116,000 in Retiring Allowances, Pensions, &c., as against which, however, there was a set-off of nearly £26,000 arising from a reduction in the amount paid as gratuities, &c.; there was also an increase of £16,000 in the interest and expenses of the debt—more than accounted for by the interest on the unfunded debt since raised for revenue purposes; of £21,000 under Miscellaneous Services; and of £11,000, under the recently created “Mallee Land Account,” into which all the proceeds arising from the sale or rental of mallee lands are now payable, which will be available only for the redemption or conversion of public loans. On the other hand, the largest decrease was £520,000, under the head of “Other Public Works,” of which £327,500 was consequent on the reduction of the annual subsidy to Municipalities from £427,500 to £100,000, £161,000 owing to a reduced expenditure on the construction and maintenance of general Public Works and Buildings, £17,000 in reduction of the expenditure of Roads and Bridges, and £14,000 in the

\* For further details see table following paragraph 231 *post*.

† The proceeds arising from the sale and rental of land in the Mallee District is now payable into this account, the amount at the credit of which is to be available only for the redemption or conversion of loans.

‡ Although the annual subsidy to the Mint is £20,000, portion of that sum has been repaid each year to the revenue. See Heads of Revenue *ante* under “Mint Subsidy returned”

§ Including £8,779 in 1896-7 and £17,463 in 1897-8 in connexion with the Federal movement; £5,152 in 1892-3, gradually falling to £372 in 1897-8, for railway passes to the unemployed; and £2,000 loan to a village settlement in 1892-3.

Departmental expenses. Next in order was a decrease of £210,000 under Railways, a similar amount under Public Instruction, and £131,000 under Posts and Telegraphs, due to the exercise of rigid economy and retrenchment in these Departments; £180,000 under the second head being the reduced cost of Primary Instruction (including rents, buildings, &c.). A reduction of £77,000 under Agriculture was chiefly accounted for by £75,000 less being devoted to Bonuses on Agricultural products, and £14,000 less being granted to Agricultural Societies, counterbalanced to some extent by an increased expenditure of £18,000 towards the eradication of Vine Diseases; and one of £51,000 under Mining was more than accounted for by a decrease of £67,000 in the prospecting vote, as against which, however, there was a set-off of £12,000 (practically a bonus), paid as compensation to the Railway Department for reducing the freight on Victorian coal, which was not payable in 1892-3. There was also a falling-off of £44,000 under Judicial and Legal; £36,000 under Defences—the cost of the Naval Forces having been reduced by £17,000, and of the Militia by £16,000; £36,000 in the payment to the Land Sales by Auction Fund, which is dependent, as its name implies, on the amount realized by the sale of land by auction; £26,000 under Gratuities, Compensation, &c.; £25,000 under the heads of Civil List and Legislature; only £3,000 under Civil Establishment, notwithstanding the recent creation of the new Department of Income Tax, at an annual cost of £10,000; £20,000 under the head of Police, and £10,000 under Gaols; £14,000 under Customs, and £4,000 under Ports and Harbors; £13,000 under Water Supply—accounted for by the amalgamation of officers with those of the Mining Department, and the expenditure being transferred to the latter; £11,000 under Charitable Institutions—chiefly due to a smaller grant-in-aid; £9,000 under Lands—Administration and Survey; £8,000 in the interest payable on Savings Banks Deposits—owing to the removal of the Savings Banks Funds from under Government control, interest being now payable by the Government only on such amounts as have been borrowed from the Savings Banks Commissioners for its own requirements, and which may be practically regarded as interest on unfunded debt.

229. It has already been stated that nearly half the total expenditure is in connexion with the working of the Railways, Waterworks, and Post and Telegraphs; but the most important of these is the Railways. As the Treasurer's accounts of these are sometimes complicated by arrears being included (with a view of placing the account on a sound footing for the future), and by a different principle being adopted in charging expenditure,\* a more correct idea of their financial condition will be obtained from the accounts of the Railway Department.† From these it appears that the working expenses gradually decreased from £1,850,291 in 1892-3 to £1,543,000 in 1894-5, but subsequently rose again to £1,646,000 in 1897-8. By the same accounts, the net earnings exceeded a million sterling in each of the last six years except 1895-6, when they fell to £855,000, and 1897-8,

Loss on  
working of  
State  
railways,  
1892-3 to  
1897-8.

\* See footnote (§) on page 141 ante.

† See *Victorian Year-Book* for 1892, Vol. II., pages 453 and 454.



when they amounted to £963,000. The years 1895-6 and 1897-8 were, however, exceptionally unfavorable, and there is every prospect of an improving revenue in the future. Deducting the net earnings from the amount accrued each year for interest and expenses of loans, the actual annual loss to the State in the last six years on account of Railways open for traffic will be found to have varied from a maximum of £529,000 in 1895-6 to a minimum of £282,000 in 1893-4, as will be seen by the following figures :—

**RAILWAYS.—NET EARNINGS AND INTEREST\* PAYABLE, COMPARED.**

—	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
Net earnings ...	1,075,657	1,090,740	1,038,198	854,917	1,052,129	962,842
Interest, &c., accrued on loans expended on lines open for traffic* ...	1,391,758	1,372,378	1,381,282	1,383,810	1,386,312	1,398,205
Net loss ...	316,101	281,638	343,084	528,893	334,183	435,363

NOTE.—In 1898-9, the net earnings amounted to £1,157,288. No account is taken in the table of the value of work performed for other departments of State free of cost, estimated at £20,000 per annum.

Loss on  
working of  
Postal and  
Telegraph  
Depart-  
ment.

230. The next most important commercial undertakings are the Postal and Telegraph services. According to figures already given, the expenditure set down to these services in 1897-8 was £506,268, whilst the actual receipts amounted to £526,401, there thus being an apparent surplus in that year of £20,133, as compared with £29,286 in 1896-7; £13,904 in 1895-6; and with a deficiency of £43,735 in 1894-5; and of £35,036 in 1893-4. In order, however, to ascertain the true deficiency, it would be necessary to allow for the interest on the capital cost of land, buildings, and equipment—estimated in 1896 at £1,601,000; to add to the receipts an allowance for services rendered to the State free of cost, *i.e.*, in transmission of correspondence and telegrams; and to eliminate from the expenditure as far as possible all amounts which do not form part of the working expenses, such as expenditure on capital account (which, however, it is in some cases impossible to separate); whilst, on the other hand, all sums charged to other departments on account of ordinary Postal business should be included. A statement made upon this principle—but exclusive of interest on cost of buildings and equipment—estimated (on a  $3\frac{1}{2}$  per cent. basis) at £56,000 in 1896—shows that whereas there was a deficiency of £64,000 in 1892-3, of £11,000 in 1893-4, and of £18,000 in 1894-5, there has been a surplus in each of the three subsequent years, varying from £38,000 in 1895-6 to £54,500 in

\* In regard to the item Interest, it should be pointed out that, in the general expenditure, the amount shown represents the interest falling due (and of course paid) within the year on all loans, whether the proceeds have been expended or not; whereas, in the above statement, interest on unexpended balances and on loans, the proceeds of which have been devoted to Railways in course of construction, and consequently not in a position to earn revenue, is not included. As the latter is not eliminated, even in the Railway reports, it had to be specially computed. No allowance is here made for interest on capital derived from the general revenue nor on amounts advanced to make good the deficiency, or for the value of Crown lands occupied for railway purposes free of cost. For later figures, see Part "Interchange," *post*.



1896-7, and averaging £46,100 in the three years. As bearing on these figures, however, it should be noted that on the 12th September, 1892, owing to stress of circumstances, the inland rate was raised from 1d. to 2d. This increased rate, together with retrenchment, resulted in a reduction in the deficiency from £157,000 in 1891-2 to £11,000 in 1893-4, the postal receipts having risen by about £67,000, whilst the expenses of administration were reduced by £57,000. Since 1893-4, however, notwithstanding the maintenance of the 2d. inland rate, the revenue has fallen off, and was lower in 1897-8 than in 1893-4 by £15,000; and, although a deficiency of £11,000 was succeeded by a surplus of £46,000, this improvement was entirely due to large reductions—chiefly owing to retrenchment—in the working expenses, more especially in the cost of general administration, which fell off by £57,000, and of the carriage of mails, which fell off by £13,000. These results are shown in the following table:—

NET ANNUAL COST OF POSTAL AND TELEGRAPH DEPARTMENT,  
1892-3 TO 1897-8.

—	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>RECEIPTS.</b>						
Postal Receipts* (estimated)...	£ 401,628	£ 403,270	£ 382,783	£ 380,138	£ 376,722	£ 388,086
Telegraph and Telephone Receipts	144,776	133,461	126,938	136,428	146,019	138,315
<b>Total as per page ...</b>	<b>546,404</b>	<b>536,731</b>	<b>509,721</b>	<b>516,566</b>	<b>522,741</b>	<b>526,401</b>
<b>ADD estimated value of—</b>						
Free Official Correspondence†	25,000	25,000	25,000	25,000	25,000	25,000
Free Official Telegrams ...	4,700	4,150	6,054	4,459	5,545	5,421
<b>Grand Total ...</b>	<b>576,104</b>	<b>565,881</b>	<b>540,775</b>	<b>546,025</b>	<b>553,286</b>	<b>556,822</b>
<b>WORKING EXPENSES.‡</b>						
General Administration ...	426,972	396,581	379,164	341,603	339,561	339,459
Inland and Foreign Mails ...	168,601	149,013	147,500	139,984	133,139	136,013
Telegraph Lines—Construction, Repairs, &c.	5,368	4,082	3,998	2,706	3,464	3,881
Telegraph Cable Subsidies and Guarantees	27,450	18,293	20,298	17,059	16,158	12,206
Telephones—Material, Maintenance, &c.	3,801	2,502	2,448	1,251	1,944	13,765
Miscellaneous ...	234	43	48	59	190	944
<b>ADD—One-half Cost of Stamp Printing §</b>	<b>2,655</b>	<b>2,230</b>	<b>1,849</b>	<b>1,527</b>	<b>1,843</b>	<b>1,556</b>
„ <b>Cost of Printing Books, Forms, &amp;c. §</b>	<b>4,769</b>	<b>4,523</b>	<b>3,668</b>	<b>3,771</b>	<b>3,455</b>	<b>3,205</b>
<b>Total ...</b>	<b>639,850</b>	<b>577,267</b>	<b>558,973</b>	<b>507,960</b>	<b>498,754</b>	<b>511,029</b>
<b>SURPLUS (+), or DEFICIENCY (-)</b>	<b>- 63,746</b>	<b>- 11,386</b>	<b>- 18,198</b>	<b>+ 38,065</b>	<b>+ 54,536</b>	<b>+ 45,793</b>

NOTE - No allowance has been made in this table for interest on capital cost of buildings, apparatus, &c.; estimated, on a 3½ per cent. basis, at about £56,000 per annum in 1896.

\* Including commission on money orders.

† Estimated in 1898 by the Postal department.

‡ Expenditure on capital account has been eliminated in all cases.

§ Charged in the Treasurer's accounts to the Government Printer. See next page.

|| Including cost of steam communication with New Hebrides.

Heads of  
expenditure  
detailed.

231. By means of the following table, which gives the details of the expenditure under the more important heads from 1892-3 to 1897-8, the directions in which an expansion or contraction of expenditure has taken place will be at once recognised:—

HEADS OF EXPENDITURE DETAILED, 1892-3 TO 1897-8.

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>CIVIL LIST.</b>						
	£	£	£	£	£	£
Governor's Salary ...	10,000	10,000	10,000	6,669	7,000	7,000
Salaries of Ministers ...	13,945	12,239	10,548	10,400	10,400	10,400
Executive Council ...	1,401	428	457	586	620	624
Agent-General ...	1,390	694	2,125	2,125	2,071	1,500
Commissioners of Audit	2,775	3,000	} 2,997	2,981	3,000	3,000
Public Service Board ...	4,163	* 1,193				
Do., Reclassification Board	...	...	...	...	...	317
Protectorate of New Guinea—Contribution	5,000	5,000	5,000	5,000	5,000	5,000
Total ...	38,674	32,554	31,127	27,761	28,091	27,841
<b>LEGISLATURE.</b>						
Legislative Council ...	6,665	5,605	5,117	4,903	4,886	4,892
" Assembly ...	11,957	9,869	9,717	9,265	9,311	9,225
Railways Standing Committee	...	...	861	1,178	833	1,458
Parliamentary Library	2,463	2,227	2,243	2,104	2,076	2,052
Do., Refreshment-rooms	1,440	1,443	838	797	781	853
Parliament Gardens ...	653	643	549	440	467	466
Water-power for Parliament House	...	...	259	...	...	...
Parliamentary Debates	2,937	2,004	2,273	2,746	2,748	2,751
Expenses of Members of Legislative Assembly	24,048	22,402	19,386	20,347	20,346	22,443
Electoral Expenses ...	31,611	18,478	24,526	17,351	17,813	23,449
Federal Council—Expenses	76	42	141	348	193	378
Total ...	81,850	62,713	65,910	59,479	59,454	67,967
<b>CIVIL ESTABLISHMENT.</b>						
Chief Secretary's Office	8,500	8,163	10,036	} 10,467	10,524	10,547
Inspector of Stores ...	802	779	807			
Premier's Office ...	4,720	4,485	...	...	...	...
Shorthand Writer ...	1,895	1,961	2,037	2,076	1,957	1,911
Agent-General's Office ...	3,392	3,552	2,661	1,986	1,999	2,119
Audit Office ...	8,394	} 9,840	9,598	9,728	9,717	8,984
Public Service Board—Office	2,261					
Treasury ...	26,583	26,103	25,490	24,617	24,672	24,644
Income Tax Office ...	...	...	604	9,356	9,792	10,130
Government Printer †... †	55,251	45,918	47,797	41,763	47,262	52,455
Do., Stamp Printing ...	5,311	4,461	1,849	3,053	2,466	3,113

\* For three months only; duties transferred to Audit Commissioners.

† Under this head is included cost of printing books, forms, &c., for the Postal Department, viz, £4,769 in 1893, £4,523 in 1894, £3,668 in 1895, £3,771 in 1896, £3,455 in 1897, and £3,205 in 1897-8.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>CIVIL ESTABLISHMENT—<i>continued.</i></b>						
Actuary Friendly Societies*	...	...	...	2,050	2,226	2,292
Registrar Friendly Societies	386	374	372	372	238	27
Inspector Factories and Shops	2,214	1,445	1,563	1,600	2,834	3,737
Marine Board ...	5,440	3,421	3,586	3,225	3,442	3,388
Classifiers State Schools and Teachers, &c.	380	...	...	...	...	...
Pay to Retired Officers in lieu of notice	400	...	...	...	...	...
Total ...	125,929	110,502	106,400	110,293	117,129	123,347
<b>JUDICIAL AND LEGAL.</b>						
Judges in Supreme Court (including Master-in-Equity)	18,890	20,000	19,775	19,775	19,775	19,775
Judges—Other Expenses	4,560	4,233	3,877	3,861	3,915	3,563
Crown Law Officers ...	20,247	17,236	14,948	14,436	15,520	13,369
" Solicitor ...	5,099	4,594	4,860	4,912	5,014	4,813
Prothonotary ...	1,969	1,757	1,836	1,895	1,950	2,001
Master in Equity and Lunacy	4,398	3,815	3,856	4,095	4,050	4,588
Registrar of Titles } Registrar-General }	32,384	29,409	25,709	22,816	23,044	23,417
" " Interest on cost of land, &c., near Titles Office†	3,003	3,003	3,003	3,003	3,003	3,003
Government Statist— Births, Deaths, and Marriages Branch	2,753	3,062	2,750	2,439	2,933	2,996
Ditto Registrars ...	7,318	6,654	6,366	4,714	4,363	4,500
Patents Office ...	2,876	2,381	2,397	2,171	2,281	2,474
Sheriffs ...	23,506	20,693	18,214	12,886	12,720	12,505
County Courts, &c.— Judges' Salaries ...	8,602	7,905	7,741	6,694	6,397	6,296
Other Expenditure ...	15,399	12,663	10,770	10,247	9,931	9,788
Police Magistrates, &c.	17,196	15,918	14,720	13,224	13,418	13,707
Clerks of Courts ...	21,835	20,009	20,125	19,146	19,341	19,154
Coroners ...	6,105	6,183	5,747	5,739	6,428	6,689
Curator of Estates of Deceased Persons	1,701	1,584	1,594	1,394	1,437	1,519
Land Tax Office ...	761	800	608	708	617	640
Miscellaneous ...	333	...	...	...	...	...
Total ...	198,935	181,899	168,896	154,155	156,137	154,797

\* The statistical and actuarial work in connexion with Friendly Societies was performed in the office of the Government Statist, the cost of which was placed under the head of "Public Instruction, Science &c.," *post*, until 1895-6, when it is shown separately.

† The amount required—£75,073—was made available by Act 49 Vict. No. 835 out of the "Assurance Fund" under the Transfer of Land Statute.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>DEFENCES.</b>						
Civil Staff ... ..	7,083	6,881	6,713	6,371	6,247	6,438
Naval Forces ... ..	43,519	40,675	38,741	27,759	27,592	26,391
Military Forces—						
Permanent ... ..	51,111	48,894	46,257	41,780	43,759	44,315
Militia ... ..	45,338	35,011	32,886	27,487	28,966	28,952
Ordnance Branch ...	4,309	4,188	8,161	2,538	8,065	7,457
Auxiliary Forces ...	23,470	17,008	16,317	12,746	14,147	14,963
Encampments ... ..	639	2,008	497	2,563	589	4,933
Miscellaneous ... ..	6,172	5,701	4,947	4,181	7,400	7,234
<b>Total Ordinary</b>	<b>181,641</b>	<b>160,366</b>	<b>154,519</b>	<b>125,425</b>	<b>136,765</b>	<b>140,683</b>
Defence Works—						
Victorian* ... ..	...	7,915	...	4,868	7,107	6,620
Australasian ... ..	1,906	2,826	3,539	3,150	3,385	3,407
Australasian Naval Forces—Contribution	37,238	36,470	35,962	35,132	34,392	33,606
<b>Grand Total ...</b>	<b>220,785</b>	<b>207,577</b>	<b>194,020</b>	<b>168,575</b>	<b>181,649</b>	<b>184,316</b>
<b>PUBLIC INSTRUCTION, SCIENCE, ETC.</b>						
Primary Instruction† ...	681,671	596,699	537,307	508,434	506,678	507,987
School Buildings, Main- tenance, Rent, &c.‡	19,692	8,923	6,856	9,930	10,864	13,099
University—Endowment	14,750	13,750	13,750	12,250	12,250	12,250
" Grant in Aid of Laboratories, &c.	1,000	...	...	...	...	...
College of Pharmacy ...	1,000	1,000	900	600	600	500
Technological Schools ...	13,865	10,943	11,979	14,773	12,000	11,998
Buildings ... ..	3,200	...	...	...	...	...
Melbourne Public Li- brary, Museums, and National Gallery	21,044	15,530	15,805	12,461	12,717	13,211
Mechanics' Institutes, Public Libraries, &c.	12,000	5,000	4,000	2,500	3,500	3,500
Victorian Artists' Society	185	130	125	100	100	100
Art Galleries—Ballarat, Bendigo, Warrnambool	600	600	400	200	200	200
Zoological and Acclima- tisation Society, &c.	3,700	3,700	3,650	3,100	3,100	3,100
Royal Society ... ..	250	250	175	100	100	100
Government Statist—§ Statistical Branch	4,608	4,051	4,648	3,094	3,127	3,385
Government Astronomer	3,657	3,215	3,063	2,160	2,276	2,375
" Botanist ... ..	1,454	1,603	1,451	1,334	845	567
<b>Total ... ..</b>	<b>782,676</b>	<b>665,394</b>	<b>604,109</b>	<b>571,036</b>	<b>568,357</b>	<b>572,372</b>

\* See also Land Sales by Auction Fund, page 172 *post*, out of which £16,861 was expended in Defence Works in 1892-3, £7,570 in 1893-4, £4,781 in 1894-5, and £1,006 in 1895-6.

† Exclusive of Pensions and Gratuities, but inclusive of pay to retiring officers and teachers in lieu of notice, £1,117 in 1892-3, £280 in 1893-4, and £76 in 1894-5.

‡ Exclusive of cost of erection of buildings.

§ Exclusive of cost of census 1891, for which see "Miscellaneous." For Births and Deaths Branch, see under "Judicial and Legal."

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3	1893-4.	1894-5	1895-6.	1896-7.	1897-8.
CHARITABLE INSTITUTIONS, MEDICAL, ETC.	£	£	£	£	£	£
Charitable Institutions	115,623	99,684	99,041	99,299	97,646	102,638
Grant in Aid						
Industrial and Reformatory Schools	38,756	37,790	37,684	38,157	40,242	44,245
Ditto Grant in Aid of Private Institutions	3,713	5,032	5,026	5,407	6,008	6,031
Hospitals for the Insane	112,771	104,827	97,615	97,282	103,814	110,804
Inebriate Asylums ...	421	...	...	...	...	...
Health Department ...	12,777	10,488	10,028	9,548	11,265	11,175
Vaccination allowances	6,000	5,504	5,674	4,738	4,428	4,050
Fencing for Cemeteries	270	214	79	75	100	100
Allowance to Instructor of the Blind, &c.	170	170	170	170	170	170
Victorian Society for Protection of Animals	250	100	100	50	50	50
Total ...	290,751	263,809	255,417	254,726	263,723	279,263
CROWN LANDS.						
General Staff ...	*54,068	49,095	46,233	42,174	43,388	44,734
Surveys by Contract, &c.	4,643	5,942	2,917	1,197	1,216	1,971
" "Grazing Areas"	411	58	54	...	...	...
" under the Settlement on Lands Act	...	3,394	3,004	89	49	41
Parks, Gardens, &c.—						
Botanical Gardens, &c.	7,509	6,298	5,989	5,875	6,210	6,531
Metropolitan ...	4,433	3,871	3,803	3,355	3,425	3,289
In Country — Fencing and Improving	5,441	3,250	2,744	2,750	2,643	2,749
To provide work for Unemployed in State Forests	...	...	1,162	946	972	1,295
Tucker Village Settlement—grant in aid	...	...	1,000	...	...	...
Wattle Plantation within Railway Reserves	...	...	...	800	...	...
Compensation for Improvements on Lands Resumed in the Mallee	...	18,680	232	231	...	6,171
Ditto in other parts of the Colony	...	...	205	72	...	95
Scrub-cutting in Mallee	...	1,906	...	...	...	...
Commission on Transfer of Land	...	...	...	...	...	100
Other Expenditure ...	...	289	505	417	131	152
Total ...	76,505	92,783	67,848	57,906	58,034	67,128
OTHER PUBLIC WORKS.						
Works and Buildings (including Furniture, &c.)—						
Governor's Residences	3,496	1,886	2,477	3,714	2,495	2,009
Parliament Buildings—Repairs and Additions, Lighting, Gardens, &c.	1,680	1,489	1,499	1,600	1,732	1,426

\* Including £268 pay to retiring officers in lieu of notice.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894 5.	1895-6.	1896-7.	1897-8.
<b>OTHER PUBLIC WORKS</b> — <i>continued.</i>	£	£	£	£	£	£
Public Offices, &c.—						
Printing Office ...	33	52	44	9	190	147
Treasury Buildings (country)	157	327	30	27	...	25
Law Offices (new)	13,353	400	2,133	850	...	...
—Completion of Rents and Furniture, &c.	21,982	19,568	17,543	16,031	14,429	15,116
Repairs and Additions	2,015	834	760	751	992	1,351
Fencing Government Buildings, Sites, and Reserves, including Repairs	985	154	103	110	243	275
Telephonic communication for police, &c.	38	450	140	409	112	163
Insurance ...	827	826	860	807	843	795
Court Houses ...	12,577	6,829	1,241	1,066	1,424	1,567
Police Buildings, &c.	9,903	2,077	2,260	2,074	2,654	2,629
Gaols and Penal Establishments	10,772	23,041	2,410	2,228	2,821	2,613
Public Library, National Gallery, and Museums	787	436	380	492	434	1,013
Observatory... ..	57	25	62	1	99	100
Lunatic Asylums ...	8,510	7,661	4,519	5,481	7,433	10,372
Industrial and Reformatory Schools	1,180	691	88	505	228	262
Cemeteries ... ..	120	120	113	111	71	...
Quarantine Station, &c.	1,283	950	233	701	966	268
Lands and Agriculture (including Parks, Gardens, &c.)	4,371	2,081	1,033	1,427	1,497	1,787
Raising Low-lying Lands, Drainage, Spreading Silt, &c.*	75,456	59,716	37,061	32,981	6,968	6,925
Post, Telegraph, Offices—						
General, Melbourne—						
Construction	} 1,190	{ 201	665	1,098	143	...
Maintenance			313	374	285	309
All other†—						
Construction	} 15,505	{ 3,175	101	3,554	767	866
Maintenance			2,114	1,440	2,223	1,997
Customs Buildings ...	984	444	222	573	415	478
Wharves, Jetties, Harbors, Rivers, &c.	45,133	31,023	29,307	24,495	22,799	19,205
Light-houses and Light-ships	978	632	1,334	1,253	929	983
<b>Total Works and Buildings, &amp;c.</b>	<b>233,372</b>	<b>167,763</b>	<b>108,376</b>	<b>104,162</b>	<b>73,192</b>	<b>72,681</b>

\* Including £29,424 in 1892-3, £23,056 in 1893-4, £21,474 in 1894-5, £23,131 in 1895-6, and £2,997 in 1897-8, on the Koo-wee-rup, £8,296 in 1892-3, on the West Melbourne, and £8,993 in 1892-3, £5,492 in 1893-4, £3,053 in 1894-5, £3,648 in 1895-6, and £1,499 in 1897-8, on the Condah Swamps.

† See also under the head of "Public Offices."



HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>OTHER PUBLIC WORKS.</b>						
<i>—continued.</i>						
Subsidy to Municipalities	427,500	310,000	100,000	100,000	100,000	100,000
Roads and Bridges ...	28,498	15,147	11,578	11,870	20,862	11,224
Departmental Expenses	42,617	33,421	29,779	29,013	28,511	28,147
<b>Total ...</b>	<b>731,987</b>	<b>526,331</b>	<b>249,733</b>	<b>245,045</b>	<b>222,565</b>	<b>212,052</b>
<b>POST AND TELEGRAPHS.*</b>						
Administration † ...	426,972	396,581	379,164	341,603	339,561	339,459
Inland Mail Service ‡ ...	126,554	110,254	109,913	101,110	94,877	97,723
Oversea Mails § ...	42,047	38,759	37,587	38,874	37,262	38,290
Maintenance of—						
Telegraph and Telephone Lines		3,610	3,818	2,555		
Telephone Lines to Public Offices	5,818	450	450	450	1,819	2,331
Construction of—						
Telegraph Lines ...	...	472	180	151	1,645	1,550
Telephone Exchanges	3,351	2,052	1,998	801	1,944	13,765
Pneumatic Tubes ...	5,190	1,253	...	...	...	...
Cable Subsidy—Port Darwin to Penang	14,092	11,852	13,304	13,337	13,320	11,842
Guarantee for Reduced Rates to—						
New Zealand ...	...	2,365	2,467	2,000	1,121	364
Europe—Eastern Extension, &c., Co.	8,569	2,084	...	...	...	...
Europe—South Australia	3,072	275	376	...	...	...
Tasmania    ...	1,717	1,717	4,151	1,722	1,717	...
Miscellaneous ¶ ...	234	43	48	59	189	944
<b>Total ...</b>	<b>637,616</b>	<b>571,767</b>	<b>553,456</b>	<b>502,662</b>	<b>493,455</b>	<b>506,268</b>

\* Exclusive of expenditure on construction and maintenance of post and telegraph office buildings (see "General Public Works"), cost of printing stamps, books, forms, &c. (see "Government Printer" under "Civil Establishment"); and also interest on Post Office Savings Banks (formerly included).

† Money Order Offices included; including also payment to letter carriers appointed under the old post office regulations on their promotion to sorters, viz., £28,642 in 1892-3, £28,005 in 1893-4, and £28,320 in 1894-5, for Telephone attendants, and £1,000 in 1892-3, £957 in 1893-4, and £843 in 1894-5; also pay to officers retiring, in lieu of notice, £701 in 1892-3.

‡ Of which £61,908 in 1893-4, £61,830 in 1894-5, £56,612 in 1895-6, £56,383 in 1896-7, and £58,258 in 1897-8 was paid to the Railway Department, and £48,346 in 1893-4, £48,083 in 1894-5, £44,498 in 1895-6, £38,494 in 1896-7, and £39,465 in 1897-8 was for private contractors, clearance of letter pillars, &c.

§ Including sums paid as gratuities to masters of vessels, £3,257 in 1892-3, £3,166 in 1893-4, £2,947 in 1894-5, £3,649 in 1895-6, £4,375 in 1896-7, and £4,807 in 1897-8; and £800 in 1897-8 for steam communication with New Hebrides.

|| Subsidy and guarantee on account of reduction of rates for telegraphic messages to and from Victoria and Tasmania.

¶ Including £57 in 1892-3, £43 in 1893-4, £48 in 1894-5, and £59 in 1895-6, £34 in 1896-7, and £47 in 1897-8, towards expenses of International Bureau, at Berne, £133 in 1892-3 to cover loss of registered mail, and £45 in 1892-3, £42 in 1896-7, and £36 in 1897-8, loss through robbery at a post office; also £111 in 1896-7, loss through embezzlement.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>INTEREST—SAVINGS BANKS.*</b>	£	£	£	£	£	£
On Deposits in Govt. (P.O.) Banks ...	78,522	94,037	84,027	69,986	67,393	2,581
On Advances from Commissioners	} ...	21,573	15,269	15,927	19,658	{ 49,388† 18,065
<b>Total ...</b>	<b>78,522</b>	<b>115,610</b>	<b>99,296</b>	<b>85,913</b>	<b>87,051</b>	<b>70,034</b>
<b>RAILWAYS.</b>						
Commissioners' Salaries	3,808	2,550	...	...	3,491	3,500
Working Expenses ...	1,765,093	1,537,028	1,428,457	1,418,149	1,472,941	1,555,788
Annual Allowance to Injured Persons	244	244	244	244	264	264
Other Expenditure ...	...	...	...	500	...	...
<b>Total ‡ ...</b>	<b>1,769,145</b>	<b>1,539,822</b>	<b>1,428,701</b>	<b>1,418,893</b>	<b>1,476,696</b>	<b>1,559,552</b>
<b>MINING.</b>						
Mining Department ...	25,934	19,288	19,468	27,872	27,701	29,480
Mining Boards ...	3,500	3,500	3,500	3,500	3,500	3,500
Purchase and Working of Diamond Drills to assist Miners in Prospecting Operations, &c.	60,151	} 31,651	26,535	8,159	3,845	999
Prospecting and Boring for Coal	7,500	} 12,087	14,000	...	9,880	11,667
Victorian Coal—Allowance to Railway Department	...	12,087	14,000	...	9,880	11,667
Geological Surveys, &c.	4,433	3,441	3,834	3,780	...	...
Underground Surveys	1,478	1,397	1,398	1,396	5,491	5,443
Cutting Tracks, Opening up Unexplored Areas	339	1,975	7,909	4,560	...	...
To assist Committees and others in fitting up parties of miners, &c.	...	7,398	...	...	...	...
Purchase of Miners' Rights and Railway Passes for Unemployed Miners	...	...	7,258	2,582	2,173	1,249
Competitive Exhibition of Mining Appliances	...	...	720	...	...	...
Inquiry into treatment of Refractory Ores and Manufacture of Briquettes	221	...	...	...	...	...
Experiments <i>re</i> Saving Gold Ores, &c.	...	281	344	...	...	...
Costs opposing Patentees to amend Cyanide Patent	...	...	...	...	...	228
Miscellaneous ...	942	758	730	771	726	869
<b>Total ...</b>	<b>104,498</b>	<b>81,776</b>	<b>85,696</b>	<b>52,620</b>	<b>53,316</b>	<b>53,435</b>

\* The Post Office Savings Banks were amalgamated with the Commissioners' Banks on the 1st October, 1897.

† This amount represents interest paid to the Commissioners on the former Post Office Savings deposits temporarily retained by the Government—for which special terms have been arranged.

‡ The total working expenses for and on account of 1892-3 £1,850,291, for 1893-4 £1,635,419, for 1894-5 £1,543,393, for 1895-6 £1,546,475, for 1896-7 £1,563,805, and for 1897-8 £1,616,051.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>WATER SUPPLY, ETC.</b>						
Country Waterworks—						
Salaries, Stores, and	11,533	10,425	9,794	*	*	*
Incidentals						
Coliban District—Tra-	7,496	7,084	7,091	7,558	6,328	7,778
velling Expenses,						
Contingencies, &c.						
Geelong District, ditto	1,664	1,788	2,818	2,082	1,997	1,934
Gold-fields Reservoirs	124	...	1	...	...	...
Boring for Water ...	832	1,000	395	...	...	...
Repairs of Reservoir,	...	...	...	322	...	...
Talbot						
Cost of making Wells	1,086	...	...	...	...	...
in the Mallee						
Surveys and Reports	5,764	3,499	1,942	1,499	1,316	1,770
<i>re</i> Projects of Water						
Supply and Gauging						
Rivers						
National Works—Ma-	3,210	5,742	5,099	4,396	4,346	4,156
management and Main-						
tenance of						
To reimburse Railway	...	...	...	...	...	2,730
Department for car-						
riage of Water						
<b>Total ...</b>	<b>31,709</b>	<b>29,538</b>	<b>27,140</b>	<b>15,857</b>	<b>13,987</b>	<b>18,368</b>
<b>AGRICULTURE.</b>						
Grants to Agricultural	17,451	12,549	10,450	3,845	3,850	3,848
and Horticultural						
Societies, &c.						
Seed Advances Act ...	...	...	...	6,906	67	2,602
Grant to the Board of	499	497	500	...	...	...
Viticulture						
Railway Passes for	163	222	230	...	...	...
Board of Horticulture						
State Forests and Nur-	7,307	10,090	9,819	10,183	9,934	10,782
series						
Experimental Cultiva-	290	112	158	31	6	88
tion						
To promote the Agricul-	99,506	21,840	24,863	29,405	26,759	24,930
tural, Dairying, Fruit,						
and Wine Industries						
Village Settlements ...	...	11,028	27,983	24,602	6,594	2,519
Labour Colonies ...	...	8,587	3,325	2,498	1,993	2,499
Eradicating Vine Dis-	365	812	6,961	3,369	5,550	18,447
eases						
" Noxious	...	...	...	105	...	156
Weeds and Insects						
Diseases in Stock	6,553	5,056	4,734	4,613	4,883	5,062
Extermination of Rabbits	30,595	12,514	8,909	11,831	13,425	14,303
and Wild Animals						
Rates on Mallee	349	1,107	580	500	490	500
Blocks held by Go-						
vernment						
Expenses opening up	...	930	...	...	...	...
markets for Victorian						
produce in India,						
China, &c.						

\* Included under the head of Mining, *ante.*

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
<b>AGRICULTURE—<i>contd.</i></b>						
Expenses of visit to United States <i>re</i> grain freights, &c.	...	...	278	100	...	...
Expenses <i>re</i> Bordeaux Wine Exhibition	...	...	77	...	...	...
Exhibition of Agricultural Trophies in United Kingdom	96	...	150	...	...	50
Departmental and other Expenditure	3,633	3,967	3,924	4,247	4,342	4,202
<b>Total ...</b>	<b>166,807</b>	<b>89,311</b>	<b>102,941</b>	<b>102,235</b>	<b>77,893</b>	<b>89,988</b>
<b>PUBLIC DEBT.</b>						
Interest paid in—						
London ...	1,741,540	1,759,981	1,716,410	1,713,635	1,709,280	1,709,280
Melbourne ...	64,448	116,325	135,710	149,048	141,972	115,899
<b>Total Interest ...</b>	<b>1,805,988</b>	<b>1,876,306</b>	<b>1,852,120</b>	<b>1,862,683</b>	<b>1,851,252</b>	<b>1,825,179</b>
Expenses of—						
Paying Interest † ...	30,197*	29,622	28,076	30,680	28,480	26,877
Redeeming loans, &c.	...	14,795	...	...	12,360	...
<b>Total ...</b>	<b>1,836,185</b>	<b>1,920,723</b>	<b>1,880,196</b>	<b>1,893,363</b>	<b>1,892,092</b>	<b>1,852,056</b>
<b>CUSTOMS AND EXCISE, ETC.</b>						
Trade and Customs ...	64,988	62,662	59,366	57,145	57,812	57,055
Distilleries and Excise ...	12,736	10,121	8,466	8,864	7,815	7,181
Mercantile Marine ...	1,198	978	503	518	485	541
<b>Total ...</b>	<b>78,922</b>	<b>73,761</b>	<b>68,335</b>	<b>66,527</b>	<b>66,112</b>	<b>64,777</b>
<b>HARBORS AND LIGHTS.</b>						
Victorian Light-houses—						
On Coast ...	...	5,555	6,012	6,020	...	...
In Harbors ...	...	3,635	3,179	2,733	...	...
Gas buoys and beacons	...	500	600	710	...	...
Maintenance of steamer	...	3,789	3,605	3,657	...	...
Contributions paid to Tasmania	...	2,444	2,143	3,018	...	...
<b>Less Contributions received from New South Wales and Tasmania</b>	...	15,923	15,539	16,138	...	...
	...	814	831	815	...	...
<b>Total Light-houses Harbors ‡</b>	...	15,109	14,708	15,323	...	...
<b>Other (including Head Office)</b>	...	3,166	2,587	2,568	...	...
	...	9,052	11,965	8,018	...	...
<b>Total ...</b>	<b>31,126§</b>	<b>27,327</b>	<b>29,260</b>	<b>25,909</b>	<b>27,099§</b>	<b>27,441§</b>

\* Including £7,475 to Banks as equivalent for non-remittance of Interest.

† For details, see table following paragraph 404 *post*.

‡ Including wharf, jetty, and river lights, £1,202 in 1893-4, £1,134 in 1894-5, and £1,153 in 1895-6.

§ No details were furnished by the Department of Trade and Customs.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
MISCELLANEOUS SERVICES.	£	£	£	£	£	£
Expenses of Commissions of Inquiry	497	1,734	2,845	2,938	2,023	972
Poisons and Pharmacy Act—Administration	300	300	300	200	200	200
Advertising ...	6,614	4,898	4,332	4,416	4,978	4,279
Transport, &c. ...	2,314	1,879	2,436	2,332	1,971	2,811
Expenses, Census 1891 ...	805	...	...	...	...	...
Exhibitions ...	100	376	3,499	1,404	257	...
Expenses incurred by the Exhibition Trustees	2,999	999	1,999	1,500	1,249	1,250
Imperial Institute—						
Representation at Victorian Court at Tasmanian Government	1,018	...	...	...	...	...
—For repairs to Lighthouses	1,500	374	302	500	500	250
Powder Magazines* ...	3,169	2,765	2,592	2,050	2,342	2,501
Fisheries ...	679	622	557	153	175	191
Removal of Wrecks ...	3,370	...	...	...	...	...
Refunds, &c.† ...	1,138	8,274	755	5,735	2,859	13,058
Fire Brigades Act‡ ...	13,488	12,839	12,274	11,935	12,522	13,941
Conferences—						
At Ottawa, ...	...	...	1,215	...	...	...
International, Postal	...	...	65	...	...	217
International, Telegraph	...	...	...	...	152	...
International, on Electric Tramways	...	...	55	...	...	...
Maritime, at Hobart	...	...	40	...	...	...
International Tariff Bureau	125	124	125	125	125	125
Railway passes to public men, &c.	...	...	200	427	423	379
Ditto to men on regrading works for purpose of voting	...	...	...	...	...	135
Mission of a Minister of the Crown to England and America	...	600	...	...	...	...
Parliamentary Visits to various districts, &c.	603	263	40	57	318	112
Reception of His Excellency Lord Brassey	...	...	...	569	...	...
Jubilee Celebrations—						
Illuminations ...	...	...	...	...	1,600	450
Visit of Premier to England	...	...	...	...	...	1,180
Allowance for Wages paid to Railway Employés for two Holidays	...	...	...	...	3,116	...

\* Inclusive of amounts spent by the Public Works Department.

† Of which £893 in 1892-3, £7,806 in 1893-4, £269 in 1894-5, £1,020 in 1895-6, £19 in 1896-7, and £9,352 (including £8,828 refund of duty on Machinery for the Maffra Beet Sugar Company) in 1897-8 was on account of Customs duty; and £3,300 in 1895-6, £2,578 in 1896-7, and £978 in 1897-8, was on account of drawback wharfage to Melbourne Harbor Trust Commissioners.

‡ By the *Fire Brigades Act* 1890 one-third the cost of the Fire Brigades Boards thereby constituted is specially appropriated out of the general revenue.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£
MISCELLANEOUS SERVICES— <i>continued.</i>						
Sangster Inquiry Board	...	...	...	500	...	...
Interest under <i>Lands Compensation Act 1890</i>	43	36	71	78	18	...
Discounts in London and premiums on remittances (sundry)	341	724	111	124	107	125
Deficiency on issue of Treasury Bonds	...	...	...	4,228	4,089	2,817
Deficiency in accounts of late public officers	...	304	...	...	...	1,219
Australian Federation—						
Enabling Act	...	...	...	...	750	1,740
Election of Delegates	...	...	...	...	7,542	...
Convention at Adelaide, Sydney, and Melbourne	...	...	...	...	487	9,033
Distributing copies of Commonwealth Bill	...	...	...	...	...	430
Federal Constitution Referendum	...	...	...	...	...	6,660
Bush Fires—						
Expenses, Relief Board	...	...	...	...	...	658
Freight on goods to Settlers	...	...	...	...	...	420
Supply of tents to ditto	...	...	...	...	...	88
Repairing damage to Ferntree Gully	...	...	...	...	...	150
Cyclone at Nhill—Relief	...	...	...	...	...	450
Unemployed—						
Cost of registration	...	...	...	...	...	445
Railway passes for	5,152	2,483	1,895	600	459	641
Tucker Village Settlement (loan)	2,000	...	...	...	...	...
Printing 3,000 copies of the <i>Leader</i> Supplement for distribution abroad	...	...	...	...	...	200
To reimburse Imperial Government <i>re</i> wrecked Missionary Steamer <i>Dayspring</i>	...	...	...	...	...	160
Other Expenditure *	5,118	5,414	4,709	5,860	4,964	4,797
Total ...	51,373	45,008	40,417	46,680	53,226	72,084

Heads of expenditure, 1886-7 to 1897-8.

232. The following are the heads of expenditure during the last twelve financial years, and the amounts expended under each head; the expenditure specially appropriated by Acts of Parliament other than the Appropriation Act, and known as Special Appropriations, being

\* Including balance at credit of Pension Fund, returned to revenue—£4,000 each year—1892-3 to 1897-8.



distinguished from that sanctioned under that Act in accordance with the annual votes of the Legislature :—

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Civil List * ...	1886-7	36,416	...	36,416
	1887-8	35,974	9,387†	45,361
	1888-9	35,780	4,784	40,564
	1889-90	35,915	5,000	40,915
	1890-91	36,577	5,250	41,827
	1891-2	36,723	5,500	42,223
	1892-3	33,674	5,000	38,674
	1893-4	27,554	5,000	32,554
	1894-5	26,127	5,000	31,127
	1895-6	22,761	5,000	27,761
	1896-7	22,111	5,980	28,091
	1897-8	21,340	6,501	27,841
Legislature ...	1886-7	38,206	18,996	57,202
	1887-8	37,700	20,931	58,631
	1888-9	53,207	20,009	73,216
	1889-90	50,573	23,709	74,282
	1890-91	48,358	25,145	73,503
	1891-2	70,383	25,508	95,891
	1892-3	59,927	21,923	81,850
	1893-4	44,907	17,806	62,713
	1894-5	48,320	17,590	65,910
	1895-6	42,287	17,192	59,479
	1896-7	42,473	16,981	59,454
	1897-8	50,603	17,364	67,967
Civil Establishment * ...	1886-7	...	129,001	129,001
	1887-8	...	132,983	132,983
	1888-9	646‡	145,971	146,617
	1889-90	1,206	165,265	166,471
	1890-91	1,214	165,750	166,964
	1891-2	1,232	148,636	149,868
	1892-3	1,243	124,686	125,929
	1893-4	...	110,502	110,502
	1894-5	...	106,400	106,400
	1895-6	...	110,293	110,293
	1896-7	...	117,129	117,129
	1897-8	...	123,347	123,347

\* For particulars of the items included under these heads, see footnotes to table following paragraph 227 ante

† The amounts in this column under the head of "Civil List" represent the contributions towards the expenses of the Protectorate of New Guinea.

‡ In this and subsequent years the figures relate to the Marine Board.

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Retiring Allowances and Pensions *	1886-7	64,844	20,316	85,160
	1887-8	71,583	16,901	88,484
	1888-9	80,101	16,509	96,610
	1889-90	93,005	15,837	108,842
	1890-91	108,569	16,935	125,504
	1891-2	119,687	19,294	138,981
	1892-3	160,024	29,405	189,429
	1893-4	198,480	35,865	234,345
	1894-5	241,877	41,564	283,441
	1895-6	268,725	37,436	306,161
	1896-7	266,440	36,041	302,481
1897-8	265,655	39,310	304,965	
Gratuities, Compensations, &c.	1886-7	18,420	21,817	40,237
	1887-8	23,622	19,707	43,329
	1888-9	21,714	32,202	53,916
	1889-90	21,620	20,081	41,701
	1890-91	27,270	29,427	56,697
	1891-2	30,977	29,747	60,724
	1892-3	17,732	38,706†	56,438
	1893-4	54,738	10,819	65,557
	1894-5	34,205	31,861	66,066
	1895-6	26,237	10,486	36,723
	1896-7	20,281	10,462	30,743
1897-8	17,233	13,699	30,932	
Judicial and Legal ...	1886-7	22,993	170,912	193,905
	1887-8	22,972	188,139	211,111
	1888-9	23,003	194,177	217,180
	1889-90	21,471	222,385	243,856
	1890-91	22,411	215,530	237,941
	1891-2	22,268	195,555	217,823
	1892-3	21,893	177,042	198,935
	1893-4	23,003	158,896	181,899
	1894-5	22,778	146,118	168,896
	1895-6	22,778	131,377	154,155
	1896-7	22,778	133,359	156,137
1897-8	22,778	132,019	154,797	
Police ...	1886-7	...	233,173	233,173
	1887-8	...	240,840	240,840
	1888-9	...	261,329	261,329
	1889-90	...	265,149	265,149
	1890-91	...	284,097	284,097
	1891-2	...	283,409	283,409

\* Including vote of £7,000 annually to 1889-90, £8,396 in 1890-91, £11,395 in 1891-2, £22,100 in 1892-3, £24,000 in 1893-4, £28,500 in 1894-5, £25,000 in 1895-6, £24,000 in 1896-7, and £27,500 in 1897-8 to meet deficiencies in the Police Superannuation Fund.

† Including £9,142 compensation to the late Railways Commissioners, but exclusive of £7,334 paid to officers retiring as compensation in lieu of notice.

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from--		Total.
		Special Appropriations.	Votes.	
		£	£	£
Police—continued	1892-3	...	271,162	271,162
	1893-4	...	254,864	254,864
	1894-5	...	247,344	247,344
	1895-6	...	244,054	244,054
	1896-7	...	249,136	249,136
	1897-8	...	251,351	251,351
Gaols and Penal Establishments	1886-7	...	59,894	59,894
	1887-8	...	65,385	65,385
	1888-9	...	66,163	66,163
	1889-90	...	71,146	71,146
	1890-91	...	71,429	71,429
	1891-2	...	65,679	65,679
	1892-3	...	59,336	59,336
	1893-4	...	54,472	54,472
	1894-5	...	52,071	52,071
	1895-6	...	49,371	49,371
Defences	1896-7	...	50,099	50,099
	1897-8	...	49,372	49,372
	1886-7	110,000	194,764	304,764
	1887-8	110,000	212,119*	322,119
	1888-9	110,000	236,623*	346,623
	1889-90	145,000	205,823	350,823
	1890-91	145,000	149,967*	294,967
	1891-2	147,830†	149,998*	297,828
	1892-3	37,238	183,547	220,785
	1893-4	36,470	171,107	207,577
	1894-5	35,962	158,058	194,020
	1895-6	35,132	133,443	168,575
	1896-7	34,392	147,257	181,649
	1897-8	33,606	150,710	184,316
Public Instruction, Science, &c. ‡	1886-7	9,000	667,569	676,569
	1887-8	9,000	713,102	722,102
	1888-9	9,000	765,449	774,449
	1889-90	9,000	819,074	828,074
	1890-91	9,000	858,641	867,641
	1891-2	9,000	854,070	863,070
	1892-3	9,000	773,676	782,676
	1893-4	9,000	656,394	665,394
	1894-5	9,000	595,109	604,109
	1895-6	9,000	562,036	571,036
1896-7	9,000	559,357	568,357	
1897-8	9,000	563,372	572,372	

\* Including vote to augment special appropriation for Victorian defences, viz., £21,278 in 1887-8, £23,958 in 1888-9, £26,486 in 1890-91, and £34,976 in 1891-2. The amount for 1891-2 also includes £65,469 in lieu of the special appropriation which lapsed by effluxion of time on the 31st December, 1891.

† Including, for first time, £75,356 (two years' annual contributions) for Australasian Naval Forces. Amounts paid since are as follow:—£37,238 in 1892-3, £36,470 in 1893-4, £35,962 in 1894-5, £35,132 in 1895-6, £34,392 in 1896-7, and £33,606 in 1897-8.

‡ For particulars of the items included under these heads, see [footnotes to table following paragraph 227 ante.

HEADS OF EXPENDITURE, 1886-7 TO 1897-8—*continued.*

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
State School Buildings * ...	1888-9	...	8,000	8,000
	1889-90	...	207,595	207,595
	1890-91	...	76,390	76,390
	1891-2	...	5,904	5,904
Charitable Institutions, Medical, &c. †	1886-7	...	268,864	268,864
	1887-8	...	278,879	278,879
	1888-9	...	283,986	283,986
	1889-90	8,190†	307,950	316,140
	1890-91	...	303,134	303,134
	1891-2	...	300,450	300,450
	1892-3	...	290,751	290,751
	1893-4	...	263,809	263,809
	1894-5	...	255,417	255,417
	1895-6	...	254,726	254,726
Crown Lands ...	1886-7	...	111,969	111,969
	1887-8	...	106,408	106,408
	1888-9	...	100,573	100,573
	1889-90	...	97,249	97,249
	1890-91	...	99,695	99,695
	1891-2	...	98,031	98,031
	1892-3	...	76,505	76,505
	1893-4	...	92,783	92,783
	1894-5	...	67,848	67,848
	1895-6	...	57,906	57,906
Agriculture, &c. ...	1886-7	704	70,848	71,552
	1887-8	327	69,620	69,947
	1888-9	175	73,054	73,229
	1889-90	228	98,217	98,445
	1890-91	34,446§	96,502	130,948
	1891-2	44,849	97,262	142,111
	1892-3	60,602	106,205	166,807
	1893-4	17,962	71,349	89,311
	1894-5	16,563	86,378	102,941
	1895-6	22,315	79,920	102,235
1896-7	11,317	66,576	77,893	
1897-8	8,637	81,351	89,988	

\* The amount expended on school buildings in other years than those named was entirely paid out of loans.—See table following paragraph 243 *post.* The cost of erection of a Training College for Teachers is included, viz., £8,000 in 1888-9, £6,455 in 1889-90, £12,883 in 1890-91, and £5,904 in 1891-2.

† Retreat for Inebriates.

‡ For particulars of the items included under these heads, see footnotes to table following paragraph 227 *ante.*

§ Including in this and subsequent years grants to promote the Agricultural, Dairying, and Fruit Industries, but further amounts have also been expended from votes.—See table following paragraph 241 *post.*

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Mining ... ..	1886-7	3,500	100,154	103,654
	1887-8	3,500	114,337	117,837
	1888-9	3,500	115,639	119,139
	1889-90	3,500	133,791	137,291
	1890-91	3,500	117,810	121,310
	1891-2	3,500	122,880	126,380
	1892-3	3,500	100,998	104,498
	1893-4	3,500	78,276	81,776
	1894-5	3,500	82,196	85,696
	1895-6	3,500	49,120	52,620
	1896-7	3,500	49,816	53,316
	1897-8	3,500	49,935	53,435
	Railways* ... ..	1886-7	72,650	1,358,466
1887-8		119,946	1,572,930	1,692,876
1888-9		126,873	1,797,124	1,923,997
1889-90		94,588	2,505,106	2,599,694
1890-91		105,637	2,464,373	2,570,010
1891-2		6,000	2,112,377	2,118,377
1892-3		3,808	1,765,337	1,769,145
1893-4		2,550	1,537,272	1,539,822
1894-5		...	1,428,701	1,428,701
1895-6		...	1,418,893	1,418,893
1896-7		3,491	1,473,205	1,476,696
1897-8		3,500	1,556,052	1,559,552
Land Sales by Auction Fund* ...		1891-2	73,599	...
	1892-3	53,818	...	53,818
	1893-4	37,207	...	37,207
	1894-5	27,103	...	27,103
	1895-6	18,778	...	18,778
	1896-7	15,000	...	15,000
	1897-8	16,509	...	16,509
Water Supply ... ..	1886-7	...	39,756	39,756
	1887-8	...	46,966	46,966
	1888-9	...	71,989	71,989
	1889-90	...	68,850	68,850
	1890-91	...	71,855	71,855
	1891-2	...	38,500	38,500
	1892-3	...	31,709	31,709
	1893-4	...	29,538	29,538
	1894-5	...	27,140	27,140
	1895-6	...	15,857	15,857
	1896-7	...	13,987	13,987
	1897-8	...	18,368	18,368

\* The amounts annually entered under the head of Special Appropriations in 1886-7 and subsequent years, with the exception of not more than £6,000 annually for salaries of the Railways Commissioners, were paid into the "Railway Construction Account" in accordance with the direction of the Land Acts 1884 and 1890 (48 Vict. No. 812 and 54 Vict. No. 1106 sec. 78), whereby it was provided that all moneys arising from the sales by auction of Crown lands should be placed to a trust account, the amount standing to the credit of which should be available for the construction of railways. (There was also a sum of £25,000—not included in the ordinary revenue—received in 1890-91 from the Melbourne Harbor Trust on exchange of land previously occupied by the Railway Department, and paid into the Railway Loan Liquidation and Construction Account under the authority of Act 54 Vict. No. 1182.) The total amount so paid out of the general revenue towards the construction of railways up to the 30th June, 1893, was £2,803,740. The proceeds of land sold by auction have been temporarily diverted from the 1st July, 1891, into the Land Sales by Auction Fund until the moneys so paid in shall amount to £678,624.—See paragraph 237 *post*. The amounts entered under the head of "Votes" represent the working expenses of railways, except £4,144 in 1887-8, paid towards construction.

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Other Public Works* ...	1886-7	...	671,973	671,973
	1887-8	...	718,427	718,427
	1888-9	...	800,803	800,803
	1889-90	...	1,027,926	1,027,926
	1890-91	...	887,453	887,453
	1891-2	225,000†	455,253	680,253
	1892-3	427,500	304,487	731,987
	1893-4	310,000	216,331	526,331
	1894-5	100,000	149,733	249,733
	1895-6	100,000	145,045	245,045
	1896-7	100,000	122,565	222,565
1897-8	100,000	112,052	212,052	
Posts and Telegraphs ‡ ...	1886-7	83,832	455,925	539,757
	1887-8	84,650	511,593	596,243
	1888-9	58,602	503,377	561,979
	1889-90	64,693	580,873	645,566
	1890-91	57,956	616,982	674,938
	1891-2	55,477	627,480	682,957
	1892-3	56,139	581,477	637,616
	1893-4	50,611	521,156	571,767
	1894-5	50,891	502,565	553,456
	1895-6	52,211	450,451	502,662
	1896-7	50,582	442,873	493,455
1897-8	50,133	456,135	506,268	
Interest and Expenses of Public Debt §	1886-7	1,261,514	9,295	1,270,809
	1887-8	1,375,910	9,211	1,385,121
	1888-9	1,449,921	9,321	1,459,242
	1889-90	1,538,895	9,250	1,548,145
	1890-91	1,639,798	9,211	1,649,009
	1891-2	1,705,139	21,561	1,726,700
	1892-3	1,827,696	8,489	1,836,185
	1893-4	1,912,813	7,910	1,920,723
	1894-5	1,872,449	7,747	1,880,196
	1895-6	1,887,945	5,418	1,893,363
	1896-7	1,890,252	1,840	1,892,092
1897-8	1,852,056	...	1,852,056	

\* Exclusive of school buildings and of all public works paid for out of loans, but including endowments of municipalities under the Local Government Act.

† The provisions of the *Local Government Act* 1874, authorizing the annual subsidy of £310,000 to municipalities lapsed on the 31st December, 1879, and a similar provision was not re-enacted until January, 1892, under the *Local Government Act* 1891, which fixed the subsidy at £450,000; although amounts in lieu of subsidy were, in the interim, annually voted by Parliament. The amount of the subsidy has been frequently altered in recent years; in 1888-9 the amount paid was £340,854; from 1st July, 1889, it was increased to £450,000 per annum; reduced to £310,000 from 1st July, 1891; raised again to £450,000 on 1st January, 1892; reduced to £405,000 on 1st January, 1893, to £310,000 on 1st July, 1893, and finally to £100,000 from 1st July, 1894.

‡ Under this head the amounts paid out of Special Appropriations represent the net expenditure on account of Steam Postal Communication (including gratuities to masters of vessels), and a subsidy for maintenance of the cable from Port Darwin to Penang.

§ The expenditure under the head of Votes represents interest and expenses in connexion with the late Melbourne and Hobson's Bay Railway Company's debentures, which have been paid off and replaced by Government debentures. Expenses connected with the redemption or conversion of loans are also included, as follow:—£2,125 (special appropriation) in 1890-91, £12,284 (voted) in 1891-2, £14,795 (of which £14,642 was specially appropriated, and £153 voted) in 1893-4, and £12,360 (special appropriation) in 1896-7.



## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.	
		Special Appropriations.	Votes.		
		£	£	£	
Interest—Savings Banks	1886-7	46,233	...	46,233	
	1887-8	46,870	...	46,870	
	1888-9	57,091	...	57,091	
	1889-90	63,762	...	63,762	
	1890-91	67,728	...	67,728	
	1891-2	73,233	...	73,233	
	1892-3	78,522	...	78,522	
	1893-4	115,610	...	115,610	
	1894-5	99,296	...	99,296	
	1895-6	85,913	...	85,913	
	1896-7	87,051	...	87,051	
Redemption of Loans ...	1897-8	69,648	386	70,034	
	1889-90	276,100	...	276,100	
	1896-7	14,912	...	14,912*	
Customs ...	1897-8	10,777	...	10,777*	
	1886-7	...	78,579	78,579	
	1887-8	...	83,975	83,975	
	1888-9	...	87,412	87,412	
	1889-90	...	88,966	88,966	
	1890-91	...	85,885	85,885	
	1891-2	...	84,823	84,823	
	1892-3	...	78,922	78,922	
	1893-4	...	73,761	73,761	
	1894-5	...	68,335	68,335	
	1895-6	...	66,527	66,527	
	1896-7	...	66,112	66,112	
	1897-8	...	64,777	64,777	
	Harbors and Lights ...	1886-7	...	39,819	39,819
		1887-8	...	32,460	32,460
		1888-9	...	34,595	34,595
		1889-90	...	35,166	35,166
1890-91		...	38,468	38,468	
1891-2		...	33,803	33,803	
1892-3		...	31,126	31,126	
1893-4		...	27,327	27,327	
1894-5		...	29,260	29,260	
1895-6		...	25,909	25,909	
1896-7		...	27,099	27,099	
Mint Subsidy †	1897-8	...	27,441	27,441	
	1886-7	20,000	...	20,000	
	1887-8	20,000	...	20,000	
	1888-9	20,000	...	20,000	
	1889-90	20,000	...	20,000	
	1890-91	20,000	...	20,000	
	1891-2	20,000	...	20,000	
	1892-3	20,000	...	20,000	
	1893-4	20,000	...	20,000	
	1894-5	20,000	...	20,000	
	1895-6	20,000	...	20,000	
1896-7	20,000	...	20,000		
1897-8	20,000	...	20,000		

\* Paid into the "Mallee Land Account."

† The annual subsidy to the Mint is £20,000; portion of this sum, however, has been repaid each year to the revenue.—See page 137 *ante*, under the head "Mint subsidy returned."

## HEADS OF EXPENDITURE, 1886-7 TO 1897-8—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Aborigines ... ..	1886-7	...	10,508	10,508
	1887-8	...	10,982	10,982
	1888-9	...	10,949	10,949
	1889-90	...	9,761	9,761
	1890-91	...	8,692	8,692
	1891-2	...	6,745	6,745
	1892-3	...	5,579	5,579
	1893-4	...	5,596	5,596
	1894-5	...	5,516	5,516
	1895-6	...	5,460	5,460
	1896-7	...	5,407	5,407
	1897-8	...	5,452	5,452
	Miscellaneous Services* ...	1886-7	2,234	38,107
1887-8		750	149,065	149,815
1888-9		938	229,313	230,251
1889-90		1,902	211,920	213,822
1890-91		5,727†	96,887	102,614
1891-2		15,438	40,117	55,555
1892-3		17,488	33,885	51,373
1893-4		16,839	28,169	45,008
1894-5		16,289	24,128	40,417
1895-6		20,164	26,516	46,680
1896-7		21,361	31,865	53,226
1897-8		22,498	49,586	72,084
TOTAL EXPENDITURE PROPER‡...		1886-7	1,790,546	4,770,705
	1887-8	1,962,804	5,324,347	7,287,151
	1888-9	2,050,551	5,869,351	7,919,902
	1889-90	2,449,648	7,196,089	9,645,737
	1890-91	2,333,191	6,795,508	9,128,699
	1891-2	2,660,335	5,822,582	8,482,917
	1892-3	2,889,804	5,099,953	7,989,757
	1893-4	2,881,244	4,429,002	7,310,246
	1894-5	2,624,360	4,136,079	6,760,439
	1895-6	2,637,746	3,902,436	6,540,182
	1896-7	2,634,941	3,948,903	6,583,844
	1897-8	2,577,473	4,114,971	6,692,444

\* The amounts in the column for Special Appropriations include the unexpended balances of the Pension Fund (Schedule D., Part V.), repaid each year to the revenue, viz., £1,346 in 1886-7, £550 in 1887-8, £938 in 1888-9, £1,902 in 1889-90, £3,125 in 1890-91, and £4,000 in each of the other years named. The following exceptional amounts are included in the Votes for the years named:—In 1887-8, £100,000, and in 1888-9, £178,694 towards the expenses of the Melbourne Centennial International Exhibition; £149,984 in 1889-90 for advances to Shires for the erection of rabbit-proof fencing; cost of census, £18,481 in 1890-91, and £8,470 in 1891-2; also in 1890-91, £14,101 expenses of Building Society prosecutions, and £22,486 for the preservation of order in Melbourne. The special expenditure—to be recouped from the Land Sales by Auction Fund—has been reduced since 1891, as the amounts expended will in time be defrayed by amounts paid annually to that fund, and included in the general expenditure. The amount expended out of that account in excess of receipts was £436,477 at the end of 1897-8. See table following paragraph 235 *post*.

† Increase, also that in two following years, due to operation of the Fire Brigades Act.

‡ Exclusive of special expenditure for which see tables following paragraphs 235 to 237 *post*.

**SUMMARY OF EXPENDITURE, 1874-5 TO 1897-8.**

Heads.	1874-5.	1875-6.	1876-7.	1877-8.	1878-9.	1879-80.	1880-81.	1881-2.	1882-3.	1883-4.	1884-5.	1885-6.
	£	£	£	£	£	£	£	£	£	£	£	£
General government ...	217,958	216,395	178,248	183,819	178,907	180,408	177,124	178,789	213,324	198,436	215,544	227,691
Retiring allowances, gratuities, &c. ...	43,078	37,564	41,604	83,685	89,708	66,508	96,371	89,916	88,825	96,751	117,959	117,292
Defences ...	53,507	58,233	74,020	121,266	118,122	93,779	78,732	79,442	191,360	231,038	198,773	319,938
Law and order ...	431,756	431,383	429,061	436,316	439,539	462,032	418,730	412,277	438,378	447,783	458,292	476,171
Education, * science, &c.	598,576	475,280	492,939	571,725	572,900	521,992	584,225	600,799	598,970	607,822	610,026	665,442
Charitable institutions, medical, &c. ...	273,537	270,318	278,970	281,509	277,016	272,539	241,907	249,367	267,400	259,983	262,359	273,705
Administration and sur- vey (Lands) ...	129,558	128,026	149,210	130,519	129,617	136,889	103,279	99,169	100,367	98,209	104,875	107,556
Agricultural and mining institutions ...	52,126	59,176	62,421	56,669	83,780	60,157	63,288	93,190	97,274	90,252	107,801	156,243
Railways—												
<i>a</i> Working expenses	437,931	489,751	562,517	616,207	662,178	771,527	818,601	829,103	1,173,535	1,107,035	1,409,993	1,323,873
<i>b</i> Construction ...	100,000	300,000	200,000	100,000	200,000	...	200,000	200,000	...	...	...	88,667
General public works—												
<i>a</i> Municipal endow- ment ...	315,640	347,754	310,704	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
<i>b</i> All other ...	356,868	349,657	260,382	275,126	304,902	347,646	309,932	281,550	353,145	326,620	358,660	412,336
Posts and telegraphs ...	357,890	286,688	341,397	344,049	366,449	376,331	414,074	402,939	430,147	463,384	495,742	521,591
Interest on savings banks deposits ...	22,726	21,201	21,612	22,905	22,526	22,858	24,688	33,204	42,099	37,876	38,631	43,029
Interest and expenses of public debt ...	719,282	772,399	795,191	898,006	892,172	979,864	1,087,462	1,140,146	1,180,576	1,215,070	1,271,907	1,282,010
Trade, navigation, &c.	92,399	91,014	86,166	93,075	88,343	91,498	82,069	88,801	91,810	97,610	100,651	109,913
Other services § ...	93,817	59,227	53,364	61,186	73,565	59,772	89,743	57,072	66,675	65,424	60,351	78,083
Amounts to be recouped	21,472	178,777	21,957	98,287	23,655	71,239	8,417	...	8,000	62,000	18,792	...
<b>Total ...</b>	<b>4,318,121</b>	<b>4,572,843</b>	<b>4,358,096</b>	<b>4,634,349</b>	<b>4,833,379</b>	<b>4,875,029</b>	<b>5,108,642</b>	<b>5,145,764</b>	<b>5,651,885</b>	<b>5,715,293</b>	<b>6,140,356</b>	<b>6,513,540</b>

[Footnotes on next page.]

Finance.

EXPENDITURE, 1874-5 TO 1897-8—continued.

Heads.	1886-7.	1887-8.	1888-9.	1889-90.	1890-91.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£	£	£	£	£	£	£
General government ...	222,619	236,975	260,397	281,668	282,294	287,982	246,453	205,769	203,437	197,533	204,674	219,155
Retiring allowances, gratuities, &c ...	125,397	131,813	150,526	150,543	182,201	199,705	245,867	299,902	349,507	342,884	333,224	335,897
Defences ...	304,764	322,119	346,623	350,823	294,967	297,828	220,785	207,577	194,020	168,575	181,649	184,316
Law and order ...	486,972	517,336	544,672	580,151	593,467	566,911	529,433	491,235	468,311	447,580	455,372	455,520
Education,* science, &c.	676,569	722,102	782,449	1,035,669	944,031	868,974	782,676	665,394	604,109	571,036	568,357	572,372
Charitable institutions, medical, &c. ...	268,864	278,879	283,986	316,140	303,134	300,450	290,751	263,809	255,417	254,726	263,723	279,263
Administration and survey (Lands) ...	111,969	106,408	100,573	97,249	99,695	98,031	76,505	92,783	67,848	57,906	58,034	67,128
Agricultural and mining institutions ...	175,206	187,784	192,368	235,736	252,258	268,491	271,305	171,087	188,637	154,855	131,209	143,423
Railways—												
<i>a</i> Working expenses	1,363,966	1,574,786	1,803,124	2,511,106	2,470,373	2,118,377	1,769,145	1,539,822	1,428,701	1,418,893	1,476,696	1,559,552
<i>b</i> Construction ...	67,150	118,090	120,873	88,588	99,637	...	..	...	...	...	...	...
General public works—												
<i>a</i> Municipal endow- ment ...	310,000	310,000	340,854	450,000	450,000	380,000	427,500	310,000	100,000	100,000	100,000	100,000
<i>b</i> All other ...	401,729	455,393	531,938	646,776	509,308	‡ 412,352	390,014	283,076	203,976	179,680	151,552	146,929
Posts and telegraphs ...	539,757	596,243	561,979	645,566	674,938	682,957	637,616	571,767	553,456	502,662	493,455	506,268
Interest on savings banks deposits ...	46,233	46,870	57,091	63,762	67,728	73,233	78,522	115,610	99,296	85,913	87,055	70,034
Interest and expenses of public debt ...	1,270,809	1,385,121	1,459,242	1,548,145	1,649,009	1,726,700	1,836,185	1,920,723	1,880,196	1,893,363	1,892,092	1,852,056
Trade, navigation, &c.	118,398	116,435	122,007	124,132	124,353	118,626	110,048	101,088	97,595	92,436	93,211	92,218
Other services § ...	70,849	180,797	261,200	519,683	131,306	82,300	76,952	70,604	65,933	72,140	93,545	108,313
<b>Total ...</b>	<b>6,561,251</b>	<b>7,287,151</b>	<b>7,919,902</b>	<b>9,645,737</b>	<b>9,128,699</b>	<b>8,482,917</b>	<b>7,989,757</b>	<b>7,310,246</b>	<b>6,760,439</b>	<b>6,540,182</b>	<b>6,583,844</b>	<b>6,692,444</b>

NOTE.—Recoup transactions have been omitted since 1885-6.— \* Including expenditure on State school buildings as follows: £181,440 in 1874-5; £8,000 in 1888-9; £207,595 in 1889-90; £76,390 in 1890-91; and £5,904 in 1891-2.—† Port Melbourne transferred to Melbourne Harbor Trust.—‡ Melbourne Waterworks transferred to a Board of Works.—§ Including the amounts paid towards the redemption of loans.—£276,100 in 1889-90; also through the "Mallee Land Account," £14,912 in 1896-7, and £10,777 in 1897-8.

233. Of the total expenditure proper in 1897-8, nearly £2,580,000, or 39 per cent., was under the head of Special Appropriations, which being compulsorily provided for under various Acts of Parliament other than the annual Appropriation Act, are not, like amounts voted, subjected to an annual scrutiny by Parliament. It will be observed that the expenditure under such Appropriations decreased in 1897-8 as compared with 1892-3 by over £312,000, whilst that under Votes also fell off by £985,000. The principal decreases under Special Appropriations were £327,500 under the head of Other Public Works, due to reduction in the municipal subsidy; £52,000 under Agriculture, owing to the exhaustion of the funds specially set apart for bonuses; £37,000 in the payment to the Land Sales by Auction Fund, sales of land by auction having fallen off to that extent; £12,000 under Civil List; and £9,000 under Legislature. As against these decreases there was an increase of £103,000 under Retiring Allowances, &c.; £25,000 in the interest paid on the Public Debt, of which however nearly £8,000 was due to a portion of the interest formerly paid out of Votes being now payable out of Special Appropriations; and £10,000 under the head of Redemption of Loans, owing to the recent creation of the Mallee Land Account.

Reduced expenditure under special appropriations.

234. In order to ascertain the general trend of the expenditure before and after the great inflation which culminated in 1889-90, the amounts in 1897-8 might be compared with those in 1886-7, which may be regarded as a normal year before the inflation referred to. It will first be noticed that the total ordinary expenditure increased from £6,561,000 in 1886-7 to £6,692,000 in 1897-8, or by only £131,000; although, in proportion to population, it fell from £6 11s. 1d. per head in the former to £5 13s. 9d. per head in the latter year. On comparing the various heads of expenditure, however, it will be found that considerable fluctuations have taken place—some showing considerable increases, and others large decreases. The most important increases occurred under three heads, viz.:—£581,000 under Interest and Expenses of the Public Debt, due to the contraction of fresh loans, chiefly for railway construction; £220,000 under Retiring Allowances, &c., owing to the retirement of large numbers of sexagenarians in recent years; and £128,000 under Railways—resulting from an increase of £196,000 in the working expenses, less a decrease of £68,000 in the payments towards construction—the former being equivalent to an increase of only 9 per cent., although the length of lines open was extended by 75 per cent., reducing the average expenses per mile open from £797 in 1886-7 to £527 in 1897-8. This result, however, was achieved by reducing the train mileage, as the average expenses per mile run showed but a slight decrease, viz., from 42 $\frac{7}{8}$ d. to 42 $\frac{3}{4}$ d. Minor increases also occurred as follow:—£32,000 under Miscellaneous—chiefly owing to the contribution to fire brigades being larger by £10,900, and to the expenses at the later period, amounting to £17,800, in connexion with the Australian Federal Convention; £18,500 under Agriculture—chiefly accounted for by the granting of £24,900

Increase or decrease of expenditure under various heads since 1886-7.

in 1897-8 for bonuses, &c., to promote the agricultural, dairying and fruit-growing industries, and of £5,000 towards the maintenance of village settlements and labour colonies, and an increase of £17,000 in the cost of eradicating vine diseases, *less* a decrease of £13,000 in the sum allotted to the extermination of rabbits and other vermin, and of nearly £17,500 in the grants to agricultural and similar societies; of £18,000 under Police; of £11,000 under Legislature—chiefly in electoral expenses; of £11,000 (a new item) paid to the Mallee Land Account; and of £10,000 under Charitable Institutions, Medical, &c. On the other hand, the largest decreases were £460,000 under “Other Public Works;” £120,000 under Defences; £104,000 under Public Instruction, &c.; £50,000 under Mining; £45,000 under Crown Lands; £39,000 under Judicial and Legal; £33,000 under Posts and Telegraphs; and £21,000 under Water Supply. The chief decreases under “Other Public Works” were £210,000 in the municipal subsidy, £29,000 under roads and bridges, £25,000 in departmental expenditure, and £195,300 on the construction and maintenance of Government works and buildings generally—the amount expended on post and telegraph offices alone having been reduced by £34,500, on raising, draining, &c., low-lying lands by £26,300, and on wharves, jetties, &c., by £34,800; under Defences, nearly £141,000 in the expenditure (chiefly on construction) on local defence works, £16,500 in ordinary annual expenditure on local forces, as against which an item of £37,000 appears in 1897-8 (but not in 1886-7) as the colony’s contribution towards the cost of maintaining the Australian Defences (chiefly naval); under Public Instruction, £67,600 in the cost of primary instruction (including maintenance of buildings, &c.), £4,000 in the grants in aid to the University and technological colleges and schools, £25,200 to public libraries, museums, and science and art societies, and £8,000 in the cost of the Departments of Statist, Astronomer, and Botanist; under Mining, £71,000 in the allowance to aid miners in their prospecting operations, as against which must be set the allowance of £11,600 (equivalent to a bonus to the coal industry) paid in 1897-8 to the Railway Department for reducing the freight on Victorian coal; under Crown Lands, £33,300 in the cost of general administration, and £16,500 in the expenditure on parks, gardens, &c.; under all branches of Judicial and Legal, viz., Crown Law officers and solicitor, £7,900; Registrar-General and Registrar of Titles (including births, deaths, and marriages branch now under the Statist), £7,400; sheriffs, £11,000; County Court Judges, &c., £6,700; and police magistrates, £3,700. Under Posts and Telegraphs, £15,000 in the cost of inland, and of £31,000 in foreign mails, £10,600 under telegraph lines, *less* an increase of £12,000 in cost of general administration, and £13,800 in 1897-8, the cost of working, &c., the Telephone Exchange, which was purchased by the Government since 1886-7. It is also worthy of note that there was a falling off of £5,600 under Civil Establishment, although the Income Tax office and the Marine Board have been created since 1886-7, at an annual cost of £10,100 and £3,400 respectively. The following is a summary of the increases or decreases under the principal heads,



distinguishing those under Special Appropriations from those under Votes:—

INCREASE OR DECREASE IN EXPENDITURE, 1897-8, AS COMPARED WITH 1886-7.

Heads of Expenditure.	Increase or Decrease under—		Total Increase.
	Special Appropriations.	Votes.	
	£	£	£
Civil List ... ..	- 15,076	6,501	- 8,575*
Legislature ... ..	12,397	- 1,632	10,765
Civil Establishment ... ..	...	- 5,654	- 5,654
Retiring Allowances and Pensions ... ..	197,926	21,879	219,805†
Gratuities, Compensations, &c. ... ..	1,698	- 11,003	- 9,305
Judicial and Legal ... ..	- 215	- 38,893	- 39,108
Police ... ..	...	18,178	18,178
Gaols and Penal Establishments ... ..	...	- 10,522	- 10,522
Defences ... ..	- 76,394	- 44,054	- 120,448
Public Instruction, Science, &c. ... ..	...	- 104,197	- 104,197
Charitable Institutions, Medical, &c. ... ..	...	10,399	10,399
Crown Lands ... ..	...	- 44,841	- 44,841
Agriculture, &c. ... ..	7,933	10,503	18,436‡
Mining ... ..	...	- 50,219	- 50,219
Railways ... ..	- 69,150§	197,586	128,436
Water Supply ... ..	...	- 21,388	- 21,388
Other Public Works ... ..	116,509§	- 559,921	- 443,412
Posts and Telegraphs ... ..	- 33,699	210	- 33,489
Interest on Savings Banks Deposits ... ..	23,415	386	23,801
Interest and Expenses of Public Debt ... ..	590,542	- 9,295	581,247
Redemption of Loans (Mallee Land Account) ... ..	10,777	...	10,777
Customs ... ..	...	- 13,802	- 13,802
Harbors and Lights ... ..	...	- 12,378	- 12,378
Aborigines ... ..	...	- 5,056	- 5,056
Miscellaneous Services ... ..	20,264	11,479	31,743
<b>Total ... ..</b>	<b>786,927</b>	<b>- 655,734</b>	<b>131,193</b>

NOTE.—The minus sign (-) signifies decrease.

235. To ascertain the total expenditure on public works, apart from funded loans, the payments from certain revenue suspense accounts must also be taken into account (as they will, in most cases, eventually be provided for out of the general revenue), viz., the City Police Court Fund, the Land Sales by Auction Fund, and the Treasury Bonds Act No. 1451 Account, which for various reasons—chiefly their non-recurring or exceptional character—it has been deemed expedient to keep apart from the ordinary expenditure accounts. The expenditure of the

Revenue suspense accounts.

\* New Guinea contribution in 1886-7, £4,693, not paid.

† Partly due to compulsory retirement of sexagenarians and retrenchment.

‡ Agricultural bonuses alone would show an increase of £24,930.

§ Portion of the decrease under Railways, and a corresponding increase under Public Works, due to the usual contributions to the Railway Construction Account in 1897-8 (£16,509) being diverted to the Land Sales by Auction Fund.

two latter accounts, but not of the first, will eventually appear as ordinary Government expenditure under the head of Payments to Land Sales by Auction Fund, and as repayment of Treasury Bonds under Act 1451 as they fall due. The first account was created in 1888-9, and closed in 1892-3, the funds therefore having been provided by the proceeds (£140,000) arising from the sale of the old City Police Court. The second was opened in 1888-9, and is still unclosed and likely to remain so for some time, as, although almost the whole amount authorized (£678,624) has been expended, the receipts to date—consisting of the annual transfer from the general revenue of the proceeds arising from the sale of all lands sold at auction—have fallen short of the amount required by £436,477; originally the expenditure authorized was £1,084,750, which it was intended should be recouped by the sale of the Metropolitan Lunatic Asylum grounds, and of certain low-lying lands after drainage and reclamation, but such sale not having been effected, the amount referred to was reduced, and another source of revenue—which is to continue until the account is balanced—substituted. The third account, which was opened in 1896-7, authorized an expenditure of £375,000, and the funds were to be provided in the first instance by the issue of Treasury Bonds, redeemable by annual instalments, commencing on the 1st January, 1899, of £25,000 payable out of the general revenue, which is also charged with interest on the bonds at the rate of  $3\frac{1}{4}$  per cent. The general position of these accounts in regard to the expenditure authorized, the receipts and expenditure, and the balances outstanding to the 30th June, 1898, is shown in the following statement:—

RECEIPTS AND EXPENDITURE FROM REVENUE SUSPENSE ACCOUNTS  
TO 30TH JUNE, 1898.

Fund or Account.	Expendi- ture Authorized.	Transactions.		Balance.	
		Receipts.	Expenditure.	Dr.	Cr.
	£	£	£	£	£
City Police Court Fund ...	140,000	140,000	140,000	...	...
Land Sales by Auction Fund ...	678,624	242,017	678,494	436,477*	...
Treasury Bonds Act 1451 Account	375,000	250,000†	221,907	...	28,093
Total ... ..	1,193,624	632,017	1,040,401	408,384	...

\* Covered by advances from Trust Funds.

† Borrowed by means of Treasury Bonds, which are redeemable by instalments from the general revenue.

236. The receipts and expenditure of the various accounts in each year since their inception will be found in the following table :—

Expenditure from revenue suspense accounts, 1888-9 to 1897-8.

Year.	Receipts.	Expenditure.
<b>CITY POLICE COURT FUND.</b>		
	£	£
1888-9 ... ..	...	39,424
1889-90 ... ..	140,000	25,264
1890-91 ... ..	...	44,217
1891-2 ... ..	...	20,139
1892-3 ... ..	...	10,956
Total ... ..	140,000	140,000
<b>LAND SALES BY AUCTION FUND.</b>		
1888-9 ... ..	...	1,000
1889-90 ... ..	...	165,515
1890-91 ... ..	...	181,587
1891-2 ... ..	73,599	140,619
1892-3 ... ..	53,818	141,514
1893-4 ... ..	37,207	36,355
1894-5 ... ..	27,103	5,670
1895-6 ... ..	18,779	3,536
1896-7 ... ..	15,001	1,089
1897-8 ... ..	16,510	1,609
Total ... ..	242,017	678,494
Deficiency covered by advances from Trust Funds	436,477	...
<b>TREASURY BONDS ACT 1451 ACCOUNT.</b>		
1896-7 ... ..	100,000	93,824
1897-8 ... ..	150,000	128,083
Total ... ..	250,000*	221,907
Balance unexpended ... ..	...	28,093

237. The amounts authorized, and the actual expenditure for various services in each of these accounts to the 30th June, 1898, are set forth in the subjoined table :—

Heads of expenditure from revenue suspense accounts.

**SPECIAL EXPENDITURE TO 1897-8.**

Heads of Expenditure.	Total Amount authorized.	Amount expended.		
		Prior to 1892-3.	1892-3 to 1897-8.	Total.
	£	£	£	£
<i>Recouped from Sale of City Police Court.</i>				
Purchase of land near Law Courts ... ..	140,000	33,864	10,956	44,820
Extension of Titles Office ... ..		26,787	...	26,787
Purchase of land in Post Office-place ... ..		20,000	...	20,000
Purchase of land for Law Offices ... ..		48,393	...	48,393
Total ... ..	140,000	129,044	10,956	140,000

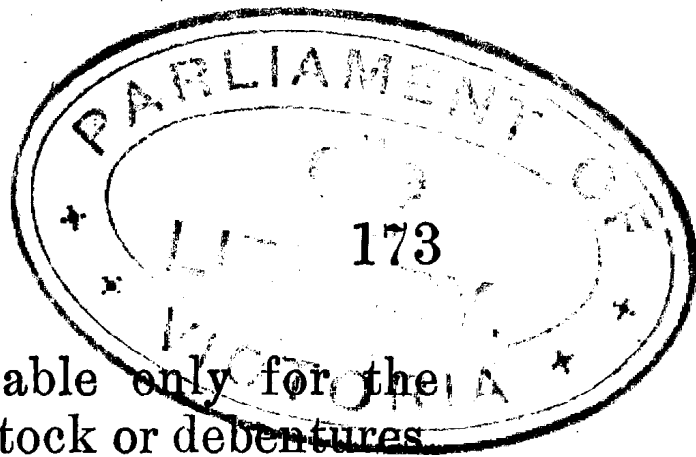
\* Raised by means of Treasury Bonds.

## SPECIAL EXPENDITURE TO 1897-8—continued.

Heads of Expenditure.	Total Amount authorized.	Amount expended.		
		Prior to 1892-3.	1892-3 to 1897-8.	Total.
	£	£	£	£
<i>To be recouped from Land Sales by Auction Fund.</i>				
Parliament Buildings — Completing west front additions, &c.	59,267	54,417	4,850	59,267
Public Offices at (Sandhurst) Bendigo	32,000	12,372	19,628	32,000
Defence Works and Buildings ..	59,827	29,610	30,217	59,827
Melbourne University—In aid of buildings for Laboratories	10,500	10,500	...	10,500
State School Buildings ... ..	37,331	26,307	10,973	37,280
Public Library, Museum, and National Gallery—Additions to buildings	55,181	38,441	16,739	55,180
National Museum ... ..	300	...	300	300
Lunatic Asylums ... ..	83,368	27,119	56,178	83,297
Drainage and Reclamation Works—				
Elwood Swamp ... ..	78,167	63,511	14,656	78,167
Koo-wee-rup Swamp ... ..	60,000	49,685	10,315	60,000
Moe Swamp ... ..	47,393	30,625	16,764	47,389
Crown Lands generally ... ..	6,736	6,098	637	6,735
Port Melbourne Lagoon... ..	55,778	47,967	7,811	55,778
Harbor Works, Warrnambool ... ..	91,776	91,069	705	91,774
Cemetery at Frankston ... ..	1,000	1,000	...	1,000
Total ... ..	678,624	488,721	189,773	678,494
Treasury Bonds (Act 1451) Account—				
Railways ... ..	75,000	}	55,431	55,431
Yarra Improvement Works ... ..	57,300		49,946	49,946
Sundry Works ... ..	42,700		33,851	33,851
Roads ... ..	25,000		12,650	12,650
Mining ... ..	140,000		56,791	56,791
Agriculture ... ..	35,000		13,238	13,238
Total ... ..	375,000	...	221,907	221,907
Grand Total ... ..	1,193,624	617,765	422,636	1,040,401

Loan redemption funds—  
“Mallee Land Account.”

238. Until recently it has not been the policy of the Government to accumulate funds for the redemption of loans, and indeed it would have been somewhat illogical, in times past, to have done so, whilst the colony's indebtedness was increasing, as the surplus revenue has been much more economically utilized by direct investment in the railways and other reproductive works, thus having obviated to that extent the necessity for increasing the debt. The borrowing policy, however, having ceased, the time seems more appropriate for the establishment of a sinking fund, and accordingly a nucleus of one fund has been formed by the creation of “The Mallee Land Account” under section 52 of the Act No. 1428, which provides that “all moneys from time to time arising after the 1st July, 1896, from the licensing, leasing, and perpetual leasing or selling of land in the mallee country (a district in the north-western portion of the colony) or Mallee Border” shall be placed



to the credit of that account, and shall be available only for the repurchase, redemption, or paying off any Victorian stock or debentures. The sum so paid into this account in 1896-7 was £14,912, and in 1897-8, £10,777, making a total to date of £25,689. With the development of the mallee country, which is at present only in its early stages, there is every prospect of the account becoming of considerable importance.

239. Two further Loan Redemption Funds were established in 1898, one to be called the "Victorian Consolidated Inscribed Stock Redemption Fund," under Act No. 1561, for loans falling due in London; and the other to be called the "Victorian Loans Redemption Fund," under Act No. 1565, for those repayable in Melbourne. Those funds are to be applied solely for the purchase or repurchase of Stock for extinction, or applied to the redemption of the same according to terms of issue, and in payment of expenses incurred in connexion with such operations; meanwhile sums at the credit of the Funds may be invested in any Government securities, the interest from which must be paid into the respective Funds. It is also provided, in the case of the first-named Fund, that, when the income thereof is equal to the dividends on the outstanding Consolidated Stock, such dividends are to be paid thereout. A nucleus for the second-named Fund is provided by the Repayments of Advances under the Act for resumption of Mallee Lands, and of moneys advanced to farmers in consequence of bush fires.

Other redemption funds authorized in 1898.

240. During the last seven years the total sums specially appropriated by Acts of Parliament to be expended annually have been increased by £110,000; but, if allowance be made for the fact that a municipal subsidy of £310,000 was payable out of votes previous to the special appropriation made in 1891-2, there has really been not an increase, but a net reduction of £200,000. The following is a statement of the principal changes in the appropriations during the seven years referred to :—

New special appropriations, 1891-2 to 1897-8.

PRINCIPAL ALTERATIONS IN SPECIAL APPROPRIATIONS,  
1891-2 TO 1897-8.

Authorization.		Purpose for which authorized.	Approximate Annual Amount at time of alteration.	
Year.	Act.		Previously Authorized.	Authorized by New Act.
1891-2	55 Vict. No. 1213	{ Railway Construction ...	£ 80,000	£ Nil
	55 Vict. No. 1230	{ Land Sales by Auction Fund	Nil	80,000*
	55 Vict. No. 1243	Railways Standing Committee	Nil	8,900†
	55 Vict. No. 1242	Municipal Endowment ...	310,000‡	450,000
		Purification of Rolls ...	Nil	13,000
		Total ...	80,000	551,900

\* Proceeds of land sales temporarily diverted from "Railway Construction Account," *supra*.  
 † This item does not appear every year, but only when the Committee is sitting.  
 ‡ Payable out of votes.

PRINCIPAL ALTERATIONS IN SPECIAL APPROPRIATIONS, 1891-2 TO  
TO 1897-8—continued.

Authorization.		Purpose for which authorized.	Approximate Annual Amount at time of alteration.	
Year.	Act.		Previously Authorized.	Authorized by New Act.
			£	£
1893-4	55 Vict. No. 1319	Municipal Endowment ...	450,000	310,000
	57 Vict. No. 1315	Marine Board—Abolition of Remuneration to Members	1,300	Nil
	57 Vict. No. 1324	Public Service Board Salaries	4,500	Nil
	58 Vict. No. 1358	Her Majesty's Ministers ...	14,000	11,200
	57 Vict. No. 1308	Expenses of Members of Legislative Assembly	25,500	23,375
	57 Vict. No. 1309	Expenses of Members of Legislative Assembly	23,375	22,950
		Total ...	518,675	367,525
1894-5	58 Vict. No. 1379	Municipal Endowment ...	310,000	100,000
	58 Vict. No. 1373	Expenses of Members of Legislative Assembly	22,950	20,400
		Total ...	332,950	120,400
1895-6	59 Vict. No. 1394	Her Majesty's Ministers ...	11,200	10,400
	59 Vict. No. 1393	Governor's Salary ...	10,000	7,000
	59 Vict. No. 1439	Victorian Railways Commissioner's Salary	6,000*	3,500
		Total ...	27,200	20,900
1897-8	58 Vict. No. 1373	Expenses of Members of Legislative Assembly	20,400	25,500†
	61 Vict. No. 1535	The Berry Annuity Act ..	Nil	3,010‡
		Total ...	20,400	28,510
		Grand Total...	979,225	1,089,235
		Net increase in seven years	...	110,010§

NOTE.—There were no alterations in 1892-3 and 1896-7.

\* Owing to retirement of the former Commissioners in June, 1892, and the temporary appointment of Acting Commissioners, only a small portion of the amount appropriated was expended during the four years ended with 1895 6.

† Original amount restored on expiry of Act 1373 by effluxion of time.

‡ Non-recurring.

§ If allowance is made for the payment of the municipal subsidy prior to 1891 2 out of votes, there has been a net decrease of £200,000.



241. In order to promote the agricultural, dairying, fruit, and wine industries, there has been appropriated during the years 1889 to 1891 an amount of £233,000, of which £171,000 was to be distributed as bonuses under regulations framed by the Governor in Council; and to this was added further sums voted annually for the last six years amounting to £100,408. The sums disbursed for the purposes referred to averaged over £25,000 per annum in the last five years, and the total expenditure to the end of 1897-8 amounted to £313,370, and there remained a balance unappropriated of £20,038. The following are the particulars:—

Grants to agricultural, dairying, and other industries.

### GRANTS FOR PROMOTING AGRICULTURAL AND OTHER INDUSTRIES.

Heads of Expenditure.	Total Amount authorized.	Amount expended in—					Total to end of 1897-8.	Balance available 1st July, 1898.
		1893-4.	1894-5.	1895-6.	1896-7.	1897-8.		
	£	£	£	£	£	£	£	£
Bonuses to Growers of Grapes, Fruits, and General Vegetable Products .. .. .	55,000	10,246	8,868	5,443	4,676	1,490	43,927	11,073
Bonuses to Factories for Fruit Canning and Drying; Dairying; Raisin and Currant making; Vegetable Oil making; preparing Hemp, Flax, Silk, &c., for the manufacturer .. .. .	37,000	1,948	2,374	2,080	513	..	36,772	228
Bonuses for Dairy Produce and Fruits of best quality and in best order exported to foreign markets .. .. .	179,408	4,990	8,880	14,509	15,999	16,794	179,408	..
For the importation of new varieties of Seeds and Plants .. .. .	3,000	69	26	112	20	317	811	2,189
For supplying instruction in connexion with the introduction of new Vegetable Products, and the improvement of existing agricultural methods .. .. .	43,000	3,545	3,483	4,647	5,377	5,772	41,435	1,565
For the introduction of new machinery and appliances to perfect the treatment of new Agricultural Products, and to improve present agricultural methods, and for prizes for new Inventions in general Agricultural Appliances .. .. .	4,000	144	430	2,016	72	11	3,784	216
For publishing Agricultural Reports in connexion with the educational work of the experts, &c. .. .. .	11,000	893	800	596	98	543	7,218	3,782
For the encouragement of Planting and cultivating Forest Trees of an economic character .. .. .	1,000	5	1	2	4	3	15	985
<b>Total* .. .. .</b>	<b>333,408</b>	<b>21,840</b>	<b>24,862</b>	<b>29,405</b>	<b>26,759</b>	<b>24,930</b>	<b>313,370</b>	<b>20,038</b>

242. In addition to the ordinary expenditure from revenue, certain sums are annually disbursed for various purposes from amounts raised by means of loans. The following table shows the details of such expenditure in each year from 1893-4 to 1897-8. This is intended to supplement the table of ordinary expenditure by exhibiting those items

Expenditure of loans, &c.

\* Including £39,253 under the annual Appropriation Act for 1892-3, £4,985 for 1893-4, £8,880 for 1894-5, £14,497 for 1895-6, £15,999 for 1896-7, and £16,794 for 1897-8.

which, having never been, or having ceased to be, a charge on the general revenue, are treated in separate accounts:—

**EXPENDITURE OF NET PROCEEDS OF EXISTING LOANS 1893-4  
TO 1897-8.**

Purposes of Expenditure.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£
Railways .. .. .	294,977	178,802	178,298	163,746	248,140
Water Supply— Country .. .. .	110,551	45,172	40,808	19,104	45,871
Maffra Beet-sugar Works .. .. .	..	..	..	..	40,000
<b>Total .. .. .</b>	<b>405,528</b>	<b>223,974</b>	<b>219,106</b>	<b>182,850*</b>	<b>334,011*</b>

NOTE.—Some of the figures in this table have been obtained direct from Government departments, so as to show the actual expenditure during each year; and differ from those given in the Treasurer's Finance Statements, in consequence of an overlapping of the accounts and other causes.

Aggregate  
loan expen-  
diture and  
unexpended  
balances.

243. On the 30th June, 1898, the balance of loan moneys available for the further construction of public works amounted to £624,503. The following is a statement of the gross proceeds of funded loans to 30th June, 1898, for different purposes, the amounts expended, and the balances unexpended:—

**LOAN EXPENDITURE ON PUBLIC WORKS TO 30TH JUNE, 1898.**

Heads.	Net Proceeds available for Expenditure.	Expenditure to Date.		Balance Unexpended.
		Total.	Less Proceeds of Loans paid off finally.	
	£	£	£	£
Railways ... .. .	36,234,182	35,694,183	35,342,892	539,999
Water Supply—† Metropolitan ... .. .	3,142,577	3,142,577	2,321,535‡	..
Country ... .. .	5,030,596	4,956,092	4,956,092	74,504
Parliament Houses ... .. .	242,464	242,464	242,464	..
Law Courts ... .. .	347,324	347,324	347,324	..
Public Offices ... .. .	162,430	162,430	162,430	..
Defences ... .. .	98,299	98,299	98,299	..
Schools ... .. .	1,063,507	1,063,507	1,063,507	..
Prince's-bridge ... .. .	106,259	106,259	106,259§	..
Alfred Graving Dock ... .. .	341,819	341,819	341,819	..
Ports and Harbors ... .. .	269,240	269,240	269,240	..
Amount advanced to Beet Sugar Companies	50,000	40,000	40,000	10,000
Country Tramways ... .. .	198,683	198,683	198,683	..
<b>Total ... .. .</b>	<b>47,287,380*</b>	<b>46,662,877</b>	<b>45,490,544</b>	<b>624,503</b>

NOTE.—The expenditure from funded loans only is shown in this table. Redemption loans are not taken into account. See also note to the preceding table.

\* Exclusive of amount under Treasury Bonds Act No. 1451. See par. 237 ante.

† For further particulars, see Waterworks in Part "Production," post.

‡ Liability taken over by the Metropolitan Board of Works on 1st July, 1891.

§ Net charge after deducting contributions by the Melbourne City Council and the Melbourne Tramways Trust, amounting to £49,034. The temporary bridge cost £11,865, the new bridge £96,428, and works in connexion therewith £47,000.

|| Including £58,618 expenditure on works for opening the sea entrance to the Gippsland Lakes.

244. In 1893-4 about an eleventh, but in 1897-8 only a sixteenth of <sup>Annual subsidies, grants, &c.</sup> the expenditure payable from the general revenue consisted of subsidies, grants, endowments, &c. The whole amount so paid exceeded £900,000 in 1892-3, but was reduced to less than £700,000 in 1893-4, and still further reduced in subsequent years, so that in 1897-8 the amount stood at a little over £400,000. Of this sum £100,000 was paid to municipalities, and a similar amount to charitable institutions. The expenditure referred to does not include the annual grant for free public instruction, which amounted in 1897-8 to over £521,000; or for the maintenance of the Government charitable institutions—such as the hospitals for the insane, and the industrial and reformatory schools, which amounted to £155,000. The following is a statement of the amounts paid under the various heads in each of the last five years:—

SUBSIDIES, GRANTS, ENDOWMENTS, ETC., 1893-4 TO 1897-8.

	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£
Subsidy to Municipalities ... ..	310,000	100,000	100,000	100,000	100,000
<i>Educational Grants, &amp;c.—</i>					
Melbourne University — Endowment under Act	9,000	9,000	9,000	9,000	9,000
Melbourne University — Additional Endowment voted	4,750	4,750	3,250	3,250	3,250
College of Pharmacy ... ..	1,000	900	600	600	500
Technological Schools — Maintenance, &c.	10,943	11,979	14,773	12,000	11,998
Public Libraries, &c. (including Melbourne Public Library)	20,530	19,805	14,961	16,217	16,711
Grant to Royal Society ... ..	250	175	100	100	100
„ Victorian Artists' Society ...	130	125	100	100	100
„ Fine Arts Galleries, Ballarat, Bendigo, &c.	600	400	200	200	200
„ Zoological and Acclimatisation Society, &c.	3,700	3,650	3,100	3,100	3,100
Grant to Charitable Institutions ...	104,716	104,067	104,706	103,654	108,669
„ Animals' Protection Society	100	100	50	50	50
<i>Posts and Telegraphs—</i>					
Subsidy—Foreign Mail Service (including payments to other Governments)*	38,759	37,587	38,874	37,262	38,290
Subsidy—Maintenance of Telegraph Line between Port Darwin and Penang	11,852	13,304	13,337	13,320	11,842
Guarantee on account of reduced rates for Telegrams to Europe, Tasmania, and New Zealand	6,441	6,994	3,722	2,838	364

\* A set-off against this item appears in the account of Postal Revenue, under the head of "Postages Collected," &c., which reduces the ultimate net cost considerably.

SUBSIDIES, GRANTS, ENDOWMENTS, ETC., 1893-4 TO 1897-8—  
*continued.*

---	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£
<i>Mining, Agricultural, and other Industries—</i>					
Mining Boards ... ..	3,500	3,500	3,500	3,500	3,500
Mint Subsidy* ... ..	20,000	20,000	20,000	20,000	20,000
Diamond Drills—Purchase and Working Expenses of To assist Miners in Prospecting operations	31,651	26,535	8,159	3,845	999
Victorian Coal—Allowance to Railway Department on carriage of †	12,087	14,000	...	9,880	11,667
Village Settlements ... ..	11,028	27,983	24,602	6,594	2,519
Labour Colonies ... ..	8,587	3,325	2,498	1,993	2,499
Grants to Agricultural and Horticultural Societies, &c.	13,046	10,950	3,845	3,850	3,848
Bonuses, &c., in aid of Agricultural and other Industries	21,840	24,863	29,405	26,759	24,930
Towards extermination of Animal Pests	12,514	8,909	11,831	13,425	14,303
<i>Defences—</i>					
Prizes to Rifle Associations, &c. ...	1,050	1,050	525	525	525
Supply of Ammunition to Rifle Clubs, Cadet Corps, &c.	3,000	3,000	3,000	3,000	4,000
<i>Miscellaneous—</i>					
Exhibitions ... ..	376	3,499	1,404	257	...
Exhibition Trustees, Expenses of ...	1,000	2,000	1,500	1,250	1,250
Imperial Institute ... ..	374	302	500	500	250
Fire Brigades ... ..	12,839	12,274	11,935	12,522	13,941
Total ... ..	675,663	475,026	429,477	409,591	408,405

Expenditure  
on public  
instruction.

245. The system of free public instruction, which was legalized under Act 36 Vict. No. 447, came into force on the 1st January, 1873; and since that date sixteen and a half millions sterling have been expended by the State in giving effect to its provisions. Of this amount nearly an eighth was for the erection, maintenance, and rent of school buildings; and the remainder—viz., fourteen and a quarter millions—represents the cost of education, including that of office staff, inspection, instruction, pensions, gratuities, and contingencies, for the last twenty-six years. The following table shows the expenditure

\* As a set-off against this item there appears in the Revenue certain sums for Mint subsidy returned and Mint charges, which renders that institution self supporting. In fact, during the last five years there was an average annual surplus of £2,450,

† Equivalent to a bonus according to distance carried at the rate of  $\frac{1}{4}$ d. per ton per mile.

under those heads for each year from 1872-3 to 1897-8, also the total for the period :—

## EXPENDITURE ON PUBLIC INSTRUCTION,\* 1872-3 TO 1897-8.

Year.	Cost of Instruction, including Salaries and Contingencies.	Pensions and Gratuities.	Cost of Erection† and Maintenance, and Rent of School Buildings.	Total.
	£	£	£	£
1872-3 ...	217,704	208	8,759	226,671
1873-4 ...	347,641	500	154,976	503,117
1874-5 ...	367,898	500	191,440	559,838
1875-6 ...	423,694	555	126,700	550,949
1876-7 ...	439,723	2,155	172,890	614,768
1877-8 ...	469,547	2,760	245,454	717,761
1878-9 ...	519,545	6,134	96,769	622,448
1879-80 ...	503,923	10,366	81,884	596,173
1880-81 ...	515,644	6,726	104,625	626,995
1881-2 ...	526,397	8,321	76,911	611,629
1882-3 ...	517,849	9,167	82,225	609,241
1883-4 ...	522,063	9,849	62,015	593,927
1884-5 ...	524,226	13,036	92,393	629,655
1885-6 ...	563,426	14,271	68,136	645,833
1886-7 ...	570,292	17,043	67,908	655,243
1887-8 ...	600,271	16,718	80,683	697,672
1888-9 ...	630,426	20,563	101,692	752,681
1889-90 ...	675,345	22,117	128,461	825,923
1890-91 ...	700,034	33,215	112,309	845,558
1891-2 ...	711,633	37,928	64,868	814,429
1892-3 ...	681,672	42,024	28,750	752,446
1893-4 ...	596,699	50,256	9,244	656,199
1894-5 ...	537,307	83,681	6,876	627,864
1895-6 ...	508,434	78,416	9,930	596,780
1896-7 ...	506,678	76,562	10,864	594,104
1897-8 ...	507,987	78,847	13,099	599,933
Total ...	13,686,058	641,918	2,199,861	16,527,837

246. It will be observed that the actual cost of instruction increased rapidly until 1878-9; that during the seven years, 1878-9 to 1884-5 it remained tolerably uniform at £520,000 per annum; but during the seven years ended with 1891-2, when the highest point was reached, it increased by £190,000; since then, however, it has been rapidly reduced by retrenchment to little more than £500,000 in the last three years, which was the lowest amount since 1879-80. During the ten years ended with 1887-8 the annual expenditure on school buildings had, with one exception, been below £100,000, but in each of the three years ended with 1890-91 it exceeded that amount. Since 1890-91 it has fallen off considerably, and averaged only £10,000 in the last five years. The total expenditure on public instruction in 1897-8 was equivalent to an average of 10s. 1d. per head of population, and to 21 per cent. of the total revenue received by taxation.

Cost of system at different periods.

\* Further details for the last few years will be given in Part "Social Condition," *post*.

† Including expenditure from loans; also £33,242 expended in the four years ended with 1891-2 on the Teachers' Training Institute; and also £26,307 in 1891-2, £9,058 in 1892-3, £321 in 1893-4, and £20 in 1894-5 paid out of the Land Sales by Auction Fund.

Expenditure  
on immi-  
gration.

247. Since the separation of Victoria from New South Wales upwards of two millions sterling have been expended on the introduction of immigrants from the United Kingdom—of which nearly one and a half millions was spent during the ten years 1851-60, and over half-a-million during the ten years 1861-70. Of late years, however, it has not been the policy of the State to devote money to this object, and nothing was so spent during the nine years ended with 1897-8, and only £170 since 1879-80. \*

Expenditure  
on immi-  
gration in  
Austral-  
asian  
Colonies.

248. Since 1892 the only Australasian Colonies which continued to expend any money on the introduction of immigrants were New South Wales, Queensland, and Western Australia. About £7,400 was spent by the colonies on immigration in 1896-7, of which Queensland and Western Australia contributed all but about a ninth. Only £1,437, or 19 per cent. of the whole, was provided for out of ordinary revenue, the greater portion having been paid out of the loan account.† The following are the total amounts expended on immigration from 1893 to 1896-7 in each colony except Victoria and Tasmania, which spent nothing on immigration during that period:—

EXPENDITURE ON IMMIGRATION IN THE AUSTRALASIAN COLONIES,  
1893 TO 1896-7.‡

Colony.	Expenditure on Immigration.				
	1893.	1894.§	1895.§	1895-6.	1896-7.
	£	£	£	£	£
New South Wales ... ..	3,106	2,783	695	547	486
Queensland ... ..	4,911	...	872	955	3,486
South Australia ... ..	...	100	...	...	...
Western Australia... ..	1,896	2,699	2,576	2,329	3,139
New Zealand ... ..	283	2	...	...	301
Total ... ..	10,196	5,584	4,143	3,831	7,412

Expenditure  
on immi-  
gration in  
Austral-  
asian  
Colonies,  
1871-96-7.

249. During the twenty-six and a half years || ended with 1896-7 the subjoined amounts were spent on immigration in the following colonies:—Victoria, £80,049; New South Wales, £789,298; South Australia, £776,973; New Zealand, £2,188,737.

Expenditure  
on public  
works.

250. During the last forty-eight years nearly seventy-eight millions sterling have been expended—partly out of loans and partly out of the general revenue—by the Government of Victoria on public works, including railways, roads and bridges, water supply, and other works and buildings. Of this amount nearly eight hundred and fifty thousand sterling were spent in 1897-8. The whole is inclusive of loans to local bodies and water trusts for the construction of waterworks, but

\* For expenditure in each year since 1850, see edition of this work for 1890-91, Vol. I., page 118.

† See tables following paragraphs 269 and 277 *post*.

‡ For numbers of assisted immigrants in the various colonies for a series of years, see edition of this work for 1890-91, Vol. II., page 490.

§ Year ended 30th June of the year named in cases of Queensland, South and Western Australia, and for that ended 31st March of the year following for New Zealand.

|| For Victoria and South Australia 27 years.



exclusive of the sums expended by the former on public works, roads, &c., and on the port of Melbourne since the 1st January, 1877, and on the metropolitan waterworks since the 30th June, 1891.\* The following table gives the amount expended by the State prior to and during 1897-8 :—

## GOVERNMENT EXPENDITURE ON PUBLIC WORKS.

Public Works.	Amount expended.						Total.
	Prior to 1893-4	During 1893-4.	During 1894-5.	During 1895-6.	During 1896-7.	During 1897-8.	
Railways—	£	£	£	£	£	£	£
Construction ...	37,462,371	286,191	173,644	185,945	221,250	272,903	38,602,304
Maintenance ...	5,914,736	320,981	331,198	365,848	381,293	408,837	7,722,893
Roads and Bridges	7,583,052	22,204	11,578	12,965	21,538	20,266	7,671,603
Waterworks—							
Melbourne†—C.	3,378,246	...	...	...	...	‡-21,817	3,356,429
M.	149,623	...	...	...	...	...	149,623
Country ...	4,968,181	126,190	51,650	54,754	28,311	40,526	5,269,612
Other Public Works ...	14,408,584	172,795	101,956	104,950	111,760	120,679	15,020,724
Total ...	73,864,793	928,361	670,026	724,462	764,152	841,394	77,793,188

NOTE.—“C.” stands for construction, and “M.” for maintenance.

251. The total amount of revenue and expenditure, and the amount of each per head of the living population, in each of the Australasian Colonies are shown in the following table for the seven years ended with 1898 or 1897-8. In several of the colonies a change was made from the calendar to the financial year § during that period :—

Revenue and expenditure in Australasian Colonies.

## REVENUE AND EXPENDITURE IN AUSTRALASIAN COLONIES.

Colony.	Year.	Revenue.		Expenditure.	
		Total Amount.	Amount per head.	Total Amount.	Amount per head.
		£	£ s. d.	£	£ s. d.
Victoria	1891-2	7,729,572	6 13 6	8,482,917	7 6 7
	1892-3	6,959,229	5 19 3	7,989,757	6 16 11
	1893-4	6,716,814	5 14 5	7,310,246	6 4 6
	1894-5	6,712,152	5 13 10	6,760,439	5 14 8
	1895-6	6,458,682	5 9 3	6,540,182	5 10 8
	1896-7	6,645,129	5 13 1	6,583,844	5 12 1
	1897-8	6,898,240	5 17 3	6,692,444	5 13 9

\* See tables “Melbourne Harbor Trust” and “Metropolitan Board of Works,” *post*.

† Now under the control of the Melbourne and Metropolitan Board of Works.

‡ The Audit Commissioners found that the total expenditure had been overstated by £21,817, and, being unable to trace the discrepancy to any particular year, the amount has been taken off in 1897-8.

§ Ended 31st March in New Zealand, 31st December in Tasmania, but 30th June in the other colonies.

REVENUE AND EXPENDITURE IN AUSTRALASIAN COLONIES—*cont.*

Colony.	Year.	Revenue.		Expenditure.	
		Total Amount.	Amount per head.	Total Amount.	Amount per head.
		£	£ s. d.	£	£ s. d.
New South Wales...	1892	10,501,104	8 17 10	10,377,949	8 15 9
	1893	9,499,814*	7 17 0	9,932,102*	8 4 1
	1894	9,300,711	7 10 4	9,178,706	7 8 4
	1895	9,235,156	7 6 1	9,633,303	7 12 4
	1895-6	9,062,850	7 1 10	9,524,785	7 9 2
	1896-7	9,107,208	7 0 4	9,140,350	7 0 11
	1897-8	9,304,253	7 0 7	9,069,940	6 17 1
Queensland ...	1892	3,538,806	8 10 2	3,580,984	8 12 3
	1893	3,337,785	7 16 5	3,521,866	8 5 0
	1893-4	3,343,069	7 14 8	3,351,536	7 15 1
	1894-5	3,413,171	7 13 4	3,308,434	7 8 8
	1895-6	3,641,583	7 18 1	3,567,947	7 15 0
	1896-7	3,613,150	7 13 0	3,604,264	7 12 8
	1897-8	3,768,152	7 15 6	3,747,428	7 14 8
South Australia ...	1892	2,538,995	7 13 4	2,707,775	8 3 6
	1893	2,576,820	7 11 0	2,806,929	8 4 5
	1893-4	2,591,271	7 9 5	2,650,262	7 12 10
	1894-5	2,497,648	7 1 9	2,681,934	7 12 2
	1895-6	2,585,230	7 4 8	2,640,688	7 7 9
	1896-7	2,698,759	7 9 10	2,779,110	7 14 4
	1897-8	2,633,727	7 5 1	2,750,959	7 11 7
Western Australia	1892	543,889	9 14 4	550,616	9 16 9
	1893	570,651	9 2 7	640,801	10 5 0
	1893-4	680,195	10 9 1	649,362	9 19 7
	1894-5	1,125,941	13 14 5	936,400	11 8 2
	1895-6	1,858,695	18 7 2	1,823,863	18 0 3
	1896-7	2,842,751	20 12 2	2,839,453	20 11 8
	1897-8	2,754,747	17 0 3	3,256,912	20 2 2
Tasmania ...	1892	787,764	5 3 1	919,802	6 0 4
	1893	706,972	4 11 11	836,417	5 8 9
	1894	696,795	4 9 4	789,805	5 1 4
	1895	761,971	4 15 9	748,946	4 14 1
	1896	797,976	4 17 7	750,244	4 11 9
	1897	845,020	5 0 0	785,026	4 12 11
	1898	908,223	5 2 5	830,168	4 13 8
New Zealand ...	1891	4,146,231	6 11 8	4,135,544	6 11 4
	1892	4,389,251	6 16 8	4,044,690	6 5 11
	1893	4,407,963	6 13 4	4,170,616	6 6 1
	1894-5	4,288,716	6 6 4	4,398,930	6 9 6
	1895-6	4,453,139	6 8 7	4,408,349	6 7 4
	1896-7	4,725,799	6 12 4	4,633,981	6 9 9
	1897-8	5,079,230	6 19 4	4,842,772	6 12 10

NOTE.—For later figures see Appendix C at end of this work.

New South Wales statements differ from those of Victoria.

252. It should be pointed out that the public accounts of revenue and expenditure in New South Wales are prepared on a somewhat different principle from those of Victoria, the over-payments to the revenue

\* Refunds, drawbacks, &c., formerly included, have, since 1892, been deducted from both sides of the account; in 1893 the amount so deducted was £206,920.

(afterwards refunded) not being, as in the Victorian statements, deducted therefrom, both revenue and expenditure being swelled accordingly; although in these statistics such items have as far as possible been deducted since. It is not easy from the official statements of public accounts in New South Wales to ascertain the full extent to which this expansion of both sides of the account occurs; but by a superficial analysis of the accounts of the year 1897-8 (for example) sums could be traced amounting in the aggregate to at least £177,843.\* Since 1892, however, such cross-entries have been eliminated as far as possible from the figures for that colony as shown in the last table. It is believed that no such system of cross-entry prevails in the other Australasian Colonies.

253. In the last year named in the table the revenue exceeded the expenditure in all the colonies except South Australia and Western Australia. The surplus in 1897-8 amounted to £205,796 in Victoria; £234,313 in New South Wales; £20,724 in Queensland; £78,055 in Tasmania; and £236,458 in New Zealand. On the other hand, the deficiency in the same year in Western Australia amounted to £502,165, and in South Australia to £117,232. During the last seven years named there has been a surplus six times in New Zealand, four times in Queensland, Western Australia, and Tasmania, three times in New South Wales, and twice in Victoria, but not once in South Australia.

Revenue and expenditure in Australasian Colonies, 1897-8.

254. In the last year named in the table a larger revenue than in any previous year shown was raised in Queensland, Tasmania, and New Zealand; and a larger expenditure than in any previous year occurred in Queensland, Western Australia, and New Zealand.†

Revenue and expenditure in colonies, 1898 and former years.

255. New Zealand was the only colony in which both revenue and expenditure per head were larger in the last than in any previous year.

Revenue and expenditure per head in colonies.

256. Although the returns of Victoria and New South Wales in the earlier years are not strictly comparable,‡ there can be no doubt that in all the years shown in the table the revenue and expenditure of New South Wales, in consequence of the large amount derived from Crown lands, exceeded that of Victoria. In both these respects the position of the two colonies named was much above that of all the others. The following is the order in which the respective colonies stood in regard to the total amount they raised and expended in the last year named:—

Order of colonies in respect to revenue and expenditure.

#### ORDER OF COLONIES IN REFERENCE TO REVENUE AND EXPENDITURE, 1897-8.

1. New South Wales.	5. Western Australia.
2. Victoria.	6. South Australia.
3. New Zealand.	7. Tasmania.
4. Queensland.	

\* Such items are as follow:—£10,663 for drawbacks and refunds of duty; £32,571 railway revenue collected for the Victorian and Queensland Governments, steam-ship companies, &c.; £56,581 land revenue; and £78,028 being other revenue returned, &c.

† See also third folding sheet to be published later on.

‡ See paragraph 252 *supra*.

Order of colonies in respect to revenue, &c., per head.

257. In regard to revenue per head, Victoria occupied a higher position in 1898 than Tasmania, but a lower position than any of the other colonies. Western Australia and Queensland had the largest revenue per head, and also stood first in regard to expenditure per head. The following is the order in which the colonies stood in these respects :—

ORDER OF COLONIES IN REFERENCE TO AMOUNTS OF REVENUE AND EXPENDITURE PER HEAD, 1897-8.

Revenue per Head.	Expenditure per Head.
1. Western Australia.	1. Western Australia.
2. Queensland.	2. Queensland.
3. South Australia.	3. South Australia.
4. New South Wales.	4. New South Wales.
5. New Zealand.	5. New Zealand.
6. Victoria.	6. Victoria.
7. Tasmania.	7. Tasmania.

Revenue and expenditure of Australia and Australasia.

258. Adding together the amounts of revenue and likewise the amounts of expenditure for 1897-8, it will be found that on the Continent of Australia the former amounted to about  $25\frac{1}{3}$  millions and the latter to nearly  $25\frac{1}{2}$  millions sterling; also that the aggregate revenue of Australia, with the addition of that of Tasmania and New Zealand, amounted to about  $31\frac{1}{3}$  millions, and the aggregate expenditure to about  $31\frac{1}{5}$  millions sterling. In Continental Australia there was a deficiency on the year's transactions of almost one-sixth of a million, but in the Australasian Colonies as a whole there was a surplus of a similar amount. The following are the exact amounts of revenue and expenditure, also the proportions per head of population :—

REVENUE AND EXPENDITURE OF AUSTRALIA AND AUSTRALASIA, 1897-8.

	Revenue.		Expenditure.	
	Total Amount.	Amount per head.	Total Amount.	Amount per head.
	£	£ s. d.	£	£ s. d.
Continent of Australia ...	25,359,119	7 4 6	25,517,683	7 5 5
Ditto, with Tasmania and New Zealand	31,346,572	7 2 2	31,190,623	7 1 6

Increased revenue of Australasia in 25 years.

259. A comparison of the aggregate revenue of the colonies upon the Australian Continent in 1873 and 1898 shows that in the 25 years it had risen from £9,161,000 to £25,359,000, the increase being about 16 millions sterling, or 176 per cent. If the revenues of Tasmania and New Zealand be added, the sum shows an aggregate revenue for the whole of Australasia of £12,262,000 at the former and of £31,346,000 at the latter period, the increase being over 19 millions, or 155 per cent. In the same 25 years the mean population of the Australian Continent increased from 1,671,051 to 3,509,376, or by 110 per cent.; and the population of the whole of Australasia increased from 2,062,375 to 4,410,151, or by 114 per cent.

260. The following is a comparative statement of the amounts received under various heads of revenue in the respective Australasian colonies during 1897-8. In comparing the revenue and expenditure under the several heads in the different colonies, the fact must not be overlooked that local or municipal government is more fully developed in some colonies (notably in Victoria, Queensland, and New Zealand) than in others, and the revenue and expenditure in the former are lower in consequence. In Victoria and Queensland almost the whole colony is under municipal government, and there are several boards and trusts besides, whereas in New South Wales, for example, only a very small proportion of the area has been locally administered. It is also to be noted that in Victoria the metropolitan tramways are in the hands of a public company, and the metropolitan water supply and sewerage and harbor works are under boards or trusts, whereas in New South Wales all of these are either directly or indirectly under Government; also that about £47,000 is credited in New South Wales for official correspondence and telegrams, £27,000 in Queensland, nearly £8,000 in South Australia, and £6,700 in Western Australia, but no such credit is taken for such services in the other colonies:—

Heads of  
revenue of  
Austral-  
asian  
Colonies

#### HEADS OF REVENUE IN AUSTRALASIAN COLONIES, 1897-8.

Heads of Revenue.	Victoria.	New South Wales.	Queensland.	South Australia.†	Western Australia.	Tasmania.	New Zealand.
	£	£	£	£	£	£	£
<b>Taxation—</b>							
Customs, &c. .. ..	1,840,404	1,247,793	1,210,292	574,811	1,017,724	406,782	1,935,252
Excise .. .. .	301,318	289,479	115,245	36,414	..	21,181	72,179
Other Taxes * ..	768,515‡	974,026	234,108	280,099	96,602	113,040	671,145‡
<b>Total .. ..</b>	<b>2,910,237</b>	<b>2,511,298</b>	<b>1,559,645</b>	<b>891,324</b>	<b>1,114,326</b>	<b>541,003</b>	<b>2,678,576</b>
<b>Crown Lands .. ..</b>	<b>396,296</b>	<b>1,976,816</b>	<b>560,676</b>	<b>189,781</b>	<b>256,373§</b>	<b>68,899</b>	<b>332,422</b>
<b>Railways and Tramways</b>	<b>2,602,547</b>	<b>3,336,350  </b>	<b>1,158,657</b>	<b>1,002,472</b>	<b>1,035,199</b>	<b>175,125</b>	<b>1,370,572</b>
<b>Posts and Telegraphs and Telephones</b>	<b>526,401‡</b>	<b>728,135</b>	<b>258,939</b>	<b>255,962</b>	<b>220,912</b>	<b>84,732</b>	<b>406,848‡</b>
<b>Other Sources .. ..</b>	<b>462,759</b>	<b>751,654</b>	<b>230,235</b>	<b>294,188</b>	<b>127,937</b>	<b>38,464</b>	<b>290,812</b>
<b>Total .. ..</b>	<b>6,898,240</b>	<b>9,304,253</b>	<b>3,768,152</b>	<b>2,633,727</b>	<b>2,754,747</b>	<b>908,223</b>	<b>5,079,230</b>

NOTE.—The figures of revenue and expenditure are for the year ended 30th June, except in the cases of Tasmania and New Zealand, the figures for the former being for the calendar year 1898, and those for the latter for the year ended 31st March, 1898. Refunds of revenue, drawbacks, and such similar entries are excluded from the accounts of revenue and expenditure of Victoria, New South Wales (although some book entries are still included in that colony), New Zealand, and probably also from those of the other colonies. For later information, see Appendix C *post*.

\* The amounts in this line are made up of excise duties; licences imposed for revenue purposes; duties on bank notes; stamps, other than those for post and telegraphs and fees of office; legacy, succession, and probate duties; property and income taxes; and any other impost, payable to the General Government, levied distinctly as a tax, but excluding fees, licences, and charges for special services rendered.

† Including revenue of Northern Territory amounting to £67,116, made up as follows:—Customs and Excise, £35,975; other taxes, £1,750; Crown lands, £10,507; Railways, &c., £14,727; Posts and Telegraphs, £1,079; and other sources, £3,078.

‡ Portion of the revenue of Victoria and New Zealand derived from "Other Taxes," and "Post and Telegraphs" has been estimated, there being no means of ascertaining the exact figures.

§ Inclusive of general mining revenue, £87,401.

|| Inclusive of tramways, £314,580.

HEADS OF REVENUE IN AUSTRALASIAN COLONIES, 1897-8—  
continued.

Heads of Revenue.	Proportions per cent.						
	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
<b>Taxation—</b>							
Customs, &c. .. ..	26·68	13·41	32·12	21·82	36·93	44·79	38·10
Excise .. ..	4·36	3·11	3·05	1·38	..	2·33	1·42
Other Taxes .. ..	11·15	10·47	6·21	10·64	3·52	12·45	13·21
<b>Total .. ..</b>	<b>42·19</b>	<b>26·99</b>	<b>41·38</b>	<b>33·84</b>	<b>40·45</b>	<b>59·57</b>	<b>52·73</b>
<b>Crown Lands .. ..</b>	<b>5·74</b>	<b>21·24</b>	<b>14·88</b>	<b>7·21</b>	<b>9·30</b>	<b>7·59</b>	<b>6·54</b>
<b>Railways .. ..</b>	<b>37·73</b>	<b>35·86</b>	<b>30·76</b>	<b>38·06</b>	<b>37·58</b>	<b>19·28</b>	<b>26·99</b>
<b>Posts and Telegraphs ..</b>	<b>7·63</b>	<b>7·83</b>	<b>6·87</b>	<b>9·72</b>	<b>8·02</b>	<b>9·33</b>	<b>8·01</b>
<b>Other Sources .. ..</b>	<b>6·71</b>	<b>8·08</b>	<b>6·11</b>	<b>11·17</b>	<b>4·65</b>	<b>4·23</b>	<b>5·73</b>
<b>Total .. ..</b>	<b>100·00</b>	<b>100·00</b>	<b>100·00</b>	<b>100·00</b>	<b>100·00</b>	<b>100·00</b>	<b>100·00</b>

Proportion of revenue from different sources.

261. It will be observed that the proportion of revenue raised by taxation—chiefly derived from Customs duties—varied from 27 per cent. in New South Wales to 53 per cent. in New Zealand and 60 per cent. in Tasmania; whilst the proportion in Victoria was 42 per cent., or higher than in any of the colonies except Tasmania or New Zealand. The revenue from Railways also formed a very large proportion of the total revenue of all the colonies, varying from nearly a fifth in Tasmania to about 38 per cent. of the whole in Victoria, South Australia, and Western Australia. The Crown lands revenue varied in the different colonies from 6 to 21 per cent. of the whole—the former, or a somewhat higher proportion, prevailing in Victoria, New Zealand, South Australia, Tasmania, and Western Australia, and the latter in New South Wales; and that from Posts and Telegraphs varied from  $6\frac{3}{4}$  per cent. in Queensland to  $9\frac{3}{4}$  per cent. in South Australia.

Heads of revenue in Victoria and New South Wales compared.

262. It will be remarked that the land revenue was nearly five times as large in New South Wales as in Victoria, which item accounts for two-thirds of the difference in revenue of the two colonies. If the land revenue be deducted from the total revenues of the two colonies, the revenue of New South Wales would then exceed that of Victoria by only £825,000, the respective amounts for 1897-8 being £7,327,000 and £6,502,000. It also appears that the railway and tramway revenue of New South Wales exceeded the railway of Victoria by about £734,000; in the former colony it formed nearly 36 per cent. and in the latter nearly 38 per cent., of the total revenue. The revenue derived from taxation, however, was greater in Victoria than in New South Wales by £400,000, the latter, by reason of its free-trade policy, having a smaller customs revenue than the former by £600,000, but a larger revenue from other taxes, except excise (which was about the same for both colonies) by over £200,000. As to other heads, the



revenue in New South Wales from Posts and Telegraphs exceeded that in Victoria by £202,000 (which would be reduced to about £155,000 if allowance were made for the credit taken in the former, but not in the latter, colony for official correspondence and telegrams), although the inland rates of postage are considerably lower in the former than in the latter; whilst the revenue from "Other Sources" was also larger by about £300,000.

263. Comparing the principal sources of revenue with those in 1874-5—or 23 years previously—for the colonies of Victoria, New South Wales, and South Australia (for which the figures are available), some interesting results will be obtained as to the growth of revenue under different heads. Such a comparison may be made by means of the following table:—

Sources of revenue in three colonies 1874-5 and 1897-8 compared.

GENERAL REVENUE 1874-5 AND 1897-8.

Sources.	Victoria.		New South Wales.		South Australia.	
	1874-5.	1897-8.	1874.	1897-8.	1874.	1897-8.
	£	£	£	£	£	£
Railways ...	921,714	2,602,547	536,575	3,336,350	144,589	1,002,472
Posts and Telegraphs	198,326	526,401	163,743	728,135	74,067	255,962
Taxation — Customs and Excise	1,660,710	2,141,722	1,200,489	1,537,272	377,764	611,225
Taxation—Other ...	64,112	768,515		974,026	13,557	280,099
Crown Lands—Sales	767,031	285,164	1,163,572	1,196,468	243,022	38,227
„ Occupation	179,722	110,909	262,594	780,348	69,178	151,554
Other services ...	378,085	462,982	187,341	751,654	81,643	294,188
<b>Total ...</b>	<b>4,169,700</b>	<b>6,898,240</b>	<b>3,514,314</b>	<b>9,304,253</b>	<b>1,003,820</b>	<b>2,633,727</b>
Population ...	783,274	1,176,248	564,388	1,323,460	201,349	363,044
Revenue per head £	5·3	5·9	6·2	7·0	5·0	7·3

264. Between the two periods shown, there was little difference in the relative growth, in proportion to population—11 or 12 per cent. increase—in the total revenue of Victoria as compared with that of New South Wales, although the latter was at a higher level; whereas there was a relative increase in South Australia by as much as 46 per cent. The absolute growth in the total revenue was, however, far largest in New South Wales, viz., £5,800,000, as against £2,730,000 in Victoria, and £1,630,000 in South Australia. In each colony, all the sources of revenue show considerable expansion save one, viz., the proceeds arising from the sale of Crown lands, which show a slight increase in New South Wales, but a decrease of £500,000 in Victoria, and of over £200,000 in South Australia. The revenue from the occupation of Crown lands also decreased by £69,000 in Victoria, but increased by

Increased revenue from various sources in 23 years.

nearly £500,000 in New South Wales, and by £82,000 in South Australia. Railway revenue shows an increase of close on £1,700,000 in Victoria, £2,800,000 in New South Wales, and £858,000 in South Australia; customs and excise taxation of £450,000 in the first, of only £330,000 in the second, owing to the adoption of a free-trade policy, and of £233,000 in the third-named colony; and other taxation, increases of £730,000, £900,000, and £267,000, respectively. The revenue from Posts and Telegraphs likewise shows an expansion of £330,000 in Victoria, of £564,000 in New South Wales, and of £182,000 in South Australia.

Land  
revenue  
Austral-  
asian  
Colonies.

265. In 1897-8 the aggregate land revenue of the Australasian Colonies amounted to £3,781,263. The following table shows the receipts from the sale and occupation of Crown lands and their proportion to the total revenue in each Australasian colony during 1897-8. The colonies are arranged in order according to that proportion:—

LAND REVENUE IN AUSTRALASIAN COLONIES, 1897-8.

Colony.	Revenue derived from Crown Lands for—			Proportion of Land Revenue to Total Revenue.
	Sales (Including Progress Payments).	Temporary Occupation and Miscellaneous.	Total.	
	£	£	£	per cent.
New South Wales ...	1,196,468	780,348	1,976,816	21·24
Queensland ...	163,930	396,746	560,676	14·88
Western Australia ...	69,798	186,575	256,373	9·30
Tasmania (1898) ...	34,882	34,017	68,899	7·59
South Australia ...	38,227	151,554	189,781	7·21
New Zealand ...	92,578	239,844	332,422	6·54
Victoria ...	285,164	111,132	396,296	5·74
Total ...	1,881,047	1,900,216	3,781,263	12·06

Prospective  
diminution  
of land  
revenue in  
colonies.

266. It will be noticed that about an eighth of the aggregate revenues of the Australasian Colonies in 1897-8 was derived from Crown lands; and that the proportion amounted to over one-fifth in New South Wales; to a seventh in Queensland, and from 6 to 9 per cent. in the other colonies. It will also be remarked that in New South Wales about three-fifths, and in the colonies as a whole, almost one-half the land revenue was derived from alienation in fee simple.

Land  
revenue in  
Australasia,  
1878-98.

267. In 1897-8, as compared with 1892, an increase of £178,000 occurred in the land revenue of Western Australia; and of £5,000 in that of Tasmania; whilst, on the other hand, there was a falling-off

of £237,000 in that of New South Wales, of £132,000 in that of Queensland, of £86,000 in that of Victoria, of £42,000 in that of South Australia, and of £17,000 in that of New Zealand. Taking the colonies as a whole, there was a net decrease during the last six years of nearly a third of a million sterling in the land revenue. Considerable fluctuations in the land revenue have taken place during the twenty-one years ended with 1897-8, as shown in the following table, from £5,800,000 in 1878 to £3,560,000 in 1879 and 1886; but, disregarding fluctuations, there has been a steady fall from an average of £4,880,000 in the five years 1878-82, to £4,040,000 in the ten years 1883-92, and to £3,843,000 in the last six years; whilst the proportion to the total revenue has fallen from 25 per cent. in the period 1878-82, to 15½ per cent. in the period 1883-92, and to 12 per cent. in 1897-8 :—

LAND REVENUE OF AUSTRALASIAN COLONIES,  
1878 TO 1898.

Year.	Land Revenue.	
	Total Amount.	Proportion of Total Revenue.
	£	
1878 ... ..	5,814,388	33·00
1879 ... ..	3,565,349	22·33
1880 ... ..	3,802,143	17·50
1881 ... ..	5,744,306	27·00
1882 ... ..	5,458,963	25·00
1883 ... ..	4,042,722	18·75
1884 ... ..	4,001,028	17·50
1885 ... ..	3,879,236	16·19
1886 ... ..	3,560,297	14·98
1887 ... ..	4,235,307	16·49
1888 ... ..	4,298,326	15·02
1889 ... ..	4,018,089	14·18
1890 ... ..	4,198,342	14·37
1891 ... ..	4,081,121	13·54
1892 ... ..	4,113,080	13·70
1893 ... ..	3,931,800	14·01
1894 ... ..	3,873,231	14·02
1894-5 ... ..	3,786,069	13·43
1895-6 ... ..	3,851,878	13·35
1896-7 ... ..	3,839,201	12·60
1897-8 ... ..	3,781,263	12·06

NOTE.—Uniform dates have not always been adhered to in furnishing the above information, which in some cases relates to the calendar and in others to the financial year.

268. Of the 31 millions sterling which formed the total revenue of the Australasian Colonies in 1897-8, over 12 millions—or nearly two-fifths—was raised by taxation, nearly three-fourths of which was through the Customs; 10½ millions—or one-third—was derived from Railways; over 3¼ millions from Crown Lands; and nearly 2½ millions from Posts and Telegraphs. The following are the exact figures, also the amounts per head, distinguishing those relating to

Sources of  
revenue in  
Australasia.

Continental Australia from those relating to the Australasian Colonies taken as a whole:—

HEADS OF REVENUE IN AUSTRALIA AND AUSTRALASIA, 1897-8.\*

Heads of Revenue.	Continent of Australia.		Australia with Tasmania and New Zealand.	
	Amount.	Proportions per cent.	Amount.	Proportions per cent.
<b>Taxation—</b>	£		£	
Customs and Excise ...	6,633,480	26·16	9,068,874	28·93
Other Taxes ...	2,353,350	9·28	3,137,535	10·01
<b>Total ...</b>	<b>8,986,830</b>	<b>35·44</b>	<b>12,206,409</b>	<b>38·94</b>
Crown Lands ...	3,379,942	13·33	3,781,263	12·06
Railways and Tramways ...	9,135,225	36·02	10,680,922	34·07
Post and Telegraphs and Telephones ...	1,990,349	7·85	2,481,929	7·92
Other Sources ...	1,866,773	7·36	2,196,049	7·01
<b>Total ...</b>	<b>25,359,119</b>	<b>100·00</b>	<b>31,346,572</b>	<b>100·00</b>

Heads of Expenditure in Australasian Colonies, 1897-8.

269. The following is a comparative statement of the amounts expended under a few of the principal heads in the respective colonies during the most recent years for which particulars are available:—

HEADS OF EXPENDITURE IN AUSTRALASIAN COLONIES, 1897-8.\*

Heads of Expenditure.	Victoria.	New South Wales.	Queensland.	South Australia.†	Western Australia.	Tasmania.	New Zealand.
	£	£	£	£	£	£	£
Railways and Tramways (working expenses)	1,559,552	1,844,419	684,566	627,766	852,648	141,184	849,923
Posts and Telegraphs	506,268§	701,079	313,610	210,078	289,474	73,249	362,867
Defences .. ..	184,316	235,291	69,952	33,190	28,724‡	12,707	72,453
Public Instruction, Science, &c.	572,372	718,096	224,945	163,957	49,897	45,159	435,020
Interest and Charges on Public Debt	1,852,056	2,255,690	1,324,333	951,867	338,263	319,113	1,671,813¶
All other sources ..	2,017,880	3,315,365	1,130,022	764,101	1,697,906	238,756	1,450,696
<b>Total .. ..</b>	<b>6,692,444</b>	<b>9,069,940</b>	<b>3,747,428</b>	<b>2,750,959</b>	<b>3,256,912</b>	<b>830,168</b>	<b>4,842,772</b>

\* Year ended 30th June, 1898, except in the cases of Tasmania and New Zealand, the figures for the former being for the calendar year 1898, and those for the latter for the year ended 31st March, 1898.

† Including Northern Territory.

‡ Including Admiralty surveys, £5,189.

§ Including maintenance of buildings, £3,171; but exclusive of cost of stamp printing, about £4,700.

|| Includes £4,165 paid towards redemption of loans.

¶ Exclusive of an amount of £69,600 proceeds of debentures issued to cover accretions of sinking fund.

HEADS OF EXPENDITURE IN AUSTRALASIAN COLONIES, 1897-8\*—  
continued.

Heads of Expenditure.	Proportions per cent.						
	Victoria.	New South Wales.	Queensland.	South Australia.†	Western Australia.	Tasmania.	New Zealand.
Railways and Tramways (working expenses)	23·30	20·34	18·27	22·82	26·18	17·01	17·55
Posts and Telegraphs	7·56	7·73	8·37	7·63	8·89	8·82	7·49
Defences .. ..	2·76	2·59	1·87	1·21	·88	1·53	1·50
Public Instruction ..	8·55	7·92	6·00	5·96	1·53	5·44	8·98
Interest and Charges on Public Debt	27·68	24·87	35·34	34·60	10·39	38·44	34·52
All other sources ..	30·15	36·55	30·15	27·78	52·13	28·76	29·96
Total .. ..	100·00	100·00	100·00	100·00	100·00	100·00	100·00

270. It will be observed that the Railway expenditure was larger by about £285,000 in New South Wales (where tramways are also included) than in Victoria, where it amounted to nearly £1,560,000, or nearly a fourth of the total expenditure; and the interest payable on the public debt was larger by £404,000. In New Zealand, also, which had over one and three-quarter million less revenue than Victoria, the interest on the public debt was only £180,000 less than in Victoria. Four of the colonies have now an annual charge for interest varying from  $1\frac{1}{3}$  to  $2\frac{1}{4}$  millions sterling. In New South Wales the Postal and Telegraph expenditure now exceeds £700,000, and in Victoria £500,000. The expenditure on immigration should be considered in conjunction with the loan expenditure of the year.‡

Heads of expenditure in Australasian Colonies compared.

271. It will also be noticed that about seven-sixteenths of the total expenditure in Western Australia, considerably more than half in New South Wales and Victoria, about two-thirds in Queensland, Tasmania, and South Australia, and three-fifths in New Zealand, was devoted to the working of Railways and Posts and Telegraphs, and the payment of interest on the public debt—largely contracted for the construction of railways and partly for other public works. In Victoria, the railway working expenses alone amounted to nearly one-fourth of the total, and the interest on the public debt to considerably more; the former being somewhat higher than in New South Wales, and much higher than in any of the other colonies except South Australia (where it was about the same), and Western Australia, but the latter proportionately much lower than in any except New South Wales and Western Australia. In New Zealand, Queensland, and South Australia, fully a third, and in Tasmania nearly two-fifths, of the whole expenditure was for interest. The proportion expended on Postal and Telegraph services, it will be noticed, varied from about  $7\frac{1}{2}$  per cent. in Victoria, New Zealand, and New South Wales, to  $7\frac{2}{3}$  per cent. in South Australia, to about  $8\frac{1}{3}$  per cent. in Queensland, and to nearly 9 per cent. in Western Australia and Tasmania.

Proportion of expenditure on various objects.

\* See footnote (\*) previous page.

† See footnote (†) previous page.

‡ For further amounts expended from loans during the year, see table following paragraph 277 post.

Growth of expenditure in three colonies, 1874-5, and 1897-8 compared.

272. Corresponding to a comparison previously given for the revenue,\* the following is a comparison of the expenditure under the more important heads in Victoria, New South Wales, and South Australia in 1897-8, as compared with 1874-5—23 years previously:—

ORDINARY EXPENDITURE 1874-5 AND 1897-8.

Heads.	Victoria.		New South Wales.		South Australia.	
	1874-5.	1897-8.	1874.	1897-8.	1874.	1897-8.
	£	£	£	£	£	£
Railways (working expenses)	437,931	1,559,552	243,792	1,844,419	137,661	627,766
Interest on debt ...	719,282	1,852,056	571,400	2,255,690	140,887	951,867
Posts and Telegraphs ...	357,890	506,268	228,991	701,079	87,752	210,078
Customs and Excise ...	57,364	64,777	39,900	51,316	10,612	27,384
Defence ...	53,507	184,316	65,242	235,291	833	33,190
Maintenance of law and order	431,756	455,520	309,672	655,628	84,759	121,928
Public Instruction, Science, &c.	596,102	572,372	151,361	718,096	30,358	163,957
Other ...	1,664,289	1,497,583	1,233,188	2,608,421	558,760	614,789
Total ...	4,318,121	6,692,444	2,843,546	9,069,940	1,051,622	2,750,959
Population ...	783,274	1,176,248	564,388	1,323,460	201,349	363,044
Expenditure per head £	5.5	5.7	5.0	6.9	5.2	7.6

Increased expenditure under various heads in 23 years.

273. It will be seen that the total expenditure of Victoria increased during the period by £2,300,000, that of New South Wales by £6,200,000, and that of South Australia by £1,700,000; but the growth relatively to population was much smaller in the first-named than in the two latter colonies, in which it was about equal. In all the colonies by far the largest increase occurred under the heads of railways and interest on public debt, the expenditure under these heads having expanded each by £1,100,000 in Victoria, by £1,600,000 and £1,700,000 respectively in New South Wales, and by £490,000 and £811,000 respectively in South Australia. Posts and telegraphs show an increase of £150,000 in Victoria, £470,000 in New South Wales, and £125,000 in South Australia; defences of £130,000, £170,000, and £32,000 in the three colonies respectively; maintenance of law and order of only £24,000, £350,000, and £37,000. Public instruction and other expenditure alone show decreases in Victoria, although there were increases under those heads of £570,000 and as much as £1,400,000 respectively in New South Wales, and of £130,000 and £56,000 in South Australia.

\* See paragraph 263 ante.



274. The following is a summary of the aggregate expenditure under the various heads referred to for Australia and Australasia:—

Expenditure of Australia and Australasia.

HEADS OF EXPENDITURE IN AUSTRALIA AND AUSTRALASIA, 1897-8.

Heads of Expenditure.	Continent of Australia.		Australia with Tasmania and New Zealand.	
	Amount.	Amount per cent.	Amount.	Amount per cent.
	£		£	
Railways and Tramways (working expenses)	5,568,951	21·82	6,560,058	21·03
Posts and Telegraphs ...	2,020,509	7·92	2,456,625	7·88
Defences ...	551,473	2·16	636,633	2·04
Public Instruction, &c. ...	1,729,267	6·78	2,209,446	7·09
Interest and Charges on Public debt	6,722,209	26·34	8,713,135	27·94
All other sources ...	8,925,274	34·98	10,614,726	34·02
Total ...	25,517,683	100·00	31,190,623	100·00

NOTE.—For years to which these figures relate, see note (\*) to table following paragraph 269.

275. In addition to the expenditure of amounts derived from the General Revenue, as shown in the last two tables, all the colonies spend various sums of borrowed money, chiefly on railways and water-works, but also, in some instances, on the construction of electric telegraphs, harbor works and light-houses, defence works, roads and bridges, school buildings, and other public works, and on immigration. The following table shows the total loan expenditure of the various colonies for each financial year from 1894 to 1898. It should be noted that several changes have been made from the calendar to the financial year during that period:—

Loan expenditure in Australasian Colonies, 1893 to 1898.

EXPENDITURE FROM LOANS IN AUSTRALASIAN COLONIES, 1894 TO 1898, EXCLUSIVE OF REDEMPTION LOANS.

Colony.	Expenditure from Loans during financial* years ended in—				
	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£
Victoria ...	405,528	223,974	219,106	182,850	334,011
New South Wales ...	1,330,046	1,307,485	1,280,598	1,548,105	1,644,769
Queensland ...	378,077	367,773	592,158	1,148,341	937,066
South Australia ...	750,161	533,075	443,052	271,611	495,192
Western Australia ...	752,490	606,502	650,708	2,609,669	1,896,144
Total ...	3,616,302	3,038,809	3,185,622	5,760,576	5,307,182
Tasmania ...	109,202	113,278	81,801	79,602	‡
New Zealand ...	760,287	...	2,972,203†	1,089,590	1,134,812
Grand Total ...	4,485,791	3,152,087	6,239,626	6,929,768	6,441,994§

\* The financial year ended on the 31st December in the case of New South Wales for 1894 and 1895, in Tasmania for all the years, and in New Zealand for 1894; on 31st March in the case of New Zealand for 1896, 1897, and 1898; but in all other instances the figures relate to years ended 30th June.

† Including £1,500,000 for Crédit Foncier system (Government advances to settlers), and £500,000 for preferred shares under *Bank of New Zealand and Bank Act 1895*.

‡ Information not available.

§ Exclusive of Tasmania.

Loan expenditure of different colonies compared.

276. It will be observed that the aggregate loan expenditure of the Australasian Colonies varied from 4 millions (in 1894-5) to nearly 7 millions (in 1896-7), and averaged over  $5\frac{1}{2}$  millions in the last five years. During the same period New South Wales spent over 7 millions, Western Australia about  $6\frac{1}{2}$  millions, New Zealand about 6 millions, Queensland nearly  $3\frac{1}{2}$  millions, South Australia  $2\frac{1}{2}$  millions, Victoria only  $1\frac{1}{3}$  millions, and Tasmania less than half-a-million.

Heads of loan expenditure in Australia and Australasia.

277. The following are the total amounts expended out of loans under each of the principal heads in Australia and Australasia respectively from 1894 to 1898 :—

#### HEADS OF LOAN EXPENDITURE IN AUSTRALIA AND AUSTRALASIA, 1894 TO 1897-8.

Heads of Loan Expenditure.	Loan Expenditure on the Continent of Australia for the Financial Years in—				
	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£
Railways and Tramways ...	1,911,049	1,338,088	1,301,850	3,297,635	2,847,240
Water Supply ...	608,055	412,648	421,355	400,014	485,632
Sewerage ...	214,891	217,204	200,527	229,550	331,534
Roads and Bridges ...	85,445	61,470	75,761	81,769	94,163
Harbors, Rivers, Light-houses, &c.	328,147	436,106	407,384	502,375	507,012
Immigration ...	2,699	2,576	2,329	5,674	14,662
Other Services ...	466,016	570,717	776,416	1,243,559	1,026,939
<b>Total ...</b>	<b>3,616,302</b>	<b>3,038,809</b>	<b>3,185,622</b>	<b>5,760,576</b>	<b>5,307,182</b>
	Loan Expenditure in Australasia.				
Railways and Tramways ...	2,128,624	1,340,010	1,524,781	3,515,510	3,198,840
Water Supply ...	612,977	412,648	421,355	400,014	485,632
Sewerage ...	214,891	217,204	200,527	229,550	331,534
Roads and Bridges ...	356,402	115,959	294,913	333,481	403,711
Harbors, Rivers, Light-houses, &c.	428,518	436,106	414,794	513,975	512,307
Immigration ...	2,701	2,576	2,329	5,975	14,732
Other Services ...	741,678	627,584	3,380,927*	1,931,263	1,495,238
<b>Total ...</b>	<b>4,485,791</b>	<b>3,152,087</b>	<b>6,239,626</b>	<b>6,929,768</b>	<b>6,441,994†</b>

NOTE.—For periods to which the figures accurately relate see note (\*) to previous table.

Revenues of British Dominions.

278. The following table gives a statement of the public revenues of the United Kingdom and the various British Possessions throughout the world, according to the latest official information available; also the average amount of revenue to each person in the population of the

\* Including £1,500,000 for Crédit Foncier system (Government advance to settlers) and £500,000 for preferred shares under *Bank of New Zealand and Bank Act 1895*.

† Exclusive of Tasmania.

different countries and colonies named. All the calculations have been made in the office of the Government Statist, Melbourne:—

## REVENUES OF BRITISH DOMINIONS, 1896-7.

Country or Colony.	Revenue.	
	Gross Amount.	Average per Head.*
EUROPE.		
United Kingdom (1896-7) ... ..	£ 103,949,885	£ 2 12 5
Gibraltar ... ..	62,612	3 0 7
Malta ... ..	313,680	1 15 7
ASIA.		
India (1895-6)† ... ..	98,370,167	0 8 11
Ceylon ... ..	1,316,185	0 8 9
Straits Settlements ... ..	465,294	0 16 8
Protected Malay States ... ..	1,054,350	2 3 6
British North Borneo ... ..	51,462	0 8 7
Sarawak ... ..	61,720	0 3 6
Labuan ... ..	11,460	1 19 2
Hong Kong ... ..	487,296	1 17 4
Cyprus ... ..	188,658	0 17 0
AFRICA.		
Mauritius ... ..	884,918	2 7 2
Natal ... ..	1,457,338	2 8 8
Zululand ... ..	66,982	0 7 5
Cape Colony ... ..	6,680,423	3 4 4
Basutoland ... ..	45,867	0 0 8
British Bechuanaland ... ..	47,510	0 13 0
St. Helena ... ..	9,161	2 7 1
Lagos ... ..	179,745	2 2 0
Gold Coast ... ..	237,460	0 3 3
Sierra Leone ... ..	96,109	0 15 2
Gambia ... ..	26,172	2 0 1
AMERICA.		
Canada ... ..	7,524,368‡	1 9 7
Newfoundland ... ..	330,689	1 11 3
Bermuda ... ..	34,256	2 2 11
Honduras ... ..	64,339	1 18 7
British Guiana ... ..	545,171	1 19 2
West Indies—		
Bahamas ... ..	65,126	1 5 0
Turk's Island ... ..	9,707	1 17 0
Jamaica ... ..	754,086	1 1 5
St. Lucia ... ..	55,331	1 3 9
St. Vincent ... ..	26,990	0 11 11
Barbados ... ..	176,932	0 18 9
Grenada ... ..	56,275	0 18 8
Tobago ... ..	9,321	0 9 2

NOTE.—The revenue of British New Guinea in 1895-6 was £15,000, of which £6,547 was raised locally, and £8,453 was derived from contributions by certain of the Australasian Colonies.

\* For populations on which most of these calculations have been based, see Part "Population" ante.

† Figures based on nominal value of rupee (2s.). The exchange value, however, did not exceed 1s. 4d.

‡ Exclusive of provincial revenues amounting to about £2,387,000, which, however, probably includes over £848,000 from subsidies granted by the General Government.

REVENUE OF BRITISH DOMINIONS, 1896-7—*continued.*

Country or Colony.	Revenue.	
	Gross Amount.	Average per Head.*
	£	£ s. d.
<i>AMERICA—continued.</i>		
<i>West Indies—continued.</i>		
Virgin Islands ... ..	1,468	0 5 10
St. Christopher } Nevis } ... ..	49,560	1 3 7
Antigua ... ..	54,950	0 8 11
Montserrat ... ..	7,774	0 14 1
Dominica ... ..	24,905	0 18 6
Trinidad ... ..	577,141	2 7 11
<i>AUSTRALASIA AND SOUTH SEAS.</i>		
Australia, Tasmania, and New Zealand † ... ..	30,462,904	7 0 10
Fiji ... ..	73,869	0 12 3
Falkland Islands ... ..	12,358	6 4 0
Total ... ..	256,991,974	0 18 1

Aggregate  
revenue of  
British  
Dominions.

279. It may be ascertained from this table that, out of 257 millions sterling, which represent the aggregate annual revenue of the British Dominions, 90 per cent. is raised in the United Kingdom, India, and Australasia, the proportion contributed by each respectively being 40 per cent., 38 per cent., and 12 per cent.; moreover, 41 per cent. is raised in Europe, 40 per cent. in Asia, 4 per cent. in Africa, 4 per cent. in America, and 11 per cent. in Australasia.

Large  
revenues  
per head in  
Austral-  
asian  
Colonies.

280. The very large amount of revenue in proportion to population raised in every one of the Australasian Colonies, as compared with other British Possessions, will be at once noticed.† It will, however, be remembered that these colonies possess an immense territory, scantily peopled, and that a considerable revenue is derived from the usufruct of the unsold lands, which is not generally the case elsewhere; also, that the revenues are swelled by the large sums which are received annually from the alienation of the Crown lands in fee simple and from the working of the State railways.‡

Revenue  
per head  
in colonies  
and United  
Kingdom.

281. Besides the Australasian Colonies, Gibraltar, Cape of Good Hope, and the Falkland Islands were the only British Possessions which raised larger amounts per head than the United Kingdom.

Revenues of  
foreign  
countries.

282. The following table shows the actual or estimated revenues of the principal foreign countries at recent dates, according to the best information obtainable. In most cases sums raised by means of loans

\* See footnote (\*) previous page.

† For the revenue of each Australasian colony, see table following paragraph 251 *ante*.

‡ For a comparison of the railway revenues and land revenues of the Australasian Colonies with the total revenues, see paragraphs 260 to 265 *ante*.

and other extraordinary receipts have been eliminated. The calculations in the last column have been made in the office of the Government Statist, Melbourne :—

## REVENUES OF FOREIGN COUNTRIES.

Country.	Year.	Revenue.	
		Gross Amounts (000's omitted).	Amount per head.*
EUROPE.			
Austria-Hungary ... ..	1899	£ 102,210,†	£ s. d. 2 7 10
Belgium ... ..	1897	15,315,	2 10 5
Bulgaria ... ..	1896	3,492,	1 1 1
Denmark ... ..	1897	3,624,	1 11 5
France (including Algeria) ... ..	1896	128,680,	2 19 11
German Federation ... ..	1896-7	60,986,‡	1 3 3
German States ... ..	1898-9	155,146,	2 19 5
Greece ... ..	1898	3,422,	1 8 1
Holland ... ..	"	11,280,	2 10 0
Italy ... ..	1896-7	82,760,	2 12 7
Portugal ... ..	"	11,410,	2 5 2
Roumania ... ..	1897-8	8,423,	1 9 0
Russia ... ..	1897	141,639,	1 2 0
Servia ... ..	1896	2,546,	1 2 0
Spain ... ..	1896-7	32,896,	1 16 1
Sweden and Norway ... ..	1898-9	11,666,§	1 13 5
Switzerland Confederation ... ..	1897	3,399,	1 2 9
Switzerland Cantons ... ..	"	3,166,	1 1 2
Turkey ... ..	1898	18,742,	0 15 6
ASIA.			
Japan    ... ..	1897-8	47,742,	1 2 5
AFRICA.			
Egypt ... ..	1897	11,230,	1 13 0
Tunis ... ..	1894	897,	0 12 0
AMERICA.			
Argentine Confederation ... ..	1898	19,992,¶	5 0 10
Brazil ... ..	"	36,585,	2 11 0
Chili ... ..	1896	6,100,	2 5 0
Costa Rica ... ..	"	594,	2 8 10
Mexico ... ..	1897-8	10,989,	0 17 5
Peru ... ..	1898	2,157,	0 14 5
Santo Dominga ... ..	1896	309,	0 10 2
United States ... ..	1897	89,663,	1 8 6
Uruguay ... ..	1896	3,075,	3 15 1
Venezuela ... ..	1896-7	1,933,	0 15 10

\* The populations of foreign countries on which these calculations are based are generally those given in Part II., "Population," ante.

† This amount is made up of estimates for 1899 of £60,268,000 for Austria, and £41,942,000 for Hungary. The florin has been assumed to be equal to 1s. 8d.

‡ Includes Federal contributions, £20,530,000.

§ This amount is made up of £6,855,000 estimated revenue of Sweden for 1899, and £4,811,000 estimated revenue of Norway for the same year.

|| Including extraordinary revenue (probably on account of war indemnity from China) amounting to £23 456,000. The Japanese "yen" has been taken at its nominal value, viz., 4s.; its actual value is about 3s. 4d.

¶ Dollars converted at par although about £13,500,000 are collected in inconvertible paper currency

Countries  
raising  
largest  
revenue.

283. According to this table and that following paragraph 278 *ante*, the countries which raise the largest revenues of any in the world are Russia and France; then the United Kingdom, Austria-Hungary, British India, United States, Italy, Germany (Federation), Japan, Brazil, and Spain. If, however, the aggregate revenues of the States of Germany were taken into account, the position of Germany would be far in advance of even Russia. The countries named are the only ones whose revenues exceed the united revenues of the Australasian Colonies. The revenue of Victoria is larger than that of Bulgaria, Denmark, Greece, Servia, Switzerland, Tunis, Chili, Costa Rica, Peru, Uruguay, or Venezuela; and nearly as large as that of Canada or Roumania.

Countries  
raising  
largest  
amounts  
per head.

284. France, Italy, the Argentine Confederation, and Uruguay are the only countries named in the table which raise more per head than the United Kingdom. In Victoria nearly twice as much per head is raised as in France or Italy, and more than twice as much as in the United Kingdom.

Revenue and  
expenditure  
of four lead-  
ing federa-  
tions.

285. Further details are set forth in the following table of the revenue, as well as particulars of the expenditure, of four of the principal Federal Governments of the world:—

REVENUE AND EXPENDITURE OF FOUR LEADING FEDERATIONS.  
(000's omitted.)

Heads of Revenue and Expenditure.	United States, 1896-7.	Canada, 1897.	Germany, 1897-8.	Switzerland, 1897.
ORDINARY REVENUE.				
	£	£	£	£
Customs ... ..	36,782,	4,144,	18,624,	1,700,
Excise ... ..	29,302,	1,887,	14,033,	...
National Bank Tax ... ..	411,	}	3,094,	...
Business Licences ... ..	1,220,			
Stamps ... ..	...	}	...	...
Land Sales ... ..	356,			
Government Railways ... ..	...	...	3,522,	13,
Posts and Telegraphs ... ..	17,222,*	898,*	15,734,	1,468,*
Interest on Investments ... ..	196,	301,	...	...
State contributions ... ..	...	...	21,773,	...
Coinage ... ..	1,508,	...	}	218,
Customs Fees, Fines, &c. ... ..	122,	4,		
Consular, Land, and Patents Fees ... ..	600,	23,		
Other Fees, Fines, &c. ... ..	24,	2,		
Other sources ... ..	1,920,†	894,‡		
Total ... ..	89,663,	8,195,	79,757,	3,399,

\* Postal service only.

† Including £743,000 from Federal Territory (District of Columbia), and £475,000 towards Railway Sinking Fund.

‡ Including £747,000 from Public Works.



REVENUE AND EXPENDITURE OF FOUR LEADING FEDERATIONS.  
(000's omitted.)—*continued.*

Heads of Revenue and Expenditure.	United States, 1896-7.	Canada, 1897.	Germany, 1897-8.	Switzerland, 1897.
<b>ORDINARY EXPENDITURE.</b>				
	£	£	£	£
Defences ... ..	17,398,	347,	27,623,	928,
Debt Interest and Charges ...	7,873,	2,722,	3,753,	171,
Pensions ... ..	29,386,	64,	4,359,	?
Government Railways ... ..	...	87,*	2,285,	12,
Posts and Telegraphs ... ..	19,545,†	1,020,†	13,787,	1,712,†
Indian Service ... ..	2,712,	189,	...	...
Subsidies to States ... ..	...	883,	20,203,	...
Customs ... ..	1,474,	197,	?	160,
Excise ... ..	751,	97,	?	...
Treasury ... ..	6,618,	} 2,614,	{ 257, }	373,
Other ... ..	7,668,			
Total ... ..	93,425,	8,220,	80,362,	3,356,

286. The following are, so far as can be gleaned from various official documents, the principal sources of revenue in some of the principal British and Foreign countries outside Australasia :—

Sources of revenue in principal British and Foreign countries.

SOURCES OF REVENUE OF THE GENERAL GOVERNMENTS OF CERTAIN  
BRITISH AND FOREIGN COUNTRIES.

(000's omitted.)

Country.	Year.	Customs and Excise.	Other Taxation.	Posts and Telegraphs. †	Land Revenue.	Other Sources. §	Total.
<b>BRITISH.</b>							
United Kingdom ...	1895-6	£ 47,384,	£ 37,714,	£ 14,301,	£ ...	£ 2,736,	£ 102,135,
India ... ..	1895-6	10,608,	52,312,	2,821,		32,137,	97,878,
Cape Colony ... ..	1894-5	1,357,	438,	299,	337,	2,851,	5,282,
Canada ... ..	1897	6,032,	...	898,	36,	1,230,	8,196,
<b>FOREIGN.</b>							
Argentine ... ..	1899	10,990,	3,174,	909,	824,	4,095,	19,992,
Belgium ... ..	1899	3,561,	7,756,	775,	...	3,223,	15,315,
France ... ..	1896	¶ 51,894,	66,053,	8,653,	...	2,080,	128,680,
German Federa- tion **	1897-8	32,657,	3,094,	15,734,	...	28,272,	79,757,
Italy ... ..	1896-7	¶ 21,748,	43,180,	3,230,	...	11,602,	82,760,
Switzerland (Con- federation)	1897	1,700,	...	1,468,	...	231,	3,399,
United States ...	1897	67,304,	411,	17,222,	356,	4,371,	89,664,

\* Subsidies.

† Postal service only.

‡ Including Mint in India; Post Office only in Canada and United States.

§ Under this head are included Railways as follow :—India, £21,674,000; Germany, £3,522,000; Italy, £3,500,000, being rents of lines leased to companies. For Germany the amount also includes £21,773,000 Federal (Matricular) Contributions, the greater portion of which is returned to the States, also £1,434,000, receipts of the Imperial Inval'd Funds; in Argentine, £5,000,000, "Use of Credits."

|| Included under "Other Sources."

¶ Including tobacco, salt, matches, and gunpowder monopolies, viz., £16,828,000 in France; £10,548,000 in Italy.

\*\* Including gross revenue of Railways, Posts and Telegraphs, &c. In the German official statements, only the net revenue (after deducting working expenses) of those Departments has been included, which is not the plan adopted in the Australasian Colonies.

Absence of land or railway revenue in many countries.

287. In regard to the sources of revenue, the most striking features in this table, from an Australian point of view, are the absence of a land revenue from the Income of European Governments, and of a railway revenue from that of all the countries named in the table except Germany, India, and Italy.

Taxation.

288. The amounts whereof revenue is made up may be divided into two classes, viz., those raised by taxation and those raised otherwise. In Victoria, the former class consists of Customs and Excise duties, wharfage rates, port and harbor dues, business licences, duties on bank notes, duties on estates of deceased persons, a land tax, an Income tax, and stamp duties. The latter class comprises amounts derived from the sale or occupation of Crown lands, from railways, from water supply, from post and telegraph offices, from the Mint, from fees, fines, and forfeitures, from the interest on the Public Account, from the labour of prisoners, &c. The following figures show the result of a division of the Victorian revenue upon this principle:—

REVENUE, 1897-8.

Revenue raised by taxation	...	...	... £2,910,237
„ otherwise	...	...	... 3,988,003
Total	...	...	... £6,898,240

Taxation per head.

289. In 1897-8  $42\frac{1}{5}$  per cent. of the total revenue was raised by taxation; and if the amount so raised be divided by the estimated mean population of the financial year, already stated to have been 1,176,248, an average will be obtained of £2 9s. 6d. to each individual. The following table contains a statement of the gross amount of taxation, the average amount per head, and the proportion of taxation to the total revenue, during each of the last sixteen years:—

TAXATION, 1882-3 TO 1897-8.\*

Year.	Taxation.		
	Gross Amount.	Average per Head.†	Percentage of Total Revenue.
	£	£ s. d.	
1882-3	2,334,255	2 11 11	41·60
1883-4	2,318,520	2 10 4	39·07
1884-5	2,548,171	2 13 11	40·51
1885-6	2,634,560	2 14 4	40·65
1886-7	2,739,635	2 14 9	40·68
1887-8	3,071,003	2 19 6	40·37
1888-9	3,749,670	3 9 8	43·22
1889-90	3,630,814	3 5 10	42·62
1890-91	3,252,638	2 17 5	38·98
1891-2	3,149,310	2 14 5	40·74
1892-3	2,522,779	2 3 3	36·25
1893-4	2,497,567	2 2 7	37·18
1894-5	2,712,313	2 6 0	40·41
1895-6	2,691,009	2 5 6	41·67
1896-7	2,645,187	2 5 0	39·90
1897-8	2,910,237	2 9 6	42·19

\* For figures relating to earlier years since 1852, see issue of this work for 1892, Vol. I., paragraph 336.  
 † For mean population of each of the years named, see table following paragraph 215 *ante*.

290. It will be observed that, as compared with 1893-4—when the gross amount of taxation, the average per head and (with one exception) the percentage of taxation to total revenue were the lowest recorded for twelve years—the gross amount raised by taxation increased by about £200,000 in 1894-5 and 1895-6, and by £148,000 in 1896-7; the average per head increased at first by 3s. 5d. in 1894-5, but by a somewhat lower proportion in the next two years; whilst the proportion to total revenue rose from 37 per cent. to between 40 and 41½ per cent. during the three years ended with 1896-7. In 1897-8, however, the gross amount and the average per head were far higher than in any year since 1891-2, and the proportion of taxation to revenue higher than in any year since 1889-90, the amount being over £400,000 more, the average per head about 7s. more, and the percentage 5 more than in 1893-4.

Comparison of taxation 1897-8 with former years.

291. The following is a statement of the amounts received under the various heads of taxation during each of the last eight years:—

Heads of taxation.

HEADS OF TAXATION, 1890-91 TO 1897-8.\*

Heads of Taxation.	Amount Received.							
	1890-91.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£	£	£
Customs Duties .. ..	2,480,635	2,348,104	1,716,257	1,622,681	1,703,636	1,662,417	1,728,823	1,809,548
Primage Duty .. ..	..	..	..	65,775	78,567	43,348	†-146	..
Wharfage Rates‡	44,937	40,857	23,028	28,247	26,937	27,907	30,703	30,856
Excise:—								
Spirits .. ..	102,201	114,428	96,581	125,963	119,447	97,603	82,282	83,000
Tobacco .. ..	27,789	29,147	29,287	29,088	35,597	43,416	53,470	53,497
Beer .. ..	..	..	125,386	153,876	153,931	156,011	158,994	164,821
Ports and Harbors §	20,669	18,880	15,507	15,993	17,123	17,414	19,603	19,221
Licences (not Territorial)	22,152	20,755	19,869	18,022	17,328	17,378	17,099	17,594
Succession Duties ..	184,886	247,534	183,928	144,771	139,084	148,432	86,906	238,780
Duty on Bank-notes ..	30,736	27,954	23,720	24,694	20,774	19,317	19,128	18,844
Stamp Duty¶ on—								
Transfer of Land, &c. (Item III.)	75,939	39,670	32,614	24,690	23,811	29,853	22,678	29,333
Annual Licences of Insurance Companies, &c. (Item IV.)	10,115	10,788	10,444	9,893	8,912	8,911	9,154	9,700
Other (Items I. & II.)	131,946	124,542	126,942	110,417	106,277	123,736	121,668	133,367
Land Tax .. ..	120,633	126,651	119,216	123,457	120,093	127,178	115,524	115,451
Income Tax .. ..	..	..	..	..	140,796	168,088	179,301	186,225
Total .. ..	3,252,338	3,149,310	2,522,779	2,497,567	2,712,313	2,691,009	2,645,187	2,910,237

292. It will be noticed that owing to the great falling-off in Customs revenue from £2,348,000 in 1891-2 to £1,623,000 in 1893-4 (when it was at the lowest point during a long series of years), the imposition of a Primage duty bringing in £66,000 in 1893-4, and of a Beer Excise duty bringing in £154,000, had but little effect in checking

Heads of taxation 1893-4 to 1897-8 and previous years compared.

\* See also footnotes to table following paragraph 226 ante

† Refund.

‡ Consisting chiefly of one-fifth of the total amount of wharfage rates collected at the Port of Melbourne—the remaining portion of these rates being retained by the Melbourne Harbor Trust.

§ Chiefly tonnage dues.

|| Chiefly auctioneers' licences, the revenue from which was £10,561 in 1896-7, and £10,229 in 1897-8.

¶ For classification of Stamp duties and present scale of charges see paragraph 325 post. Items III. and IV. have been ascertained from the records in the Registrar General's and Titles Offices, and items I. and II. are the result of a rough approximation. See footnote (§) on page 127 ante

the fall in the total amount raised by taxation; whilst it required the addition of the Beer duty, yielding £165,000, and an Income Tax producing £186,000, to bring the generally improved revenue from taxation in 1897-8 to within £240,000 of that in 1891-2. The Customs revenue has, however, shown a marked improvement since 1893-4, notwithstanding the reduction in rates of duty in 1895-6, although it is still £540,000 below the level of 1891-2; and the revenue from Wharfage rates and from Transfer of Land duty has shown a similar tendency; whilst that from the Excise duty on Spirits—probably due to the reduction of the rate in 1894-5, from Licences, and from Bank-note duty also show a considerable reduction below the level referred to. But, on the other hand, the revenue from Excise duty on Tobacco—probably owing to the raising of the rate in 1894-5, from Port and Harbor Dues, and from “Other” Stamp duties are now above the same level. As to new or enlarged sources of taxation, Primage duties, it will be observed, swelled the revenue by between £43,000 and £78,000 during the three years ended with 1895-6; the Excise on Beer by from £126,000 in 1892-3, gradually rising to £165,000 in 1897-8; the increased Excise duty on Tobacco yielded an increase of £6,500 in 1894-5, rising to £24,000 in 1897-8; and the Income Tax produced an amount rising from £141,000 in 1894-5 to £186,000 in 1897-8. Although the Succession duties were increased in 1892-3, the revenue therefrom during the last five years varied from £87,000 (in 1896-7) to £239,000 (in 1897-8), and averaged only £152,000, as compared with £206,000 in the preceding period of three years.

Proportion  
of Customs  
revenue to  
total taxa-  
tion, &c.

293. In all the years the greater portion of the taxation has been derived from Customs duties. The proportion from that source, however, has gradually fallen from about 88 per cent. in 1874-5 and 1875-6, and from between 74 and 76½ per cent. in the nine years 1882-3 to 1891-2 (except 1889-90), to 68 per cent. in 1892-3, 67 per cent. in 1893-4, 63 per cent. in 1894-5 and 1895-6, 65 per cent. in 1896-7, and as low as 62 per cent. in 1897-8. The revenue derived from Customs duties was equivalent to a charge of 12·6 per cent. on the estimated total value of imports in 1893-4, 13·7 per cent. in 1894-5, 13·3 per cent. in 1895-6, 11·5 per cent. in 1896-7, and 11·2 per cent. in 1897-8\*. If, however, a comparison be made with the value of imports subject to duty, the proportion for 1893-4 will be

\* See also table, “Taxation by Customs duties in Australasian Colonies,” paragraph 340 *post*

found to have been 37·7 per cent. in 1893-4, 41·1 per cent. in 1894-5, 34·0 per cent. in 1895-6, 28·5 per cent. in 1896-7, and 31·4 per cent. in 1897-8. The proportion of the imports (according to value) subject to duty formed nearly 38 per cent. of the total imports in 1893-4, 41 per cent. in 1894-5, 34 per cent. in 1895-6, only 28½ per cent. in 1896-7, and 31¼ per cent. in 1897-8.\*

294. The following is a comparative statement for the same eight financial years of the principal articles on which taxation was levied by means of Customs duties:—

Customs  
revenue,  
1891 to  
1898.

TAXATION BY CUSTOMS DUTIES,† 1890-91 TO 1897-8.

Articles.	Amounts Received.							
	1890-91.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£	£	£	£
Spirits .. .. .	657,700	692,193	376,225	397,458	382,590	380,045	368,434	385,359
Wine .. .. .	41,825	37,871	23,410	17,402	16,548	16,872	16,141	17,707
Beer and Cider .. .. .	52,381	46,294	38,284	35,215	32,399	29,205	27,123	30,203
Tobacco and Snuff .. .. .	261,722	239,478	222,756	200,811	236,708	189,299	190,485	193,449
Cigars .. .. .	58,969	60,592	38,654	26,077	25,886	28,997	31,712	34,642
Tea .. .. .	37,128	48,590	68,458	106,794	90,654	103,487	99,868	101,380
Sugar and Molasses .. .. .	130,714	106,137	113,032	191,284	226,003	244,769	254,518	268,873
Coffee, Chicory, Cocoa, and Chocolate	6,080	7,365	4,404	3,902	4,098	4,377	4,446	4,449
Opium .. .. .	16,254	12,269	11,293	9,714	10,277	10,666	9,627	8,899
Rice .. .. .	19,731	20,483	18,817	18,972	17,395	17,510	19,804	21,413
Hops .. .. .	2,659	4,134	2,801	2,735	5,364	11,980	12,344	} 12,303
Malt .. .. .	793	37	70	83	95	47	51	
Fruits and Vegetables, dried and preserved	47,007	56,978	48,586	56,027	48,154	51,615	46,422	50,465
Live Stock .. .. .	85,374	68,939	79,755	80,505	84,287	51,049	70,606	64,818
Articles subject to ad va- lorem duties	651,550	575,991	421,505	301,821	333,106	332,913	364,809	389,159
All other Articles.. .. .	410,748	370,753	248,207	173,881	190,072	189,586	212,433	226,429
<b>Total .. .. .</b>	<b>2,480,635</b>	<b>2,348,104</b>	<b>1,716,257</b>	<b>1,622,681</b>	<b>1,703,636</b>	<b>1,662,417</b>	<b>1,728,823</b>	<b>1,809,548</b>

NOTE.—The revenue from Primage Duties is not included in this table.

295. The rates of Customs duty were considerably reduced on several articles—chiefly alcoholic stimulants and textile fabrics and dress—about the middle of 1895-6; the duty on horses was remitted about the end of 1894-5; and that on apparel was again reduced on 1st January, 1897. The total remission of taxation on these articles, assuming a uniform trade, was equivalent to £157,200 per annum, or to about half that amount in the years in which the alterations were effected. The actual result was, however, not to diminish, but to increase the revenue of the affected years by over £1,700, as will be seen

Reduced  
duties and  
increased  
revenue,  
1894-5 to  
1896-7.

\* The dutiable and free imports in 1898 were as follow:—Subject to duty, £5,900,252, or 35·2 per cent.; free goods, £10,868,652, or 64·8 per cent.; total imports, £16,768,904. See also paragraphs 340 *et seq.* *post.*

† Wharfage rates, which form part of the Customs revenue, are not included in this table.

by the following figures, which show in detail the effect of the alterations on the principal articles :—

REDUCED CUSTOMS DUTIES ON CERTAIN ARTICLES, 1894-5 TO 1896-7, AND EFFECT ON THE REVENUE.

Article, and Year of Alteration.	Date of Alteration.	Rate of Duty.		Expected Decrease in Amount of Duty, based on Trade of preceding year.*		Actual Result for the Year of Alteration. (Increase +. Decrease -.)
		Former.	Present.	Annual.	Proportion for Period in force during year.	
				£	£	£
1894-5. Horses ... each	5 June, 95	50s.	Free	1,070	90	- 90
1895-6. Spirits ... per gal.	1 Jan., 96	15s.	12s.	68,480	34,240	- 2,545
Beer, &c., Draught "	"	1s.	10d.	} 4,774	2,387	- 3,194
" Bottled "	"	1s.6d.	1s. 3d.			
Wine, Still ... "	1 Oct., 95	12s.	8s.	2,659	1,994	} + 324
" Sparkling... "	"	15s.	12s.	1,537	1,153	
Bicycles and Tricycles percent.	1 Jan., 96	25	10	5,933	2,966	+ 6,900
Woollen Piece Goods }	"	40	{ 30 15	17,159	8,580	} - 911
Flannels and Shirtings "	"	40	30	533	267	
Blankets (grey or coloured) "	"	} 35	{ 15 25	3,750	1,875	- 938
" other ... "	"		25			
Carpeting and Druggeting "	"	25	15	2,773	1,386	+ 880
Hats and Caps (straw) "	"	25	35	+ 2,280	+ 1,140	+ 3,509
Silks and Satins "	"	25	15	16,390	8,195	- 3,461
Hosiery ... "	"	35	25	4,590	2,295	+ 2,677
Apparel and Slops "	"	{ 50 35	{ 40 35 15	12,000	6,000	- 5,371
Oil and other Floor-cloths "	"	20	15			
Metals (manufactures of) "	"	35	30	2,722	1,361	- 1,494
Other Articles (subject to ad valorem duties) "	"	Various	Various †	7,252	3,315	+ 4,886
All other Articles ...	...	...	...	1,218	607	+ 229
Total (net) ...	...	...	...	154,890	78,180	+ 2,664
1896-7. Apparel and Slops percent.	1 Jan., 97	{ 15 35 40	{ 35	1,240	620	- 831
Grand Total (net)	...	...	...	157,200	78,890	+ 1,743

\* The plus sign (+) in these columns indicates increased amount.—† Chiefly a reduction of about 10 per cent. ad valorem.



296. About the end of 1894-5, the rates of excise duty on tobacco were considerably raised, whereby, under a uniform consumption, an additional revenue of £19,500 per annum would be produced. On this basis an increase of £1,600 in 1894-5 in the excise revenue from tobacco might have been expected, but in that year an increase of nearly £4,000 was actually realized. It is hardly fair, however, to take the results of the year 1894-5, as the period affected by the alteration was very short, but if a comparison\* be made with the revenue of 1895-6 it will be found that the excise revenue from tobacco increased by about £11,800, and, if with that of 1896-7 or 1897-8, by about £22,000—which latter amount exceeds by £2,500 the annual amount expected. The following table shows the effects of the alterations for 1894-5:—

Increased  
Excise Duty  
on tobacco  
in 1894-5.

INCREASED EXCISE DUTY ON TOBACCO IN 1894-5, AND EFFECT ON THE REVENUE.

Article.	Date of Alteration.	Rate of Duty.		Annual Amount Payable under Former Duty.	Annual Gain Expected.	Gain during Financial Year.	
		Former.	Present.			Expected.	Actual Result.
Tobacco, per lb.	5 June, '95	6d.	9d.	£ 27,000	£ 13,500	} 1,600	£ 3,997
cigars, and snuff							
Cigarettes ... "	"	6d.	1s. 6d.	3,000	6,000		
Total ...	...	...	...	30,000	19,500	1,600	3,997

NOTE.—The gain expected is that which would have occurred had the consumption of the articles remained uniform.

297. Nearly one-fourth of the Customs revenue in 1897-8 was derived from alcoholic liquors, and one-eighth from tobacco and cigars, whilst 15 per cent. was from sugar, 6 per cent. from tea, coffee, and cocoa,  $3\frac{1}{2}$  per cent. from live stock, and  $2\frac{3}{4}$  per cent. from fruits and vegetables. Over a fifth was derived from the numerous articles subject to ad valorem duties, but which were not further particularized in the Treasurer's statements. The relative importance of the various heads of imports as sources of Customs revenue is shown in the following table, which gives a statement of the total amount, and amount per head of the population, of duty received in 1897-8 from

Taxation on  
chief  
articles of  
import.

\* See table following paragraph 291 ante.

each of the principal groups of articles ; also the proportionate amount received from the articles embraced in each group to the total amount received :—

TAXATION ON CHIEF ARTICLES OF IMPORT, 1897-8.

Articles.	Duty received 1897-8.			Proportion to Total Duty received.
	Total Amount.	Amount per Head of Population.		
	£	£	s. d.	per cent.
Spirits, Wine, Beer, and Cider ...	433,269	0	7 4	23·94
Tobacco, Snuff, and Cigars ...	228,091	0	3 11	12·61
Hops and Malt ...	12,303	0	0 2	·68
Sugar and Molasses ...	268,873	0	4 7	14·86
Tea, Coffee, Chicory, Cocoa, and Chocolate	105,829	0	1 10	5·85
Rice ...	21,413	0	0 4	1·18
Fruits and Vegetables ...	50,465	0	0 10	2·79
Opium ...	8,899	0	0 2	·49
Live Stock ...	64,818	0	1 1	3·58
Articles subject to ad valorem duties ...	389,159	0	6 8	21·51
All other articles ...	226,429	0	3 10	12·51
Total ...	1,809,548	1	10 9	100·00

Customs revenue estimated and received, 1888 to 1898.

298. In five of the eleven years ended with 1897-8, the total amounts received through the Customs exceeded the Treasurer's estimate, and in six of those years the receipts were below that estimate. In the four years ended with 1893-4, the receipts were considerably less than the estimate, but in 1894-5, and in each of the last two years, there was an excess over the estimate varying from £14,000 to £81,000, as is shown in the following table :—

CUSTOMS REVENUE ESTIMATED AND RECEIVED,  
1887-8 TO 1897-8.

Year.	Customs Revenue.		
	Estimate.	Net Receipts.	Net Receipts more (+) or less (-) than Estimates.
	£	£	£
1887-8 ...	2,369,750	2,538,657	+168,907
1888-9 ...	2,560,980	3,092,694	+531,714
1889-90 ...	2,908,232	2,850,774	-57,458
1890-91 ...	2,855,820	2,696,746	-159,074
1891-2 ...	2,792,370	2,577,948	-214,422
1892-3 ...	3,253,170	2,030,123	-1,223,047

CUSTOMS REVENUE ESTIMATED AND RECEIVED,  
1887-8 TO 1897-8—continued.

Year.	Customs Revenue.		
	Estimate.	Net Receipts.	Net Receipts more (+) or less (-) than Estimates.
	£	£	£
1893-4 ... ..	2,280,350	2,059,899	- 220,451
1894-5 ... ..	2,079,096	2,160,158	+ 81,062
1895-6 ... ..	2,163,100	2,064,313	- 98,787
1896-7 ... ..	2,068,200	2,099,171	+ 30,971
1897-8 ... ..	2,164,750	2,179,178	+ 14,428

299. In the eleven years ended with 1897-8, the cost of collecting the Customs revenue ranged from £2 15s. 9d. per £100 of the net amount collected in 1888-9 to £3 13s. 2d. per £100 in 1892-3, the average cost per £100 being £3 3s.; whilst the average cost in 1897-8 was the lowest since 1889-90, as will be seen by the following figures:—

Cost of collecting Customs revenue.

COST OF COLLECTING CUSTOMS REVENUE, 1887-8 TO 1897-8.

Year.	Customs Revenue.		
	Net Receipts.	Charges of Collection.	
		Total.	Per £100 collected.
	£	£	£ s. d.
1887-8 ... ..	2,538,657	74,744	2 18 11
1888-9 ... ..	3,092,694	86,262	2 15 9
1889-90 ... ..	2,850,774	83,198	2 18 4
1890-91 ... ..	2,696,746	81,088	3 0 2
1891-2 ... ..	2,577,948	80,381	3 2 4
1892-3 ... ..	2,030,123	74,297	3 13 2
1893-4 ... ..	2,059,899	75,057	3 12 10
1894-5 ... ..	2,160,158	70,244	3 5 0
1895-6 ... ..	2,064,313	65,851	3 3 10
1896-7 ... ..	2,099,171	65,806	3 2 8
1897-8 ... ..	2,179,178	64,148	2 18 11

300. Difficulties lie in the way of estimating accurately the extent to which the various heads of revenue are affected by the imposition, increase, remission, or reduction of taxes. An attempt has, however, been made to form such an estimate in the following table for the last eighteen years, which, although unavoidably giving imperfect results, will afford some idea of the directions in which the contributions of the

Taxes repealed and imposed.

people towards the cost of Government have been added to or reduced; also the extent of such increase or reduction during the period:—

TAXES REPEALED AND IMPOSED, 1880-81 TO 1897-8.\*

Year ended 30th June.	Taxes Repealed or Reduced.			Taxes Imposed or Increased.		
	Heads of Taxation.	Estimated Loss to the Revenue.		Heads of Taxation.	Estimated Gain to the Revenue.	
		During the Financial Year.	In Complete Years.		During the Financial Year.	In Complete Years.
		£	£		£	£
1881	Nil ...	...	...	Customs ...	2,300	3,500
				Excise—		
				Tobacco Duty	21,872	65,000
				Beer ..	62,557	100,000
1882	Customs ...	3,000	3,500	Nil ...	...	...
1883	Excise — Beer Duty remitted	88,000	100,000	Nil ...	...	...
1884	Nil ...	...	...	Nil ...	...	...
				Duty on Spirits—		
1885	Nil ...	...	...	Customs ...	74,972†	94,500
				Excise ...	12,653	18,400
1886	Nil ...	...	...	Nil ...	...	...
	Customs ...	19,100	19,300	Customs ...	20,700	22,200
1887	Licences — Re- ceipts <i>trans-</i> <i>ferred</i> to Licens- ing Act Fund	(15,100)‡	(16,450)‡			
1888	Customs— Sugar (Net in- crease)	13,900	15,000	Customs— Timber Duties increased	5,900	6,400
1889	Nil ...	...	...	Nil ...	...	...
	Customs— Tea—Reduced from 3d. to 1d.	45,500	69,000	Customs— Duties generally increased	156,000§	210,000§
	Coffee and Cocoa (raw)—Duty of 3d. remitted	7,500	15,000			
1890	Other Articles— Estimated re- duction	8,500	10,000			
	Excise— Tobacco—Duty reduced one-half	19,000	28,850			
	Harbors— Tonnage dues reduced one-half	16,000	22,800			

\* For particulars for the years 1876 to 1880, see issues of this work for 1893 and previous years.

† This is the proportion actually received in 1884-5 at the increased rate of duty, but it does not correspond with the increased revenue from spirits, viz., £46,100, owing to the quantity imported having fallen off by 6 per cent. The amount received from the increased duty was, moreover, much affected by an unusually large proportion—viz., 15 per cent. of the total quantity imported—having passed through the Customs during the first seventeen days of the financial year, and, consequently, at the lower rate of duty.

‡ These amounts, being merely transfers of revenue from one Public Fund to another, do not affect the general taxation of the country.

§ On the assumption that there would be no falling-off in the importation of the articles affected. It should, however, be noted that the importations in 1889-90 were exceptionally high, and in 1892-3 exceptionally low.

TAXES REPEALED AND IMPOSED, 1880-81 TO 1897-8—continued.

Year ended 30th June.	Taxes Repealed or Reduced.				Taxes Imposed or Increased.		
	Heads of Taxation.	Estimated Loss to the Revenue.		Heads of Taxation.	Estimated Gain to the Revenue.		
		During the Financial Year.	In Complete Years.		During the Financial Year.	In Complete Years.	
		£	£		£	£	
1891	Nil ...	...	...	Nil ...	...	...	
1892	Nil ...	...	...	Nil ...	...	...	
				Customs*—			
				Tea, raised from 1d. to 3d. per lb.	93,200	97,200	
				Other Duties increased	735,825	769,980	
				Excise on Spirits increased	26,800	40,200	
				Excise on Beer imposed	125,386	150,000	
				Probate Duties†—			
				More graduated scale adopted, and full duty (formerly half) charged to widows and children in estates exceeding £50,000	8,900	50,000	
1893	Nil ...	...	...	Stamp Duties †—			
				Deeds of Gift, Customs Entry Warrants and Bills of Lading, Receipts, &c.	5,463	10,050	
1894	Nil ...	...	...	Primage Duty imposed	72,000	78,600	
1895	Nil ...	...	...	Income Tax imposed	140,800§	170,000	
				Excise on Tobacco increased	1,600	19,500	
1896	Customs Duties reduced§	78,890	157,200				
	Primage Duty remitted	39,300	78,600				
	Excise on Spirits reduced	5,800	11,600				

NOTE.—There were no important changes in 1896-7 or 1897-8.

\* See footnote (§) on preceding page.

† As detailed in last edition.

‡ Actually received.

§ Including allowance for a few articles reduced in the preceding and in the succeeding years. See also table on page 204 ante.

Amount of  
taxation  
imposed in  
last twenty-  
three years.

301. From the above table it would appear that during the three years ended with 1896-7 (no alteration having been made in 1897-8) fresh and additional taxation was imposed to the extent of about £268,100 per annum; but, on the other hand, other taxes were repealed or reduced to the extent of about £247,400 per annum. During the last twenty-three years, the taxation imposed or increased, less that repealed or reduced, has resulted in an increased annual charge amounting to nearly one and two-thirds of a million sterling,\* thus—

	Estimated Annual Amount.
Taxation imposed or increased ... ..	£2,277,300
„ repealed or reduced ... ..	627,850
	<hr/>
Net amount imposed, &c. ... ..	£1,649,450

Duty on  
bank notes.

302. The tax on bank notes was imposed under the Act 39 Vict. No. 526, which came into operation on the 1st January, 1876. It is at the rate of £2 on every £100 of the average amount of notes circulated by any bank between the 1st July and the 30th June of each financial year. The revenue received from this duty in 1897-8 was, as already shown, £18,844. The amount has fallen off slightly since 1894-5, but considerably as compared with 1893-4, when it was about £24,700, or with 1891-2, when it was nearly £28,000. In connexion with this it must be remembered that the great financial crisis occurred in the early part of 1893.†

Income tax.

303. An Income Tax was imposed in Victoria for the first time, by Act 58 Vict. No. 1374, passed on the 29th January, 1895 (and amended in matters of detail by Act 60 Vict. No. 1467), which was to have expired by effluxion of time in 1898, but was continued in its operation by Act 62 Vict. No. 1592, until 1st January, 1900. The Act is administered by a Commissioner and a Deputy Commissioner of Taxes, who, together with their officers, are bound by oath to maintain secrecy; and any officer contravening the intent of his oath is liable to a penalty not exceeding £500, or to imprisonment for any period not exceeding twelve months, or to both penalty and imprisonment. Under the Act and the Regulations, dated 14th March, 1895, framed thereunder, the incomes liable to be assessed for tax in any year are those over £200 earned, derived, or received in Victoria in the preceding calendar year, which is taken as the basis of calculation; whilst all incomes are divided into two classes, viz.—(a) incomes derived from personal exertion, and (b) incomes the produce of property. The former consists of earnings, salaries, wages, allowances, pensions, superannuation or retiring allowances, or stipends earned in or derived from Victoria, and all income arising or accruing from any profession, business, or occupation carried on in Victoria; the latter, of all income derived in or from Victoria and not derived from personal exertion. No subsequent adjustment is allowed if, at the end of the year, the

\* This result has been obtained by adding together the amounts estimated to be receivable in the first complete year of the operation of each tax, and deducting therefrom the sum of the amounts of the repealed taxes. In some instances the net amount receivable in subsequent years would be less and in others much more. Mere transfers of revenue (see third footnote on page 208) have been omitted.

† For account of the crisis see edition of this work for 1893, Vol. II., Appendix B.



assessment is found to be excessive or less than what it should have been by the actual transactions of the year. The *gross income* embraces income earned in the colony from all sources, and the *net income* is derived from this by deducting, *inter alia*, all losses and outgoings actually incurred in the colony in production of income, and all taxes payable under any Victorian Act of Parliament except the Act under review; also amounts paid as life assurance premiums not exceeding £50; as well as calls or contributions actually paid during the year into any reconstructed company whose shares are of no marketable value, or into any company in liquidation, or into any mining company in Victoria. The incomes of the following bodies or persons are exempt from taxation, viz.:—(a) Government, Ministers of the Crown (in such capacity), Board of Land and Works, Railway Commissioners, Marine Board, Melbourne Harbor Trust Commissioners, Metropolitan Board of Works, Fire Brigades Board, Commissioners of Savings Banks, University and Affiliated Colleges, Schools of Mines and Technical Schools, Commissioners or Trusts under Water Act, or any trustees under the Agricultural Colleges Act, or any local authority in so far as such income is official and not personal; (b) the Governor (so far as regards the emoluments of office); (c) religious bodies; (d) registered friendly, provident, and building societies, and trades unions; (e) trusts, societies, associations, institutions, and public bodies not carrying on any trade for the purposes of gain; (f) mutual life assurance offices with head offices in Australia; (g) fire, fidelity, guarantee, or marine assurance or insurance companies, &c., taking out annual licences under the Stamps Act limited to the income from that class of business; (h) interest accruing to any person not resident in Victoria from—(1) Victorian Government Stock Debentures or Treasury Bonds, or (2) stock, debentures, or bonds of any public or municipal trust, body, or corporation pursuant to Act of Parliament. Amongst various items which must be included as income is the rental or annual value of any dwelling-house, &c., except such portion thereof as is used for business purposes (whether owned or not), also the rental or estimated annual value of land with improvements thereon used for the purposes of residence or enjoyment. Moreover, deductions for such items as follow will not be allowed:—Extraordinary expenditure on repairs to trade premises, implements, or machinery; losses not connected with the trade, capital withdrawn therefrom, sums used or intended to be used as capital in the trade, or capital used for improvement of trade premises; interest which might have been made on such sums if laid out at interest; bad debts not proved to satisfaction of the Commissioner; any losses recoverable under any insurance or contract of indemnity; domestic expenditure. The *taxable income*, on which the duty is payable, is ascertained by the Commissioner by deducting from the net income the exemption of £200 allowed to every taxpayer, except in the case of an absentee.\* This exemption will, in the first instance, be set against income the produce of property. The onus of applying for forms of returns and of filling them up, and forwarding

\* An absentee is defined as one absent from the colony for six consecutive months during the year in which his income was earned.

them to the Commissioner for assessment is cast on the taxpayer, to whom facilities are given for this purpose; thus, forms are obtainable at post offices, State schools, and other public offices, public officers are bound to assist the taxpayer, if called upon, to make out his return, and all communications to the Commissioner are carried free by post. Returns have to be delivered to the Commissioner by the 1st March in each year. Those required to furnish returns are as follow:—(a) Every person carrying on any business or profession, &c., as a *principal* in Victoria; (b) Every other person whose gross income derived from Victoria amounts to £200 per annum or upwards; (c) Every foreign company (*i.e.* with its head office outside the colony) carrying on business in Victoria; (d) Every attorney or agent for an absentee; (e) Every trustee, executor, administrator, guardian, committee, or receiver dealing with any income arising in or derived from Victoria; (f) The Master-in-Equity, Master-in-Lunacy, and the Curator of the Estates of Deceased Persons; and (g) Every person or company specially notified by the Commissioner. Partners in any concern must furnish joint returns, but they are taxed individually. Married women are liable to tax if in receipt of incomes over £200. Companies having their registered office in Victoria are not liable to tax, but their shareholders are liable upon the dividends declared, which are taxable at the property rates. Foreign companies are liable to tax on so much of the total dividends declared as bears the same proportion as their assets and liabilities or receipts in Victoria bear to their total assets and liabilities or receipts in all parts of the world; and such income is taxable as income derived from personal exertion, except so much of it as is derived from their own freehold properties not employed in the ordinary course of business, which is liable as income the produce of property. If a taxpayer fails or neglects to furnish a return by the prescribed time—after having been called upon to do so by the Commissioner, or makes a false return, he is liable to a penalty of from £2 to £100, and to pay not only the tax itself, but a double amount besides.

Rates of tax.

304. The rates of tax, which are enacted annually, are levied on the taxable income (as before described). The Commissioner has power to remit the amount levied in cases of insolvency, and the whole or any portion thereof when its exaction would entail hardship. The following are the rates chargeable since the tax has been in force:—

#### RATES OF INCOME TAX, 1895 TO 1899.

(Levied on Incomes of previous year.)

Of Taxable Amount.*	Rate in £1 on Income derived from—	
	(a) Personal Exertion.	(b) Property.
	s. d.	s. d.
First £1,200	0 4	0 8
Next £1,000	0 6	1 0
Above £2,200	0 8	1 4

\* *I.e.*, Net income, less £200 exemption (except in the case of absentees).

305. In 1898, the number of income-taxpayers was 31,785, of whom 18,140 were residents of the colony, and 13,645 were absentees; and their aggregate net incomes amounted to  $10\frac{1}{4}$  millions sterling, but, after allowing for exemptions of £200 per resident taxpayer, the taxable amount was reduced to about £6,700,000. The number of resident taxpayers have fallen off by over a fourth since 1895, when the tax was first imposed; but the absentees taxed were more than twice as numerous as in 1898 as in the previous three years owing to accidental circumstances; whilst the taxable income, although it increased slightly during the last three years, was half-a-million less in 1898 than in 1895. In 1895, there was 1 taxpayer to 38 in the population of the colony, 1 in 43 in 1896, 1 in 45 in 1897, and 1 in 37 in 1898; but taking resident taxpayers only there was only 1 in 48 in 1895, 1 in 56 in 1896, 1 in 60 in 1897, and 1 in 64 in 1898. As a rule nearly one-fourth of the taxpayers are absentees. The following were the numbers and net income of taxpayers during each of the four years referred to:—

Incomes of  
resident and  
absentee  
taxpayers.

NUMBER AND NET INCOME OF TAXPAYERS, 1895 TO 1898.

Year of Assessment.*	Number of Taxpayers.			Net Income of Taxpayers.		
	Resident.†	Absentee.†	Total.	Total.	Less Exemption.	Taxable Amount.
				£	£	£
1895 ...	24,569	6,551	31,120	12,114,100	4,913,800	7,200,300
1896 ...	20,969	6,337	27,306	10,741,567	4,193,800	6,547,767
1897 ...	19,757	6,509	26,266	10,565,500	3,951,400	6,614,100
1898 ...	18,140	13,645	31,785	10,320,530	3,628,000	6,692,530

306. In 1898, persons taxable in respect of incomes from personal exertion and those in respect of income from property were nearly equally divided; but in the previous three years the former averaged over three-fifths (62 per cent.) and the latter nearly two-fifths of the whole. Of the taxable income, nearly one-third in the last two years, but over one-third in 1896, and nearly two-fifths in 1895, was derived from property. The falling-off in the number of taxpayers referred to in the last paragraph was mainly confined to those drawing incomes from personal exertion; although the taxable incomes of such persons showed no corresponding decline, but on the contrary a slight increase. The taxable income from property, however, showed a considerable

Incomes of  
taxpayers  
from  
personal  
exertion and  
property.

\* The assessment refers in each case to incomes received during the preceding year.

† Resident taxpayers are entitled to an exemption to the extent of the first £200 of the net income; absentees are not so entitled.

falling-off as compared with 1895 and 1896. These results will be seen from the following figures :—

### INCOME FROM PERSONAL EXERTION AND PROPERTY, 1895 TO 1898.

Year of Assessment.	Number of Assessments.*			Taxable Income from—		
	Personal Exertion.	Property.	Total.	Personal Exertion.	Property.	Total.
				£	£	£
1895 ...	20,377	11,870	32,247	4,459,700	2,740,600	7,200,300
1896 ...	17,391	11,066	28,457	4,208,447	2,339,320	6,547,767
1897 ...	16,900	10,496	27,396	4,485,800	2,128,300	6,614,100
1898 ...	16,754	16,075	32,829	4,530,430	2,162,100	6,692,530

Income tax payable.

307. The amount of income tax payable in 1898 was about £174,600, a little over half being in respect of incomes from personal exertion, and the balance in respect of those arising from property. The total amount payable was larger in 1898 than in any year since 1895; the amount payable in respect of personal exertion having shown a gradual improvement throughout, but that in respect of property a marked decrease since 1895. The average amount payable to each taxpayer gradually increased from nearly £5 17s. in 1895 to £6 10s. in 1897, but owing to the accidental causes previously alluded to fell below £5 10s. in 1898. The average rate of tax on taxable incomes from personal exertion gradually rose from 4¼d. in the £1 in 1895 to 4⅔d. in 1898; and that on incomes from property from 6d. to 6¼d. in the £1. The following are the figures :—

### INCOME TAX PAYABLE, 1895 TO 1898.

Year of Assessment.	Amount payable on Income derived from—			Average per Taxpayer.	Average Rate of Tax in the £1 on Taxable Income from—		
	Personal Exertion.	Property.	Total.		Personal Exertion.	Property.	Total.
	£	£	£	£ s. d.	d.	d.	d.
1895 ...	79,768	101,742	181,510	5 16 7	4·29	8·91	6·05
1896 ...	79,928	92,793	172,721	6 6 6	4·56	9·52	6·33
1897 ...	85,977	85,133	171,110	6 10 3	4·60	9·60	6·21
1898 ...	87,536	87,056	174,592	5 9 10	4·64	9·67	6·26

Income tax unpaid.

308. Up to the 30th November, 1898, the following amounts of tax remained unpaid :—£2,029 on account of 1895, £2,775 on account of 1896, £2,790 on account of 1897, and £4,919 on account of 1898, making a total of £12,513 in arrear.

\* The number of assessments is slightly greater than the number of distinct taxpayers by reason of separate assessments being made in some cases for income from both personal exertion and property in regard to the same taxpayer. The number of distinct taxpayers is shown in the preceding table.

309. Of the assessments for income tax nearly  $97\frac{1}{4}$  per cent. of the number, and  $61\frac{3}{4}$  per cent. of the amount are taxed at the minimum rate; nearly  $1\frac{3}{4}$  per cent. of the number, and 13 per cent. of the amount at the medium rate; and only 1 per cent. of the number, but as much as  $25\frac{1}{4}$  per cent. of the amount at the highest rate of tax. In the first of these three groups the average taxable income to each assessment is only £129, in the second £1,558, and in the third £4,643. The number of assessments and amount of taxable income in each group assessed in 1898 were as follow :—

Classification  
of taxable  
incomes.

### CLASSIFICATION OF INCOMES IN 1897.

(Assessed for Tax in 1898.)

Taxable Incomes of—	Number of Assessments.			Taxable Income from*—		
	Personal Exertion.	Property.	Total.	Personal Exertion.	Property.	Total.
				£	£	£
£1,200 or under ...	16,157	15,749	31,906	2,917,440	1,214,050	4,131,490
£1,201 to £2,200 ...	378	181	559	584,200	286,700	870,900
£2,201 or upwards ...	219	145	364	1,028,790	661,350	1,690,140
Total ...	16,754	16,075	32,829	4,530,430	2,162,100	6,692,530

310. The absentees assessed for income tax numbered 13,645 in 1897; but  $92\frac{1}{2}$  per cent. of these drew incomes from the colony not exceeding £200, and averaging only £19, which in the case of residents would have been exempt from taxation. Six per cent. of the absentees drew incomes varying from £201 to £1,200, or an average of £466 each; less than  $\frac{3}{4}$  per cent. drew incomes varying from £1,201 to £2,200, and averaging £1,540; and a similar proportion drew incomes of £2,201 or upwards, averaging close on £5,000 each. Only 5 per cent. of the absentees derived their income from personal exertion, but the proportion of income so derived was 31 per cent. of the whole amount. These results have been derived from the following table :—

Incomes of  
absentees,  
1897.

### INCOMES OF ABSENTEES, 1897.

Net Income of—	Number of Taxpayers.			Total Income derived in the Colony.		
	Personal Exertion.	Property.	Total.	From Personal Exertion.	From Property.	Total.
				£	£	£
£200 or under ...	442	12,181	12,623	29,100	210,540	239,640
£201 to £1,200 ...	209	629	838	108,060	282,480	390,540
£1,201 to £2,200 ...	35	58	93	52,760	90,460	143,220
£2,201 and upwards ...	33	58	91	194,910	259,780	454,690
Total ...	719	12,926	13,645	384,830	843,260	1,228,090

NOTE.—These figures are included in the preceding table.

\* Adding the amount allowed for the £200 exemption, viz., £3,628,000, the total net income will be increased to £10,320,530.

Taxpayers  
of various  
amounts.

311. The income tax payable by over four-fifths of the taxpayers does not exceed £5, as will be seen by the following figures :— \*

CLASSIFICATION OF AMOUNTS PAYABLE BY INCOME TAXPAYERS  
IN 1898.

(Corrected to 31st August, 1898.)

	Assessments on Incomes of 1897.
£5 tax per annum and under ...	25,663
From £5 tax per annum to £7 ...	1,439
From £7 tax per annum to £10 ...	1,220
From £10 tax per annum to £20 ...	1,618
From £20 tax per annum and upwards ...	1,357
Total ...	31,297

Cost of  
collection of  
income tax.

312. The cost of the collection (including printing) of the income tax was £9,752 in 1895-6, £10,101 in 1896-7, and £10,390 in 1897-8, and averaged £10,081 per annum, being equivalent to 5·7 per cent. of the average amount paid into the Treasury (£177,868).

Land tax.

313. The Act for imposing a land tax (41 Vict. No. 575) came into operation on the 28th August, 1877. It provides that all estates over 640 acres in extent, valued at upwards of £2,500, whether consisting of one block or several blocks of land not more than five miles apart, shall be taxed at the rate of one and a quarter per cent. upon their capital value, after deducting therefrom the sum of £2,500—only one exemption, however, being allowed in the case of a proprietor holding more than one estate. For the purpose of ascertaining the capital value, the estates in question are divided into four classes, the value being estimated according to the number of sheep they are able to carry, as follows :—

	Value per acre.
Class I., carrying 2 sheep or more per acre ...	£4
Class II., „ 1½ sheep per acre ...	3
Class III., „ 1 sheep per acre ...	2
Class IV., „ under 1 sheep per acre ...	1

Extent of  
land  
assessed for  
land tax.

314. The extent of land assessed under this Act amounted in 1899 to 7,280,000 acres, more than half of which was placed in the lowest class, about a third in the third class, more than one-tenth in the second class, and less than 4 per cent. in the first class.

Proportion  
of land  
assessed to  
total avail-  
able and  
alienated  
land.

315. The area of Victoria is 56,245,760 acres, of which 23,125,000 acres either had been alienated in fee simple or were in process of alienation when the year commenced. The area assessed for land tax thus amounted to 12·9 per cent. of the area of the colony, or to 31·5 per cent. of the area alienated or in process of alienation.†

Number of  
estates  
assessed.

316. The number of estates assessed was 1,145, or only 18 more than in 1894. As some proprietors own more than one estate their number

\* See Return to an Order of the Legislative Council, C1; session 1898.

† The land in process of alienation amounted to 4,930,000 acres, on which, on the average, more than two-thirds the purchase money had been paid. If this were left out of account, the proportion of freehold land assessed for land tax would be increased to 39 per cent.



is less than the number of estates, and is set down at 887. It is, however, actually less than this, as, whilst the returns show where the proprietor holds more than one estate in the same class, they do not distinguish cases of proprietors holding estates embraced in two or more classes. Average size of estates assessed.

317. The average size of all the estates assessed is 6,358 acres, which is somewhat above the average of those in Class III. In Classes I. and II. the estates average 2,446 and 3,224 acres respectively, and in Class IV. 9,874 acres. Proprietors and number and size of estates assessed.

318. The following table shows, for each class, the number and area of estates assessed for land tax, the number of proprietors of such estates, and the average number of acres to each estate and to each proprietor :—

PROPRIETORS AND NUMBER AND SIZE OF ESTATES ASSESSED FOR  
LAND TAX, 1899.\*

Class.	Number of Proprietors.	Estates Assessed.				
		Number.	Area.		Average Area to each.	
			Total.	Percentage of each Class.	Proprietor.	Estate.
		Acres.		Acres.	Acres.	
I. ...	95	113	276,388	3·79	2,909	2,446
II. ...	206	234	754,335	10·36	3,662	3,224
III. ...	325	410	2,418,278	33·22	7,441	5,898
IV. ...	261	388	3,831,222	52·63	14,679	9,874
Total...	887	1,145	7,280,223	100·00	8,208	6,358

319. The capital value of the estates, according to the valuation prescribed by the Statute, is nearly twelve millions sterling; but, after deducting the exemptions allowed—viz., £2,500—from the value of the estate or estates of each proprietor, the net taxable value is reduced to rather more than nine and a half millions sterling. It may be pointed out that, although it may perhaps have been necessary to fix arbitrarily a scale for valuing estates for purposes of taxation, yet there is no doubt that the taxable value so arrived at is, in most cases, very much below the actual value of the estates. It is estimated that the municipal valuations would give a capital value twice as great as that adopted according to the Act. Valuation of estates assessed.

320. The capital value of the estates in each class, according to their estimated carrying capacity, the value of the exemptions, and the Valuation estates of each class.

\* According to the returns of the half-year ended 27th February, 1899.

net taxable value after deducting these, and the proportion of the net taxable value to the capital value, are given in the following table:—

VALUE OF ESTATES ASSESSED FOR LAND TAX, 1899.\*

Class.	Capital Value.	Value of Exemptions.	Net Taxable Value.	Proportion of Net Taxable Value to Capital Value.
	£	£	£	Per cent.
I. ...	1,089,617	237,500	852,117	78·20
II. ...	2,249,272	515,000	1,734,272	77·10
III. ...	4,822,911	812,500	4,010,411	83·15
IV. ...	3,668,390	652,500	3,015,890	82·21
Total ...	11,830,190	2,217,500	9,612,690	81·26

Amount of land tax payable.

321. The land tax payable varied from 9½d. per acre in Class I. to less than 2½d. per acre in Class IV., the average being nearly 4d. per acre; the amount payable by each holder averaged £135, ranging from an average of £154 in Class III. to one of £105 in Class II.; and the amount payable for each estate averaged £105, being as high as £122 in Class III., and varying from £93 to £97 in the other classes. Subjoined is a statement of the total amount payable annually in respect to the estates of each class; also the average amount payable per acre, per holder, and per estate:—

LAND TAX PAYABLE ANNUALLY, 1899.\*

Class.	Total Amount per Annum.	Amount per Acre.	Amount by each Holder.	Amount for each Estate.
	£	d.	£	£
I. ...	10,651	9·25	112·1	94·2
II. ...	21,678	6·90	105·2	92·7
III. ...	50,131	4·98	154·2	122·3
IV. ...	37,699	2·36	144·4	97·2
Total ...	120,159	3·96	135·5	104·9

Difference in payments in each class.

322. It will be observed that, although the average amount payable per acre goes, as may be supposed, in regular succession according to classes, the difference between the acreable payment by each class and its successor is very marked—varying from 2d. to 2½d. It will also be noticed that the amount paid on behalf of each estate in Class III. is 25 per cent. more than that paid on behalf of those in Class IV., notwithstanding that the average area of each estate in the former class is, as is shown in a previous table, two-fifths smaller than that in the latter.

\* According to the returns of the half-year ended 27th February, 1899

323. The first general hearing of the appeals against the land tax was concluded in 1880. Since then the number of proprietors has increased by 69, and the area of the estates assessed by 385,500 acres, but the taxable value has diminished by £413,200. Except as regards the number of proprietors, which have increased in all classes except the first, the increases have been confined to the fourth class, the other two classes showing decreases. During the last four years there has been an increase of 19 in the number of proprietors, and of about 200,000 acres in the area, but a decrease of £200,000 in the net taxable value of estates assessed. These results are obtained from the subjoined table:—

Estates  
assessed,  
1880, 1894,  
and 1899.

ESTATES ASSESSED FOR LAND TAX, 1880, 1894, AND 1899.

	Classes.				Total.
	I.	II.	III.	IV.	
Number of proprietors, 1880	98	196	315	209	818
"    "    1894	102	203	320	243	868
"    "    1899	95	206	325	261	887
Increase 1880 to 1899	...	10	10	52	69
Decrease "    "	3	...	...	...	...
Area of estates, 1880 ...	Acres. 339,303	Acres. 816,505	Acres. 2,525,221	Acres. 3,213,717	Acres. 6,894,746
"    "    1894 ...	294,117	759,942	2,521,547	3,507,303	7,082,909
"    "    1899 ...	276,388	754,335	2,418,278	3,831,222	7,280,223
Increase 1880 to 1899	...	...	...	617,505	385,477
Decrease "    "	62,915	62,170	106,943	...	...
Net taxable value, 1880 ...	£ 1,112,212	£ 1,959,515	£ 4,262,944	£ 2,691,217	£ 10,025,888
"    "    1894 ...	916,018	1,774,822	4,225,927	2,902,434	9,819,201
"    "    1899 ...	852,117	1,734,272	4,010,411	3,015,890	9,612,690
Increase 1880 to 1899	...	...	...	324,673	...
Decrease "    "	260,095	225,243	252,533	...	413,198

324. The cost of administering the Land Tax Act during the year 1897-8 amounted to £640, as against £617 in 1896-7, £708 in 1895-6, £608 in 1894-5, and £800 in 1893-4.

Cost of ad-  
ministering  
Land Tax  
Act.

325. Stamp duties were first imposed during the year 1879-80, under Act 43 Vict. No. 645, which came into force on the 18th December, 1879. The provisions of this Act and subsequent amending Acts were consolidated by the *Stamps Act* 1890 (54 Vict. No. 1140), but the duties were not materially affected or increased until the passing of the *Stamps Act* 1892, which came into force on the 12th December, 1892. Except in regard to all annual licences, and to cases where the duty is assessed by the collector of imposts, on which the duty is payable in cash, all duty is payable by means of stamps, and

Stamp  
duties.

that on bills of exchange and promissory notes executed on or after 1st January, 1893, must be denoted by *impressed* stamps. The following, in a condensed form, are the particulars of the duties levied under the Acts referred to, together with a list of the chief exemptions:—

### STAMP DUTIES.

#### I.—BILLS OF EXCHANGE AND PROMISSORY NOTES.

	£	s.	d.
Bills of exchange, payable on demand, cheques, &c., each ... ..	0	0	1
All other kinds (except bank notes) including bills of exchange payable on demand but not intended to be paid within 21 days—			

For every £25 or fraction thereof of the total value up to £100 ... .. 0 0 6

For every additional £50 or fraction thereof ... .. 0 1 0

Duty chargeable on any bill of exchange or promissory note is now unlimited. Formerly the maximum was limited to £10.

#### II.—RECEIPTS.

Receipts or discharges for payment of £2 or upwards, each ... ..	0	0	1
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#### III.—CONVEYANCE ON SALE OF ANY REAL PROPERTY, APPLICATIONS, CONSENTS, AND TRANSFERS UNDER TRANSFER OF LAND ACT 1890.

For every £50 of the amount or value of the consideration or fraction thereof after deducting the first £50 ... ..	0	5	0
--	---	---	---

[NOTE.—Instruments for effecting exchange and partition of any real property for any other real property, where any consideration is given for equality, is charged with same duty on sum paid for equality.]

#### IV.—DEED OF SETTLEMENT OR GIFT.

(1) Any instrument other than a will or codicil whether voluntary or upon any good or valuable consideration other than a *bonâ fide* adequate pecuniary consideration whereby any property is settled or agreed to be settled in any manner whatsoever, or is given or agreed to be given in any manner whatsoever.

(2) Any instrument declaring that the property vested in the person executing the same shall be held in trust for the person or persons mentioned therein—

Where the value of the property—	Per £100.
	£ s. d.
Does not exceed £1,000 ... ..	0 10 0
Exceeds £1,000 and does not exceed £5,000 ... ..	0 15 0
„ £5,000 „ „ £10,000 ... ..	1 0 0
„ £10,000 „ „ £25,000 ... ..	1 5 0
„ £25,000 „ „ £50,000 ... ..	1 10 0
„ £50,000 „ „ £100,000 ... ..	2 0 0
„ £100,000 ... ..	2 10 0

#### V.—LEASES.

Leases or agreements for lease of any lands or tenements for any definite or indefinite term—

(1) Where the consideration or any part of the consideration moving either to the lessor or to any other person shall consist of any money or marketable security, for every £50 of such consideration, and also for any fractional part of £50 ... .. 0 5 0

(2) Where the consideration or any part of the consideration is any rent exceeding £65 per annum, for every £50 of such consideration, whether reserved as a yearly rent or otherwise, also for any fractional part of £50 per annum ... .. 0 2 6

(3) For every transfer or assignment of any lease ... .. 0 5 0

STAMP DUTIES—*continued.*

## VI.—ANNUAL LICENCE.

Fire, fidelity guarantee, or marine assurance or insurance company—			
For every £100 of premiums received or fraction thereof, a licence-fee per annum of	...	...	...
			£ s. d.
			1 10 0
[Minimum amount payable on any licence, £50.*]			

## VII.—BILLS OF LADING.

Bills of lading, or copies thereof, of or for any goods, merchandise, or effects to be exported, each	...	...	...	...	...	0 0 6
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## VIII.—CONTRACT NOTES.

Contract notes for or relating to the sale of any marketable security not including shares in any mining company, of the value—						
Under £50	...	...	...	...	...	0 0 3
Over £50 and under £150	...	...	...	...	...	0 0 6
„ £150 and under £500	...	...	...	...	...	0 1 0
£500 or upwards	...	...	...	...	...	0 2 0

## IX.—CUSTOMS ENTRY WARRANTS, ETC.

Issued by or on behalf of the proprietor or occupier of any warehouse or store for any goods stored therein—			
Customs entry warrant where the value of goods is under £50	...	...	0 0 3
„ „ „ „ £50 or upwards	...	...	0 0 6
For samples only	...	...	Free
Locker's order, not including those for goods to be exported	...	...	0 0 6
Certificate, receipt, or acknowledgment	...	...	0 0 1

## EXEMPTIONS.

*Class I.*—Cheques drawn on public accounts, or on those of a registered building or friendly society; drafts or instruments affecting the transmission of public moneys; drafts, orders, &c., of post office or other savings banks; and Government or municipal debentures.

*Class II.*—Receipts for moneys paid to or from public accounts for municipal rates, or for water rates amounting to less than £5 paid to the Melbourne and Metropolitan Board of Works, or any public Trusts Commissioners, or local governing bodies under the *Water Act* 1890; for deposits in banks in current account, for moneys paid into a charitable institution, a registered friendly society, a fire, life, fidelity guarantee, or marine insurance (or assurance) company, or into a post office or other savings bank; for the wages or salary of any person not exceeding £5; for moneys paid by a friendly or benefit society for sick pay; or for any money less than £5 paid to any person by way of gift or gratuity.

*Class III.*—Crown grants; instruments for conveyance or transfer on sale of any real property to the Crown or a public department, to a registered friendly society, or to a religious, charitable, or educational association; and marriage settlements.

*Class IV.*—(1) Any settlement or deed of gift made before or in consideration of marriage. (2) Any instrument declaring religious, charitable, or educational trusts.

*Class V.*—Any mining lease or any agreement for the right to enter upon or occupy and use any land for mining purposes.

*Class VI.*—Any private guarantee fidelity insurance scheme promoted amongst and sustained solely for the benefit of the officers and servants of any one particular public department, company, firm, or person, or of the officers or members of registered friendly society.

326. The revenue from the sale of stamps amounted to Revenue from stamps. £677,252 in 1897–8. Included are collections in cash of amounts which were at one time collected by means of stamps, viz., £50,214.

\* A proportional amount if less than a year

For reasons already explained,\* there is no means of ascertaining accurately what proportion of this is derived from stamp duties, excepting in regard to business transacted in the Registrar-General's and Titles Offices, of which a record has been kept; but after making due allowance for the value of stamps on telegrams—which has been ascertained; of those used for postage—which has been estimated; and of those used for fees—for a portion of which records are available; the balance representing the apparent revenue from stamp duties was £172,400. Of this amount £29,333 is known to have been derived from the conveyance or transfer of real property and leaseholds and deeds of gift, £9,700 from the annual licences of insurance companies, and £2,758 on Customs entry warrants, &c., whilst a further sum of £1,880 is estimated to have been obtained from bills of lading, and the balance (£128,729) is the estimated proceeds from bills of exchange and promissory notes and receipts. During the last five years the total stamps revenue varied from a minimum of £634,000 in 1894-5 to a maximum of £677,000 in 1897-8. The following, so far as could be ascertained or estimated, are the amounts under various heads for each of the five years; but the figures must in many cases be taken only as rough approximations:—

## STAMP REVENUE, 1893-4 TO 1897-8.

	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
CASH.					
Duty.—Insurance Licences ...	£ 9,893	£ 8,912	£ 8,911	£ 9,154	£ 9,700
„ Deeds of Gift† ...	2,776	3,523	7,643	2,500	5,202
„ „ „ Penalties... 103	103	218	204	70	244
„ Transfer of Real Property (portion of)	1,179	913	1,745	2,094	3,377
Fees.—Registrar-General's Office	7,051	5,884	6,212	6,136	6,773
„ Titles Office ...	29,276	24,534	24,899	24,709	24,918
Total in Cash ...	50,278	43,984	49,614	44,663	50,214
STAMPS.					
Duty.—Transfer of Real Property } (actual)†	20,632	19,157	20,261	18,014	20,510
„ Leases† ...					
„ Bills of Lading (say)‡ ...	2,045	1,889	1,600	1,600	1,880
„ Customs Entry Warrants, Lockers' Orders, &c. (actual)	2,356	2,507	2,640	2,650	2,758
„ Bills of Exchange, Cheques, &c., Receipts, and Contract Notes‡	106,016	101,381	119,496	117,418	128,729
Postage.—Letters, &c.‡ ...	366,010	347,109	340,546	345,589	344,845
„ Parcels Post (actual)...	10,271	10,937	11,680	9,164	13,844
„ Telegrams (actual) ...	96,595	90,463	99,022	101,605	98,863
Fees.—Births, Deaths, and Marriages (actual)	1,737	1,149	1,257	1,250	1,642
„ Prothonotary's Office‡ ...	3,712	3,296	2,966	2,870	2,410

\* See footnote (§) on page 127 ante.

† Exclusive of duty on deeds held in escrow, and on other unregistered documents, which cannot be ascertained.

‡ Rough approximation only. In the case of bills of lading, 40 bills have been assumed as the average to each vessel entered outwards.



## STAMP REVENUE, 1893-4 TO 1897-8—continued.

			1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
STAMPS—continued.			£	£	£	£	£
Fees—Probate	...	...	4,361	4,346	4,913	4,903	4,952
„ Equity	...	...	112	133	74	143	59
„ Lunacy	...	...	55	75	50	49	36
„ Insolvency Courts	...	...	5,345	4,400	3,767	3,499	2,934
„ All other (Balance)	...	...	3,513	3,070	2,971	3,441	3,576
Grand Total	...	...	673,038	634,396	660,857	656,858	677,252

327. The following table shows the stamp revenue during the last fourteen years, distinguishing that derived from telegrams, from duty and fees resulting from transactions in the Registrar-General's and the Titles Offices, from that derived from other services:—

Stamp revenue, 1884-5 to 1897-8.

## STAMP REVENUE 1884-5 TO 1897-8.

(Including collections in cash.)

Year.	Telegrams.	Duty on—		Fees received in—		Other Duties, Fees, and Postage† (Balance).	Total.
		Transfer of Real Property, &c.	Insurance Companies Annual Licences.*	Registrar-General's Office.†	Titles Office.		
	£	£	£	£	£	£	£
1884-5	84,031	51,452	6,900	§	44,552	385,478	572,413
1885-6	87,956	60,986	7,400	§	51,053	405,874	613,269
1886-7	104,111	53,220	7,920	§	43,625	422,013	630,889
1887-8	114,879	99,363	8,479	§	57,449	502,279	782,449
1888-9	125,458	119,724	9,095	§	71,786	549,251	875,314
1889-90	135,245	92,800	9,315	13,029	60,250	487,255	797,894
1890-91	139,320	75,939	10,115	11,386	52,182	462,388	751,330
1891-2	126,155	39,670	10,788	10,031	41,292	457,176	685,112
1892-3	109,154	32,614	10,444	10,520	33,460	517,966	714,158
1893-4	96,595	24,690	9,893	8,788	29,276	503,796	673,038
1894-5	90,463	23,811	8,912	7,033	24,534	479,643	634,396
1895-6	99,022	29,853	8,911	7,469	24,899	490,703	660,857
1896-7	101,605	22,678	9,154	7,386	24,709	491,326	656,858
1897-8	98,863	29,333	9,700	8,415	24,918	506,023	677,252

328. The cost of printing stamps of all kinds amounted to £3,054 in 1895-6, £2,466 in 1896-7, and £3,113 in 1897-8.

Cost of stamp printing.

329. The following table shows the gross amount raised by taxation, the amount of taxation per head, and the proportion of taxation to the total revenue in Australasian Colonies during each of the last seven years (six in the case of New Zealand) for which the information

Taxation in Australasian Colonies.

\* Estimated prior to 1887-8.

† Including fees in connexion with the registration of births, deaths, and marriages—collected by the Government Statist, since the 1st August, 1892.

‡ Revenue from parcels post included.

§ Information not available.

|| Including, for the first time, duties on deeds of gift—£3,079 (including penalties, £84), and on leases, from the 12th December, 1892.

is available. In most cases the calendar year has been latterly abandoned in favour of the financial year, which usually ends on 30th June:—

TAXATION IN AUSTRALASIAN COLONIES.

Colony.	Year.*	Taxation.		
		Gross Amount.	Average per Head.	Percentage of Total Revenue.
		£	£ s. d.	
Victoria ...	1891-2	3,149,310	2 14 5	40·75
	1892-3	2,522,779	2 3 3	36·25
	1893-4	2,497,567	2 2 7	37·18
	1894-5	2,712,313	2 6 0	40·41
	1895-6	2,691,009	2 5 6	41·67
	1896-7	2,645,187	2 5 0	39·90
	1897-8	2,910,237	2 9 6	42·19
	New South Wales ...	1892	3,449,787	2 18 5
1893		2,782,264	2 6 0	29·29
1894		2,686,920	2 3 5	28·89
1895		2,662,867	2 2 1	28·83
1895-6		2,496,838	1 19 1	27·56
1896-7		2,396,512	1 16 11	26·31
1897-8		2,511,298	1 17 11	26·99
Queensland ...		1892	1,403,885	3 7 6
	1893	1,335,554	3 2 7	40·02
	1893-4	1,346,787	3 2 4	40·29
	1894-5	1,417,491	3 3 8	41·52
	1895-6	1,566,983	3 8 0	43·03
	1896-7	1,500,344	3 3 7	41·52
	1897-8	1,559,645	3 4 4	41·39
	South Australia ...	1892	782,362	2 7 3
1893		769,706	2 5 1	29·87
1893-4		794,162	2 5 9	30·65
1894-5		798,347	2 5 4	31·96
1895-6		833,766	2 6 8	32·25
1896-7		941,075	2 12 3	34·87
1897-8		891,324	2 9 1	33·84
Western Australia ...		1892	304,760	5 8 11
	1893	293,336	4 13 10	51·40
	1893-4	354,620	5 9 0	52·14
	1894-5	549,243	6 13 10	48·78
	1895-6	853,965	8 8 8	45·94
	1896-7	1,185,002	8 11 10	41·69
	1897-8	1,114,326	6 17 7	40·45
	Tasmania ...	1892	438,136	2 17 4
1893		399,700	2 12 0	56·54
1894		418,870	2 13 8	60·11
1895		464,379	2 18 4	60·94
1896		467,054	2 17 2	58·52
1897		496,472	2 18 9	58·75
1898		541,003	3 2 0	59·57
New Zealand ...		1892	2,392,796	3 14 6
	1893	2,353,250	3 11 2	53·39
	1894-5	2,296,785	3 7 8	53·56
	1895-6	2,393,195	3 9 1	53·74
	1896-7	2,521,910	3 10 8	53·36
	1897-8	2,678,576	3 13 6	52·74

\* When the calendar year is not given, the information relates to the financial year ended 31st March in New Zealand, and 30th June in other colonies.

330. The amount derived from taxation per head in the last year referred to in the table was lower in Victoria than in any of the other colonies except South Australia and New South Wales, the latter colony having virtually adopted a free-trade policy. The following is the order in which the colonies stood in this respect during that year, the colony with the highest taxation per head being placed at the top, and the colonies with the lowest at the bottom of the list:—

Order of colonies in respect to taxation.

ORDER OF COLONIES IN REFERENCE TO AMOUNT OF TAXATION PER HEAD.

- |                       |                     |
|-----------------------|---------------------|
| 1. Western Australia. | 5. Victoria.        |
| 2. New Zealand.       | 6. South Australia. |
| 3. Queensland.        | 7. New South Wales. |
| 4. Tasmania.          |                     |

331. The colonies differ considerably in respect to the proportion that the amount raised by taxation bears to the total revenue. Thus, in the last year named, whilst Tasmania and New Zealand so raised more than half their respective revenues, Victoria, Queensland, and Western Australia raised over two-fifths, South Australia one-third, and New South Wales a little more than one-fourth. The following is the order in which they respectively stand in this particular, the colony in which the proportion of revenue raised by taxation is largest being placed first, and the remainder in succession:—

Order of colonies in respect to revenue raised by taxation.

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF REVENUE RAISED BY TAXATION.

- |                 |                       |
|-----------------|-----------------------|
| 1. Tasmania.    | 5. Western Australia. |
| 2. New Zealand. | 6. South Australia.   |
| 3. Victoria.    | 7. New South Wales.   |
| 4. Queensland.  |                       |

332. If the gross amounts raised by taxation in the different colonies from 1893 to 1897-8 of which particulars are given in the table be added together, it will be found that the total taxation levied on the Continent of Australia increased from nearly seven and three-quarters to nearly nine millions sterling per annum; and the total taxation of the colonies on the continent, added to that of Tasmania and New Zealand, increased from ten and a half to over twelve millions sterling. The exact figures will be found in the following table, also the average amount of taxation per head of the population, and the proportion that the taxation bore to the total revenue:—

Taxation of Australia and Australasia.

TAXATION OF AUSTRALIA AND AUSTRALASIA, 1893 TO 1897-8.

	Taxation.		
	Gross Amount.	Average per Head.	Percentage of Total Revenue.
Continent of Australia—	£	£ s. d.	
1893	7,703,639	2 8 0	33·58
1893-4	7,680,056	2 7 2	33·93
1894-5	8,140,261	2 9 0	35·42
1895-6	8,442,561	2 10 0	35 76
1896-7	8,668,120	2 10 4	34·82
1897-8	8,986,830	2 11 3	35·44

TAXATION OF AUSTRALIA AND AUSTRALASIA, 1893 TO 1897-8—  
*continued.*

	Taxation.		
	Gross Amount.	Average per Head.	Percentage of Total Revenue.
Australasia—	£	£ s. d.	
1893 ... ..	10,456,589	2 12 0	37·27
1893-4 ... ..	10,395,711	2 10 10	37·64
1894-5 ... ..	10,997,835	2 12 8	39·00
1895-6 ... ..	11,302,810	2 13 5	39·17
1896-7 ... ..	11,686,502	2 14 0	38·36
1897-8 ... ..	12,206,409	2 15 4	38·94

Taxation in  
British  
Possessions.

333. The taxation in the United Kingdom and those British Possessions respecting which particulars are at hand is given in the following table :—

TAXATION IN BRITISH POSSESSIONS.

Country.	Year.	Taxation.		
		Gross Amount.	Average per Head.	Percentage of Total Revenue.
EUROPE.				
United Kingdom ... ..	1896-7	£ 85,974,000	£ 2 3 4	82·70
ASIA.				
India ... ..	1895-6	62,920,000	0 5 8	63·97
Ceylon ... ..	1896	868,897	0 5 9	66·01
Straits Settlements ... ..	1896	333,125	0 11 9	71·59
AFRICA.				
Mauritius ... ..	1896	548,122	1 9 3	61·94
Natal ... ..	1895-6	389,951	0 13 1	26·77
Cape of Good Hope ... ..	1894-5	1,795,000	0 17 5	26·87
Basutoland ... ..	1896	24,681	0 0 5	53·81
Lagos ... ..	1896	162,515	1 18 0	90·41
Gambia ... ..	1896	20,027	1 10 8	76·52
AMERICA.				
Canada ... ..	1897	6,032,000	1 3 9	80·17
Newfoundland ... ..	1896	291,380	1 7 6	88·13
Bermuda ... ..	1896	26,717	1 13 6	77·98
British Guiana ... ..	1896-7	477,212	1 14 4	87·53
West Indies—				
Turk's Island ... ..	1896	6,479	1 4 8	66·74
Jamaica ... ..	1896-7	481,437	0 13 8	63·84
Barbados ... ..	1896	150,435	0 15 11	85·02
AUSTRALASIA.				
Australia, Tasmania, and New Zealand*	1896-7	11,686,502	2 14 0	38·36
Fiji ... ..	1896	56,293	0 9 4	76·21

\* For gross amount of taxation and taxation per head, and proportion of taxation to total revenue, in the various Australasian Colonies, see table following paragraph 329 *ante*.

334. It will be observed that the amount raised by taxation in Australasia is nearly double that in Canada; but that the amount raised by taxation in India is nearly five and a half times, and in the United Kingdom over seven times, as large as that so raised in Australasia. It might be supposed that those countries which depended almost entirely on taxation for their revenue would be more heavily taxed than countries which had other ample resources. The reverse, however, is the case with the Australasian Colonies; for whilst they raise about 38 per cent. of their revenue by taxation—or a smaller proportion than any of the British Possessions named except the Cape of Good Hope and Natal—their average taxation per head exceeds by 10s. 8d. that in the United Kingdom, which raises 83 per cent. of its revenue by taxation, and is, moreover, higher than that of any of its dependencies of which particulars are at hand.

Taxation in Australasia and other British Possessions compared.

335. In Victoria the gross amount of taxation is about half as large again as that in the Cape of Good Hope, and is equal to about half of that in Canada. The average per head is 1s. 8d. higher than in the United Kingdom; but in proportion to revenue, the taxation of Victoria is extremely low when compared with the other portions of the British Dominions of which information is available.

Taxation in Victoria and other British Possessions compared.

336. From the manner in which the statistical returns of Foreign countries are compiled, it is not always easy to separate the items of taxation from other sources of revenue. An endeavour, which it is believed is fairly successful, has, however, been made to do this in the case of the countries named in the following table:—

Taxation in Foreign countries.

#### TAXATION IN FOREIGN COUNTRIES.

Countries.	Year.	Taxation.		
		Gross Amount (000's omitted).	Average per Head.*	Percentage of Total Revenue.
<b>EUROPE.</b>				
Austria-Hungary ...	1897	£ 64,035,†	£ 1 9 11	62·65
Belgium ...	1898	11,317,	1 17 4	73·90
Bulgaria ...	1896	2,588,	0 15 8	74·11
Denmark ...	1896-7	3,045,	1 8 0	84·02
France (including Algeria)	1896	117,947,	2 14 11	91·66
German Federation ...	1897-8	35,751,	0 15 0	58·62
Greece ...	1893	1,701,	0 14 0	49·71
Holland ...	1898	8,864,	1 19 4	78·58
Italy ...	1896-7	67,928,	2 3 2	82·08
Portugal ...	1899	9,584,	2 1 1	84·00
Roumania ...	1896	4,308,	0 14 10	51·15
Russia ...	1895	75,340,	0 16 0‡	53·19
Servia ...	1896	1,957,	0 16 11	76·87
Spain ...	1897	24,105,	1 6 6	73·27
Sweden and Norway ...	1898	6,111,§	0 17 6	52·38
Switzerland Confederation	1897	1,700,	0 11 1	50·01
Turkey ...	1897	14,826,	0 12 3	78·11

For figures of population, see Part II., "Population," *ante*.

† This amount is made up of £40,726,000 taxation in Austria, and £23,309,000 approximate taxation in Hungary for the year 1897.

‡ Based on the population of Russia in Europe. The proportion to the population of the whole Russian Empire is 11s.

§ These figures are made up of £4,180,000 taxation in Sweden, and £1,931,000 taxation in Norway.

TAXATION IN FOREIGN COUNTRIES—*continued.*

Countries.	Year.	Taxation.		
		Gross Amount (000's omitted).	Average per Head.*	Percentage of Total Revenue.
ASIA.				
Japan ... ..	1897	£ 18,017,	£ s. d. 0 8 5	37·72
AFRICA.				
Egypt ... ..	1894	6,569,	0 19 3	58·49
AMERICA.				
Argentine Confederation	1899	14,164,	3 11 5	70·85
Brazil ... ..	1899	26,437,	1 16 11	72·26
Chili ... ..	1896	4,947,	1 16 6	81·10
Costa Rica ... ..	1896	305,	1 5 1	51·35
Mexico ... ..	1897	10,320,	0 16 4	93·91
Peru ... ..	1896	815,	0 5 5	37·79
Santo Domingo ... ..	1896	299,	0 9 10	96·76
United States Federation	1896-7	67,715,	1 1 6	75·52
Uruguay ... ..	1896	3,031,	3 14 0	98·56

337. It will be observed † that the gross amount raised by taxation is larger in France than in any other country of which information is given, and that the United Kingdom comes next in this respect; Russia follows; then Italy, the United States, Austria-Hungary, British India, Germany, Brazil, and Spain in the order named. The amount of taxation in the Australasian Colonies, taken as a whole, is about the same as that levied in Belgium or Mexico; but much larger than that levied in any other countries except Japan, Turkey, the Argentine Confederation, and the countries first named. The amount in Victoria is about the same as that levied in Bulgaria, half as large again as that levied in Switzerland, Greece, or Servia, and larger than in Costa Rica, Peru, and Santo Domingo, but considerably below that in any other of the countries shown in the table.

338. The taxation per head is larger in the United Kingdom than in any other independent countries except Uruguay, the Argentine Confederation, and France, and in this respect Italy (where it is slightly lower than in the United Kingdom), Portugal, Holland, Belgium, Brazil, Chili, Austria-Hungary, Denmark, and Spain stand next. The taxation per head, however, in all the Australasian Colonies (except New South Wales) is larger than in the United Kingdom; in Western Australia it is larger than in Uruguay; in New Zealand larger than in the Argentine Confederation, and in Tasmania and Queensland larger than in France.

339. It will be observed that, with three exceptions—Greece, Japan, and Peru—all the countries named in the last table raise more than half their revenue by taxation; whilst the Australasian Colonies as a whole raise less than two-fifths from that source. The revenues of Mexico, France, Brazil, and Argentine appear to be almost entirely

\* See footnote (\*) previous page.

† See also the tables following paragraphs 329 and 333 *ante*.

Gross amount of taxation in various countries.

Taxation per head in various countries.

Proportion of revenue raised by taxation in various countries.



derived from taxation; and although the United Kingdom raises more than four-fifths of its revenue from that source, five of the countries named raise a higher proportion.

340. In all the Australasian Colonies the principal part of the taxation is raised through the Customs. In the following table the total amount so raised, and the amount per head in each of those colonies is given for the last six years, together with the proportion of such revenue to the total taxation and the total imports in 1893 and 1898 :—

Taxation by  
Customs in  
Austral-  
asian  
Colonies.

TAXATION BY CUSTOMS IN AUSTRALASIAN COLONIES, 1893 TO 1898.

Colony.	Net Revenue from Customs Duties*—					
	1893.	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£	£
Victoria ...	1,585,252	1,758,391	1,717,480	1,749,048	1,729,130	1,908,051
New South Wales ...	2,062,770	2,006,973	1,972,944	1,367,432†	1,239,084	1,249,008
Queensland ...	1,070,269	1,113,160	1,243,526	1,270,305	1,162,384	1,287,757
South Australia ...	540,210	525,297	516,195	574,661	576,182	550,391
Western Australia ...	247,612	398,614	596,579	988,829	1,062,117	914,672
Tasmania ...	296,857	299,133	304,410	328,918	350,948	406,782
New Zealand ...	1,670,254	1,577,759	1,631,091	1,774,308	1,922,709	1,957,065
	Per Head of Population.					
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ...	1 7 1	1 9 11	1 9 1	1 9 9	1 9 5	1 12 6
New South Wales ...	1 14 1	1 12 5	1 11 2	1 1 3†	0 18 10	0 18 9
Queensland ...	2 10 2	2 10 9	2 14 11	2 14 6	2 8 7	2 12 3
South Australia ...	1 11 8	1 10 1	1 9 3	1 12 0	1 11 10	1 10 4
Western Australia ...	3 19 3	5 7 3	6 11 10	8 1 11	6 16 5	5 8 1
Tasmania ...	1 18 7	1 18 4	1 18 3	2 0 3	2 1 6	2 6 7
New Zealand ...	2 10 6	2 6 6	2 7 1	2 10 3	2 13 3	2 13 2
	Percentage of—					
	Total Taxation.		Value of Gross Imports.			
	1893.	1898.	1893.	1898.		
Victoria ...	62·84	65·56	11·93	11·38		
New South Wales ...	74·14	49·73	11·39	5·11		
Queensland ...	80·14	82·57	24·59	21·43		
South Australia ...	70·17	61·75	6·71	8·74		
Western Australia ...	84·41	82·08	16·57	17·45		
Tasmania ...	74·27	75·19	28·07	24·65		
New Zealand ...	70·98	73·06	24·16	23·78		

\* Cost of collection not deducted.

† In New South Wales a Free-trade Tariff came into operation in 1896.

Customs  
revenue in  
proportion  
to total  
taxation.

341. It will be observed that during 1898, New South Wales raised only half her taxation by means of Customs duties; Victoria so raised two-thirds, which was less than any of the other colonies, except New South Wales or South Australia; whilst New Zealand and Tasmania so raised about three-fourths, and Queensland and Western Australia as much as 82 per cent. There has been a decided increase in the proportion since 1893 in all the colonies except New South Wales, South Australia, and Western Australia. In New South Wales the proportion fell from 74 to 50 per cent., owing to the change in the interim from a policy of protection to one of free-trade.

Customs  
revenue in  
proportion  
to total  
imports.

342. It will, moreover, be noticed that in Victoria the tax on the import trade as a whole was equivalent to an average duty of  $11\frac{1}{2}$  per cent. ad valorem; which proportion was lower than in any of the other Australian Colonies, except New South Wales or South Australia—in the former of which the dutiable articles are few in number, and in the latter the rates of duty are below the average. In New South Wales, where the duties are restricted to alcoholic liquors, tobacco, and a few other articles, the proportion is less than half that in Victoria. Since the duties on manufactured articles are for the most part much higher in Victoria than in any of the other colonies—except perhaps New Zealand—the small proportion which the Customs revenue bears to the value of imports in that colony is owing to her importing, in a larger proportion than the others, raw, and consequently undutiable, materials, which form more than two-thirds of the whole imports.\* The proportion of Customs duties to imports is seen to be highest in Tasmania and New Zealand, and next in Queensland and Western Australia, it being about 24 per cent. in the two former, and 21 and 17 per cent. respectively in the two latter colonies.

Customs  
revenue in  
proportion  
to imports  
for con-  
sumption  
1898.

343. If, however, the comparison be made with imports for home consumption—*i.e.*, total imports *less* re-exports—the duty levied in Victoria in 1898 was equivalent to a tax of 19 per cent. on such imports, which was more than twice as high as in New South Wales, a little higher than in Western Australia, somewhat lower than in South Australia, but much lower than in Queensland, Tasmania, and New Zealand—where it averaged about 24 per cent. Further limiting the comparison to dutiable goods only, it will be found that the proportion in Victoria was 42 per cent., or less than half that in New South Wales, lower by a fourth than in New Zealand, but higher by a sixth than in Queensland, and much higher than in Western Australia, Tasmania, and South Australia—where the proportions ranged from  $27\frac{1}{2}$  to 29 per cent. In New South Wales, however, only 10 per cent. of the total value of imports for consumption was subject to duty, which was mainly restricted to alcoholic liquors and tobacco, on which the rates are always high; in New Zealand and Victoria, from 44 to 46 per cent. is subject to duty, in Queensland and Western Australia the proportion is nearly two-thirds, in South Australia over seven-tenths, and in

\* See next table.

Tasmania as high as 87 per cent. These results are derived from the following table:—

CUSTOMS TAXATION ON IMPORTS FOR CONSUMPTION IN AUSTRALASIAN COLONIES, 1898.

Colony.	Value of Imports for Home Consumption (Approximate).						Total.
	Alcoholic Liquors.*	Tobacco, Cigars, &c.	Other Dutiable Goods.	All Dutiable Goods.	Free Goods.		
					Amount.	Per cent.	
	£	£	£	£	£		£
Victoria ...	350,999	148,516	4,075,572	4,575,087	5,316,399	53·7	9,891,486
New South Wales	678,700	175,900	518,380	1,372,980	11,982,196	89·7	13,355,176
Queensland ...	278,400	85,930	3,205,231	3,569,561	1,903,892	34·7	5,473,453
South Australia	82,680	37,670	1,768,135	1,888,485	764,426	28·8	2,652,911
West. Australia	229,625	89,408	2,987,770	3,306,803	1,795,576	35·2	5,102,379
Tasmania ...	38,347	31,491	1,368,552	1,438,390	211,628	12·8	1,650,018
New Zealand ...	273,378	161,836	3,066,760	3,501,974	4,491,133	56·2	7,993,107
<b>Total ...</b>	<b>1,932,129</b>	<b>730,751</b>	<b>16,990,400</b>	<b>19,653,280</b>	<b>26,465,250</b>	<b>57·4</b>	<b>46,118,530</b>
Amount of Duties Collected (Net).							
Victoria ...	448,430	233,402	1,226,219	1,908,051	...		1,908,051
New South Wales	778,771	279,068	191,169	1,249,008	...		1,249,008
Queensland ...	350,257	173,550	763,950	1,287,757	...		1,287,757
South Australia	99,038	66,335	385,018	550,391	...		550,391
West. Australia	280,814	130,728	503,130	914,672	...		914,672
Tasmania ...	65,111	56,270	285,401	406,782	...		406,782
New Zealand ...	445,809	328,946	1,182,310	1,957,065	...		1,957,065
<b>Total ...</b>	<b>2,468,230</b>	<b>1,268,299</b>	<b>4,537,197</b>	<b>8,273,726</b>	<b>...</b>		<b>8,273,726</b>
Percentage—Duty Collected to Value of Articles.							
Victoria ...	128	157	30	41 $\frac{3}{4}$	...		19·2
New South Wales	115	158	37	91	...		9·3
Queensland ...	126	202	24	36	...		23·5
South Australia	120	176	22	29	...		20·7
West. Australia	122	146	17	27 $\frac{1}{2}$	...		17·9
Tasmania ...	170	179	21	28	...		24·6
New Zealand ...	163	203	38 $\frac{1}{2}$	56	...		24·5
<b>Total ...</b>	<b>128</b>	<b>174</b>	<b>27</b>	<b>42</b>	<b>...</b>		<b>17·9</b>

344. According to value, alcoholic liquors and tobacco, it will be observed, formed about 6 per cent. of the total imports (for consumption) of Australasia, or 14 per cent. of dutiable imports only, the Duty on stimulants and tobacco

\* Spirits, beer, and wine.

proportion being exceptionally high in New South Wales, viz., 63 per cent. The duty raised thereon in Australasia formed 46 per cent. of the whole duty collected, the proportion being as high as 85 per cent. in New South Wales and as low as 30 per cent. or less in South Australia and Tasmania, but varying from 36 to 45 per cent. in the other colonies. The duty levied on alcoholic liquors was equivalent to an ad valorem rate of 128 per cent., and varied from 115 in New South Wales to 128 per cent. in Victoria, and to as much as 163 and 170 per cent. in New Zealand and Tasmania respectively; whilst that on tobacco was upwards of 200 per cent. in Queensland and New Zealand, but varied from 146 to 179, or an average of 159 per cent. in the other colonies.

Duty on  
other  
articles.

345. Articles subject to duty, other than stimulants and tobacco, formed 37 per cent. of all imports (for consumption), or 86 per cent. of all dutiable imports; and such articles contributed 55 per cent. of the whole customs revenue. Of all articles other than stimulants and tobacco, dutiable goods formed 39 per cent. in the colonies as a whole, the proportion being as high as 86 per cent. in Tasmania, and as low as 4 per cent. in New South Wales, but varying from 70 per cent. to 41 per cent. in the other colonies. As a rule the taxation on such dutiable goods diminishes as the proportion of dutiable goods increases, but there are one or two exceptions; the average rate of duty on an ad valorem basis is as low as 17 per cent. in Western Australia, but varies from 21 to 37 or 38 per cent. in the other colonies, the latter rates being attained in New South Wales and New Zealand. In the following statement amounts of duty and the rates of customs duty (reduced to an ad valorem basis) levied in the different colonies on dutiable articles exclusive of alcoholic liquors and tobacco, are shown in conjunction with the percentages of the dutiable to all articles (dutiable and free) of the class referred to, from which some idea may be formed of the amount of duty which might be derived in any colony, if the conditions were altered to correspond with any other colony:—

CUSTOMS DUTY LEVIED ON IMPORTS\* OTHER THAN STIMULANTS  
AND TOBACCO IN AUSTRALASIAN COLONIES, 1898.

Colony.	Percentage of the Value of Dutiable to that of all Articles.	Duty Collected.	
		Amount.†	Ad Valorem if Dutiable Articles.
		£	Per cent.
Tasmania ... ..	86	285,000	21
South Australia ... ..	70	390,000	22
Queensland ... ..	63	760,000	24
Western Australia ... ..	62	500,000	17
Victoria ... ..	43	1,230,000	30
New Zealand ... ..	41	1,180,000	38½
New South Wales ... ..	4	190,000	37
Total ... ..	39	4,535,000	27

\* For consumption.

† In round numbers.

346. In proportion to population, the revenue from Customs duties was exceptionally low (18s. 9d.) in New South Wales, owing to its free-trade policy, and exceptionally high (£5 8s. 1d.) in Western Australia,\* owing to the sudden influx of population consequent on gold discoveries. In the other colonies the proportion varied from £1 10s. 4d. in South Australia, and a little more in Victoria, to between £2 6s. and £2 13s. in Tasmania, Queensland, and New Zealand. The following is the order of the colonies in this respect, commencing with the lowest:—

Order of colonies in reference to Customs duties per head.

ORDER OF COLONIES IN REFERENCE TO CUSTOMS DUTIES  
PER HEAD, 1898.

- |                     |                       |
|---------------------|-----------------------|
| 1. New South Wales. | 5. Queensland.        |
| 2. South Australia. | 6. New Zealand.       |
| 3. Victoria.        | 7. Western Australia. |
| 4. Tasmania.        |                       |

347. The following is a classified list of the principal articles from which the Customs revenue was obtained in each colony, except New Zealand, together with the revenue from each during the year 1897:—

Customs revenue from principal articles in Australasian Colonies.

REVENUE FROM CUSTOMS DUTIES ON PRINCIPAL ARTICLES IN  
AUSTRALASIAN COLONIES (EXCEPT NEW ZEALAND), 1897.

Articles.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Six Colonies.
<i>Alcoholic Liquors and Materials therefor.</i>	£	£	£	£	£	£	£
Spirits .. ..	370,487	641,768	257,678	85,802	228,615	48,848	1,633,198
Wine .. ..	15,797	22,786	13,785	3,287	27,101	4,779	87,535
Beer .. ..	28,186	56,760	27,322	11,620	69,257	3,403	196,548
Hops .. ..	10,362	..	12,292	5,567	4,309	653	33,183
Malt .. ..	20	..	34,038	5,620	15,231	104	55,013
Total .. ..	424,852	721,314	345,115	111,896	344,513	57,787	2,005,477
<i>Narcotics.</i>							
Tobacco, Cigars, Cigarettes, and Snuff	227,332	265,425	151,373	68,360	134,266	49,703	896,459
Opium .. ..	9,215	17,248	26,007	7,895	2,775	383	63,523
Total .. ..	236,547	282,673	177,380	76,255	137,041	50,086	959,982
<i>Foods and Non-Alcoholic Beverages.</i>							
Sugar and Molasses ..	300,707	128,278	1,124	47,870	..	41,451	519,430
Fruits, Vegetables, &c. (fresh and preserved)	66,908	66,897	55,169	23,211	45,460	9,380	267,025
Tea .. ..	116,079	..	81,668	35,099	..	11,271	244,117
Grain, Pulse, Flour, &c. (other than Rice)	10,170	..	43,178	17,442	75,185	2,240	148,215
Rice .. ..	19,788	..	33,192	8,645	..	3,973	65,598
Butter and Cheese ..	1,908	..	3,210	6,068	44,700	3,482	59,368
Fish (fresh and preserved)	27,745	..	12,018	8,270	7,094	50	55,177
Coffee, Chicory, Cocoa, and Chocolate	5,044	..	5,339	6,814	991	1,825	20,013
Salt .. ..	9,159	..	..	212	1,227	1,885	12,483
Total † .. ..	557,508	195,175	234,898	153,631	174,657	75,557	1,391,426

\* See paragraph 64 ante.

† From principal articles of food only; the balance is included under "all other articles."

REVENUE FROM CUSTOMS DUTIES ON PRINCIPAL ARTICLES IN AUSTRALASIAN COLONIES (EXCEPT NEW ZEALAND), 1897—*continued.*

Articles.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total Six Colonies.
	£	£	£	£	£	£	£
<i>Textile Fabrics and Dress.</i>							
Woollen and Worsted Manufactures	92,634	..	25,872	15,544	2,719	1,304	138,073
Cotton and Linen Manufactures	1,593	..	14,213	27	1,075	..	16,908
Silk Manufactures ..	36,693	..	2,246	..	..	..	38,939
Bags and Sacks ..	491	..	1,357	Nil	Nil	604	2,452
Hosiery ..	20,181	..	9,491	4,890	..	..	34,562
Apparel and Slops ..	46,079	..	28,392	31,343	25,821	..	131,635
Hats, Caps, and Bonnets	19,872	..	9,625	7,836	3,190	..	40,523
Gloves ..	12,742	..	3,697	..	..	..	16,439
Boots and Shoes ..	10,352	..	9,543	11,537	16,955	6,565	54,952
Drapery and Haberdashery*	..	..	19,874	25,097	44,431	65,491	154,893
All other ..	5,401	..	2,143	1,939	176	..	9,659
<b>Total ..</b>	<b>246,038</b>	<b>..</b>	<b>126,453</b>	<b>98,213</b>	<b>94,367</b>	<b>73,964</b>	<b>639,035</b>
<i>Miscellaneous.†</i>							
Live Stock ..	60,359	..	..	21,312	40,608	2,753	125,032
Kerosene Oil ..	..	10,978	37,451	13,396	..	6,169	67,994
Machinery, Tools, and Implements	22,287	..	7,362	12,896	3,971	7,737	54,253
Timber ..	23,129	..	1,916	9,156	25,115	2,911	62,227
Medicines and Drugs	13,061	..	12,029	8,851	8,986	5,409	48,336
Oil (other than Kerosene)	13,110	2,651	13,230	6,284	544	3,543	39,362
Hay and Chaff ..	..	..	4,656	3,688	17,872	..	26,216
Soap ..	6,235	..	1,659	1,218	3,214	873	13,199
Candles ..	1,615	7,768	2,391	1,914	4,818	1,362	19,868
Cement ..	6,326	..	6,057	809	4,734	1,186	19,112
Matches and Vestas ..	6,032	..	4,163	1,355	1,614	526	13,690
Furniture and Upholstery	6,426	..	5,649	5,976	10,144	2,232	30,427
Bottles ..	12,363	..	238	..	567	196	13,364
All other articles ..	239,281	29,617	196,698	134,492	192,234	63,883	856,205
<b>Total ..</b>	<b>410,224</b>	<b>51,014</b>	<b>293,499</b>	<b>221,347</b>	<b>314,421</b>	<b>98,780</b>	<b>1,389,285</b>
<b>Grand Total (gross)</b>	<b>1,875,169</b>	<b>1,250,176</b>	<b>1,177,345</b>	<b>661,342</b>	<b>1,064,999</b>	<b>356,174</b>	<b>6,385,205</b>
Less Drawbacks, Refunds	146,039	11,092	14,961	85,160	2,882	5,226	265,360
<b>Net Revenue ..</b>	<b>1,729,130</b>	<b>1,239,084</b>	<b>1,162,384</b>	<b>576,182</b>	<b>1,062,117</b>	<b>350,948</b>	<b>6,119,845</b>

Chief sources of Customs revenue in Australia.

348. It will be observed that of the aggregate Customs revenue (gross) of the six colonies, amounting to upwards of £6,380,000, over £2,000,000, or 31 per cent., was derived from alcoholic liquors, hops, and malt; £960,000, or 15 per cent., from tobacco and opium; £1,390,000, or 22 per cent., from sugar and tea, grain and flour, fruits and vegetables, and seven other articles of food; nearly £640,000, or 10 per cent., from textile fabrics, or articles of dress; over £530,000, or nearly 8½ per cent., from thirteen miscellaneous articles or groups of articles; and the balance of £860,000, or only 13½ per cent., from all other articles. In New South Wales, only £250,000—or about one-fifth—was raised from all articles other than alcoholic liquors and

\* Including articles which in certain colonies were not distinguished under some of the preceding heads.—† Including foods, &c., not embraced in the third category.



narcotics—owing to its free-trade policy; whereas if that colony were brought into line with the others, fully another million could be raised.

349. The extent to which a loss of Customs revenue will arise, after federation, through the remission of intercolonial duties, is at present largely a matter of speculation, but it is tolerably certain it will at least not fall far short of a million sterling, as will be seen from the total of the subjoined seven items selected from the last table, concerning which articles there can be little doubt but that the whole of the supplies needed by the states can be produced within the confines of the Federation. To this extent there will be a remission of taxation, which, if found necessary, might be replaced by substituted taxation in other directions.

Remission of taxation on Australian products after federation.

REMISSION OF TAXATION ON ADOPTION OF INTERCOLONIAL FREE-TRADE.

Sugar ... ..	£520,000	Hops ... ..	£33,000
Grain, Flour, &c. ...	148,000	Hay and Chaff ...	26,000
Live Stock ... ..	125,000		
Butter and Cheese...	59,000	Total ... ..	£966,000*
Malt ... ..	55,000		

350. The following were the rates of duty levied in each colony on the principal articles, as specified in the preceding table, from which the great bulk of the Customs revenue was derived:—

Rates of Customs duty on chief articles in Australian Colonies.

RATES OF CUSTOMS DUTIES ON PRINCIPAL ARTICLES IN AUSTRALASIAN COLONIES (EXCEPT NEW ZEALAND), 1897.

Articles.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
<i>Alcoholic Liquors and Materials therefor.</i>						
Spirits ... .. per gall.	12 0	14 0	14 0	15 0	16 0	15 0
„ Methylated ... ..	1 0	0 1	5 0	4 0	2 0	3 0
„ Perfumed ... ..	24 0	20 0	14 0	25 0	...	24 0
Wine—Still ... ..	8 0	5 0	6 0	12 0†	6 6	8 0
„ Sparkling ... ..	12 0	10 0	10 0	15 0	10 0	10 0
Beer—Bottled ... ..	{ 1 3 and 1 6 }	0 9	1 6	1 6	1 6	1 6
„ Draught ... ..	0 10	0 6	{ 1 0 and 1 3 }	1 2	1 3	1 0
Hops ... .. per lb.	0 8	Nil	0 8	0 6	0 4	0 3
Malt ... .. per bush.	4 6	„	4 6	4 6	3 0	1 0
<i>Narcotics.</i>						
Tobacco—						
Manufactured ... per lb.	3 0	3 0	4 0	2 9	3 0	3 0
Unmanufactured ... ..	1 0	1 0‡	2 0	1 7½	1 10½	3 6
Cigars and Cigarettes	6 0	6 0	6 0	6 3	6 0	7 0
Snuff ... ..	3 0	3 0	5 0	6 0	6 0	6 0
Opium ... ..	20 0	20 0	20 0	20 0	30 0	20 0

\* This list is, of course, incomplete. Compare with tables following paragraphs 61 *et seq.*, ante.

† If not containing more than 35 per cent. of proof spirit.

‡ If entered for home manufacture; otherwise 3s.

RATES OF CUSTOMS DUTIES ON PRINCIPAL ARTICLES IN  
AUSTRALASIAN COLONIES, 1897—continued.

Articles.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
<i>Foods and Non-Alcoholic Beverages.</i>						
Sugar—Raw... per cwt.	5 9	{ 5 0 4 0† }	5 0	} 3 0	} Nil	6 0
„ Refined ... „	6 0*	{ 6 8 5 4† }	6 8			9 4‡
„ Beet... „	12 0	Not specified	Not specified			Not specified
Fruits—Bottled per doz. pts.	3 0	Nil	1 6	2 0	15%	3 0
„ Dried (including Currants and Raisins) ... per lb.	0 3	0 2	0 3	{ 0 3 0 2§	{ 0 3 0 2§	} 0 2
Fruits—						
Oranges and Lemons, per bush.	0 9	} Nil	} Nil	1 0	10 %	1 0
Unenumerated ... „	1 6					
Pulp ... per lb.	0 3	„	0 0½	0 4	0 2	...
Vegetables—						
Fresh ... „	Nil	„	25%	...	...	} 20%
Bottled ... per doz. pints	3 0	„	25%	...	...	
Dried and Preserved per lb.	0 3	„	25%	0 2	10%	
Tea ... „	0 3	„	0 6	0 3	Nil	0 3
Grain and Pulse—						
Wheat ... per cental	2 11	} „	0 6⅔	2 0	0 10	} 1 6
Oats ... „	3 0		1 8	2 0	0 10	
Barley ... „	3 0		1 6	3 0	0 8	
Maize ... „	2 11		1 2¼	1 0	0 10⅓	
Beans and Peas ... „	2 11		1 8	Nil	0 10	
Grain, Prepared—						
Flour ... „	5 0		1 0	2 0	1 6	2 0
Bran ... „	5 0		1 8	2 0	1 0	1 6
Pollard ... „	5 0		1 8	2 0	1 0	1 6
Rice—						
Dressed ... „	6 0	} „	} 8 4	} 2 8	} Nil	} 8 4
„ in bond ... „	4 0					
Butter ... per lb.	0 2	„	0 3	0 2	0 2	0 2
Cheese ... „	0 3	„	0 4	0 4	0 3	0 2
Fish—						
Fresh ... „	Nil	„	Nil	...	...	10%
Preserved ... per lb.	0 2	„	0 2	0 2	0 1	20%
Salted ... per cwt.	5 0	„	9 4	9 4	9 4	20%
Salt ... per ton	20 0	„	Nil	25 0	20 0	30 0
„ Rock ... „	Nil	„	„	Nil	Nil	Nil
Coffee ... per lb.	0 3	„	0 6	0 4	0 3	0 4
„ Raw ... „	Nil	„	0 4	0 3	Nil	0 3
Chicory ... „	0 3	„	0 6	0 6	0 3	0 4
Cocoa, Raw ... „	Nil	„	15%	Nil	Nil	} 0 4
„ and Chocolate per lb.	0 3	„	0 4	0 3	„	

\* Including glucose and refined molasses; raw molasses is charged only 2s.

† From 1st July, solid glucose was reckoned as raw sugar; whilst molasses and liquid glucose were charged half the rate for refined sugar.

‡ Molasses charged 3s. 6d. per cwt.

§ Currants only.

RATES OF CUSTOMS DUTIES ON PRINCIPAL ARTICLES IN AUSTRALASIAN COLONIES, 1897—continued.

Articles.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.					
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.					
<i>Textile Fabrics and Dress</i> * ...	8·2%.	Nil	12·4%.	9·7%.	11·5%.	18·1%.					
<i>Miscellaneous—</i>											
<i>Live Stock—</i>											
Horses ... .. each	Nil	}	Nil	40 0	20 0	40 0					
Cattle ... .. "	30 0			20 0	30 0	40 0					
Sheep ... .. "	2 0			1 0	2 6	2 0					
Pigs ... .. "	10 0			5 0	4 0	2 6					
Machinery and Implements* ...	6·4%.	"	2·3%.	6·9%.	0·8%.	8·8%.					
<i>Timber—</i>											
Boards ... per 100 sup. ft.	1 6	}	Various	1 6	Un-worked, 10%, worked, 20%	5 0					
Deals ... per 100 sup. ft.	Nil			2 6†		10 %					
Undressed ... per 100 sup. ft.	"			Nil		10 %					
Medicines ... ..	25 %	}	Nil, 15, and 25 %	Nil, 10, and 20 %	15 %	20 %					
<i>Drugs and Chemicals—</i>											
Ammonia, carbonate of, per lb.	0 2						}	Nil, 15, and 25 %	Nil, 10, and 20 %	15 %	20 %
" liquid ... ..	Nil										
Gelatine ... .. per lb.	0 6										
Glycerine, pure ... ..	0 1½										
" crude ... ..	0 1½										
Unenumerated ... ..	Nil										
<i>Oils—</i>											
Castor (in bulk) ... per gall.	0 6	" †	Nil and 1 0	0 6	}	...					
Chinese ... .. "	0 6	" †	1 0	0 6		Nil					
Cocoanut ... .. "	Nil	" †	1 0	Nil		Nil					
Cod Liver ... .. "	"	" ††	1 0	"		Nil	0 6				
Kerosene ... .. "	"	" ††	0 6	0 3		Nil	...				
Linseed ... .. "	0 6	" †	1 0	0 6		Nil	...				
Unenumerated ... ..	0 6	" †	{ 1 0 0 6	{ 0 6		Nil	1 3				
Hay and Chaff ... per ton	Nil	"	15 0	10 %	30 0	20 %					
<i>Soap—</i>											
Common ... .. per lb.	0 2	"	0 1	0 1	0 0½	0 1					
Perfumed ... .. "	0 4	"	0 3	0 4	20 %	0 3					
Candles ... .. "	0 1	0 0½§	0 2	0 2	0 2	0 2					
Cement ... .. per cwt.	1 0	Nil	2 0	2 0	2 0	0 9					
Matches and Vestas ... per gross	Nil, 6d., 1s., and 1s. 3d.	"	Nil and 25 %	1s. and 10 %	15 %	20 %					
Furniture and Upholstery ...	30 %	"	25 %	25 %	20 %	20 %					
Bottles ... .. per doz.	{ 0 3 0 6	} "	{ Free 15 %	{ 15 %	...	{ Free 10 %					

\* Calculated on the gross value of imports (dutiable and free) of these articles and the gross amount of duty received thereon. If drawbacks and refunds were deducted, the proportions would be somewhat lower, especially in Victoria.

† Per 40 cubic feet.

‡ From 1st January to 30th June, 1897, 3d. per gallon.

§ From 1st January to 30th June, 1897, 1d. per lb.

|| Per barrel.

Excise  
revenue in  
Australasian  
Colonies,  
1897 and  
1898.

351. Allied to Customs duties are the Excise duties—*i.e.*, duties levied on home goods either in the process of their manufacture or before they are sold to the home consumers—which are as yet of minor importance in the Australasian Colonies, whilst their incidence is confined to only three articles, viz., spirits, beer, and tobacco. In the year 1898 the Excise revenue of the Australasian Colonies amounted to nearly £900,000—equivalent to about a tenth of the Customs revenue—the amount raised in the different colonies varying from over £300,000 in Victoria and New South Wales to only £10,000 in Western Australia; whilst the amount per head of population varied from 5s. 8d. in Queensland, 5s. 3d. in Victoria, and 4s. 6d. in New South Wales, to a little over 2s. in South Australia, Tasmania, and New Zealand, and 1s. 2d. in Western Australia. The following are the amounts, and amounts per head, in the various colonies in 1897 and 1898; also the revenue from each article taxed in 1897:—

REVENUE FROM EXCISE DUTIES IN AUSTRALASIAN COLONIES,  
1897 AND 1898.

Colony.	Gross Amount in 1897 from—			Total (net) in—*		Average per head of Population.		Percentage of total taxation, 1898.
	Spirits.	Beer.	Tobacco.	1897.	1898.	1897.	1898.	
Victoria ...	81,517	160,180	55,235	296,863	309,520	5 1	5 3	10·64
New South Wales ...	5,025	135,080	141,370	279,909	301,537	4 3	4 6	12·01
Queensland ...	32,152	22,367	29,676	84,152	139,684	3 6	5 8	8·96
South Australia ...	11,347	24,827	...	36,174	36,966	2 0	2 1	4·14
Western Australia ...	...	...	...	Nil	10,211	...	1 2	·92
Total ...	130,041	342,454	226,281	697,098	797,918	4 0	4 6	8·88
Tasmania ...	...	19,367	...	19,367	21,181	2 4	2 5	3·92
New Zealand ...	983	71,765	2,549	75,297	78,842	2 1	2 2	2·94
Grand Total ...	131,024	433,586	228,830	791,762	897,941	3 7	4 0	7·36

Customs  
revenues of  
British  
Dominions.

352. In regard to other portions of the British Dominions, the Customs revenue formed only 25 per cent. of the taxation of the United Kingdom, which was little more than a third of that in Australasia, and a much smaller proportion than in any of its possessions except India, where it was as low as 8 per cent.; whereas the proportion was highest in Newfoundland, where it was higher than in any of the Australasian Colonies; next highest in Canada, where it was a little lower than in Queensland, Western Australia, and New Zealand; next in the Cape of Good Hope, where it was about the same as in New Zealand; and next in Natal where it was somewhat higher than in Victoria. In proportion to imports, the Customs revenue was much lower in the United Kingdom than in any other portion of the British Empire, and highest in Tasmania, New Zealand, Newfoundland,

\* After deducting rebates and refunds, amounting, in 1897, to £1,678.

British Guiana, and Queensland, higher also in Canada and Jamaica than in Victoria or Australasia as a whole. Per head of population, the proportion in all of its dependencies, except India, Ceylon, Natal, and Jamaica, was higher than that in the United Kingdom itself, where it was 10s. 9d., which was only about a fourth of that in Australasia; and in Victoria—where the proportion (£1 9s. 9d.) was lower than in any other Australasian colony, except New South Wales or South Australia—it was about double that prevailing in Canada or the Cape of Good Hope. The following are the figures for the principal British possessions for 1896 :—

## CUSTOMS REVENUE IN BRITISH POSSESSIONS, 1896.

Country.	Customs Revenue.*	Percentage of—		Per Head of Population.
		Total Taxation.†	Total Value of Imports.	
<b>EUROPE.</b>				
	£			£ s. d.
United Kingdom (1896-7) ...	21,254,000	24·72	4·42	0 10 9
<b>ASIA.</b>				
India (1895-6) ... ..	5,015,772	7·97	8·42	0 0 5
Ceylon ... ..	336,636	38·74	6·40	0 2 3
<b>AFRICA.</b>				
Mauritius ... ..	310,515	56·65	9·50	0 16 7
Natal (1895-6) ... ..	265,369	68·05	7·48	0 8 10
Cape of Good Hope (1894-5) ...	1,357,000	75·60	7·11	0 13 2
<b>AMERICA.</b>				
Canada (1897)... ..	4,140,000	68·63	16·67	0 16 3
Newfoundland (1895-6) ... ..	291,380	100·00	23·29	1 7 6
British Guiana (1896-7) ... ..	288,987	60·56	21·54	1 0 9
West Indies—				
Jamaica (1896-7) ... ..	318,251	66·10	17·15	0 9 1
Trinidad ... ..	277,384	?	11·26	1 3 1
<b>AUSTRALASIA.</b>				
Australia, Tasmania, and New Zealand	8,053,501	71·25	12·86	1 17 7

\* The revenue from Import and Export duties only is given for most of the countries.

† In a few cases the taxation with which the Customs revenue is compared is for a somewhat different period, but it is not thought this would much affect the result.

Customs and excise revenue in foreign countries.

353. The following are the particulars of the Customs and Excise revenue in the principal European and other Countries for which information is available :—

CUSTOMS AND EXCISE REVENUE IN FOREIGN COUNTRIES.

Countries.	Year.	Revenue from— (000's omitted).		Percentage of Total Taxation.		Per Head of Population.			Percentage of Customs Revenue to Value of Imports.
		Customs Duties.	Excise Duties.	Customs Revenue.	Excise Revenue.	Customs Revenue.	Excise Revenue.		
EUROPE.		£	£			£ s. d.	£ s. d.		
Austria-Hungary	... 1897	3,995,	31,704,	6·24	49·51	0 1 10	0 14 10	6·79	
Belgium	... 1898	1,450,	2,097,	12·81	18·53	0 4 9	0 6 11	1·19	
Bulgaria	... 1896	431,	?	16·65	?	0 2 7	?	14·08	
Denmark	... 1896-7	1,595,	409,	52·38	13·43	0 14 8	0 3 9	7·48	
France	... 1896	18,381,	33,513,	15·58	28·41	0 8 7	0 15 7	9·42	
Germany	... 1897-8	18,624,	14,033,	52·09	39·25	0 7 0	0 5 4	8·03	
Greece	... 1896	1,040,	?	61·14	?	0 8 7	?	20·81	
Holland	... 1898	726,	3,700,	8·19	41·74	0 3 3	0 16 5	0·63	
Italy	... 1896-7	9,380,	10,465,	13·81	15·40	0 6 0	0 6 8	18·42	
Russia	... 1895	16,771,	40,775,	22·26	54·12	0 3 1	0 7 8	25·45	
Servia	... 1896	200,	?	10·22	?	0 1 10	?	14·95	
Spain	... 1896	4,524,	?	18·77	?	0 5 0	?	14·00	
Sweden and Norway	... 1898	2,643,	1,644,	43·25	26·90	0 7 7	0 4 9	7·96	
Switzerland	... 1897	1,700,	...	100·00	...	0 11 5	...	2·82	
Turkey	... 1896	1,580,	?	10·66	?	0 1 4	?	8·53	
ASIA.									
Japan	... 1896-7	1,233,	4,278,	6·84	23·74	0 0 7	0 2 0	6·63	
AFRICA.									
Egypt	... 1896	1,945,	?	29·61	?	0 5 9	?	19·29	
AMERICA.									
Argentine Republic	... 1899	5,620,	5,370,	39·68	37·91	1 8 4	1 7 1	25·05	
Chili	... 1896	4,731,	?	95·63	?	1 14 11	?	33·16	
Costa Rica	... 1896	305,	?	100·00	?	1 5 1	?	26·13	
Peru	... 1896	660,	?	81·00	?	0 4 5	?	32·85	
United States	... 1896-7	36,782,	29,302,	54·32	43·27	0 11 8	0 9 4	22·64	
Uruguay	... 1896	1,923,	?	63·44	?	2 7 2	?	36·15	

Customs revenue in Australasia and foreign countries compared.

354. Of the twenty-three countries shown, it appears that only nine, viz., Switzerland, Costa Rica, Chili, Peru, Uruguay, Greece, the United States, Denmark, and Germany, raise more than half their taxation through the Customs, but in only the first four of these is the proportion higher than in Australasia, viz., 71 per cent. Per head of population, the proportion in Uruguay (47s. 2d.) is far higher than in any other foreign country, and this is the only country in which the proportion is higher than the average in Australasia (37s. 7d.); whereas the proportions in all the other countries—except Chili, where the proportion is



2s. 8d. below, and Argentina, where it is 9s. 3d. below, the average of Australasia—are even lower than in New South Wales. It should be borne in mind, however, that the Customs revenue of Australasia includes duties on intercolonial products, and that if these were deducted the proportion would be somewhat reduced. The proportion of Customs revenue to total imports was far higher in no fewer than eleven of the foreign countries than in Australasia, viz., Chili, Uruguay, Peru, where it was 30 per cent. or upwards; Costa Rica, Argentina, and Russia, where it was about 25 per cent.; United States, where it was 22½; Greece, 20; Italy and Egypt, 19; and Spain, Servia, and Bulgaria, 14 or 15 per cent. In Tasmania and New Zealand the proportion was a little less than in Russia; in Queensland, slightly lower than in the United States or Greece; in Western Australia, somewhat lower than in Italy or Egypt; whilst in New South Wales it was lower than in all but four of the countries named in the table; and in South Australia and Victoria lower than in all except nine and eleven respectively. In connexion with this, however, the proportions in Victoria, New South Wales, and South Australia would be much higher if the calculation were based on imports for consumption only, instead of the total imports, in which is included a large volume of goods intended for re-export.

355. In regard to Excise revenue, it will be noticed that in all but two of the twelve foreign countries of which particulars are available, the proportion per head of population is far higher than in Australasia (4s. 1d.) In the ten countries referred to, the Excise revenue per head ranged from a minimum of 4s. 9d. in Sweden and Norway to a maximum of £1 7s. 1d. in Argentina, whilst the average was about 11s. 6d. It will also be noticed that all the countries raise a larger proportion of their taxation by means of Excise duties than any of the Australasian colonies; thus, Russia raises over one-half of its taxation from this source; Austro-Hungary nearly half; the United States, Holland, Germany, and Argentina, a little more or less than two-fifths; Japan, France, and Sweden and Norway, over one-fourth. In Australasia, where the maximum is 11½ per cent., and the average only 7 per cent., it would appear that there is ample scope for exploiting this source of income when the necessity arises.

Excise  
revenue in  
foreign  
countries  
and  
Australasia  
compared.

356. The following table gives a statement of the ordinary revenue and expenditure of municipalities in the financial year ended 30th September, 1897, the amounts raised and expended in cities, towns, and boroughs being shown separately from those in shires. In former issues of this work, the expenditure from loans was included

Municipal  
revenue and  
expendi-  
ture.

in the expenditure, but on the present occasion it has been eliminated :—

SUMMARY OF ORDINARY MUNICIPAL REVENUE AND EXPENDITURE,  
1897.\*

REVENUE.			
Sources of Revenue.	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Taxation—			
Rates—General ... ..	375,724	297,798	673,522
„ Separate or extra ... ..	20,094	3,192	23,286
Licences—			
Equivalent from Licensing Act Fund ...	63,112	29,362	92,474
Other ... ..	10,294	2,148	12,442
Dog Fees ... ..	6,639	6,650	13,289
Market and Weighbridge Dues† ... ..	35,492	1,995	37,487
<b>Total Taxation ... ..</b>	<b>511,355</b>	<b>341,145</b>	<b>852,500</b>
Government {			
Endowment... ..	2,111	90,189	92,300
Special Grants ... ..	4,034	8,489	12,523
Contributions for—			
Formation of Private Streets, &c.,	5,102	1,997	7,099
Flagging, Asphaltting Footpaths, &c. ...	2,925	978	3,903
Water Rates ... ..	7,390	2,364	9,754
Gas Works ... ..	7,015	1,231	8,246
Closet Cleansing and Sanitary Works ...	41,796	9,958	51,754
Pound Fees ... ..	565	2,649	3,214
Rents ... ..	49,272	1,921	51,193
Interest ... ..	9,673	1,047	10,720
Other Sources ... ..	16,842	9,774	26,616
Improvement Rates ... ..	294	385	679
<b>Total Revenue ... ..</b>	<b>658,374</b>	<b>472,127</b>	<b>1,130,501</b>

EXPENDITURE (EXCLUSIVE OF LOANS).

Heads of Expenditure.	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Salaries, &c. ... ..	55,727	74,893	130,620
Closet Cleansing and Sanitary Work ...	65,828	9,746	75,574
Street, Cleansing, &c. ... ..	51,289	5,047	56,336
Lighting ... ..	48,845	7,976	56,821
Fire Brigades Board Contribution ... ..	10,430	2,120	12,550
Public Works—			
Construction of Roads and Bridges ...	14,975	158,385	173,360
Other Works ... ..	8,528	6,326	14,854

\* Financial year ended on 30th September except in the cases of Melbourne and Geelong, where it ends on 31st August. For later figures, see Appendix B, *post*.

† In some cases, when the markets are owned by the corporations, Rents—for the use of the premises or to cover interest on the cost of construction—are included as well as dues which are really licence-fees for the “right to sell.” Only the latter properly come under the head of taxation.

SUMMARY OF ORDINARY MUNICIPAL REVENUE AND EXPENDITURE,  
1897\*—continued.

## EXPENDITURE (EXCLUSIVE OF LOANS)—continued.

Heads of Expenditure.	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Maintenance—			
Roads and Bridges ... ..	92,653	104,041	196,694
Waterworks (exclusive of Interest on Loans, &c.)	1,782	2,984	4,766
Markets ... ..	14,908	279	15,187
Gas Works ... ..	5,842	589	6,431
Other Public Buildings (including Abattoirs, Baths, &c.)	10,826	428	11,254
Parks, Gardens, Reserves, &c. ... ..	21,010	2,253	23,263
Other Public Works ... ..	22,980	5,050	28,030
Formation of Private Streets, &c. ... ..	2,379	763	3,142
Flagging, Asphaltting Footpaths ... ..	6,734	1,248	7,982
Repayment of Loans (including Sinking Funds)	47,365	14,002	61,367
Interest on Government Loans ... ..	616	6,035	6,651
„ Other Loans ... ..	156,511	24,340	180,851
„ Bank Overdrafts ... ..	3,875	4,778	8,653
Expenses of paying Interest on Loans, &c. ...	1,815	4	1,819
Contributions to Charitable Institutions ...	6,344	7,029	13,373
Law Costs ... ..	4,881	5,988	10,869
Printing, Stationery, and Advertising ...	7,888	12,947	20,835
Other Expenditure ... ..	23,662	38,693	62,355
Total Expenditure ... ..	687,693	495,944	1,183,637

357. Under the *Local Government Act* 1891 (54 Vict. No. 1243) it was provided that an annual sum of £450,000 should be appropriated as an endowment to municipalities, commencing with the 1st January, 1892. This was the first statutory provision made to municipalities since 1879, when the annuity of £310,000, authorized under the *Local Government Act* 1874, ceased to be payable. A subsidy, however, in lieu thereof was voted by Parliament annually—equal at first to such endowment, but gradually increased until £450,000 was reached in 1889–90 and 1890–91. Owing to the exigencies of the State, however, the endowment was reduced to £405,000 per annum from the 1st January, 1893, then to £310,000 from the 1st July, 1894, and then to £100,000 from 1st July, 1895, which latter amount has not since been changed. The endowment is payable in equal moieties in March and September of each year.

Endowment  
of muni-  
cipalities.

358. The *Local Government Act* 1890 provides that one of the terms of any municipal loan borrowed from the public shall be the yearly payment, besides interest, of not less than 2 per cent. into a sinking fund; but owing to the contraction of their revenue from rates and other sources in recent years, some of the municipalities have found the annual charge for those sinking funds burdensome, and the Government has deemed it advisable to proffer assistance, with a view of affording immediate relief, without affecting the fulfilment of the contracts which have been entered into with the bond-holders to pay

Muni-  
cipalities  
relieved of  
further  
payments to  
sinking  
fund.

\* See footnote (\*) to previous page.

off the loans at due dates. With this object Act No. 1552 was passed on the 25th August, 1898, whereby any municipality, which gives notice within twelve months of its intention to avail itself of the provisions of the Act, will be relieved of further payments into the sinking fund, the amount at the credit of which is to accumulate until the date of maturity of the loan to be paid off; whilst the deficiency of such accumulated amount below the amount required for redemption will be met by the Treasurer out of the proceeds arising from the sale of Government Stock inscribed under the Act on behalf of such municipalities. The municipality, on its part, is required to continue the payment of interest to the bond-holders until maturity of loans; and afterwards to the Government an annual amount equal to such interest—to be applied first in payment of interest and expenses, at the rate of  $3\frac{1}{2}$  per cent. ( $\frac{1}{2}$  per cent. for expenses) on the amount due to the Treasurer, and the balance in reduction of the amount advanced until fully paid off. It is provided, moreover, that no municipality which has taken advantage of the Act shall raise any new loan without the consent of the Governor in Council. The immediate relief afforded by this measure will be about £39,800 per annum.\*

Rate of  
endowment.

359. Under the Act of 1891 as amended by the Act of 1895 the municipalities are arranged in eight classes in order to insure an equitable distribution of the endowment, those in the lowest class to receive two-ninths of 10s., and those in the highest two-ninths of 55s., for every £1 of general rates† received in the previous year, the amount originally appropriated for endowment having been reduced from £450,000 to £100,000; provided that no city, town, or shire in the first class shall now participate; and that, if the general rate should exceed one shilling in the £1, the endowment should be calculated on the equivalent amount which a rate of one shilling would have yielded.‡ The following is the classification referred to, together with the number of municipalities in each class in 1897-8, and the rates of endowment specified in the Act:—

CLASSIFICATION OF MUNICIPALITIES FOR PURPOSES OF  
ENDOWMENT, 1897-8.

Classification.	No. of Municipalities, 1897.	Rate of Endowment payable for every £1 of General Rates received.
Cities and Towns (including Melbourne and Geelong)	21	s. d. Nil
Boroughs ... ..	37	3 4
Shires—1st Class ... ..	5§	Nil
„ 2nd „ ... ..	64	5 4
„ 3rd „ ... ..	51¶	6 3
„ 4th „ ... ..	4	8 11
„ 5th „ ... ..	18	10 7
„ 6th „ ... ..	8**	12 3
Total (net) ... ..	208	—

NOTE.—No subsidy is payable to any city, town, or first-class shire. If the endowment authorized be insufficient, proportionate reductions are to be made.

\* See table following paragraph 483, and for further relief proposed, see paragraph 483a, *post*.—† For ratings in municipalities, see paragraph 183 in Part II. *ante*.—‡ If the general rate is under 1s., then credit may be taken for extra rates to the extent of the difference.—§ All immediate suburbs of Melbourne.—|| Except portions of three shires.—¶ Except portion of one shire.—\*\* Including portions of three shires.

360. In 1897, the expenditure exceeded the revenue in cities, towns, and boroughs by 4·5 per cent., and in shires by 5 per cent.; as compared with an excess of revenue over expenditure of 3·3 per cent. in cities, towns, and boroughs, and of 7·7 per cent. in shires, in the previous year. Municipal expenditure in excess of revenue

361. The expenditure was greater than the revenue in 36 of the 58 cities, towns, and boroughs, and in 99 of the 150 shires in 1897; and in 26 of the 58 cities, towns, and boroughs, and in 50 of the 150 shires in 1896. Municipalities in which expenditure exceeded revenue.

362. In 1897, payments of salaries absorbed  $8\frac{1}{2}$  per cent. of the revenue of cities, towns, and boroughs, and 16 per cent. of that of shires. Salaries in municipalities.

363. The following is a summary of the Revenue and Expenditure of the City of Melbourne for the year ended 31st August, 1897:— Revenue and Expenditure of City of Melbourne.

CITY OF MELBOURNE.—REVENUE AND EXPENDITURE, 1897.

Heads of Revenue.	Amount Received.	Heads of Expenditure.	Amount Expended.
Rates—	£	Salaries, &c.—	£
General ... ..	69,906	Administrative Staff ...	8,086
Lighting ... ..	17,778	Allowance to Mayor ...	1,500
Licences—		Commissions—Rate Collector's	1,616
Publicans' — Equivalent for — under Licensing Act	14,445	Other Services ...	630
Drays and Hackney Carriages	2,734*	Closet Cleansing and Sanitary Works	14,106
Other ... ..	1,893	Street Cleansing ...	13,562
Fees under Dog Act ...	628	,, Watering ... ..	3,312
Market and Weighbridge Rents and Dues	23,643†	Lighting—Electric—Maintenance	17,115‡
Lamps—Sale of Electric Current	557	Fire Brigades Board—Contribution	2,957
Fines and Costs ... ..	1,122	Public Works—Maintenance—	
Rents—		Roads and Bridges ...	37,486
Abattoirs ... ..	3,163	Markets ... ..	12,636
Markets and Shops ...	28,312	Abattoirs .. ..	5,047
Town Hall Premises and Rooms	1,804	Parks and Gardens ...	4,047
Other Properties ...	401	Other Works ... ..	1,779
Interest on Deposits ...	5,863	Repayment of Loan ...	10,000
Reimbursements in Aid ...	3,359	Interest and Expenses of Loans	68,193
Cleansing Cesspools ...	4,232	Printing, Advertising, and Stationery	1,495
Miscellaneous Receipts ...	2,501	Queen's Diamond Jubilee Celebration	2,753
		Miscellaneous Expenditure	7,398
<b>Total ... ..</b>	<b>182,351</b>	<b>Total ... ..</b>	<b>213,718</b>

\* Net amount after deduction of £1,647 paid to municipal districts.

† Net amount after deduction of 6 per cent. on the capital expended on buildings, &c., owned by the Corporation.

‡ The electric lighting works are owned by the Corporation.

City revenue  
and  
expenditure  
under  
various  
heads.

364. It will be noticed that nearly half (48 per cent.) of the total revenue of the city is derived from rates, nearly a third from the rental of city property, chiefly markets and shops, and over a tenth from licences—chiefly publicans'. Of the expenditure very nearly one-third was devoted to the payment of the interest on and expenses of the debt; 28½ per cent. went to defray the cost of maintenance of public works, chiefly roads and bridges and markets; 8 per cent. was required for the electric lighting service, and a somewhat smaller proportion for street cleansing and watering; and 6½ per cent. was paid for the disposal of sewage and sanitation; whilst the charge for salaries, allowances, and commissions averaged 5 per cent. of the whole.

Municipal  
loan  
receipts and  
expendi-  
ture, 1897.

365. In addition to the ordinary revenue of municipalities, the receipts and expenditure of loan moneys must also be taken into account. In 1897, the transactions were small, but there was a balance unexpended at the end of the year of over a quarter of a million sterling, of which nearly £19,000 was temporarily used by the municipalities for other purposes than those for which the loans were authorized. The following are the amounts received and expended and balances in 1897 :—

#### MUNICIPAL LOAN RECEIPTS AND EXPENDITURE, 1897.

(Exclusive of Redemption Loans.)

	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Receipts during the Year ... ..	18,530	9,674	28,204
Expenditure during the Year on—			
Roads and Bridges ... ..	7,877	7,733	15,610
Sewerage and Drainage ... ..	4,391	...	4,391
Public Buildings ... ..	7,754	300	8,054
Other Services ... ..	8,630	3,227	11,857
Total Expenditure ... ..	28,652	11,260	39,912
Balance unexpended at end of Year—			
In hand or in bank ... ..	244,420	18,001	262,421
Due by Municipal Fund, &c. ... ..	14,729	4,090	18,819
Total ... ..	259,149	22,091	281,240

Municipal  
loan  
receipts and  
expendi-  
ture, 1895-7.

366. The municipal loan expenditure fell from £69,000 in 1895 to £40,000 in 1897, as will be seen by the following figures :—

#### MUNICIPAL LOAN RECEIPTS AND EXPENDITURE, 1895 TO 1897.

	Receipts.	Expenditure.
1895 ... ..	£51,739	£69,056
1896 ... ..	36,678	63,078
1897 . . . . .	28,204	39,912



367. The assets and liabilities of municipalities in 1897, divided into three heads—viz., Municipal Fund, Loan Funds, and Property, are shown in the following table, those of cities towns and boroughs being distinguished from those of shires :—

Assets and liabilities of municipalities.

MUNICIPALITIES.—ASSETS AND LIABILITIES OF MUNICIPALITIES,  
SEPTEMBER, 1897.

	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
<b>ASSETS.</b>			
(a) Municipal Fund—			
Uncollected Rates ... ..	145,301	92,806	238,107
Contributions due for Streets Formed, &c.	26,632	4,250	30,882
Cash in hand or in Bank ... ..	15,746	32,432	48,178
Other Assets ... ..	32,679	40,595	73,274
Total Municipal Fund ... ..	220,358	170,083	390,441
(b) Loan Funds—			
Sinking Funds—			
Amount at Credit ... ..	430,489	139,239	569,728
Arrears due by Municipal Fund ... ..	275,715	34,350	310,065
Unexpended Balances ... ..	259,149	22,091	281,240
Total Loan Funds ... ..	965,353	195,680	1,161,033
(c) Property—			
Invested in Waterworks ... ..	177,384	60,263	237,647
,, Gasworks ... ..	43,049	9,500	52,549
,, Halls and other Buildings, Markets, &c. ... ..	1,772,953	271,558	2,044,511
Total Invested in Property ... ..	1,993,386	341,321	2,334,707
Total Assets ... ..	3,179,097	707,084	3,886,181
<b>LIABILITIES.</b>			
(a) Municipal Fund—			
Due on Current Contracts ... ..	8,950	29,918	38,868
Arrears due to Sinking Funds ... ..	275,715	34,350	310,065
Interest Overdue on—			
Government Loans ... ..	138,329	10,114	148,443
Other Loans ... ..	4,968	3,920	8,888
Due to Loan Fund ... ..	14,729	4,090	18,819
Bank Overdraft ... ..	37,023	50,736	87,759
Temporary Advances from Government	869	37,001	37,870
Other Liabilities ... ..	42,210	39,676	81,886
Total Municipal Fund ... ..	522,793	209,805	732,598
(b) Loan Funds—			
Loans Outstanding ... ..	3,325,896	673,221	3,999,117
Due on Loan Contracts ... ..	3,320	1,067	4,387
Total Loan Funds ... ..	3,329,216	674,288	4,003,504
Total Liabilities ... ..	3,852,009	884,093	4,736,102

NOTE.—Loans due from one municipality to another have been excluded from this table.

Municipal  
assets and  
liabilities  
compared.

368. It will be observed that the total liabilities of municipalities in 1897 amounted to £4,736,000, and the total assets to £3,886,000; thus showing a net deficiency of £850,000—of which £673,000 was in cities, towns, and boroughs, and £177,000 in shires. The current liabilities (Municipal Fund) amounted to £732,000, as against which there were assets amounting to £390,000, thus leaving a deficiency of £342,000—of which £302,000 was in the urban and £40,000 in the rural municipalities; whilst the gross liability on account of loan expenditure was £4,003,500, which, after deducting sinking funds and unexpended balances, was reduced to £2,842,500; and, if credit were also taken for the amount invested in waterworks, gasworks, and other municipal property, it would be further reduced to £508,000. In some respects, however, the assets are not altogether of a satisfactory character, as those appertaining to the Loan Fund include an amount of £310,000 as arrears of sinking funds for which the Municipal Fund is liable—chiefly on account of loans borrowed by the Government and re-lent to the municipalities (urban chiefly) for waterworks; whilst the assets of the Municipal Fund show a sum of almost a quarter of a million as outstanding for municipal rates. As to the condition of the liabilities of the same fund, there is also room for considerable improvement by reducing not only the arrears due to the sinking funds before alluded to, but also the arrears of interest amounting to £157,000, and in making good the sum of £19,000 borrowed irregularly from the loan funds. These remarks, of course, apply only to those municipalities which have allowed their affairs to drift into an unsatisfactory state, the inclusion of whose accounts in a general statement of the whole neutralizes the good results achieved by those municipalities whose affairs are in a flourishing condition.\*

Harbor  
Trust re-  
ceipts and  
expendi-  
ture.

369. Subjoined is a statement of the revenue and expenditure of the Melbourne Harbor Trust† during the twenty-one and a half years which have elapsed since the Act came into operation under which that body was created. The net receipts here shown are less than the gross receipts by about one-fifth, that being the proportion payable by the Commissioners of the Trust into the consolidated revenue:—

MELBOURNE HARBOR TRUST.—ORDINARY RECEIPTS AND  
EXPENDITURE, 1877 TO 1898.

	1894.	1895.	1896.	1897.	1898.	Total, 1877 to 1898.
ORDINARY RECEIPTS (NET).	£	£	£	£	£	£
Wharfage Rates .. .. .	87,929	94,944	102,843	108,169	112,263	2,453,482
Rents and Licence Fees .. .. .	11,217	9,503	9,666	10,402	10,738	150,271
Interest .. .. .	11,719	9,314	8,396	5,079	3,935	147,152
Miscellaneous‡ .. .. .	4,661	3,980	3,504	24,085	6,012	123,401
Total .. .. .	115,526	117,741	124,409	147,735	132,948	2,874,306

\* For financial relief afforded by Government to Municipalities, see paragraphs 358 *ante* and 483 *post*.

† For particulars of improvements made, see Part "Interchange," *post*.

‡ Including rent from steam ferry, premiums on loans, and various sales of plant, old stores, silt, &c.

MELBOURNE HARBOR TRUST.—ORDINARY RECEIPTS AND  
EXPENDITURE, 1877 to 1898—*continued.*

	1894.	1895.	1896.	1897.	1898.	Total 1877 to 1898.
EXPENDITURE.*	£	£	£	£	£	£
Plant .. .. .	..	..	..	..	..	533,349
Harbor Improvements and Maintenance, including dredging, landing, and depositing silt	26,180	21,677	22,307	20,267	19,418	1,718,490
Wharves and Approaches, construction and maintenance	17,726	17,846	20,155	14,878	19,400	1,275,023
General Management and Contingent Expenses	9,475	8,679	7,819	8,347	8,448	264,870
Commissioners' Fees .. ..	1,247	1,133	1,133	1,133	1,520	33,348
Interest .. .. .	93,241	93,943	93,902	89,717	89,123	1,008,059
Total .. .. .	147,869	143,278	145,316	134,342	137,909	4,833,139

370. In the twenty-one and a half years the Trust has been in existence, the net receipts have amounted to £2,874,306, and the expenditure to £4,833,139, or £1,958,833 in excess of the receipts. To meet this excess, loans † amounting to £2,000,000 have been raised. The expenditure of the Trust may be condensed into three main divisions, the first being Plant, on which, during the period the Trust has been in existence, £533,349 has been laid out, or nearly one-ninth of the whole expenditure; the second being the Improvement and Maintenance of the Harbor, together with the wharves and approaches, on which £2,993,513 has been expended, about three-fifths of the whole amount; and the third being Management and Interest on Loans, which has absorbed £1,306,277, or more than one-fourth of the whole amount. The cash credit on 31st December, 1898, was £120,006; and the liabilities under contracts in progress amounted to £7,102.

Receipts  
and ex-  
penditure  
compared.

371. The following is a statement for the years 1893-4 to 1897-8 of the ordinary receipts and expenditure (*i.e.*, exclusive of loans) on account of the Melbourne Water and Sewerage Works, which were taken over from the Government by the Melbourne and Metropolitan Board of Works from the 1st July, 1891. It will be observed that in 1897-8 the ordinary receipts were less than the expenditure by nearly £113,000, and at the end of the year there was an accumulated deficiency

Metropolitan  
Board of  
Works  
ordinary  
receipts  
and ex-  
penditure.

\* Including loan expenditure.

† For particulars of loans, see table "Melbourne Harbor Trust Loans," *post.*

of over £219,000. No sewerage rate had been struck up to the end of 1897-8 :—

MELBOURNE AND METROPOLITAN BOARD OF WORKS—ORDINARY RECEIPTS AND EXPENDITURE,\* 1893-4 TO 1897-8.

	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£
<b>RECEIPTS.</b>					
Water Supply—					
Water Rates† ... ..	170,762	162,042	160,562	156,417	160,479
" Stations ... ..	2,406	1,808	2,261	2,456	2,017
Other ... ..	226	215	328	424	718
Total ... ..	173,394	164,065	163,151	159,297	163,214
Sewerage—					
Rents—Metropolitan Farm	1,563	2,328	4,061	4,173	5,103
Grazing Fees ... ..	66	10	61	145	200
Sale of Farm Crops ... ..	...	94	31	86	15
Miscellaneous Receipts ... ..	19	25	40	34	21
Total Sewerage ... ..	1,648	2,457	4,193	4,438	5,339
Total Receipts ... ..	175,042	166,522	167,344	163,735	168,553
<b>EXPENDITURE.</b>					
Management—					
Administration — Salaries, Wages, Travelling Expenses, Audit Expenses, and Law Costs	10,379	10,022	10,631	11,339	10,961
Rate Collectors—Salaries, &c.	6,441	6,181	6,289	7,057	6,557
Printing, Stores, and Incidentals	2,396	2,677	2,747	2,848	3,590
Rent of Offices (proportion)	1,045	962	968	1,135	1,140
Valuation of Tenements in Metropolitan Area	539	545	535	534	760
Compensation to Officers ... ..	323	...	...	...	139
Pensions to Officers ... ..	...	109	278	328	613
Land Tax — Metropolitan Farm	192	194	194	194	194
Maintenance—Water Supply—					
Repairs to Works ... ..	12,354	13,127	11,799	12,946	16,626
Salaries and Travelling Expenses (proportion)	2,943	2,717	2,451	2,444	2,531
Law Costs ... ..	330	72	1,202	2,075	...
Maintenance—Sewerage—					
Repairs to Works ... ..	...	...	...	...	976
Working Expenses—Pumping Station and Farm	...	...	...	...	4,106
Salaries ... ..	...	...	...	...	350
Other ... ..	...	...	...	...	201‡

\* Exclusive of amounts refunded, which have been deducted from both sides of the account.

† Including arrears of former years, viz., £30,701 in 1893-4, £32,074 in 1894-5, £31,882 in 1895-6, £26,693 in 1896-7, and £23,455 in 1897-8. The arrears outstanding on the 30th June, 1898, amounted to £26,028.

‡ Including £200, amount abstracted from cash-box.

MELBOURNE AND METROPOLITAN BOARD OF WORKS—ORDINARY  
RECEIPTS AND EXPENDITURE,\* 1893-4 TO 1897-8—continued.

—	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>EXPENDITURE—continued.</b>	£	£	£	£	£
Interest on—					
Government Loans . . .	94,498	93,738	93,744	93,770	93,701
Other                    " . . .	103,302	118,622	128,714	140,235	148,501
Bank Overdrafts, &c. (less received on Fixed De- posits) †	- 64,102	- 53,181	- 31,681	- 16,689	- 9,525
Total                    ...     ...	170,640	195,785	227,871	258,216	281,421
Balance at Credit ‡     ...	77,564	48,301	- 12,226	- 106,707	- 219,575

372. Moreover, in addition to the foregoing amounts, the Board of Works received £3,643,986 (net) from loans floated since its creation, and expended therefrom £2,800,791, leaving a balance in hand of £843,195 (of which, however, £219,407 has been advanced to revenue account) on the 30th June, 1898. Of the loan expenditure about £2,296,000, or nearly five-sixths, was devoted to the construction of the Sewerage Works undertaken by the Board, and the remainder was spent on Waterworks. The amounts are exclusive of sums borrowed and expended by the Government on the Melbourne Waterworks, represented by an outstanding debt of £2,359,157, for which the Board has become primarily responsible. The following are the details of the receipts and expenditure for the five years 1893-4 to 1897-8 :—

MELBOURNE AND METROPOLITAN BOARD OF WORKS—LOAN  
RECEIPTS AND EXPENDITURE 1893-4 TO 1897-8.

—	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>RECEIPTS.</b>	£	£	£	£	£
Debentures sold—Net Proceeds ...	903,531	59,662	518,237	247,937	498,212
Miscellaneous Receipts...     ...	...	...	...	526	536
Total Receipts     ...     ...	903,531	59,662	518,237	248,463	498,748

\* Exclusive of amounts refunded, which have been deducted from both sides of the account.

† The minus sign indicates that the interest received was in excess of the interest paid by the amount to which it is prefixed.

‡ The minus sign indicates Debit Balance.

MELBOURNE AND METROPOLITAN BOARD OF WORKS—LOAN  
RECEIPTS AND EXPENDITURE, 1893-4 TO 1897-8—*continued.*

	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
<b>EXPENDITURE.</b>					
Water Supply—					
Reticulation... ..	4,628	7,884	2,252	2,276	3,290
New Mains ... ..	33,846	5,442	660	990	...
Head-works... ..	10,770	7,953	4,328	3,121	1,602
Service Reservoirs ... ..	65	123	20	37	50
Salaries ... ..	2,336	2,061	1,820	1,772	2,113
Rent ... ..	250	230	230	180	180
Law Costs ... ..	223	190	75	191	133
Travelling Expenses ... ..	315	182	73	66	37
Miscellaneous ... ..	57	44	14	36	21
	52,490	24,109	9,472	8,669	7,426
Sewerage—					
Surveys ... ..	24,158	16,711	9,924	9,567	3,704
Sewers (including outfall) ... ..	103,543	296,536	199,941	186,233	168,002
Sewage Farm ... ..	20,864	26,701	16,953	24,242	15,475
Pumping Station ... ..	21,443	47,288	25,767	21,181	4,923
Rising Main ... ..	12,116	2,481	1,565	591	346
Reticulation ... ..	1,440	49,865	201,163	104,592	161,705
House Connexions ... ..	...	...	592	5,249	51,482
Salaries ... ..	8,534	8,658	9,405	10,173	10,810
Rent ... ..	600	550	754	450	689
Law Costs ... ..	306	1,527	226	2,029	977
Travelling Expenses... ..	570	243	437	368	187
Accident Assurance Premium, Inspectors	...	41	35	16	21
Miscellaneous ... ..	525	807	1,039	891	1,662
	194,099	451,408	467,801	365,582	419,983
Furniture and Fittings, Stock, &c.	13,457	39,754	74,950	62,169	12,560
Total Expenditure ... ..	260,046	515,271	552,493	436,420	439,969
Balance at Credit ... ..	1,462,238	1,006,629	972,373	784,416	843,195

Revenue and  
expenditure  
of Fire  
Brigades  
Boards.

373. In order to make better provision for the protection of property from fire, the Fire Brigades Acts 1890 and 1891 were passed, constituting two Fire Brigades Boards, with a view of organizing the isolated and independent volunteer brigades scattered over the colony, and of introducing the most approved methods and apparatus for extinguishing fires, viz., a Metropolitan Board, having jurisdiction over the district within a radius of 10 miles from the General Post Office; and a Country Board, for such other parts of the colony as are specified in the Act, or may be included by Order in Council. It was



provided that each Board should consist of nine members, three of whom should be appointed by the Governor in Council, and in the case of the Metropolitan Board three should be elected by the municipalities and three by the fire insurance companies effecting insurances in its district; and in the case of the Country Board, two should be elected by the municipalities, two by the insurance companies, and two by the brigades. The principal Act was passed and became law on the 20th December, 1890, and the first meeting of the Metropolitan Board was held on the 6th March, and of the Country Board on the 18th March, 1891. It was also provided that the expenditure of each Board should be defrayed by contributions, made in equal proportions by the Government, the municipalities, and the fire insurance companies. For 1898 the total contribution levied in the Metropolitan District was £31,436, and in the Country District £13,396, or a total of £44,832, of which £14,944 was payable by the Government, and a similar amount by the municipalities and by the insurance companies. In the Metropolitan Board's district, in 1898, there were 24 complete municipalities and ten portions of municipalities contributing, having rateable property of an annual value of £4,234,540; and in the Country Board's district, there were 77 municipalities, with property of the annual value of £1,219,256. Thus the rate of contribution levied on municipalities in the former district was equivalent to about eleven-sixteenths of a penny, and in the latter to about a penny in the £1. The Metropolitan District forms a single fire district with 46 stations, whilst the Country District contains nine fire districts and 141 stations. The Metropolitan Brigade is a paid force of 113 permanent and 170 auxiliary firemen; and the Country Board has control over 86 brigades, containing 1,658 firemen, nearly all volunteers. The following is a statement of the receipts and expenditure of these Boards for the last four years:—

REVENUE AND EXPENDITURE OF FIRE BRIGADES BOARDS.

Revenue and Expenditure.	Metropolitan Board.				Country Board.			
	1895.	1896.	1897.	1898.	1895.	1896.	1897.	1898.
ORDINARY RECEIPTS.	£	£	£	£	£	£	£	£
Contributions from Government, Municipalities, and Insurance Companies	29,814	27,001	27,450	30,679	11,268	9,208	10,769	13,480
Services of Brigades ...	541	423	485	591	...	...	...	...
Interest on Deposits ...	1,451	1,262	988	967	...	...	...	...
Sundries ...	489	8	260	*1,689	...	..	..	...
Total ...	32,295	28,694	29,183	33,926	11,268	9,208	10,769	13,480

NOTE.—On the 31st December, 1898, the arrears of contributions due to the Metropolitan Board were—£1,773 by municipalities, and £849 by Insurance Companies—total, £2,622; and to the Country Board—£615 and £250 respectively—total, £865. The balance of loans unexpended (after deducting overdraft) was £32,241, of which sum £30,092 was at fixed deposit in one of the banks, and £2,149 was invested in Government Stock.

Including £1,237, amount recovered on account of defalcations.

REVENUE AND EXPENDITURE OF FIRE BRIGADES BOARDS—  
*continued.*

Revenue and Expenditure.	Metropolitan Board.				Country Board.			
	1895.	1896.	1897.	1898.	1895.	1896.	1897.	1898.
ORDINARY EXPENDITURE.	£	£	£	£	£	£	£	£
Salaries of Permanent Staff	11,669	11,679	12,422	14,028	1,621	1,804	1,866	1,857
Auxiliary and Volunteer Staff Allowances	1,681	1,483	1,290	1,096	...	...	...	...
Fire Expenses ...	771	655	666	648	2,335	2,309	2,338	2,360
Horse Expenses ...	1,472	1,759	1,268	1,467	722	338	378	1,965
Quarters, Housings, and Stables	785	744	780	745	1,277	1,370	1,534	3,065
Establishment Charges, Uniforms, Stores, Printing, Travelling Expenses, Furniture, Auditors' Fees	2,813	2,567	1,958	2,889	2,610	2,248	2,685	2,283
Plant, Purchase and Repairs (including Harness and Electrical Appliances)	2,182	1,785	1,542	1,810	1,359	1,054	804	1,254
Annual Demonstration	...	...	...	...	500	500	500	500
Interest on Debentures	6,073	6,089	6,080	6,069	...	...	...	...
"    Overdraft	36	114	34	16	...	...	...	...
Sinking Fund ...	2,000	2,000	2,000	2,000	...	...	...	...
Firemen's Accident Fund	100	100	100	100	...	...	...	50
Funeral Expenses ...	13	7	...	...	...	...	...	...
Miscellaneous ...	20	...	*1,103	63	10	5	...	...
<b>Total ...</b>	<b>29,615</b>	<b>28,982</b>	<b>29,243</b>	<b>30,931</b>	<b>10,434</b>	<b>9,628</b>	<b>10,105</b>	<b>13,334</b>
LOAN EXPENDITURE.								
Purchase of Freehold Property	498	...	...	...	...	...	...	...
Purchase and erection of Buildings	2,526	802	...	...	...	...	...	...
Plant ...	900	...	17	...	...	...	...	...
<b>Total ...</b>	<b>3,924</b>	<b>802</b>	<b>17</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>

General and local revenue and expenditure.

374. A statement of the ordinary revenue and expenditure and also of the loan expenditure of the General Government, added to those of the Municipalities, of the Melbourne Harbor Trust, of the Melbourne and Metropolitan Board of Works, and of the Fire Brigades Boards, during the last five years will be found in the following table. From the totals of their revenue and expenditure, the amounts

\* Including £1,022, amount of defalcations of late secretary.

granted by the State or by one Corporation to another have been deducted. Special Government expenditure from the Land Sales by Auction and Treasury Bonds Act No. 1451 Funds\* has been excluded, as it will eventually be provided for out of the ordinary expenditure:—

GENERAL AND LOCAL REVENUE AND EXPENDITURE, 1894  
TO 1898.†

	Total Amounts Received and Expended.				
	1894.	1895.	1896.	1897.	1898.
<b>REVENUE.</b>					
	£	£	£	£	£
Government ... ..	6,603,960	6,604,637	6,346,966	6,533,464	6,785,493
Municipalities ... ..	1,119,504	1,038,720	1,044,081	1,025,678	1,008,005
Harbor Trust ... ..	115,526	117,741	124,409	147,735	132,948
Board of Works ... ..	175,042	166,522	167,344	163,735	168,553
Fire Boards ... ..	14,943	15,921	13,923	14,456	17,551
<b>Total ... ..</b>	<b>8,028,975</b>	<b>7,943,541</b>	<b>7,696,723</b>	<b>7,885,068</b>	<b>8,112,550</b>
<b>ORDINARY EXPENDITURE.</b>					
Government ... ..	7,197,392	6,650,424	6,428,517	6,472,179	6,579,697
Municipalities ... ..	‡1,062,743	1,005,750	984,481	1,078,814	1,041,470
Harbor Trust ... ..	147,869	143,278	145,316	134,342	137,909
Board of Works ... ..	170,640	195,785	227,871	258,216	281,421
Fire Boards ... ..	19,713	12,407	14,631	13,852	14,410
<b>Total ... ..</b>	<b>8,598,357</b>	<b>8,007,644</b>	<b>7,800,816</b>	<b>7,957,403</b>	<b>8,054,907</b>
<b>LOAN EXPENDITURE.</b>					
Government ... ..	405,528	223,974	219,106	§ 182,850	§ 334,011
Municipalities ... ..	‡	69,056	63,078	39,912	39,141
Board of Works ... ..	260,046	515,271	552,493	436,420	439,969
Fire Boards ... ..	8,529	3,924	802	17	...
<b>Total ... ..</b>	<b>674,103</b>	<b>812,225</b>	<b>835,479</b>	<b>659,199</b>	<b>813,121</b>
<b>Grand Total ... ..</b>	<b>9,272,460</b>	<b>8,819,869</b>	<b>8,636,295</b>	<b>8,616,602</b>	<b>8,868,028</b>

375. The next table gives the general and local revenue and expenditure per head of population in the same five years. It will be observed that in the last year named the local revenue, embracing that of the municipal bodies, the Harbor Trust, the Board of Works, and

General and local revenue and expenditure per head.

\* See table following paragraph 235 ante. The amounts paid out of these Funds in the last five years were as follow:—£36,355, £5,670, £3,536, £94,913, and £129,692.

† The financial year of the General Government and of the Melbourne and Metropolitan Board of Works ends on the 30th June; that of Melbourne and Geelong on the 31st August; that of other municipalities on the 30th September; and that of the Harbor Trust and Fire Boards on the 31st December.

‡ Municipal loan expenditure included with ordinary expenditure prior to 1895.

§ Exclusive of that under Treasury Bonds Act, No. 1451.

the Fire Brigades Boards, amounted to nearly £1 2s. 6d. per head, and the general and local revenue combined to about £6 18s. per head:—

GENERAL AND LOCAL REVENUE AND EXPENDITURE PER HEAD,  
1894 TO 1898.

	Amounts Received and Expended per Head.*				
	1894.	1895.	1896.	1897.	1898.
<b>REVENUE.</b>					
Government ... ..	£ 5 12 6	£ 5 12 0	£ 5 7 5	£ 5 11 2	£ 5 15 5
Municipalities ... ..	0 19 0	0 17 8	0 17 8	0 17 6	0 17 1
Harbor Trust ... ..	0 2 0	0 2 0	0 2 1	0 2 6	0 2 3
Board of Works ... ..	0 3 0	0 2 10	0 2 10	0 2 10	0 2 11
Fire Boards ... ..	0 0 3	0 0 3	0 0 3	0 0 3	0 0 3
Total ... ..	6 16 9	6 14 9	6 10 3	6 14 3	6 17 11
<b>ORDINARY EXPENDITURE.</b>					
Government† ... ..	6 2 8	5 12 10	5 8 10	5 10 2	5 12 0
Municipalities ... ..	†0 18 1	0 17 0	0 16 8	0 18 5	0 17 8
Harbor Trust ... ..	0 2 6	0 2 5	0 2 6	0 2 3	0 2 4
Board of Works ... ..	0 2 11	0 3 4	0 3 10	0 4 5	0 4 9
Fire Boards ... ..	0 0 4	0 0 3	0 0 3	0 0 3	0 0 3
Total ... ..	7 6 6	6 15 10	6 12 1	6 15 6	6 17 0
<b>LOAN EXPENDITURE.</b>					
Government ... ..	0 6 11	0 3 10	0 3 8	§0 3 1	§0 5 8
Municipalities ... ..	‡	0 1 2	0 1 1	0 0 8	0 0 8
Board of Works ... ..	0 4 5	0 8 9	0 9 4	0 7 5	0 7 6
Fire Boards ... ..	0 0 2	0 0 1	...	...	...
Total ... ..	0 11 6	0 13 10	0 14 1	0 11 2	0 13 10
Grand Total Expenditure	7 18 0	7 9 8	7 6 2	7 6 8	7 10 10

376. The following is a summary of the total amount, and amount per head, of public money spent in the colony by the Government

General, local, and loan expenditure, 1879 to 1898.

\* For populations used see table following paragraph 215 ante.  
† Exclusive of special expenditure See footnote (') on preceding page.  
‡ Loan expenditure included with ordinary expenditure prior to 1895.  
§ Exclusive of expenditure under Treasury Bonds Act, No. 1451.

and the local bodies for each of the twenty years ended with 1898, distinguishing ordinary from loan expenditure:—

GENERAL AND LOCAL (INCLUDING LOANS) EXPENDITURE, 1879 TO 1898.

Year.	Expenditure.*			Expenditure per Head.		
	Ordinary.	From Loans.†	Total.	Ordinary.	From Loans.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
1879 ...	5,382,200	1,403,886	6,786,086	6 10 1	1 14 0	8 4 1
1880 ...	5,742,438	1,514,963	7,257,401	6 16 7	1 16 1	8 12 8
1881 ...	5,770,314	837,670	6,607,984	6 14 2	0 19 6	7 13 8
1882 ...	5,848,813	1,066,084	6,914,897	6 12 11	1 4 3	7 17 2
1883 ...	6,557,385	2,671,628	9,229,013	7 5 9	2 19 5	10 5 2
1884 ...	6,576,350	1,881,463	8,457,813	7 2 10	2 0 11	9 3 9
1885 ...	6,685,983	1,763,889	8,449,872	7 1 7	1 17 4	8 18 11
1886 ...	7,536,960	1,882,509	9,419,469	7 15 6	1 18 11	9 14 5
1887 ...	7,281,691	2,762,779	10,044,470	7 5 6	2 15 3	10 0 9
1888 ...	8,447,929	2,590,065	11,037,994	8 3 6	2 10 2	10 13 8
1889 ...	9,187,553	4,272,866	13,460,419	8 10 8	3 19 4	12 10 0
1890 ...	11,077,081	4,477,087	15,554,168	10 0 9	4 1 1	14 1 10
1891 ...	10,558,989	4,107,257	14,666,246	9 6 4	3 12 6	12 18 10
1892 ...	9,747,361	1,924,714	11,672,075	8 8 5	1 13 3	10 1 8
1893 ...	9,721,317	1,375,751	11,097,068	8 6 7	1 3 7	9 10 2
1894 ...	8,598,357	674,103	9,272,460	7 6 6	0 11 6	7 18 0
1895 ...	8,007,644	812,225	8,819,869	6 15 10	0 13 10	7 9 8
1896 ...	7,800,816	835,479	8,636,295	6 12 1	0 14 1	7 6 2
1897 ...	7,957,403	659,199	8,616,602	6 15 6	0 11 2	7 6 8
1898 ...	8,054,907	813,121	8,868,028	6 17 0	0 13 10	7 10 10

377. It will be noticed that the total amount of public money spent per head ranged from £7 6s. 2d. in 1896 to £14 1s. 10d. in 1890; whilst that derived from loans varied from only 11s. 2d. per head in 1897 to £4 1s. 1d. per head in 1890. It will further be remarked that the total amount per head in each of the last five years was considerably smaller than in any of the eleven years immediately preceding, which, to a large extent, was due to a contraction in the loan expenditure.

378. The amount of taxation under the General Government, under the Municipal Bodies, and under the Melbourne Harbor Trust is given in the following table for each of the six years ended with 1898, the items being specified in the last two cases. The principle upon which the items of taxation are separated from the general revenue has been already explained.‡ The local taxation is separated from the whole municipal revenue by rejecting—besides all grants received from the

\* Prior to 1892, the interest payable by municipalities to Government has been included twice, but since 1892 only once.

† The loan expenditure of municipalities and the Harbor Trust not being distinguished from ordinary expenditure prior to 1895, the increase in the debt each year has been assumed to be equivalent to the loan expenditure of the succeeding year.

‡ See paragraph 288 *ante*.

General Government—rents of building and land, proceeds of the letting of halls, &c., the balance being considered as taxation. The taxation levied by the Harbor Trust consists only of wharfage rates:—

GENERAL AND LOCAL TAXATION, 1893 TO 1898.\*

Heads of Taxation.	Amounts received.					
	1893.	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£	£
GOVERNMENT † .. .. .	2,522,779	2,497,567	2,712,313	2,691,009	2,645,187	2,910,237
MUNICIPAL BODIES.						
Rates .. .. .	772,598	747,098	705,296	716,967	696,808	680,309
Licences .. .. .	102,297	101,673	108,300	104,507	104,916	103,729
Registration of Dogs .. .. .	12,823	12,526	12,778	13,266	13,289	14,055
Market Dues .. .. .	58,644	73,830	69,825	46,403	37,487	24,396
Total .. .. .	946,362	935,127	896,199	881,143	852,500	832,489
MELBOURNE HARBOR TRUST.						
Wharfage Rates .. .. .	82,499	87,929	94,944	102,843	108,169	112,263
Total General and Local Taxation ..	3,551,640	3,520,623	3,703,456	3,674,995	3,605,856	3,854,989

General and local taxation per head.

379. In 1893 the aggregate amounts of taxation raised by the Government and the municipalities represented a proportion of £2 19s. 5d.; in 1894, £2 18s. 5d.; in 1895, £3 1s. 2d.; in 1896, £3 0s. 6d.; in 1897, £2 19s. 5d.; and in 1898 to £3 3s. 8d. to each individual in the community.

Chief sources of taxation.

380. It has already been pointed out that by far the greater portion of the General Government taxation is derived from Customs duties ‡—the proportion varying in different years from 75 to 62 per cent. Eighty-one per cent. of the Municipal taxation in 1893, 80 per cent. in 1894 and 1895, 81 per cent. in 1896, and 82 per cent. in 1897 and 1898 was derived from rates.

Revenue and expenditure of local bodies in Australasian Colonies.

381. The extent to which minor functions have been delegated by the Government to local bodies or corporations differs in the various colonies, the foremost of which in this respect are Victoria, Queensland, and New Zealand, in each of which nearly the whole colony is, for local affairs, under the control of municipal bodies; about two-fifths of the area of Tasmania is similarly controlled; whilst in South Australia and New South Wales, although the area so placed is comparatively small (10 per cent. in the former, and less than 1 per cent. in the latter), the more populous districts enjoy municipal government—as much as two-thirds of the population in the latter colony being municipalized. In 1897 the

\* The financial year of the General Government ends on the 30th June; that of Melbourne and Geelong on the 31st August; that of other municipalities on the 30th September; and that of the Melbourne Harbor Trust on the 31st December.

† For details of Government taxation, see table following paragraph 291 *ante*.

‡ See paragraph 293 *ante*.



aggregate revenue of the principal of such local bodies amounted to over  $4\frac{1}{3}$  millions for Australasia, of which  $3\frac{1}{2}$  millions formed the revenue of municipalities, and the expenditure to close on 5 millions (including loan expenditure of municipalities, which could not be separated in all cases), as will be seen by the following figures:—

ORDINARY REVENUE AND EXPENDITURE OF CHIEF LOCAL BODIES OR CORPORATIONS IN AUSTRALASIAN COLONIES, 1897.

Name of Colony.	Revenue of—			
	Municipalities.	Harbor and River Trusts or Boards.	City Boards of Water Supply and Sewerage.	Total.
	£	£	£	£
Victoria ... ..	1,130,501	147,735	163,735	1,441,971
New South Wales ... ..	706,289	...	...	706,289
Queensland ... ..	395,420	...	49,306	444,726
South Australia ... ..	248,215	...	...	248,215
Total ... ..	2,480,425	147,735	213,041	2,841,201
Tasmania ... ..	117,557	23,005	...	140,562
New Zealand ... ..	986,343	354,352	20,195*	1,360,890
Grand Total ... ..	3,584,325	525,092	233,236	4,342,653
Ordinary Expenditure.				
Victoria ... ..	1,223,549†	134,342	257,913†	1,615,804
New South Wales ... ..	907,921	...	...	907,921
Queensland ... ..	398,982†	...	42,888	441,870
South Australia ... ..	248,575†	...	...	248,575
Total .. ..	2,779,027	134,342	300,801	3,214,170
Tasmania ... ..	129,891	22,737	...	152,628
New Zealand ... ..	1,201,606‡	360,940	19,708*	1,582,254
Grand Total ... ..	4,110,524	518,019	320,509	4,949,052

NOTE.—The figures relate to financial years terminating in 1897; they differ for various kinds of local bodies.

382. Of the revenue of the municipalities in Australasia amounting to £3,584,000 in 1897, £458,000 was contributed by the general Governments as subsidies, &c.; nearly  $2\frac{1}{2}$  millions was raised by local taxation, and the balance of nearly £700,000 was raised from other

Sources of  
Municipal  
revenue in  
Australasia.

\* Figures for 1896.

† Including £93,770 interest paid on account of Government loans.

‡ Including loan expenditure—£39,912 in Victoria; not stated in other cases.

sources. The amounts raised from these sources are shown for each colony in the following statement :—

**SOURCES OF MUNICIPAL REVENUE IN AUSTRALASIAN COLONIES, 1897.**

Name of Colony.	Revenue (exclusive of Loans).			
	From Government.	Raised by Local Taxation.	From other Sources.	Total.
	£	£	£	£
Victoria ... ..	104,823	852,500	173,178	1,130,501
New South Wales ... ..	80,320	461,786	164,183	706,289
Queensland ... ..	71,206	231,805	92,409	395,420
South Australia ... ..	25,353	160,183	62,679	248,215
<b>Total ... ..</b>	<b>281,702</b>	<b>1,706,274</b>	<b>492,449</b>	<b>2,480,425</b>
Tasmania ... ..	4,680	88,899	23,978	117,557
New Zealand ... ..	171,739	631,089	183,515	986,343*
<b>Grand Total ... ..</b>	<b>458,121</b>	<b>2,426,262</b>	<b>699,942</b>	<b>3,584,325</b>

Loan expenditure of local bodies in Australasia.

383. In addition to the ordinary expenditure, the local bodies (other than municipalities) also expended during the same year £487,000 from loans, the greater portion of which was spent by the Melbourne and Metropolitan Board of Works in connexion with the extensive scheme of sewerage for the City of Melbourne now being carried out. The particulars for each colony are as follow :—

**LOAN EXPENDITURE BY HARBOR AND RIVER TRUSTS OR BOARDS, AND CITY BOARDS OF WATER SUPPLY AND SEWERAGE IN AUSTRALASIAN COLONIES, 1897.**

Name of Colony.	Expenditure from Loans by—		
	Harbor and River Trusts or Boards.	City Boards of Water Supply and Sewerage.	Total.
	£	£	£
Victoria ... ..	...	436,420	436,420
Queensland ... ..	...	11,571	11,571
<b>Total ... ..</b>	<b>.</b>	<b>447,997</b>	<b>447,997</b>
New Zealand ... ..	38,965	...	38,965
<b>Grand Total ... ..</b>	<b>38,965</b>	<b>447,991</b>	<b>486,956</b>

\* Exclusive of £189,809 other receipts (not revenue), consisting of loans, special grants from Government, and subscriptions for ordinary and special works.

384. The corporations not accounted for in the preceding tables consist chiefly of Country Irrigation and Water Supply Trusts, &c. In Victoria there are 63 Waterworks, 29 Irrigation and Water Supply, and 2 Country Tramways Trusts, which usually construct their works by means of moneys advanced from the Government Loan account, and have the power of levying rates locally to cover charges for maintenance, interest, and sinking fund; 2 Fire Brigades' Boards, which derive their income secondhand from the Government, the municipalities, and the insurance companies; also a Metropolitan Tramways Trust, which borrowed £1,650,000 for the construction of tramways, leased to a public company; but as, although the debt is guaranteed by the municipalities, the company is responsible to the Trust for the payment of interest and principal, the Trust's finances are rather of a private, than of a public, character. In New South Wales there are the Metropolitan and the Hunter River District Boards of Water Supply and Sewerage, but these are not shown in the above table as their accounts are included in the Public Accounts; in 1896-7 the former had a revenue of £175,984 and an annual expenditure of £188,021; whilst the latter had a revenue of £22,518 and an expenditure of £23,984; there were also 30 Fire Boards. In Queensland there were in 1897 twelve Waterworks Boards whose revenue (exclusive of loans), chiefly derived from rates and the sale of water, was £46,521, ordinary expenditure £37,297, and capital expenditure £19,698. In Tasmania there were also twelve Water Trusts with a revenue of £4,616, and an expenditure of £4,786. In New Zealand there were also eight Land Drainage Districts, one Water Supply District, with revenues respectively of £1,759 and £924; and expenditures of £8,723 and £6,774.

Other Corporations.

385. In the subsequent paragraphs treating on the public debts, the terms "Funded" and "Unfunded" are used in this work for the first time. Under the former are included all loans of a permanent or quasi-permanent character (including even temporary Treasury-bonds, when issued in aid of the construction of Public Works, and if redeemable on maturity by long-dated debentures or stock). Under the latter category are placed all loans—whether in the form of Treasury bills or bonds or Inscribed Stock (as in Tasmania)—of a temporary character, which it is intended shall be met on maturity by direct payments out of the consolidated revenue. Between the two classes of debt a distinct line is drawn; but only the Funded Debt is treated of in the great majority of the Debt tables.

Definition of "Funded" and "Unfunded" Debt.

386. The State Funded Debt of Victoria on the 30th June, 1898 amounted to £47,058,088,\* consisting of moneys—

Public debt (funded).

				£
Borrowed in Victoria	...	...	...	2,994,088
"    "    England	...	...	...	44,064,000
				<hr/>
Total	...	...	...	£47,058,088
				<hr/>

387. This does not include temporary deficiencies which have recently accumulated in the Annual Revenue Accounts, which necessitated both the issue of Treasury-bonds and the absorption of Trust

Funded and unfunded debt, 1897-8.

\* On the 30th June, 1899, the funded debt was £48,354,277 and the unfunded £3,038,696.

Funds in the hands of the Government. As, however, these deficiencies are likely to disappear in the course of a few years, they need not be further treated under the head of Debt. If such items were included, the total liability of the colony would exceed 50 millions sterling, thus—

FUNDED AND UNFUNDED DEBT AT END OF 1897-8.

	£
Funded Debt ... ..	47,058,088
Deficiencies in—	
(a) Consolidated Revenue, covered by—	
Treasury-bonds ... ..	£250,000
Advances from Trust Funds...	2,217,404
(b) Land Sales by Auction Fund...	436,477
(c) In anticipation of revenue—	
Treasury-bonds ... ..	250,000
	3,153,881
Total ... ..	£50,211,969

Purposes for  
which loans  
were  
incurred.

388. The aggregate amount of the loans raised up to the 30th June, 1898, exclusive of temporary Treasury-bills in aid of revenue, was £63,695,121; but a total of £16,637,033 having been repaid, viz., £1,909,977 out of the general revenue, and £14,727,056 out of the proceeds of redemption loans, the balance outstanding on the 30th June, 1898, was reduced to £47,058,088. The amount of Public Debt borrowed under each of the purposes for which the debt was incurred, the amount paid off, and the amount outstanding on the 30th June, 1898, are shown in the following table:—

FUNDED DEBT.—PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Total Amount Borrowed.*	Amount.		
		Paid off.	Outstanding 30th June, 1898.	
			Total.	Percentage.
	£	£	£	£
<b>REVENUE-YIELDING WORKS.</b>				
Railways ... ..	36,951,955	344,200	36,607,755	77·80
Tramways, Country ... ..	200,000	...	200,000	·43
Water Supply and Irrigation—				
Melbourne ... ..	3,189,934	830,777	2,359,157	5·01
Country ... ..	5,134,650	...	5,134,650	10·91
Harbors and Docks ... ..	275,554	...	275,554	·58
Graving Dock ... ..	350,464	...	350,464	·74
Total Revenue yielding ...	46,102,557	1,174,977	44,927,580	95·47

\* For expenditure of the net proceeds of these amounts, see table following paragraph 243 *ante*; and for further details of the expenditure of railway loans, see portion relating to Railways in Part "Interchange" *post*.

PURPOSES FOR WHICH LOANS WERE RAISED—*continued.*

Public Borrowings contracted for—	Total Amount borrowed.*	Amount.		
		Paid off.	Outstanding, 30th June, 1898.	
			Total.	Percentage.
	£	£	£	
<b>OTHER WORKS OF A PERMANENT CHARACTER.</b>				
Parliament Houses ... ..	246,453	...	246,453	·53
Law Courts ... ..	354,260	...	354,260	·75
Public Offices ... ..	166,195	...	166,195	·35
Defence Works ... ..	100,000	...	100,000	·21
State School Buildings ...	1,105,557	...	1,105,557	2·35
Prince's-bridge, Melbourne ...	108,043	...	108,043	·23
Melbourne and Geelong Improvements	735,000	735,000	...	...
Advances—Beet Sugar Company	50,000	...	50,000	·11
<b>Total Permanent Works ...</b>	<b>2,865,508</b>	<b>735,000</b>	<b>2,130,508</b>	<b>4·53</b>
Net Borrowings ... ..	48,968,065	1,909,977	47,058,088	100·00
Redemption of Loans † ...	14,727,056	14,727,056	...	...
<b>Gross Borrowings ... ..</b>	<b>63,695,121</b>	<b>16,637,033</b>	<b>47,058,088</b>	<b>...</b>

NOTE.—On 30th June, 1899, the funded debt was £48,354,277.

389. It will be observed that at the date referred to 95½ per cent. of the Victorian borrowings has been devoted to railways, waterworks, and other revenue producing works, from which the State derives a considerable income. Only 4½ per cent. of the debt is not directly revenue producing, and this has been expended on such useful and permanent works as bridges, defence works, State schools, public buildings, &c.

Borrowings devoted to revenue producing works.

390. Of the amounts outstanding as shown in the foregoing table, the following sums were authorized to be re-lent or charged to local bodies, trusts, or other corporations, which are responsible to the Government for the payment of principal and interest, and the amounts actually lent to the 30th June, 1898, are also shown. Except in the case of the Board of Works, the principal is repayable by annual instalments into sinking funds.

Government loans re-lent to local bodies.

## ADVANCES TO LOCAL BODIES FROM LOAN ACCOUNT ON 30TH JUNE, 1898.

Purposes.	Bodies to which advanced.	Amount borrowed by Government.	Amount actually advanced.
		£	£
Tramways, Country ... ..	Municipal bodies ... ..	200,000	198,683
Water Supply and Irrigation	Metropolitan Board of Works	2,359,157	2,359,157
" " "	Municipal bodies, &c. ...	687,638	683,397
" " "	Waterworks Trusts ... ..	1,060,360	806,136
" " "	Irrigation and Water Supply Trusts	1,418,383	1,062,595
Bridges ... ..	Municipal bodies ... ..	107,000	37,500
Beet Sugar Manufacture ...	Beet Sugar Company ... ..	50,000	40,000
	<b>Total ... ..</b>	<b>5,882,538</b>	<b>5,187,468</b>

\* See footnote (\*) to previous page.—† Exclusive of conversion loans amounting to £3,013,331.

Public debt,  
when  
authorized.

391. Of the loans outstanding on the 30th June, 1898, the earliest authorized was in 1873, although several originally authorized in previous years have since been converted. The following table, shows the years in which the various amounts of which the debt is composed were authorized and the number of the Act by which such authorization was given; also the changes that have been effected by means of conversion operations:—

#### AUTHORIZATION OF THE PUBLIC DEBT.

Authorization.		Rate of Interest.	Amount outstanding on the 30th June, 1898.	
Year.	Number of Act.		As originally authorized.	After Conversion Operations.
		Per cent.	£	£
1857	36	6	52,780	...
1862	150	6	23,900	...
1868	332	5	297,100	...
1870	371	4	100,000	...
1872	428	4	1,113,000	...
"	439	4	13,102	...
1873	468	4	1,500,000	1,500,000
1876	531	4	{ ... 2,500,000	500,000* 2,500,000
1878	608	4½	5,000,000	5,000,000
"	611	4	...	457,000*
1881	717	4	4,000,000	4,000,000
1882	739	4	2,000,000	2,000,000
"	741	4	167,600	...
1883	760	4	4,000,000	4,000,000
1884	805	4	4,000,000	4,000,000
1885	845	4	6,000,000	6,000,000
1887	963	4	130,000	...
1888	989	3½	3,000,000	3,000,000
1889	1,015	4	750,000	...
"	1,032	3½	4,000,000	4,000,000
1890	1,196	3½	3,000,000	3,000,000
1891	1,217	3½	2,000,000	2,000,000
1893	1,287	4	2,107,000	2,107,000
"	1,296	4	746,795	746,795
"	1,341	4	150,000	...
1895	1,369	4	249,131	...
1896	1,440	3	50,000	50,000
"	1,468	3	{ ... 107,680	2,089,613*† 107,680
Total	...	...	47,058,088	47,058,088

Growth of  
the public  
debt.

392. The amount of the Public Debt increased from £5,000,000 in 1860 to nearly £12,000,000 in 1870, to £22,000,000 in 1880-81, and to £44,000,000 in 1890-91—the amount at the end of each decennial period being about double that at the commencement. During the seven years subsequent to 1890-91, a net amount of less than 3½ millions was added to the debt. The whole increase in 38 years was in a much

\* Conversion loans.

† Including £13,102 for increase of debt by conversion of 6 and 5 per cent. debentures into 4 per cent. stock under Act No. 439.



greater ratio than the increase of population, for the indebtedness per head gradually rose from £9 10s. in 1860 to over £40 in 1896-7 and 1897-8, although the increase has been comparatively small since 1891-2. A considerable increase also took place as compared with the total revenue, for whilst in 1860, or three years after the colony commenced to borrow, the debt was equivalent to only  $1\frac{2}{3}$  years' revenue, in 1870 it was equivalent to  $3\frac{2}{3}$  years', and in 1895-6 to over  $7\frac{1}{4}$  years' revenue, since which year it has fallen off to  $6\frac{3}{4}$  years' revenue. The amount of debt outstanding, together with the average per head and the multiple of revenue at the end of 1860 and the three following decennial periods, and of the seven years ended with 1897-8, are shown in the following table:—

## GROWTH OF THE PUBLIC DEBT, 1860 TO 1897-8\*.

At End of the Financial Year.	Amount Outstanding.	Average per Head.	Multiple of Revenue.
	£	£ s. d.	
1860 ... ..	5,118,100	9 10 4	1·66
1870 ... ..	11,924,800	16 8 5	3·66
1880-81 ... ..	22,593,102	26 1 2	4·36
1890-91 ... ..	43,610,265	38 0 6	5·23
1891-2 ... ..	45,711,287†	39 6 3	5·91
1892-3 ... ..	45,940,987	39 5 1	6·60
1893-4 ... ..	46,547,708	39 13 4	6·93
1894-5 ... ..	46,805,177	39 13 4	6·98
1895-6 ... ..	46,854,311	39 15 10	7·25
1896-7 ... ..	46,929,321	40 2 0	7·08
1897-8 ... ..	47,058,088	40 4 10	6·83

393. It will be noticed that during the last six years the Public Debt increased by only £1,350,000, or by less than a quarter of a million per annum, whereas during the previous eleven years the increase averaged over 2 millions per annum. The debt per head of population in 1897-8 shows an increase of less than £1 as compared with 1891-2, and the ratio of debt to revenue showed a slight increase since 1892-3. Increase of debt, 1891-2 to 1897-8.

394. Of the debt on the 30th June, 1898, £11,968,395 was in the form of debentures; £32,892,400 in that of Inscribed Stock (London Register); and £2,197,293 in that of Funded Stock (Melbourne Register). The following are the dates at which the various amounts Repayment of debt.

\* For amount of the Public Debt at the end of each year, see first folding sheet.

† Exclusive of £1,000,000 for redemption purposes, improperly included in former issues of this work

of which the debt is composed are repayable, also the amounts repayable in Melbourne and London :—

### REPAYMENT OF DEBT.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
			£	£	£
468	1st July, 1899 ... ..	4	...	1,500,000	1,500,000
531	„ „ 1901 ... ..	4	...	3,000,000	3,000,000
608	1st Jan., 1904 ... ..	4½	...	5,000,000	5,000,000
611	„ „ „ ... ..	4	...	457,000*	457,000*
1296	1st April, 1913† ... ..	4	746,795	...	746,795
1440	„ „ 1912† ... ..	3	50,000	...	50,000
	<i>Inscribed Stock (London).</i>				
717	1st July, 1907 ... ..	4	...	4,000,000	4,000,000‡
739	1st April, 1908 ... ..	4	...	2,000,000	2,000,000‡
760	1st Oct., 1913 ... ..	4	...	4,000,000	4,000,000‡
805	„ „ 1919 ... ..	4	...	4,000,000	4,000,000
845	„ „ 1920 ... ..	4	...	6,000,000	6,000,000
989	„ „ 1923 ... ..	3½	...	7,000,000	7,000,000
1032					
1196	1st Jan., 1921 to 1926§ ... ..	3½	...	5,000,000	5,000,000
1217					
1287	„ „ 1911 to 1926§ ... ..	4	...	2,107,000	2,107,000
	<i>Funded Stock (Melbourne).</i>				
1468	29th Sept., 1917 ¶ ... ..	3	2,197,293	...	2,197,293
	Total ... ..	...	2,994,088	44,064,000	47,058,088

Reduced rate of interest on loans.

395. The last of the old 6 per cent. loans was paid off on 1st January, 1891, and the last of the 5 per cents. on 1st January, 1897. The total amount at these rates which has been redeemed since 1st October, 1883, was £11,716,020, viz., £9,112,220, at 6 per cent., and £2,603,800 at 5 per cent. With the exception of £306,877 finally redeemed, all those loans have been replaced by redemption loans bearing only 4 or 3½ per cent. interest, and the nominal saving by such substitution in the annual interest payable after allowing for an increase of £150,000 to cover incidental expenses, amounts to £199,625.\*\* Moreover, in 1897 the Government gave notice of its intention to exercise the option of paying off the 4 per cent. stock on the Melbourne Register, amounting to over £2,000,000 at the end of November, at the same time offering 3 per cent. stock at par to existing holders, with the result that nearly the whole, viz., £1,969,551 was converted prior to the 1st July, 1897, and the balance subsequently. This

\* Held by Government in Melbourne; nominally repayable in London.

† Or at any time within ten years thereafter at option of Government.

‡ Original debentures were convertible into inscribed stock at option of holders. The amount so converted, according to advices received to the 30th June, 1898, was £8,785,400, the balance being still held in the form of debentures.

§ Or at any time between the dates named after due notice.

¶ Acts 428, 439, 741, 963, 1015, 1341, and 1369.

¶ Or at any time thereafter, at option of the Government, after twelve months' notice in the *Government Gazette*.

\*\* Exclusive of the saving on the loan of £306,877, which was finally paid off. No reference is made to 4½ per cent. Treasury Bonds for £1,000,000 redeemed in 1893, as the money had never been spent, and the loan was not replaced.

operation results in a further annual saving of £20,896. None of the remaining loans bear a higher rate than  $4\frac{1}{2}$  per cent.

396. The loans which have been redeemed up to the 30th June, 1898, amount in the aggregate to £16,637,033, of which £1,879,200 was provided for out of revenue, £30,777 was repaid by the Metropolitan Board of Works, and £14,727,056 by means of redemption loans, bearing interest at the rates of 4,  $3\frac{1}{2}$ , or 3 per cent. Five-sevenths of the amount was repayable in London, and the remainder in Melbourne. The following are the particulars:—

LOANS REDEEMED OR CONVERTED TO THE 30TH JUNE, 1898.

Under Act. No.	Date of Redemption.	Rate of Interest.	Source from which Funds were provided.	Amount redeemed		
				Melbourne.	London.	Total.
				£	£	£
13	1855 to 1875 ...	...	Revenue	525,000	...	525,000
23	" " ...	...	"	210,000	...	210,000
40	1857 to 1872 ...	6	"	299,100	500,900	800,000
15	1872 to 1874 ...	6	"	2,900	65,200	68,100
617	1880 to 1886 ...	6 & $3\frac{1}{2}$ *	Loans	33,800	233,400	267,200†
"	1892-5-7 ...	5	"	29,200	154,700	183,900‡
36	1st Oct., 1883 ...	6	"	236,600	3,587,500	3,824,100
"	" 1884 ...	6	"	...	812,500	812,500
"	" 1885 ...	6	"	580,620	2,600,000	3,180,620
"	" 1888 ...	6	"	130,000	...	130,000
150	" 1889 ...	6	Revenue	276,100	...	276,100
287	1st Jan., 1891 ...	6	Loans	...	850,000	850,000
1233	31st Dec., 1893 ...	$4\frac{1}{2}$	Loans	...	1,000,000	1,000,000
331	1st Jan., 1894 ...	5	"	...	2,107,000	2,107,000
			"	282,123	...	282,123
332	" " ...	5	Board of Works Loans	30,777	...	30,777
Various	1897 ...	4	Loans	2,089,613	...	2,089,613
Total ...				4,725,833	11,911,200	16,637,033

Loans redeemed.

Victorian Government stock.

397. Victorian stock on the Melbourne Register was first authorized under the *Public Works Loan Act* 1872 (36 Vict. No. 428), and originally amounted to £1,113,000. Portion of this was converted into debentures, but, owing to re-conversions and fresh issues, the amount outstanding became increased on the 30th June, 1898, to £2,197,293. Of this amount £1,186,696 was held by the public, and £1,010,597 by the Government, viz.:—£454,986 on account of Trust Funds invested, and £555,611 on account of investments by municipalities. In the case of the first three loans issued in London since the 1st January, 1883—amounting to £10,000,000—the option was given to holders of converting their debentures into stock, to be registered in London; whilst the subsequent long-dated loans raised up to the end of the

\* Only £200 bore interest at  $3\frac{1}{2}$  per cent.

† This amount was repaid as follows:—£100,000 on 1st July, 1880; £59,600 on 1st March, 1881; £20,400 on 1st May, 1882; £48,300 on 1st January, 1883; £38,900 on 1st January, 1886.

‡ This amount was repaid as follows:—£30,000 on 1st July, 1892; £22,000 on 1st July, 1895; £100,000 on 1st September, 1895; £31,900, on 1st January, 1897.

financial year 1893-4—amounting to £24,107,000—were issued as stock in the first instance. The privilege referred to, according to advices received up to the 30th June, 1898, had been availed of up to the extent of £8,785,400, so that the stock then outstanding upon the London Register amounted to £32,892,400. The total amount of stock on the two registers combined was thus £35,089,693. Of this amount £20,892,400 bears interest at the rate of 4 per cent., and £12,000,000 at the rate of 3½ per cent., and £2,197,293 at the rate of 3 per cent.

Rates of interest.

398. Nearly three-fifths of the Public Debt bears interest at the rate of 4 per cent., about a fourth at 3½ per cent., nearly a ninth at 4½ per cent., and the balance (less than a twentieth) at 3 per cent.; whilst the average rate is 3·88 per cent. The following are the rates of interest payable on the various amounts of which the Public Debt of Victoria was composed on the 30th June, 1898 :—

Rates of Interest.				Amount at each rate.	
4½ per cent.	...	...	...	...	£5,000,000
4	„	...	...	...	27,810,795
3½	„	...	...	...	12,000,000
3	„	...	...	...	2,247,293
				Total	£47,058,088

Interest on debt.

399. Nearly three-fourths of the interest on the debt is payable in July and January, and the remainder in October and April. In connexion with this, it has been pointed out that, whilst admitting the inconvenience to the colony of having large interest amounts falling due at one time, the greatest degree of negotiability for the stock can only be attained by making the periods of payment uniform for all loans. About £95 out of every £100 of the interest is payable in London, and the remainder in Melbourne. The following table shows the amounts of annual interest payable on the debt as it existed on the 30th June, 1898, also the times when and places where it becomes payable :—

#### ANNUAL INTEREST ON PUBLIC DEBT AT 30TH JUNE, 1898.

Rate per cent.	When due.	Interest due Annually—		
		In Melbourne.	In London.	Total.
4½	July and January	£	£	£
4	„ „	...	225,000	225,000
3½	„ „	...	682,560	682,560
	„ „	...	420,000	420,000
	Total	...	1,327,560	1,327,560
4	October and April	29,872	400,000	429,872
3	„ „	67,419	...	67,419
	Grand Total	97,291	1,727,560	1,824,851

NOTE.—According to the Treasurer's Finance Statement 1897-8, the amount actually payable was £1,821,231. The difference between this and the grand total in the table (£3,620) is accounted for by the non-payment of £18,280 on debentures and of £3,465 on Stock (Melbourne Register) held by Government on account of Trust Funds invested, as against which £18,125 interest on Treasury-bonds in aid of or in anticipation of revenue is not included in the above statement.

400. The average rate of interest on the Public Debt, as it existed at the end of the financial year 1897-8, was equivalent to 3·88 per cent., the average rates on the amounts borrowed for the different works varying from 3 to 4¼ per cent. No money has been borrowed at 6 or 5 per cent. since 1870; and the 4½, 4, and 3½ per cent. loans floated since, together with the substitution of 4, 3½, and 3 per cent. debentures and stock for the 6 and 5 per cent. loans which had become due, have gradually brought down the rate of interest, so that at the end of 1897-8 it averaged less than 4 per cent., as just stated. The following are the particulars of the amounts borrowed for the different works, and the annual amount and average rate of interest chargeable thereon:—

Interest on loans for different works.

### INTEREST ON LOANS FOR DIFFERENT WORKS.

Purpose for which Raised.	Amount Outstanding on 30th June, 1898.*	Annual Interest.	
		Amount.	Average Nominal Rate per cent.
Railways ... ..	£ 36,607,745	£ 1,426,138	3·90
Tramways in Country Districts ...	200,000	7,750	3·87
Water Supply { Melbourne ... ..	2,359,157	88,814	3·77
	{ Country ... ..	5,134,650	191,751
Law Courts and Parliament Houses ...	600,713	24,674	4·11
Public Offices ... ..	166,195	6,116	3·68
Defences ... ..	100,000	3,500	3·50
State Schools ... ..	1,105,557	45,222	4·09
Yarra Bridge ... ..	108,043	4,622	4·28
Harbors, &c. ... ..	275,554	11,022	4·00
Graving Dock ... ..	350,464	13,742	3·92
Beet Sugar Companies ... ..	50,000	1,500	3·00
Gross Amount ... ..	47,058,078	1,824,851	3·88

401. By the last two tables it appears that, on the debt as it stood at the end of 1897-8, the total net amount accruing annually as interest is £1,824,851; but as interest (£18,280) on debentures held by the Government was not paid, and as interest on portion of the loans was not payable during the year, the amount actually paid in 1897-8 was only £1,800,816, viz., £1,709,280 in London, and £91,536 in Melbourne.

Interest payable and paid.

402. The real burden of the debt is shown by the amount of interest, which, not being covered by the profits arising from those public works on which the loan moneys have been expended, has necessarily to be provided for by taxation, land revenue, &c. Thus, in 1897-8, although the interest which accrued on the public debt of Victoria amounted to £1,821,920, it was only necessary to provide for £671,500, or about 37 per cent., by these methods, the remaining 63

Interest on debt recouped from reproductive works.

\* See also footnotes to table following paragraph 388 ante.

per cent. being derived from public works of a reproductive character. In the preceding year, however, 31 per cent. was so derived. The following is a statement of the sources from which the interest was defrayed:—

INTEREST ON VICTORIAN PUBLIC DEBT AND SOURCES WHENCE  
DEFRAYED, 1892-3 TO 1897-8.

Interest defrayed from—	1892-3.	1893-4.	1894-5.	1895-6	1896-7.	1897-8.
Net Revenue—	£	£	£	£	£	£
Railways	1,075,657	1,090,740	1,038,198	854,917	1,052,130	962,842
Graving Dock*	818	739	800	1,082	1,564	291
Interest on Loans—						
Metropolitan Board of Works	97,682	95,328	93,699	93,744	93,732	93,816
Local Bodies (actual receipts)	37,674	51,200	45,613	53,957	52,678	57,696
Unpaid†	18,280	18,280	18,280	18,280	21,745	21,745
Interest on Bank Balances (say)	30,000	34,900	36,100	31,000	25,900	14,000
Total ...	1,260,111	1,291,187	1,232,690	1,052,980	1,247,749	1,150,390
Taxation and Land Revenue	603,689	544,183	599,523	787,690	569,611	671,530
Total Interest accrued‡	1,863,800	1,835,370	1,832,213	1,840,670	1,817,360§	1,821,920

403. From the best information available similar particulars have been compiled for 1897-8 in regard to the other Australasian Colonies (except Western Australia) and Canada, with the result that the profits of reproductive public works are found to have covered a larger proportion of the interest on the debt in Victoria than in any of the other colonies of this group except New South Wales, whilst the proportion in Canada was lower than in any Australasian colony. The following are the proportions referred to:—

PROPORTION OF INTEREST ON PUBLIC DEBT COVERED BY  
EARNINGS OF REPRODUCTIVE WORKS, 1897-8.

	Per cent.		Per cent.
Victoria ...	63·0	New Zealand ...	30·4
New South Wales ...	70·2	Tasmania ...	14·6
South Australia ...	50·5	Canada (1896-7) ...	13·6
Queensland ...	47·2		

\* In addition to this the Government and Harbor Trust have the free use of the Dock, merely reimbursing the Department the actual expenses incurred.

† On debentures held by Government.

‡ Approximate only—the actual amount paid in 1897-8 was £1,800,816, and the annual interest on the net debt as it stood at the end of the year was £1,824,851. See preceding paragraph.

§ The rate of interest was reduced in this year from 4 to 3 per cent.



404. The payment of interest in Melbourne is not attended with any expense; but in London expenses are incurred, consisting chiefly of premium on the remittance of money and commission to the Banks. For payment of debenture coupons a commission of  $\frac{1}{2}$  per cent. is payable; and in the case of inscribed loans a commission for inscription and payment of interest was charged up to the 1st July, 1897, of £500 per million per annum for the first 10 millions of stock inscribed, £450 for the second 10 millions, £400 for the third 10 millions, and £350 for subsequent amounts, or an average of about £436; but after that date the charges were reduced, by agreement with the Bank, to a uniform rate of £250 per million. These charges amounted in 1897-8 to £26,877, which is equivalent to a proportion of over  $1\frac{1}{2}$  per cent. on the total amount paid in London; as compared with a proportion averaging over  $1\frac{2}{3}$  per cent. in the previous four years. The proportion in 1897-8 would have been lower only for the higher rate of exchange. The following figures show the items of which the expenses were made up during the last four years:—

**EXPENSES OF PAYING INTEREST ON LOANS,  
1893-4 TO 1897-8.**

	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.
	£	£	£	£	£
Commission of $\frac{1}{2}$ per cent. on Debenture Coupons payable	2,907	2,287	2,282	2,276	2,268
Commission for Inscription of Stock and Payment of Interest	13,536	14,282	14,297	14,310	10,737
Premium on Remittances	11,851	10,426	12,334	10,683	12,891
Stamps, Advertising, &c.	1,328	1,081	1,767	1,211	981
<b>Total Expenses ...</b>	<b>29,622</b>	<b>28,076</b>	<b>30,680</b>	<b>28,480</b>	<b>26,877</b>
Interest paid in London	1,759,981	1,716,410	1,713,635	1,709,280	1,709,280
Percentage of Expenses	1.68	1.64	1.79	1.67	1.57

405. Adding the interest paid in Melbourne—in connexion with which, as has been already stated, there are no expenses—to the interest and expenses in the last column of the table, it will be found that the total interest and expenses of the Funded State Debt of Victoria paid during 1897-8 amounted to £1,827,693,\* being in the proportion of £1 11s. 1d. per head of population, and equal to about  $27\frac{1}{2}$  per cent. (or over one-fourth) of the general expenditure of the colony.

406. The following is a statement of the total amount, and amount per head, paid for interest and expenses of the Public Debt in 1860 and in each succeeding fifth year to 1889-90, and in each year from 1891-2 to 1897-8; also in each of the same years, the proportion which

\* See under head of "Public Debt," page 154 ante.

the interest and expenses bore to the general revenue of the colony. It will be observed that the total amount and amount per head reached a maximum in 1893-4, but have since fallen off; whereas, owing to the falling off in the revenue, a large increase has taken place in recent years in the proportion to revenue—over a fourth of the revenue in 1897-8, as against only a fifth in 1891-2, being required to meet debt charges.

INTEREST AND EXPENSES OF FUNDED DEBT, 1860 TO 1897-8.

Year.	Total Amount Paid.	Amount Per Head of Population.	Percentage of Revenue.
	£	£ s. d.	
1860 ...	251,777	0 9 4	8·17
1865 ...	517,081	0 16 8	16·81
1870 ...	647,674	0 17 10	19·86
1874-5 ...	719,282	0 18 3	17·25
1879-80 ...	979,864	1 3 1	21·30
1884-5 ...	1,271,907	1 6 11	20·22
1889-90 ...	1,548,145	1 8 1	18·17
1891-2 ...	1,714,416	1 9 7	20·55
1892-3 ...	1,836,185	1 11 5	23·85
1893-4 ...	1,876,138	1 12 0	27·93
1894-5 ...	1,844,113	1 11 3	27·48
1895-6 ...	1,849,612	1 11 4	28·64
1896-7 ...	1,859,592	1 11 8	28·05
1897-8 ...	1,827,693	1 11 1	26·50

407. In the other Australasian Colonies, in 1897-8, the interest and expenses of the Public Debt per head varied from £2 14s 8d. in Queensland, £2 12s. 3d. in South Australia, £2 5s. 10d. in New Zealand, and £2 1s. 9d. in Western Australia to £1 17s. 2d. in Tasmania, and £1 14s. 1d. in New South Wales; whilst the proportion to the total expenditure varied from 38 per cent. in Tasmania, and 35 or 34 per cent. in Queensland, New Zealand, and South Australia, to 25 per cent. in New South Wales, and 10 per cent. in Western Australia.\* In the Australasian Colonies as a whole, the interest and expenses of the Public Debt in 1897-8 amounted to £8,713,135,† or to £1 19s. 6d. per head, being equivalent to more than a fourth (about 28 per cent.) of the total expenditure.

408. The following table contains a statement of the amount of interest payable annually on the Public Debt of various countries, also the proportion that such interest bears to the total expenditure

\* See "Australasian Statistics" in Appendix C *post*.

† Including interest on unfunded debt. It is believed that in a few cases contributions to sinking funds are also included.

Interest on debt in Australasian Colonies.

Interest on debt—Proportion to total expenditure.

of each country. It is possible that in a few cases amounts paid in reduction of principal are included. The countries are arranged in order according to the proportion referred to:—

INTEREST ON PUBLIC DEBT AND PROPORTION THEREOF TO TOTAL EXPENDITURE IN VARIOUS COUNTRIES.

Countries.	Year.	Annual Interest on and Expenses of Public Debt.*	
		Amount (000's omitted).	Proportion of Total Expenditure.
		£	Per cent.
Spain ... ..	1898-9	15,970,	46
Tasmania ... ..	1897	323,	41
Roumania ... ..	1898-9	3,430,	38
New Zealand ... ..	1897-8	1,672,	35
France ... ..	1896	48,701,	35
Queensland ... ..	1897-8	1,324,	35
Portugal ... ..	1898	4,078,	34
South Australia ... ..	1897-8	952,	34
Canada ... ..	1898	2,722,	33
Italy ... ..	1897	23,609,	33
Victoria ... ..	1897-8	1,852,	28
Holland ... ..	1898	3,152,	25
Greece ... ..	1898	832,	24
Belgium ... ..	1896	4,182,	24
New South Wales ... ..	1897-8	2,256,	24
Austria ... ..	1895	14,067,	20
Hungary ... ..	1895	9,749,	23
Russia ... ..	1897	27,700,	19
United Kingdom ... ..	1897-8	16,238,	16
Western Australia ... ..	1897-8	338,	10
Denmark ... ..	1896-7	380,	10
Sweden ... ..	1898	584,	9
United States ... ..	1898	7,873,	8
Norway ... ..	1895-6	322,	7
Germany† ... ..	1897-8	3,753,	5
Switzerland ... ..	1898	170,	4

409. According to the table the countries in the world in which the relation of the annual charge on the Public Debt to the Public Expenditure is smaller than in Victoria are Holland, Greece, Belgium, New South Wales, Austria Hungary, Russia, United Kingdom, Western Australia, Denmark, Sweden, United States, Norway, Germany, and Switzerland. So far as the German Empire is concerned, the result might be different if the indebtedness of the several German States was taken into account. Tasmania, New Zealand, Queensland, and South Australia, it will be observed, stand near the head of the list, having only two or three countries above them.

Relation of debt to expenditure in Victoria and other countries.

\* The figures for the Australasian Colonies, which relate to the year 1897-8, express the expenses, in addition to the interest, of their Public Debts, except in the case of Tasmania.

† The interest on the debts of the several German States is not included.

Loans  
authorized  
but not  
raised.

410. The permanent loans authorized, but not raised, on the 30th June, 1898, amounted to £4,382,417, of which, however, all but £143,189 was subsequently cancelled, which represents the balances unfloated of loans authorized in 1891, 1892, 1895, and 1896. The following table shows the amounts authorized to be devoted to the respective purposes for which the original loans were to be raised, and the amounts raised to June, 1898 :—

FUNDED LOANS AUTHORIZED BUT NOT RAISED TO 30TH  
JUNE, 1898.

Purposes.	Under Loan Act—			
	55 Vict. No. 1217.	56 Vict. No. 1296.	59 Vict. No. 1440.	60 Vict. No. 1468.
	£	£	£	£
Railways ... ..	5,000,000	1,000,000	...	200,869
Irrigation Works, &c. ... ..	1,000,000	...	...	...
To establish the Beet Sugar Industry	...	...	100,000	...
Redemption of Loans ... ..	...	282,123	...	2,089,613
Total ... ..	6,000,000	1,282,123	100,000	2,290,482
Amount raised or cancelled to 30th June, 1898	2,296,100	746,795	50,000	2,197,293
Balance not floated ... ..	3,703,900*	535,328*	50,000	93,189

Funded  
loans  
authorized  
in 1898-9.

411. In the latter half of 1898 a further loan of £1,000,000 was authorized under Act No. 1562, to be raised in London by means of consolidated stock, of which £700,000 was required for railway construction, &c., and £300,000 for irrigation and water supply works in country districts (including Mildura); also one for £500,000 under Act No. 1564, for railways public works and other purposes, to be raised by means of 3 per cent. stock in Melbourne. The redemption of the latter issue is to be provided for by an annual payment of £25,000, commencing on the 1st July, 1900, out of the consolidated revenue into a sinking fund. Moreover, under section 159 of the *Land Act* 1898 (No. 1602), provision is made for the issue of 3 per cent. stock in Melbourne, to the extent of not more than £100,000 in any one year, to provide funds for the purchase of private lands for closer settlement for agricultural purposes. Interest on this stock is to be a first charge on the "Farm Settlement Fund," it being provided that transfers from such fund are to be made from time to time equivalent

\* This was subsequently cancelled by Act No. 1559.

to the interest payable; and, if at any time the amount at the credit of such fund is more than sufficient to provide the annual interest, the surplus may be applied to the purchase and extinction of 3 per cent. stock. All moneys received from lessees or purchasers under the "closer settlement" clauses of the Land Act must be placed to the credit of the said fund.

412. In order to guard against the contingency of an unfavorable market for fixed loans, when the money might be required, to be raised under the authority of Acts Nos. 1562 and 1560, two issues of Treasury bonds, as a temporary expedient to raise the necessary funds, were authorized on 5th December, 1898, one for £1,000,000 under Act No. 1574 and one for £1,500,000 under Act No. 1575 at a rate of interest not exceeding 4 per cent., and repayable on 1st January, 1900, or before that date with the consent of the bond-holders; renewals being also provided for repayable not later than 1st January, 1901. The latter of the two authorized issues, however, will not be required, the fixed loan having already been floated.

Treasury-  
bonds  
authorized  
in 1898-9.

413. In addition to the amounts shown in the last table, authority was obtained in 1891, under Act 55 Vict. No. 1233, to issue Treasury-bonds for £2,000,000 in London as a temporary expedient in anticipation of the balance of the loan authorized under Act 55 Vict. No. 1217, the time not being favorable for the flotation of a regular loan. Such bonds were authorized to bear interest at a rate not exceeding  $4\frac{1}{2}$  per cent., and to be repayable on the 31st December, 1893. Only £1,000,000 of the bonds, however, were disposed of, viz., on the 4th March, 1892, under an agreement made in Melbourne with the New Zealand Loan and Mercantile Agency Company, and the balance lapsed by effluxion of time. The proceeds were not expended, but were temporarily invested, and paid back in due course on 31st December, 1893.

Treasury-  
bonds in aid  
of public  
works  
authorized  
in 1891-2.

414. Apart from the funded debt, previously dealt with, there is an unfunded debt represented by Treasury Bonds or Bills issued to cover temporary deficiencies in the general revenue, or in anticipation of the revenue of future years, apart from simple advances obtained for similar purposes from the Trust Funds. During the six years ended with 1897-8 four issues were authorized under various Acts, viz., £750,000 under Act 56 Vict. No. 1283, and £1,250,000 under Act 57 Vict. No. 1328, both to cover deficiencies in the general revenue; £375,000 under Act 60 Vict. No. 1451, to raise funds for the construction of certain urgent works in anticipation of the revenue of future years, which were to be successively charged with the repayment

Treasury-  
bonds  
(unfunded  
debt.)

by instalments of £25,000, commencing on 1st January, 1899; and £250,000 (Bills), repayable by 1st June, 1896, under Act 58 Vict. No. 1386, to raise funds in anticipation of revenue from the newly-imposed income tax, on which the Bills were secured. In the last-mentioned case, however, the issue was never made, and the Act expired by effluxion of time. Under Act No. 1283 the whole issue, which bore interest at the rate of  $4\frac{1}{2}$  per cent., was floated at the end of January, 1893, and the net amount realized was £738,899, on which the effective rate of interest was 4.92 per cent.; the final instalment (£250,000) of this loan was duly paid off on 1st January, 1898. Under Act No. 1328 only £250,000 was raised up to the 30th June, 1898, at 4 per cent., the principal being repayable on 1st January, 1903, whilst the power to raise the balance was subsequently cancelled by Act No. 1559. Under Act No. 1451 the whole amount has been raised at  $3\frac{1}{4}$  per cent. The total amount of Treasury-bonds outstanding on 30th June, 1898, and not included in the funded debt, was thus £500,000, of which £250,000 bore interest at 4 per cent., and £250,000 at  $3\frac{1}{4}$  per cent.

Victorian  
loan raised  
in London  
in 1899.

415. No Victorian loans were floated in London in the years 1893 to 1898; but on the 16th February, 1899, a loan for £1,600,000, redeemable at any time between 1st January, 1929 and 1st January, 1949, and bearing interest at the rate of 3 per cent.—the first Victorian loan at that rate placed on the London market—was floated in London under the authority of the new Victorian Consolidated Inscribed Stock Act (62 Vict. No. 1560). The loan was required to redeem a 4 per cent. loan for £1,500,000, falling due on the 1st July, 1899. The minimum price fixed was £95 per £100 stock (including 16s. 5d. accrued interest); and the number of tenders received was 402, of which 253 were wholly or partially successful, whilst the price tendered varied from a maximum of £98 to the minimum fixed, and the total amount tendered was £3,568,500. The gross proceeds amounted to £1,522,835, or an average of £95 3s. 6d. per £100 stock, but reducing this for accrued interest by £13,118, or 16s. 5d. per £100, and for expenses of floating by £18,362, or £1 2s. 11d. per £100, the net proceeds realized amounted to only £1,491,355, or to an average of £93 4s. 2d. per £100 stock. This is equivalent to an effective rate of interest of £3 7s. 3d. per £100 of net proceeds, assuming the loan to be redeemed in 30 years (the minimum term).

Expenses of  
floating and  
redemption  
of loans.

416. The total expenses connected with floating Victorian loans from 1855 (the time the first loans were authorized) to the 30th June,



1898, including bank charges, brokerage, advertising, &c., have amounted to £670,539, which figures furnish a proportion of 1·229 per cent. (equal to £1 4s. 7d. per £100) on the gross amount (£54,587,100) borrowed in London to that date. The expenses were made up of 5s.\* per £100 commission to the Banks for floating, 5s. brokerage, and 2s. 6d. duty on loans in the form of debentures, or 12s. 6d. composition duty on those in the form of stock, payable to the British Government; whilst 5d. or 5½d. generally defrays the cost of advertisements and other charges. It should be mentioned that there are other charges which, as they do not come into operation until the debentures arrive at maturity, are not usually taken into account. These are the Banks' commission (including brokerage) of ¼ per cent. for floating the earlier debenture loans, and ⅛ per cent. for the more recent inscribable loans, besides exchange on remittances for redemption of the debentures.

417. The minimum price for tenders for a loan is fixed after due inquiry from those supposed to be best acquainted with the state of the money market. The results, however, are very various, and in the case of the loans from 1874 onwards the amounts obtained per £100 debenture or stock have ranged from 1s. 4d. in 1891 and 1892 to as much as £4 11s. in 1888 above the minimum fixed, as is shown in the last column of the following table:—

Prices fixed and obtained for loans.

VICTORIAN LOANS—PRICES FIXED AND OBTAINED,  
1874 TO 1898.

When Raised.	Price per £100 <i>ex</i> Interest.						Amount above Minimum Obtained.		
	Minimum Fixed.			Average Obtained.					
	£	s.	d.	£	s.	d.	£	s.	d.
1874	90	0	0	90	2	7	0	2	7
1876	93	0	0	94	16	10 <sup>3</sup> / <sub>4</sub>	1	16	10 <sup>3</sup> / <sub>4</sub>
1879	96	16	1	97	17	5 <sup>1</sup> / <sub>2</sub>	1	1	4 <sup>1</sup> / <sub>2</sub>
1880	100	0	0	103	3	8 <sup>1</sup> / <sub>2</sub>	3	3	8 <sup>1</sup> / <sub>2</sub>
1883	98	13	7	98	16	8 <sup>1</sup> / <sub>2</sub>	0	3	1 <sup>1</sup> / <sub>2</sub>
"	96	13	3	97	14	1 <sup>1</sup> / <sub>2</sub>	1	0	10 <sup>1</sup> / <sub>2</sub>
1884	98	2	8	98	5	7	0	2	11
1885	97	4	9 <sup>1</sup> / <sub>2</sub>	98	18	6 <sup>1</sup> / <sub>2</sub>	1	13	9
1886	101	3	3	105	12	3 <sup>1</sup> / <sub>4</sub>	4	9	0 <sup>1</sup> / <sub>4</sub>
1887	101	6	3	102	5	6 <sup>3</sup> / <sub>4</sub>	0	19	3 <sup>3</sup> / <sub>4</sub>
1888	103	9	11 <sup>3</sup> / <sub>4</sub>	108	1	1 <sup>1</sup> / <sub>4</sub>	4	11	1 <sup>1</sup> / <sub>2</sub>
1889	99	8	10 <sup>1</sup> / <sub>2</sub>	102	14	10	3	5	11 <sup>1</sup> / <sub>2</sub>
1890	98	11	11 <sup>1</sup> / <sub>2</sub>	100	2	4	1	10	4 <sup>1</sup> / <sub>2</sub>
1891	96	2	10 <sup>1</sup> / <sub>2</sub>	96	4	2 <sup>1</sup> / <sub>2</sub>	0	1	4
1892	91	12	3 <sup>1</sup> / <sub>2</sub>	91	13	7 <sup>1</sup> / <sub>2</sub>	0	1	4
1893	96	0	0	†			†		

NOTE.—The nominal rate of interest on the loans was 4 per cent. from 1874 to 1888 (excepting 1879 and 1880) and in 1893, 4½ per cent. in 1879 and 1880, and 3½ per cent. in other years. No loans were raised in London in the years 1894 to 1898. For a recent loan raised in 1899 the minimum fixed was £94 3s. 7d., and the average obtained was £94 7s. 1d.

\* South Australia saves this commission by floating the loans through the medium of the Agent-General; whilst New South Wales pays as much as 10s. per £100 to the Bank of England. See table following paragraph 428 *post*.

† The only loan issued in 1893 was at a fixed price, and so was not open to competition.

Loans floated in Melbourne. 418. The balance outstanding of loans floated in Melbourne amounted to £2,383,662 on 30th June, 1893; but during the last four years, the local debt having been increased by over a million sterling, it stood, on 30th June, 1898, at £3,451,088. The following is a statement of such loans, showing the amounts as originally raised, the amounts converted or paid off, and the amounts outstanding on the 30th June, 1898:—

## LOANS FLOATED IN MELBOURNE.

Authorization.		Loans as originally raised.			Amounts.		Loans Outstanding on 30th June, 1898.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	
DEBENTURES.							
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23*	746,795‡	...	...	746,795
1440	1896	3	1912†	50,000	...	...	50,000
428	1872	4	1897‡	1,113,000	} 2,659,613	}	
439	1872	4	"	{ 86,780			
				{ 13,102§			
741	1882	4	"	167,600			
963	1887	4	"	130,000			
1015	1889	4	"	750,000			
1341	1893	4	"	150,000			
1369	1895	4	"	249,131	...	...	2,197,293
1468	1896	3	1917‡	2,197,293¶	...	...	2,197,293
Total ...				7,663,701	3,133,393	1,536,220	2,994,088

Particulars of loans floated in London.

419. Particulars respecting the amounts, due dates of, number of years' currency, nominal rates of interest on, and average prices obtained for, the various loans forming part of the Public Debt of Victoria, raised in London from 1859 to 1898, are given in the following table; also the average prices obtained after deducting expenses of floating, as well as of accrued interest; the rates of interest to which such prices are equivalent, which are really those payable by the colony on the moneys actually available (net proceeds) for the purposes for which the loans were raised; to which is added, in the last column, the minimum rate of discount, with a view of indicating the state of the

\* Or at any time between the dates named after twelve months' notice.

† After 1st April, 1912, upon one year's notice; if not sooner redeemed, on 1st April, 1922.

‡ Or at any time thereafter upon one year's notice.

§ Increase of debt on conversion of 5 and 6 per cent. debentures.

|| Redemption loans—£282,123 under Act No. 1296; £130,000 under Act No. 963; £150,000 (expenses attending renewal of a London loan) under Act No. 1341; and £153,900 under Act No. 1369.

¶ Conversion loan of £2,089,613 is included in this amount.

money market at the time of floating the respective loans. No loans have been raised since 1893 :—

VICTORIAN LOANS FLOATED IN LONDON, 1859 TO 30TH JUNE, 1898.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture or Bond.		Actual Rate of Interest per £100 Net.	Bank of England Minimum Rate of Discount at time of Floating.
	Currency.		Amount Sold.	Rate of Interest.	<i>Ex</i> Accrued Interest.	<i>Ex</i> Interest and Expenses.† (Net proceeds.)		
	When Due.	No. of Years.						
1859	1883	24	1,000,000	6	105 1 11 <sup>3</sup> / <sub>4</sub>	103 18 11 <sup>3</sup> / <sub>4</sub>	5 14 0	2 <sup>1</sup> / <sub>2</sub>
"	"	"	750,000	6	107 17 7 <sup>1</sup> / <sub>4</sub>	106 14 7 <sup>1</sup> / <sub>4</sub>	5 9 10	2 <sup>1</sup> / <sub>2</sub>
1860	"	23	1,837,500	6	104 17 10 <sup>1</sup> / <sub>2</sub>	103 14 10 <sup>1</sup> / <sub>2</sub>	5 14 1	4 <sup>1</sup> / <sub>2</sub> -5
"	1884	"	812,500					
1861	1885	24	1,000,000	6	103 1 6 <sup>1</sup> / <sub>4</sub>	101 18 6 <sup>1</sup> / <sub>4</sub>	5 17 0	6
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2	2 <sup>1</sup> / <sub>2</sub>
1866	1891	25	850,000	6	100 8 11 <sup>3</sup> / <sub>4</sub>	99 5 11 <sup>3</sup> / <sub>4</sub>	6 1 1	4 <sup>1</sup> / <sub>2</sub>
1869	1894	"	588,600	5	98 4 2 <sup>3</sup> / <sub>4</sub>	97 1 2 <sup>3</sup> / <sub>4</sub>	5 4 3	3
1870	"	24	1,518,400	5	100 17 6 <sup>1</sup> / <sub>2</sub>	99 14 6 <sup>1</sup> / <sub>2</sub>	5 0 5	3
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5	3-4
1876	1901	"	{ 500,000 † 2,500,000 }	4	94 16 10 <sup>3</sup> / <sub>4</sub>	93 18 11 <sup>3</sup> / <sub>4</sub>	4 8 1	2
1878	1904	26	457,000 †					
1879	"	25	3,000,000	4 <sup>1</sup> / <sub>2</sub>	97 17 5 <sup>1</sup> / <sub>2</sub>	96 19 2 <sup>1</sup> / <sub>2</sub>	4 14 0	2 <sup>1</sup> / <sub>2</sub>
1880	"	24	2,000,000	4 <sup>1</sup> / <sub>2</sub>	103 3 8 <sup>1</sup> / <sub>2</sub>	102 5 11	4 6 11	2 <sup>1</sup> / <sub>2</sub>
			Stock.§					
1883	1907	"	4,000,000	4	98 16 8 <sup>1</sup> / <sub>2</sub>	97 13 7 <sup>1</sup> / <sub>2</sub>	4 3 0	5-3
"	1908	"	2,000,000	4	97 14 1 <sup>1</sup> / <sub>2</sub>	96 10 11 <sup>1</sup> / <sub>2</sub>	4 4 6	4
1884	1913	29	{ 2,636,600    1,363,400 }	4	98 5 7 <sup>1</sup> / <sub>4</sub>	97 2 8 <sup>1</sup> / <sub>4</sub>	4 3 3	3
1885	1919	34	{ 3,180,620    819,380 }					
1886	1920	"	1,500,000	4	105 12 3 <sup>1</sup> / <sub>4</sub>	104 9 0	3 15 5	3
1887	"	33	3,000,000	4	102 5 6 <sup>3</sup> / <sub>4</sub>	101 2 9	3 18 9	5
1888	"	32	1,500,000	4	108 1 1 <sup>1</sup> / <sub>4</sub>	106 18 0 <sup>3</sup> / <sub>4</sub>	3 12 9	4
1889	1923	34	3,000,000	3 <sup>1</sup> / <sub>2</sub>	102 14 10	101 11 11 <sup>1</sup> / <sub>2</sub>	3 8 5	4
1890	"	33	4,000,000	3 <sup>1</sup> / <sub>2</sub>	100 2 4	98 19 6	3 11 1	3 <sup>1</sup> / <sub>2</sub>
1891	††1921-6	30-5	{ 850,000    2,150,000 }	3 <sup>1</sup> / <sub>2</sub>	96 3 7	95 0 10	3 15 6	3
1892	"	29-34	2,000,000					
1893	††1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7	3
			Treasury-bonds.					
1892	1893	1	1,000,000	4 <sup>1</sup> / <sub>2</sub>	99 3 11	99 1 5	5 0 0	3
	Total	..	55,021,000††					
	Paid off	..	10,957,000					
	Outstanding	..	44,064,000					

NOTE.—In February, 1899, a 3 per cent. loan for £1,600,000 (of which £1,500,000 was to replace a loan falling due), repayable at any time between 1929 and 1949, was raised in London. The net price realized, *ex* accrued interest, was £94 7s. 1d., or £93 4s. 2d. after deducting expenses; the effective rate of interest on the latter amount being £3 7s. 3d. per cent.

\* The loans referred to in the first nine lines have been paid off by means of more recent ones.

† For loans raised prior to 1876, the expenses have been uniformly assumed to have been 1.15 per cent.

‡ Conversion loan. The loan of £457,000 is held by the Government in Melbourne, although nominally repayable in London.

§ The first three of these loans were issued as debentures, with right of inscription as stock. See paragraph 397 *ante*.

|| Redemption loans.  
¶ It is believed that a higher price by fully 5s. per £100 would have been obtained but for the unusual occurrence of the shipment of large quantities of gold to Australia, which took place just prior to the loan being floated.

\*\* Money market much affected at time of issue of this loan by a misunderstanding with Russia, and the supposed probability of war with that country.

†† Repayable at any time between these dates at option of the Government after giving twelve months' previous notice.

‡‡ Including £500,000 for conversion of debentures and stock issued in Melbourne; also £317,220 for redemption of loans falling due in Melbourne; such amounts being virtually transfers of debt from Melbourne to London.

Terms upon  
which loans  
have been  
obtained.

420. It will be noticed that the nominal rate of interest was 6 per cent. for all loans floated prior to 1869, when it was reduced to 5 per cent.; it was further reduced to 4 per cent. in 1874, and to  $3\frac{1}{2}$  per cent. in 1889; and, although Victoria has had no occasion to borrow in London since 1893,\* it has subsequently fallen to 3 per cent. for the other colonies, commencing in 1895. It will be seen that the first 4 per cent. loan was floated at a heavy discount, viz., 10 per cent., but the credit of the colony improved so considerably, especially since 1885, that a  $3\frac{1}{2}$  per cent. loan floated at the beginning of 1889 brought a premium of £2 15s. per £100 debenture. It should be stated, however, that after the Victorian loan of 1888 was floated a large advance took place in the value of Australian securities, owing probably for the most part to the conversion of British 3 per cents., and the possibility that English trustees might sooner or later be allowed to invest in colonial securities, and ever since a rapid and continuous improvement has taken place in all Australasian Government securities. In the early part of 1892, owing to the fall in the  $3\frac{1}{2}$  per cents., the colony deemed it advisable to meet her requirements by a temporary issue of Treasury-bonds; but an improvement having taken place a little later a further issue of  $3\frac{1}{2}$  per cent. stock was made at a discount of  $9\frac{1}{2}$  per cent. Since then, however, the Treasury-bonds have been paid off, and no fresh borrowings for other than redemption purposes have been resorted to.

Actual rate  
of interest  
on loans.

421. By the last column but one of the table, it appears, in respect to the earlier Victorian loans, that, although the nominal rate of interest was 6 per cent., the money was usually obtained for about  $5\frac{3}{4}$  per cent., the lowest rate being  $5\frac{1}{2}$  per cent. in 1859, and the highest a small fraction over 6 per cent. in 1866. After that year, however, the credit of the colony gradually improved, for the money was secured in 1870—or four years later—for about 5 per cent.; in the early part of 1883 for  $4\frac{3}{20}$  per cent.; in 1885 for  $4\frac{1}{8}$  per cent.; in 1888 for about  $3\frac{5}{8}$  per cent.; in 1889 for less than, and in 1890 for a little over,  $3\frac{1}{2}$  per cent. In 1891 there was a reaction, and the money could only be obtained for a little over  $3\frac{3}{4}$  per cent., whilst in the early portion of 1892 the depression amongst high-class securities was so great that it was at first deemed inadvisable to apply for further permanent loans until affairs should resume their normal condition, temporary requirements being met by the issue of  $4\frac{1}{2}$  per cent. Treasury-bonds of twelve months' currency, for which 5 per cent. had in reality to be paid; and when a loan was raised in June, 1892, the money could only be

\*I.e., up to the end of 1898.

obtained at over 4 per cent. The redemption loan for £2,107,000—the only loan raised since up to the 30th June, 1898—was obtained at  $4\frac{1}{2}$  per cent., but it should be stated that this issue was offered at a fixed price, and was not competed for in the usual method.

422. An Act (62 Vict. No. 1560) providing for the creation and issue of "Victorian Government Consolidated Inscribed Stock," and for converting the Public Debt of Victoria into such stock, was passed on the 19th October, 1898. This Act applies only to that portion of the Public Debt which is or may be payable in London; and provides the machinery for the flotation of all future fixed loans raised there. It empowers the Governor in Council to create and issue Consolidated Stock for any of the following purposes:—(a) To raise any loans authorized by any Act of Parliament; (b) To pay off or convert—with the consent of the holder, or repurchase or redeem, any Government security, and (if necessary) to compensate (in the former case) the holder for surrendering such security; or (c) To pay any expenses incurred in connexion with the operations referred to. The amount of stock to be created and issued, the times and manner of issue, the price, terms and conditions, dividends, and periods of redemption shall be such as may be prescribed from time to time beforehand by the Governor in Council; reserving to the Treasurer the right, after a date to be fixed before the creation of any stock, to redeem such stock in sums of not less than £50,000 at any one time after giving such notice as may be prescribed. Provision is made for the appointment of an agent or agents in the United Kingdom—being either the Agent-General or two or more persons—who may be deputed to exercise all or any of the powers granted by the Act to the Treasurer of the colony; and also of a Registrar—who may be a bank, colonial official, or person—in the United Kingdom, with whom an agreement may be entered into for conducting all business connected with the issue, inscription, management, redemption, or conversion of stock, and the payment of interest. In cases where a Sinking Fund is required under the terms and conditions attached to any stock, the prescribed annual sum must be paid into a Redemption Fund; the moneys at the credit of which may from time to time be applied in purchasing, repurchasing, or ultimately redeeming such stock, and in paying commission, costs, and expenses incurred in connexion therewith, and meanwhile, the amount at credit may be invested in any Government securities. The interest arising from such investment must be paid into the fund; provided that whenever the total income from such investments is equal to the interest payable on the outstanding stock to which such fund is applicable, it may be applied in payment of the interest. A full statement of all dealings and transactions under the Act during the preceding financial year must be laid before both Houses of Parliament annually during the month of August.

Victorian  
Consoli-  
dated  
Stock Act  
1898.

423. The following table, giving similar information respecting the loans of New South Wales since 1880, has been compiled in the office of the Government Statist, Melbourne, from official documents.

New South  
Wales  
loans.

Prior to 1881, the actual rate of interest exceeded 4 per cent.; and prior to 1872 it exceeded 5 per cent.\*:—

NEW SOUTH WALES LOANS RAISED IN LONDON, 1881 TO JUNE, 1898.

When Raised.	Debentures or Stock Sold.				Average Price obtained per £100 Debenture or Stock.			Actual Rate of Interest per £100 Net.
	Currency.		Amount Sold.	Rate of Interest per £100.	Ex Accrued Interest.	Ex Interest and Expenses (Net Proceeds).		
	When Due.	No. of Years.					£ s. d.	
1881	1910	30	£ Debentures. 2,050,000	4	102 15 6	102 4 1	3 17 6	
1882	1913	30	Stock. 813,700†	4	101 3 10	100 12 6	3 19 3	
	1933	50	1,186,300			100 2 6	3 19 11	
1883	"	50	3,000,000	4	98 15 4	97 14 5	4 2 2	
"	"	50	3,000,000	4	99 8 0	98 7 0	4 1 7	
1884	1924	40	5,500,000	3½	92 14 7	91 6 11	3 18 9	
1885	"	40	5,500,000	3½	90 14 8	89 6 11	4 0 11	
1886	"	38	5,500,000	3½	93 10 7	92 2 10	3 18 0	
1888	1918	30	3,500,000	3½	102 5 2	100 17 4	3 9 1	
1889	"	29	{ 1,390,630‡ 2,109,400	3½	101 4 8	99 16 10	3 10 2	
1891	1919	27	{ 1,503,100§ 2,996,900					
1893	1933	40	{ 1,250,000‡ 1,250,000	4	98 17 9¼	97 9 9¼	4 2 7	
1894	1918	24	{ 832,000‡					
1895	1935	40	{ 3,352,400‡ 647,600	3	96 10 2	95 2 4	3 4 4	
1898	"	37	{ 1,500,000					
1892	1894	2	Treasury-bills.   1,250,000	4	99 10 0	99 4 0	4 8 6	
	1896	3½	1,000,000	4	100 4 0	99 16 6	4 2 1	
	1897	4	263,500	4	100 0 0	99 12 6	4 2 1	
1893	1896	4	{ 10,800	4	100 0 0	99 12 7	4 2 1	
			{ 725,700	4	100 0 0	99 7 2	4 3 5	

424. From this table it appears that during the ten years ended with 1891, New South Wales floated in London regular loans amounting in the aggregate to £36,000,000, of which, however, about £3,000,000 was for the redemption of maturing loans; and in the seven and a half subsequent years it floated regular loans amounting to £6,332,000, of which about £4,560,000 was for renewal of old loans. Owing to the great depreciation, commencing with 1891, in the stocks of the colony, long-dated issues were temporarily suspended in 1892 and 1893 in favour of 4 per cent. Treasury-bills of short currencies, amounting in the aggregate to £3,250,000. The loan of 1882 was issued in the form of debentures, but with the right of inscription as stock; all previous loans were issued as debentures only, whilst all subsequent ones,

\* For particulars of the earlier loans, see *Victorian Year-Book* for 1890-91, Vol. I., paragraph 256.

† Debentures unconverted into stock.

‡ Amounts of old loans redeemed. Of the loan raised by New South Wales in 1895, £2,750,000 was required to pay off Treasury Bills. That colony also paid off loans falling due in 1895 amounting to £525,000 by funds advanced from a Sinking Fund created to redeem a loan for railway reconstruction.

§ Issued privately in exchange for debentures falling due in 1891 and 1892.

|| Portions of these issues were to meet loans falling due, but the exact amounts were not obtainable.



except the Treasury-bills, were issued either as inscribed stock or debentures inscribable as stock. It would appear that as early as 1881 New South Wales was able to borrow, allowing for all charges, for less than 4 per cent.—the real interest on the net proceeds of the loan floated in 1881 being only £3 17s. 6d. per £100 per annum, although on four subsequent occasions that colony had to pay more than 4 per cent. All but one of the regular loans from 1884 to 1894, it will be observed, were launched nominally at  $3\frac{1}{2}$  per cent.; and the two regular loans raised since 1894 at 3 per cent.; New South Wales being the first Australasian colony to issue loans at those rates. The actual rate payable on the three first and the last but one of the three and a half per cents., however, was nearer 4 than  $3\frac{1}{2}$  per cent. on the net proceeds. The 4 per cent. Treasury-bills, it will be observed, were all disposed of at slightly below par, and were all paid off by 1897. Probably the chief reason which has led to the apparent success of New South Wales as a borrower, as compared with other colonies, is the long currency—40 or 50 years—of her loans; but this, from an economic point of view, is a serious mistake, for it prolongs the period within which she will be unable to take advantage of the rapid fall in the rate of interest. Omitting fluctuations, the effective rate of interest fell from 4 per cent. in 1885 to  $3\frac{1}{2}$  per cent. in 1888, and to little more than 3 per cent. in 1898; and, seeing that British Consols at present return only 2 per cent. or even less to the investor, there is still a considerable margin for further reductions in the near future for the rates of interest on colonial loans, more especially under federation.

425. Since 1895 all the Australasian Colonies which have borrowed floated their fixed loans in London at 3 per cent. as the nominal rate of interest, the change from  $3\frac{1}{2}$  per cent. having been first made by New South Wales towards the end of 1895. This advance in Australian securities is all the more remarkable, since it follows so closely on the great depreciation in stocks, which occurred after the Australasian banking crisis of 1893. The most successful of the 3 per cent. loans were the Western Australian loan raised near the middle of 1896 and the New South Wales loan raised at the beginning of 1898, when the money was secured at the rate—based on the price realized *ex* interest and expenses—of about £3 1s. per £100 actually received. Early in 1889 one of the colonies (Victoria) was able to obtain the money at the effective rate of £3 8s. 5d. per £100; but in 1891, a reaction having set in against the colonies, from causes already explained, Victoria and New South Wales had to pay £3 15s. 6d. and £3 18s. 6d. respectively for every £100 actually received, gradually increasing in 1892 and 1893—the year of the banking crisis—to 4 and even  $4\frac{1}{2}$  per cent. In consequence of this reaction, long-dated issues were temporarily suspended; and although  $10\frac{3}{4}$  millions of Australasian fixed loans were floated in 1891, less than £2,800,000 were so obtained in 1892, less than £4,300,000 (exclusive of redemption loans) in 1893, and only about £1,300,000 in 1894; and in lieu thereof the requirements of the colonies in 1892 and 1893 were temporarily satisfied, for the first time, by the issue of Treasury bonds or bills of from two to six years' currency, bearing interest at the rate of

Loans of  
Austral-  
asian  
Colonies,  
1894 to  
1899.

4 or  $4\frac{1}{2}$  per cent.—the total so issued being £5,790,000, of which £3,250,000 was by New South Wales, £1,020,900 by Queensland, £1,000,000 by Victoria, and £519,800 by Tasmania. Since 1894, the total borrowings of the colonies (other than for redemption purposes) have been restricted to between 2 and 4 millions per annum; and the credit of the colonies has so much improved that several of them have obtained loans at effective rates varying from 3 to  $3\frac{3}{8}$  per cent. The following are the particulars of the loans raised since 1893:—

LOANS OF AUSTRALASIAN COLONIES RAISED IN LONDON,  
1894 TO JUNE, 1899.

Colony.	Date of Issue.	Inscribed Stock.			Proceeds per £100 Stock.			Effective Rate of Interest paid by Government.
		Due Date.	Amount.	Nominal Rate of Interest.	Gross.	Ex Accrued Interest.	Net, ex Accrued Interest and Expenses.	
		Year.	£	Per cent.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	Feb. '99	1929-49*	{ 100,000 1,500,000†	3	95 3 6	94 7 1	93 4 2	3 7 3
New South Wales	Sept. '94	1918	832,000†	$3\frac{1}{2}$	101 14 8	101 3 6	99 14 1	3 10 5
" ..	Oct. '95	1935	{ 3,352,400† 647,600	3	96 18 3	96 10 2	95 2 4	3 4 5
" ..	Jan. '98	1935	1,500,000	3	100 8 4	100 1 0	98 13 2§	3 1 2
Queensland ..	Apr. '95	1945	1,250,000†	$3\frac{1}{2}$	101 12 7	100 0 2	98 11 9	3 11 4
" ..	June '97	1922-47*	1,500,000	3	97 1 5	96 16 2	95 7 11	3 5 6
South Australia..	Jan. '94	1939	475,600	$3\frac{1}{2}$	93 17 5	93 4 5	92 9 4	3 17 0
" ..	Feb. '96	1916-26*	839,500	3	97 4 3	96 9 4	95 6 10	3 6 4
" ..	May '97	1916*	504,500†	3	97 7 3	96 10 11	95 10 0	3 6 5
" ..	Jan. '99	1916	1,500,000	3	94 17 10	94 0 9	92 19 9§	3 11 2
Western Australia	June '94	1911-31*	540,000	4	103 6 1	102 3 7	101 0 2	3 18 4
" ..	May '95	1915-35*	750,000	$3\frac{1}{2}$	103 1 5	102 12 11	101 9 8	3 7 11
" ..	May '96	1915-35*	750,000	3	100 16 8	100 9 0	99 5 3	3 1 0
" ..	Jan. '97	1916-36*	1,100,000†	3	98 3 11	97 14 0	96 15 2	3 4 8
" ..	May '97	1915-35*	1,000,000	3	95 0 10	94 12 4	93 8 9	3 9 11
" ..	Jan. '98	1927*	1,000,000	3	96 6 4	96 0 3	94 16 8§	3 5 8
" ..	July '98	1915-35*	550,000	3	94 3 4	93 2 9	91 19 3§	3 13 0
Tasmania ..	Jan. '94	1920-40*	1,000,000†	4	101 4 2	100 13 9	99 9 7	4 0 8
" ..	Jan. '95	1920-40*	750,000†	$3\frac{1}{2}$	98 6 1	97 15 5	96 11 0	3 14 3
New Zealand ..	..	Various	27,721	$3\frac{1}{2}$	100 0 0	100 0 0	100 0 0	3 10 0
" ..	..	Various	{ 90,000† 47,300	3	100 0 0	100 0 0	100 0 0	3 0 0
" ..	Apl. '95	1945	1,500,000	3	94 8 9	93 14 4	92 11 4§	3 6 2
" ..	Jan. '96	1940	505,000	$3\frac{1}{2}$	100 0 0	..	..	..
" ..	Feb. '99	1945	1,000,000	3	96 11 0	95 14 10	94 11 10§	3 4 6

TREASURY BONDS OR BILLS.

Western Australia	Jan. '97	1898	480,000	4	100 0 0	100 0 0	100 0 0	4 0 0
" ..	Sept '97	1899	300,000	4	100 0 0	100 0 0	100 0 0	4 0 0
" ..	Dec. '97	"	500,000	4	101 0 0	101 0 0	100 12 6	3 11 5
" ..	June '98	1900	250,000	4	101 0 0	101 0 0	100 12 6	3 13 5

NOTE.—In computing the effective rates of interest, allowance is made for redemption at par on maturity.

\* Repayable at the option of the Government at any time between the periods, or after the period stated, on giving twelve months' notice.

† Redemption or conversion loan, the amount shown being that of the old loan redeemed. In cases where the redemption loan was floated at a discount, there would be a corresponding increase in the loan replacing the old one.

‡ Issued to West Australian Land Company as purchase money of Great Southern Railway, but not placed on market by the Government.

§ Approximate.

|| All but £5,000 issued as equivalent to 150,000 shares at £3 6s. 8d. each in Bank of New Zealand.

426. The depreciation in colonial stocks just referred to induced the colonies to turn their attention to their own resources and to the possibilities of their local money markets, which had hitherto been much neglected, with the result that, between 30th June, 1892, and 30th June, 1898, the Australasian Colonies (exclusive of New Zealand) increased their internal funded debt from a little over £6,000,000 to about £13,200,000, besides having raised nearly £7,500,000 by means of Treasury Bonds and Bills of short currency. Thus Victoria increased her internal funded debt during the period referred to by about £600,000, besides having converted a 4 per cent. loan for £2,000,000 into 3 per cents.; New South Wales by about £5,850,000; Queensland by £500,000; South Australia by £850,000; Western Australia by £250,000; and Tasmania by a smaller amount. The following is a statement of the local loans raised during the four years ended with 30th June, 1898:—

Loans raised locally, 1892 to 1898.

LOANS OF AUSTRALASIAN COLONIES LOCALLY RAISED,  
30TH JUNE, 1894, TO 30TH JUNE, 1898.

Colony.	Date of Issue.	Inscribed or Funded Stock.			Proceeds per £100 Stock.			Effective Rate of Interest.
		Date Due.	Amount.	Nominal Rate of Interest.	Ex Accrued Interest.	Net, ex Accrued Interest and Expenses.		
		Year.	£	Per cent.	£ s. d.	£ s. d.	£ s. d.	
Victoria ..	1894 ..	1913-23*	96,904†	4				
" ..	1894-5 ..	1897	160,565	4	100 0 0	100 0 0	4 0 0	
" ..	1895-6 ..	1897	171,134	4				
" ..	1897 ..	1897	77,996	4				
" ..	" ..	1917* {	1,969,551†	3				
" ..	" ..	" {	28,913	3				
" ..	1897-8 ..	1917* {	120,062†	3	100 0 0	100 0 0	3 0 0	
" ..	" ..	" {	78,767	3				
" ..	" ..	1912-22*	50,000‡	3				
N. S. Wales..	1894 ..	1912	307,430	4	101 19 0	101 19 0	3 17 0	
" ..	1895 ..	1912	130,750	4	101 19 0	101 19 0	3 16 10	
" ..	" ..	1912	180,000	3	100 0 0	100 0 0	3 0 0	
" ..	" ..	1924	20,000	3	100 0 0	100 0 0	3 0 0	
" ..	" ..	1925	50,000	3	100 0 0	100 0 0	3 0 0	
" ..	1896-7 ..	1912	54,770	4	102 10 2	102 10 2	3 15 10	
" ..	" ..	1912	863,947	3	100 0 0	99 17 4	3 0 2	
" ..	" ..	1912	340,458	3	100 0 0	100 0 0	3 0 0	
" ..	" ..	1924	178,065	3	100 0 0	99 15 4	3 0 3	
" ..	" ..	1925	172,255	3	100 0 0	99 18 7	3 0 1	
" ..	1897-8 ..	1912 {	812,207	3	100 0 0	99 19 5	3 0 0	
" ..	" ..	" {	83,015	3	100 0 0	99 15 2	3 0 5	
Queensland ..	1895 ..	1945 {	614,000†	3½	99 3 4	99 3 4	3 10 9	
" ..	1897 ..	1922-47*	124,480†	3	97 1 5	97 1 5	3 3 5	
" ..	1898 ..	1922-47*	100,000†	3	97 1 5	97 1 5	3 3 7	
S. Australia	1894 ..	1919 {	200,000†	3½	92 0 0	91 18 8	4 0 5	
" ..	1895 ..	" {	2,000†	3½	99 15 0	99 13 8	3 10 5	
" ..	" ..	" {	27,832	3½	100 0 0	99 18 8	3 10 1	
" ..	" ..	" {	283,368	3½	100 0 0	99 17 9	3 10 2	
" ..	{ 1897	1916* {	606,800†	3	98 3 8	98 2 0	3 2 9	
" ..	{ 1897-8	" {	291,335†	3				
Tasmania ..	1894 ..	1899 & 1904	4,670†	4	100 0 0	100 0 0	4 0 0	
" ..	1895-6 ..	1896-1905 {	40,000†	3½	100 0 0	100 0 0	3 10 0	
" ..	" ..	" {	210,000§	3½				
" ..	1896 ..	1898-1905	52,508§	3	100 0 0	100 0 0	3 0 0	
" ..	1897 ..	1898-1905	129,649§	3	100 0 0	100 0 0	3 0 0	
New Zealand	1896 ..	Various	840,550†	3½	100 0 0	100 0 0	3 10 0	
" ..	1897 ..	Various	253,950†	3½	100 0 0	100 0 0	3 10 0	

\* At any time between the periods or after the periods named, at the option of the Government after due notice.—† Redemption or conversion loan.—‡ Debentures.—§ To cover revenue deficiencies.

## TREASURY BONDS OR BILLS.

Colony.	Date of Issue.	Inscribed or Funded Stock.			Proceeds per £100 Stock.			Effective Rate of Interest.					
		Date Due.	Amount.	Nominal Rate of Interest.	Ex Accrued Interest.		Net, <i>ex</i> Accrued Interest and Expenses.						
					Year.	£	Per cent.		£	s.	d.	£	s.
Victoria ..	1894 ..	1903	{ 153,900* 96,100 }	4	101	0	0	101	0	0	3	17	4
" ..	1896-7 ..	1899-1902	100,000†	3½	100	0	0	100	0	0	3	5	0
" ..	1897-8 ..	1903-8	150,000†	3½	100	0	0	100	0	0	3	5	0
N. S. Wales	1895 ..	1901	1,174,700	3	100	0	0	100	0	0	3	0	0
Queensland ..	1897-8 ..	..	286,000	4	102	2	0	102	2	0	..	..	..
W. Australia	1898 ..	1901	250,000	3½	100	0	0	100	0	0	3	10	0
Tasmania ..	1894 ..	1896	1,000	5	100	0	0	100	0	0	5	0	0
" ..	" ..	1899	56,900*	4½	100	0	0	100	0	0	4	10	0
" ..	" ..	1900	43,100*	4	100	0	0	100	0	0	4	0	0
New Zealand	1897 ..	1898	100,000†	3½	100	0	0	100	0	0	3	10	0

Loans of other British dominions.

427. Of all the dependencies of the United Kingdom, India can borrow on the most favorable terms, its 2½ per cent. stocks closely resembling, and ranking next to, British Consols; and in April, 1896, India succeeded in floating a 2½ per cent. loan at a premium of £2 13s. Canada is the only other British dependency which has ventured to issue 2½ per cent. bonds; but it only succeeded in floating them (in 1897) at a considerable discount, which increased the real rate of interest to close on 2⅞ per cent. The actual interest on the last Canadian loan averaged £2 16s. 8d. per £100 of the proceeds, as compared with £2 19s. 3d.† for the cheapest Australian loan—raised in 1896—and with £2 7s. 6d. for the latest Indian loan, raised in the same year. The success of the Canadian loan may have been partly attributable to the circumstance that that colony is only a moderate borrower, having raised but one loan (for only £2,000,000) since 1894. The following are the particulars of the most recent loans raised by India and eight British colonies outside Australasia:—

RECENT LOANS OF INDIA AND OTHER BRITISH POSSESSIONS FLOATED IN LONDON.

Colony.	Date.	Inscribed Stock Sold.			Price obtained per £100 Stock, <i>ex</i> Accrued Interest.‡	Yield to Investor per £100.				
		Currency.	Amount.	Nominal Rate of Interest.						
							Years.	£	Per cent.	£
India ...	Apr., 1896	30	2,400,000	2½	102	13	0	2	7	6
Canada ...	Oct., 1894	44	2,250,000	3	96	4	0	3	3	2
" ...	" 1897	50	2,000,000	2½	91	3	4	2	16	8
Cape of Good Hope	Nov., 1894	30 to 50	500,000	3	99	16	0	3	0	2
" ..	Jan., 1898	35 to 45	1,250,000	3	102	13	0	2	17	8
" ..	Mar., 1899	34	3,107,400	3	96	9	10	3	3	5
Ceylon ...	Nov., 1894	46	500,000	3	100	6	6	2	19	9

\* See footnote (†) on previous page.

† In anticipation of revenue. The Victorian Bonds are repayable by annual instalments of £25,000.

‡ Based on the net proceeds, after deducting accrued interest only (but not expenses).

§ Expenses of floating not deducted. If this were done, as in previous tables for Australian loans, the rates shown in the next column would be increased by 1s. to 1s. 3d.

|| Repayable at option of the Government at any time between the periods named.

RECENT LOANS OF INDIA AND OTHER BRITISH POSSESSIONS  
FLOATED IN LONDON—continued.

Colony.	Date.	Inscribed Stock Sold.			Price obtained per £100 Stock, <i>ex</i> Accrued Interest.*	Yield to Investor per £100.
		Currency.	Amount.	Nominal Rate of Interest.		
		Years.	£	Per cent.	£ s. d.	£ s. d.
Jamaica ...	July, 1897	25 to 47†	200,000	3	99 16 3	3 0 5
Trinidad ...	„ „	25 to 47†	400,000	3	97 16 6	3 2 9
British Guiana	Jan., 1898	25 to 47†	150,000	3	96 12 2	3 4 0
Barbados ...	Mar., 1895	30 to 47†	375,000	3½	102 1 1	3 7 9
Newfoundland	June, 1895	40	550,000	4	98 5 1	4 1 9
„	Oct., 1897	50	325,000	3	87 17 2	3 10 5

428. The expense of floating the inscribed loans of New South Wales in London is about  $\frac{1}{4}$  per cent. more than that of floating those of Victoria, whilst South Australia pays less than any other colony. The following table contains a statement of the average expense of floating loans of the Australasian Colonies in London during each of the seventeen years ended with 1897 :—

Cost of floating external loans of Australasian Colonies.

EXPENSES OF FLOATING LOANS OF AUSTRALASIAN COLONIES  
IN LONDON, 1881 TO 1897.‡

Year.	Expenses per £100 Debenture† or Stock in—							
	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1881 ...	...	0 11 5§	0 15 9§	...	...	0 18 11§	} 1 13 4	
1882 ...	...	1 1 4	...	0 9 1§	...	...		
1883 ...	{ 1 3 1	1 0 11	} 0 15 9§	0 9 0§	...	0 17 9§		
„ ...	{ 1 3 2	1 1 0		0 11 8§	...	0 18 3§		
1884 ...	1 2 11	1 7 8	1 7 8	0 18 10	1 4 1	...		
1885 ...	1 2 9	1 7 9	1 7 11	0 18 11	...	0 18 0§		
1886 ...	1 3 3	1 7 9	1 8 4	0 19 6	...	...		
1887 ...	1 2 10	...	1 7 11	...	...	...		
1888 ...	1 3 1	1 7 10	1 8 0	...	...	...		
1889 ...	1 2 11	1 7 10	...	0 19 1	1 13 7	1 4 10		
1890 ...	1 2 10	...	1 8 0	...	...	...		
1891 ...	1 2 8	1 7 9	1 8 2	1 1 2	1 3 8	...		
1892 ...	1 3 0	...	...	...	1 3 8	...		
1893 ...	1 0 0	1 8 0	2 3 6	} 0 15 1	...	1 4 4		
1894 ...	...	1 9 5	...		{ 1 3 5	1 4 2		...
1895 ...	...	1 7 10	1 8 5	...	1 3 3	1 4 5		1 3 0
1896 ...	...	...	...	1 2 6	1 3 9	...		...
1897 ...	...	...	1 8 3	1 0 11	{ 0 18 10	...	...	
					1 3 7	...	...	

NOTE.—The expenses of floating in London the Treasury Bonds of New South Wales in 1892 and 1893 usually amounted to 7s. 6d. per £100, but once they were as low as 6s., and once as high as 12s. 9d. Those of Tasmania averaged 6s. 6d. per £100. In cases where blanks occur, no debentures or stock were raised.

429. The cost of floating the local “Funded Stock” of New South Wales in 1892–3 varied from 1s. 5d. to 3s. 7d. per £100; and it averaged 1s. 8d. in 1893–4, *nil* in 1895, and 2s. 2d. in 1896–7.

Cost of floating local loans of New South Wales.

\* See footnote (§) previous page.—† See footnote (||) previous page.—‡ For particulars of the amounts raised for several of the years, see tables following paragraphs. 419 and 425 *ante*.—§ Debenture loans, on which the Stamp Duty payable is less by 10s. per £100 than on Stock.—|| Average.—¶ On stock issued to a land company, but not placed on market by the Government.

Australian  
loans  
authorized  
but not  
raised.

430. The loans of the Australasian Colonies (except New Zealand) authorized but not raised on the 30th June, 1898, amounted to close on 24 millions, of which nearly 14 millions was in respect to the loans of New South Wales,  $5\frac{1}{2}$  to those of Victoria, and nearly  $4\frac{1}{4}$  millions to those of Western Australia, as will be seen by the following figures:—

LOANS AUTHORIZED, BUT NOT RAISED, IN AUSTRALASIAN COLONIES,  
ON 30TH JUNE, 1898.

Purpose for which authorized.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
For Public Works	4,382,417	13,635,637	...	...	2,910,956	...
For Redemption of Loans	...	178,900	...	...	1,303,530*	...
In aid of Revenue	1,125,000†	...	...	..	...	103,576‡
Total ...	5,507,417	13,814,537	317,100*	Nil	4,214,486	103,576

NOTE.—The information for New Zealand was not available.

Funded  
debts of  
Austral-  
asian  
Colonies,  
1898.

431. The following is a summary of the funded debts of the Australasian Colonies on the 30th June, 1898, together with their proportion to population and the average currency of loans:—

STATE FUNDED DEBTS OF AUSTRALASIAN COLONIES ON 30TH  
JUNE, 1898.

Colony.	Amount.	Per Head.	Average Currency from 1st July, 1898.
	£	£ s. d.	Years.
Victoria ...	47,058,088	40 4 10	14·5
New South Wales§ ...	60,777,186	45 10 0	19·9
Queensland ...	33,598,414	68 1 1	25·5
South Australia ...	24,309,035	67 5 5	18·7
Western Australia ...	9,203,738	53 16 8	17·1
Tasmania ...	7,776,320	44 19 1	18·6
Total Six Colonies ...	182,722,781	49 6 7	19·3
New Zealand ...	44,963,424	61 5 11	29·4
Grand Total ...	227,686,205	51 6 1	21·3

NOTE.—In cases where a Redemption Loan and the loan to be redeemed by it are both current at the same time, one or the other has been omitted. The figures for New Zealand relate to the 31st March, 1898.

Debt of  
federating  
colonies,  
1898.

432. It thus appears that on the 30th June, 1898, the total debt of the six colonies likely sooner or later to federate (*i.e.*, Australia with Tasmania) was 183 millions, and of the whole seven colonies, 228

\* To replace Treasury Bills in aid of Works.—† Treasury Bonds or Bills.—‡ Local Inscribed Stock of short currency.—§ Overdue debentures unrepresented, amounting on 30th June, 1898, to £3,950, are excluded.



millions ; and that on the same date the average per head for the six colonies was £49, varying from £40 in Victoria, and £45 in New South Wales and Tasmania, to £67 or £68 in Queensland and South Australia ; and that the average currency of loans was about 19½ years, varying from 14½ years in Victoria to 20 and 25½ years in New South Wales and Queensland respectively.

433. The debt created for temporary purposes—termed the Un-  
funded Debt—in the Australasian Colonies amounted on 30th June, 1898 in the aggregate to 11½ millions, of which nearly 9 millions was required to cover deficiencies in revenue which have accumulated over a series of years ; 1½ millions (in New South Wales) was advanced to the Loan Account ; and over a million sterling (in Victoria and New South Wales) to provide for certain expenditure on public works which was to have been recouped from the sale of certain lands—the realization of which has been unexpectedly deferred. Nearly half the amount required to cover revenue deficits, and the whole of that for loan and suspense accounts, were simply obtained by advances from uninvested Trust Funds in the hands of the Governments, a method of borrowing which—in the absence of a proper bookkeeping system—is apt to obscure the real interest charges ; for, according to the present practice, interest on such advances is not charged to the accounts to which the advances have been made, although it is actually payable by the Governments to the public on a large proportion of the Trust Funds, which for the most part consist of Savings Banks Deposits. In New South Wales, for example, the interest on loans account is entirely relieved of the payment of interest on the £1,500,000 advanced from Trust Funds.

Unfunded  
debts of  
Austral-  
asian  
Colonies,  
1898.

UNFUNDED DEBT OF AUSTRALASIAN COLONIES ON 30TH  
JUNE, 1898.

Colony.	In Aid of Consolidated Revenue.		In Aid of Loan and Suspense Accounts.	Total.
	Treasury Bills.	Advanced from Trust Funds, &c.		
	£	£	£	£
Victoria ... ..	500,000	2,217,404	436,477	3,153,881
New South Wales ... ..	2,327,584	...	2,193,340	4,520,924
Queensland ... ..	...	1,720,499*	†	1,720,499
South Australia ... ..	500,000	Nil	...	500,000
Western Australia ... ..	...	186,803	...	186,803
Tasmania ... ..	658,517‡	...	...	658,517
New Zealand § ... ..	730,000	...	...	730,000
Grand Total ... ..	4,716,101	4,124,706	2,629,817	11,470,624

\* "Cash deficit," as shown by Auditor-General.

† £500,000 advanced and applied towards the redemption of funded loans has been omitted.

‡ Including Local Inscribed Stock (of short currency) for revenue purposes, viz. :- £513,517.

§ On 31st March.

Sinking  
Funds in  
Austral-  
asian  
Colonies.

434. As an indication of a desire to reduce their liabilities, several of the colonies have established Sinking Funds, which, however, at present consist of merely nominal amounts—equivalent to less than 3 per cent. of the debt in Western Australia, nearly 2 per cent. in Tasmania and New Zealand, and less than 1 per cent. in the other colonies—and with good reason, for it is somewhat illogical for these colonies to establish Sinking Funds at all, whilst their indebtedness is increasing. It seems as if the appropriate time to do so would be when borrowing has ceased; meanwhile, any surplus revenue could be much more economically utilized by direct and wise investment in reproductive works (which course has in past years been followed by Victoria), thus obviating, to that extent, the necessity for increasing the existing debt. The total amount at the credit of such funds in the colonies as a whole on the 30th June, 1898, was about 1½ millions distributed as follows:—

ACCUMULATED SINKING FUNDS IN AUSTRALASIAN COLONIES ON  
30TH JUNE, 1898.

				£
Victoria	...	...	...	118,507
New South Wales	...	...	...	48,969
Queensland	...	...	...	...
South Australia	...	...	...	18,750
Western Australia	...	...	...	255,784
Tasmania	...	...	...	144,523
Total six colonies				586,533
New Zealand	...	...	...	881,903
Grand Total				£1,468,436

Debts of  
Austral-  
asian  
Colonies,  
1875 to 1898.

435. The gradual increase of the indebtedness of the various Australasian Colonies may be ascertained from the following table, which shows the total amount of debt, and the indebtedness per head, in each colony in each of the last six years, and in every fifth year from 1875; also the number of years' revenue the debt was equal to in each of those years:—

STATE FUNDED DEBTS OF THE AUSTRALASIAN COLONIES.

Colony.	Year.*	At the end of each Year.		
		Total Amount of Debt.	Amount of Indebtedness per Head.	Number of Years' Revenue Debt is equal to.
Victoria ...	1875	£ 13,995,093	£ s. d. 17 0 0	3·30
	1880	22,060,749	25 13 0	4·77
	1885	28,628,588	29 10 9	4·55
	1890	41,443,216	36 11 5	4·86
	1893	46,064,004	39 4 9	6·62
	1894	46,804,382	39 13 11	6·97
	1895	46,828,517	39 12 6	6·98
	1896	46,854,311	39 15 10	7·25
	1897	46,929,321	40 2 0	7·08
	1898	47,058,088	40 4 10	6·83

\* The calendar year is referred to up to and including 1895; but the financial year ending 30th June after that year, except in the case of New Zealand, where it relates to that ending 31st March.

STATE FUNDED DEBTS OF THE AUSTRALASIAN COLONIES—*continued.*

Colony.	Year.*	At the end of each Year.		
		Total Amount of Debt.	Amount of Indebtedness per Head.	Number of Years' Revenue Debt is equal to.
		£	£ s. d.	
New South Wales ...	1875	11,470,637	19 6 0	2·78
	1880	14,903,919	19 18 6	3·04
	1885	35,564,259	37 9 1	4·69
	1890	48,425,333	43 3 4	5·11
	1893	56,176,149	45 18 5	5·91
	1894	56,451,369	45 2 2	6·07
	1895	57,075,519	44 13 3	6·18
	1896	57,493,539	44 12 11	6·34
	1897	58,588,264	44 13 6	6·43
	1898	60,777,186	45 10 0	6·53
Queensland ...	1875	6,435,250	35 1 0	4·72
	1880	12,192,150	53 18 7	7·56
	1885	19,320,850	61 4 10	6·80
	1890	28,105,684	71 17 4	8·62
	1893	30,639,534	70 17 6	9·18
	1894	30,639,534	68 16 7	9·16
	1895	31,873,934	69 4 2	9·34
	1896	31,873,934	68 6 11	8·75
	1897	33,498,414	69 15 7	9·27
	1898	33,598,414	68 1 1	8·92
South Australia ...	1875	3,320,600	15 15 7	2·90
	1880	9,865,500	36 17 5	4·86
	1885	17,020,900	54 6 2	7·37
	1890	21,151,500	66 5 6	8·27
	1893	21,697,000	62 11 0	8·42
	1894	22,306,500	63 6 0	8·61
	1895	22,556,025	63 2 2	9·03
	1896	23,367,200	65 2 6	9·04
	1897	23,914,000	67 0 2	8·86
	1898	24,309,035	67 5 5	9·23
Western Australia	1875	135,000	5 1 1	·86
	1880	361,000	12 8 9	2·00
	1885	1,288,100	36 12 4	3·99
	1890	1,367,444	27 15 10	3·30
	1893	2,873,098	44 3 2	5·03
	1894	3,417,339	41 12 9	5·02
	1895	3,990,112	39 8 3	3·54
	1896	4,736,573	38 15 5	2·55
	1897	7,310,815	46 6 8	2·57
	1898	9,203,738	53 16 8	3·34
Tasmania ...	1875	1,489,400	14 7 4	4·35
	1880	1,943,700	16 18 9	4·42
	1885	3,357,000	25 19 5	5·88
	1890	6,432,800	44 5 6	8·48
	1893	7,340,804	47 10 9	10·38
	1894	7,414,345	47 1 9	10·64
	1895	7,782,770	48 7 9	10·21
	1896	7,782,470	47 12 2	9·75
	1897	7,782,170	46 11 8	9·21
	1898	7,776,320	44 19 1	8·56

\* See footnote to previous page.

STATE FUNDED DEBTS OF THE AUSTRALASIAN COLONIES—*continued.*

Colony.	Year.*	At the end of each Year.		
		Total Amount of Debt.	Amount of Indebtedness per Head.	Number of Years' Revenue Debt is equal to.
		£	£ s. d.	
New Zealand	1875	17,400,031	46 5 11	6·18
	1880	28,583,231	58 19 0	8·71
	1885	35,790,422	62 4 5	8·74
	1890	38,832,350	62 1 8	9·23
	1893	39,826,415	59 4 10	9·04
	1894	40,386,964	58 17 3	9·42
	1895	43,050,780	61 12 4	9·67
	1896	43,050,780	60 18 10	9·67
	1897	44,362,118	61 13 6	9·39
	1898	44,963,424	61 5 11	8·85

NOTE.—For Public Debts of the respective colonies over a series of years, see Summary of Australasian Statistics (third folding sheet, to be published later on), which gives a statement of the debts of the respective colonies at the end of each of the 26 years 1873 to 1898.

Increase in debt of Australasian Colonies, 1890 to 1898.

436. It will be observed that since 31st December, 1890, New South Wales has increased her debt by  $12\frac{1}{4}$  millions, Western Australia by nearly 8, New Zealand by over 6, Victoria and Queensland by about  $5\frac{1}{2}$ , South Australia by over 3 millions, and Tasmania by over a million; but by far the greatest increase during the period in proportion to population was £26 per head in Western Australia; whilst there was an increase of £3 13s. per head in Victoria, £2 7s. in New South Wales, £1 in South Australia, and 14s. in Tasmania; but a decrease of £3 16s. per head in Queensland, and of 16s. per head in New Zealand. In the twelve months ended with 30th June, 1898, New South Wales increased her debt by  $2\frac{1}{5}$  millions, Western Australia by nearly 2 millions, and South Australia and New Zealand by about half-a-million each, but there was little or no change in the other colonies.

Debts in proportion to revenue.

437. It will also be noticed that the public debts of the various colonies varied in 1898 from an amount equal to about  $9\frac{1}{4}$  years' revenue in South Australia, and nearly 9 in Queensland and New Zealand, to as low as  $3\frac{1}{3}$  years' revenue in Western Australia. The debt of Victoria was equivalent to about  $6\frac{3}{4}$  years' revenue, being slightly higher than in New South Wales, but much lower than in any other colony except Western Australia.

Increase of debt in Australasia in twenty-three years.

438. During the year 1897-8, the Public Debt of Australasia, taken as a whole, increased by nearly  $5\frac{1}{3}$  millions, or  $2\frac{2}{5}$  per cent., and the amount per head of population by 6s. 8d. During the last eight years it increased by about 42 millions, or by nearly one-fourth, and the proportion per head by £2 4s. 7d. During the twenty-three years ended with 1898, it increased by over one hundred and seventy-three and a half millions—or about fourfold—whilst the proportion per head more than doubled. The debt also increased in a much greater ratio than the public revenue, for whereas in 1875 it was equal to the income of the colonies for less than four years, and in 1880 to about five and a

\* See footnote to page 290.

quarter years, in 1898 it was equal to their income for over seven and a quarter years. This is shown by the following figures :—

INCREASE OF PUBLIC DEBT OF AUSTRALASIA, 1875 TO 1898.

Year.*	Public Debt of Australia, Tasmania, and New Zealand.		
	Total Amount.	Amount per Head.	Multiple of Revenue.
	£	£ s. d.	
1875 ... ..	54,246,011	23 6 0	3·85
1880 ... ..	89,910,249	33 0 8	5·27
1885 ... ..	140,970,119	42 17 8	5·87
1890 ... ..	185,758,327	49 1 6	6·36
1893 ... ..	204,617,004	50 5 11	7·29
1894 ... ..	207,420,433	49 18 9	7·51
1895 ... ..	213,157,657	50 5 10	7·56
1896 ... ..	215,158,807	50 4 10	7·46
1897 ... ..	222,385,102	50 19 5	7·30
1898 ... ..	227,686,205	51 6 1	7·26

439. In the following table is shown the nominal amounts of the debts of the different colonies on 30th June, 1898, and the net proceeds of loans available for expenditure after deducting expenses of floating, discounts, &c.; also the total loan expenditure to date and the balance unexpended :—

Loan expenditure and balances in Australasian Colonies to 30th June, 1898.

PROCEEDS OF LOANS EXPENDED AND UNEXPENDED IN AUSTRAL-ASIAN COLONIES TO 30TH JUNE, 1898 (EXCLUSIVE OF LOANS REDEEMED).

Colony.	Funded Debt on 30th June, 1898.	Expenses of Floating, Discounts, &c.	Net Proceeds.		Total Expenditure to Date.	Balance Unexpended.
			Total.	Average per £100 Debentures or Stock.		
	£	£	£	£	£	£
Victoria ...	47,058,088	943,016	46,115,072	98·00	45,489,907	625,165
N. S. Wales	60,777,186	2,857,440	57,919,746	95·30	57,943,082	- 23,336†
Queensland	33,598,414	2,228,898	31,369,516	93·36	29,816,543	{ - 1,070,449‡ 2,623,422§
S. Australia	24,309,035	659,645	23,649,390	97·29	23,033,559	615,831
W. Australia	9,203,738	158,280	9,045,458	98·28	8,514,356	531,102
Tasmania ...	7,776,320	115,492	7,660,828	98·52	7,453,397	207,431
New Zealand	44,963,424	1,637,000	43,326,424	96·36	43,326,424	..
	227,686,205	8,599,771	219,086,434	96·22	215,577,268	3,509,166

\* See footnote (\*) on page 290.

† Deficit covered by a temporary advance of £1,500,000 from the trust funds.

‡ Apparent overdraft; if so, the cash balance would be reduced accordingly.

§ Of this amount, about £1,856,000 consists of suspended deposits in the Queensland National and other Queensland banks.

Net proceeds  
of loans per  
£100 in  
Austral-  
asian  
Colonies.

440. It will be noticed that the net proceeds of the loans, per £100 nominal amount, were greatest in Tasmania, Western Australia, and Victoria, where they averaged £98 10s., £98 6s., and £98 respectively, but smaller in New South Wales (£95 6s.) than in any other colony except Queensland (£93 7s.)—the average being £96 4s.

Particulars  
of aggregate  
loan expend-  
iture in  
Austral-  
asian  
Colonies.

441. The various public works and services on which the proceeds of existing public loans have been expended, together with the aggregate loan expenditure under each head, are set forth in the following table, classified under two heads—(1) Works yielding direct revenue, including all immediately reproductive works, such as railways, telegraphs, waterworks, harbor and river improvements, &c.; (2) All other purposes, chiefly for works of a permanent character, but not returning direct revenue—such as roads and bridges, defence works, school buildings, and other public works and buildings; also for immigration, and to cover deficiencies in revenue, &c. The totals for each colony agree with the total expenditure, as shown in the preceding table:—

### LOAN EXPENDITURE ON VARIOUS PUBLIC WORKS IN AUSTRALASIAN COLONIES TO 30TH JUNE, 1898.

(Exclusive of Loans finally paid off.)

Expenditure on—	Victoria.	New South Wales.	Queens-land.	South Australia.	Western Australia.	Tasmania.	New Zealand.
	£	£	£	£	£	£	£
<b>1.—REVENUE-YIELDING WORKS.</b>							
Railways and Tramways ..	35,540,938	38,695,179	18,604,122	12,163,792	5,888,324	3,486,174	15,014,500
Electric Telegraphs ..	..	933,469	851,331	842,645	269,308	120,719	769,000
Water Supply and Sewerage..	7,277,627	7,927,568	1,069,324	3,890,929	102,751	76,600	600,000
Harbors, Rivers, Docks, &c... ..	611,059	4,040,393	1,914,821	1,106,216	998,031	24,500	484,000
Light-houses .. ..	..	92,841	95,950	71,505	34,759	38,750	..
Total .. ..	43,429,624	51,689,450	22,535,548	18,075,087	7,293,173	3,746,743	16,867,500
<b>2.—ALL OTHER WORKS, &amp;c.</b>							
Roads and Bridges .. ..	106,259	999,791	1,408,425	1,353,177	132,277	†2,208,987	4,622,000
School Buildings .. ..	1,063,507	796,564	17,812	456,606	..	148,563	‡
Defence Works .. ..	98,299	1,211,072	213,596	224,821	..	121,423	§3,995,000
Other Public Works .. ..	752,218	1,902,350	948,682	265,007	63,876	€49,245	3,036,000
Immigration .. ..	..	875,326	2,608,549	..	20,975	235,000	2,459,000
Deficiencies in Revenue .. ..	..	..	1,489,578	1,014,555	..	154,090	1,982,000
Other Purposes* .. ..	40,000	468,529	594,353	1,644,006	1,004,055	189,346	9,714,924
Grand Total    .. ..	45,489,907	57,943,082	29,816,543	23,033,559	8,514,356	7,453,397	43,326,424

\* Including the following amounts:—In South Australia, about £600,000 on general public works for the Northern Territory, and £881,664 paid to lessees for improvements on pastoral leases; in Queensland, £430,005, loans to sugar companies; in Western Australia, over £300,000 on the development of mineral resources; in Tasmania, £100,000, State aid to religion, and £58,846 unapportioned; in New Zealand, £3,043,000 for land purchases (partly from the Maoris), £721,000 on mining, £1,500,000 for advances to settlers, £500,000 for Bank of New Zealand preference shares, £356,000 for New Zealand Consols Deposits, and £786,000 to cover old provincial liabilities. Including also, in some cases, premiums on loans.

† Portion of the expenditure on harbors, &c., is included with that for roads and bridges.

‡ Included with Other Public Works.

§ Including £2,357,000 towards cost of the Maori war.

|| Exclusive of cost of floating loans, &c.



442. The major portion of the proceeds of the funded debt of each of the Australasian Colonies was expended on railway construction, and the remainder on water supply, immigration, electric telegraphs, harbor and defence works, roads and bridges, school-houses, and other public works. Up to the end of June, 1898, New South Wales and Victoria had spent larger amounts on railway construction than any of the other colonies, the amounts (exclusive of loans repaid) being about £38,695,000 in New South Wales, £35,541,000 in Victoria, as against 18½ millions in Queensland, 15 millions in New Zealand, over 12 millions in South Australia, and less than 6 millions in Western Australia, and not quite 3½ millions in Tasmania. The Government of New South Wales has spent more on water supply and sewerage than that of any other colony, the total amount, however, being only £650,000 more than in Victoria, where £7,278,000 was so expended, whilst South Australia came next with nearly £3,900,000. No portion of the Public Debt of Victoria or South Australia, and very little in Western Australia, has been contracted for the promotion of immigration, but Queensland and New Zealand have each spent about two and a half millions for that purpose, and New South Wales and Tasmania over a million between them.

Chief public works for which loan expenditure has been incurred in each colony.

443. Over ninety-two per cent. of the expenditure from Victorian Government loans was devoted to revenue-producing public works, which is a far larger proportion than in any of the other colonies. This is shown by the following figures, which give the proportion so disbursed in each colony:—

Proportion of loan expenditure on reproductive works in each colony.

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF LOANS EXPENDED ON REVENUE-YIELDING WORKS.

	Per cent.
1. Victoria ... ..	92·29
2. New South Wales ... ..	85·05
3. Western Australia ... ..	79·24
4. South Australia ... ..	74·36
5. Queensland ... ..	67·07
6. Tasmania ... ..	48·18
7. New Zealand ... ..	37·52*

444. Of the aggregate loan expenditure of the colonies on the Australian continent to the end of June, 1898, about seven-eighths was devoted to railways and other reproductive works, and the balance to other works and services chiefly of a permanent character. Of the

Purposes for which debt of Australasia was contracted.

\* The purposes for which a large portion of the New Zealand debt was incurred cannot now be determined. See footnote on preceding page.

amount borrowed by the continental and insular colonies combined, the proportion set apart for reproductive works is considerably less, but the proportion for roads, immigration, and other purposes is more, than those for like objects relating to the continental colonies alone. This is shown in the following table :—

LOAN EXPENDITURE ON VARIOUS PUBLIC WORKS IN AUSTRALIA  
AND AUSTRALASIA TO 30TH JUNE, 1898.

(Exclusive of expenditure from loans paid off.)

Expenditure on—	Continent of Australia.		Australia with Tasmania and New Zealand.	
	Amount of Debt.	Proportions per cent.	Amount of Debt.	Proportions per cent.
	£		£	
<b>1.—REVENUE-YIELDING WORKS.</b>				
Railways and Tramways ...	110,892,355	67·30	129,393,029	60·02
Electric Telegraphs ...	2,896,753	1·75	3,786,472	1·76
Water Supply (including Sewerage)	20,268,199	12·30	20,944,799	9·71
Harbors, Rivers, Light-houses, and Docks	8,965,575	5·44	9,512,825	4·42
Total ...	143,022,882	86·79	163,637,125	75·91
<b>2.—ALL OTHER WORKS AND SERVICES.</b>				
Roads and Bridges ...	3,999,929	2·43	10,830,916	5·02
Defence Works ...	1,747,788	1·06	5,864,211	2·72
School Buildings ...	2,334,789	1·42	2,483,352	1·15
Other Public Works and Buildings	3,932,133	2·38	8,267,378	3·83
Immigration ...	3,504,850	2·13	6,198,850	2·88
Revenue Deficiencies (includ- ing Treasury bonds)	2,504,133	1·52	4,640,223	2·15
Other Services ...	3,750,943	2·27	13,655,213	6·34
Total ...	21,774,565	13·21	51,940,143	24·09
Grand Total ...	164,797,447	100·00	215,577,268	100·00

Government  
loans re-lent  
to local  
bodies in  
certain  
colonies.

445. In some of the colonies, more especially Victoria, portion of the proceeds of loans raised have been re-lent to local bodies. The following is a statement of the principal amounts so advanced, and

included in the two preceding tables, under the respective headings shown :—

GOVERNMENT LOANS RE-LENT TO LOCAL BODIES.

Purposes.	Victoria.	Queensland.	Tasmania.	New Zealand.
	£	£	£	£
Tramways ... ..	198,683	...	...	...
Waterworks ... ..	4,911,285	774,293	76,600*	600,000
Harbors, &c. ... ..	...	80,785	24,500	...
Roads and Bridges ... ..	37,500	525,847	400	565,500
Other Public Works—Buildings	...	...	1,300	...
Other Purposes—				
Mining Companies ... ..	...	11,529	...	...
Sugar Companies ... ..	40,000	430,005	...	...
Miscellaneous ... ..	...	82,035	...	...
Total ... ..	5,187,468	1,904,494	102,800	1,165,500

446. The annual interest payable on the funded debt as it stood on the 30th June, 1898, varied from nearly  $2\frac{1}{4}$  millions in New South Wales and over £1,800,000 in Victoria to about £300,000 in Tasmania; whilst the average nominal rate of interest was lowest in Western Australia—whose loans were for the most part of recent origin—where it was only 3·54 per cent., and highest in South Australia, where it was 3·92 per cent.—the latter rate, however, being only slightly higher than that in Victoria or New Zealand. In reference to the apparently high rate in Victoria reference to a former table† will show, however, that the loans of this colony have a currency of only fourteen and a half years—which is at least two and a half years shorter than any other colony, and nearly seven years below the average of the whole—and will consequently all the sooner be renewed at a lower rate of interest. This cannot be said of New Zealand, the currency of whose loans are far longer than that of any other colony. In proportion to population, the interest charge was heaviest in South Australia and Queensland, in which it averaged about £2 12s. per head, and lowest in Victoria, where it averaged £1 11s. 3d. per head. Taking the colonies as a whole, the annual interest charge amounts to about  $8\frac{2}{3}$  millions, equivalent to  $3\frac{4}{5}$  per cent. of the nominal debt, or to £1 19s. per head of population; but taking only the six colonies likely to federate (*i.e.*, excluding New Zealand) the annual charge for interest amounts to close on 7 millions, equivalent to an average rate of a little

Interest on debts payable by Australasian Colonies.

\* Of which £35,000 was for light and water.

† See table following paragraph 431 *ante*.

over  $3\frac{3}{4}$  per cent., or to £1 17s. 3d. per head of population. The following are the figures:—

ANNUAL INTEREST PAYABLE ON FUNDED DEBTS OF AUSTRALASIAN COLONIES, ON 30TH JUNE, 1898.

Colony.	Annual Amount.	Average Rate.	Average per Head.
	£	Per cent.	£ s. d.
Victoria ... ..	1,824,851	3·88	1 11 3
New South Wales ... ..	2,225,263	3·66	1 13 4
Queensland ... ..	1,274,244	3·79	2 11 7
South Australia ... ..	953,119	3·92	2 12 9
Western Australia ... ..	325,994	3·54	1 18 2
Tasmania ... ..	297,366	3·83	1 14 5
Total six colonies ... ..	6,900,837	3·77	1 17 3
New Zealand ... ..	1,750,659	3·89	2 7 9
Grand Total ... ..	8,651,496	3·80	1 19 0

447. The nominal rate of interest, as shown in the last table, is not, it should be pointed out, necessarily a test of the financial success of the past borrowings of any colony. A reliable comparison can only be made after computing the real or effective rate of interest—a long and laborious calculation—in which the net proceeds realized, the nominal rate of interest, and the currency of each outstanding loan has to be taken into account. Such a calculation was made for the outstanding loans as they stood on the 30th June, 1896, with the following results—the colonies being placed in order according to the success achieved:—

NOMINAL AND REAL RATES OF INTEREST ON PUBLIC DEBTS OF AUSTRALASIAN COLONIES ON 30TH JUNE, 1896.

Colony.	Nominal Rate per £100 Stock.	Real Rate per £100 Net Proceeds.
	£	£
1. Western Australia .. ..	3·80	3·91
2. New South Wales ... ..	3·72	3·96
3. Tasmania ... ..	3·82	3·98
4. Victoria ... ..	3·93	4·04
5. South Australia ... ..	3·99	4·20
6. Queensland ... ..	3·84	4·23
Average ... ..	3·84	4·05

Effective rate of interest on Australian borrowings.

448. The real rate is, it will be observed, in all cases in excess of the nominal rate, but the excess is by no means uniform, as it varies between .11 in Western Australia and .39 in Queensland. It is also to be noted that much less difference exists between the results achieved by New South Wales, Tasmania, and Victoria than the nominal rates would lead one to suppose. But, whilst this shows Victoria to stand as low as fourth on the list in regard to past borrowings, the short currency of her existing loans will soon, *cæteris paribus*, give her an advantage over the other colonies in future years, as will be seen by comparing the nominal rates just given with the following average nominal rates during the succeeding 40 years—assuming the loans on maturity to be uniformly replaced by 3 per cent. stock at par, expenses of renewal being left out of account:—

Average rate  
in next 40  
years.

AVERAGE NOMINAL RATE OF INTEREST ON LOANS OF AUSTRALASIAN COLONIES DURING 40 YEARS COMMENCING 1ST JULY, 1896.\*

					Per cent.
1. Victoria	...	...	...	...	3.33
2. Tasmania	...	...	...	...	3.36
3. { New South Wales	...	...	...	}	3.38
{ Western Australia	...	...	...		
4. South Australia	...	...	...	...	3.41
5. Queensland	...	...	...	...	3.49
Average	...	...	...	...	3.39

449. The cost of paying interest on Australasian loans in London is made up of exchange on remittances, averaging about .67 (13s. 5d.) per cent.; also, in the case of debenture loans, a commission of  $\frac{1}{2}$  per cent. on the interest payable, except in regard to South Australia, which saves this item by transacting the business through the Agent-General; or, in the case of inscribed loans, an annual charge for inscription and management, according to the amount of loans inscribed. The average annual charge for such inscription and management was as follow for each colony:—Victoria, £250 (reduced on 1st July, 1897, from £436) per million; New South Wales, £428; Queensland, £457; South Australia, about £100 (business probably transacted by Agent-General, formerly it was £250); Tasmania, £500; New Zealand, £436. The London and Westminster Bank conducts the business for Victoria, and the Bank of England for New South Wales.

Annual  
charge for  
payment of  
interest in  
London.

450. Over half the aggregate Public Debt of Australasia bears interest at 4 per cent., nearly a third at  $3\frac{1}{2}$  per cent., and nearly an eleventh at 3 per cent., the balance being chiefly at  $4\frac{1}{2}$  and 5 per cent.,

Rates of  
interest on  
Austral-  
asian debts,  
1898.

\* For details of the calculation, see Australasian Statistics, 1896, compiled by the Government Statist of Victoria, page 48. According to a more recent computation (see paragraph 469 *post*), the average rates for the period of 50 years commencing 1st July, 1898, would be as follow—the colonies being arranged in order:—Western Australia, 3.16; Victoria, 3.25; Tasmania, 3.27; New South Wales, 3.28; South Australia, 3.35; Queensland, 3.36; Australia (with Tasmania), 3.29.

as will be seen by the following figures, which also show the rates in each colony :—

RATES OF INTEREST ON FUNDED DEBT IN AUSTRALASIAN COLONIES  
ON 30TH JUNE, 1898.

Name of Colony.	Nominal Amount of Loans bearing Interest at—					Other Rates.*	Total.
	5%	4½%	4%	3½%	3%		
	£	£	£	£	£	£	£
Victoria ...	...	5,000,000	27,810,795	12,000,000	2,247,293	...	47,058,088
N.S. Wales ...	2,082,900	3,700	21,065,439	29,326,200	8,199,947	99,000	60,777,186
Queensland ...	...	...	21,384,300	10,489,634	1,724,480	...	33,598,014
South Australia ...	290,000	†244,400	17,382,400	3,363,900	2,242,135	786,200	24,309,435
W. Australia ...	83,100	85,130	4,086,535	1,000,000	3,875,473	73,500	9,203,738
Tasmania ...	100	...	4,139,120	3,457,200	...	179,900	7,776,320
New Zealand ...	864,700	1,504,568	31,404,102	8,756,742	2,206,012	227,300	44,963,424
Grand Total	3,320,800	6,837,798	127,272,691	68,393,676	20,495,340	1,365,900	227,686,205

Principal and interest of Australasian debts payable in London.

451. The following table shows that, of the 227½ millions borrowed by the Australasian Governments, over 209 millions were raised in London and only 18½ millions in the colonies; and that, of the annual interest payable, nearly 8 millions have to be remitted to London, and only £670,000 is payable locally :—

INTERNAL AND EXTERNAL DEBT OF AUSTRALASIAN COLONIES ON  
30TH JUNE, 1898.

Name of Colony.	Principal Repayable—			Annual Interest Payable—		
	In London.	In Australia.	Total.	In London.	In Australia.	Total.
	£	£	£	£	£	£
Victoria ...	44,064,000	2,994,088	47,058,088	1,727,560	97,291	1,824,851
New South Wales ...	54,424,100	6,353,086	60,777,186	1,993,786	231,477	2,225,263
Queensland ...	31,874,134	1,724,280	33,598,414	1,212,237	62,007	1,274,244
South Australia ...	22,653,300	1,655,735	24,309,035	†897,216	†55,903	953,119
Western Australia	8,953,738	250,000	9,203,738	317,244	8,750	325,994
Tasmania ...	7,533,050	243,270	7,776,320	287,096	10,270	297,366
New Zealand ...	39,681,681	5,281,743	44,963,424	1,544,970	205,689	1,750,659
Total ...	209,184,003	18,502,202	227,686,205	7,980,109	671,387	8,651,496

\* Consisting of £1,220,400 at 6 per cent., chiefly in South Australia; £4,500 at 5½ per cent. in New South Wales; and £141,000 at 3½ per cent., chiefly in New Zealand.

† Exact rate £4 11s. 3d. per £100 in this case.

‡ In South Australia, in the case of £348,100 debentures or stock held in London and £95,300 in Adelaide the place of payment of interest may be changed at the option of stock-holders at any time, after due notice; and, in the case of £2,517,800 in London, and £332,900 in Adelaide, the place may be changed only from London to Adelaide, or *vice versa*; in all other cases an option was also allowed, but it had to be declared at the time of issue.



452. Nearly 9 millions of the aggregate debt of the Australasian Colonies will fall due by the end of the century, nearly 21½ millions, in all, by the end of 1905, and over half of the whole by the end of 1920. The bulk of the existing debt of Tasmania will be redeemable by the end of 1920, the whole of that of Victoria by the end of 1925, of New South Wales and Western Australia (except a small amount of a permanent character) not until the end of 1935; whilst portion of the debt of South Australia is not redeemable until 1936-40, and portion of that of Queensland until 1946-50. These circumstances ought to stimulate the Australasian Governments to take concerted action with a view to secure not only general uniformity as to future loans in respect of rate of interest, currency, and periods of interest payments, thereby virtually creating, without consolidation, one great Australasian stock, which could readily be taken over at any time, without the necessity of conversion, by a Federal Government whenever constituted; but also to obtain some material reductions in the present heavy charges made for the flotation and management of public loans. The following are the amounts falling due in each colony, in various quinquennial periods, terminating with 1950, before which all existing loans will have fallen due:—

Due dates of Australasian loans.

DUE DATES OF STATE FUNDED LOANS OF AUSTRALASIAN COLONIES OUTSTANDING ON 30TH JUNE, 1898.

When Repayable. In the Years—	Amount of Loans outstanding on 30th June, 1898.							Total.
	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.	
	£	£	£	£	£	£	£	£
Prior to 1901 ..	1,500,000	1,239,000	..	1,444,400	1,053,530	86,320	3,564,358	8,887,608
1901 to 1905 ..	8,457,000	2,845,400	..	332,300	365,600	219,250	351,600	12,571,150
1906 to 1910 ..	6,000,000	6,338,100	..	6,209,100	..	300,000	1,821,185	20,668,385
1911 to 1915 ..	6,903,795	4,888,977	13,195,300	269,600	4,376,000	2,346,650	839,300	32,819,622
1916 to 1920 ..	12,197,293	12,826,200	..	11,149,635	1,100,000	4,756,500	12,200	42,041,828
1921 to 1925 ..	12,000,000	16,920,320	12,973,834	1,651,300	44,514	..	500,000	44,089,968
1926 to 1930 ..	..	..	3,704,800	200,000	1,000,000	67,600	29,150,302	34,122,702
1931 to 1935 ..	..	15,186,300	..	..	972,094	..	..	16,158,394
1936 to 1940 ..	..	..	..	3,052,700	..	..	6,161,167	9,213,867
1941 to 1945 ..	..	..	2,000,000	..	..	..	2,081,012	4,081,012
1946 to 1950 ..	..	..	1,724,480	..	..	..	..	1,724,480
Annual drawings ..	..	..	..	..	51,000	..	482,300	733,300
Permanent ..	..	532,889	..	..	41,000	..	..	573,889
<b>Total ..</b>	<b>47,058,088</b>	<b>60,777,186</b>	<b>33,598,414</b>	<b>24,302,035</b>	<b>9,203,738</b>	<b>7,776,320</b>	<b>44,963,424</b>	<b>227,686,205</b>

NOTE.—In all cases the earliest period of repayment has been taken. For particulars for each individual year, see *Australasian Statistics* 1897, pp. 22 to 24.

453. The following table has been specially computed in order to indicate, as closely as possible, the true relative positions of the various colonies in regard to the matter of indebtedness, which the nominal debt does not. It should be pointed out, however, that the effective

Present value of debt securities of Australasian Colonies, 1898.

rate of interest assumed, viz., 3 per cent., is at present somewhat lower than the market rate for Australian securities :—

PRESENT VALUE OF DEBENTURES AND STOCK REPRESENTING THE FUNDED DEBT OF THE AUSTRALASIAN COLONIES ON THE 30TH JUNE, 1898.

(Assuming the effective rate of interest to be 3 per cent.)

Colony.	Present value of Debentures and Stock if converted into 3 per cent. (par) Stock.			
	Amount of—		Average per Head.	
	Principal.	Interest, 3 per cent.	Principal.	Interest.
	£	£	£ s. d.	£ s. d.
Victoria ... ..	51,479,641	1,544,389	44 0 5	1 6 5
New South Wales ... ..	66,594,300	1,997,829	49 17 1	1 9 11
Queensland ... ..	37,853,169	1,135,595	76 13 5	2 6 0
South Australia ... ..	27,016,809	810,504	74 15 4	2 4 10
Western Australia ... ..	9,721,920	291,658	56 17 3	1 14 1
Total ... ..	192,665,839	5,779,975	54 11 2	1 12 9
Tasmania ... ..	8,590,344	257,710	49 13 3	1 9 10
New Zealand ... ..	51,925,812	1,557,774	70 15 9	2 2 6
Grand Total ... ..	253,181,995	7,595,459	57 1 0	1 14 3

NOTE.—The above is the result of an actuarial calculation, in which the different nominal rates of interest and currencies of the loans of each colony have been taken into account. The effective rate of interest has been assumed at 3 per cent., although at present it is somewhat higher. This table presents a true comparison of the existing permanent indebtedness of the various colonies.

True relative indebtedness of various Australasian Colonies.

454. The results arrived at by this table do not alter the order of the colonies in regard to their indebtedness, as indicated by a previous one\* showing the nominal debts per head. Their effect is, however, to diminish the apparent relative indebtedness of Western Australia, and to considerably increase that of New Zealand, South Australia, and Queensland. This will be seen by the following figures, which show the indebtedness of the different colonies relatively to Victoria, which being the least indebted colony is represented by 100, on the basis of the nominal debt per head, and also on the basis of the present value of the debt securities per head as shown in the foregoing table :—

RELATIVE INDEBTEDNESS OF AUSTRALASIAN COLONIES ON 30TH JUNE, 1898.

Colony.	Based on the—	
	(a) Nominal Debt per Head.	(b) Present Value of Debt Securities per Head.
1. Victoria ... ..	100	100
2. Tasmania ... ..	112	113
3. New South Wales ... ..	113	113
4. Western Australia ... ..	134	129
5. New Zealand ... ..	152	161
6. South Australia ... ..	167	170
7. Queensland ... ..	169	174

\* See table following paragraph 431 ante.

455. The next table shows the amounts of Public Debt in Great Britain and her various possessions at latest dates, so far as the information can be gathered from official documents existing in this colony; also the amount of debt per head of the population of each possession, and the number the revenue of each would have to be multiplied by in order to make an amount equal to its debt. All the calculations have been made in the office of the Government Statist, Melbourne:—

Public debts  
of British  
dominions.

PUBLIC DEBTS OF BRITISH DOMINIONS, 1897.

Country or Colony.	Public Debt.		
	Total Amount.	Amount per Head.*	Multiple of Revenue.†
<b>EUROPE.</b>			
United Kingdom (1897-8) ... ..	£ 638,266,482‡	£ 15 17 8	6·14
Malta ... ..	79,168	0 9 0	·25
<b>ASIA.</b>			
India (1896) ... ..	237,325,160	1 1 6	2·41
Ceylon ... ..	3,702,100	1 4 7	2·82
Protected Malay States ... ..	175,000	0 7 3	·17
Hong Kong ... ..	341,800	1 6 2	·70
<b>AFRICA.</b>			
Mauritius ... ..	1,199,149	3 4 0	1·36
Natal ... ..	8,019,143	13 7 11	5·50
Cape of Good Hope ... ..	27,282,405	13 4 10	4·08
Sierra Leone ... ..	25,000	0 3 11	·26
<b>AMERICA.</b>			
Canada ... ..	68,328,109§	13 8 10	9·08
Newfoundland ... ..	3,419,167	16 2 5	10·34
Bermuda ... ..	46,100	2 17 10	1·35
British Guiana ... ..	949,482	3 8 3	1·74
Honduras ... ..	34,736	1 0 7	·56
West Indies—			
Bahamas ... ..	119,026	2 5 9	1·83
Jamaica ... ..	2,136,627	3 0 9	2·83
St. Lucia ... ..	191,980	4 2 3	3·47
St. Vincent ... ..	19,100	0 8 5	·72
Barbados ... ..	409,159	2 3 4	2·31
Grenada ... ..	127,770	2 2 4	2·27
Tobago ... ..	9,203	0 9 0	·99
St. Christopher } ... ..	89,450	} 2 1 6 }	1·80
Nevis	150,671		
Antigua ... ..	24,600		3·17
Montserrat ... ..	70,900		2·84
Dominica ... ..	916,740		1·59
Trinidad ... ..			
<b>AUSTRALASIA.</b>			
Australia, Tasmania, and New Zealand	222,385,102	50 19 5	7·30
Fiji ... ..	213,257	1 15 0	2·86
<b>Total ... ..</b>	<b>1,216,056,586</b>	<b>4 6 6</b>	<b>4·76</b>

\* For population of Great Britain and the various colonies, see Part "Population" ante.

† For revenue of Great Britain and the various colonies, see table following paragraph 278 ante.

‡ Gross debt. The net debt, after deducting loans recoverable, nominal value of Suez Canal Shares, and Bank Balances, was £602,106,261.

§ Gross liability. The net liability, after deducting "interest-bearing investments, loans, cash, and banking accounts," was only £54,487,207, or £10 14s. 4d. per head.

|| For Public Debts and amounts per head and proportion of debt to revenue in the various Australasian Colonies, see table following paragraph 435 ante.

Indebted-  
ness of  
British  
dominions.

456. It will be observed that the total indebtedness of Great Britain and her dependencies reaches to about 1,216 millions sterling; that 638 millions, or more than one-half of this amount, is owing by Great Britain herself; 237 millions by India, or nearly a fifth; 223 millions, or more than one-sixth of the whole, by the Australasian Colonies; and the remainder, 118 millions, by Canada, the Cape of Good Hope, and other British colonies.

Indebted-  
ness per  
head of  
British  
dominions.

457. In Australasia, taken as a whole, the indebtedness, in proportion to population, is more than three times as large as that of the United Kingdom, which in this respect is far above any of its other dependencies, with the exception of Newfoundland. As regards individual colonies, the indebtedness per head of Queensland and South Australia is over four times, that of New Zealand nearly four times, and that of Western Australia nearly three and a half times, as large as that of the United Kingdom; whilst that of Tasmania, New South Wales, and Victoria is from two and three-quarters to two and a half times as large. The Government of every one of the Australasian Colonies is, in proportion to population, far more heavily indebted than any Government in the world outside Australasia. It may be observed that the indebtedness per head of Canada is only about a fourth of that of Australasia.

Proportion  
of debts to  
revenues of  
British  
dominions.

458. In proportion to revenue, the debt of the United Kingdom is larger than that of any of her dependencies, except Tasmania, New Zealand, South Australia, Queensland, Canada, and Newfoundland; but, with the exception of Canada and Newfoundland, there is no portion of the British dominions in which the debt is so high a multiple of its revenue as the united debts of the Australasian Colonies are of their united revenues.

Increased  
indebted-  
ness of  
British  
dominions.

459. During the five years ended with 1897, the public indebtedness of the British dominions increased by about £18,000,000, notwithstanding a reduction of over  $35\frac{1}{4}$  millions in the debt of the United Kingdom. An increased amount of over  $24\frac{1}{4}$  millions was borrowed by the colonies of Australasia alone.

National  
Debt of  
United  
Kingdom,  
1898.

460. At the end of March, 1898, the National Debt of the United Kingdom stood in round numbers at 638 millions, of which

nearly 213 millions were held by Government departments. The interest on the debt is payable quarterly. The various denominations of the debt will be found in the following table :—

NATIONAL DEBT OF THE UNITED KINGDOM, 31ST MARCH, 1898.

Denomination.	Total Amount of National Debt.
£	
Funded Debt—	
2 $\frac{3}{4}$ * per Cents. Cons. Stock (Goschen's)	522,668,860
2 $\frac{3}{4}$ per Cents. (1905) ... ..	4,647,223
2 $\frac{1}{2}$ per Cents. (1905) ... ..	31,826,171
Debt to Banks of England and Ireland	13,645,870
Terminable Annuities ... ..	40,515,080
Treasury-bills ... ..	8,133,000
Book Debt (3 per Cent.) ... ..	13,000,000
All other ... ..	3,830,778
Total Debt ... ..	638,266,482

NOTE.—The information in this table has been taken from *Burdett's Official Intelligence*, 1899 page 76. As a set-off to the above liability, there exist assets amounting to about £36,160,000, viz.:—Bank balances, £10,918,000; Suez Canal Shares (market value), £24,435,000; loans recoverable, £565,000; present value of the payment by the Australasian Colonies of £35,000 per annum for ten years under the *Imperial Defence Act* 1888, £89,400; &c.

461. The British Debt may be divided into four branches—viz., Funded Debt, Terminable Annuities, Unfunded Debt, and other liabilities. The amount under each of these heads, together with the interest paid in 1897–8, is shown in the following table :—

NATIONAL DEBT OF UNITED KINGDOM AND ANNUAL INTEREST THEREON, 1897–8.

(000's omitted.)

Form of Debt.	Capital of Debt, 31st March, 1898.	Interest paid, 1897–8.
	£	£
Funded Debt ... ..	585,787,	16,064,
Terminable Annuities (capitalized)	40,515,	7,261,†
Unfunded (Treasury-bills) ... ..	8,133,	139,
Other Capital Liabilities ... ..	3,831,	...
Total ... ..	638,266,	23,464,†

NOTE.—Besides interest, £1,361,000 was paid into the New Sinking Fund, and £174,000 was the cost of management, making the total annual charge £25,000,000.

\* Rate to be reduced to 2 $\frac{1}{2}$  per cent. after 5th April, 1903. Principal redeemable at any time after 5th April, 1923.

† Including consideration for annuities

British  
National  
Debt, 1858  
to 1899.

462. A gradual but continuous diminution has taken place in the national indebtedness of the United Kingdom, this reduction in the last 40 years having apparently amounted to over 196½ millions sterling,\* of which 38 millions took place in the last five, and over three in the latest year. The decrease from period to period is shown by the following figures, which indicate the amount of the debt at the end of various financial years :—

PUBLIC DEBT† OF THE UNITED KINGDOM, 1858 TO 1899.

Debt at the end of each Financial Year.‡			Debt at the end of each Financial Year.‡		
£			£		
1857-8	...	831,532,535	1887-8	...	705,575,073
1862-3	...	821,992,158	1892-3	...	673,647,564
1867-8	...	799,839,663	1896-7	...	644,909,847
1872-3	...	779,222,110	1897-8	...	638,266,482
1877-8	...	772,151,725	1898-9	...	635,040,965
1882-3	...	754,455,270			

Public debts  
of foreign  
countries.

463. The public debts of foreign countries at the latest dates are next shown, so far as the information is available. The calculations as to the amount of indebtedness per head and the multiple of the revenue of each country have all been made in the office of the Government Statist, Melbourne :—

PUBLIC DEBTS OF FOREIGN COUNTRIES.

Country.	Year.	Public Debt.			
		Total Amount (000's omitted).	Amount per Head.§	Multiple of Revenue.	
		£	£ s. d.		
EUROPE.					
Austria-Hungary	...	1896	552,077,	12 18 2	5.40
Belgium	...	1896	92,340,	15 4 3	6.03
Bulgaria	...	1896	6,854,	2 1 5	1.96
Denmark	...	1896-7	10,311,¶	4 15 0	2.84
France	...	1896	1,084,411,	28 2 10	8.43
German Federation	...	1896	112,409,	2 2 7	1.80
" States	...	1898	522,159,	9 19 10	3.37
Greece	...	1898	37,212,	15 5 10	10.88
Holland	...	1898	91,008,	18 3 9	8.07
Italy	...	1896-7	510,184,	16 4 0	6.16
Portugal	...	1898	120,868,	25 19 0	10.59
Roumania	...	1898	48,994,	8 9 0	5.82
Russia	...	1896	698,398,	6 11 7	5.00
Servia	...	1896	15,998,	6 18 4	6.29

\* The actual reduction is not so great as this, as the practice has prevailed of late years of deducting the amounts borrowed for local reproductive works. It is known that sums amounting in the aggregate to £26,558,959 were so deducted in 1887-8, when a *Local Loans Stock* was created.

† Funded (including stock held on account of unclaimed dividends), capital value of terminable annuities in 3 per cent. stock at par, and unfunded debt (Treasury-bonds), amounting to £8,133,000 in 1897-8.

‡ Financial year ends on the 31st March.

§ For populations on which most of these calculations are based, see Part "Population" *ant*

¶ This amount is made up of £229,252,000, general debt of the whole Empire; £119,511,000 special debt of Austria proper; and £203,314,000, special debt of Hungary.

¶ Denmark has State investments, including the Reserve Fund, amounting to £3,483,000, or nearly one-third the total debt.



PUBLIC DEBTS OF FOREIGN COUNTRIES—*continued.*

Country.	Year.	Public Debt.		
		Total Amount (000's omitted).	Amount per Head.*	Multiple of Revenue.
		£	£ s. d.	
<b>EUROPE—<i>continued.</i></b>				
Spain ... ..	1897	283,046,	15 10 10	8·61
Sweden and Norway ...	1896	26,045,†	3 14 10	2·23
Switzerland Confederation	1896	3,356,	1 2 5	·99
" Cantons ...	1896	10,379,	3 9 7	3·28
Turkey ... ..	1898	128,351,	5 6 5	6·85
<b>ASIA.</b>				
Japan‡ ... ..	1896-7	82,067,	1 18 5	1·72
<b>AFRICA.</b>				
Egypt ... ..	1897	103,864,	15 5 5	9·25
Tunis ... ..	1896	5,702,§	3 16 0	6·36
<b>AMERICA.</b>				
Argentine Confederation ...	1897	79,644,	20 2 10	6·25
Brazil ... ..	1897	228,635,	15 19 0	6·25
Chili ... ..	1897	17,735,	6 10 10	2·91
Costa Rica ... ..	1898	2,097,	8 12 5	3·53
Mexico ... ..	1897	40,117,	3 3 7	3·65
Peru ... ..	1898	64,096,	21 7 5	29·72
Santo Domingo ... ..	1896	3,385,	5 12 10	10·95
United States ... ..	1897	378,682,¶	5 3 2	4·22
Uruguay ... ..	1896	23,764,	29 0 4	7·73
Venezuela ... ..	1896	7,892	3 4 7	4·08

464. The Public Debt of the United Kingdom is larger than that of any other country in the world except France, where it is larger than in the former by £446,000,000; and Russia, where it is larger by £50,000,000. Next to these countries in point of indebtedness are Austria-Hungary, German States, Italy, the United States, Spain, British India, and Brazil, in the order named. These are the only countries which have larger debts than the present united debt of the Australasian Colonies.\*\*

Gross amount of debt in different countries.

465. In proportion to population, the most heavily indebted independent countries are Uruguay, France, and Portugal, which are, however, in this respect, much behind all the Australasian Colonies.†† The debt per head in the United Kingdom is much smaller than in Uruguay, Portugal, and France, is also less than in Holland, Italy, Peru, Argentine Confederation, and Brazil, but is larger than in any other country outside Australasia.

Amount of debt per head in different countries.

\* See footnote (§) preceding page.

† This amount is made up of £15,971,000, debt of Sweden; and £10,074,000, debt of Norway.

‡ The Japanese "yen" has been taken at its nominal value, viz., 4s. Its actual value is about 3s. 4d.

§ Inclusive of a floating debt of at least £702,000.

|| Includes £54,578,000, for which the bond-holders had ceded all the railways, guano deposits, mines, and lands of the State for 66 years from 1890.

¶ Gross liability. The net liability, after deducting the cash in the Treasury, was about £206,671,000.

\*\* See table following paragraph 455 *ante*.

†† See table following paragraph 435 *ante*.

Proportion  
of debt to  
revenue in  
different  
countries.

466. With the exception of Peru—which appears to be irredeemably involved—the most heavily indebted countries in proportion to their revenues are Santo Domingo, Greece, Newfoundland, and Portugal, each having a debt more than ten times as great as its revenue. These countries, in addition to Egypt, Canada, Spain, Holland, France, and Uruguay are more deeply indebted than the Australasian Colonies,\* taken as a whole. Moreover, it will be seen from the table that the debt of the United Kingdom,\* in proportion to its revenue, is less than that of any of the countries above mentioned, and is also smaller than the debts of Italy, Servia, and Brazil.

Comparative  
indebted-  
ness in  
various  
countries.

467. In comparing the indebtedness of the Australasian Colonies with that of other countries, it cannot be too distinctly borne in mind that, whereas the latter was in most cases mainly incurred for purposes of war, the former was, as already pointed out, almost entirely contracted for the construction of railways, water supply, and other works, which aid materially in the opening up and development of the country. In Victoria, for example, the Government debt is about £40 per head; in the United Kingdom it is nearly £16. The interest on the Victorian debt, however, as has already been shown,† is largely provided for by the reproductive works on which the borrowings have been expended; but the debt of the United Kingdom is wholly unproductive—in other words, the interest thereon can only be raised by means of taxes. The railways alone of the United Kingdom—all constructed by private companies—cost £1,089,800,000, leaving out of account the cost of waterworks and the large amounts borrowed by local authorities for school buildings, sewerage works, harbors, &c. If this amount be added to the National Debt of the mother country it would be increased to nearly £43 per head, or nearly £3 per head more than the debt of Victoria. The debt of the United Kingdom, however, has been borrowed at less than 3 per cent., and as the railways pay 3·73 per cent. interest on the capital outlay, the addition of their cost to the debt would not add to, but, on the contrary, would considerably lighten the burdens of the people. In like manner, so much of the debt of Victoria as has its interest covered by amounts derived from reproductive works may be considered to be provided for. It is therefore evident that the gross amount of money borrowed does not afford a true indication of the indebtedness of a country, which cannot be ascertained without taking into consideration the proportion of the interest payable covered by the earnings of reproductive works on which the borrowed moneys have been expended. In the following table this element is taken into account, and the comparative indebtedness is

\* See table following paragraph 455 *ante*.

† See paragraph 402 *ante*.

ascertained by the amount of interest per head which has to be paid by taxation or the other special revenues of a country:—

RELATIVE BURDEN FOR INTEREST ON DEBT IN VARIOUS COUNTRIES.

Country.	Year.	Interest Payable per Head.	Interest per head covered by—	
			Earnings.	Taxation and Land Revenue.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Belgium ... ..	1896	0 8 11	0 8 11	Nil
Prussia ... ..	„	0 9 4*	0 9 4	Nil
Germany (Federation) ... ..	„	0 1 5*	0 1 3	0 0 2
Cape of Good Hope ... ..	„	0 11 9*	0 9 3	0 2 6
Canada ... ..	1896-7	0 8 6	0 1 2	0 7 4
United Kingdom ... ..	„	0 9 0	0 0 4	0 8 8
New South Wales ... ..	1897-8	1 13 4	1 3 5	0 9 11
Victoria ... ..	„	1 11 3	0 19 8	0 11 7
South Australia ... ..	„	2 12 9	1 6 8	1 6 1
Queensland ... ..	„	2 11 7	1 4 5	1 7 2
Tasmania ... ..	„	1 14 5	0 5 0	1 9 5
New Zealand ... ..	„	2 7 9	0 14 6	1 13 3

468. Thus the real burden for interest in the Australasian Colonies, although still heavy, is much less—as shown in the last column—than that indicated by the total amount per head, whilst the large revenue those colonies derive from land (varying from 7s. in Victoria to nearly 30s. in New South Wales) enables them to bear that burden with comparative ease. It must further be remembered that these colonies have latterly suffered through a period of depression, which has materially reduced the volume of the earnings, from which a substantial increase can be confidently expected in the immediate future. In New South Wales and Victoria—where the burden is much lighter than in the other colonies—the amount of interest per head not covered by earnings is only 1s. 3d. and 3s. respectively, higher than in the United Kingdom, where the proportion is somewhat higher than in Canada, and more than three times as high as in the Cape of Good Hope. The *beau idéal* from a financial point of view appears to have been reached in the case of the three European countries (Continental) at the head of the list (the only ones respecting which information is available), for they have practically no interest burden whatever; they may, however, be regarded as most exceptional cases.

Real interest burden in Australasian Colonies and other countries compared.

469. Although the average nominal rate of the loans of Victoria is at present comparatively high, that colony will, in consequence of the short currency of her loans, probably be in a more favorable position during the next 50 years than New South Wales or any other colony, except Western Australia, for, assuming a uniform effective rate of 3 per cent. for renewal of loans at maturity, Victoria will pay during the period named an average nominal rate of only 3·25 per cent., which will be ·03 per cent. lower than New South Wales, and ·04 per cent. less than the average of the colonies as a whole; the former being

Saving in interest by renewals in the next 50 years.

\* Including redemptions.

equivalent to a saving on the existing Victorian debt of £14,120 per annum over and above that which would be effected in New South Wales on an equivalent amount. The aggregate saving by renewals during the next 50 years in the six colonies is estimated at £44,652,000 or an average of £893,000 per annum, the average rate of saving per annum per £100 debt varying from about .38 in New South Wales and Western Australia to about .63 in Victoria. The following are the results for each colony :—

SAVING OF INTEREST IN 50 YEARS IN AUSTRALASIAN COLONIES\*  
BY RENEWAL OF LOANS EXISTING ON 30TH JUNE, 1898, BY 3%  
STOCK AT PAR ON MATURITY.

Colony.	Saving in 50 years.		Nominal Rate of Interest.	
	Aggregate.	Average per annum.	On 30th June, 1898.	Average during next 50 years.
Victoria ... ..	14,894,000	297,880	3·88	3·25
New South Wales ... ..	11,666,600	233,332	3·66	3·28
Queensland ... ..	7,259,800	145,196	3·79	3·36
South Australia ... ..	6,932,360	138,647	3·92	3·35
Western Australia ... ..	1,767,630	35,353	3·54	3·16
Tasmania ... ..	2,131,540	42,631	3·82	3·27
Total ... ..	44,651,930	893,039	3·78	3·29

Probable saving by renewals of loans at various periods in next 50 years.

470. The steps by which this saving may be effected are shown by the following table, which shows the annual saving by renewals on the hypothesis assumed by the end of the century, and by the end of each subsequent quinquennial period during the next 50 years :—

ANNUAL SAVING OF INTEREST IN AUSTRALASIAN COLONIES\* IN  
THE NEXT 50 YEARS, AFTER 1ST JULY, 1898, IN RENEWAL OF  
LOANS AT MATURITY WITH 3% STOCK.

Periods when Loans Mature.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia. †	Tasmania.	Total.
	£	£	£	£	£	£	£
1898-1900 ... ..	15,000	15,370	...	15,350	9,400	2,050	57,170
1901-1905 ... ..	109,000	42,800	...	11,230	5,490	4,570	173,090
1906-1910 ... ..	60,000	53,450	...	55,590	2,490	3,050	174,580
1911-1915 ... ..	68,600	40,400	72,500	7,440	20,660	23,400	233,000
1916-1920 ... ..	70,000	64,100	58,500	89,490	1,900	15,150	299,140
1921-1925 ... ..	90,000	82,500	106,000	17,270	180	15,150	311,100
1926-1930 ... ..	...	...	9,300	2,000	...	700	12,000
1931-1935 ... ..	...	97,000	9,300	15,360	9,700	...	116,000
1936-1940 ... ..	...	...	...	...	...	...	15,360
1941-1945 ... ..	...	...	5,000	...	...	...	5,000
1946-1948 ... ..	...	...	5,000	...	...	...	5,000
Total ... ..	412,600	395,620	265,600	213,730	49,820	64,070	1,401,440

NOTE.—It has been assumed that the loans fall due uniformly in the middle of each year.

\* Exclusive of New Zealand.

† The due dates of loans repayable by annual drawings have been taken as 1905 for the 4½ per cents. and 1907 for the 4 per cents.

471. On the 30th June, 1898, the aggregate amount of the Australasian debt repayable in London exceeded 209 millions, and the whole of this will have to be renewed, on the average, in 21 years. As the Imperial Government imposes a duty of 12s. 6d. per £100 on every Australasian loan floated or renewed, it follows that the colonies will pay into the Imperial Treasury within that period a sum amounting to no less than £1,300,000; and this sum will have to be paid afresh every time the loans are renewed. It seems only reasonable to expect the Imperial Government to remit to some extent this heavy tax on colonial borrowings—more especially as a considerable portion of the loans raised have stimulated the exports of British manufactures to these colonies.

Imperial  
taxation on  
colonial  
borrowings.

472. Much has been written of the so-called “savings” it would be possible to effect by the immediate conversion of the Public Debt; but it will probably be found that these will vanish when examined on an actuarial basis. A *quid pro quo* will have to be given, and in addition there will be the cost of conversion, together with any extra monetary inducement to convert, which might be offered\*; as against which must be weighed the savings to be effected in bank and other charges, and the probable rise in market price,—a desideratum both to borrowers and lenders—which will tend to improve the price obtainable for future issues. A few years ago a calculation was made by the Editor of this work as to the results to be achieved by the conversion and consolidation of the Victorian Debt securities registered in London as they existed on the 30th June, 1895, into an uniform 3 per cent. consolidated stock, having a currency of 40 years, assuming the effective rate of interest to be 3·4 per cent. On the date referred to the Victorian debentures and stock so registered amounted to £43,607,000, having an average currency of  $18\frac{1}{2}$  years, on which the annual interest payable was £1,709,280, equivalent to an average nominal rate of 3·92 per cent. Under these conditions it was computed that £111 14s. 2d. of such Consolidated Stock would be a fair equivalent for every £100 of the old securities, whereby the amount of debt would be increased to £48,713,000, or by £5,106,000, to which would have to be added £44,481† to cover commissions to banks for redemption of old loans, under the existing agreements, and £634,511 to defray the cost of conversion, thus further increasing the Consolidated Stock to £49,392,169, being £5,785,169 in excess of the existing debt. On this amount the interest payable would be £1,481,765, which, if allowance were made for an annual contribution to a sinking fund to eventually wipe out the increase of debt arising from the conversion, would be increased to £1,519,648. This would show a reduction of £189,632 on the annual interest payable prior to conversion, and it is this saving which has led so many to the false conclusion that there would be a permanent saving to that extent. A little further consideration, however, will show that such is by no means the case.

Conversion  
and con-  
solidation of  
Public  
Debts.

\* This has been suggested, but it is questionable whether it would add to the success of any scheme.

† It was assumed that the colony's bankers would continue to act as agents for the colony; if, however, a change were made, this amount would have to be increased by about £134,000 to provide for compensation payable on termination of existing agreements.

For, whilst there would be an immediate reduction of interest under the conversion scheme, the amount payable would remain constant during the currency of the loan—a period of 40 years; whereas, under the usual method of renewal at maturity, there would be a gradual fall in the rate of interest as the loans mature—in a period of only  $18\frac{1}{2}$  years on the average—to, or (what is not improbable) even below 3 per cent. Thus, under the latter system, assuming each loan as it falls due to be replaced by 3 per cent. stock at par, and any increase of debt due to cost of redemption and renewal to be provided for by a sinking fund sufficient to redeem it at the end of the 40 years, the annual interest charge would be gradually reduced from £1,709,280 for the first year to £1,510,901 in the eighteenth year (when for the first time it would be less than that payable under the conversion scheme), and further to £1,342,140 in the twenty-ninth year, and—all the original loans having been replaced—in each subsequent year. Summarizing the results, it will be found that, during the whole period of 40 years the aggregate interest payments by this method would be £59,623,200, as against £60,785,920 under the conversion scheme, thus showing a difference in favour of the present method, *cæteris paribus*, of over £1,160,000. Hence, conversion—even if it could be successfully effected—would not, *per se*, permanently reduce the interest charge, but would, on the contrary, tend to increase it, more especially since there is every prospect of a considerable fall taking place in the rate of interest on colonial securities before the bulk of the loans shall have matured—following in the wake of British Consols (which have often in recent years returned the investor less than 2 per cent.), Indian Stocks, and other first-class securities. Apart from this, moreover, a conversion would be inadvisable unless savings could be effected in cost of management, &c., by premiums received in case of conversion into a better security—*i.e.*, Australian (Federal Consols)—or in other ways, to more than cover the loss of interest referred to, which is equivalent to £29,000\* per annum.

Considerations affecting the creation of an Australian Federal Stock.

473. In view of the large interest savings—amounting to an aggregate of  $44\frac{1}{2}$  millions in the next 50 years, or an average of nearly £900,000 per annum†—to be gradually effected in the ordinary course of events by the renewal of the existing loans of the Australasian Colonies, it becomes a question for careful consideration whether—in the event of either the management of, or the actual liability for, the State debts being taken over by a Federal Government—it might not be more economical to allow the loans to mature rather than to convert them immediately into a uniform Australian Stock, with a Federal guarantee. The points to be taken into account—apart from the *quid pro quo* which must be given—are on the one hand:—(1) Saving by reduction of cost of management under a uniform Stock; (2) gain on conversion, consequent on a smaller amount of Federal Stock being accepted in exchange for the better Federal security, especially if enhanced by being rendered available for investment by trustees; (3)

\* This might be altered if compound interest were considered.

† See table following paragraph 469 *ante*.



improved prices obtainable for future issues; and (4) simplification of accounts. On the other hand there is—(a) Loss by conversion into long-dated securities at the current rate of interest, if the rate for Australian Stocks should in the future fall to less than 3 or even (not improbably) to  $2\frac{1}{2}$  per cent., the latter being above the present net return for British Consols; (b) loss by immediate payment of cost of conversion (£1 3s. per £100) instead of at maturity (nineteen years hence on the average); (c) compensation demanded for termination of existing agreements, which might be modified by compromise with the present financial agents. Hence, in order to afford free scope to a Federal Government authorized to take over State debts, to enable it to make the best possible terms with existing bondholders, it may be found necessary to allow such Government the option of either granting or withholding the Federal guarantee on the whole or any portion of a State debt until maturity.

474. Another important question which demands the most careful consideration is that of uniformity of all future issues of Australian Government securities—a far easier and more practicable manner than conversion; and, seeing that  $12\frac{1}{2}$  millions of Australasian loans will have to be renewed within the next five years, immediate action ought to be taken if deemed desirable to achieve this object. For, if each of the Australian Governments were to agree to issue all its further loans on a uniform basis (as agreed to with the other colonies) in regard to rate of interest, currency, &c., it would not only greatly facilitate any subsequent operations by the Federal Government, but would also tend to enhance the value of all the Australian Stocks, and so improve the terms on which future borrowings could be effected, for a large uniform Stock would thus be artificially created, which for practical purposes would no doubt be regarded as one Stock by home investors, and quoted accordingly. The following are a few suggestions in reference to the creation of uniform Australian Stocks, and the agreements in connexion therewith:—

Advantages of uniformity in regard to future Australian borrowings.

1. Rate of interest—3 per cent., payable quarterly.
2. Currency to be 60 years as a maximum, but with option of redemption after 25 years (say 1925).
3. Interest to commence only from date of sale of Stock, and to cease immediately the Stock is surrendered for conversion at any time into another Stock.

475. Municipalities in Victoria are empowered by the Local Government Act (54 Vict. No. 1112) to borrow money for permanent works or undertakings, but the amount so borrowed is not to exceed ten times their average annual income from general rates during the three years prior to the raising of the loan. The following is a statement of the number of cities, towns, and boroughs, and the number of shires, which had loans outstanding in September, 1897, also of the total amounts included therein. These amounts consist of sums lent

Municipal debt.

by the Government (out of its Loan Funds) and sums borrowed by the municipalities on their own account :—

### MUNICIPAL DEBT, SEPTEMBER, 1897.

Municipalities.	Districts with Loans outstanding.	Amount of Debt.		
		Due to Public.	Due to Government.	Total.
		£	£	£
Cities, Towns, and Boroughs ...	47	2,995,100	330,796	3,325,896
Shires ...	59	556,814	116,407	673,221
Total ...	106*	3,551,914	447,203	3,999,117

476. The municipal debt (exclusive of loans from the Government) increased rapidly from 1883 to 1893, viz., from about three-quarters of a million to over 3½ millions, but very little extra has been added since 1893, as is indicated by the following figures, which show the municipal debt in each of the last seventeen years :—

### MUNICIPAL DEBT PROPER,† 1881 TO 1897.

	£
1881 ...	728,093
1882 ...	742,911
1883 ...	776,683
1884 ...	1,083,613
1885 ...	1,229,203
1886 ...	1,479,159
1887 ...	1,708,252
1888 ...	2,062,327
1889 ...	2,264,607
1890 ...	2,944,440
1891 ...	3,143,602
1892 ...	3,287,036
1893 ...	3,535,879
1894 ...	3,549,936
1895 ...	3,583,446
1896 ...	3,547,434
1897 ...	3,551,914

477. The London money market was first approached by Victorian municipalities for the purpose of borrowing in 1854, when a loan of £735,000 was raised there, of which £525,000 was for improvements to the city of Melbourne, and £210,000 for improvements to the town of Geelong. This loan, however, was guaranteed by the Government, and was paid off at the rate of £35,000 per annum, the final instalment having been cleared off in 1874. Since then, with the exception of a loan of £125,000 raised in 1878 by the Melbourne Corporation, no serious borrowing by municipalities took place until 1883. In that

\* Of these 91 (viz., 41 cities, &c., and 50 shires) have borrowed both from the Government and from the public, and the remainder (viz., six cities, &c., and nine shires) have borrowed only from the Government.

† Exclusive of loans from the General Government.

year £200,000 was borrowed, and municipal loans were raised in each of the nine subsequent years, with the exception of 1884. The largest amount borrowed (£555,000) was in 1890, whilst as much as £250,000 was raised in 1892. No loans have been raised in London since 1892. The following are the amounts borrowed in each year:—

MUNICIPAL BORROWINGS IN LONDON, 1883 TO 1897.

						£
1883	...	...	...	...	...	200,000
1884	...	...	...	...	...	Nil
1885	...	...	...	...	...	80,000
1886	...	...	...	...	...	250,000
1887	...	...	...	...	...	168,000
1888	...	...	...	...	...	120,000
1889	...	...	...	...	...	167,700
1890	...	...	...	...	...	555,000
1891	...	...	...	...	...	85,000
1892	...	...	...	...	...	250,000
1893-7	...	...	...	...	...	Nil
Total	...	...	...	...	...	<u>1,875,700</u>

478. Of the total raised, as much as £1,050,000 was borrowed by the city of Melbourne, and the remainder by other municipalities—all of which are suburbs of that city. The names of such municipalities, together with the amounts raised by each, are as follow:—

Municipalities borrowing in London.

BORROWINGS BY VARIOUS MUNICIPALITIES IN LONDON, 1883 TO 1893.

						£
Melbourne	...	...	...	...	...	1,050,000
South Melbourne	...	...	...	...	...	208,700
Prahran	...	...	...	...	..	135,000
St. Kilda	...	...	...	...	...	125,000
Fitzroy	...	...	...	...	...	119,000
Brunswick	...	...	...	...	...	73,000
Richmond	...	...	...	...	...	65,000
North Melbourne	...	...	...	...	...	60,000
Collingwood	...	...	...	...	...	40,000
Total	...	...	...	...	...	<u>1,875,700</u>

479. The principal loans raised by municipalities in the financial year 1897 were £12,000 (of which £3,200 was for redemption purposes) by the city of Ballarat, and £13,000 (of which £8,000 was for redemption purposes) by the town of Geelong, both bearing interest at  $3\frac{1}{2}$  per cent.—the former having a currency of 20 and the latter of 33 years; £3,200 at 4 per cent., with 30 years' currency, by the city of South Melbourne; whilst five shires raised between them £7,550, the interest being 4 per cent., except in one instance (in which it was 5 per cent.), and the currency varying from 13 to 25 years. All the loans were raised at or near par, and all were floated in the colony.

Municipal loans raised in 1897.

480. Of the total amount borrowed by municipalities (£4,000,000), as represented by outstanding loans, about 39 per cent. was for the construction of roads and bridges, 14 per cent. for sewerage and drainage

Purposes for which municipal loans were raised.

works, 11 per cent. for municipal halls and offices, 10 per cent. for markets,  $9\frac{1}{2}$  per cent. for waterworks, and the balance for tramways, gasworks, abattoirs, baths, libraries and museums, &c., public yards, gardens, and other purposes. Of the amount borrowed by cities, towns, and boroughs (£3,326,000), 37 per cent. was for roads and bridges,  $14\frac{1}{2}$  per cent. for sewerage,  $12\frac{1}{2}$  per cent. for markets,  $11\frac{1}{2}$  per cent. for municipal halls, &c.,  $9\frac{1}{4}$  per cent. for waterworks; and of that borrowed by shires (£673,000), 49 per cent. was for roads and bridges, 14 per cent. for sewerage and drainage works, nearly 11 per cent. for waterworks, 9 per cent. for tramways, and  $7\frac{1}{2}$  per cent. for municipal halls and offices. Of the amount advanced by the Government (£447,000), as much as 75 per cent. was for waterworks, 14 per cent. for tramways, and 9 per cent. for roads and bridges. The amounts borrowed for various purposes are summarized in the following table:—

MUNICIPAL DEBTS, 1897.—PURPOSES FOR WHICH  
CONTRACTED.

Purposes.	Loans outstanding in—		Total Loans.		
	Cities, Towns, and Boroughs.	Shires.	Govern- ment.	Other.	Total.
	£	£	£	£	£
Roads and Bridges ...	1,230,101	327,199	40,500	1,516,800	1,557,300
Tramways ...	...	60,811	60,811	...	60,811
Waterworks ...	308,736	72,026	334,892	45,870	380,762
Sewerage and Drainage ...	477,408	96,496	...	573,904	573,904
Gasworks ...	37,300	8,500	...	45,800	45,800
Markets ...	411,979	5,300	...	417,279	417,279
Abattoirs ...	34,700	...	...	34,700	34,700
Baths ...	20,782	800	...	21,582	21,582
Libraries, Museums, &c. ...	7,300	250	...	7,550	7,550
Public Gardens, &c. ...	26,950	5,540	...	32,490	32,490
Municipal Offices and Halls	383,950	50,350	...	434,300	434,300
Other purposes ...	335,840	10,130	11,000	334,970	345,970
Unspecified ...	50,850	35,819	...	86,669	86,669
<b>Total ...</b>	<b>3,325,896</b>	<b>673,221</b>	<b>447,203</b>	<b>3,551,914</b>	<b>3,999,117</b>

Rates of  
interest on  
municipal  
debt

481. Over three-fourths of the amount lent by the Government to municipalities bears interest at 4 per cent., and the bulk of the remainder at  $4\frac{1}{2}$  per cent., the average rate of interest on such loans being 4.11 per cent. Of municipal loans borrowed from the public, one-half bears interest at 5 per cent., about a third at 4 per cent., nearly a sixth at  $4\frac{1}{2}$  per cent., and the remainder chiefly at 6 per cent. On the loans as a whole the average rate of interest payable by municipalities is  $4\frac{2}{3}$  per cent.; cities, towns, and boroughs paying at the rate of 4.59 per cent., and shires at 4.86 per cent. The following table shows the amounts outstanding at different rates of interest in

cities, towns, and boroughs, and shires ; also the annual amounts, and average rates of, interest payable in 1897 :—

LOANS AT VARIOUS RATES OF INTEREST AT THE END OF  
FINANCIAL YEAR 1897.

Rate of Interest.	Loans borrowed through the Government.			Other Loans.			Grand Total
	In Cities, Towns, and Boroughs.	In Shires.	Total.	In Cities, Towns, and Boroughs.	In Shires.	Total.	
	£	£	£	£	£	£	£
3½ per cent. ...	...	3,600	3,600	25,000	...	25,000	28,600
4 " ...	251,796	96,398	348,194	928,600	36,450	965,050	1,313,244
4½ " ...	76,000	12,794	88,794	548,100	5,500	553,600	642,394
5 " ...	3,000	3,615	6,615	1,335,300	449,414	1,784,714	1,791,329
6 " ...	...	...	...	153,750	61,850	215,600	215,600
6½ " ...	...	...	...	4,350	3,600	7,950	7,950
<b>Total</b> ...	<b>330,796</b>	<b>116,407</b>	<b>447,203</b>	<b>2,995,100</b>	<b>556,814</b>	<b>3,551,914</b>	<b>3,999,117</b>
Annual interest payable ...	13,643	4,742	18,385	138,956	27,968	166,924	185,309
Average rate of interest ...	4·12	4·07	4·11	4·64	5·02	4·70	4·64

482. As against the municipal debt in 1897, there is a set off of **£570,000**, which was the amount at the credit of the Sinking Funds—only **£25,000** of which was accumulated as against Government loans. This is less by **£310,000** than the amount which should have been placed to credit, that being the sum by which the municipalities are in default ; and it is remarkable that nearly the whole amount was due on account of Government loans. There were also arrears on account of interest amounting, as already shown,\* to **£157,331**, viz., **£148,443** on account of Government loans, and **£8,888** on account of loans direct from the public. The following are the particulars in regard to Sinking Funds :—

Municipal Sinking Funds.

MUNICIPAL SINKING FUNDS, 1897.

	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Amount at Credit—			
Government Loans ...	16,672	8,429	25,101
Other Loans ...	413,817	130,810	544,627
<b>Total</b> ...	<b>430,489</b>	<b>139,239</b>	<b>569,728</b>
Arrears due on account of—			
Government Loans ...	264,968	30,640	295,608
Other Loans ...	10,747	3,710	14,457
<b>Total</b> ...	<b>275,715</b>	<b>34,350</b>	<b>310,065</b>

\* See table following paragraph 367 ante.

Annual contributions to municipal Sinking Funds, 1897.

483. In 1897, the annual amount which the municipalities were required to contribute to Sinking Funds was nearly £60,000, equivalent to about  $2\frac{1}{4}$  per cent. of the principal; of this only £7,400, or less than 2 per cent. of the principal, was payable on account of loans from the Government, and £52,300, or nearly  $2\frac{3}{10}$  per cent. of the principal, on account of other loans. Thus, although the conditions exacted by the Government were less onerous than those imposed by the municipalities on themselves in respect to their own independent borrowings, it is only in regard to Government loans that they have materially fallen into arrears. The particulars for both classes of municipalities are as follow in regard to those loans for which Sinking Funds are provided:—

AVERAGE ANNUAL CONTRIBUTION TO MUNICIPAL SINKING FUNDS, 1897.

Annual Contribution payable on account of—	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Government Loans ... ..	6,443	981	7,424
Other Loans ... ..	37,322	14,974	52,296
Total ... ..	43,765	15,955	59,720
Percentage of Principal—			
Government Loans ... ..	1·95	1·94	1·95
Other Loans ... ..	2·15	2·70	2·29
Total ... ..	2·12	2·65	2·24

NOTE.—In addition, an aggregate debt of £489,950 is repayable by various municipalities by annual instalments of £29,600, equivalent to  $7\frac{1}{2}$  per cent. of the principal.

Proposal to write off certain indebtedness by Local Bodies to Government.

483A. It having been found that the borrowings of certain municipalities (chiefly in mining districts) from the Government for the construction of waterworks have—owing to the movement of population to other districts—entailed obligations to pay interest and contributions to Sinking Funds such as cannot now be met except by the imposition of rates which would discourage enterprise and embarrass industry, the Government deemed it advisable to recommend that such bodies should be relieved of a portion of their indebtedness, and with that view a Bill is now\* under the consideration of Parliament providing for the writing off of £163,760 on account of principal advanced by the Government, and £151,457 on account of interest in arrear.† Similar concessions were also made to Waterworks Trusts and Irrigation and Water Supply Trusts involving the writing off of £904,699 on account of principal, and £422,795 on account of overdue interest. The total concessions to all bodies thus amount to £1,068,459 on account of principal, and £574,252 on account of interest.

\* November, 1899.

† For relief previously given on account of loans from the public see paragraph 358; see also table following 367 *ante*.



484. The next statement shows the due dates of outstanding municipal loans, exclusive of those borrowed from the Government, at the end of the Financial Year 1897; the loans of cities, towns, and boroughs being distinguished from those of shires:—

Due dates of municipal loans.

DUE DATES OF LOANS OUTSTANDING (EXCLUSIVE OF LOANS FROM GOVERNMENT), 1897.

When Repayable.					In Cities, Towns, and Boroughs.	In Shires.	Total.
					£	£	£
1897	...	...	...	...	14,450	1,050	15,500
1898	...	...	...	...	15,600	13,900	29,500
1899	...	...	...	...	17,100	5,400	22,500
1900	...	...	...	...	18,700	400	19,100
1901	...	...	...	...	25,600	17,400	43,000
1902	...	...	...	...	15,950	8,650	24,600
1903	...	...	...	...	96,600	400	97,000
1904	...	...	...	...	23,000	17,900	40,900
1905	...	...	...	...	17,600	25,250	42,850
1906	...	...	...	...	37,200	22,534	59,734
1907	...	...	...	...	32,700	5,780	38,480
1908	...	...	...	...	36,500	4,500	41,000
1909	...	...	...	...	23,900	9,000	32,900
1910	...	...	...	...	40,850	18,800	59,650
1911	...	...	...	...	15,500	6,300	21,800
1912	...	...	...	...	51,000	2,250	53,250
1913	...	...	...	...	76,500	6,500	83,000
1914	...	...	...	...	100,400	19,850	120,250
1915	...	...	...	...	244,900	42,800	287,700
1916	...	...	...	...	153,500	25,000	178,500
1917	...	...	...	...	267,500	13,350	280,850
1918	...	...	...	...	216,500	78,100	294,600
1919	...	...	...	...	293,700	30,000	323,700
1920	...	...	...	...	549,500	92,750	642,250
1921	...	...	...	...	178,200	22,000	200,200
1922	...	...	...	...	329,700	28,700	358,400
1923	...	...	...	...	17,350	6,500	23,850
1924	...	...	...	...	30,900	14,350	45,250
1925	...	...	...	...	18,000	13,500	31,500
1926	...	...	...	...	10,000	3,300	13,300
1927	...	...	...	...	13,200	600	13,800
1930	...	...	...	...	13,000	...	13,000
Total at end of financial year ...					2,995,100	556,814	3,551,914

485. It will be observed that by far the heaviest repayments, viz., £2,686,450, or 76 per cent. of the whole debt—of which £850,000, falling due in 1915–22, was on account of the city of Melbourne—will be made in the nine years 1914–22; whilst £724,764, or 20 per cent.,

Municipal loans falling due at various periods.

is to be repaid prior to, and only £140,700, or 4 per cent., subsequent to, that period. The largest repayment prior to 1914 will be £97,000, due in 1903; and the largest after that year, £642,250, due in 1920—of which £450,000 was on account of the city of Melbourne. As practically the whole of the municipal loans, except the £850,000 referred to as belonging to the city of Melbourne, are provided for by Sinking Funds, or periodical repayments, there ought to be no difficulty in providing for the amounts as they fall due.

Harbor  
Trust loans.

486. The borrowing powers of the Melbourne Harbor Trust are limited (under 52 Vict. No. 994) to £2,000,000, and the Trust exhausted its borrowing powers in 1891.\* The leading particulars of the various loans—all of which were floated in London—are shown in the following table:—

#### MELBOURNE HARBOR TRUST LOANS.

When Raised.	Amount of Loan.	When Due.	Nominal Rate of Interest.	Price realized per £100 Debenture.									Actual Rate of Interest per £100.		
				Gross.			<i>Ex</i> Accrued Interest.			<i>Ex</i> Interest and Expenses (Net).					
	£			£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1883	250,000	1908	5	101	6	6	100	6	9	98	19	8	5	1	5
1884	250,000	1909	5	106	13	2	105	10	0	105	0	11	4	13	1
1886	250,000	1915	4½	105	7	8	103	5	6	102	1	7†	4	7	6
1888	250,000	1918	4	101	16	0	100	0	7	98	17	2	4	1	4
1889	500,000	1919	4	102	7	7	101	12	1	100	8	4	3	19	6
1891	500,000	1921	4	95	0	8	93	17	6	92	16	0	4	5	2
Total	2,000,000														

Debt of  
Metropoli-  
tan Board  
of Works,  
1897-8.

487. The Melbourne and Metropolitan Board of Works‡ is authorized to raise loans amounting to £5,000,000, in addition to certain Government loans for which the Board has become responsible, amounting to £2,359,157—of which £2,109,157 had been borrowed prior to the passing of the Act constituting the Board, and £250,000 was floated subsequently. The total authorized indebtedness of the Board is thus £7,359,157, of which £6,252,737—all but £2,359,157 in Government loans—was outstanding on the 30th June, 1898. The amount derived from Government loans, however, has already been included in the Public Debt.§ The following shows the rates of interest

\* For revenue and expenditure of the Trust, see table following paragraph 369 *ante*.

† The stamp duty payable to the British Government was raised between the floating of this and the previous loan from  $\frac{1}{8}$  to  $\frac{1}{4}$  per cent.; if this had not been done the net price for this and each of the succeeding loans would have been 7s. 6d. higher than the amount stated.

‡ For particulars of the constitution of the Board see issue of this work for 1892, Vol. I., paragraph 49; and for revenue and expenditure see paragraphs 371 and 372 *ante*.

§ See table following paragraph 388 *ante*.

payable on, and the due dates of, the various loans of which the Board's debt is made up :—

DEBT OF MELBOURNE AND METROPOLITAN BOARD OF WORKS,  
30TH JUNE, 1898.

Rate of Interest.	When repayable.	Principal.
Per cent.		£
4½	1904	190,993
4	1901 to 1920	1,229,982*
4 (stock)	1897†	363,182
3½	1921-6‡	43,478
3½	1923	531,522
Total from Government ...		2,359,157
5	1903	500,000
4½	1903	3,580
4½	1906	500,000
4	1921	1,140,000
4	1913	500,000
3½	1917	750,000
3½	1927	500,000
Total debt ... ..		6,252,737§

488. In 1897 the Metropolitan Board of Works floated loans locally amounting to £1,250,000. This amount was all issued at 3½ per cent. These loans were necessary owing to the retention by the banks of a large proportion of the proceeds of the London loan of 1892, consequent on the financial crisis of 1893. The following is a statement of the loans floated by the Board since its constitution, and of the nominal and actual rates of interest payable thereon :—

Loans of Metropolitan Board.

DEBENTURES ISSUED BY THE MELBOURNE AND METROPOLITAN BOARD OF WORKS TO 30TH JUNE, 1898.

When and where raised.	Amount of Loan.	When due.	Nominal Rate of Interest.	Prices realized per £100 Debenture.			Actual Rate of Interest per £100.					
				Proceeds, <i>ex</i> Accrued Interest.		Net Proceeds.						
	£			£	s.	d.	£	s.	d.			
1892 (London) ...	1,140,000	1921	4	95	2	2	91	17	9	4	10	2
1892 (Melbourne) ...	500,000	1897	5	100	2	2½	99	16	0	5	0	11
1893 ...	3,580	1903	4½	99	18	6	88	7	9	6	2	7
" ..	500,000	"	5	99	1	2	98	10	3	5	3	11
1894 ...	500,000	1906	4½	100	4	7	99	12	10	4	10	10
1895 (Oct.) ...	500,000	1913	4	104	4	2½	103	12	11¼	3	14	5
1897 (March) ...	750,000	1917	3½	100	9	11¾	99	19	1¾	3	10	1
" (Oct.) ...	500,000	1927	3½	100	5	1½	99	14	4	3	10	4

\* Of this amount £276,820 is repayable in 1901, £42,680 in 1904, £160,000 in 1907, £128,877 in 1913, £246,605 in 1919, and £375,000 in 1920.

† Or at any time afterwards at option of the Government after due notice being given.

‡ At any time between the years named after due notice.

§ In January, 1899, a further 3½ per cent. loan of £500,000, due 1st January, 1929, was floated in Melbourne at an average price, *ex* accrued interest and expenses, of £97 8s. 7¼., the money being thus obtained at £3 16s. 6d. per £100 realized.

|| Originally £51,650, but £48,070 subsequently converted into 5 per cents. shown in the ne line.

Tramways  
Trust loans.

489. The tramways in Melbourne and its principal suburbs were constructed by a body (called the Melbourne Tramways Trust) consisting of delegates elected annually by the municipalities interested. By the original Act creating this corporation the Trust was authorized to raise all money required for the construction of tramways, as well as for the expenses of the Trust, by means of debentures secured on the lines constructed, also on the revenues of the municipalities represented, in proportion to the length and cost of the tramways within their respective limits. The Melbourne Tramway and Omnibus Company, to which the lines have been leased for a period of 32 years, from the 1st July, 1884, are required to pay to the Trust the annual interest, also a yearly percentage to form a Sinking Fund calculated to extinguish the loan by the end of the lease. The borrowing powers of the Trust are limited to £1,650,000; and the debentures are secured on the property as well as on the revenues of the municipalities interested; the latter being, moreover, jointly and severally liable for the amount borrowed. The last loan was placed on the London market in 1893, making a total of £1,650,000, the full amount authorized. The net premium on the loans amounted to £55,794, making a total of £1,705,794, the whole of which has been expended. The particulars of the various loans, all bearing interest at the rate of  $4\frac{1}{2}$  per cent., together with the prices realized, are given in the following table\* :—

MELBOURNE TRAMWAYS TRUST LOANS— $4\frac{1}{2}$  PER CENT.

Year.	Amount of Loan.	When due.	Price realized per £100 Debenture.			Actual Rate of Interest.
			Gross.	<i>Ex</i> Interest.	<i>Ex</i> Interest and Expenses (net).	
	£		£ s. d.	£ s. d.	£ s. d.	£ s. d.
1884	500,000	1914	100 2 10	98 2 7	97 6 6	4 13 5
1886	500,000	"	...	...	101 15 0†	4 7 10
1887	200,000	"	106 6 8	105 16 8	104 13 3	4 4 1
1888	250,000	1916	109 15 11	109 5 4	108 2 1	4 0 4
1889	50,000	"	110 4 8	109 14 2	108 8 8	3 19 8
1891	130,000	"	108 9 3	107 17 0	106 13 0	4 1 6
1893	20,000	"	106 0 0	104 19 11	103 16 3	4 4 9
Total	1,650,000					

Sinking  
Fund for  
Tramways  
Trust loans.

490. The following particulars relating to the Sinking Fund for the redemption of the Tramways Trust loans have been kindly furnished for this work by Mr. T. Hamilton, Secretary to the Trust.

*Sinking Fund.*—Act No. 765 provides that the company shall pay to the Trust as Sinking Fund  $1\frac{1}{2}$  per cent. for the first ten years, 2 per cent. for the second ten years, and 3 per cent. for the last ten years on the total amount borrowed, these terms to run from the date on which the first loan was floated. The total amount borrowed under this Act and its subsidiary one was £1,200,000, the Sinking Fund on which had to be paid by the company from the 1st July, 1884. It was calculated that, capitalized at 4 per cent., these contributions would give an excess over the Trust's debt of £129,000. When subsequent Acts were passed, increasing

\* For further particulars relating to the Tramways Trust, see latter part of "Interchange" *post*.  
† Disposed of in Melbourne, in first instance, at a premium of 35s., to two of the banks, who undertook to pay all expenses of floating the loan in London. The loan was duly floated there on the 4th February, 1886, and realized as high an average price as £107 16s. 8d., or about £107 *ex* accrued interest.

the Trust's borrowing powers by £300,000 and £150,000 respectively, it was agreed that the liability to pay the Sinking Fund on the new loans should not commence until the 1st July, 1889, and the 1st July, 1890, respectively. It was also provided that these percentages should cease to be paid by the company if at any time before the end of the extended lease (1st July, 1916) the amounts so contributed should be sufficient to repay the loan with all expenses; and that the company should, on the other hand, be liable for any deficiency. Power was also given to the Trust to invest the Sinking Fund contributions in first mortgages of freehold land in Victoria, instead of restricting them to municipal and Government debentures and bank deposits. The total amount to the credit of the Sinking Fund on the 2nd July, 1898, was £420,441, of which £19,541 was invested in bank deposit receipts, and the balance in Victorian municipal and Board of Works debentures.

491. The Metropolitan and Country Fire Brigade Boards,\* which are separate corporate bodies, whose members are elected by the Government, the Municipalities, the Insurance Companies, and, in the case of the Country Board, by the Brigades, had each authority by the original Act to borrow £100,000, for the purpose of taking over the entire control of the appliances for extinguishing fires and for the protection of life and property in each district, and for the erection of central fire stations, in equipping them with the best and most modern appliances, and other cognate purposes. About the end of 1893, however, the Metropolitan Board was authorized to borrow a further sum of £30,000, being equivalent to and a first charge upon a fixed deposit in one of the reconstructed banks which suspended payment during the financial crisis. Up to the 31st December, 1898, however, only the Metropolitan Board exercised this right by issuing in London in February, 1892, 4½ per cent. debentures for £100,000; and 5 per cent. debentures for £30,000 in Melbourne in December, 1893. The former had a currency of 30 years, at the end of which period the amount is redeemable by a Sinking Fund, into which 2 per cent. of the amount borrowed must be paid annually, invested in Victorian Government debentures or the Board's own debentures; the gross price realized averaged £103 per £100, but after allowing £1 10s. per £100 for accrued interest, and £3 5s. 5d. for expenses of the floating, the net price was only £98 4s. 7d., which was equivalent to a *par* loan at the rate of £4 12s. 2d. per £100. The latter had a currency of nearly twelve years, and realized £100 8s. 7d. gross, or £99 11s. 8d. net per £100 debenture, equivalent to an effective rate of interest of £5 1s. 2d. per £100. The amount at the credit of the Sinking Fund on 1st October, 1898—invested in 3 per cent. Government stock—was £15,970.

Loans of  
Fire  
Brigade  
Boards.

492. Adding the borrowings of the municipalities and of other corporations to those of the Government, not counting redemption loans, it appears that the colony borrowed in London during the fourteen years ended with 1893, over 32 millions for public purposes, viz., about 25¼ millions by the Government, 1¾ millions by municipalities, and 4¾ millions by other corporations. The era of heavy and continuous borrowings commenced in 1883, with nearly 4½ millions, and came to an end in 1893, when only £20,000 fresh capital was raised; once between the former year and 1892 did the amount borrowed fall below

Government  
and Cor-  
poration  
loans, 1830  
to 1898.

\* For revenue and expenditure see paragraph 373 *ante*.

1 or even 2 millions, whilst the largest amount borrowed was over 4½ millions in 1890. No borrowings in London have taken place since 1893 up to the end of 1898. The following are the figures:—

GOVERNMENT AND CORPORATION LOANS RAISED IN LONDON,  
1880 TO 1898.

Year.	Loans raised by—			Total.
	Government.*	Municipalities.	Other Corporations.†	
	£	£	£	£
1880 ...	2,000,000	...	...	2,000,000
1881 ...	...	...	...	Nil
1882 ...	...	...	...	Nil
1883 ...	4,000,000	200,000	250,000	4,450,000
1884 ...	1,363,400	...	750,000	2,113,400
1885 ...	819,380	80,000	...	899,380
1886 ...	1,500,000	250,000	750,000	2,500,000
1887 ...	3,000,000	168,000	200,000	3,368,000
1888 ...	1,500,000	120,000	500,000	2,120,000
1889 ...	3,000,000	167,700	550,000	3,717,700
1890 ...	4,000,000	555,000	...	4,555,000
1891 ...	2,150,000	85,000	630,000	2,865,000
1892 ...	2,000,000	250,000	1,240,000	3,470,000
1893 ...	...	...	20,000	20,000
Total ...	25,332,780	1,875,700	4,890,000	32,098,480

NOTE.—No loans were floated in the years 1894 to 1898.

General and  
municipal  
debt.

493. If the debts (exclusive of those portions owing to the Government) of the Municipalities, the Harbor Trust, the Metropolitan Board of Works, and the Fire Brigades Boards be added to the Government debt, viz., £47,058,088, it will appear that the total gross public liability of the colony was £56,633,582,‡ or a proportion of £48 8s. 7d. per head of population, on the 30th June, 1898. Of this amount, over 49 millions were borrowed in London, and 7 millions in Victoria. The following is a summary of the amounts outstanding:—

PUBLIC, MUNICIPAL, AND CORPORATION DEBTS OF VICTORIA,  
30TH JUNE. 1898.§

Borrowed by—	Principal repayable in—		Total.
	London.	Melbourne.	
	£	£	£
Government ...	44,064,000	2,994,088	47,058,088
Municipalities ...	1,875,700	1,676,214	3,551,914
Harbor Trust ...	2,000,000	...	2,000,000
Board of Works ...	1,140,000	2,753,580	3,893,580
Fire Brigades Boards ...	100,000	30,000	130,000
Total ‡ ...	49,179,700	7,453,882	56,633,582

\* Exclusive of loans set apart to pay off loans falling due in London.

† Viz., Harbor and Tramways Trusts, Metropolitan Board of Works, and Fire Brigades Board. See paragraphs 486 to 491 *ante*.

‡ Exclusive of the Tramways Debt (£1,650,000), which, although borrowed on the security of municipal property, is repayable by the Melbourne Tramway and Omnibus Company. The interest on this debt is £74,250 per annum.

§ In the case of municipalities, the information is brought down only to 30th September, 1897.



494. The following is a summary of the annual interest payable by the Government and Municipal and other public bodies on the debts existing on the 31st December, 1898, distinguishing the amounts payable in London and Melbourne respectively:—

Interest on Government and other public loans.

ANNUAL INTEREST ON VICTORIAN PUBLIC LOANS, 30TH JUNE, 1898.\*

Loans raised by—	Interest on Debt payable in—		Total Annual Interest.
	London.	Melbourne.	
	£	£	£
Government ... ..	1,727,560	97,291	1,824,851
Municipalities ... ..	88,367	78,557	166,924
Harbor Trust ... ..	86,250	...	86,250
Board of Works ... ..	45,600	111,411	157,011
Fire Brigades Boards ...	4,500	1,500	6,000
<b>Total† ... ..</b>	<b>1,952,277</b>	<b>288,759</b>	<b>2,241,036</b>

495. The loans raised and outstanding in 1897 of the principal local bodies in Australasia amounted to nearly 24 millions, of which nearly 4½ millions was lent by the general Governments. Over 11 millions of the whole was borrowed by the municipalities, 5¾ millions by Harbor, &c., Boards or Trusts chiefly in Victoria and New Zealand, and nearly 7 millions by Water Supply and Sewerage Boards. Of the total amount, the chief local bodies of Victoria raised 12¼ millions, those of New Zealand 7½ millions, those of New South Wales 2¾ millions, and those of Tasmania over half-a-million. The following are the amounts outstanding in each colony, distinguishing loans from Government from those raised independently, so far as available. The information for South Australia is not available:—

Loans of local bodies in Australasia, 1897.

LOANS OF CHIEF LOCAL BODIES OR CORPORATIONS OUTSTANDING IN AUSTRALASIAN COLONIES IN 1897.

Name of Colony.	Municipalities.		Harbor and River Trusts or Boards.	City Boards of Water Supply and Sewerage.		Total.	
	Government Loans.	Other Loans.		Government Loans.	Other Loans.	Government Loans.	Other Loans.
	£	£	£	£	£	£	£
Victoria ... ..	447,203	3,551,914	2,000,000	2,359,157	3,893,580	2,806,360	9,445,494
New South Wales ..	..	2,651,910†	..	..	..	..	†2,651,910
Queensland ..	426,542	..	..	478,301	..	904,843	..
Tasmania ..	36,700	457,552	44,500	..	..	36,700	502,052
New Zealand ..	710,359	2,835,532	3,742,666†	..	200,000	710,359	†6,778,198
<b>Grand Total ..</b>	<b>1,620,804</b>	<b>9,496,908</b>	<b>5,787,166</b>	<b>2,837,458</b>	<b>4,093,580</b>	<b>4,458,262</b>	<b>19,377,654</b>

NOTE.—No information was available respecting the municipal loans of South Australia. In Victoria there was also a debt of £130,000 due by the Fire Brigades Board; £1,650,000 by the Melbourne Tramways Trust, which, however, has to be repaid by the Tramway Company; in Queensland, £314,549 due to the Government by Waterworks Boards; and in New Zealand, £15,200 (exclusive of Government loans) owing by the Land Drainage District Boards, &c.

\* In the case of municipalities, the information is brought down only to the 30th September, 1897.

† See footnote (†) preceding page.

‡ Including Government loans (if any).

Sinking  
Funds of  
local  
bodies in  
Austral-  
asian  
Colonies.

496. As against the loans just enumerated, there were Sinking Funds as follow :—

SINKING FUNDS OF LOCAL BODIES IN AUSTRALASIAN COLONIES,  
1897.

Colony.				Municipalities.	Harbor, &c., Trusts.
				£	£
Victoria	...	...	...	569,728	...
New South Wales	...	...	...	234,460	...
Tasmania	...	...	...	41,751	1,638
New Zealand	..	...	...	291,072	235,611
Total				1,137,011	237,249

Trust Funds,  
1893 and  
1898.

497. At the end of June, 1898, there was a total balance of £5,169,000 to the credit of the various trust funds, as against a credit balance of £4,436,000 at the end of the year 1892-3, the principal increases being about £280,000 and £196,000 under the heads of the Municipal Investments' Accounts and Savings Banks respectively; whilst subsidiary increases, varying from £53,000 to £37,000, occurred in the newly-created Railway Suspense Account, the Licensing Act Fund, the Railway Accident Fund, and the Assurance Fund. On the 30th September, 1897, the Post Office Savings Banks were under section 18 of Act No. 1481 transferred to the Commissioners of Savings Banks, together with the amount at the credit of the former, amounting to £3,117,310. This amount, together with £478,108 deposited with the Treasurer in accordance with section 37 of the *Savings Bank Act* 1890, makes up the total of £3,595,418 shown in the table as being at the credit of the Commissioners of Savings Banks Funds on the 30th June, 1898. The following are the particulars of the various funds at each of these periods :—

TRUST FUNDS, 1893 AND 1898.

Accounts.	Credit Balance on the 30th June.		Increase.	Decrease.
	1893.	1898.		
	£	£	£	£
Assurance Fund*	109,734	146,717	36,983	...
Suitors' Fund	24,630	9,160	...	15,470
Police Superannuation Fund	73,350	71,079	...	2,271
Port Phillip Pilot Sick and Superannuation Fund	5,027	27,259	22,232	...
Intestate Estates	106,945	92,488	...	14,457
Master-in-Lunacy—Investment Account	15,704	18,745	3,041	...
Lunacy Trust	4,678	...	...	4,678
Municipal Investments' Account	275,702	555,611	279,909	...

\* It should be pointed out that the balance at the credit of this fund has been reduced by an advance of £75,073 towards the purchase of land adjoining the Titles Office (under Act 49 Vict. No. 835), on which amount the Assurance Fund receives 4 per cent. per annum from the general revenue.

## TRUST FUNDS, 1893 AND 1898—continued.

Accounts.	Credit Balance on the 30th June.		Increase.	Decrease.
	1893.	1898.		
Municipal Contributions for Prince's-bridge	£ 3,757	£ 7,245	£ 3,488	...
Waterworks Trust Sinking Fund	3,324	15,729	12,405	...
Railway Accident Fund ...	15,254	54,758	39,504	...
Trustees, Executors, and Agency Companies, and Assurance Companies*	90,000	90,000	...	...
Defences— <i>Discipline Act</i> 1883— Ammunition and Deferred Pay Fund, &c.	4,250	6,167	1,917	...
Post Office Savings Banks ...	2,902,265	...	} 196,080	...
Commissioners of Savings Banks†	497,073	3,595,418		
Ocean Mails ... ..	8	2,591	2,583	...
Insolvency (unclaimed dividends)	5,322	7,408	2,086	...
Customs Goods Overtime ...	786	520	...	266
Mallee Land Account ... ..	...	25,689	25,689	...
Municipalities Sinking Fund and Redemption Account	59,914	69,844	9,930	...
Railway Stores Suspense Account	...	52,887	52,887	...
Survey Fees Account ... ..	10,963	10,588	...	375
Security Account ... ..	1,487	3,065	1,578	...
<i>Licensing Act</i> 1885 ... ..	35,354	87,186	51,832	...
Vermin Rate ... ..	906	2,064	1,158	...
Country Tramways ... ..	138,172	137,872	...	300
Public Instruction—Prize Fund	2,000	2,152	152	...
Sundries ... ..	49,390	76,713	27,323	...
Total ‡ ... ..	4,435,995	5,168,955	732,960§	...

498. The trust funds at the end of 1897–8 amounted to nearly £5,170,000, which, although about £170,000 less than at the end of 1896–7, was far larger than in any other previous year. The funds increased steadily from nearly 1½ millions in 1883 to nearly 3 millions in 1892, but in 1893 there was a sudden rise to nearly 4½ millions, owing to the banking crisis, which has been more than maintained in subsequent years. Twenty-eight per cent. of the total in 1897–8 was invested in debentures or inscribed stock, and the balance, with the exception of about a quarter of a million, deposited in banks, was used by the Government chiefly to cover deficiencies in the revenue and in certain suspense accounts, and to provide for payment of interest on

\* This amount represents seven Trustees' and five Assurance Companies.

† In addition to these amounts the Treasurer also held bank deposit receipts and other securities belonging to the Commissioners to the value of £362,650 in 1893, and £1,480,448 (including £1,180,448 in fixed deposit receipts in the name of the Treasurer) in 1898.

‡ Exclusive of the amount of £75,073 referred to in footnote (\*) *supra*.

§ Net increase.

Trust Funds,  
1882 to  
1898.

loans in anticipation of revenue. Thus, of the large amount of nearly £3,477,000 uninvested or not held in cash at the end of 1897-8, £1,918,000 was used to cover the temporary deficiency in the revenue, £866,000 was advanced on account of interest payable in London in 1898-9, £436,500 was advanced to the "Land Sales by Auction Fund," and £69,000 was advanced as loans to municipalities. The following table shows the amounts, and manner of their investment, at the end of each of the last seventeen financial years :—

## TRUST FUNDS, 1882 TO 1898.\*

On the 30th June.	Amount at Credit of Trust Funds.			
	Invested in Debentures or Inscribed Stock.	Deposited in Banks.	Held otherwise.†	Total.
	£	£	£	£
1882 ...	725,045	574,984	281,351	1,581,380
1883 ...	726,186	394,851	332,887	1,453,924
1884 ...	756,980	673,736	84,395	1,515,111
1885 ...	766,095	904,073	7,133	1,677,301
1886 ...	787,439	976,528	43,996	1,807,963‡
1887 ...	732,820	985,178	41,689	1,809,687
1888 ...	829,735	1,315,508	43,486	2,188,729
1889 ...	875,027	945,269	612,709	2,433,005
1890 ...	888,998	1,272,704	411,075	2,572,777
1891 ...	933,274	84,516	1,721,208	2,738,998
1892 ...	985,258	135,082	1,838,715	2,959,055
1893 ...	1,063,325	281,126	3,091,544	4,435,995
1894 ...	1,137,003	250,213	3,110,176	4,497,392
1895 ...	1,286,666	548,792	2,923,543	4,759,001
1896 ...	1,325,618	253,854	3,277,139	4,856,611
1897 ...	1,393,292	451,090	3,498,230	5,342,612
1898 ...	1,451,684	240,012	3,477,259	5,168,955

Trust Funds  
now con-  
trolled by  
Trustees.

499. All the Trust Funds in the hands of the Government are now controlled by trustees, consisting of the Treasurer, the Speaker, and the Committee of Public Accounts. Such funds are divided into two sections, viz., funds belonging to the Commissioners of Savings Banks and the General Trust Funds. The former are regulated by Acts No. 1138 of 1890, and No. 1481 of 1896; and the latter by Act No. 1531 of 1897. In regard to the Savings Banks Funds, it is provided that for the amount—viz., £3,117,310—at the credit of depositors in the late Post Office (Government) Savings Banks, on 30th September, 1897—the date of transfer to the Commissioners—Treasury Bonds§ for

\* For earlier years, as far back as 1870, see issue of this work for 1892, Vol. I., table following paragraph 470.

† In agent's hands, London; owing by other Governments; advanced on account of Stock Act in anticipation of sales; advanced on account of loans; advanced to "Land Sales by Auction Fund"; "deficiency met," "charges on account finance of succeeding year," &c.

‡ Amount chargeable under advances included in this and subsequent years.

§ Until bonds have been issued, certificates in lieu of bonds were to be issued by the Treasurer. The latter course has been adopted.

an equivalent sum should be delivered to the Trustees to be held on behalf of the Commissioners ; and that such interest is to be paid thereon out of the consolidated revenue as the Commissioners of Audit certify is sufficient to reimburse the interest payable by the Commissioners to depositors. It is also provided, in regard to the other funds of the Commissioners, that any portion thereof may at the discretion of the Commissioners and with the approval of the Governor in Council be—(a) Deposited in Treasury on terms to be arranged between the Treasurer and Commissioners ; (b) lent to Government on security of debentures or Treasury bills ; or (c) deposited in any bank or banks—the deposit receipts being held by the trustees, and dealt with as agreed on by the Treasurer and Commissioners. Parliament may provide sums out of consolidated revenue for paying off the amount of £3,117,310 before referred to or moneys so deposited, and for such payment bonds for an equivalent amount must be delivered by the trustees to the Treasurer ; and at any time on a resolution by the trustees at the written request of the Commissioners, and on certificate of the Commissioners of Audit, the Treasurer shall, with the approval of the Governor in Council, sell bonds for payment to the Commissioners of such moneys. As regards the General Trust Funds, it is provided that all cash held by the Treasurer on account thereof on 30th June, 1898, should be handed over to the trustees, together with Treasury bonds\* to cover the difference between the amount at credit and the cash on hand. As in the case of Savings Bank Funds, the trustees are authorized from time to time as funds are required to cause Treasury bonds to be sold by the Treasurer. It is also provided that—(a) The Treasurer may at any time and within fourteen days after 30th June of each year shall pay over to the trustees any balance of moneys received during the preceding financial year on account of the General Trust Funds ; (b) any surplus of revenue over expenditure shall be applied by Treasurer in reduction of deficiency in Trust Funds until the same is cleared off, after which any surplus may be otherwise applied ; and (c) advances to Treasurer out of Trust Fund may be made for current revenue purposes to the extent of £500,000 to be repaid during current financial year. Advances may also be made for the purposes of the Trust Fund.

500. All fees received from the licensing of persons authorized to sell spirituous liquors in Victoria are paid into a fund called "The Licensing Act Fund," which, after the payment of a certain proportion

Licensing  
Act Fund.

\* Until bonds have been issued, certificates in lieu of bonds were to be issued by the Treasurer. The latter course has been adopted.

fixed by the Act to municipalities and termed the "equivalent," is charged with the general cost of carrying out the provisions of the Act. In 1897-8 there was a credit balance of £81,026 brought forward from the previous year; the receipts during the year amounted to £104,367, and the expenditure to £98,207, and the balance carried forward to the next year was £87,186. The receipts consisted of £101,776 from licences and £2,591 from fines. The expenditure was made up of £92,241 "equivalent" paid to municipalities, £668 for travelling expenses of members of Licensing Courts, £2,606 to police acting as inspectors, £2,467 for incidental expenses, and £225 for cost of taking poll of electors.

501. The balance at the credit of the Public Account on the 30th June, 1898, was £4,273,522; but, as over £1,917,518 was required to cover the deficit in the revenue, and as various sums had been advanced in anticipation of the next year's appropriations, including interest, &c., due 1st July and 1st October, remitted to England (£865,752), also advances to be recouped from "Land Sales by Auction Fund," the actual cash balance in hand (in Melbourne) became reduced to £839,670. The balance was distributed over the three principal accounts as follow:—

PUBLIC ACCOUNT BALANCES, 30TH JUNE, 1898.

Consolidated Revenue on account of 1898-9	...	...	£32,771
Trust Funds uninvested	...	...	3,641,093
Loan Account ...	...	...	599,658
			<hr/>
Credit Balance	...	...	£4,273,522
Less—Deficit Consolidated Revenue, 1897-8	...	£1,917,518*	
Advanced in anticipation of Supplementary Estimates	...	...	121,163
Advanced to Land Sales by Auction Fund	...	...	436,477
Advances, to be recouped from future revenue, &c.	...	...	922,276
Due by other Governments	...	...	29,713
Contribution Ocean Mail Service	...	...	6,029
Other	...	...	676
			<hr/>
Cash Balance	...	...	£839,670
			<hr/>

502. In the Australasian Colonies the trust funds in the hands of the Governments in 1898 amounted to close on 19½ millions sterling, of which three-fourths consisted of Savings Banks deposits, but little more than half the amount was permanently invested in Government securities. Of the total amount, about 8½ millions were held in New South Wales, and over 5 millions in Victoria. About three-fifths of the funds in New South Wales and Queensland, and about five-ninths in Western Australia, but only 29 per cent. in Victoria, were

\* Subsequently increased by payments during July and August to £2,194,356.

Balance at credit of Public Account.

Trust Funds in Australasian Colonies.



permanently invested. The following are the particulars for the various colonies :—

GOVERNMENT TRUST FUNDS IN THE AUSTRALASIAN COLONIES  
ON THE 30TH JUNE, 1898.

Colony.	Balances at Credit of—		Total Amount.	How invested—	
	Savings Banks Departments.	Other Funds.*		In Government Securities.	Deposited in Banks, Temporary Advances. &c.
	£	£	£	£	£
Victoria ... ..	3,595,418	1,573,537	5,168,955	1,521,477	3,647,478
New South Wales ... ..	6,894,697	1,571,121	8,465,818	5,072,921	3,392,897
Queensland ... ..	2,848,502	87,507	2,936,009	1,824,125	1,111,884
South Australia ... ..	...	311,581	311,581	...	311,581
Western Australia † ... ..	1,072,591	1,161,924	2,234,515	1,263,661	970,854
Tasmania ... ..	156,348	152,827	309,175	288,354	20,821
Total ... ..	14,567,556	4,858,497	19,426,053	9,970,538	9,455,515

503. The retiring allowances paid from the Victorian revenue are of Pensions. two kinds—pensions and superannuation allowances. Of the former, there were in 1897–8 two in all, embracing allowances to one former Minister released from office on political grounds, and to the widow of a former Governor of Victoria. The total amount included in these pensions was £2,000.

504. The persons entitled under Acts of Parliament to super- Super- annuation allowances in the same year numbered 2,431, and consisted of five former judges of County Courts, a late Clerk of Parliaments, five late officers of Parliament, a late Commissioner of Audit, three ex-members of the Public Service Board, 1,570 ex-officers of the Public Service, 47 ex-officers of the Lunacy Department, 772 ex-officers of the Railway Department, two ex-Commissioners of Railways, and 25 ex-officers of the Defence Forces. The aggregate amount of the allowances to these persons was £261,655, or an average of £107 12s. 8d. to each recipient.

505. Taken together, the pensions and superannuation allowances Pensions, &c., under Acts, 1896 and 1897. numbered 2,433, or 40 more than in the previous year, and the sum paid amounted to £263,655, or £785 less than in that year. The average to each recipient was £108 7s. 4d., or £2 2s. 9d. less than in 1896–7.

506. The different authorities under which pensions and super- Pensions, &c., 1897-8. annuation allowances are legalized, and the individuals to whom they were awarded, also the number on the list, and the gross and average amount of the pensions and superannuation allowances—not subject

\* The principal of which were as follow :—Victoria—Municipalities' Sinking Fund Investment Account, £555,611; The Country Tramways Act Account, £137,872. New South Wales—Civil Service Superannuation Account, £386,912; Master-in-Equity, £332,794. Western Australia—Sinking Fund, £205,637; Outstanding Claims not yet paid, £486 676.

† On 30th September.

to annual votes—paid during 1897-8, will be found in the following table:—

PENSIONS AND SUPERANNUATION ALLOWANCES,\* 1897-8.

Authority under which legalized.	Description of the Recipients.	Number of Persons on the List.	Amount paid.			
			Total.	Average to each Recipient.		
			£	£	s.	d.
PENSIONS.						
18 & 19 Vict. cap. 55 (Constitution Act, Schedule D)	Former Ministers of the Crown	1	1,000	1,000	0	0
33 Vict No. 362 ...	Widow of a former Go- vernour of Victoria	1	1,000	1,000	0	0
SUPERANNUATION ALLOWANCES						
18 & 19 Vict. cap. 55	Clerk of Parliaments	1	500	500	0	0
54 Vict. No. 1078 (County Court Act)	County Court Judges	5	3,875	775	0	0
54 Vict. No. 1066 ...	Commissioners of Audit	1	667	667	0	0
25 Vict. No. 160 (Civil Service Act)	Officers in the Public Service	587	101,456	172	16	9
54 Vict. No. 1133 (Pub- lic Service Act)	Ditto ... ..	983	91,655	93	4	10
54 Vict. No. 1113 (Lu- nacy Act)	Officers in the Lunacy Department	47	2,884	61	7	3
54 Vict. No. 1135 (Vic- torian Railways Act)	Officers in the Railway Department	772	54,789	70	19	5
58 Vict. No. 1377 } 60 Vict. No. 1474 }	Railway Commis- sioners	2	1,178	589	0	0
54 Vict. No. 1083 (Dis- cipline Act)	Officers of the Defence Force	25	1,854	74	3	2
54 Vict. No. 1075 ...	Officers of Parliament	5	1,147	229	8	0
57 Vict. No. 1324 ...	Members of Public Service Board	3	1,650	550	0	0
Total ... ..		2,433	263,655	108	7	4

Police pensions and gratuities.

507. Superannuation allowances to the police are not included in the foregoing statement, as they are paid under the Police Regulation Act (54 Vict. No. 1127) out of a fund called the Police Superannuation Fund, which is maintained by an annual income of £2,100 (recently reduced from £2,800) arising from the investment of £70,000 in Government stock; by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions under various Statutes (£4,243 in 1897-8); and, if necessary, by a deduction not exceeding 2½ per cent. from the pay of the members of the force, and a further grant in aid from the consolidated revenue. In all cases of a police superannuation allowance being granted, the option is given to the retiring member to commute it for a gratuity equal to one month's pay for each year of service. The number of recipients of police retiring allowances in 1897-8 was 339,† on which the annual amount payable was £40,341, or an average of

\* Not including £2,000 paid to the Police Superannuation Fund and allowances voted annually, for which see paragraph 508 *post*.

† Of these eight lapsed during the year, so that the number at the end of the year was 331.

£119 to each recipient. It should be mentioned, however, that the actual amount paid in 1897-8 was only £38,787, in consequence of several pensions being current for only a portion of the year. In addition, gratuities in lieu of retiring allowances were paid in 17 instances, amounting in the aggregate to £6,377, or an average of £375 to each recipient.

508. In the year 1897-8, for the twenty-first time, a deduction was made from the pay of the police for the purpose of enabling the superannuation fund to meet the demands made thereon. The deduction was at the rate of  $2\frac{1}{2}$  per cent., or the full amount allowed by law, and realized £5,477. Even with this addition, however, the ordinary receipts have proved insufficient, and the large balance which existed in the earlier years of the fund's existence having gradually become exhausted, it became necessary for Parliament to vote in aid of the fund a sum amounting in the sixteen years ended with 1895-6 to £194,300; also £24,000 in 1896-7, and £27,500 in 1897-8. The balance to the credit of the fund at the beginning of 1897-8 was £4,923, but at the end of the year this was reduced to £1,079.

Deduction  
from pay of  
police, and  
votes in aid.

509. In order to help in reducing the number of officers in the Government service, an Act was specially passed on the 3rd November, 1893, to allow of the retirement of officers of not less than 25 years' service and who had attained the age of 50 years; but its operation was restricted to a period of twelve months. The number of officers who availed themselves of the provisions of this Act numbered 263, of whom 65 had been in the Railway Department, 115 in the Education Department, and 83 in other branches of the Public Service; whilst the pensions outstanding on 30th June, 1898, numbered 2,263, of whom 735 had been in the Railway Department, 768 in the Education Department, and 760 in other branches of the Public Service. The total amount payable on account of those pensions on 30th June, 1898, was £247,229.

Special  
retiring  
allowances  
to officers  
under 60.

510. Except in cases of infirmity of mind and body, the minimum age at which retiring allowances are granted to members of the civil service is 60 years, and to members of the police force 55 years. Of the existing retiring allowances, 30 per cent. of those granted to public servants,\* and 22 per cent. of those granted to the police, were awarded in consequence of infirmity or disablement before the full age had been attained.

Retiring  
allowances  
granted for  
infirmity.

511. Besides the superannuation allowances and pensions for which amounts are specially appropriated, certain allowances are voted by Parliament each year to retired public servants who, prior to the passing of *The Public Service Act* 1883, were attached to the unclassified branches of the service, and consequently were not comprehended in any of the several Statutes under which retiring allowances are legalized; in addition to which there was voted a grant in aid of the Police Superannuation Fund and pension to the widow of a constable who was shot by a gang of outlaws. The number of retiring allowances voted in 1897-8, the gross amount paid, and the average to each

Allowances  
voted by  
Parliament.

\* Including pensions granted under the Civil Service and Public Service Acts, which, of course, include the Railway Department.

recipient, also the departments in which the several recipients served, will be found in the following table :—

**SUPERANNUATION ALLOWANCES AND PENSIONS VOTED BY  
PARLIAMENT, 1897-8.**

Department.	Number of Recipients.	Allowances voted.			
		Total Amount paid.	Average to each Recipient.		
		£	£	s.	d.
<b>SUPERANNUATION ALLOWANCES.</b>					
Chief Secretary* ... ..	8	402	50	5	0
Minister of Public Instruction ...	51	3,182	62	7	10
Treasurer ... ..	1	79	79	0	0
Minister of Defence ... ..	1	60	60	0	0
Commissioner of Public Works ...	4	534	133	10	0
Commissioner of Trade and Customs ...	3	662	220	13	4
Postmaster-General ... ..	9	325	36	2	3
Commissioner of Railways ... ..	108	6,517	60	6	10
<b>PENSIONS.</b>					
Widow of Constable shot by the Kelly gang of outlaws	1	49	49	0	0
Total ... ..	186	11,810	63	9	11

512. The following is a summary of the pensions, superannuation allowances, compensations, and gratuities paid out of the general revenue during the year 1897-8, distinguishing payments from special appropriations from those from annual votes or other sources. The total charge in 1897-8 was nearly £335,900, which was about £2,700 more than in 1896-7, but £7,000 less than in 1895-6, and £13,600 less than in 1894-5 :—

**PENSIONS, RETIRING ALLOWANCES, COMPENSATIONS, AND GRATUITIES PAID, 1897-8.**

Pensions, Compensations, &c.	Annual Allowances.	Compensations and Gratuities.	Total.
	£	£	£
<i>Under Special Appropriations—</i>			
Persons retired or released from office on political grounds†	2,000	3,010‡	5,010
County Court Judges ... ..	3,875	...	3,875
Commissioner of Audit, Clerk and Officers of Parliament, and members of Public Service Board	3,964	...	3,964
Public Service (inclusive of Teachers)§ ...	195,994	4,764	200,758
Railway Department ... ..	55,968	9,459	65,427
Officers of Defence Force ... ..	1,854	...	1,854
Total ... ..	263,655	17,233	280,888

\* Four of these pensions, amounting to £114, were granted to ex-constables of police for injuries received in execution of duty, in addition to amounts paid out of Police Superannuation Fund.

† Including Lady Darling's annuity of £1,000.

‡ Sum set aside to provide an annuity for the Honorable Sir Graham Berry, formerly Premier of Victoria.

§ Including allowances to officers under the Civil Service and Public Service Acts, and the Lunacy Statute.

PENSIONS, ETC., 1897-8—*continued.*

Pensions, Compensations, &c.	Annual Allowances.	Compensations and Gratuities.	Total.
<i>Under Annual Votes—</i>	£	£	£
Public Service (inclusive of Teachers) ...	5,233	1,641	6,874
Railway Department ...	6,517	11,758	18,275
Officers of Defence Force ...	60	300	360
Total ...	11,810	13,699	25,509
Total, exclusive of Police Pensions ...	275,465	30,932	306,397
<i>To the Police—</i>			
Endowment and amount voted, £29,500* } From Police Superannuation Fund, £15,664 }	38,787	6,377	45,164
Grand Total ...	314,252	37,309	351,561
Less amount derived from Police Superannuation Fund	9,287	6,377	15,664
Amount paid by State, 1897-8 † ...	304,965	30,932	335,897
„ „ 1896-7 ...	302,481	30,743	333,224
„ „ 1895-6 ...	306,161	36,723	342,884
„ „ 1894-5 ...	283,441	66,066	349,507

513. The Port Phillip Pilot Sick and Superannuation Fund was originally under the control of the Pilot Board, but under the Marine Board Act (54 Vict. No. 1165) it was handed over to the Treasurer of the colony on the 26th April, 1889. The amount at its credit at the commencement of the year 1897-8 was £45,017, consisting of £42,400 in securities and £2,617 in cash. The receipts during the financial year amounted to £2,182, of which £647 was deducted from the pay of pilots and £1,535 was received as interest on moneys invested; whilst the expenditure amounted to £1,840, all for pensions. The number of pensions on the list at the end of the year was 28, and the annual amount payable was £1,865. The balance at the credit of the fund on 30th June, 1898, was £45,359. These pensions are not included in the foregoing tables. Pilots' pensions.

514. Since the passing of the Pensions Abolition Act (45 Vict. No. 710), viz., on the 24th December, 1881, no persons entering the Public Service, except Judges of the Supreme and County Courts and officers and members of the police force, are entitled to a retiring allowance or gratuity of any kind whatever. Abolition of retiring allowances.

\* These figures represent the amount paid from the general revenue, which consists of the usual endowment of £2,000, and an additional grant of £27,500 voted by Parliament.

† See table following paragraph 227 *ante*.