

PART II.—FINANCE.

Public
finance
accounts.

218. There are in most countries two bodies which have the power of levying taxes for certain defined objects, viz., the Central or General Government, and the Municipal or Local Government; therefore, in dealing with questions affecting the total amounts raised and expended, it is desirable that the accounts of both these bodies should be taken into consideration. It has been too often the custom, in making statements respecting the finances of a country, to take no account of municipal revenue, taxation, and expenditure. It will, however, be at once obvious that these elements cannot be ignored except at the expense of accuracy. Taxation for local purposes forms part of the burdens of a people just as much as that for general services; and in some countries certain functions are performed by the one government which in other countries are performed by the other. It should further be pointed out that, in comparing the amounts raised in the same country in different years, allowance should be made for changes arising from transfer of portion of the revenue of the General Government to Local Bodies, and *vice versa*; also for the abandonment of revenue for special public purposes which it is considered desirable to carry on by means of trusts, &c., and of the resumption of such revenue, should these be abolished. Of trusts in operation by which revenue has been affected, there is only one in Victoria, viz., the Melbourne Harbour Trust, which is treated in this work as a local body.

Government
finance
account,
1886-7.

219. On reference to the accounts of the General Government, with which it is proposed to deal first, it is found that during the year ended 30th June, 1887, not only did the receipts exceed the expenditure by about £172,600, but a credit balance of £431,500 having been brought forward from the previous year, the credit balance to be carried forward to 1887-8 was increased to £604,100; thus:—

FINANCE ACCOUNT, 1886-7.*

						£	s.	d.
Receipts	...	...	...	...	...	6,733,825	10	1
Expenditure	...	...	...	...	...	6,561,250	13	11
Receipts in excess of expenditure				...	...	172,574	16	2
Credit balance from 1885-6	...	...	...	...	...	431,559	14	7
Credit balance carried forward to 1887-8				...	...	604,134	10	9

* According to a statement distributed to Members of the Legislative Assembly in July 1888, by the Honorable the Treasurer, the revenue of 1887-8 was £7,607,754 and the expenditure was £7,345,650—the former thus exceeding the latter by £262,104, which amount being added to the balance at the beginning of the financial year gives a credit balance of £866,238 to be carried forward. The estimated mean population of the same twelve months was about £1,037,600; so that the revenue per head was £7 6s. 8d., and the expenditure per head £7 1s. 7d. It was understood that the figures in the statement referred to were not final. Further details are given in an Appendix published at the end of the last volume.

220. It is thus shown that during the financial year under review there was a surplus of revenue amounting to £172,575, which being added to a credit balance of £431,560 brought forward from 1885-6 a total is arrived at of £604,135 to be carried forward to 1887-8. This is, with one exception, the largest credit balance ever remaining in Victoria at the end of any financial year.

221. In the following table the receipts and expenditure, exclusive of advances recouped and to be recouped, are given for each of the thirteen financial years ended with 1886-7; 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,
1874-5 TO 1886-7.**

Year.	Excluding Advances Recouped and to be Recouped.*			
	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	Balances carried forward. Credit (+). Debit (-).
	£	£	£	£
1874-5	4,169,700	4,296,649	- 126,949	+120,155
1875-6	4,325,156	4,394,066	- 68,910	+51,245
1876-7	4,513,738	4,336,139	+177,599	+228,844
1877-8	4,485,412	4,536,062	- 50,650	+178,194
1878-9	4,520,277	4,809,724	- 289,447	- 111,253
1879-80	4,600,627	4,803,790	- 203,163	- 314,416
1880-81	5,115,041	5,100,225	+14,816	- 299,600
1881-2	5,589,972	5,145,764	+444,208	+144,608
1882-3	5,602,066	5,651,885	- 49,819	+94,789
1883-4	5,934,578	5,665,293	+269,285	+364,074
1884-5	6,290,361	6,125,741	+164,620	+528,694
1885-6	6,416,406	6,513,540	- 97,134	+431,560
1886-7	6,733,826	6,561,251	+172,575	+604,135

222. As the amounts of revenue and expenditure as given in this table are exclusive of recoups and advances to be recouped, the figures will not agree with those in the first folding sheet† published at the beginning of the last volume, in which the gross amounts are given. The following, according to the folding sheet, are the amounts of surplus or deficiency in each year, and the balances carried forward from year to year from 1856 to 1886-7:—

* For particulars of advances and recoups, see tables following paragraphs 238 and 242 *post*. See also footnote (**) to table following paragraph 233 *post*.

† The figures in the first folding sheet agree with those in the Treasurer's Finance Statements, except as regards the sum of £500,000 raised in 1880-81 by means of Treasury bonds for the temporary relief of the revenue, and the amounts paid for the redemption of these bonds, viz., £471,900 in 1881-2, £18,000 in 1882-3, and £10,100 in 1883-4. These amounts are included in the figures of revenue or expenditure (as the case may be) given in the Finance Statements, but not in those given in the folding sheet.

**GROSS SURPLUS OR DEFICIENCY OF REVENUE, AND BALANCES,
1856 TO 1886-7.**

Year.	Including Advances Recouped and to be Recouped.*	
	Surplus (+). Deficiency (-).	Balances carried forward. Credit (+). Debit (-).
	£	£
1856	+303,662	+249,994
1857	+359,645	+609,639
1858	-119,337	+490,302
1859	-132,842	+357,460
1860	-232,846	+124,614
1861	-139,920	-15,306
1862	+229,582	+214,276
1863	-108,251	+106,025
1864	+26,435	+132,460
1865	+93,108	+225,568
1866	-142,865	+82,703
1867	-25,501	+57,202
1868	+41,432	+98,634
1869	+157,819	+256,453
1870	-166,499	+89,954
1871 (six months)	-62,984	+26,970
1871-2	+74,888	+101,858
1872-3	+139,182	+241,040
1873-4	-70,548	+170,492
1874-5	-81,698	+88,794
1875-6	-247,688	-158,894
1876-7	+365,781	+206,887
1877-8	-129,936	+76,951
1878-9	-211,859	-134,908
1879-80	-253,747	-388,655
1880-81	+77,369	-311,286
1881-2	+446,598	+135,312
1882-3	-40,632	+94,680
1883-4	+219,394	+314,074
1884-5	+150,005	+464,079
1885-6	-32,519	+431,560
1886-7	+172,575	+604,135

Years of highest and lowest surplus and deficiency, &c.

223. It will be noticed that there was a surplus of revenue in fifteen and a deficiency of revenue in sixteen of the years named; a deficiency also in the six months ended with June, 1871. On the whole, the deficiencies were smaller than the surpluses, as the balance carried forward at the end of the last year exceeded that at the end of the first year of the period by £354,141. The largest surplus of revenue was in 1881-2, but the largest credit balance carried forward was at the end of 1857, next to which was the amount carried forward at the end of 1886-7. The largest deficiency of revenue was in 1879-80, that being also the year at the end of which the largest debit balance was carried forward.

* See footnote to last table.

224. In the early part of 1886-7 (about the 20th July, 1886) the rates of duty were increased on certain articles, which, assuming the quantity imported, remained the same as in 1885-6, would have increased the Customs receipts by about £22,200 per annum; on the other hand, the duties on certain other articles were reduced or remitted to such an extent as would have, on the same assumption, reduced receipts from those articles by about £19,300 per annum; the net increase thus amounting to £2,900. As, however, the alteration did not apply to quite the whole of the financial year, and as, moreover, the quantities as a matter of fact did not remain constant, the actual result was a net increase, as compared with the receipts under these heads in the previous year, of £3,700, viz., an increase of £22,400 under articles on which the duties had been raised, less a decrease of £18,700 under those on which it had been reduced or remitted. Again, under the head of "Business licenses," an estimated amount of £15,100* which formerly was payable to the general revenue, is now payable, and was in 1886-7 so paid, into the fund created under the Licensing Act 1885. Moreover, the railways were extended by an average length of 100½ miles, and if £1,000† per mile be allowed for such extension the extra revenue derivable therefrom would be £100,500. There was also an accidental increase of £10,000 in the amount received from duties on estates of deceased persons. Altogether, in consequence of the changes referred to, the receipts of 1886-7, as compared with those of the previous twelve months, show a net increase of £99,100.

Changes in sources of revenue.

225. The total revenue raised in 1886-7 was £252,800 in excess of that in the previous year; but, by making allowances for recoups also for receipts from sources not common to both years, as shown in the last paragraph, the excess is reduced to £218,320, thus:—

Revenue, 1885-6 and 1886-7 compared.

COMPARATIVE REVENUES, 1885-6 AND 1886-7.

	1885-6.	1886-7.
	£	£
Total revenue	6,481,021	6,733,826
Deduct recoups, &c. ‡	64,615	...
Revenue proper	£6,416,406	£6,733,826
Deduct amounts from sources } not common to both years }	... ..	99,100
Comparative amounts	£6,416,406	£6,634,726

* Or £16,450 in a complete period of twelve months.

† See table of "Earnings and Expenses of Railways per mile open," in part "Interchange," published in a later volume.

‡ See table following paragraph 233 *post*.

Revenue,
1886-7 and
previous
years.

226. The revenue of 1886-7 was the largest ever raised in Victoria. It exceeded the revenue of 1885-6, which was the year in which the largest revenue had previously been realized, by over £250,000, as already stated, and exceeded the revenue of 1884-5, which was the year in which the next highest revenue had been raised, by nearly £443,500.* In the eleven years ended with the year under review the revenue increased from £4,500,000 to £6,700,000, or by 49 per cent.

Expenditure
1886-7 and
former
years.

227. The expenditure of 1886-7 was also above that of any previous year, it being larger than in 1885-6—the year in which the next largest expenditure occurred—by nearly £48,000.* Prior to 1853, the annual expenditure never exceeded one million sterling; from 1853 to 1872-3 it was usually nearly up to or slightly over 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 from five to nearly five and three-quarter millions, and from 1884-5 to 1886-7 it ranged from six to over six and a half millions sterling.†

Revenue and
expenditure
per head,
1851 to
1886-7.

228. The revenue and expenditure per head for each year from that of separation from New South Wales to 1886-7 will be found in the following table:—

REVENUE AND EXPENDITURE PER HEAD, 1851 TO 1886-7.‡

Year.	Average Population of each Financial Year.	Revenue per Head.			Expenditure per Head.		
		£	s.	d.	£	s.	d.
1851	...	4	10	5	4	14	8
1852	...	12	5	11	7	7	4
1853	...	16	11	2	16	9	3
1854	...	11	11	0	15	13	1
1855	...	8	1	4	7	14	6
1856	...	7	16	1	7	0	1
1857	...	7	14	8	6	17	11
1858	...	6	2	11	6	7	10
1859	...	6	6	1	6	11	3
1860	...	5	15	5	6	4	2
1861	...	5	9	4	5	14	6
1862	...	5	19	3	5	10	11
1863	...	4	18	6	5	2	5
1864	...	5	0	9	4	19	11
1865	...	5	0	8	4	17	7
1866	...	4	17	11	5	2	5
1867	...	4	19	10	5	0	7
1868	...	4	17	5	4	16	2

* 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) published at the beginning of the last volume.

† In 1887-8, the expenditure exceeded seven and a half millions sterling.

‡ For amounts per head in 1887-8, see footnote to paragraph 219 *ante*.

REVENUE AND EXPENDITURE PER HEAD, 1851 TO 1886-7*—
continued.

Year.	Average Population of each Financial Year.	Revenue per Head.			Expenditure per Head.		
		£	s.	d.	£	s.	d.
1869	687,202	4	18	6	4	13	10
1870	713,195	4	11	5	4	16	2
1871 (six months)†	731,528	2	6	3	2	8	0
1871-2	747,412	4	19	11	4	17	11
1872-3	758,984	4	16	0	4	12	4
1873-4	772,039	5	6	5	5	8	3
1874-5	783,274	5	8	2	5	10	3
1875-6	791,399	5	9	4	5	15	7
1876-7	801,717	5	17	10	5	8	9
1877-8	815,494	5	10	6	5	13	8
1878-9	827,439	5	11	8	5	16	10
1879-80... ..	840,620	5	9	11	5	16	0
1880-81... ..	860,067	6	0	7	5	18	10
1881-2	880,218	6	7	1	5	16	11
1882-3	900,222	6	4	8	6	5	7
1883-4	921,743	6	8	9	6	4	0
1884-5	946,045	6	13	0	6	9	10
1885-6	971,145	6	13	6	6	14	2
1886-7	1,003,100	6	14	3	6	10	10

229. The revenue per head in 1886-7 was larger by 9d., but the expenditure per head was smaller by 3s. 4d., than in the previous year. The former was larger than in any year since 1857, and the latter, although smaller than in 1885-6, was larger than in any other year since 1859. It will be observed that, in proportion to population, both revenue and expenditure declined pretty steadily year by year from 1862 to 1872-3, but ever since the latter a gradual increase has taken place, which, with slight fluctuations, has been maintained up to the present time.

Revenue and expenditure per head in 1886-7 and former years.

230. In the thirty-one and a half years ended with 1886-7 the revenue raised exceeded the Treasurer's estimate on eighteen occasions, or by £3,076,607; and was less than that estimate on fourteen occasions, or by £2,426,619. Deducting the latter from the former, the net amount by which the result exceeded the estimate is found to have been £649,988. The following table shows the revenue estimated and actually raised, also the difference between those amounts, in each of the years:—

Revenue estimated and raised.

* For amounts per head in 1887-8, see footnote to paragraph 219 *ante*.

The financial year was changed in 1871, so as to terminate on the 30th June instead of on the 31st December as formerly.

REVENUE ESTIMATED AND RAISED, 1856 TO 1886-7.*

Year.	Revenue.		
	According to Treasurer's Estimate.	Actually Raised.	More (+) or less (-) than Estimate.†
	£	£	£
1856	2,738,600	2,972,496	+ 233,896
1857	3,005,130	3,328,303	+ 323,173
1858	3,197,900	2,973,382	- 224,518
1859	3,384,000	3,261,104	- 122,896
1860	3,150,000	3,082,461	- 67,539
1861	3,136,000	2,952,101	- 183,899
1862	3,113,105	3,269,079	+ 155,974
1863	2,945,600	2,774,686	- 170,914
1864	2,973,000	2,955,338	- 17,662
1865	3,095,400	3,076,885	- 18,515
1866	3,186,265	3,079,160	- 107,105
1867	3,439,078	3,216,317	- 222,761
1868	2,963,050	3,230,754	+ 267,704
1869	3,241,500	3,383,984	+ 142,484
1870	3,332,200	3,261,883	- 70,317
1871 (six months)	1,664,700	1,691,266	+ 26,566
1871-2	3,538,750	3,734,422	+ 195,672
1872-3	3,611,920	3,644,135	+ 32,215
1873-4	3,883,650	4,106,790	+ 223,140
1874-5	4,259,135	4,169,700	- 89,435
1875-6	4,109,750	4,325,156	+ 215,406
1876-7	4,385,716	4,513,738	+ 128,022
1877-8	4,672,880	4,485,412	- 187,468
1878-9	4,855,666	4,520,277	- 335,389
1879-80... ..	5,208,828	4,600,627	- 608,201
1880-81... ..	5,093,647	5,115,041	+ 21,394
1881-2	5,241,544	5,589,972	+ 348,428
1882-3	5,584,104	5,602,066	+ 17,962
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

NOTE.—Recoups are deducted for all the years since 1873-4, and consequently the figures in many cases differ from those given in previous editions of this work. See end of table following paragraph 238 *post*.

231. The year in which the revenue exceeded the estimate by the largest amount is shown to have been 1881-2, viz., by £348,428, whilst that in which it fell most short of the estimate was 1879-80, viz., by £608,201. In the year under review, the excess over and above the estimate was larger than in the previous year, but not quite so large as in 1884-5.

* The revenue for 1887-8 was estimated at £6,968,706, or about £639,048 below the actual result; the probable revenue for 1888-9 was estimated, in July, 1888, at £7,792,624.

† If certain sums which were not included in the Treasurer's estimate be deducted, the deficiency in 1866 would be increased to £149,250; the excess in 1868 would be reduced to £197,864, and that in 1873-4 to £181,473, whilst the excess in 1871 (6 months) would be changed to a deficit of £7,612.

Years of excessive and defective estimates.

232. 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 amounts voted and expended and the difference, in each of the thirty-one and a half years ended with 1886-7 :—

Expenditure authorized and incurred.

AMOUNTS VOTED AND EXPENDED, 1856 TO 1886-7.*

Year.	Amounts—		Balance Unexpended.
	Voted.	Expended.	
	£	£	£
1856	2,588,086	2,327,919	260,167
1857	2,965,610	2,733,562	232,048
1858	3,343,812	2,764,350	579,462
1859	3,273,642	2,982,664	290,978
1860	3,065,784	2,818,107	247,677
1861	2,771,100	2,535,095	236,005
1862	2,617,664	2,359,280	258,384
1863	2,163,855	2,003,961	159,894
1864	2,153,324	1,968,053	185,271
1865	2,399,936	1,976,587	423,349
1866	2,493,213	2,227,297	265,916
1867	2,316,423	2,190,279	126,144
1868	2,355,307	2,199,504	155,803
1869	2,378,772	2,202,798	175,974
1870	2,338,927	2,086,736	252,191
1871 (six months)	1,077,228	1,004,283	72,945
1871-2	2,175,505	2,064,436	111,069
1872-3	2,405,238	2,074,127	331,111
1873-4	3,045,430	2,751,313	294,117
1874-5	3,197,493	2,848,016	349,477
1875-6	2,903,710	2,753,866	149,844
1876-7	2,993,036	2,812,405	180,631
1877-8	3,276,921	2,973,815	303,106
1878-9	3,418,656	3,183,240	235,416
1879-80... ..	3,594,139	3,446,795	147,344
1880-81... ..	3,765,422	3,621,954	143,468
1881-2	3,740,419	3,571,667	168,752
1882-3	4,538,516	4,228,871	309,645
1883-4	4,507,241	4,193,169	314,072
1884-5	4,683,259	4,437,036	246,223
1885-6	4,990,824	4,696,924	293,900
1886-7	5,055,629	4,770,705	284,924

233. By adding the figures in the last column, it is found that the sum of the unexpended balances in the thirty-one and a half years amounted to over $7\frac{3}{4}$ millions sterling, the exact amount being £7,785,307 or to an average of about £247,100 per annum.

Amount unexpended, 1856-87.

* The amount voted for 1887-8 was £5,635,949, and the approximate expenditure in that year was £5,400,640, leaving an unexpended balance of £235,309. The probable expenditure from votes in 1888-9 was estimated in July, 1888, at £6,513,269.

Heads of
revenue,
1885-6 and
1886-7.

234. The various 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 1886-7, £2,740,000, or 40½ per cent. was derived from taxation; £587,000, or 8½ per cent. from Crown lands; £3,087,000, or 46 per cent. from what may be termed the commercial undertakings of the Government, viz.:—Public Works and Post and Telegraphs, to which the State Railways contributed as much as £2,453,000, or 36½ per cent. of the total revenue; whilst the balance, amounting to £320,000, or about 4¾ per cent. of the whole, was derived from other sources. Of the Land Revenue, amounting to £587,000, by far the greater proportion, or 8¾ 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 country is obviously not a permanent source of income. Portion of this amount is now properly treated as capital, for, on reference to the statement of expenditure, it will be seen that a sum of £67,000 was paid towards the construction of Railways as directed by a recent Act of Parliament,* 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. In 1886-7, however, the amount so paid represented less than one-seventh of the total proceeds from land sales, the great bulk of land alienated being disposed of otherwise than at auction. The following is a statement of the amounts received under various heads† in each of those divisions during the last two financial years, together with the increase or decrease under each head:—

HEADS OF REVENUE, 1885-6 AND 1886-7.

Heads of Revenue.	Amounts Received.		Increase.	Decrease.
	1885-6.	1886-7.		
TAXATION.	£	£	£	£
Customs duties (including also wharfage rates)	2,004,460	2,132,361	127,901	...
Excise	137,709	120,701	...	17,008
Ports and harbours (chiefly tonnage dues)	32,710	34,920	2,210	...
Licences (business)	33,922	18,898	...	15,024
Duties on estates of deceased persons	104,907	114,909	10,002	...
Duties on bank notes	28,769	28,104	...	665

* Land Act 1884 (48 Vict. No. 812), section 78.

† 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.

HEADS OF REVENUE, 1885-6 AND 1886-7—continued.

Heads of Revenue.	Amounts Received.		Increase.	Decrease.
	1885-6.	1886-7.		
TAXATION—continued.				
Stamp duty*	£ 165,313	£ 165,000	£ ...	£ 313
Land tax	126,770	124,742	...	2,028
Total	2,634,560	2,739,635	105,075†	...
LAND REVENUE.				
Land sales (including rents counting towards purchase money)	465,766	504,734	38,968	...
Rents of Crown lands (not counting towards purchase money)	97,658	81,562	...	16,096
Penalties under Land Acts	184	795	611	...
Total	563,608	587,091	23,483†	...
PUBLIC WORKS.				
Railways	2,306,791	2,453,345	146,554	...
Water supply ‡	190,815	215,401	24,586	...
Other public works	3,364	5,062	1,698	...
Total	2,500,970	2,673,808	172,838	...
POST AND TELEGRAPHS.				
Postal receipts, &c.*	300,534	303,762	3,228||	...
Telegraph receipts, &c.	93,650	109,773	16,123	...
Total	394,184	413,535	19,351	...
OTHER SOURCES.				
Mint charges	11,705	11,058	...	647
„ subsidy returned	4,613	1,986	...	2,627
Fees, fines, &c. (inclusive of fee stamps)*	128,523	131,095	2,572||	...
Interest on public account	84,973	93,216	8,243	...
Rents (other than Crown lands)	14,905	5,049	...	9,856
Reimbursements in aid §	49,187	54,033	4,846	...
Miscellaneous receipts	29,178	23,320	...	5,858
Total	323,084	319,757	...	3,327†
Total Revenue Proper	6,416,406	6,733,826	317,420	...
Recoups or assets realized ¶	64,615	...	...	64,615
Grand Total	6,481,021	6,733,826	252,805†	...

NOTE.—For further details of the revenue under each head, see table following paragraph 236 *post*, and for particulars of revenue in 1887-8, see Appendices at the end of the last volume.

* Estimated roughly, as the Postal Authorities are unable to furnish reliable statements in consequence of the stamps hitherto used to denote stamp duty, postage, and fees having been made interchangeable, and only one class of stamps for all purposes being now issued. The telegraph revenue is now also collected by means of stamps; but there are other means of ascertaining this, so the figures may be taken as correct. The "Postal receipts" include commission on money orders and postal notes.

† Net figures.

‡ Including interest on loans to local bodies for waterworks.

§ 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 services 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.

|| Unreliable. See note (†) *ante*.

¶ A recoup is a recovery in after years of moneys advanced in previous years from the revenue. It is included in the revenue in order to balance a similar amount charged to the expenditure of a previous year. Such advances are usually voted by Parliament in anticipation of a loan.

Increased
revenue
1886-7
under
various
heads.

235. Comparing the revenue proper of 1886-7 with that of the previous year, it will be observed that the total increase, amounting to £317,400, was the result of a net increase of £105,000 under the head of Taxation, of £23,500 in the Land Revenue, of £172,800 under Public Works, and an estimated increase of £19,400 under Posts and Telegraphs, less a decrease of £3,300 in the income from "Other sources." The increase in the Land Revenue resulted chiefly from an increase of £39,000 in land sales, as against a falling off of £16,100 in the receipts from rents for temporary occupation. The increase from land sales does not arise from lands sold by auction, but from selected land sold under the system of deferred payments*; whilst the falling-off in the land rents is said to have been occasioned by delay in the issue of pastoral leases under the Land Act 1884, which came into force on the 29th December 1884—the total falling-off since 1884 being over £29,000. In the Public Works division, the largest increase was £146,600 in the revenue from Railways, which, moreover, exceeds by £46,100 the amount which might have been expected (viz., £100,500), from the increased length of lines open for traffic. Notwithstanding the reductions made, on the 1st July, 1885,† in the cost of telegrams to the neighbouring colonies, it is satisfactory to note a further increase in the telegraph revenue in 1886-7 of £16,100, making a total increase since 1883-4, the year before the reductions were made, of £22,800, or 26 per cent. In regard to the Postal receipts, however, although an apparent increase is shown of £3,228, it is possible this may be quite wide of the mark, the data available being, for reasons already explained,‡ quite inadequate to show the progress or otherwise of this important branch of revenue; and the reductions made on the 1st January, 1884, in the rates of postage on newspapers and packets to the neighbouring colonies§ still further increasing the difficulty of forming a correct estimate. The total stamp revenue in 1886-7 was £630,889, but after deducting the amount received on account of telegrams, which is known, there remains a balance of £526,778 for stamp duty, postage, and fees, as compared with £525,313 in 1885-6. Thus the stamp revenue, as a whole, was nearly stationary during the two years, that in 1886-7 showing an increase as compared with that in the previous year of only £1,465, as against an increase of £36,931 in 1885-6, and of £43,372 in 1884-5. It is indeed possible there may have been an actual decrease in the postal receipts, and the increase shown have been due to stamp duty and fees alone; but until some

* See next table.

† See *Victorian Year-Book* for 1884-5, paragraph 1040.

‡ See footnote (f) to last table.

§ See *Victorian Year-Book*, 1883-4, paragraph 774.

plan is adopted for distinguishing the stamp duty, which is taxation, from the postal revenue and fees which are made up of payments for direct services rendered, the actual receipts under each of these heads cannot be known, or even estimated, with any certain degree of accuracy. The increase in the amount raised by taxation will be subsequently referred to.*

236. 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 two years under some of the more important heads, except taxation, which will be dealt with later on,* are summarized below :—

HEADS OF REVENUE DETAILED, 1885-6 AND 1886-7.

Heads of Revenue.	1885-6.	1886-7.
LAND SALES.		
Sales by Auction† ...	£ 89,579	£ 68,980
„ under Deferred Payments—Progress payments...	323,669	378,682
„ „ „ „ Final „ ...	48,143	54,825
„ otherwise ...	4,375	2,247
Total ...	465,766	504,734
RENTS OF CROWN LANDS.		
Pastoral Occupation.—Rents of pastoral and grazing lands ...	} 43,989 {	8,054 ‡
„ „ „ „ Grazing licences ...		20,003
„ „ „ „ Mallee pastoral leases ...		4,541
Auriferous and Mineral Lands (including Miners' Rights) ...	16,735	14,336
Licences and Leases (not agricultural) ...	32,216	34,380
Business licences on gold-fields ...	320	248
Total ...	97,658	81,562
WATER SUPPLY, &c.		
Melbourne (Yan Yean) ...	139,058	155,355
Geelong ...	7,348	8,121
Gold-fields ...	19,346	20,951
Interest on Loans to Municipalities ...	20,094	18,039
„ „ „ „ Water Trusts ...	4,969	12,935
Total ...	190,815	215,401
OTHER PUBLIC WORKS.		
Alfred Graving-dock ...	2,358	2,513
Fifty-ton Crane ...	315	289
Ferry Fares (from Harbour Trust) ...	691	572
Interest on Loans to Municipalities (bridges) ...	...	1,688
Total ...	3,364	5,062

* See paragraph 235 *et seq. post.*

† Including £908 in 1885-6, and £1,950 in 1886-7, for interest on deferred payments. The purchase money of land sold by auction may now be spread over three years with interest at 6 per cent. added.

‡ Under Parts II. and III. of Land Act 1884.

HEADS OF REVENUE DETAILED—*continued.*

Heads of Revenue.	1885-6.	1886-7.
POST AND TELEGRAPHS.		
Postal receipts, &c.:—	£	£
Postage (estimated)*	291,121	293,041
Commission on Money Orders and poundage on Postal Notes†	9,413	10,481
Landing and storage of mails for other colonies ... ..	...	240
Electric Telegraphs (estimated)	87,956	104,111
Telephones, &c.	5,694	5,662
Total	394,184	413,535
FINES, FEES, ETC.		
Fee Stamps sold (estimated)*	70,000	70,000
Fees, Preparation and Registration of Grants and Leases, and Survey of Lands	33,478	33,028
„ Customs and Harbour Departments	8,997	8,852
„ Law Courts	3,174	4,805
„ Curator of Estates of Deceased Persons	1,396	1,664
„ Mining Department	805	765
„ Factories and shops	4,290	2,472
„ Other	6,383	3,163
Fines (principally in law courts)	6,383	6,346
Total	128,523	131,095
REIMBURSEMENTS IN AID.		
Towards Maintenance of Industrial School children, prisoners, and lunatics	19,018	19,680
Receipts for Miscellaneous services rendered (Police protection, storage of gunpowder, &c.)	6,709	9,575
Sale of Books and Documents (Government Printer) ...	18,998	20,712
Aboriginal Stations—Sale of produce	1,066	1,383
Local Forces—Sale of Rifles, &c.	3,246	2,229
Other Reimbursements	150	454
Total	49,187	54,033
MISCELLANEOUS RECEIPTS.		
Sale of Government Property	4,546	3,202
Transfers from Trust Funds to Revenue	11,322	7,319
Melbourne City Council, &c. (on account of Park lands) ...	3,250	3,000
Prahran city—Contribution towards cost of typhoid fever camp ...	...	100
Immigration Tax on Chinese	1,080	1,020
Repayments to the Credit of Appropriations	2,799	2,251
Customs Overtime receipts	362	2,784
Government Experimental Farm	81	...
Education Department—Sale of property, rents, &c. ...	243	350
Cost of Rations recovered from warders, &c.	4,226	681
Void money orders ... ..	...	1,000
Australian Lloyds'—Contribution of profits due to Government ...	...	138
Boroondara cemetery—Amount of loan ... ..	...	300
Other Receipts	1,269	1,175
Total	29,178	23,320

* This estimate is based on uncertain data. See also note (*) on page 141 *ante*.

† Postal notes were first issued on 1st January, 1885.

237. The amounts recouped in 1885-6 were £50,000, expended in 1883-4 on rails for re-construction or renewal of lines of railway, now charged to the Loan Account, and two amounts, viz., £8,050 and £6,565, advanced in 1884-5 for water supply in country districts and railway construction respectively. No recoups are included in the Revenue Returns for 1886-7, and they will in future, where possible, be excluded from the accounts of revenue, as will also the advances to be recouped be excluded from the accounts of expenditure.

238. At the end of the financial year 1886-7, the total amount owing to the revenue was about £152,000, as compared with £143,300 at the end of June 1886. The increase shown is chiefly in arrears of interest due on local waterworks. Of the total amount due at the end of June, 1887, however, as much as £16,600 was written off as non-recoverable, leaving a net balance of £135,420. Of this sum nine-tenths is for interest due by local bodies on moneys lent for the construction of waterworks, it being arranged not only that the interest should be paid annually, but that a further amount, generally equal to about 2 per cent. upon the sum advanced, should be lodged each year to the credit of a sinking fund, in order that the debt might be eventually extinguished. The following are the particulars of the outstanding balances referred to :—

AMOUNTS DUE TO THE REVENUE, 30TH JUNE, 1887.

When advanced.	Particulars.	Balance Outstanding.
		£
1874-5	Advanced to Labour Bureau	760*
	" Mining Companies, to assist in development of Mining industry, &c.	19,813†
1886-7 & previous years	Interest due by Corporations on Loans for Waterworks ...	83,926
	" " Trusts " " " " ...	13,354
1875-6 to 1879-80	Ballarat Water Commission—Arrears of Interest on Loans capitalized	32,019
	Beechworth Shire—Arrears of Interest on Loans capitalized	1,902
1885-6	Balance of Compensation—to be refunded	208
	Local Boards of Health	11
	Total	151,993
	Deduct amounts written off as non-recoverable	16,573
	Net amount	135,420

* Written off as non-recoverable.

† Of this amount, £15,813 has been written off, the mining claims having been abandoned.

Heads of
revenue,
1874-5 to
1886-7.

239. In the following table the heads of revenue * and the amounts received under each head are given for the last thirteen financial years :—

HEADS OF REVENUE, 1874-5 TO 1886-7.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
TAXATION.		£	TAXATION— continued.		£
Customs duties (including wharfage rates)	1874-5	1,628,235	Licences (business)	1874-5	10,714
	1875-6	1,657,788		1875-6	10,712
	1876-7	1,631,832		1876-7	11,688
	1877-8	1,487,448†		1877-8	17,150||
	1878-9	1,378,384		1878-9	20,116
	1879-80	1,377,782		1879-80	21,761
	1880-81	1,474,778		1880-81	23,906
	1881-2	1,694,652		1881-2	25,977
	1882-3	1,769,004		1882-3	28,381
	1883-4	1,769,108		1883-4	31,623
	1884-5	1,919,539‡		1884-5	32,535
	1885-6	2,004,460		1885-6	33,922
	1886-7	2,132,361		1886-7	18,898 ¶
Excise §	1874-5	32,475	Duties on estates of deceased persons	1874-5	32,526
	1875-6	33,437		1875-6	48,963
	1876-7	34,768		1876-7	44,104
	1877-8	36,309		1877-8	72,500
	1878-9	36,088		1878-9	47,983
	1879-80	41,230		1879-80	37,928
	1880-81	136,661		1880-81	78,141
	1881-2	216,547		1881-2	74,368
	1882-3	134,711		1882-3	86,648
	1883-4	123,654		1883-4	77,154
	1884-5	141,225		1884-5	124,370
	1885-6	137,709		1885-6	104,907
	1886-7	120,701		1886-7	114,909
Ports and harbours (chiefly tonnage dues)	1874-5	19,935	Duties on bank notes	1874-5	...
	1875-6	22,104		1875-6	7,191**
	1876-7	20,993		1876-7	27,248
	1877-8	22,647		1877-8	26,672
	1878-9	20,310		1878-9	24,956
	1879-80	19,194		1879-80	22,470
	1880-81	20,577		1880-81	23,807
	1881-2	26,263		1881-2	27,324
	1882-3	27,787		1882-3	28,685
	1883-4	30,871		1883-4	28,575
	1884-5	31,176		1884-5	27,529
	1885-6	32,710		1885-6	28,769
	1886-7	34,920		1886-7	28,104

* See footnote (†) to paragraph 233 ante.

† During and after this year, four-fifths of the wharfage rates for the Port of Melbourne, which had previously formed part of the Customs revenue, were transferred to the Harbour Trust.

‡ Duty on spirits increased on 17th July, 1884.

§ Beer and tobacco duties imposed on the 1st November, 1880, the former having expired by effluxion of time on the 31st August, 1882. Duty on spirits increased on 17th July, 1884.

|| Including a proportion, amounting to £4,600, of publicans' licence fees, &c., received, for the first time, under Act 40 Vict. No. 566, section 111.

¶ Decrease due to the proportion of revenue formerly derived from publicans' licences, &c., now payable into a Trust Fund, as directed by the Licensing Act 1885.

** For six months only.

HEADS OF REVENUE 1874-5 TO 1886-7—continued.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
TAXATION—		£	LAND REVENUE—		£
<i>continued.</i>	1874-5	...	<i>continued.</i>	1874-5	5,528
	1875-6	...		1875-6	53,167
	1876-7	...		1876-7	54,232
	1877-8	...		1877-8	14,704
	1878-9	...		1878-9	3,774
	1879-80	83,005		1879-80	1,749
Stamp duties* ...	1880-81	115,844	Penalties under	1880-81	1,281
	1881-2	131,020	Land Acts	1881-2	2,313
	1882-3	133,433		1882-3	1,298
	1883-4	133,651		1883-4	1,572
	1884-5	143,382		1884-5	273
	1885-6	165,313		1885-6	184
	1886-7	165,000		1886-7	795
	1874-5	...	PUBLIC WORKS.	1874-5	921,714
	1875-6	...		1875-6	983,033
	1876-7	...		1876-7	1,078,082
	1877-8	50,227		1877-8	1,202,280
	1878-9	202,251		1878-9	1,222,241
	1879-80	87,553		1879-80	1,468,909†
Land tax † ...	1880-81	129,990	Railways ...	1880-81	1,578,432
	1881-2	121,555		1881-2	1,715,260
	1882-3	125,606		1882-3	1,838,284
	1883-4	123,884		1883-4	2,079,249
	1884-5	123,415		1884-5	2,200,067
	1885-6	126,770		1885-6	2,306,791
	1886-7	124,742		1886-7	2,453,345
Tolls ...	1874-5	937		1874-5	96,707
	1875-6	197		1875-6	102,438
	1876-7	52		1876-7	115,869
LAND REVENUE.	1877-8	767,624		1877-8	112,183
	1875-6	782,069		1878-9	120,346
	1876-7	783,311		1879-80	121,103
	1877-8	756,674	Water supply § ...	1880-81	139,411
Land sales (including rents counting towards purchase money)	1878-9	802,254		1881-2	138,274
	1879-80	694,321		1882-3	152,328
	1880-81	701,276		1883-4	165,033
	1881-2	697,558		1884-5	165,968
	1882-3	563,790		1885-6	190,815
	1883-4	614,548		1886-7	215,401
	1884-5	555,507		1874-5	5,897
	1885-6	465,766		1875-6	5,845
	1886-7	504,734		1876-7	5,638
	1874-5	173,601		1877-8	5,190
	1875-6	184,776		1878-9	5,879
	1876-7	208,872		1879-80	4,142
	1877-8	186,337	Other Public works	1880-81	2,470
Rents of Crown lands (not counting towards purchase money)	1878-9	163,207		1881-2	4,035
	1879-80	147,994		1882-3	2,357
	1880-81	133,913		1883-4	1,866
	1881-2	126,268		1884-5	3,325
	1882-3	114,845		1885-6	3,364
	1883-4	103,189		1886-7	5,062
	1884-5	110,777			
	1885-6	97,658			
	1886-7	81,562			

* The duties were imposed on the 18th December, 1879, and consequently the amount received in 1879-80 was for only 6½ months. Since 1st January, 1884, the revenue therefrom has been estimated. See footnote (*) on page 141 ante. For particulars of the duties levied, see paragraph 312 post.

† The amount of land tax payable annually varied in the years named from £126,000 to £124,000. The fluctuations in the revenue above and below this limit were due to the irregular payment of the tax. Further particulars are given in subsequent paragraphs.

‡ Including, for the first time, revenue derived from the Melbourne and Hobson's Bay system—purchased by the Government—amounting to £203,679. This amount consists of £43,723 net revenue for 1878-9, and £159,951 gross revenue for 1879-80.

§ Including interest on loans to local bodies.

HEADS OF REVENUE, 1874-5 TO 1886-7—continued.

Heads of Revenue.	Year.	Amounts Received.	Heads of Revenue.	Year.	Amounts Received.
POST AND TELE-GRAPHS.		£	OTHER SOURCES—		£
	1874-5	198,326	<i>continued.</i>	1874-5	66,874
	1875-6	209,213		1875-6	38,595
	1876-7	226,597		1876-7	79,456
	1877-8	239,002		1877-8	70,716
	1878-9	244,761		1878-9	42,281
	1879-80	249,414		1879-80	45,611
Postage, tele- graphs, tele- phones, money orders, &c.*	1880-81	272,316	Interest on Public Account, &c.	1880-81	78,605
	1881-2	297,701		1881-2	92,025
	1882-3	324,967		1882-3	55,922
	1883-4	349,278		1883-4	85,537
	1884-5	380,556		1884-5	98,341
	1885-6	394,184		1885-6	84,973
	1886-7	413,535		1886-7	93,216
OTHER SOURCES.					
	1874-5	7,504		1874-5	749
	1875-6	7,659		1875-6	674
	1876-7	7,512		1876-7	730
	1877-8	7,247		1877-8	824
	1878-9	7,906		1878-9	935
	1879-80	10,158	Rents (other than Land)	1879-80	799
Mint charges ...	1880-81	10,197		1880-81	921
	1881-2	10,917		1881-2	997
	1882-3	11,292		1882-3	1,548
	1883-4	10,415		1883-4	3,058
	1884-5	13,042		1884-5	2,031
	1885-6	11,705		1885-6	14,905†
	1886-7	11,058		1886-7	5,049
	1874-5	4,299		1874-5	28,981
	1875-6	10,695		1875-6	37,619
	1876-7	7,104		1876-7	34,372
	1877-8	447		1877-8	36,774
	1878-9	6,624		1878-9	28,637
Mint subsidy re- turned	1879-80	6,350	Reimbursements in aid	1879-80	23,860
	1880-81	5,628		1880-81	31,290
	1881-2	5,344		1881-2	33,675
	1882-3	4,103		1882-3	33,570
	1883-4	4,852		1883-4	49,441
	1884-5	5,304		1884-5	52,232
	1885-6	4,613		1885-6	49,187
	1886-7	1,986		1886-7	54,033
	1874-5	111,304		1874-5	55,770
	1875-6	112,664		1875-6	16,317
	1876-7	121,676		1876-7	19,602
	1877-8	119,632		1877-8	20,449
	1878-9	113,177		1878-9	28,167
Fees, fines, &c.* (ex- clusive of Land Act penalties)	1879-80	110,639	Miscellaneous re- ceipts‡	1879-80	24,655
	1880-81	113,736		1880-81	41,861
	1881-2	120,768		1881-2	27,131
	1882-3	117,296		1882-3	46,211
	1883-4	111,695		1883-4	36,325
	1884-5	123,428		1884-5	31,339
	1885-6	123,523		1885-6	29,178
	1886-7	131,095		1886-7	23,320

* Partly estimated since 1882-3. See also footnote (*) on page 141 ante.

† Including (during this year only) rents charged to officers for quarters, and added to their salaries.

‡ Including "Immigration deposits," £23,074, and accumulation of Pension Fund transferred to revenue, £14,500, in 1874-5; and fire insurance on Government Printing Office, £12,000, in 1882-3.

SUMMARY OF HEADS OF REVENUE, 1874-5 TO 1886-7.

Year.	Revenue derived from—					Total Revenue Proper.	Recoups from Loans and Assets realized.	Grand Total Revenue.
	Taxation.	Land.	Public Works.	Post and Telegraphs.	Other Sources.			
	£	£	£	£	£	£	£	£
1874-5	1,724,822	946,753	1,024,318	198,326	275,481	4,169,700	66,723	4,236,423
1875-6	1,780,392	1,020,012	1,091,316	209,213	224,223	4,325,156	...	4,325,156
1876-7	1,770,685	1,046,415	1,199,589	226,597	270,452	4,513,738	210,139	4,723,877
1877-8	1,712,953	957,715	1,319,653	239,002	256,089	4,485,412	19,001	4,504,413
1878-9	1,730,088	969,235	1,348,466	244,761	227,727	4,520,277	101,243	4,621,520
1879-80	1,690,923	844,064	1,594,154	249,414	222,072	4,600,627	20,655	4,621,282
1880-81	2,003,704	836,470	1,720,313	272,316	281,501	5,115,041	70,970	5,186,011*
1881-2	2,317,706	826,139	1,857,569	297,701	290,357	5,589,972	2,390	5,592,362
1882-3	2,334,255	679,933	1,992,969	324,967	269,942	5,602,066	9,187	5,611,253
1883-4	2,318,520	719,309	2,246,148	349,278	301,323	5,934,578	109	5,934,687
1884-5	2,548,171	666,557	2,369,360	380,556	325,717	6,290,361	...	6,290,361
1885-6	2,634,560	563,608	2,500,970	394,184	323,084	6,416,406	64,615	6,481,021
1886-7	2,739,635	587,091	2,673,808	413,535	319,757	6,733,826	...	6,733,826

240. Of the total expenditure of Victoria in 1886-7, £1,140,000— or 17½ per cent.—was disbursed to defray the cost of Government, maintenance of law and order, and provision against foreign attack; £676,000—or 10½ per cent.—was contributed towards public instruction and the advancement and dissemination of knowledge; £269,000—or over 4 per cent.—was expended on public charities, or devoted to the preservation of the public health; £112,000—or 1¾ per cent.—was expended on the management and survey of the Crown lands, being £31,000 more than the gross annual rental therefrom during the financial year; as much as £3,148,000—or 48 per cent.—was absorbed in connexion with working of the various commercial undertakings of the Government, viz., £1,403,000 on Railways and Waterworks, £586,000 on Post and Telegraphs, and £1,159,000† in interest upon loans raised for their construction; £112,000 was paid as interest on amounts borrowed for the construction of other public works; £79,000 was the cost of collecting the revenue from Customs duties and Excise, £40,000 was spent on the maintenance of Ports and Harbours; and £175,000—or 2½ per cent.—was granted in aid of the agricultural and mining industries. The amounts just enumerated, together with £71,000 expended on miscellaneous services, form the ordinary annual expenditure for the year; but besides this, an amount of £739,000—or 11 per cent. of the total expenditure—was spent on productive and unproductive public works of a permanent character, viz., £67,000 on Railways, and £672,000 on “Miscellaneous Public Works,” which embraces the cost of erection

Heads of expenditure, 1885-6 and 1886-7.

* Not including £500,000 raised by means of Treasury Bonds.

† The total amount of interest and expenses of the public debt was £1,271,000, but the amount here given is that payable for Railway and Waterworks only.

of public offices and buildings of all kinds, expenditure on roads and bridges, and municipal subsidies. These amounts appear as a set-off against the proceeds of land sales, before referred to,* which they even exceeded by £235,000. The following is a classification of the expenditure† under 9 principal and 27 subsidiary heads, during the years 1885-6 and 1886-7, also the increase or decrease in the latter year:—

HEADS OF EXPENDITURE,‡ 1885-6 AND 1886-7.

Heads of Expenditure.	Amounts Expended.		Increase.	Decrease.
	1885-6.	1886-7.		
GENERAL GOVERNMENT.				
Civil list§	£ 40,962	£ 36,416	...	4,546
Legislature	64,136	57,202	...	6,934
Civil establishment || ... ..	122,593	129,001	6,408	...
Retiring allowances and pensions	73,214	85,160	11,946	...
Gratuities, compensations, &c.	44,078	40,237	...	3,841
Total	344,983	348,016	3,033	...
LAW, ORDER, AND PROTECTION.				
Judicial and legal	191,290	193,905	2,615	...
Police	224,237	233,173	8,936	...
Gaols and penal establishments	60,644	59,894	...	750
Defences—Naval and Military¶	319,938	304,764	...	15,174
Total	796,109	791,736	...	4,373
EDUCATION, SCIENCE, CHARITY, ETC.				
Public instruction, science, &c.**... ..	671,442	676,569	5,127	...
Charitable institutions, medical, &c.††	273,705	268,864	...	4,841
Total	945,147	945,433	286	...
CROWN LANDS.				
Administration and survey	107,556	111,969	4,413	...
Agriculture, &c.	84,781	71,552	...	13,229
Mining	71,462	103,654	32,192	...
Total	263,799	287,175	23,376	...

* See paragraph 234 *ante*.

† See footnote (†) to paragraph 234 *ante*.

‡ For further details, see table following paragraph 242 *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:—Chief Secretary, Shorthand Writer, Agent-General's Office, Audit Office, Registrar of Friendly Societies, Treasury, Stores and Transport, and Government Printer.

¶ For expenditure on Defences, see also Part "Defences," *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.

HEADS OF EXPENDITURE,* 1885-6 AND 1886-7—continued.

Heads of Expenditure.	Amounts Expended.		Increase.	Decrease.
	1885-6.	1886-7.		
PUBLIC WORKS.				
Railways—Working expenses ...	£ 1,323,873	£ 1,363,587	£ 39,714	£ ...
Construction account... ..	88,667	67,529	...	21,138
Water supply	35,511	39,756	4,245	...
Other Public works †	680,825	671,973	...	8,852
Total	2,128,876	2,142,845	13,969	...
Post and Telegraphs ‡	564,620	585,990	21,370	...
PUBLIC DEBT.				
Interest and expenses—Railways ...	1,017,374	985,308	...	32,066
" " Water supply	157,428	173,751	16,323	...
" " Other works	107,208	111,750	4,542	...
Total	1,282,010	1,270,809	...	11,201
TRADE, NAVIGATION, ETC.				
Customs	70,925§	78,579	7,654	...
Harbours and lights	38,988	39,819	831	...
Total	109,913	118,398	8,485	...
OTHER EXPENDITURE.				
Mint subsidy || ... ..	20,000	20,000	...	...
Aborigines	10,514	10,508	...	6
Miscellaneous services	47,569	40,341	...	7,228
Total	78,083	70,849	...	7,234
Grand Total	6,513,540	6,561,251	47,711	...

NOTE.—For particulars of Expenditure in 1887-8, see Appendices at end of the last volume.

241. It will be observed that, whilst the items showing increase and those showing decrease were about equally numerous, the amount of the former preponderated to the extent of £48,000. The most prominent increases were £40,000 under the head of working expenses of Railways, £32,000 under Mining, and £21,000 under Post and Telegraphs. The principal decreases were £21,000 in the amount paid towards the construction of Railways, which diminution occurred in consequence of the falling off in the revenue from lands sold by auction, the proceeds of which are appropriated by law to this object; ¶ £15,000 under the head of Defences; £13,000 under the head of Agriculture—

Chief items of increased expenditure, 1886-7.

* For further details, see table following paragraph 242 *post*.

† 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 of £310,000 to Municipalities. For a summary of the various works, see detailed table, page 156 *post*.

‡ Including interest on Post Office Savings Banks deposits.

§ Including £300, refunds of duty.

|| Although the annual subsidy to the Mint is £20,000, portion of that sum has been repaid each year to the revenue. See table following paragraph 234 *ante*, under the head "Mint subsidy returned."

¶ See footnote (†) on page 162 *post*.

less having been spent in connexion with the extermination of rabbits and wild animals; and £11,200 in the interest and expenses of the Public Debt, consequent on the replacing of old loans falling due with newer ones bearing a lower rate of interest. 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. The most important of these is, of course, the Railways, and a comparison of the Railway finances of 1886-7 with those of the previous year shows much improvement, for although the working expenses increased by nearly £4,000, the revenue increased by nearly £147,000. Moreover, notwithstanding the constantly-increasing amount borrowed for Railway Construction, the interest payable thereon has fallen off during the period referred to by £23,000, owing chiefly to a renewal of the loans at a lower rate of interest. The next most important commercial undertakings are the Postal and Telegraphic services, which it has been the policy of the Government to work, irrespective of loss; thus, whilst the annual expenditure on these services is considerably in excess of half a million sterling, it is estimated that the annual revenue is barely £400,000, and that the deficiency in each of the last two years has amounted to about £172,000.*

242. The details of the expenditure for the same two years under several of the more important heads are as follow:—

HEADS OF EXPENDITURE DETAILED, 1885-6 AND 1886-7.

Heads of Expenditure.						1885-6.	1886-7.
CIVIL LIST.						£	£
Governor's Salary ...	...	...	...	...	...	10,000	10,000
Salaries of Ministers	...	...	...	...	...	15,262	15,500
Executive Council ...	...	...	...	...	...	1,482	1,468
Agent-General ...	...	...	...	...	...	2,500	2,500
Commissioners of Audit	...	...	...	...	...	2,525	2,448
Public Service Board	...	...	...	...	...	4,500	4,500
Protectorate of New Guinea—Contribution towards	...	...	...	...	...	4,693	... †
Total ...						40,962	36,416
LEGISLATURE.							
Legislative Council	...	...	...	...	...	6,257	6,060
" Assembly	...	...	...	...	...	10,645	11,073
Parliamentary Library	...	...	...	...	...	2,730	2,871
" Refreshment Rooms	...	...	...	...	...	1,062	1,048
Victorian <i>Hansard</i>...	...	...	...	...	...	2,225	2,193
Expenses of Members of the Legislative Assembly	...	...	...	...	...	20,890	22,594
Electoral Expenses...	...	...	...	...	...	20,327	11,363
Total ...						64,136	57,202

* The amount of postal revenue is not accurately known. See footnote (*) to table on page 141 ante.

† Paid in 1887-8.

HEADS OF EXPENDITURE DETAILED—continued.

Heads of Expenditure.	1885-6.	1886-7.
CIVIL ESTABLISHMENT.		
	£	£
Public Service Board—Office	1,925	2,167
Chief Secretary's Office	8,205	8,990
Secretary to Premier	7,349	7,720
Shorthand Writer	2,669	2,301
Agent-General's Office	3,500	4,797
Audit Office	7,795	8,535
Treasury	30,864	30,689
Government Printer	53,818	53,982
" " Stamp printing	4,832	4,957
Inspector of Stores	512	598
Registrar of Friendly Societies *	405	404
Inspector of Factories and Shops ... ..	...	2,723
Sundries	719	1,138
Total	122,593	129,001
JUDICIAL AND LEGAL.		
Judges' Salaries (including Master-in-Equity),	18,025	19,958
" other Expenditure	4,690	5,005
Crown Law Officers	16,499	18,325
" Solicitor	7,659	7,650
Prothonotary	2,403	2,396
Master-in-Equity and Lunacy	4,693	3,981
Court of Insolvency	2,413	1,098
Registrar-General and Registrar of Titles	33,773	33,794
" " " Purchase of land, &c.,	1,071†	3,035
near Titles Office to insure safety of building		
Deputy Registrars	5,982	5,895
Sheriffs	25,318	23,542
Judges—County Courts, Courts of Mines, and General Sessions	9,300	9,300
" other expenditure	13,094	13,532
Police Magistrates and Wardens	16,870	17,428
Clerks of Courts	20,897	20,362
Coroners	5,681	5,797
Curator of Estates of Deceased Persons	1,380	1,524
Land Tax Act Administration	1,221	1,071
Sundries	321	212
Total	191,290	193,905
DEFENCES.		
Special Appropriation authorized under Act 47 Vict. No. 777 (for 5 years)	110,000	110,000
Office Staff	2,034	1,737
Ammunition Fund—To replace loss on supply to Rifle Clubs, &c.	2,500	7,000
Purchase of Rifles and modern warlike stores	9,335 †	3,584 †
Cadet Corps	422	6,154
Mounted Rifles	2,480	4,831
Grants to Rifle Association, &c., for prizes	850	1,675
Expenses in connexion with Easter Encampment ... ..	...	4,492
Rifle Clubs—Drill instruction for 7 months ... ..	...	581
Expenses of sending a team of riflemen to England ... ..	...	1,000

* The statistical and actuarial work in connexion with Friendly Societies is performed in the office of the Government Statist, which is placed under the head of "Public Instruction, Science, &c." post.

† These amounts were made available by Act 49 Vict. No. 835 out of the "Assurance Fund" under the *Transfer of Land Statute*.

‡ Equivalent in each case to the amount realized in the previous year on the sale of rifles and obsolete stores.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1885-6.	1886-7.
DEFENCES—<i>continued.</i>		
Compensation for injuries sustained	322	240
Special Expenditure in connexion with recent war preparations Additional strength consequent on increased armaments, &c.	41,916	...
Naval Forces ... ..	...	8,149
Victorian Artillery ... ..	...	2,574
Torpedo Corps ... ..	...	1,297
Amount due Railway Department for transport of Volunteers prior to passing of Discipline Act	...	3,288
Grant to Richmond charities for Volunteer Corps Orderly Room	...	600
Sundries	79	40
	59,938	47,242
Defence Works and Buildings	150,000	147,522
Grand total	319,938	304,764
PUBLIC INSTRUCTION, SCIENCE, ETC.		
State School Education *	586,124	588,736
Gladman Memorial Fund—In aid of ... ..	...	325
University—Endowment	14,500	14,500
" Grant in aid of buildings	6,000	5,000
" For purchase of apparatus	6,000	...
Melbourne Public Library, Museums, and National Gallery ...	19,951	20,266
Mechanics' Institutes, Public Libraries, &c.	13,000	18,000†
Victorian Academy of Arts ... ..	...	250
Gordon Memorial School of Arts, Geelong—Grant in aid ...	...	500
Ballarat Fine Arts Public Gallery ... ..	...	2,000
Zoological and Acclimatisation Society, &c.	3,200	3,200
Royal Society	200	200
Geographical Society ... ..	...	1,000
College of Pharmacy	1,000	1,000
Schools of Mines	6,000	6,000‡
" Design	1,400	1,249
Government Statist	6,651	7,011
" Astronomer	4,938	4,592
" Botanist	2,458	2,518
Other Expenditure... ..	20	222
Total	671,442	676,569
CHARITABLE INSTITUTIONS, MEDICAL, ETC.		
Charitable Institutions—Grant in Aid	108,975	114,000
Industrial and Reformatory Schools... ..	43,045	42,078
Hospitals for the Insane	109,431	98,347
Central Board of Health and Quarantine, &c.	6,394	8,815
Vaccination Allowances	5,488	5,499
Claims and Expenses in connexion with alleged cases of Small- pox	100	...
Allowance to Instructor of the Blind, &c.	100	100
Other Expenditure	172	25
Total	273,705	268,864

* Including cost of maintenance of school buildings, amounting to between £15,000 and £20,000 per annum, but exclusive of pensions and gratuities. See also table following paragraph 248 *post.*

† Including £8,000 in aid of buildings.

‡ Including £2,000 in aid of buildings.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1885-6.	1886-7.
CROWN LANDS.		
	£	£
Survey, Sale, and Management of Crown Lands*	74,659	78,045
Parks, Gardens, &c.—		
Botanical Gardens and Reserves	8,029	9,143
Public Parks, Gardens, and Reserves in and around Melbourne	9,192	8,277
Public Parks and Gardens in Country Districts—Fencing and Improving	9,356	11,708
Surveys by contract, including surveys in Mallee districts (to be recouped by lessees)	5,620	3,783
Other Expenditure... ..	700	1,013
Total	107,556	111,969
AGRICULTURE, ETC.		
Grants to Agricultural and Horticultural Societies, &c. ...	16,723	21,435
Grant to Council of Agricultural Education	500	...
Special Prizes and Awards for invention of improvements in Agricultural machinery	705	...
Prizes for best managed farms in Victoria ... ..	...	100
State Forests and Nurseries	5,743	6,070
Experimental Cultivation	712	244
Eradication of Vine Diseases†	2,439	725
Scab Prevention and Diseases in Stock	8,417	8,128
Extermination of Rabbits and Wild Animals	34,408	27,104
Cost of Rabbit-proof Fencing in the Mallee country ...	13,999	4,999
Rates on Mallee Blocks held by Government ... ..	...	704
Mallee Extermination—Expenses of testing, &c. ... ..	...	173
Departmental and other Expenditure	1,135	1,870
Total	84,781	71,552
MINING.		
Mining Department	20,870	21,305
Mining Boards	3,500	3,500
Purchase and Working of Diamond Drills	29,943	72,369
To assist Miners in Prospecting Operations	12,838	1,650
Boring for Coal ... ..	...	1,650
Grant to Geological Society of Australasia	250	...
Geological Surveys, &c.	746	1,386
Underground Surveys of Mines	1,004	849
Cutting Tracks and opening up unexplored areas	1,357	1,989
Miscellaneous	954	606
Total	71,462	103,654
RAILWAYS.		
Commissioners' Salaries	6,000	5,621
Salaries and Wages	93,448	103,598
Contingencies	1,224,355	1,254,298
Other Expenditure... ..	70	70
Total Working Expenses	1,323,873	1,363,587
Paid to "Railway Construction Account" ‡	88,667	67,029
Towards Construction ... ..	...	500
Total (including Capital Account)	1,412,540	1,431,116

* Including Land Titles Branch.

† The Governments of South Australia and New South Wales contributed £6,667 each towards this object.

‡ S footnote (†) on page 162 post.

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1885-6.	1886-7.
WATER SUPPLY.		
	£	£
Melbourne—Salaries and Maintenance	17,514	18,593
Country Waterworks—Salaries and Maintenance	12,062	13,606
” ” Construction, &c.	4,940	7,557
” ” Water Trusts	995	...
Total	35,511	39,756
OTHER PUBLIC WORKS.		
Works and Buildings (including Furniture, Fittings, &c.)—		
Government House	2,588	1,695
Country Residence for Governor	6,017	4,292
” ” Maintenance ... ..	...	355
Parliamentary Buildings	2,448	3,544
Public Offices, &c.—		
Public Offices, Melbourne	2,626	723
Printing Office—Fittings, Furniture for, &c.	74	8
Crown Law Offices	1,613	...
Registrar-General's Offices—Addition to Strong Room	8,988	1,336
Sandhurst Public Offices—Erection of	12,984	9,392
Ballarat Public Offices—Erection of	3,790	2,500
Rents and Furniture	26,504	22,587
Repairs and Additions	2,381	2,629
Telephonic communication for police and other buildings ... ..	...	957
Insurance	343	561
Court Houses	13,691	15,339
Police Buildings, &c.	21,951	22,046
Gaols and Penal Establishments	3,312	8,233
Public Library, National Gallery, and Museums	5,359	14,356
Observatory	306	163
Lunatic Asylums	22,543	16,802
Industrial and Reformatory Schools	801	497
Cemeteries	728	1,118
Sanatory Station—Fencing, Repairs, &c.	720	555
Lands and Agriculture	7,432	5,334
Raising Low-lying Lands, Draining Lands, Spreading Silt, &c.	20,021	33,206
Post and Telegraph Offices	38,344	37,734
Customs Buildings	309	1,171
Wharfs, Jetties, Harbours, Rivers, &c.	62,565	54,175
Lighthouses and Lightships	8,534	6,200
Miscellaneous	1,160	563
Total Works and Buildings	278,132*	268,071
Subsidy to Municipalities	310,000	310,561
Roads and Bridges*	41,061	40,430
Other Expenditure (including Cost of Department)	51,632	52,911
Total	680,825	671,973

* Including salaries and wages (about £35,000), which were, prior to 1885-6, paid out of Votes for Contingencies, Roads, Defences, Works or Buildings, or out of Loans.

HEADS OF EXPENDITURE DETAILED—continued.

Heads of Expenditure.	1885-6.	1886-7.
POST AND TELEGRAPHS.		
	£	£
Post and Telegraph Offices—Administration *	307,404	327,396
Inland Mail Service	110,739	112,473†
Steam Postal Communication ‡	69,309	69,322
Telegraph Lines—Construction, Repairs, &c.	17,793	14,430
Subsidy towards Duplicate Telegraph Cable (Port Darwin to Penang)	14,605	14,510
Subsidy to Eastern Extension Telegraph Co., Tasmania § ...	1,335	1,231
Interest on Post Office Savings Banks Deposits—4 per cent. ...	43,029	46,233
Miscellaneous	406	395||
Total	564,620	585,990
PUBLIC DEBT.		
Interest payable—		
In London	1,165,523	1,176,976
In Melbourne	89,205	73,276
Total Interest	1,254,728	1,250,252
Expenses of paying Interest in London—		
Commission to Banks of $\frac{1}{2}$ per cent.	3,598	3,262
Commission to Bank of from £450 to £500 per million for inscribing stock and paying interest thereon	5,798	6,586
Premium on remittances	10,702	10,107
Stamps, advertising, &c.	648	602
Total Expenses	20,746	20,557
Expenses of redeeming Loans, viz., Commission $\frac{1}{4}$ per cent., &c.	6,536	...
Grand total	1,282,010	1,270,809
MISCELLANEOUS SERVICES.		
Expenses of Commissions of Inquiry	4,385	1,878
Imperial Convention—Expenses of delegates ... ..	...	1,206
Law Costs, Awards, &c.	1,439	343
Poisons and Pharmacy Act—Administration	440	300
Advertising	5,349	5,330
Transport, &c.	1,896	1,633
Expenses in connexion with Colonial and Indian Exhibition, London, 1886	9,978	9,995
" Melbourne Centennial Exhibition (preliminary expenses)	...	999
" Adelaide Jubilee Exhibition ... ..	...	2,800
" Bendigo Juvenile Industrial Exhibition	...	500
Expenses incurred by the Exhibition Trustees	3,250	2,999
Powder Magazines ¶	1,238	1,281
Fisheries	746	792

* Exclusive of post and telegraph office buildings, which are included under the head "General Public Works"; and also exclusive of cost of printing stamps, included prior to 1885-6, but since entered with Government Printer under the head of "Civil Establishment."

† Of which £46,779 was paid to the Railway Department, and £65,694 to the private contractors, &c.

‡ Including sums paid as gratuities to masters of vessels, £2,176 in 1886-7.

§ Paid to the Government of Tasmania, in accordance with joint guarantee to the company on account of reduction of rates for telegraphic messages to and from Victoria and Tasmania.

¶ Including deficiency and loss in Money Order Accounts by defalcations and fire.

¶ Exclusive of amounts provided for under the head of "Other Public Works."

HEADS OF EXPENDITURE DETAILED—*continued.*

Heads of Expenditure.	1885-6.	1886-7.
MISCELLANEOUS SERVICES—<i>continued.</i>		
	£	£
Payments from Estates of Deceased Persons... ..	313	250
Refunds, &c.	3,286	310
Carriage of Volunteer Fire Brigades	7,126	2,973
Expenses in connexion with the celebration of Her Majesty's Jubilee	...	504
Expenses in connexion with the opening of Queen's Hall, Parliament House ... ..	...	127
Expenses of visit of Governor and party to Ballarat ... ..	...	41
Expenses of Ministerial visit to Western Port and Coast light-houses	...	57
Expenses of Parliamentary party to Heads ... ..	...	283
Expenses of Parliamentary party to Adelaide ... ..	...	216
Cost of maintenance of unemployed ... ..	...	225
Payments to late warders, Kew Lunatic Asylum, in settlement of claims for services having been irregularly dispensed with	...	455
Expenses of Parliamentary Inspection of Fortifications, &c. ...	332	230
Bonus for wire fencing ... ..	...	888
Other Expenditure *	7,791	3,726
Total	47,569	40,341

Heads of expenditure 1874-5 to 1886-7.

243. The following are the heads of expenditure during the last thirteen financial years and the amounts expended under each head, the expenditure specially appropriated by Acts of Parliament other than the Appropriation Act, being distinguished from that sanctioned under that Act in accordance with the annual votes of the Legislature:—

HEADS OF EXPENDITURE, 1874-5 TO 1886-7.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	
Civil list†	1874-5	70,984	...	70,984
	1875-6	71,227	...	71,227
	1876-7	29,604	...	29,604
	1877-8	29,564	...	29,564
	1878-9	29,636	...	29,636
	1879-80	27,728	...	27,728
	1880-81	24,509	...	24,509
	1881-2	28,469	3,000	31,469
	1882-3	29,926	...	29,926
	1883-4	31,127	...	31,127
	1884-5	36,362	4,693	41,055
	1885-6	36,269	4,693	40,962
	1886-7	36,416	...	36,416

* Including balance at credit of Pension Fund, returned to revenue, viz., £4,000 in 1885-6, and £1,346 in 1886-7.

† For particulars of the items included under this head, see footnotes to table following paragraph 240 *ante*. State aid to religion is also included in "Civil List" prior to July, 1876, when it was abolished.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	
	1874-5	40,813	15,739	56,552
	1875-6	41,612	15,909	57,521
	1876-7	43,918	14,889	58,807
	1877-8	48,162	15,878	64,040
	1878-9	42,710	16,502	59,212
	1879-80	44,306	16,502	60,808
Legislature ...	1880-81	45,664	16,964	62,628
	1881-2	39,677	16,810	56,487
	1882-3	47,768	18,020	65,788
	1883-4	35,930	17,751	53,681
	1884-5	38,801	18,102	56,903
	1885-6	45,674	18,462	64,136
	1886-7	38,206	18,996	57,202
	1874-5	...	90,422	90,422
	1875-6	...	87,647	87,647
	1876-7	...	89,837	89,837
	1877-8	...	90,215	90,215
	1878-9	...	90,059	90,059
	1879-80	...	91,872	91,872
Civil establishment* ...	1880-81	...	89,987	89,987
	1881-2	...	90,833	90,833
	1882-3	...	117,610	117,610
	1883-4	...	113,628	113,628
	1884-5	...	117,586	117,586
	1885-6	...	122,593	122,593
	1886-7	...	129,001	129,001
	1874-5	26,529	2,587	29,116
	1875-6	27,423	2,426	29,849
	1876-7	26,214	4,725	30,939
	1877-8	28,370	5,587	33,957
	1878-9	33,952	9,153	43,105
	1879-80	35,202	9,336	44,538
Retiring allowances and pensions †	1880-81	36,817	12,499	49,316
	1881-2	41,749	16,040	57,789
	1882-3	40,474	20,095	60,569
	1883-4	41,334	24,355	65,689
	1884-5	43,589	26,598	70,187
	1885-6	52,685	20,529	73,214
	1886-7	64,844	20,316	85,160
	1874-5	3,078	10,884	13,962
	1875-6	1,752	5,963	7,715
	1876-7	3,478	7,187	10,665
	1877-8	42,582	7,146	49,728
	1878-9	13,159	33,444	46,603
	1879-80	2,544	19,416	21,970
Gratuities, compensations, &c.	1880-81	12,970	34,085	47,055
	1881-2	9,299	22,828	32,127
	1882-3	2,911	25,345	28,256
	1883-4	10,173	20,889	31,062
	1884-5	22,673	25,099	47,772
	1885-6	22,215	21,863	44,078
	1886-7	18,420	21,817	40,237

* See footnote (†) on preceding page.

† Including votes of £2,600 in 1880-81, of £5,000 in 1881-2, of £8,000 in 1882-3, and of £10,000 in each of the last four years, to meet deficiencies in the Police Superannuation Fund.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Judicial and legal ...	1874-5	16,417	156,558	172,975
	1875-6	16,125	154,469	170,594
	1876-7	16,750	154,932	171,682
	1877-8	16,567	154,498	171,065
	1878-9	14,000	158,056	172,056
	1879-80	14,000	157,664	171,664
	1880-81	15,047	142,444	157,491
	1881-2	16,919	141,263	158,182
	1882-3	17,000	159,689	176,689
	1883-4	16,655	158,319	174,974
	1884-5	16,381	166,916	183,297
	1885-6	19,096	172,194	191,290
	1886-7	22,993	170,912	193,905
Police ...	1874-5	...	198,312	198,312
	1875-6	...	199,738	199,738
	1876-7	...	197,371	197,371
	1877-8	...	207,119	207,119
	1878-9	...	209,041	209,041
	1879-80	...	233,732	233,732
	1880-81	...	207,674	207,674
	1881-2	...	201,063	201,063
	1882-3	...	204,561	204,561
	1883-4	...	216,973	216,973
Gaols and penal establishments	1874-5	...	60,469	60,469
	1875-6	...	61,051	61,051
	1876-7	...	60,008	60,008
	1877-8	...	58,132	58,132
	1878-9	...	58,442	58,442
	1879-80	...	56,636	56,636
	1880-81	...	53,565	53,565
	1881-2	...	53,032	53,032
	1882-3	...	57,128	57,128
	1883-4	...	55,836	55,836
Defences ...	1874-5	...	53,507	53,507
	1875-6	...	58,233	58,233
	1876-7	...	74,020	74,020
	1877-8	...	121,266	121,266
	1878-9	...	118,122	118,122
	1879-80	...	93,779	93,779
	1880-81	...	78,732	78,732
	1881-2	...	79,442	79,442
	1882-3	...	191,360	191,360
	1883-4	...	231,038	231,038
1884-5	110,000	88,773	198,773	
1885-6	110,000	209,938	319,938	
1886-7	110,000	194,764	304,764	

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Public instruction, science, &c.*	1874-5	9,000	408,136	417,136
	1875-6	9,000	466,280	475,280
	1876-7	9,000	483,939	492,939
	1877-8	9,000	512,725	521,725
	1878-9	9,000	563,900	572,900
	1879-80	11,250	560,742	571,992
	1880-81	9,000	575,225	584,225
	1881-2	9,000	591,799	600,799
	1882-3	9,000	589,970	598,970
	1883-4	9,000	598,822	607,822
	1884-5	9,000	601,026	610,026
1885-6	9,000	656,442	665,442	
1886-7	9,000	667,569	676,569	
State school buildings †	1874-5	...	181,440	181,440
Charitable institutions, medical, &c.*	1874-5	...	273,537	273,537
	1875-6	...	270,318	270,318
	1876-7	...	278,970	278,970
	1877-8	...	281,509	281,509
	1878-9	...	277,016	277,016
	1879-80	...	272,539	272,539
	1880-81	...	241,907	241,907
	1881-2	...	249,367	249,367
	1882-3	...	267,400	267,400
	1883-4	...	259,983	259,983
	1884-5	...	262,359	262,359
1885-6	...	273,705	273,705	
1886-7	...	268,864	268,864	
Crown lands	1874-5	...	129,558	129,558
	1875-6	...	128,026	128,026
	1876-7	...	149,210	149,210
	1877-8	...	130,519	130,519
	1878-9	...	129,617	129,617
	1879-80	...	136,889	136,889
	1880-81	...	103,279	103,279
	1881-2	...	99,169	99,169
	1882-3	...	100,367	100,367
	1883-4	...	98,209	98,209
	1884-5	...	104,875	104,875
1885-6	...	107,556	107,556 †	
1886-7	...	111,969	111,969	

* For particulars of the items included under these heads, see footnotes to table following paragraph 240 ante.

† Since 1874-5 the amount expended on school buildings has been paid entirely out of loans.—See table following paragraph 246 post.

‡ Including £5,620 in 1885-6, and £3,873 in 1886-7, for surveys in Mallee districts, &c., to be recouped by lessees.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
		£	£	£
Agriculture, &c. ...	1874-5	...	21,473	21,473
	1875-6	...	21,023	21,023
	1876-7	...	24,878	24,878
	1877-8	...	28,139	28,139
	1878-9	...	31,398	31,398
	1879-80	...	31,953	31,953
	1880-81	...	32,382	32,382
	1881-2	...	50,311	50,311
	1882-3	...	54,834	54,834
	1883-4	...	42,418	42,418
	1884-5	...	51,065	51,065
	1885-6	...	84,781	84,781
	1886-7	...	704*	70,848	71,552
Mining † ...	1874-5	3,500	27,153	30,653
	1875-6	3,500	34,653	38,153
	1876-7	3,500	34,043	37,543
	1877-8	3,500	25,030	28,530
	1878-9	3,500	48,882	52,382
	1879-80	3,500	24,704	28,204
	1880-81	3,500	27,406	30,906
	1881-2	3,500	39,379	42,879
	1882-3	3,500	38,940	42,440
	1883-4	3,500	44,334	47,834
	1884-5	3,500	53,236	56,736
	1885-6	3,500	67,962	71,462
	1886-7	3,500	100,154	103,654
Railways ‡ ...	1874-5	100,000	437,931	537,931
	1875-6	300,000	489,751	789,751
	1876-7	200,000	562,517	762,517
	1877-8	100,000	616,207	716,207
	1878-9	200,000	662,178	862,178
	1879-80	...	771,527	771,527
	1880-81	200,000	818,601	1,018,601
	1881-2	200,000	829,103	1,029,103
	1882-3	...	1,173,535	1,173,535
	1883-4	2,750	1,104,285§	1,107,035
	1884-5	6,000	1,403,993	1,409,993
	1885-6	94,667	1,317,873	1,412,540
	1886-7	72,650	1,358,466	1,431,116

* Rates paid on unoccupied Mallee Blocks towards extermination of vermin.

† Including amounts advanced to mining companies to assist in the development of the mining industry, &c., viz., £1,500 in 1875-6; £250 in 1877-8; £18,800 in 1878-9; and £500 in 1879-80. Only £1,237 in all has been repaid, leaving a balance of £19,813, of which £15,813 has been written off as unrecoverable.

‡ The amount entered under the head of Special Appropriations in 1885-6, with the exception of £6,000 for salaries of the Railway Commissioners, was paid into the "Railway Construction Account" in accordance with the direction of *The Land Act* 1884 (48 Vict. No. 812), sec. 78, whereby it is provided that all moneys arising from the sale by auction of Crown lands shall be placed to a trust account, the amount standing to the credit of which should be available for the construction of railways. The amounts entered prior to 1882-3 also represent the payment of moneys derived from the alienation of Crown lands, but fixed at £200,000 per annum, to a similar account (known as the "Railway Loan Liquidation and Construction Account"), which was created under *The Land Act* 1869 (33 Vict. No. 366)—full particulars of which are given in the *Victorian Year-Book* 1885-6, page 123. The total amount paid into both these accounts up to the 30th June, 1887, was £2,355,696, which has been expended on the survey or construction of lines of railway. The amounts entered under the head of "Votes" represent the working expenses of railways.

§ Exclusive of £50,000 recouped in 1885-6.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations.	Votes.	
	1874-5	£	£	£
	1875-6	...	17,013	17,013
	1876-7	...	17,192	17,192
	1877-8	...	18,099	18,099
	1878-9	...	22,621	22,621
	1879-80	...	28,501	28,501
	1880-81	...	26,053	26,053
Water supply	1881-2	...	32,339	32,339
	1882-3	...	40,869	40,869
	1883-4	...	34,534	34,534
	1884-5	...	31,472	31,472
	1885-6	...	32,282	32,282
	1886-7	...	35,511	35,511
	1874-5	315,640	339,855	655,495
	1875-6	347,754	332,465	680,219
	1876-7	310,704	242,283	552,987
	1877-8	310,000	252,505	562,505
	1878-9	310,000	276,401	586,401
	1879-80	155,000	476,593†	631,593
Other public works *	1880-81	...	587,593	587,593
	1881-2	...	550,681	550,681
	1882-3	...	636,611	636,611
	1883-4	...	617,148	617,148
	1884-5	...	640,555	640,555
	1885-6	...	686,825	686,825
	1886-7	...	671,973	671,973
	1874-5	85,890	294,726	380,616
	1875-6	26,908§	280,981	307,889§
	1876-7	64,542	298,467	363,009
	1877-8	53,996	312,958	366,954
	1878-9	55,855	333,120	388,975
	1879-80	61,101	338,088	399,189
Post and telegraphs †	1880-81	63,229	375,533	438,762
	1881-2	77,348	358,795	436,143
	1882-3	86,240	386,006	472,246
	1883-4	94,215	407,045	501,260
	1884-5	118,121	416,252	534,373
	1885-6	126,944	437,676	564,620
	1886-7	130,065	455,925	585,990

* 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 expenditure on the Port of Melbourne, included under this head prior to 1st January, 1877, has since been paid out of the Harbour Trust Fund. See tables following paragraphs 246 and 335 post.

† The provision of the Local Government Act 1874 authorizing the annual subsidy of £310,000 to municipalities lapsed on the 31st December, 1879, but amounts equivalent to the subsidy have since been voted by Parliament. This accounts for the gradual transfer of this item of expenditure from Special Appropriations to Votes.

‡ In the year 1885-6, a change was made in the method of keeping the accounts of postal communication with Great Britain. Prior to that year the gross charge, but subsequently the net charge only, was entered. From the gross expenditure for 1885-6 were deducted not only the amount due by other Governments on account of that year, but also the arrears received for 1884-5 and previous years. Hence the small apparent expenditure from Special Appropriations set down against that year.

§ 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), interest on Savings Bank deposits, and a subsidy for maintenance of the cable from Port Darwin to Penang.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations	Votes.	
		£	£	£
Interest and expenses of Public Debt *	1874-5	719,282	...	719,282
	1875-6	772,399	...	772,399
	1876-7	795,191	...	795,191
	1877-8	898,006	...	898,006
	1878-9	892,172	...	892,172
	1879-80	979,864	...	979,864
	1880-81	1,043,535	43,927	1,087,462
	1881-2	1,124,136	16,010	1,140,146
	1882-3	1,162,195	18,381	1,180,576
	1883-4	1,203,440	11,630	1,215,070
	1884-5	1,260,279	11,628	1,271,907
	1885-6	1,272,565	9,445	1,282,010
	1886-7	1,261,514	9,295	1,270,809
	Redemption of loans	1874-5	35,000	...	35,000
1875-6		...	...	...
1876-7		...	...	...
1877-8		...	...	...
1878-9		...	...	...
1879-80		...	...	...
1880-81		...	...	...
1881-2		...	...	...
1882-3		...	...	...
1883-4		...	...	...
Customs	1874-5	...	57,364	57,364
	1875-6	...	56,311	56,311
	1876-7	...	56,186	56,186
	1877-8	...	64,058	64,058
	1878-9	...	59,467	59,467
	1879-80	...	62,226	62,226
	1880-81	...	58,621	58,621
	1881-2	...	63,330	63,330
	1882-3	...	65,047	65,047
	1883-4	...	72,978	72,978
Harbours and lights	1874-5	...	35,035	35,035
	1875-6	...	34,703	34,703
	1876-7	...	29,980	29,980
	1877-8	...	29,017	29,017
	1878-9	...	28,876	28,876
	1879-80	...	29,272	29,272
	1880-81	...	23,448	23,448
	1881-2	...	25,471	25,471
	1882-3	...	26,763	26,763
	1883-4	...	24,632	24,632
1884-5	...	28,941	28,941	
1885-6	...	38,988	38,988	
1886-7	...	39,819	39,819	

* The expenditure under the head of Votes represents interest and expenses in connexion with the Melbourne and Hobson's Bay Railway Debentures, which are being gradually paid off and replaced by Government debentures.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations	Votes.	
		£	£	£
Mint subsidy* ...	1874-5	20,000	...	20,000
	1875-6	20,000	...	20,000
	1876-7	18,333	...	18,333
	1877-8	20,000	...	20,000
	1878-9	20,000	...	20,000
	1879-80	20,000	...	20,000
	1880-81	20,000	...	20,000
	1881-2	20,000	...	20,000
	1882-3	20,000	...	20,000
	1883-4	20,000	...	20,000
	1884-5	20,000	...	20,000
1885-6	20,000	...	20,000	
1886-7	20,000	...	20,000	
Aborigines ...	1874-5	...	6,209	6,209
	1875-6	...	6,100	6,100
	1876-7	...	7,500	7,500
	1877-8	...	7,464	7,464
	1878-9	...	10,499	10,499
	1879-80	...	7,500	7,500
	1880-81	...	7,499	7,499
	1881-2	...	7,498	7,498
	1882-3	...	7,498	7,498
	1883-4	...	10,857	10,857
1884-5	...	10,500	10,500	
1885-6	...	10,514	10,514	
1886-7	...	10,508	10,508	
Miscellaneous services † ...	1874-5	2,500	30,108	32,608
	1875-6	2,500	30,627	33,127
	1876-7	2,500	23,364	25,864
	1877-8	2,500	31,222	33,722
	1878-9	2,500	40,566	43,066
	1879-80	2,500	29,772	32,272
	1880-81	4,000	58,244	62,244
	1881-2	4,000	25,574	29,574
	1882-3	4,000	35,177	39,177
	1883-4	4,000	30,567	34,567
1884-5	4,000	25,851	29,851	
1885-6	4,000	43,569	47,569	
1886-7	2,234	38,107	40,341	
TOTAL EXPENDITURE PROPER	1874-5	1,448,633	2,848,016	4,296,649
	1875-6	1,640,200	2,753,866	4,394,066
	1876-7	1,523,734	2,812,405	4,336,139
	1877-8	1,562,247	2,973,815	4,536,062
	1878-9	1,626,484	3,183,240	4,809,724
	1879-80	1,356,995	3,446,795	4,803,790
	1880-81	1,478,271	3,621,954	5,100,225
	1881-2	1,574,097	3,571,667	5,145,764
	1882-3	1,423,014	4,228,871	5,651,885
	1883-4	1,472,124	4,193,169	5,665,293
	1884-5	1,688,706	4,437,035	6,125,741
1885-6	1,816,615	4,696,925	6,513,540	
1886-7	1,790,546	4,770,705	6,561,251	

* The annual subsidy to the Mint is £20,000; portion of this sum, however, has been repaid each year to the revenue.—See page 148 *ante*, under the head "Mint subsidy returned."

† The amounts in the column for Special Appropriations prior to 1886-7 are the unexpended balances of the Pension Fund (Schedule D, Part V.), repaid each year to the revenue, as also is £1,346 of the amount entered against 1886-7.

HEADS OF EXPENDITURE, 1874-5 TO 1886-7—continued.

Heads of Expenditure.	Year.	Expenditure from—		Total.
		Special Appropriations	Votes.	
		£	£	£
Amounts to be recouped from loans, &c.	1874-5	...	21,472	21,472
	1875-6	15,221	163,556	178,777
	1876-7	19,001	2,956	21,957
	1877-8	32,042	66,245	98,287
	1878-9	20,655	3,000	23,655
	1879-80	18,945	52,294	71,239
	1880-81	2,310	6,107	8,417
	1881-2	...	...	...
	1882-3	...	...	...
	1883-4	...	50,000	50,000
1884-5	...	14,615	14,615	
GRAND TOTAL EXPENDITURE*	1874-5	1,448,633	2,869,488	4,318,121
	1875-6	1,655,421	2,917,422	4,572,843
	1876-7	1,542,735	2,815,361	4,358,096
	1877-8	1,594,289	3,040,060	4,634,349
	1878-9	1,647,139	3,186,240	4,833,379
	1879-80	1,375,940	3,499,089	4,875,029
	1880-81	1,480,581	3,628,061	5,108,642
	1881-2	1,574,097	3,571,667	5,145,764
	1882-3	1,423,014	4,228,871	5,651,885
	1883-4	1,472,124	4,243,169	5,715,293
	1884-5	1,688,706	4,451,650	6,140,356
	1885-6	1,816,615	4,696,925	6,513,540
1886-7	1,790,546	4,770,705	6,561,251	

Decreased expenditure under special appropriations.

244. Of the total expenditure in 1886-7, £1,790,500, or about 27 per cent., was under the head of Special Appropriations, which being provided for under various Acts of Parliament other than the annual Appropriation Act, are not required to be voted annually. It will be observed that the expenditure under such appropriations fell off in 1886-7 as compared with the previous year by £26,100, although the expenditure from votes increased by £73,800. The principal decreases were £22,000 under the head of Railways, owing to the falling off, already referred to, in the amount payable to the Railway Construction Account; £11,000 under that of Interest, consequent on a reduction in the rate of interest on portion of the debt; £7,400 under that of Legislature, accounted for by the small amount of electoral expenses incurred in 1886-7; and £3,800 under that of Gratuities. On the other hand, there was an increase of £12,200 in the amount paid for retiring allowances; £3,900 under the head of Judicial and Legal; and £3,100 under that of Post and Telegraphs.

* Not including £471,900 in 1881-2, £18,000 in 1882-3, and £10,100 in 1883-4, towards the redemption of Treasury bonds.

245. The total annual amount authorized to be added permanently, or for a fixed number of years, to Special Appropriations under Acts passed during the last four financial years exceeds £255,500; but of this amount an appropriation of £110,000, for Defences, is authorized for only five years; and £80,000 is merely the re-investment of portions of the land revenue in the Government railways. The following is a statement of the new appropriations referred to:—

New special appropriations.

ADDITIONAL SPECIAL APPROPRIATIONS AUTHORIZED,
1883-4 to 1886-7.

Authorization.		Purpose for which Authorized.	Approximate Annual Amount.
Year.	Act.		
1883-4	47 Vict. No. 767	Victorian Railways Commissioners—Salaries	£ 6,000
	" 47 Vict. No. 773	Victorian Railways—Pensions, &c. Public Service Board—Salaries	13,000*
	" 47 Vict. No. 777	" Pensions, &c. Defences—Works, &c.	4,500
	" 47 Vict. No. 780	" Pensions, &c. Salary of Additional Minister	12,500*
	" 47 Vict. No. 781	Subsidy towards maintenance of telegraphic communication between Port Darwin and Penang	110,000†
			900*	20,000*
		Total	168,400
1884-5	48 Vict. No. 807	Addition to Agent-General's salary	500
	48 Vict. No. 812	Proceeds of land sales by auction paid to "Railway Construction Account"	80,000‡
		Total	80,500
1885-6	49 Vict. No. 835	Interest on payment out of Assurance Fund (Government Trust Fund) for purchase of land near Titles Office	3,000
	49 Vict. No. 844	Additional Judge of Supreme Court	3,000
	49 Vict. No. 870	Commissioner of Audit—Pension	650
		Total	6,650
1886-7		Nil	...
		Total increase in four years	255,550

NOTE.—Besides the amounts specified in the table, a grant of £3,000 was authorized and paid in 1885-6 to the widow of the late Hon. J. M. Grant.

* Previously paid from annual votes. Only about £14,600 of the £20,000 authorized for the maintenance of the Port Darwin cable has been required in each of the last three years.

† This amount is authorized for five years only.

‡ This represents the mean of the amounts paid in the last two years.

Expenditure
of loans,
&c.

246. In addition to the ordinary expenditure from revenue, large sums are annually disbursed for various purposes from amounts raised by means of loans. The following table shows the details of such expenditure prior to 1881-2 and during each subsequent year. This is intended to supplement the last table by exhibiting those items 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 LOANS TO 30TH JUNE, 1887.

Purposes of Expenditure.	Amounts Expended.*							
	Prior to 1881-82.	1881-2.	1882-3.	1883-4.	1884-5.	1885-6.	1886-7.	Total.
	£	£	£	£	£	£	£	£
Railways	15,582,400	794,468	2,187,183	1,191,132	848,358	1,401,511	1,521,817	23,526,869
Water Supply	3,218,655	149,903	367,416	304,585	172,465	235,485	373,994	4,822,503
Law Courts and Parliament Houses	277,949	67,952	44,860	45,505	568	12,153	32,770	481,757
Public Offices	162,280	..	..	..	..	..	..	162,280
Defences	98,299	..	..	..	..	..	..	98,299
State School Buildings	754,233	50,693	56,651	36,923	69,995	45,438	49,284	1,063,217
Yarra Bridge .. .. .	..	1,500	300	8,332	3,663	16,271	62,239	92,355
Alfred Graving Dock ..	341,819	..	..	..	..	..	..	341,819
Harbour Works, &c. ..	..	..	400	13,706	46,077	20,976	47,856	129,015
Total	20,435,635	1,064,516	2,656,810	1,600,233	1,141,126	1,731,834	2,087,960	30,718,114

NOTE.—The figures in this table, which have been obtained from the various Government departments, differ slightly from those given in the Treasurer's Finance Statements, in consequence of an overlapping of the accounts.

Annual
subsidies,
grants, &c.

247. Nearly a tenth of the expenditure payable from the General Revenue consists of subsidies, grants, endowments, &c. The whole amount payable in this manner is over £689,000, of which not quite half is paid to municipalities, nearly a sixth to charitable institutions; and nearly an eighth in aid of the mining industry. This does not include the grant for free public instruction, which amounts annually to nearly £600,000; or for the maintenance of the Government charitable institutions—such as the hospitals for the insane and the industrial and reformatory schools—which cost annually about £140,000. The following is a statement of the amounts payable under the various heads :—

* These are the actual payments during the various years shown, whether made direct from the loans, &c., or indirectly by means of advances from the general revenue—to be subsequently recouped.

† Of which £1,952,780 was for Melbourne Water Supply, and £2,869,723 for Country Waterworks, &c.

‡ Including an expenditure in 1886-7 of £15,431 on works for opening the entrance to the Gippsland Lakes, making a total of £32,244 up to the end of that year.

ANNUAL SUBSIDIES, GRANTS, ENDOWMENTS, ETC.

Subsidy to Municipalities	£310,000
<i>Educational Grants, &c.—</i>	
Melbourne University—Endowment under Act ...	9,000
" " Additional Endowment voted ...	5,500*
Schools of Mines	4,000†
" Design	1,400
Public Libraries, &c.—Grant for purchase of books ...	10,000
" " Grant in aid of building funds ...	8,000
Grant to Royal Society	200
" College of Pharmacy	1,000
" Victorian Academy of Arts	250
" Ballarat Fine Arts Gallery	2,000
" Geographical Society of Australasia	1,000
" Zoological and Acclimatisation Society, &c....	3,200
Grant to Charitable Institutions	114,000
<i>Post and Telegraphs—</i>	
Subsidy—Foreign Mail Service (net amount payable by Victoria)	67,200‡
" Maintenance of telegraph line between Port Darwin and Penang	14,500
" Eastern Extension Telegraph Co., Tasmania	1,250
<i>Mining, Agricultural, and other Industries—</i>	
Mining Boards	3,500
Mint Subsidy	20,000
Diamond Drills—Purchase and working expenses of ...	83,000§
Grant to assist miners in prospecting operations ... }	
" Agricultural Societies	20,000
" Horticultural Societies	1,000
" Poultry and Dog Society	200
Rewards for invention of improvements in agricultural machinery, &c.	500
<i>Defences—</i>	
Prizes to Rifle Associations, &c	1,675
Supply of Ammunition to Rifle Clubs, Cadet Corps, &c.	7,000
Total	<u>£689,375</u>

248. 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 over eight and three quarter millions sterling have been expended by the State in giving effect to its provisions. Of this amount nearly a fifth was for the erection, maintenance, and rent of school buildings; and the remainder, with the exception of £102,000 expended on pensions and gratuities—viz., seven millions—represents the cost of education—including the cost of office staff, inspection,

Expenditure
on public
instruction.

* In 1886-7 there was also a vote of £5,000 in aid of buildings.

† In 1886-7 there was also an additional grant in aid of buildings.

‡ A set-off against this amount appears in the account of Postal Revenue, under the head of "Postages Collected," which reduces the ultimate net cost to about £40,500.

§ Amount voted in 1886-7; the amount in the previous year was only £42,850.

instruction, and contingencies—for the last fifteen years. The following table shows the expenditure under those heads for each year from 1872-3 to 1886-7, also the total for the period:—

EXPENDITURE ON PUBLIC INSTRUCTION,* 1872-3 TO 1886-7.

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
Total ...	7,029,572	101,591	1,633,085	8,764,248

Cost of system at different periods.

249. 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 next two years it increased by nearly £50,000. During the last eight years the annual expenditure on school buildings varied from £62,000 in 1883-4 and £68,000 in 1885-6 and 1886-7 to £105,000 in 1880-81. It may be remarked that prior to 1872-3 the total annual expenditure on public instruction was under £200,000.

Expenditure on immigration.

250. 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 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 last two, and only £60 during the last six years. The following are the amounts spent in introducing immigrants during each year, beginning with the one in which separation took place:—

* Further details for the last two years are given in Part "Social Condition" published in a later volume.

† Including expenditure from loans.

EXPENDITURE ON IMMIGRATION, 1851 TO 1886-7.*

£		£		£	
1851	116,363	1864	47,887	1876-7	500
1852	206,552	1865	41,808	1877-8	366
1853	209,925	1866	35,813	1878-9	342
1854	390,352	1867	38,402	1879-80	28
1855	187,355	1868	32,549	1880-81	104
1856	115,716	1869	50,637	1881-2	...
1857	115,877	1870	33,313	1882-3	11
1858	59,023	1871 (6 months)	14,840	1883-4	47
1859	48,809	1871-2	21,808	1884-5	2
1860	6,948	1872-3	4,094	1885-6	...
1861	63,739	1873-4	2,251	1886-7	...
1862	115,209	1874-5	1,583	Total	£2,013,094
1863	50,081	1875-6	760		

251. Up to the end of 1886, all the Australasian colonies except Victoria had continued to expend considerable sums on the introduction of immigrants, and as a whole they spent only £4,000 less in 1886 than in the previous year. Over £256,000 were spent by the colonies on immigration in 1886, of which Queensland contributed two-thirds, and New South Wales not quite one-seventh. Only £69,000, or 27 per cent. of the whole, was provided for out of ordinary revenue, the greater portion having been paid out of the loan account. In proportion to population, the expenditure was far the highest in Queensland, where it averaged 10s. 9d. per head, whilst in Western Australia it was 5s. 11d. per head, the average for the whole of Australasia being 1s. 6d. per head. The following are the total amounts, and the amounts per head, expended in each colony in 1885 and 1886:—

EXPENDITURE ON IMMIGRATION IN THE AUSTRALASIAN COLONIES, 1885 AND 1886.

Colony.	Expenditure on Immigration.			
	Total Amount.		Amount per Head of Population.	
	1885.	1886.	1885.	1886.
	£	£	s. d.	s. d.
Victoria ...	...	...	...	...
New South Wales ...	52,036	35,397	1 1	0 9
Queensland ...	140,679	178,610	9 1	10 9
South Australia ...	36,043	22,789	2 4	1 5
Western Australia ...	...	11,000	...	5 11
Tasmania ...	4,779	3,808	0 9	0 8
New Zealand ...	27,010	4,589	0 11	0 2
Total ...	260,547	256,193	1 7	1 6

* Prior to 1870 the figures denote the whole expenditure in connexion with immigration, but from that date onwards it has not been possible to include the amounts for salaries and contingencies, in consequence of the Immigration Department having been amalgamated with the departments of Mercantile Marine and Distilleries.

Expenditure on immigration in Australasian colonies, 1871-85.

252. During the fifteen years ended with 1885 the subjoined amounts were spent on immigration in the following colonies:—Victoria, £80,049*; New South Wales, £686,010; South Australia, £610,465*; New Zealand, £2,147,241.†

Expenditure on public works.

253. During the last thirty-seven years nearly fifty-four 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, over three millions were spent in 1886-7. The whole is inclusive of loans to local bodies and water trusts for the construction of waterworks, but exclusive of the sums expended by the former on public works, roads, &c., and on the Port of Melbourne‡ since the 1st January, 1877. The following table gives the amounts expended by the State prior to and during 1886-7:—

GOVERNMENT EXPENDITURE ON PUBLIC WORKS.

Public Works.	Amount Expended.		
	Prior to 1886-7.	During 1886-7.	Total.
	£	£	£
Railways—Construction	24,357,813	1,813,796	26,171,609
" Maintenance	3,251,830	304,149	3,555,979
Roads and bridges	7,215,826	40,430	7,256,256
Waterworks, Melbourne—Construction	2,018,174	152,909	2,171,083
" " Maintenance	109,029	6,404	115,433
" Country	2,650,031	225,638	2,875,669
Other public works	11,253,276	565,086	11,818,362
Total	50,855,979	3,108,412	53,964,391

Revenue and expenditure of Melbourne Waterworks.

254. According to this table, the total expenditure to the 30th June, 1887, on the construction and maintenance of the Melbourne Waterworks was £2,286,516. And from a return presented to Parliament in December, 1887,§ it appears that, besides these items, the cost of management since 1858 has been £209,038, making a total cost of £2,495,554; as against which the gross revenue received since the opening of the works in 1854 has amounted to £2,397,851. During 1886-7 the ordinary revenue of the waterworks amounted to £155,491, as against £138,553 in the previous year; and the expenditure, including maintenance, to £20,673, as against £17,559 in the previous year. The net revenue in 1886-7 was thus £134,818 being equivalent to 6.44 per cent. of the mean capital cost;|| as compared with £120,994,

* For 15½ years.

† Including £74,410 expenditure by the Provincial Governments during the years 1871-6.

‡ See table following paragraph 335 *post*.

§ Parliamentary Paper, A—No. 7; Session 1887.

|| Or the mean of the capital cost at the beginning and end of the year.

or 6.12 per cent., in 1885-6. A reference to a subsequent table* will show that the loans were borrowed at the average nominal rate of only 4.09 per cent.

255. The total 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 six years ended with 1886. As the financial year of Victoria terminates on the 30th June, the items for this colony are given for seven years, the last year but one being six months behind, and the last year being six months in advance, of the latest period in respect to which returns are given for the other 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	1880-81	5,186,011	6	0	7	5,108,642	5	18	10
	1881-2	5,592,362	6	7	1	5,145,764	5	16	11
	1882-3	5,611,253	6	4	8	5,651,885	6	5	7
	1883-4	5,934,687	6	8	9	5,715,293	6	4	0
	1884-5	6,290,361	6	13	0	6,140,356	6	9	10
	1885-6	6,481,021	6	13	6	6,513,540	6	14	2
	1886-7	6,733,826	6	14	3	6,561,251	6	10	10
New South Wales	1881	6,707,963	8	15	10	5,890,580	7	14	5
	1882	7,410,737	9	5	5	6,347,810	7	18	10
	1883	6,470,341	7	13	5	8,048,319	9	10	10
	1884	7,117,592	7	19	0	6,853,189	7	13	1
	1885	7,584,593	8	2	11	8,573,288	9	4	2
	1886	7,594,301	7	15	0	9,078,869	9	5	4
Queensland	1880-81	2,023,668	9	8	2	1,757,654	8	3	5
	1881-2	2,102,095	9	5	3	1,904,201	8	7	9
	1883	2,583,444	9	12	11	2,242,971	8	7	6
	1884	2,673,554	8	19	0	2,751,851	9	4	3
	1885	2,840,960	9	4	0	2,875,609	9	6	3
	1886	2,810,147	8	9	0	3,202,030	9	12	7
South Australia	1881	2,171,988	7	10	4	2,054,285	7	2	4
	1882	2,087,076	7	4	0	2,146,599	7	8	1
	1883	2,060,140	6	17	10	2,330,079	7	15	10
	1884	2,024,928	6	11	3	2,398,191	7	15	5
	1885	2,309,592	7	7	6	2,454,808	7	16	10
	1886	1,975,269	6	6	0	2,234,395	7	2	9
Western Australia	1881	254,313	8	11	4	197,386	6	13	0
	1882	250,372	8	4	9	205,451	6	15	3
	1883	284,364	9	2	1	240,566	7	14	1
	1884	290,319	8	19	7	291,307	9	0	3
	1885	323,213	9	9	9	308,849	9	1	4
	1886	388,564	10	9	0	394,675	10	12	3

* See table following paragraph 358 *post*.

REVENUE AND EXPENDITURE IN AUSTRALASIAN COLONIES
—continued.

Colony.	Year.	Revenue.		Expenditure.	
		Total Amount.	Amount per Head.	Total Amount.	Amount per Head.
		£	£	£	£
Tasmania ...	1881	505,872	4 6 3	468,613	3 19 11
	1882	551,213	4 11 4	502,771	4 3 4
	1883	562,189	4 10 5	533,036	4 5 9
	1884	549,262	4 5 7	584,047	4 11 0
	1885	571,397	4 6 6	585,767	4 8 8
	1886	568,924	4 4 0	584,756	4 6 4
New Zealand ...	1881	3,757,493	7 12 3	3,675,797	7 9 0
	1882	3,917,160	7 13 10	3,824,735	7 10 2
	1883	3,871,267	7 6 3	3,924,005	7 8 3
	1884	3,707,488	6 14 2	4,101,318	7 8 5
	1885	3,859,996	6 16 4	4,282,901	7 11 4
	1886	3,688,016	6 6 9	4,310,875	7 8 1

NOTE.—In 1887-8, the revenue of Victoria was £7,607,754, and the expenditure £7,345,050; and in 1887, the revenue of New South Wales was £8,582,810, and the expenditure £9,202,241. For the revenue and expenditure of each of the neighbouring colonies during 1887, see Summary of Australasian Statistics (third folding sheet), and Appendix A published in the last volume.

256. It should be pointed out that the Victorian returns of revenue and expenditure are prepared on a somewhat different principle from those of New South Wales, the over-payments to the revenue, afterwards refunded, being in the Victorian statements deducted therefrom, and the net amounts only dealt with. In New South Wales, on the other hand, the refunds are not deducted from the revenue, but are placed under the head of expenditure, both revenue and expenditure being swelled thereby. 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 for the year 1886, sums can be traced amounting in the aggregate at least £225,000,* which are included in and go to swell both the revenue and expenditure of that colony, whereas they would not be so included in Victoria, and this may possibly not be the full extent to which such differences occur. It is not known whether a similar system of cross-entry prevails in the other Australasian colonies, but it is probable such entries are not so rigidly excluded in any of the colonies as they are in Victoria.

257. In the last year named in the table Victoria was the only colony in which there was a surplus of revenue over expenditure. In Western Australia and Tasmania the deficiencies were small, amounting only to £6,000 and £16,000 respectively, but in the other colonies the

* Such items are as follow:—£12,872, repayments to credit of votes; £57,479, drawbacks and refunds of duty; £21,499 railway revenue collected for, and afterwards paid over to, the Victorian Government; £133,300, other revenue returned, &c., &c.

Victorian statements differ from those of New South Wales.

Revenue and expenditure compared.

deficiencies were unusually heavy, amounting to £1,484,000 in New South Wales, to £623,000 in New Zealand, to £392,000 in Queensland, and to £259,000 in South Australia. These deficiencies amounted altogether to £2,780,000, but allowing for the surplus in Victoria amounting to over £172,000, the aggregate net deficiency in the revenues of the Australasian colonies in 1886 was £2,608,000. During the years named there has been a surplus five times in Victoria, four times in Western Australia, three times in New South Wales, Queensland, and Tasmania, twice in New Zealand, and once in South Australia.

258. In the last year named in the table a larger revenue than in any previous year was raised in Victoria, New South Wales, and Western Australia; and there was only a slight falling off in the case of Queensland and Tasmania. The expenditure was much greater in the last than in any previous year in Victoria, New South Wales, Queensland, and Western Australia, and slightly greater in New Zealand.

Revenue and expenditure in colonies, 1886 and former years.

259. Victoria and Western Australia were the only colonies in which the revenue per head was larger in the last year than in any of the previous years named. The colonies in which the expenditure per head was greatest in the last year were Queensland, and Western Australia.

Revenue and expenditure per head in colonies.

260. Although, as has been already stated,* the returns of Victoria and New South Wales 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 exceeded that of Victoria. In both these respects the two colonies named stood much above all the others of the group. 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, 1886.

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

261. In regard to the revenue per head, Victoria rose in 1886 from the sixth place which it had occupied in several previous years to the fourth place, South Australia changing places with it, and sinking from the fourth place to the sixth. In regard to the expenditure per head, Victoria occupied the same position as in former years, viz., the sixth. Western Australia rose from the third to the first place; Queensland and New South Wales sank from the first and second to the second and

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

* See paragraph 256 ante.

third places ; and South Australia from the fourth position, changed places with New Zealand at the fifth. The following is the order in which the colonies stood in these respects :—

ORDER OF COLONIES IN REFERENCE TO AMOUNTS OF REVENUE AND OF EXPENDITURE PER HEAD, 1886.

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

262. Adding together the amounts of revenue and likewise the amounts of expenditure for 1886,* it will be found that on the continent of Australia the former amounted to $19\frac{1}{2}$ millions, and the latter to nearly $21\frac{1}{2}$ millions ; also that the aggregate revenue of Australia, with the addition of that of Tasmania and New Zealand, amounted to $23\frac{1}{2}$ millions, and the aggregate expenditure to nearly $26\frac{1}{3}$ millions, sterling. In Continental Australia there was a deficiency on the year's transactions of over a million, and in the Australasian colonies as a whole there was a deficiency of over $2\frac{3}{4}$ millions, which deficiencies were partly made good by means of balances carried forward from previous years. The following are the exact amounts of revenue and expenditure, also the proportions per head of population:—

REVENUE AND EXPENDITURE OF AUSTRALIA AND AUSTRALASIA, 1886.

	Revenue.		Expenditure.	
	Total Amount.	Amount per Head.	Total Amount.	Amount per Head.
	£	£ s. d.	£	£ s. d.
Continent of Australia ...	19,249,302	7 6 2	21,423,509	8 2 8
Ditto, with Tasmania and New Zealand	23,506,242	7 0 3	26,319,140	7 17 1

263. A comparison of the aggregate revenue of the colonies upon the Australian continent in 1873 and in 1886 shows that, in the thirteen years, it had risen from £9,161,000 to £19,249,000, the increase being over 10 millions sterling, or 111 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 £23,506,000 at the latter period, the increase being $11\frac{1}{4}$ millions, or 92 per cent. In the same thirteen years, the population of the Australian

* In the case of Victoria, the figures for 1885-6 have been taken.

Revenue an expenditure of Australia and Australasia.

Increased revenue of Australasia in thirteen years.

continent increased from 1,702,840 to 2,699,965, or 58 per cent., and the population of the whole of Australasia increased from 2,103,000 to 3,426,562, or 63 per cent.

264. The following is a comparative statement of the amounts received, under various heads of revenue, in the respective Australasian colonies during the most recent year for which the particulars are available. The figures have all been derived from official sources:—

HEADS OF REVENUE IN AUSTRALASIAN COLONIES, 1886.

Heads of Revenue.	Victoria (1886-7).	New South Wales.	Queens- land.	South Australia.	Western Aus- tralia.	Tas- mania.	New Zealand.
Taxation—	£	£	£	£	£	£	£
Customs, &c. ...	2,132,361	2,068,571	965,754	436,114	164,048	276,265	1,315,801
Other taxes* ...	607,274†	543,264	230,897	149,009	20,951	95,279	646,361†
Total ...	2,739,635	2,611,835	1,196,651	585,123	184,999	371,544	1,962,162
Crown lands ...	587,091	1,643,955	597,108	227,145	104,377	62,496	290,539||
Railways ...	2,453,345	2,389,138‡	634,372	542,142	35,896	45,766	1,001,113
Post and Telegraphs ...	413,535†	486,218	185,938	182,709	20,729	41,045	234,681†
Other sources ...	540,220	463,155	196,078	438,150	42,563	48,073	199,521
Total ...	6,733,826	7,594,301§	2,810,147	1,975,269	388,564	568,924	3,688,016

Heads of Revenue.	Proportions per Cent.						
	Victoria (1886-7).	New South Wales.	Queens- land.	South Australia.	Western Aus- tralia.	Tas- mania.	New Zealand.
Taxation—							
Customs, &c. ...	30·93	27·24	34·37	22·08	42·22	48·56	35·68
Other taxes ...	9·73	7·15	8·22	7·54	5·39	16·73	17·52
Total ...	40·66	34·39	42·59	29·62	47·61	65·29	53·20
Crown lands ...	8·70	21·65	21·25	11·50	26·87	10·99	7·88
Railways ...	35·59	31·46	22·57	27·45	9·24	8·04	27·15
Post and Telegraphs ...	6·08	6·40	6·61	9·25	5·33	7·23	6·36
Other sources ...	8·97	6·10	6·98	22·18	10·95	8·45	5·41
Total ...	100·00	100·00	100·00	100·00	100·00	100·00	100·00

NOTE.—The figures of revenue and expenditure for Victoria are for the twelve months ended 30th June, 1887, but those for the other colonies are for the calendar year. Refunds of revenue, drawbacks, and such similar entries, are rigidly excluded from the accounts of revenue and expenditure of Victoria, but are included in those of New South Wales and some of the other colonies. For later information, see Appendix A at end of the last volume.

* The amounts in this line are made up of Excise duties, including licences imposed for revenue purposes; duties on bank notes; stamps, other than those for 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.

† The proportion of the revenue of Victoria and New Zealand derived from "Other Taxes" and "Post and Telegraphs" has been partly estimated.

‡ This amount includes £21,499 collected for, and repaid to, the Government of Victoria. Deducting this sum, which of course does not form part of the railway revenue of New South Wales, the net amount is reduced to £2,367,563, which includes £230,260 revenue from tramways.

§ Including revenue returned to the extent of at least £224,000—viz., £12,872, being repayments to credit of votes; £57,479, for drawbacks and refunds of duty; £21,499, railway revenue collected for the Victorian Government; £133,300, being other revenue returned, &c.

|| Exclusive of revenue from gold-fields.

Proportion of revenue from different sources.

265. It will be observed that the proportion of revenue raised by taxation—chiefly derived from Customs duties—varied from 30 per cent. in South Australia to 65 per cent. in Tasmania, the proportion in Victoria being 41 per cent., and in New South Wales only 34 per cent. The revenue from Railways also formed a very large proportion of the total revenue of all the colonies, varying from over a fifth to more than a third of the whole. The Crown lands revenue varied in the different colonies from 8 to 27 per cent., and that from Post and Telegraphs from 5 to 9 per cent.

Heads of revenue in Victoria and New South Wales compared.

266. It will be remarked that the land revenue was nearly three times as large in New South Wales as in Victoria, which item alone accounts for the larger total revenue of the former colony. Indeed, if the land revenues be deducted from the total revenues of the two colonies, the revenue of Victoria, notwithstanding the cross entries in the New South Wales returns already alluded to, would exceed the revenue of that colony by £196,000, the respective amounts for 1886 being £6,146,700 and £5,950,400. It also appears that the railway revenues of these two colonies are about equal, the difference according to the table being about £64,000 in favour of Victoria; in this colony it forms much more than one-third, and in New South Wales nearly one-third, of the total revenue. The total taxation of Victoria was greater than that of New South Wales by about £128,000, the excess appearing chiefly under the head of Customs. Under other heads, the revenue in New South Wales from Post and Telegraphs exceeded that in Victoria by £73,000, but that from other sources was less by £77,000.

267. In 1886 the aggregate land revenue of the Australasian colonies amounted to £3,560,000. 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 1886. The colonies are arranged in order according to that proportion:—

LAND REVENUE IN AUSTRALASIAN COLONIES, 1886.

Colony.	Revenue derived from Crown Lands for—			Proportion of Land Revenue to Total Revenue.
	Alienation in Fee-simple, and Progressive Alienation.	Temporary Occupation, and Miscellaneous.	Total.	
	£	£	£	Per Cent.
Western Australia	34,274	70,103	104,377	26·87
New South Wales	1,206,424	437,531	1,643,955	21·65
Queensland	291,480	305,628	597,108	21·25
South Australia	96,450*	130,695	227,145	11·50
Tasmania	45,158	17,338	62,496	10·99
New Zealand	101,249	236,876	338,125†	9·17
Victoria (1886-7)	504,734	82,357	587,091	8·72
Total	2,279,769	1,280,528	3,560,297	14·98

* Exclusive of interest on credit sales.

† Inclusive of revenue from goldfields, &c.

Land revenue in Australasian colonies.

268. It will be noticed that over a seventh of the aggregate revenues of the Australasian colonies in 1886 was derived from Crown lands; and that the proportion amounted to a little over a twelfth in Victoria; over an eleventh in New Zealand; about a ninth in Tasmania and South Australia; over a fifth in Queensland and New South Wales; and over a fourth in Western Australia. It will also be remarked that in all the colonies respecting which the information is given, except Western Australia and South Australia, the bulk of the land revenue was derived from alienation in fee-simple.

Prospective
diminution
of land
revenue in
colonies.

269. In 1886, as compared with 1885, a decrease of £232,000 occurred in the land revenue of New South Wales, of £57,000 in that of New Zealand, and of £48,000 in that of South Australia; whilst the only colonies which showed an increase were Victoria and Western Australia, amounting in the former to £24,000, and the latter to nearly £4,000. Taking the colonies as a whole, considerable fluctuations will be observed in the land revenue during the nine years ended with 1886, as shown in the following table:—

Land re-
venue in
Australasia,
1878-1886.

LAND REVENUE OF AUSTRALASIAN COLONIES, 1878 TO 1886.

Years.	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

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.

270. Of the 23½ millions sterling which formed the total revenue of the Australasian colonies in 1886, 9½ millions—or about two-fifths—was raised by taxation, chiefly through the Customs; nearly 7 millions—or nearly one-third—was derived from Railways; nearly 3½ millions from Crown lands; and over 1½ millions from Post and Telegraphs. The

Sources of
revenue in
Australasia.

following are the exact figures, also the amounts per head, distinguishing those relating to Continental Australia from those relating to the Australasian colonies taken as a whole :—

HEADS OF REVENUE IN AUSTRALIA AND AUSTRALASIA, 1886.

Heads of Revenue.	Continent of Australia.		Australia, with Tasmania and New Zealand.	
	Amount.	Proportions per Cent.	Amount.	Proportions per Cent.
Taxation—	£		£	
Customs	5,638,947	29·29	7,231,013	30·76
Other Taxes...	1,574,221	8·18	2,315,861	9·85
Total	7,213,168	37·47	9,546,874	40·61
Crown lands	3,136,193	16·29	3,471,890	14·77
Railways	5,908,339	30·70	6,955,218	29·59
Post and Telegraphs ...	1,269,778	6·60	1,545,504	6·57
Other sources	1,721,824	8·94	1,986,756	8·46
Total	19,249,302	100·00	23,506,242	100·00

NOTE.—For similar figures for 1887, see Appendix A to the last volume

Heads of expenditure of Australasian colonies.

271. 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 year for which the particulars are available :—

HEADS OF EXPENDITURE IN AUSTRALASIAN COLONIES, 1886.*

Heads of Expenditure.	Victoria (1886-7.)	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
	£	£	£	£	£	£	£
Railways (working expenses)	1,364,466	1,731,177†	476,966	372,787	44,580	70,709	692,039
Post and Telegraphs	585,990	610,651	309,038	180,288	31,112	55,760	287,095
Interest on Public Debt, &c.‡	1,270,809	1,579,689	841,565	683,564	59,780	155,844	1,753,243
Immigration§	...	35,397	...	22,789	11,000	...	...
Other services	3,339,986	5,121,955	1,574,461	974,967	248,203	302,443	1,578,498
Total	6,561,251	9,078,869	3,202,030	2,234,395	394,675	584,756	4,310,875

* The figures for Victoria are for the year ended 30th June, 1887, those for the other colonies for the year ended 31st December, 1886. For later figures, see Appendix A to the last volume.

† Including £97,707 for Tramways, and £20,682 collected for, and repaid to, the Victorian Government.

‡ Borrowed chiefly for the construction of Railways and other reproductive works.

§ Further amounts on the introduction of immigrants were expended during the year out of loans, as follow :—Queensland, £178,610; Tasmania, £3,808; New Zealand, £4,589. See Table VI. *Victorian Year-Book 1886-7*, page 828.

HEADS OF EXPENDITURE IN AUSTRALASIAN COLONIES, 1886*—
continued.

Heads of Expenditure.	Proportions per Cent.						
	Victoria (1886-7.)	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.
Railways (working expenses)	20·79	19·07	14·90	16·68	11·30	12·09	16·05
Post and Telegraphs	8·93	6·73	9·65	8·07	7·88	9·54	6·66
Interest on Public Debt, &c.	19·37	17·40	26·28	30·59	15·14	26·65	40·67
Immigration	...	·39	...	1·02	2·79	...	...
Other services	50·91	56·41	49·17	43·64	62·89	51·72	36·62
Total ...	100·00	100·00	100·00	100·00	100·00	100·00	100·00

272. It will be observed that the Railway expenditure was larger by about £370,000 in New South Wales than in Victoria, where it amounted to over 1½ millions sterling, or more than a fifth of the total expenditure, whilst the interest payable on the Public debt was larger by £300,000, and the expenditure on Post and Telegraphs larger by £25,000. The interest on the Public debt in New Zealand, however, was larger than that in New South Wales by over £170,000; and amounted to over two-fifths of the total expenditure. The expenditure on immigration should be considered in conjunction with that expended during the year from loans.†

Heads of expenditure in Australasian Colonies compared.

273. It will also be noticed that about half the total expenditure in Victoria, Queensland, and Tasmania, considerably more than half in South Australia, and as much as two-thirds in New Zealand, was devoted to the working of Railways and Post and Telegraphs, and the payment of interest on the Public debt. In Victoria, the Railway expenditure alone amounted to about one-fifth of the total, and the interest on the Public debt to nearly a similar proportion, the former being somewhat higher than in New South Wales, and much higher than in the other colonies, whilst the latter was not nearly so high in Victoria as in Queensland or Tasmania, where it amounted to 26 per cent., or in South Australia, where it exceeded 30 per cent., or in New Zealand, where it was as high as 40 per cent. The proportion expended on Post and Telegraph Services, it will be noticed, varied from 6½ per cent. in New Zealand and New South Wales to 9½ per cent. in Queensland and Tasmania, and was nearly 9 per cent. in Victoria.

Proportion of expenditure on various objects.

* See footnote (*) on preceding page.

† See also table following paragraph 277 post.

Heads of expenditure in Australasia.

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

HEADS OF EXPENDITURE IN AUSTRALIA AND AUSTRALASIA, 1886.

Heads of Expenditure.	Continent of Australia.		Australia, with Tasmania and New Zealand.	
	Amount.	Amount per Cent.	Amount.	Amount per Cent.
	£		£	
Railways (working expenses)	3,949,383	18·43	4,712,131	17·90
Post and Telegraphs ...	1,695,709	7·92	2,038,564	7·75
Interest on Public Debt, &c....	4,446,608	20·76	6,355,695	24·15
Immigration *	69,186	·32	69,186	·26
Other services	11,262,623	52·57	13,143,564	49·94
Total	21,423,509	100·00	26,319,140	100·00

NOTE.—The amounts in this table are summarized from statements of the various colonies for the year ended 31st December, 1886, except in the case of Victoria, for which colony the amounts for the year ended 30th June, 1886, have been taken. For later figures, see Appendix A to the last volume.

Loan expenditure in Australasian colonies, 1886.

275. In addition to the expenditure of amounts derived from the General Revenue, as shown in the last two tables, all the colonies spend large sums of borrowed money, chiefly on railways and waterworks, but, also, in some instances, on the construction of electric telegraphs, harbour works and lighthouses, 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 during 1886, also the amounts per head :—

EXPENDITURE FROM LOANS IN AUSTRALASIAN COLONIES, 1886.

Name of Colony.	Expenditure from Loans during 1886.	
	Total Amount.	Amount per Head.
	£	£ s. d.
Victoria	1,731,834	1 15 8
New South Wales	3,766,356	3 16 10
Queensland	2,029,225	6 2 1
South Australia	1,451,800	4 12 9
Western Australia	134,147	3 12 2
Total	9,113,362	3 9 2
Tasmania	484,289	3 11 6
New Zealand	1,583,723	2 14 5
Grand Total	11,181,374	3 6 9

NOTE.—In this table the figures for Victoria relate to the year ended 30th June, 1886, those for the other colonies to that ended 31st December. For later information, see Appendix A to the last volume.

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

276. It will be observed that the aggregate loan expenditure of the Australasian colonies, in 1886, was not far short of 11½ millions sterling, 3¾ millions of which was spent by New South Wales, that amount being much more than twice as large as that spent by Victoria. It will also be noticed that the loan expenditure per head of population was much lower in Victoria, but much higher in Queensland, than in any other colony.

Loan expenditure of different colonies compared.

277. Of the loan expenditure of the Australasian colonies during 1886, two-thirds was spent in the construction of railways; about one-eleventh on waterworks; over 5 per cent. in connexion with harbours, rivers, &c.; over 3 per cent. on roads and bridges; 1½ per cent. on the introduction of immigrants; and the balance for other services. The following are the total and proportionate amounts expended under each of these heads in Australia and Australasia respectively during 1886:—

Heads of Loan expenditure in Australia and Australasia.

HEADS OF LOAN EXPENDITURE IN AUSTRALIA AND AUSTRALASIA, 1886.

Heads of Loan Expenditure.	Continent of Australia.		Australia, with Tasmania and New Zealand.	
	Amount.	Amount per Cent.	Amount.	Amount per Cent.
	£		£	
Railways	6,647,088	72·94	7,415,966	66·33
Water Supply	1,008,114	11·06	1,008,114	9·02
Roads and Bridges	70,499	·77	354,510	3·17
Harbours, Rivers, Lighthouses, &c.	332,102	3·64	588,629	5·26
Immigration	178,610	1·97	187,007	1·67
Other services	876,949	9·62	1,627,148	14·55
Total	9,113,362	100·00	11,181,374	100·00

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

Revenues of British dominions.

REVENUES OF BRITISH DOMINIONS, 1886.

Country or Colony.	Revenue.	
	Gross Amount.	Average per Head.*
	£	£ s. d.
EUROPE.		
United Kingdom (1887)	90,772,758	2 8 8
Gibraltar	52,123	2 16 8
Malta	223,753	1 8 1

* For populations on which most of these calculations have been based, see table following paragraph 137 ante.

REVENUES OF BRITISH DOMINIONS, 1886—continued.

Country or Colony.	Revenue.			
	Gross Amount.	Average per Head.*		
	£	£	s.	d.
ASIA.				
India	74,464,197	0	8	6
Ceylon	1,004,035	0	7	1
Straits Settlements	671,427	1	6	6
Labuan	3,665	0	11	8
Hong Kong	284,995	1	8	5
AFRICA.				
Mauritius	722,997	1	19	3
Natal	600,178	1	7	2
Cape of Good Hope	3,040,439	2	8	7
St. Helena	10,186	2	0	1
Lagos	53,405	0	12	3
Gold Coast	122,531	0	3	9
Sierra Leone	62,935	1	0	9
Gambia	14,271	1	0	2
AMERICA.				
Canada	6,817,200	1	8	10
Newfoundland	215,755	1	1	10
Bermuda	30,518	2	0	2
Honduras	54,361	1	19	7
British Guiana	446,025	1	12	6
West Indies—				
Bahamas	46,940	1	1	7
Turk's Island	10,411	2	4	0
Jamaica	578,323	0	19	2
St. Lucia	39,823	0	19	1
St. Vincent	30,567	0	13	7
Barbados	136,286	0	15	10
Grenada	52,392	1	2	1
Tobago	8,814	0	8	10
Virgin Islands	1,448	0	5	6
St. Christopher }	35,470	0	17	4
Nevis				
Antigua	47,452	1	7	2
Montserrat	5,023	0	8	10
Dominica	15,238	0	10	7
Trinidad	453,407	2	10	10
AUSTRALASIA AND SOUTH SEAS.				
Australia, Tasmania, and New Zealand † ...	23,506,242	7	0	3
Fiji	64,574	0	10	3
Falkland Islands	9,295	5	19	8
Total	204,709,459	0	16	2

279. It will be noticed that, out of the 205 millions sterling which represent the aggregate annual revenue of the British dominions, 92 per cent. is raised in the United Kingdom, India, and Australasia, the

* For populations on which most of these calculations have been based, see table following paragraph 137 *ante*.

† For the revenue of each Australasian colony, see table following paragraph 255 *ante*.

proportion contributed by each respectively being 44 per cent., 36½ per cent., and 11½ per cent. Of the total amount, 45 per cent. is raised in Europe, 37 per cent. in Asia, 2 per cent. in Africa, 4½ per cent. in America, and 11½ per cent. in Australasia.

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 Crown lands in fee-simple and from the working of the State railways.†

Large revenues per head in Australasian colonies.

281. Besides the Australasian colonies, Gibraltar, Trinidad, and the Falkland Islands were the only British possessions which raised larger amounts per head than the United Kingdom.

Revenue per head in colonies and United Kingdom.

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 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.

REVENUES OF FOREIGN COUNTRIES.

Country.	Year.	Revenue.	
		Gross Amount. (000's omitted.)	Amount per Head.†
EUROPE.			
Austria-Hungary	1887	£ 73,569,§	£ s. d. 1 15 9
Belgium	1886	12,822,	2 4 6
Denmark	1884-5	3,165,	1 10 2
France	1885	138,193,	3 13 10
Germany	1886-8	126,000,||	2 13 9
Greece	1887	2,958,	1 9 11
Holland	1886	9,845,	2 4 10
Italy	1885-6	59,493,	1 19 9

* See table following paragraph 255 *ante*.

† For a comparison of the railway revenues and land revenues of the Australasian colonies with the total revenues, see paragraphs 264 to 269, *ante*.

‡ The populations of foreign countries on which these calculations are based are generally those given in paragraph 139 *ante*.

§ This amount is made up of £41,395,000 revenue of Austria in 1887; £32,174,000, revenue of Hungary in the same year.

|| This amount is made up of the estimated ordinary revenue of the Empire for 1888-9, £30,467,100 (exclusive of contributions by the States and extraordinary receipts), and of the revenues of the following States, according to their Budget estimates, for the dates named, viz.:—Alsace-Lorraine, £2,006,595 in 1887-8; Anhalt, £524,000 in 1887-8; Baden, £2,346,483 in 1888; Bavaria, £12,074,582 in 1887; Bremen, £684,055 in 1886; Brunswick, £637,050 in 1887; Hamburg, £1,995,226 in 1887; Hesse, £879,747 in 1887-8; Lippe, £50,872 in 1887; Lübeck, £149,795 in 1887; Mecklenburg-Schwerin, £327,950 in 1887-8; Oldenburg, £503,867 in 1888; Prussia, £65,141,422 in 1886; Reuss-Greiz, £42,760 in 1887; Reuss-Schleiz, £72,668 in 1888; Saxe-Altenburg, £136,798 in 1888; Saxe-Coburg-Gotha, £329,146 in 1888-9; Saxe-Meiningen, £262,431 in 1888-9; Saxe-Weimar, £337,327 in 1888; Saxony, £3,743,277 in 1886-7; Schaumburg-Lippe, £31,346 in 1887-8; Schwarzburg-Rudolstadt, £101,210 in 1887; Schwarzburg-Sondershausen, £112,475 in 1887; Waldeck, £54,187 in 1888; and Württemberg, £2,487,120 in 1887-8.

REVENUES OF FOREIGN COUNTRIES—*continued.*

Country.	Year.	Revenue.	
		Gross Amount. (000's omitted.)	Amount per Head.*
EUROPE—<i>continued.</i>			
Portugal	1885-6	£ 6,973,	£ s. d. 1 12 5
Roumania	1887	5,529,	1 0 1
Russia in Europe	1887	74,410,†	0 16 10
Spain	1885-6	34,590,	2 0 2
Sweden and Norway	1886-7	7,124,‡	1 1 8
Switzerland	1887	2,088,	0 15 9
Turkey	1883-4	14,681,	0 12 1
ASIA.			
Japan	1886-7	15,561,	0 8 2
AFRICA.			
Egypt	1886	9,813,	1 8 10
Tunis	1887-8	864,	0 8 3
AMERICA.			
Argentine Confederation	1887	10,597,	3 1 8
Brazil	1885	13,288,	1 0 5
Mexico	1884-5	5,446,	0 10 5
Peru	1885	1,578,	0 10 6
United States	1886	70,092,	1 5 1

Countries
raising
largest
revenue.

283. According to this table and that following paragraph 278 *ante*, the country which raises the largest revenue of any in the world is France; then Germany, and then the United Kingdom. After the revenues of these countries, the largest amounts are raised in British India, Russia, Austria, Hungary, the United States, Italy, and Spain in the order named. These are the only countries whose revenues exceed the united revenues of the Australasian colonies. The revenue of Victoria is larger than that of Denmark, Greece, Roumania, Switzerland, Tunis, Peru, or Mexico; and nearly as large as that of Portugal or Sweden and Norway.

Countries
raising
largest
amounts
per head.

284. France, Germany, and the Argentine Confederation are the only countries named in the table which raise more per head than the United Kingdom, where it is slightly larger than in Belgium or Holland. In Victoria, nearly twice as much per head is raised as in France, and more than two and a half times as much as in the United Kingdom.

Taxation.

285. The amounts of which 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 harbour dues, business licences, duties on bank notes, duties on estates of deceased persons, a land tax, and stamp duties. The latter class comprises amounts derived from the sale or

* See note (†) previous page.

† Exclusive of loans and advances repaid amounting to £4,901,500.

‡ This amount is made up of £4,705,388, revenue of Sweden in 1887-8, and £2,418,432, revenue of Norway in 1885-6.

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 :—

TAXATION, 1886-7.

Revenue raised by taxation	£
„ otherwise	2,739,635
Total	3,994,191
	<u>6,733,826</u>

286. In 1886-7 about 41 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 1,003,100, an average will be obtained of £2 14s. 8d. 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 year since 1853 :—

TAXATION, 1853 TO 1886-7.*

Year.	Taxation.		
	Gross Amount.	Average per Head.†	Percentage of Total Revenue.
	£	£ s. d.	
1853	800,577	4 1 11	24·74
1854	1,052,462	3 18 8	34·08
1855	1,193,309	3 10 6	43·73
1856	1,458,647	3 16 7	49·07
1857	1,331,362	3 1 10	40·00
1858	1,414,511	2 18 6	47·57
1859	1,414,760	2 14 8	43·38
1860	1,330,761	2 9 10	43·11
1861	1,244,389	2 6 1	42·15
1862	1,183,194	2 3 2	36·19
1863	1,158,219	2 1 2	41·74
1864	1,167,036	1 19 10	39·49
1865	1,214,479	1 19 9	39·47
1866	1,219,567	1 18 9	39·61
1867	1,516,231	2 7 1	47·14
1868	1,352,818	2 0 10	41·87
1869	1,539,495	2 4 10	45·49
1870	1,394,333	1 19 1	42·75
1871 (six months)...	724,261	0 19 10	42·82
1871-2	1,612,034	2 3 2	43·17
1872-3	1,784,056	2 7 0	48·96
1873-4	1,896,842	2 9 2	46·19
1874-5	1,724,822	2 4 0	40·71
1875-6	1,780,392	2 5 0	41·16
1876-7	1,770,685	2 4 2	37·48

* According to figures contained in a statement distributed to Members of the Legislative Assembly by the Honorable the Treasurer in July, 1888, the taxation in 1887-8 amounted to about £3,010,000, or £2 18s. per head of the estimated mean population (1,037,600) of that financial year.

† For mean population of each year, see table following paragraph 228 ante.

TAXATION, 1853 TO 1886-7*—continued.

Year.	Taxation.		
	Gross Amount.	Average per Head.†	Percentage of Total Revenue.
	£	£ s. d.	
1877-8	1,712,953	2 2 0	38·03
1878-9	1,730,088	2 1 10	37·44
1879-80	1,690,923	2 0 3	36·59
1880-81	2,003,704	2 6 7	38·64
1881-2	2,317,706	2 12 8	41·44
1882-3	2,334,255	2 11 10	41·60
1883-4	2,318,520	2 10 4	39·07
1884-5	2,548,171	2 13 10	40·51
1885-6	2,634,560	2 14 3	40·65
1886-7	2,739,635	2 14 8	40·68

NOTE.—An export duty on gold existed from May, 1885, to the end of 1867. The receipts from that source have not, for the purposes of this table, been considered as taxation.

Comparison of taxation 1886-7 with former years.

287. It will be observed that, whilst an increase of over £105,000 took place in the gross amount produced by taxation in 1886-7, as compared with the preceding year, the taxation per head was only 5d. more than in 1885-6; it was also higher than in any previous year since 1859. The proportion of taxation to revenue has increased but slightly in the last three years; it was, however, higher than in any previous year since 1875-6 except 1881-2, and 1882-3.

Heads of taxation.

288. 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, 1879-80 TO 1886-7.†

Heads of Taxation.	Amount Received.							
	1879-80.	1880-81.	1881-2.	1882-3.	1883-4.	1884-5.	1885-6.	1886-7.
	£	£	£	£	£	£	£	£
Customs duties	1,353,656	1,450,137	1,667,306	1,740,467	1,741,053	1,887,718	1,968,640	2,094,356
Wharfage rates‡	24,125	24,641	27,346	28,537	28,055	31,821	35,820	38,005
Excise:—								
Spirits	41,230	52,232	52,620	52,522	53,638	68,930	67,250	56,556
Beer .. ..	..	62,557	98,955	11,256	..	..	..	..
Tobacco .. ..	..	21,872	64,972	70,933	70,016	72,295	70,459	64,145
Ports and Harbours ||	19,194	20,577	26,263	27,787	30,871	31,176	32,710	34,920
Licences (not territorial) ..	21,762	23,906	25,977	28,381	31,623	32,535	33,922	18,898
Duties on estates of deceased persons	37,928	78,141	74,368	86,648	77,154	124,370	104,907	114,909
Duty on bank notes	22,470	23,807	27,324	28,685	28,575	27,529	28,769	¶ 28,104
Stamp duty	83,005	115,844	131,020	133,433	133,651	α 143,382	α 165,313	α 165,000
Land tax	87,553	129,990	121,555	125,606	123,884	128,415	126,770	124,742
Total	1,690,923	2,003,704	2,317,706	2,334,255	2,318,520	2,548,171	2,634,560	2,739,635

* See footnote (*) to preceding page.

† For mean population of each year, see table following paragraph 228 ante.

‡ See also footnotes to table following paragraph 239 ante.

§ Consisting, chiefly, of one-fifth of the total amount of wharfage rates collected at the Port of Melbourne. Since the 30th June, 1877, the remaining portion of these rates has formed part of the revenue of the Melbourne Harbour Trust.

|| Chiefly tonnage dues.

¶ Decrease owing to proportion of revenue from publican's licences, &c., now being paid into the "Licensing Act 1885 Fund."

α Roughly estimated. See footnote (*) on page 141 ante.

289. It will be observed that during the three years prior to 1884-5, the amounts received under the head of taxation were almost identical, but in that year there was an increase of £229,600, and further increases of £86,400 in 1885-6 and £105,000 in 1886-7, the total increase in the three years being thus £421,000. About £100,000* of this increase was attributable to fresh taxation—imposed about the beginning of 1884-5 in the form of increased Customs and Excise duties on spirits, and a net amount of about £3,700 imposed in 1886-7 arising from other alterations in the Customs duties; whilst the balance (over £317,000) represents the natural growth of the interests by which the sources of taxation are affected. The main increase in 1886-7 took place under the head of Customs duties, which showed an increase of £125,700; besides which there was an increase of £2,200 under wharfage rates, £10,000 under duties on estates of deceased persons, and £2,200 under ports and harbours. On the other hand, a decrease of £17,000 took place in the Excise duties on spirits and tobacco—especially the former, and one of £15,000 under the head of licences—in consequence of the proportion of the receipts from publicans' licences, formerly paid out of the general revenue, now being paid into the "Licensing Act 1885 Fund"; whilst there were also slight decreases in the receipts from the land tax and the duty on bank notes. With the exception of a few alterations in the Customs duties about the end of July 1886, as detailed in a subsequent paragraph, there was no change made affecting the sources of taxation during the year 1886-7. Moreover, although the revenue from publicans' licences has been paid to a trust fund since the 1st February, 1886, this change does not appear to have visibly affected the revenue from licences until 1886-7.

Heads of
taxation in
1885-6 and
1886-7 com-
pared.

290. The greater portion of the Government taxation is derived from Customs duties. The proportion from that source, however, has gradually decreased from 89 per cent. in 1874-5, and 87 per cent. in 1875-6, to as low as 72 per cent. in 1881-2, and between 74 and 76½ per cent. in the last five years. The revenue derived from Customs duties during 1886-7 was equivalent to a charge of over 11 per cent. on the estimated total value of imports during the same year. †

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

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

Customs
revenue,
1880 to
1887.

* If the quantity of spirits on which duty was paid had remained constant, the increase would have been £113,000; but there was a falling off. See table following paragraph 291 *post*.

† See also table following paragraph 326 *et seq. post*.

TAXATION BY CUSTOMS DUTIES,* 1879-80 TO 1886-7.

Articles.	Amounts Received.							
	1879-80.	1880-81.	1881-2.	1882-3.	1883-4.	1884-5.	1885-6.	1886-7.
	£	£	£	£	£	£	£	£
Spirits	420,872	430,909	443,431	468,746	472,259	518,370	545,170	566,134
Wine	34,095	43,171	45,112	44,100	39,096	42,101	41,086	41,335
Beer and cider ..	27,372	29,721	29,770	32,372	33,845	35,210	37,904	41,126
Tobacco and snuff	59,384	53,379	71,525	85,844	97,420	108,405	121,476	151,893
Cigars	16,404	21,691	24,927	29,453	31,311	34,299	33,583	37,848
Tea	68,541	76,540	81,706	80,298	73,970	88,093	87,544	90,660
Sugar and molasses	89,379	94,312	103,466	108,087	119,248	118,031	115,796	123,526
Coffee, chicory, cocoa, and chocolate	13,153	13,882	14,491	14,883	15,665	16,930	16,990	16,788
Opium	18,877	21,645	21,359	20,897	21,889	19,517	15,266	15,043
Rice	15,555	23,136	20,169	20,576	16,607	18,824	19,710	20,279
Hops	9,364	7,805	14,948	8,318	4,416	4,326	4,455	8,955
Malt	10,907	3,371	4,272	1,750	3,301	2,302	3,633	4,655
Fruits and vegetables, dried and preserved	34,809	34,312	47,510	48,418	43,973	53,348	47,806	54,641
Live stock ..	43,056	39,167	34,948	32,945	38,359	30,064	37,741	34,706
Articles subject to <i>ad valorem</i> duties	273,835	334,296	434,532	444,038	441,470	490,677	494,512	522,884
All other articles..	218,053	222,800	275,140	299,742	288,724	307,221	345,968	358,883
Total ..	1,353,656	1,450,137	1,667,306	1,740,467	1,741,053	1,887,718	1,968,640	2,094,356

Customs duties, 1885-6 and 1886-7 compared.

292. It will be observed that in 1886-7 the Customs revenue exceeded that in 1885-6 by £125,700, and was also in excess of that in any previous year by a much larger amount. This increase is made up chiefly of £21,000 under the head of spirits, £3,200 under beer, £34,700 under tobacco and cigars, £3,100 under tea, £12,800 under sugar, £5,500 under malt and hops, £6,800 under fruits, £28,400 under articles subject to *ad valorem* duties, and £12,900 under all other heads; as against these there appears a decrease of £3,200 under live stock, this with the addition of coffee and opium, under which slight decreases occurred, being the only head which did not show a substantial increase. It will also be remarked that a fresh demand appears to have sprung up for imported hops, the revenue therefrom being in 1886-7 equal to twice that in any of the previous three years. The only articles on the list affected by an alteration in the Tariff in 1886-7 were those subject to *ad valorem* duties and "all other articles." Under the former, the duty on certain woollen piece goods was increased on the 21st July, 1886, from 15 to 20 per cent., and that on certain articles of wearing apparel from 25 to 30 per cent. and the 25 per cent. duty on wire netting

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

was remitted; whilst under the latter the duties on bags and sacks of different kinds were either considerably reduced or remitted, and the duty on twine increased during the same month.* During the previous four years, the only article similarly affected was spirits, on which the duty was raised by one-fifth on the 17th July, 1885, viz., from 10s. to 12s. per gallon, the result being an increased revenue from spirits amounting to about £73,000 annually.

293. 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 the amount per head of the population, of duty received in 1886-7 from 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, 1886-7.

Articles.	Duty received 1886-7.		Proportion of Total Duty received.
	Total Amount.	Amount per Head of Population.	
	£	£ s. d.	Per Cent.
Spirits, wine, beer, and cider	648,595	0 12 11	30·97
Tobacco, snuff, and cigars	189,741	0 3 9	9·06
Hops and malt	13,610	0 0 3	·65
Sugar and molasses	128,526	0 2 7	6·14
Tea, coffee, chicory, cocoa, and chocolate	107,448	0 2 2	5·13
Rice	20,279	0 0 5	·97
Fruits and vegetables	54,641	0 1 1	2·61
Opium	15,043	0 0 4	·72
Live stock	34,706	0 0 8	1·66
Articles subject to <i>ad valorem</i> duties ...	522,884	0 10 5	24·96
All other articles	358,883	0 7 2	17·13
Total	2,094,356	2 1 9	100·00

294. The following table shows, for the three years ended with 1886-7, the amount of Customs revenue estimated beforehand by the Treasurer and the amount actually received under each head:—

* The revenue from those articles on which the duty had been increased showed an increase of £22,400, and the revenue from those on which it had been reduced or entirely remitted showed a decrease of £18,700. The net decrease was thus £3,700.

CUSTOMS REVENUE ESTIMATED AND RECEIVED, 1884-5 TO 1886-7.

Sources of Revenue.	1884-5.		1885-6.		1886-7.	
	Estimated Receipts.	Actual Net Receipts.	Estimated Receipts.	Actual Net Receipts.	Estimated Receipts.	Actual Net Receipts.
CUSTOMS DUTIES.	£	£	£	£	£	£
Spirits	545,000	518,388	526,000	545,481	540,900	566,059
Wine	40,000	42,110	41,000	41,077	41,400	41,335
Beer and cider... ..	33,000	35,209	35,000	37,904	38,200	41,125
Tobacco and snuff	100,000	108,415	111,000	121,456	119,800	151,880
Cigars	31,000	34,301	35,500	33,603	34,200	37,828
Tea	75,000	87,701	85,000	88,107	88,500	89,915
Sugar and molasses ..	117,000	118,224	114,000	115,938	117,600	128,487
Coffee, chicory, cocoa, and chocolate	15,000	16,928	16,000	16,881	16,900	16,758
Opium	21,000	19,517	20,000	15,262	15,300	15,043
Rice	16,000	18,862	19,000	19,695	19,600	20,277
Hops	4,000	4,434	3,000	4,459	4,400	8,932
Malt	3,000	2,302	3,000	3,633	2,800	4,655
Fruits and vegetables, dried and preserved	44,000	53,171	55,000	48,146	46,900	54,291
Live stock	25,000	30,957	26,000	37,989	37,000	34,497
Articles subject to <i>ad</i> <i>valorem</i> duties	436,000	490,755	484,000	495,232	513,200	521,977
All other articles	293,000	308,132	303,000	344,781	348,000	359,520
Export duty ... ..	...	...	...	...	...	19
Total	1,798,000	1,889,406	1,876,500	1,969,644	1,984,700	2,092,598
EXCISE.						
Spirits distilled in Vic- toria	68,000	68,854	72,000	67,126	68,600	56,556
Tobacco duty	70,000	72,295	73,000	70,459	69,800	64,145
Beer duty ... ..	...	...	...	...	...	...
Licences—						
Tobacco and cigars	1,250	1,438	1,200	1,213	1,150	1,225
Other	800	828	1,000	817	850	840
Total	140,050	143,415	147,200	139,615	140,400	122,766
MISCELLANEOUS.						
Wharfage rates	28,000	31,843	30,000	35,896	30,300	37,990
Tonnage	30,000	31,197	31,000	32,687	33,000	34,931
Fees	7,000	7,429	7,300	7,163	7,300	7,180
Fines	300	247	300	366	400	951
Miscellaneous	6,800	5,940	5,000	7,777	5,670	12,218
Total	72,100	76,656	73,600	83,889	76,670	93,270
Grand total	2,010,150	2,109,477	2,097,300	2,193,148	2,201,770	2,308,634

NOTE.—The receipts, as shown in this and the two following tables, having been obtained from the Customs, will be found to differ somewhat from those shown in the previous table and other tables in this Part, which are based upon the Treasurer's statements. The reason of the difference is that the Treasury accounts are closed absolutely on the 30th June, whereas the Customs accounts are not closed until returns from all the ports in the colony are received in a complete state, so as to embrace transactions up to the last day of the financial year.

295. In five of the ten years ended with 1886-7, the total amounts received through the Customs exceeded the Treasurer's estimate, and in five of those years the receipts were below that estimate. Over the

Customs revenue estimated and received, 1878 to 1887.

whole period the receipts exceeded the estimate by £326,000, as is shown in the following table:—

CUSTOMS REVENUE ESTIMATED AND RECEIVED, 1877-8 TO 1886-7.

Year.	Customs Revenue.		
	Estimate.	Net Receipts.	Net Receipts more (+) or less (-) than Estimate.
	£	£	£
1877-8	1,606,500	1,565,905	- 40,595
1878-9	1,539,450	1,449,793	- 89,657
1879-80	1,458,700	1,454,138	- 4,562
1880-1	1,561,420	1,649,467	+ 88,047
1881-2	1,809,000	1,950,479	+ 141,479
1882-3	1,974,580	1,949,388	- 25,192
1883-4	1,982,500	1,936,810	- 45,690
1884-5	2,010,150	2,109,477	+ 99,327
1885-6	2,097,300	2,193,148	+ 95,848
1886-7	2,201,770	2,308,634	+ 106,864
Total	18,241,370	18,567,239	+ 325,869

296. In the same ten years, the cost of collecting the Customs revenue ranged from £2 18s. 2d. per £100 of the net amount collected in 1885-6 to £3 18s. 3d. per £100 in 1879-80, the cost per £100 over the whole period being £3 4s. 7d. :—

Cost of collecting Customs revenue.

COST OF COLLECTING CUSTOMS REVENUE, 1877-8 TO 1886-7.

Year.	Customs Revenue.		
	Net Receipts.	Charges of Collection.	
		Total.	Per £100 collected.
	£	£	£ s. d.
1877-8	1,565,905	53,651	3 8 6
1878-9	1,449,793	54,150	3 14 8
1879-80	1,454,138	56,917	3 18 3
1880-1	1,649,467	56,004	3 7 10
1881-2	1,950,479	57,615	2 19 1
1882-3	1,949,388	60,688	3 2 3
1883-4	1,936,810	62,145	3 4 2
1884-5	2,109,477	64,242	3 0 11
1885-6	2,193,148	63,808	2 18 2
1886-7	2,308,634	70,137	3 0 9
Total	18,567,239	599,357	3 4 7

297. Difficulties lie in the way of estimating accurately the extent to which the various heads of revenue are affected by the imposition, increase, or reduction of taxes. An attempt has, however, been made to

Taxes repealed and imposed.

form such an estimate in the following table for the last twelve years, which, although giving necessarily imperfect results, will afford some idea of the direction in which the direct contributions of the people have been added to or reduced, also the extent of such increase or reduction during the period:—

TAXES REPEALED AND IMPOSED, 1875-6 TO 1886-7.

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.
		£	£		£	£
1876	Nil ... ..	...	...	Succession duties increased from 5 to 5-10 per cent. on estates over £20,000	3,000	10,700
				Tax on bank notes imposed... ..	7,200	27,000
1877	Nil ... ..	...	...	Nil ... ..	...	...
1878	Customs— Wharfage rates for port of Melbourne transferred to Harbour Trust ...	(85,000)*	(85,000)*	Land tax imposed...	50,000	124,000
	Various alterations resulting in a net remission of about	26,000	85,000†	Excise— Percentage of publicans' licence fees from municipal bodies ...	(4,600)*	(4,800)*
1879	Nil ... ..	...	...	Customs— Stock tax imposed	28,300	37,000
1880	... ..	...	...	Nil ... ..	...	...
	Customs— (See contra) ...	...	...	Stamp duties imposed	83,005	120,000
				Customs— Duties increased on— Wine, opium, rice, hops, and malt; several 10 per cent. and 20 per cent. <i>ad valorem</i> duties increased by 5 per cent., besides numerous other alterations, for the most part in the direction of increased duties, about	47,800	53,000†

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

† This amount has been arbitrarily assumed to be the difference in the average annual revenue from those items on which the duty has been altered during the two years preceding and following the date of the alteration in the Tariff.

TAXES REPEALED AND IMPOSED, 1875-6 TO 1886-7—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.
		£	£		£	£
1881	Nil ... ..	...	...	Customs— Tobacco and snuff increased ... Cigars increased ... Excise— Tobacco duty imposed ... Beer " "	(Revenue decreased) 2,300 21,872 62,557	* 3,500 65,000 100,000
1882	Customs — Duty on undressed rice reduced...	3,000	3,500	Nil ... ..	...	...
1883	Excise—Beer duty remitted ...	88,000	100,000	Nil ... ..	...	...
1884	Nil ... ..	...	...	Nil ... ..	...	...
1885	Nil ... ..	...	...	Customs—Duty on spirits increased... Excise — Duty on spirits increased...	74,972† 12,653	94,500 18,400
1886	Nil ... ..	...	...	Nil ... ..	...	...
1887	Customs — Duty on bags and sacks and wire netting reduced or remitted ... Licences — Proportion of receipts received on account of publicans' licences transferred to Licensing Act 1885 Fund ...	19,100 (15,100)‡	19,300 (16,450)‡	Customs— Duty on woollen piece goods and wearing apparel increased 5 per cent. ... Duty on twine increased 50 per cent. ...	20,700	22,200

298. From the above table it would appear that although fresh taxation was imposed in 1886-7 to the extent of £22,200 per annum, there was a remission of taxation under other sources of £19,300, so that the net additional taxation is only £2,900; also that the taxation

Amount of taxation imposed in last twelve years.

* Of this item no satisfactory estimate can be given.

† 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, according to the table following paragraph 291 ante, 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.

during the last twelve years imposed or increased, less that repealed or reduced, has amounted to a net annual addition to the burdens of the people of nearly half a million sterling,* thus—

	Estimated Annual Amount.
Taxation imposed or increased	£675,300
„ repealed or reduced	207,800
Net amount imposed, &c.	£467,500

Duty on
bank notes.

299. 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.

Land tax.

300. 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.

301. The extent of land assessed under this Act amounted in 1887 to nearly 7,100,000 acres, nearly half of which was placed in the lowest class, more than a third in the third class, about a ninth in the second class, and not quite a twentieth in the first class.

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

302. The area of Victoria is 56,245,760 acres,† of which 22,490,000 acres either had been alienated in fee-simple or were in process of alienation‡ when the year commenced. The area assessed for land

* 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 amounts receivable would be less, and in others much more in subsequent years. Mere transfers of revenue (see footnote † on last page) have been omitted.

† Exclusive of the *Mallee country*, roads, reserves, and State forests, &c. See Part "Production" in a later volume.

‡ The land in process of alienation amounted to 7,710,000 acres, on which, on the average, more than half the purchase-money had been paid.

tax thus amounted to nearly 13 per cent. of the area of the colony, or to nearly 32 per cent. of the area alienated or in process of alienation.

303. The number of estates assessed was 1,087, or 24 more than in 1886. As some proprietors own more than one estate, their number is less than the number of estates, and is set down as 866. 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. Number of estates assessed.

304. The average size of all the estates assessed is about 6,514 acres, which is somewhat above the average of those in Class III. In Classes I. and II. the estates average 2,600 and 3,500 acres respectively, and in Class IV., 10,100 acres. Average size of estates assessed.

305. 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.

PROPRIETORS AND NUMBER AND SIZE OF ESTATES ASSESSED FOR LAND TAX, 1888.*

Class.	Number of Proprietors.	Estates Assessed.				
		Number.	Area.		Average Area to each—	
			Total.	Percentage of each Class.	Proprietor.	Estate.
			Acres.		Acres.	Acres.
I.	107	124	323,300	4.57	3,021	2,607
II.	199	225	798,436	11.28	4,012	3,549
III.	310	397	2,502,731	35.34	8,073	6,304
IV.	250	341	3,456,615	48.81	13,827	10,137
Total	866	1,087	7,081,082	100.00	8,177	6,514

306. The capital value of the estates, according to the valuation prescribed by the Statute, is over 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 ten 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 Valuation of estates assessed.

* According to the returns of the half-year ended 27th February, 1888.

arrived at is, in most cases, very much below the actual value of the estate.

307. The capital value of the estates in each class, according to their estimated carrying capacity, the value of the exemptions, and the 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, 1888.*

Class.	Capital Value.	Value of Exemptions.	Net Taxable Value.	Proportion of Net Taxable Value to Capital Value.
	£	£	£	Per Cent.
I.	1,293,200	267,500	1,025,700	79·31
II.	2,395,308	497,500	1,897,808	79·23
III.	5,005,462	775,000	4,230,462	84·52
IV.	3,456,615	625,000	2,831,615	81·92
Total	12,150,585	2,165,000	9,985,585	82·18

308. The land tax payable varied from 9½d. per acre in Class I. to 2½d. per acre in Class IV., the average being about 4¼d. per acre; the amount payable by each holder averaged £144, ranging from an average of £170 in Class III. to one of £119 or £120 in Classes II. and I.; and the amount payable for each estate averaged £115, and ranged from an average of £133 in Class III. to one of £103 in Class I. 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, 1888.*

Class.	Total Amount per Annum.	Amount per Acre.	Amount by each Holder.	Amount for each Estate.
	£	d.	£	£
I.	12,821	9·52	119·8	103·4
II.	23,723	7·13	119·2	105·4
III.	52,881	5·07	170·6	133·2
IV.	35,395	2·46	141·6	103·8
Total	124,820	4·23	144·1	114·8

309. 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

* According to the returns of the half-year ended 27th February, 1888.

its successor is very marked; thus, between Classes I. and II. it is nearly $2\frac{1}{2}$ d.; between II. and III., 2d.; and between III. and IV. more than $2\frac{1}{2}$ d. It will also be noticed that the amount paid on behalf of each estate in Class III. is fully 30 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, one-third smaller than that in the latter.

310. The first general hearing of the appeals against the land tax was concluded in 1880. Since then the number of proprietors has increased by 48, and the area of the estates assessed by 186,000 acres, but the taxable value has decreased by £40,300. The increases, except as regards the number of proprietors, have all taken place in the fourth class, the other classes showing decrease, as is shown in the subjoined table:—

ESTATES ASSESSED FOR LAND TAX, 1880 AND 1888.

	Classes.				Total.
	I.	II.	III.	IV.	
Number of proprietors, 1880	98	196	315	209	818
" " 1888	107	199	310	250	866
Increase ...	9	3	...	41	48
Decrease ...	...	...	5	...	...
Area of estates, 1880	acres. 339,303	acres 816,505	acres 2,525,221	acres 3,213,717	acres 6,894,747
" " 1888	323,300	798,436	2,502,732	3,456,615	7,081,082
Increase ...	...	...	...	242,898	186,335
Decrease ...	16,003	18,069	22,491	...	...
Net taxable value, 1880	£ 1,112,212	£ 1,959,515	£ 4,262,944	£ 2,691,217	£ 10,025,888
" " 1888	1,025,700	1,897,808	4,230,462	2,831,615	9,985,585
Increase ...	...	...	...	140,398	...
Decrease ...	86,512	61,707	32,482	...	40,303

311. The cost of administering the Land Tax Act during the year 1886-7 amounted to £1,071, as against £1,221 in the previous year.

312. 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.

Estates
assessed
1880 and
1888.

Cost of ad-
ministering
Land Tax
Act.

Stamp
duties.

The following, in a condensed form, are the particulars of the duties levied thereunder, 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)—				
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
(The maximum duty chargeable on any bill of exchange or promissory note, whatever be its amount or value, to be £10.)				

II.—RECEIPTS.

Receipts or discharges for payment of £5 or upwards, each	...	0	0	1
---	-----	---	---	---

III.—CONVEYANCE ON SALE OF ANY REAL PROPERTY, APPLICATIONS, CONSENTS, AND TRANSFERS UNDER TRANSFER OF LAND STATUTE.

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

IV.—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	1	10	0

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, for deposits in banks in current account, or 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.

Class III.—Crown grants; instruments for conveyance of 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.—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 a registered friendly society.

313. For reasons already explained,* there is no means of ascertaining with any degree of accuracy the revenue derived from stamp duties. It may, however, be roughly estimated that in 1886-7 it amounted to £165,000. The latest year for which correct information is available is 1882-3, in which the revenue from stamp duties amounted to £133,433.

314. 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 Victoria during each of the last seven financial years, and in the other Australasian colonies during each of the six years ended with 1886 :—

Revenue from stamp duties.

Taxation in Australasian colonies.

* See footnote (*) on page 141 ante.

TAXATION IN AUSTRALASIAN COLONIES.

Colony.	Year.	Taxation.		
		Gross Amount.	Average per Head.	Percentage of Total Revenue.
		£	£ s. d.	
Victoria* ...	1880-81	2,003,704	2 6 7	38·64
	1881-2	2,317,706	2 12 8	41·44
	1882-3	2,334,255	2 11 10	41·60
	1883-4	2,318,520	2 10 4	39·07
	1884-5	2,548,171	2 13 10	40·51
	1885-6	2,634,560	2 14 3	40·65
	1886-7	2,739,635	2 14 8	40·68
New South Wales ...	1881	1,770,848	2 6 5	26·40
	1882	1,903,413	2 7 7	25·68
	1883	1,891,708	2 4 10	29·24
	1884	2,152,855	2 8 1	30·25
	1885	2,252,651	2 8 5	29·70
	1886	2,611,835	2 13 4	34·39
Queensland† ...	1880-81	657,753	3 1 2	32·50
	1881-2	806,719	3 11 1	38·38
	1883	929,430	3 9 5	35·98
	1884	1,090,445	3 13 0	40·79
	1885	1,200,111	3 17 9	42·24
South Australia ...	1886	1,196,651	3 12 0	42·59
	1881	557,188	1 18 7	25·65
	1882	653,864	2 5 1	31·33
	1883	637,751	2 2 8	30·96
	1884	563,841	1 16 7	27·84
	1885	749,447	2 7 11	32·45
Western Australia ...	1886	585,123	1 17 5	29·62
	1881	109,199	3 13 7	42·94
	1882	134,658	4 8 7	53·78
	1883	126,131	4 0 9	39·82
	1884	127,338	3 18 9	43·86
	1885	145,835	4 5 8	45·11
Tasmania ...	1886	184,999	4 19 6	47·61
	1881	350,146	2 19 8	69·22
	1882	370,856	3 1 5	67·28
	1883	388,406	3 2 6	69·09
	1884	344,192	2 13 7	62·66
	1885	366,118	2 15 5	64·07
New Zealand ...	1886	371,544	2 14 10	65·29
	1881	1,881,024	3 16 3	50·66
	1882	1,999,000	3 18 6	51·03
	1883	2,080,084	3 18 7	53·73
	1884	1,869,496	3 7 8	50·42
	1885	1,995,012	3 10 6	51·68
	1886	1,962,162	3 7 5	53·20

NOTE.—For returns of taxation in these colonies during 1887, see Summary of Australasian Statistics (third folding sheet) *ante*; also Appendix to the last volume.

315. The amount of taxation per head in the last year referred to in the table was lower in Victoria than in any of the other colonies except Order of colonies in respect to taxation.

* The financial year of Victoria ends on the 30th June.

† Since 1875 the financial year of Queensland has ended on the 30th June. The figures for the last four years, however, are for the year ended 31st December.

New South Wales and South Australia, whilst in Western Australia it was higher than in any other colony. 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 that with the lowest at the bottom, of the list :—

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

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

316. 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 raised nearly two-thirds of her revenue by taxation, New Zealand raised over one-half, Queensland and Victoria about two-fifths, and New South Wales and South Australia about a third. 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 REFERENCE TO PROPORTION OF REVENUE
RAISED BY TAXATION.

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

317. If the gross amounts raised by taxation in the different colonies during 1886,* 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 amounted to over seven millions sterling; and the total taxation of the colonies on the continent, added to that of Tasmania and New Zealand, amounted to nine and a half 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, 1886.

	Taxation.		
	Gross Amount.	Average per Head.	Percentage of Total Revenue.†
	£	£ s. d.	
Continent of Australia	7,213,168	2 14 9	37·47
Ditto, with Tasmania and New Zealand	9,546,874	2 17 0	40·61

* In the case of Victoria, the figures for 1885-6 have been taken.

† For figures of revenue, see table following paragraph 262 *ante*.

Order of colonies in respect to revenue raised by taxation.

Taxation of Australia and Australasia.

318. By comparing the above figures with those of this colony, it will be found that in Victoria the taxation per head of the population is somewhat less than, but the proportion of taxation to the total revenue is about the same as, the corresponding item in the Australasian colonies taken as a whole. Comparison of Victoria and Australasia.

319. The taxation in the United Kingdom and the few British possessions respecting which particulars are at hand is given in the following table:— Taxation in British possessions.

TAXATION IN BRITISH POSSESSIONS.

Country.	Year.	Taxation.		
		Gross Amount.	Average per Head.	Percentage of Total Revenue.
EUROPE.				
United Kingdom...	1886-7	£ 76,115,000	£ s. d. 2 0 10	83·85
ASIA.				
India ...	1885-6	29,849,954	0 3 0	40·09
Straits Settlements ...	1886	512,036	1 0 3	85·23
AFRICA.				
Mauritius ...	1886	428,338	1 3 3	59·24
Natal ...	1882	278,097	0 13 6	42·28
Cape of Good Hope ...	1878	1,216,332	1 4 2	58·39
Lagos ...	1885	57,973	0 13 4	91·29
Gambia ...	1886	11,120	0 15 9	78·00
AMERICA.				
Canada ...	1885-6	5,255,500	1 2 3	77·10
Newfoundland ...	1877	173,555	1 1 6	81·75
Bermuda ...	1885	23,236	1 10 11	80·99
West Indies—				
Turk's Island ...	1884	7,158	1 10 3	68·34
Jamaica ...	1885	494,729*	0 16 7	80·79
St. Lucia ...	1884	33,324	0 16 5	72·26
Barbados ...	1886	103,101	0 12 0	75·65
Grenada ...	1883	36,863	0 16 2	84·00
Tobago ...	1883	10,294	0 10 0	72·62
Virgin Islands ...	1886	1,223	0 4 8	84·46
Antigua ...	1884	33,558	0 19 2	74·09
Montserrat ...	1883	5,415	0 10 0	92·36
Dominica ...	1885	12,526	0 8 8	79·07
Trinidad ...	1886	317,715	1 15 8	70·07
AUSTRALASIA.				
Australia, Tasmania, and New Zealand †	1886	9,546,874	2 17 0	40·61
Fiji ...	1886	51,882	0 8 3	80·35

* Including local taxation.

† For gross amount of taxation and taxation per head, and proportion of taxation to total revenue, the various Australasian colonies, see table following paragraph 314 *ante*.

Taxation in Australasia and other British possessions compared.

320. It will be observed that nearly twice as much is raised by taxation in Australasia as in Canada; but that the amount raised by taxation in India is more than three times, and in the United Kingdom about eight 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 only 40 per cent. of their revenue by taxation—or the smallest proportion of any of the British possessions named except India—their average taxation per head exceeds by 16s. that in the United Kingdom, which raises 84 per cent. of its revenue by taxation, and is, moreover, in proportion to population, more heavily taxed than any of its other dependencies of which particulars are at hand.

Taxation in Victoria and other British possessions compared.

321. In Victoria, the gross amount of taxation is more than twice that in the Cape of Good Hope,* but is equal to little more than half that in Canada. The average per head is 14s. higher than in the United Kingdom; but, in proportion to revenue, the taxation of Victoria, being about the same as the average of Australasia, is extremely low when compared with the other portions of the British dominions of which information is available.

Taxation in Foreign countries.

322. 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.

Countries.	Year.	Taxation.		
		Gross Amount. (000's omitted.)	Average per Head.†	Percentage of Total Revenue.‡
EUROPE.				
		£	£ s. d.	
Austria-Hungary ...	1887-8	52,715,§	1 5 8	76·24
Belgium ...	1886	6,594,	1 2 10	51·43
Denmark ...	1884-5	2,531,	1 4 2	79·97
France ...	1885	125,938,	3 7 4	91·13

* The information for the Cape of Good Hope is, however, for a much earlier year than that for Australasia.

† For figures of population, see table following paragraph 139 *ante*.

‡ For figures of revenue, see table following paragraph 282 *ante*.

§ This amount is made up of £33,172,000 taxation in Austria for the year 1887, and £19,543,000 taxation in Hungary for the year 1888.

TAXATION IN FOREIGN COUNTRIES—*continued.*

Countries.	Year.	Taxation.		
		Gross Amount. (000's omitted.)	Average per Head.*	Percentage of Total Revenue.†
EUROPE—<i>continued.</i>		£	£ s. d.	
Greece	1884	2,736,	1 7 8	81·74
Holland	1886	7,990,	1 16 5	81·16
Italy	1885-6	43,798,	1 9 3	73·62
Portugal	1885-6	6,004,	1 7 8	86·53
Russia	1887	51,943,	0 11 9	69·81
Spain	1885-6	31,660,	1 16 9	91·56
Switzerland	1885	796,	0 5 7	43·28
Turkey	1883-4	12,712,	0 10 4	86·59
ASIA.				
Japan	1886-7	14,480,	0 7 7	93·05
AFRICA.				
Egypt	1886	6,904,	1 0 3	70·37
AMERICA.				
Argentine Confederation	1887	6,584,	1 18 4	62·13
Brazil	1885	9,921,	0 15 3	74·66
Mexico	1883-4	5,680,	0 11 7	81·94
United States	1886	64,546,	1 3 3	92·09

323. 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; the United States follow; then Austria-Hungary, Russia, Italy, Spain, and British India in the order named. The amount of taxation in the Australasian colonies, taken as a whole, is half as large again as that levied in Belgium, Portugal, or the Argentine Confederation, considerably larger than that in Egypt or Holland, and nearly as large as that in Brazil; whilst the amount in Victoria is more than three times as large as that levied in Switzerland, and about the same as that levied in Greece and Denmark, but considerably below that in any other of the countries named.

324. The taxation per head is larger in the United Kingdom than in any other independent country except France, and in this respect the Argentine Confederation, Spain, and Holland stand next. The taxation per head, however, in all the Australasian colonies is larger than

* For figures of population, see table following paragraph 139 *ante*.

† For figures of revenue, see table following paragraph 282 *ante*.

‡ See also tables following paragraph 314 and 319 *ante*.

in the United Kingdom; and in three of those colonies, Queensland, Western Australia, and New Zealand, it is larger than in France.

325. It will be observed that, with one exception—Switzerland—all the countries named in the last table raise more than half their revenue by taxation; whilst the Australasian colonies as a whole raise only two-fifths from that source. The revenues of France, Spain, Japan, and the United States appear to be almost entirely derived from taxation; and, although the United Kingdom raises over five-sixths of its revenue from that source, as many as six of the countries named raise a higher proportion.

326. In all the Australasian colonies the principal part of the taxation is raised through the Customs. In the following table the amount so raised in each of those colonies is given for a recent year, together with the proportion of such revenue to the total taxation and the total imports* :—

TAXATION BY CUSTOMS IN AUSTRALASIAN COLONIES, 1886.

Colony.	Revenue from Customs Duties.		
	Amount.	Proportion to—	
		Total Taxation.	Total Value of Imports.
	£	Per Cent.	Per Cent.
Victoria	2,094,356	76·45	11·15
New South Wales	2,068,571	79·20	9·86
Queensland	965,754	80·70	15·82
South Australia	436,114	74·53	8·99
Western Australia... ..	164,048	88·68	21·64
Tasmania... ..	276,265	74·36	15·73
New Zealand	1,315,801	67·06	19·47

327. It will be observed that in New South Wales, Victoria, South Australia, and Tasmania during 1886 about three-fourths of the taxation was raised through the Customs. The colony in which the proportion was highest was Western Australia, in which all but about 11 per cent. was levied through the Customs; and that in which it was lowest was New Zealand, where the proportion was little more than two-thirds.

For particulars of taxation by Customs in other British and Foreign countries, see *Victorian Year-Book* for 1886-7, paragraphs 329 and 330; also that for 1883-4, paragraph 291 *et seq.*

Proportion of revenue raised by taxation in various countries.

Taxation by Customs in Australasian colonies.

Customs revenue in proportion to total taxation.

328. 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 per cent. *ad valorem*; which proportion was considerably lower than in any of the other Australasian colonies, except South Australia and New South Wales, in the former of which the rates of duty are not high, and in the latter the dutiable articles are comparatively few in number. Since the duties on manufactured articles are for the most part much higher in Victoria than in any of the other colonies, the small proportion which the Customs revenue bears to the value of imports is probably owing to her importing, in a larger proportion than the others, raw, and consequently undutiable, material. The proportion of Customs duties to imports is seen to be highest in Western Australia, New Zealand, Queensland, and Tasmania, it being 22 and 19 per cent. respectively in the first two and nearly 16 per cent. in the last two colonies named.*

Customs revenue in proportion to total imports.

329. The following table gives a statement of the revenue and expenditure of municipalities in the year 1887, the amounts raised and expended in cities, towns, and boroughs being shown separately from those in shires :—

Municipal revenue and expenditure.

MUNICIPAL REVENUE AND EXPENDITURE, 1887.

Heads of Revenue and Expenditure.				Cities, Towns, and Boroughs.	Shires.	Total.
REVENUE.				£	£	£
From Government	{	Endowment ...	...	34,524	276,414	310,938†
		Other receipts	...	22,419	36,435	58,854
„ Rates—General and separate			...	310,389	248,009	558,398
„ „ Special			...	32,483	1,355	33,838
„ Licences			...	72,299	30,014	102,313
„ Registration of dogs and goats			...	6,043	7,810	13,853
„ Market and weighbridge rents and dues			...	54,333	2,548	56,881
„ Other sources			...	130,400	25,783	156,183
Total			...	662,890	628,368	1,291,258
EXPENDITURE.‡						
Public works			...	408,903	429,580	838,483
Salaries, &c.			...	56,394	82,085	138,479
Other expenditure			...	253,967	125,710	379,677
Total			...	719,264	637,375	1,356,639

* For particulars of taxation by Customs in other British and Foreign countries, see *Victorian Year-Book* for 1886-7, paragraphs 329 and 330; also that for 1883-4, paragraph 291 *et seq.*

† Including £92,115 received from the "Licensing Act 1885 Fund."

‡ Including expenditure of proceeds of loans. For amount of outstanding loans, see paragraph 402 *post.*

Endowment
of municipi-
palities.

330. Although the appropriation of the sum of £310,000 for the endowment of municipalities, under the Local Government Act 1874 (38 Vict. No. 506), ceased by effluxion of time at the end of 1879, an equivalent amount has since been annually voted by Parliament.

Rate of
endowment.

331. According to the Act just mentioned, the endowment payable to any city, town, or borough was not to exceed £2,000; and if the rate levied in a municipality exceeded one shilling in the pound, the endowment was to be calculated on an amount which bears the same proportion to the total amount of rates received as one shilling bears to the rate levied.* Subject to these conditions, the endowment was paid to shires in the proportion of £2, and to cities, towns, and boroughs in the proportion of £1, for every £1 of general rates collected. This is also the basis on which the equivalent subsidy, voted after the appropriation terminated, was calculated. Where the rates levied in municipalities were in excess of one shilling in the pound, the amount of subsidy payable during 1887 was at the rate of £1 0s. 7d. to shires, and 10s. 3½d. to cities, towns, and boroughs, for every £1 of rates; as compared with averages payable in the preceding year of £1 2s. 1½d. and 11s. 0¾d. respectively.†

Municipal
expenditure
in excess
of revenue.

332. In 1887, the expenditure exceeded the revenue in cities, towns, and boroughs by 8½ per cent., and in shires by 1½ per cent. In the previous year, whilst the expenditure in cities, towns, and boroughs exceeded the revenue by 8 per cent., the revenue in shires exceeded the expenditure by 2 per cent.

Municipi-
palities in
which ex-
penditure
exceeded
revenue.

333. The expenditure was greater than the revenue in 21 of the 59 individual cities, towns, and boroughs, and in 21 of the 125 individual shires, in 1886; and in 26 out of 59 cities, towns, and boroughs, and in 61 out of 126 shires, in 1887.

Salaries in
municipi-
palities.

334. Payments for salaries formed 8 per cent. of the expenditure of cities, towns, and boroughs, and about 13 per cent. of the expenditure of shires in each of the last three years.

Harbour
Trust
receipts and
expenditure.

335. Subjoined is a statement of the revenue and expenditure of the Melbourne Harbour Trust‡ during the ten and a half years which have elapsed since the Act was passed 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:—

* For ratings in municipalities, see paragraph 190 *et seq. ante*.

† An exception to the rule was, however, made in the case of fourteen shires, which, in consequence of their being newly formed or of a mountainous character, received £3 for every £1 of rates.

‡ For a short account of the objects of the Trust, and improvements made, see Part "Interchange" in a subsequent volume.

MELBOURNE HARBOUR TRUST.—ORDINARY RECEIPTS AND
EXPENDITURE, 1877 TO 1887.

	Four and a half years, 1871-1881.	Five years, 1882-1886.	Year 1887.	Total 1877 to 1887.
NET RECEIPTS.				
	£	£	£	£
Wharfage rates	354,452	569,403	138,804	1,062,659
Leases	521	344	140	1,005
Licences	9,409	23,724	5,500	38,633
Interest	2,330	6,624	6,323	15,277
Spencer-street ferry fares ... ..	...	1,526	944	2,470
Sundries	888	3,059	2,072	6,019
Total	367,600	604,680*	153,783	1,126,063
EXPENDITURE.				
Plant	106,046	216,997	9,304	332,347
Harbour improvements and main- tenance	28,225	169,309	27,272	224,806
Dredging, landing, and depositing silt	129,712	340,323	76,585	546,620
Wharves and approaches, con- struction and maintenance	48,532	177,717	37,457	263,706
Special survey by Sir John Coode	7,640	318	...	7,958
Timber	13,463	96,906	32,839	143,208
General contingent expenses and management... ..	53,935	74,523	18,223	146,681
Commissioners' fees	7,480	8,142	1,700	17,322
Interest	1,061	68,722	36,250	106,033
Sundries	1,426	281	118	1,825
Total	397,520	1,153,238	239,748	1,790,506

336. In the ten and a half years the Trust has been in existence, the net receipts have amounted to £1,126,063 and the expenditure to £1,790,506, or £664,443 in excess of the receipts. To meet this excess loans amounting to £750,000 have been raised. It will be observed that the revenue, which had fallen to a minimum in 1880, has since greatly improved, so much so that it has doubled itself in the last seven years. The expenditure of the Trust may be condensed into three main divisions, the first being Plant, on which, during

Receipts and
expenditure
compared.

* Exclusive of sums received as net premiums on loans raised, viz., £14,562 in 1884, and £10,459 in 1886.

the period the Trust has been in existence, £332,462 has been laid out, or somewhat more than a sixth of the whole expenditure; the second being the Improvement and Maintenance of the Harbour, together with the Wharves and Approaches, on which £1,036,382 has been laid out, or nearly two-thirds of the whole expenditure; and the third being the Management and Interest on Loans, on which £279,647 has been expended, or about one-seventh of the whole amount. The balance on hand on the 31st December was £133,138; and the liabilities under contracts in progress, £82,512.

Harbour
Trust Loans
First loan.

337. The Commissioners floated their first loan, amounting to £250,000, in London, on the 17th July, 1883, by means of debentures, bearing interest at the rate of 5 per cent., and due in 1908. The minimum price fixed for tenders was £100 *ex* accrued interest, and the average obtained was £100 6s. 9d. The amount tendered was £355,000, at prices ranging from £100 to £104.

Second loan.

338. On the 16th July, 1884, a second loan—also of £250,000—was floated by the Melbourne Harbour Trust, in London, by the issue of debentures having a currency of 25 years, and bearing interest at the same rate as the previous loan, viz., 5 per cent. per annum. In this instance the minimum was fixed at £105, and 170 tenders, amounting to £760,000, were received, at prices ranging from the minimum to £110. The average price obtained was £106 13s. 2d.—the average price *ex* accrued interest being £106 12s. 9d., the Trust having thus to pay a fraction over 4 per cent. for their money.

Third loan.

339. A third loan of £250,000, for a term of 30 years, and bearing interest, from the 1st January, 1886, at the rate of $4\frac{1}{2}$ per cent. per annum, was successfully floated in London on the 18th November, 1885. Tenders amounting to £2,150,000 were received, ranging from £101, which was the minimum fixed, to £105 13s. The average price obtained was £105 7s. 8d., which is equivalent to a rate of £4 3s. 8d. per £100 on a loan floated at par.

General and
local reve-
nue and
expendi-
ture.

340. A statement of the revenue and expenditure of the General Government added to those of the Municipalities and of the Melbourne Harbour Trust during the last seven years will be found in the following table. From the totals of municipal revenue and expenditure the amounts granted by the State have been deducted. The expenditure of the proceeds of loans is entirely left out of account in the Government returns, but is included in the municipal expenditure:—

**GENERAL AND LOCAL REVENUE AND EXPENDITURE,
1881 TO 1887.***

	Total Amounts Received and Expended.						
	1881.	1882.	1883.	1884.	1885.	1886.	1887.
REVENUE.	£	£	£	£	£	£	£
Government ...	5,186,011	5,592,362	5,611,253	5,934,687	6,290,361	6,481,021	6,733,826
Municipalities	651,597	653,891	693,167	756,966	789,429	859,184	921,466
Melbourne Har- bour Trust ...	86,642	110,849	103,935	113,141	127,276	149,479	153,783
Total ...	5,924,250	6,357,102	6,408,355	6,804,794	7,207,066	7,489,684	7,809,075
EXPENDITURE.							
Government ...	5,108,642	5,145,764	5,651,885	5,715,293	6,140,356	6,513,540	6,561,251
Municipalities	574,947	583,037	730,745	839,007	847,977	897,399	986,846
Melbourne Har- bour Trust ...	93,890	121,580	189,573	303,280	267,194	271,611	239,748
Total ...	5,777,479	5,850,381	6,572,203	6,857,580	7,255,527	7,682,550	7,787,845

341. The next table gives the general and local revenue and expenditure per head of population in the same seven years. It will be observed that in the last year named the local revenue, embracing that of the Municipal Bodies and that of the Harbour Trust, amounted to £1 1s. 5d. per head, and the general and local revenue combined to £7 15s. 8d. per head:—

General and local revenue and expenditure per head.

**GENERAL AND LOCAL REVENUE AND EXPENDITURE PER HEAD,
1880 TO 1887.***

	Amounts Received and Expended per Head. †						
	1881.	1882.	1883.	1884.	1885.	1886.	1887.
REVENUE.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Government ...	6 0 7	6 7 16	6 4 8	6 8 9	6 13 0	6 13 6	6 14 3
Municipalities	0 15 2	0 14 10	0 15 5	0 16 5	0 16 8	0 17 8	0 18 4
Melbourne Har- bour Trust ...	0 2 0	0 2 6	0 2 4	0 2 6	0 2 8	0 3 1	0 3 1
Total ...	6 17 9	7 4 5	7 2 5	7 7 8	7 12 4	7 14 3	7 15 8
EXPENDITURE.							
Government ...	5 18 10	5 16 11	6 5 7	6 4 0	6 9 10	6 14 2	6 10 10
Municipalities	0 13 4	0 13 3	0 16 3	0 18 3	0 17 11	0 18 6	0 19 8
Melbourne Har- bour Trust ...	0 2 2	0 2 8	0 4 2	0 6 7	0 5 7	0 5 7	0 4 9
Total ...	6 14 4	6 12 10	7 6 0	7 8 10	7 13 4	7 18 3	7 15 3

* 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 Harbour Trust on 31st December.

† Although the financial years of the respective bodies named in this table terminate at different dates (see last footnote), the same populations as have already been taken (see table following paragraph 228 *ante*) to calculate the amount of general revenue and general expenditure per head have been used to make these calculations. As the population varies but slightly in so short a period, this will scarcely, if at all, affect the result.

General,
Local, and
Loan Ex-
penditure.
1879-87.

342. It has been already stated that in the last two tables the expenditure of the proceeds of loans contracted by the General Government is not included. If, however, it be desired to know the total amount of public money spent in the colony, this must be added, which having been done, the result, together with the amount per head of the average population, is given in the following table for the nine years ended with 1887 :—

GENERAL, LOCAL, AND LOAN EXPENDITURE, 1879 TO 1887.

Year.	Expenditure.			Expenditure per Head.		
	General and Local.	From Loans.	Total.	General and Local.	From Loans.	Total.
	£	£	£	£ s. d.	£ s. d.	£ s. d.
1879 ...	5,507,869	1,278,217	6,786,086	6 13 2	1 10 11	8 4 1
1880 ...	5,749,623	1,507,778	7,257,401	6 16 10	1 15 10	8 12 8
1881 ...	5,777,479	830,505	6,607,984	6 14 4	0 19 4	7 13 8
1882 ...	5,850,381	1,064,516	6,914,897	6 12 11	1 4 2	7 17 1
1883 ...	6,572,203	2,656,810	9,229,013	7 6 0	2 19 0	10 5 0
1884 ...	6,857,580	1,600,233	8,457,813	7 8 10	1 14 9	9 3 7
1885 ...	7,255,527	1,141,126	8,396,653	7 13 4	1 4 5	8 17 9
1886 ...	7,682,550	1,731,834	9,414,384	7 18 3	1 15 8	9 13 11
1887 ...	7,787,845	2,087,960	9,875,805	7 15 3	2 1 8	9 16 11

Public
money
spent in
1887 and
other years.

343. It will be noticed that the total amount of public money spent per head ranged from £7 13s. 8d. in 1881 to £10 5s. in 1883; also that the amount per head in 1887 was larger than in any previous year except 1883.

General and
local taxa-
tion.

344. The amount of taxation under the General Government, under the Municipal Bodies, and under the Melbourne Harbour Trust, is given in the following table for the same years, 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 General Government—rents of buildings and land, proceeds of the letting of halls, &c., the balance being considered as taxation. The taxation levied by the Harbour Trust consists only of wharfage rates :—

* See paragraph 285 *ante*.

GENERAL AND LOCAL TAXATION, 1881 TO 1887.*

Heads of Taxation.	Amounts Received.						
	1881.	1882.	1883.	1884.	1885.	1886.	1887.
GOVERNMENT TAXATION } †	£ 2,003,704	£ 2,317,706	£ 2,334,255	£ 2,318,520	£ 2,548,171	£ 2,634,560	£ 2,739,635
MUNICIPAL TAXATION.							
Rates ...	417,642	422,033	445,961	473,412	503,474	546,830	592,235
Licences ...	95,258	94,731	92,610	87,925	92,204	90,495	102,313
Registration of dogs and goats ...	10,311	10,961	11,767	12,144	15,851	13,837	13,853
Market dues ...	39,295	38,088	43,795	47,392	51,697	55,258	56,881
Total ...	562,506	565,813	594,133	620,873	663,226	706,420	765,282
MELBOURNE HARBOUR TRUST TAXATION.							
Wharfage rates ...	83,493	105,854	98,809	108,019	120,587	136,134	138,804
Total general & local taxation } ‡	2,649,703	2,989,373	3,027,197	3,047,412	3,331,984	3,477,114	3,643,721

345. The aggregate amounts of taxation raised by the Government and the municipalities represented, in 1881, a proportion of £3 1s. 7d. to each individual in the community; in 1882, £3 7s. 11d.; in 1883, £3 7s. 3d.; in 1884, £3 6s. 1d.; in 1885, £3 10s. 5d.; in 1886, £3 11s. 7d.; in 1887, £3 12s. 8d. General and local taxation per head.

346. 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 72 to 89 per cent. Seventy-four per cent. of the Municipal taxation in the four years ended with 1882, 75 per cent. in 1883, 76 per cent. in 1884 and 1885, 77 per cent. in 1886, and 76 per cent. in 1887, was derived from rates. Chief sources of taxation.

347. The public debt of Victoria amounted on the 30th June, 1887, § to £33,119,164, consisting of moneys— Public debt.

Borrowed in Victoria ...	£ 1,705,164 ||
„ Great Britain ...	31,414,000
Total ...	£33,119,164 ||

* 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 Harbour Trust on the 31st December.

† For details of Government taxation, see table following paragraph 288 *ante*.

‡ See paragraph 290 *ante*.

§ On the 30th June, 1888, the public debt amounted to £34,627,382.

|| This is inclusive of a liability of £183,900 (originally £465,300) for debentures falling due between 1st July, 1892, and 1st January, 1897, which were taken over by the Government upon their purchase of the Melbourne and Hobson's Bay United Railway Company's lines of railway. The interest on these debentures is 5 per cent. per annum, payable half-yearly. In the years prior to 1884-5 this liability was not included with the public debt.

Purposes for which loans were incurred.

348. The aggregate amount of the loans raised up to the 30th June, 1887, was £43,039,484; but a total of £9,920,320 having been repaid, viz., £2,103,100 out of the general revenue, and £7,817,220 out of the proceeds of redemption loans—the balance outstanding on the 30th June, 1887, was reduced to £33,119,164. 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, 1887, are shown in the following table:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Purposes.	Total Amount Borrowed.	Amount Paid off.	Amount Outstanding on 30th June, 1887. *
	£	£	£
Railways	25,476,026	68,100	25,407,926 †
Water supply—			
Melbourne	2,271,184	800,000	1,471,184
Country	3,533,528	...	3,533,528 †
Law courts and Parliament houses	600,713	...	600,713
Public offices	166,195	...	166,195
Defences	100,000	...	100,000
State schools	1,105,557	...	1,105,557
Yarra bridge	108,043	...	108,043
Harbours, &c.	275,554	...	275,554
Graving-dock	350,464	...	350,464
Melbourne and Geelong improvements	735,000 §	735,000	...
Treasury bonds	500,000	500,000	...
	35,222,264	2,103,100	33,119,164
Redemption of loans ...	7,817,220	7,817,220	...
Total	43,039,484	9,920,320	33,119,164

Loans authorized but not issued.

349. In addition to the totals shown in the last table, the borrowing of further sums amounting to £3,508,218, viz., £3,500,000,|| being the balance of a loan of £8,000,000 ¶ to be floated in London, and £8,218, being the balance of unsold stock forming part of a loan of £167,600

* For expenditure of the net proceeds of these amounts, see table following paragraph 246 *ante*; and for further details of the expenditure of railway loans, see portion relating to Railways in Part "Interchange" of a later volume.

† Inclusive of £183,900 of late Melbourne and Hobson's Bay United Railway Co.'s debentures; also £112,500 for tramways in country districts.

‡ Of this amount, £662,373 was authorized to be re-lent to municipal bodies, and £650,125 to Water Trusts, for local waterworks, the principal and interest being repaid by annual instalments—the former into a sinking fund, the latter into the general revenue. For accumulation of Sinking Fund (Municipalities Redemption Account), see table following paragraph 406 *post*.

§ This amount was borrowed in 1854 by the city of Melbourne and town of Geelong, the principal and interest being guaranteed out of the general revenue of the colony.

|| A further instalment of £1,500,000 was floated on the 10th January, 1888. See paragraph 363 *post*.

¶ The purposes for which this loan is required will be found in table following paragraph 362 *post*.

negotiated in Melbourne, had been authorized but had not taken place up to the 30th June, 1887.*

350. Of the debt outstanding on the 30th June, 1887, a sum of about £200,000 was authorized as early as 1857, nearly 4 millions during the ten years ended with 1870, over 10 millions in the next decade, and over 18½ millions—of which over 7¾ millions, however, was for purposes of redemption—in the seven years ended with 1887, as will be seen by the following table, which 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:—

AUTHORIZATION OF THE PUBLIC DEBT.

Year.		Authorization. Act.	Rate of Interest.	Amount Outstanding on the 30th June, 1887.
			Per Cent.	£
1857	...	21 Vict. No. 36	6	182,780
1862	...	25 Vict. No. 150	6	300,000
1865	...	20 Vict. No. 287	6	850,000
1868	...	32 Vict. Nos. 331 and 332	5	2,717,000
1870	...	34 Vict. No. 371	4	100,000
1872	...	36 Vict. Nos. 428 and 439	4	1,113,000
1873	...	37 Vict. No. 468	4	1,500,000
1876	...	39 Vict. No. 531	4	2,500,000
1878	...	42 Vict. No. 608	4½	5,000,000
1881	...	45 Vict. No. 717	4	4,000,000
1882	...	46 Vict. No. 741	4	159,382 †
1882	...	46 Vict. No. 739	4	2,000,000
1883	...	47 Vict. No. 760	4	4,000,000
1884	...	48 Vict. No. 805	4	4,000,000
1885	...	49 Vict. No. 845	4	1,500,000
1886	...	" "	4	3,000,000
Increase of debt by conversion of 6 and 5 per cent. debentures into 4 per cent. stock			4	13,102
Debentures of late M. & H. B. U. Railway Co.			5	183,900
Total		...	...	33,119,164

351. The gross total of the public debt increased from £5,000,000 in 1860 to nearly £12,000,000 in 1870, and again to over £22,000,000 in 1880–81—the amount at the end of each decennial period being about double that at the commencement. During the six years subsequent to 1880–81, a net amount of £7,526,000 was added to the debt. The whole increase in 26 years was in a much greater ratio than the increase

* A further instalment of £1,500,000 was floated on the 10th January, 1888. See paragraph 363 *post*.

† This is the amount of stock issued up to the 30th June, 1887; but the amount authorized, not then issued, was £8,218, making a total of £167,600 in all.

of population, for the indebtedness per head gradually rose from £9 10s. in 1860 to £32 10s. in 1886-7. 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 $1\frac{2}{3}$ year's revenue, in 1870 it was equivalent to $3\frac{2}{3}$ years', and in 1886-7 to nearly 5 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 two following decennial periods, and of the three years ended with 1886-7, are shown in the following table:—

GROWTH OF THE PUBLIC DEBT, 1860 TO 1886-7.*

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
1884-5	28,576,787†	29	16	0	4·54
1885-6	30,110,935	30	10	2	4·69
1886-7	33,119,164	32	10	0	4·92

NOTE.—On the 30th June, 1888, the public debt was £34,627,382. At the same date the estimated population was about 1,058,000. The amount of indebtedness per head was thus £32 14s 7d.; and the multiple of the revenue was 4·55.

352. It will be noticed that in 1886-7 the public debt increased by £3,008,229. This was in consequence of a loan of £3,000,000 having been floated in London in January, 1887, and additional stock to the value of £8,229 having been sold at Melbourne. No loans were redeemed during the financial year, and the increase to the debt was equivalent to £2 per head of population, or to nearly half a year's revenue.

353. The debt is composed of debentures—some of which are inscribable as stock—and a small amount of permanent stock, registered in Melbourne, which is liable to be paid off at any time after the 28th November, 1897, by giving a year's notice in the *Government Gazette*. The following are the dates and places at which the various amounts of which the debt is composed are repayable:—

* For amount of the public debt at the end of each year, see first folding sheet to the last volume.

† Including, for the first time, £222,800, being the amount of debentures of the late M. & H. B. U. Railway Co., but exclusive of a redemption loan of £3,180,620 for the repayment of debentures which fell due on 1st October, 1885.

Increase of
debt 1886-7.

Repayment
of debt.

REPAYMENT OF DEBT.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures.</i>		£	£	£
36	1st October, 1888 ...	6	130,000	...	130,000
150	" 1889 ...	"	276,100	...	276,100
287	1st January, 1891 ...	"	...	850,000	850,000
331-2	" 1894 ...	5	312,900	2,107,000	2,419,900
468	1st July, 1899 ...	4	...	1,500,000	1,500,000
531	" 1901 ...	"	...	3,000,000	3,000,000
608	" " ...	4½	...	5,000,000	5,000,000
611	1st January, 1904 ...	4	...	457,000	457,000
717	1st July, 1907* ...	"	...	4,000,000	4,000,000
739	1st April, 1908* ...	"	...	2,000,000	2,000,000
760	1st October, 1913* ...	"	...	4,000,000	4,000,000
	<i>Stock† (London Register).</i>				
805	1st October, 1919 ...	4	...	4,000,000	4,000,000
845	" 1920 ...	"	...	4,500,000	4,500,000
	<i>Stock (Melbourne Register).</i>				
428 } 439 } 741 }	Permanent debt ‡ ...	4	802,264	...	802,264
	Total ...	...	1,521,264	31,414,000	32,935,264
—	Debentures of M. & H. B. U. Railway Co.	...	...	...	183,900§
	Grand Total ...	...	...	...	33,119,164

354. Loans paid off on the 1st October, 1883, and the same date in 1884 and 1885, amounting together to £7,817,220, bore interest at the rate of 6 per cent. By these repayments the portion of the debt bearing 6 per cent. interest has become reduced to £1,256,100. The redemption loans bear only 4 per cent. interest, and the saving in the annual interest payable by the substitution of these for the 6 per cent. loans paid off during those three years amounts to over £156,000 per annum.

Reduced rate of interest on loans.

355. Victorian Government stock on the Melbourne register was first authorized under the Public Works Loan Act 1872 (36 Vict.

Victorian Government stock.

* Convertible into inscribed stock at option of holders. The amount so inscribed, according to advices received to the 30th June, 1887, was £8,244,100.

† See also stock referred to in preceding footnote.

‡ But subject to be paid off in sums of not less than £5,000 at any one time after 28th November, 1897, after one year's notice.

§ Of which £30,000 is redeemable on 1st July, 1892; £22,000 on 1st July, 1895; £100,000 on 1st September, 1895; and £31,900 on 1st January, 1897.

No. 428), and originally amounted to £1,500,000. Owing to portion of this being converted into debentures, as being more readily negociable by the Government in a case of emergency, which operation was counter-balanced to some extent by re-conversions and fresh issues, the amount outstanding became reduced on the 30th June, 1887, to £802,264*; at which date, however, a further authorized amount of £8,218 had not been issued. 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 last three of those loans—amounting to £8,500,000—were issued as stock in the first instance. The privilege referred to, according to advices received up to the 30th June, 1887, had been availed of to the extent of £8,244,100, so that the stock then outstanding upon the London register amounted to £16,744,100. The total amount of stock on the two registers combined was thus £17,546,364. The whole of the stock bears interest at the rate of 4 per cent. per annum.

356. Over two-thirds of the public debt bears interest at 4 per cent., and the balance at higher rates up to 6 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, 1887:—

Rates of Interest.	Amount at each Rate.
6 per cent.	£1,256,100
5 per cent.	2,603,800
4½ per cent.	5,000,000
4 per cent.	24,259,264
Total	£33,119,164

357. More than two-thirds of the interest on the debt is payable in July and January, and the remainder in October and April. In connexion with this, Messrs. W. Westgarth and Co., whilst admitting the inconvenience to the colony of having large interest amounts falling due at one time, have pointed out that the greatest degree of negociability for the stock can only be attained by making the periods of payment uniform for all loans. About nineteen-twentieths of the interest is payable in London, and the remainder in Melbourne. The following table shows the amounts payable during the ensuing financial year at those times and places on the debt existing on the 30th June, 1887:—

* Of this amount, £476,444 is held by the public, and £325,820 by the Government on account of Trust Funds invested.

INTEREST ON PUBLIC DEBT.

Rate per Cent.	When Due.	Amount Payable Annually—		
		In Melbourne.	In London.	Total.
		£	£	£
6	July and January	...	51,000	51,000
5	" "	15,645	105,350	120,995
4½	" "	...	225,000	225,000
4	" "	...	538,280*	538,280
	Total	15,645	919,630	935,275
6	October and April	24,366	...	24,366
4	" "	32,090	400,000	432,090
	Total	56,456	400,000	456,456
		72,101	1,319,630	1,391,731
	Melbourne and Hobson's Bay Railway Debentures	1,460	7,735	9,195
	Grand Total	73,561	1,327,365	1,400,926

NOTE.—The figures in this table represent the amounts of interest payable in 1887-8 on the debt (viz., £33,119,164) as it stood at the commencement of that year. The fresh loan raised in January, 1888, will add £60,000 per annum to the interest payable, but the first half-yearly instalment does not accrue until 1888-9. Moreover, stock in hand, but unsold at the end of 1886-7, will, when disposed of, add £329 to the annual interest.

358. The annual interest payable on the public debt, as it existed at the end of the financial year 1886-7, was equivalent to an average rate of about £4 4s. 7d. per cent., the rates on the amounts borrowed for the different works in most cases varying from 4 to 4½ per cent. No money has been borrowed at 6 per cent. since 1866; and the 5, 4½, and 4 per cent. loans floated since, together with the substitution of 4 per cent. debentures for the 6 per cents. which had become due, have gradually brought down the rate of interest, so that at the end of 1886-7 it averaged less than 4¼ per cent. as just stated. The following are the particulars of the amounts borrowed for the different works, and the amount and average rate of interest payable thereon annually :—

Interest on loans for different works.

* Inclusive of £18,280, payable on debentures which are held by the Government on account of Trust Funds invested.

INTEREST ON LOANS FOR DIFFERENT WORKS. .

Purpose for which Raised.	Amount Outstanding on 30th June, 1887.*	Interest Payable Annually.	
		Amount.	Average Nominal Rate per cent.
	£	£	
Railways	25,407,926†	1,073,131	4·22
Water Supply { Melbourne	1,471,184	60,110	4·09
{ Country	3,533,528	153,458	4·34
Law Courts and Parliament Houses ...	600,713	25,265	4·21
Public Offices	166,195	6,789	4·09
Defences	100,000	6,000	6·00
State Schools	1,105,557	45,222	4·09
Yarra Bridge	108,043	4,622	4·28
Harbours, &c.	275,554	11,022	4·00
Graving-dock	350,464	15,307	4·37
Total	33,119,164	1,400,926	4·23

Interest payable and paid.

359. By the last two tables it appears that the total sum payable annually as interest is close on £1,401,000; but as interest on debentures held by the Government is not paid, and as a portion of the debt did not bear interest during the whole of the year, the amount actually paid in 1886-7 was only £1,250,252, viz., £1,176,976 in London and £73,276 in Melbourne.

Expenses of paying interest on debt.

360. The payment of interest in Melbourne is not attended with any expense; but in connexion with the payment of interest in London expenses are incurred, consisting chiefly of premium on the remittance of money and commission to the Banks. These charges amounted in 1886-7 to £20,557, which is equivalent to a proportion of $1\frac{3}{4}$ per cent. on the total amount paid in London, viz., £1,176,976, as just stated; as compared with £20,746, or rather more than $1\frac{3}{4}$ per cent. in 1885-6; and with only £14,420, or $1\frac{1}{4}$ per cent. in 1884-5. The increase in the last two years was due to increased premiums on remittances, in consequence of the rate of exchange being exceptionally high during those two years; also to the increase of stock (by conversion and new issues) on the London Registrars, the management of which is much more costly than that of debentures; for whereas the commission for the payment of debenture coupons is only $\frac{1}{2}$ per cent. on the amount of interest payable, the charge for the inscription and management of stock and payment of interest thereon is equivalent to between $1\frac{1}{8}$ and $1\frac{1}{4}$ per cent. The following figures show the items of which the expenses were made up during the last three years:—

* See also footnotes to table following paragraph 348 *ante*.

† This is inclusive of £183,900, amount outstanding on the Melbourne and Hobson's Bay United Railway Company's debentures, the interest on which is £9,349 annually; also £112,500 for tramways in country districts.

EXPENSES OF PAYING INTEREST ON LOANS, 1884-5 TO 1886-7.

	1884-5.	1885-6.	1886-7.
	£	£	£
Commission of $\frac{1}{2}$ per cent. on debenture coupons payable	4,444	3,598	3,262
Commission of £500 or £450 per million* for inscription of stock and payment of interest (= $1\frac{1}{2}$ or $1\frac{1}{8}$ per cent. on interest payable)	3,541	5,798	6,586
Premium on remittances	5,782	10,701	10,107
Stamps, advertising, &c.	653	649	602
Total Expenses	14,420	20,746	20,557
Interest paid in London	1,150,684	1,165,523	1,176,976
Per centage of expenses thereon	1.25	1.78	1.75

361. Adding the interest paid in Melbourne—in connection 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 public debt of Victoria in 1886-7 amounted to £1,270,809,† being in the proportion of £1 5s. 4d. per head of population, and equal to nearly a fifth of the total expenditure. In the other Australasian colonies, in 1886, the interest and expenses of the public debt per head varied from £3 0s. 3d. in New Zealand and £2 10s. 7d. in Queensland, to £1 12s. 3d. in New South Wales, £1 12s. 2d. in Western Australia, and £1 3s. in Tasmania; and the proportion to the total expenditure varied from 41 per cent. in New Zealand, 31 per cent. in South Australia, and over 26 per cent. in Queensland and Tasmania, to 17 per cent. in New South Wales, and 15 per cent. in Western Australia.‡ In the Australasian colonies as a whole, the interest and expenses of the public debt in 1886 amounted to £6,355,700, or to nearly £1 18s. per head, and to over 24 per cent. of the total expenditure. In a former issue of the *Victorian Year-Book* § it was also shown that in only one of 29 of the principal countries in the world—viz., France—was the annual charge per head in respect to the public debt as high as in Victoria.

Interest on debt per head.

362. A loan of £8,000,000—to be floated in instalments as required—was authorized on the 14th December, 1885.|| This was the only Victorian loan authorized in the last three years. It was provided that this loan should have a currency of 35 years, and be issued either as

Loans authorized, 1885 to 1887.

* £500 is charged for the first 10 millions of stock inscribed, £450 for the second 10 millions, and £400 for subsequent amounts.

† See under head of "Public Debt" on page 157 ante.

‡ See *Australasian Statistics* for 1886, Table V., Brain, Melbourne, 1887.

§ See *Victorian Year-Book* 1879-80, paragraph 260 et seq.

|| Under the Railway Loan Act 1885 (49 Vict. No. 845).

debentures or as inscribed stock, interest to be payable half-yearly, the rate of which—not to exceed 4 per cent.—was left to be determined by an order of the Governor in Council prior to the time of issue. The following are the amounts authorized to be devoted to the respective purposes for which the loan was to be raised :—

LOAN AUTHORIZED, 1885.

Purposes.	Amounts Authorized under Act 49 Vict. No. 845.
	£
Railways	6,000,000
Tramways (in country districts)	200,000
Water Supply—Melbourne	500,000
Irrigation Works, &c.	1,300,000
Total	8,000,000
Amount raised to 30th June, 1888	6,000,000
Balance not yet floated	2,000,000
When due	1st Oct., 1920

Loans
floated
1886, 1887,
and 1888.

363. Three instalments of this loan have already been floated in London, viz., £1,500,000 on the 2nd February, 1886, £3,000,000 on the 20th January, 1887, and £1,500,000 on the 10th January, 1888; the interest being fixed at 4 per cent. in all cases. The minimum price fixed for which tenders would be received for every £100 stock was £102 for the first two portions and £104 for the last portion, which, after allowing for interest accruing on the deferred payments, was equivalent to £101 3s. 3d. net for the first, £101 6s. 3d. for the second, and £103 10s. for the third portion. The number of tenderers for the first issue was 643, for the second 817, and for the third only 273; whilst the amount tendered was between 10 and 11 millions sterling on the first two occasions, but only 3½ millions* on the last occasion. The gross average prices obtained were £106 9s., £102 19s. 3¼d., and £108 11s. 1½d. respectively—being equivalent, *ex* accrued interest, to £105 12s. 3d., £102 5s. 6¾d., and £108 1s. 1¼d.; but, if expenses be also deducted, the prices would be reduced to about £104 9s., £101 2s. 9d., and £106 18s. 0¾d. As the first instalment of the loan has a currency of 35 years, the price quoted, *ex* interest and expenses, is equivalent to the money being obtained at a little over 3¾ per cent. (£3 15s. 5d. per £100). As the second instalment has a currency of 34 years, the money was obtained in that case for £3 18s. 9d. per £100, or 3s. 4d. more than in the case of the previous loan, and as the third has a

* The small amount tendered for this loan is attributed to the high price at which it was quoted on the day of tendering.

currency of nearly 33 years, the money was obtained for £3 12s. 9d. The prices obtained for the first and third instalments were, at the respective dates of issue, the highest ever obtained for any Australian loan; the loan floated in 1886 being moreover remarkable as being the first 4 per cent. loan floated above par. It is believed that the lowest actual rate of interest at which any loan of New South Wales had been floated up to the end of 1887 is £3 18s. per £100, which is the rate payable on the nominal $3\frac{1}{2}$ per cent. loans issued in 1886.* According to a promise made in the last prospectus issued, no further instalment of the Victorian loan referred to is to be floated during the current year (1888).

364. The following is a statement of the leading particulars of the last six loans floated in London, to which is added, in the last line, a statement of the Bank of England minimum rate of discount at the time of floating each loan:—

PARTICULARS OF LOANS FLOATED, 1883 TO 1888.

Particulars.	£2,000,000, 4 per cent.— Inscribable. (46 Vict. No. 739.)	£4,000,000, 4 per cent.— Inscribable. (47 Vict. No. 760.)	£4,000,000, 4 per cent.— Stock. (48 Vict. No. 805.)	£8,000,000, 4 per cent.—Stock. (49 Vict. No. 845.)		
				First Issue, £1,500,000.	Second Issue, £3,000,000.	Third Issue, £1,500,000.
When floated ...	3rd July, 1883	29th Jan., 1884	13th May, 1885.	2nd Feb., 1886.	20th Jan., 1887.	10th Jan., 1888.
Minimum price fixed per £100	£96 13 3	£98 2 8	£97 4 9½	£101 3 3	£101 6 3	£103 9 11½
Number of tenders	684	529	1,178	643	817	273
Amount tendered	£5,137,700	£5,561,700	£11,553,900	£10,834,250	£10,191,500	£3,466,800
Number of suc- cessful tenders†	362	428	224	27	62	113
Highest tender per £100	£98 18 3	£100 7 8	£100 9 9½	£105 15 9	£102 18 9	£108 15 5¾
Lowest successful tender per £100	£97 8 9	£98 4 2	£98 17 9½	£105 11 9	£102 5 9	£107 17 5¾
Gross proceeds, average per £100	£97 14 1½	£98 5 7	£98 18 6½	£105 12 3¼	£102 5 6¾	£108 1 1¼
Deduct expenses, ditto	£1 3 2	£1 2 10¾	£1 2 9	£1 3 3¼	£1 2 9¾	£1 3 0½
Net proceeds, ditto	£96 10 11½	†£97 2 8¼	£97 15 9½	£104 9 0	£101 2 9	£106 18 0¾
Bank of England minimum rate of discount per cent.	4	3	3½	3	5	4§

NOTE.—The quotations in this table are exclusive of accrued interest.

* In April, 1888, however, another New South Wales loan, bearing interest at the rate of $3\frac{1}{2}$ per cent., was launched, which was by far the most successful colonial loan ever floated—the net price being above par. See paragraph 370 *post*.

† Wholly or partly successful.

‡ Price depreciated fully 5s. per cent., in consequence of the unusual occurrence of large shipments of gold from London to Australia.

§ Followed by a $3\frac{1}{2}$ per cent. rate on the 11th, and a 3 per cent. rate on the 18th January.

Expenses of floating and redemption of loans.

365. The total expenses connected with floating Victorian loans from 1855 (the time the first loans were authorized) to the 30th June, 1887, including bank charges, brokerage, &c., have amounted to £442,048, which figures furnish a proportion of a fraction over 1 per cent. (1.034) on the gross amount (£41,615,700) borrowed to that date. On the loans recently floated, however, the expenses averaged 1.15 per cent. (equal to £1 3s. per £100), as will be seen by figures in the last table. These expenses are made up of 5s.* per £100 commission to the Banks for floating, 5s. brokerage, 12s. 6d. composition duty on inscription of stock, payable to the British Government, and the balance, viz., 6d., to defray 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 $\frac{1}{4}$ per cent. for the earlier debenture loans, and $\frac{1}{8}$ per cent. for the more recent inscribable loans, besides exchange on remittances for redemption of the debentures.

Prices fixed and obtained for loans.

366. 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 2s. 7d. to as much as £4 11s. above the minimum fixed, the former being the result at the first, and the latter at the last of these loans, as is shown in the last column of the following table:—

VICTORIAN LOANS.—PRICES FIXED AND OBTAINED, 1874 TO 1888.

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 $\frac{3}{4}$	1 16 10 $\frac{3}{4}$
1879	96 16 1	97 17 5 $\frac{1}{2}$	1 1 4 $\frac{1}{2}$
1880	100 0 0	103 3 8 $\frac{1}{2}$	3 3 8 $\frac{1}{2}$
1883	98 13 7	98 16 8 $\frac{1}{2}$	0 3 1 $\frac{1}{2}$
"	96 13 3	97 14 1 $\frac{1}{2}$	1 0 10 $\frac{1}{2}$
1884	98 2 8	98 5 7	0 2 11
1885	97 4 9 $\frac{1}{2}$	98 18 6 $\frac{1}{2}$	1 13 9
1886	101 3 3	105 12 3 $\frac{1}{4}$	4 9 0 $\frac{1}{4}$
1887	101 6 3	102 5 6 $\frac{3}{4}$	0 19 3 $\frac{3}{4}$
1888	103 9 11 $\frac{3}{4}$	108 1 1 $\frac{1}{4}$	4 11 1 $\frac{1}{2}$

Particulars of loans floated in London.

367. Particulars respecting the amounts, nominal rates of interest, due dates of, and average prices obtained for, the various loans forming

* It has been asserted that South Australia saves this commission by floating the loans through the medium of the Agent-General.

part of the public debt of Victoria, raised in London from 1859 to 1888, 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 showing the state of the money market at the time of floating the respective loans :—

VICTORIAN LOANS FLOATED IN LONDON, 1859 TO 1888.

Act No.	When Raised.	Amount of Loan.*	Nominal Rate of Interest. Per Cent.	When due.	Average price obtained per £100 Debenture.		Actual Rate of Interest per £100. †	Bank of England Minimum Rate of Discount at time of Floating.
					Ex Accrued Interest.	Ex Interest and Expenses. † (Net proceeds.)		
		£			£ s. d.	£ s. d.	£ s. d.	Per cent.
36	1859 ...	1,000,000	6	1883	105 1 11 ³ / ₄	104 1 11 ³ / ₄	5 13 9	2 ¹ / ₂
"	" ...	750,000	"	"	107 17 7 ¹ / ₄	106 17 7 ¹ / ₄	5 9 10	2 ¹ / ₂
"	1860 ...	1,837,500	"	"	104 17 10 ¹ / ₂	103 17 10 ¹ / ₂	5 14 1	4 ¹ / ₂ —5
"	" ...	812,500	"	1884				
"	1861 ...	1,000,000	"	1885	103 1 6 ¹ / ₄	102 1 6 ¹ / ₄	5 16 10	6
"	1862 ...	1,600,000	"	"	102 19 7	101 19 7	5 16 11	2 ¹ / ₂
287	1866 ...	850,000	"	1891	100 8 11 ³ / ₄	99 8 11 ³ / ₄	6 0 10	4 ¹ / ₂
331	1869 ...	588,600	5	1894	98 4 2 ³ / ₄	97 4 2 ³ / ₄	5 4 0	3
"	1870 ...	1,518,400	"	"	100 17 6 ¹ / ₂	99 17 6 ¹ / ₂	4 19 10	3
468	1874 ...	1,500,000	4	1899	90 2 7	89 2 7	4 15 3	3—4
531	1876 ...	3,000,000	"	1901	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1	2
611	1878 ...	457,000	"	1904	...	...	...	...
608	1879 ...	3,000,000	4 ¹ / ₂	"	97 17 5 ¹ / ₂	96 19 2 ¹ / ₂	4 14 0	2 ¹ / ₂
"	1880 ...	2,000,000	"	"	103 3 8 ¹ / ₂	102 5 11	4 6 11	2 ¹ / ₂
717	1883 ...	4,000,000	4	1907	98 16 8 ¹ / ₂	97 13 7 ¹ / ₂	4 3 0	5—3
739	" ...	2,000,000§	"	1908	97 14 1 ¹ / ₂	96 10 11 ¹ / ₂	4 4 6	4
760	1884 ...	{ 2,636,600§ 1,363,400 }	"	1913	98 5 7||	97 2 8 ¹ / ₄	4 3 3	3
805	1885 ...	{ 3,180,620§ 819,380 }	"	1919	98 18 6 ¹ / ₂ ¶	97 15 9 ¹ / ₂	4 2 5	3 ¹ / ₂
845	1886 ...	1,500,000	"	1920	105 12 3 ¹ / ₄	104 9 0	3 15 5	3
"	1887 ...	3,000,000	"	"	102 5 6 ³ / ₄	101 2 9	3 18 9	5
"	1888 ...	1,500,000	"	"	108 1 1 ¹ / ₄	106 18 0 ³ / ₄	3 12 9	4
	Total	39,914,000**						

NOTE.—All Victorian loans floated prior to 1884 have originally a currency of 25 years ; the loan of 1884 has a currency of 30 years, and the subsequent loans a currency of from 33 to 35 years.

368. 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, which rate has, Terms upon which loans have been obtained

* The loans referred to in the first six lines have been paid off by means of more recent loans.

† For loans raised prior to 1876, the expenses have been uniformly assumed to have been 1 per cent. See paragraph 365 ante.

‡ Based on the prices given in the previous column.

§ 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.

** Including redemption loans amounting to £7,817,220, of which £7,000,000 was for loans falling due in London. This being deducted, the net amount borrowed there is reduced to £32,914,000.

with two exceptions in 1879 and 1880, prevailed ever since. 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 has improved so considerably of recent years, especially in 1886 and 1888, that a loan floated at the beginning of the latter year was able to command a premium of 8 per cent., being equivalent to a $3\frac{1}{2}$ per cent. loan at a slight discount. Moreover, since the last Victorian loan was floated, another large advance took place in the value of Australian securities, owing probably for the most part, as will be hereafter shown, to the proposed conversion of British 3 per cents.; and, in consequence of this, one colony—New South Wales—has been able to float a $3\frac{1}{2}$ per cent. loan at a premium.*

369. 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. Since that year, however, the credit of the colony has been gradually improving, for the money was secured in 1870—or four years later—for a little less than 5 per cent.; in the early part of 1883 for $4\frac{3}{10}$ per cent.; in 1885 for a little over 4 per cent.; and in 1888 for a little over $3\frac{1}{2}$ per cent., which, notwithstanding the nominal rate of interest was still 4 per cent., was the lowest actual rate at which any Victorian—or, in fact, any Australasian—loan had up to that time been raised.

370. The following table, giving similar information respecting the loans of New South Wales, is taken in substance, as regards the earlier portion, from the *Sydney Morning Herald*, but in the case of the last seven lines the figures were compiled in the office of the Government Statist, Melbourne, from official documents:—

NEW SOUTH WALES LOANS, 1858 TO 1888.

Date of Loan.	Years' Currency.	Amount of Loan.	Gross Amount raised.	Average price per £100 less charges, &c.†	Nominal Interest per cent.	Actual Interest per £100.
		£	£	£		£ s. d.
1858	30	130,400	125,888	90.59	5	5 13 3
1859	30	818,100	916,778	99.09	5	5 1 3
1860	30	560,900	560,654	99.20	5	5 1 0
1861	30	206,960	205,887	98.85	5	5 1 7

* See lowest line of next table

† The quotations respecting New South Wales for 1883 and subsequent years were carefully computed in the office of the Government Statist, Melbourne, and are exclusive of accrued interest as well as expenses; but, for the loans prior to 1883, it is believed no allowance has been made for accrued interest (or—what amounts to the same thing—for discount on deferred instalments). This is often considerable, and, in the case of the last six loans, varied from something less than £1 to nearly £2 per £100.

NEW SOUTH WALES LOANS, 1858 TO 1888—continued.

Date of Loan.	Years' Currency.	Amount of Loan.	Gross Amount raised.	Average price per £100 less charges, &c.*	Nominal Interest per cent.	Actual Interest per £100.
		£	£	£		£ s. d.
1862	30	495,500	485,391	97·22	5	5 3 10
1863	30	610,000	613,247	99·78	5	5 0 3
1864	30	288,300	287,609	90·01	5	5 1 5
1865	30	292,800	269,974	91·49	5	5 11 6
1866	30	1,001,900	899,216	88·49	5	5 16 4
1867	30	312,800	267,448	84·32	5	5 2 1
1868	30	1,500,000	1,430,204	88·52	5	5 16 4
1869	...	1,000,000	981,655	96·85	5	5 4 2
1870 } 1871 }	30	985,100	973,696	97·91	5	5 2 11
1872	30	406,800	422,666	103·90	5	4 15 0
1873	Inter.	222,284	217,270	97·74	4	4 2 0
1874	Inter.	282,955	268,808	95·00	4	4 5 11
1875	30	1,000,000	900,581	89·12	4	4 13 0
1876	30	901,500	837,180	92·22	4	4 9 4
1879	30	3,249,500	3,099,443	97·81	4	4 2 8
1881	30	2,050,000	2,120,697	102·86	4	3 16 10†
1882	50	2,000,000	2,042,916	101·06	4	3 19 0
1883	50	3,000,000	3,001,067	97·68	4	4 2 3
"	50	3,000,000	3,018,780	98·08	4	4 1 10
1884	40	5,500,000	5,152,386	91·17	3½	3 18 11
1885	40	5,500,000	5,042,041	89·01	3½	4 1 3
1886	38	5,500,000	5,247,690	91·99	3½	3 18 0
1888	30	3,500,000	3,626,300	100·86†	3½	3 9 0

371. By this table it appears that during the last five years New South Wales has floated six loans, amounting in the aggregate to £26,000,000. The loan of 1882 was issued in the form of debentures, but with right of inscription as stock; whilst all the subsequent loans were issued as inscribed stock. It would appear, if the figures taken from the *Sydney Morning Herald* are correct, that as early as 1881 and 1882 New South Wales was able to borrow, allowing for all charges, for less than 4 per cent.—the loan floated in 1881 being set down as costing only £3 16s. 10d. per £100 per annum. There is reason to believe, however, that this is not the case, and that if accrued interest were allowed for,* as is done in regard to subsequent loans, the rate would be found to reach, or to be above, 4 per cent. But in the case of the last six loans, all allowances have been made, and it will be seen that only on three occasions was the money obtained for less than 4 per cent.

Success of recent New South Wales loans.

* See footnote (†) on previous page.

† See next paragraph.

‡ The gross average price obtained per £100 borrowed was £103·61; but in accordance with information kindly furnished, by the Under Secretary to the Treasury of New South Wales, £2·75 has been deducted for accrued interest and expenses.

The last four loans, it will be observed, were launched nominally at $3\frac{1}{2}$ per cent.; New South Wales being the first Australasian, and the second British, colony* to issue loans bearing a lower nominal rate of interest than 4 per cent. The actual rate of interest payable on the first three of these was nearer 4 than $3\frac{1}{2}$ per cent. per £100 borrowed; but the last one was floated above par. This is, therefore, the most successful Australian loan floated, its great success being no doubt attributable to the extraordinary demand for Colonial securities in the London money market, owing to a great extent to the proposed compulsory conversion of the greater portion of the British 3 per cent. Debt, first into $2\frac{3}{4}$, and eventually into $2\frac{1}{2}$ per cents.

372. As there can be no doubt that the proposal of the Chancellor of the Exchequer (Mr. G. J. Goschen) to reduce the interest on the National Debt of the United Kingdom† has had a marked effect in raising the values of Colonial Government Securities, a short account of the details of Mr. Goschen's scheme will be given. At the end of March, 1887, the National Debt stood in round numbers at 706 $\frac{1}{2}$ millions sterling, the various denominations of which will be found in the following table:—

NATIONAL DEBT OF THE UNITED KINGDOM, 31ST MARCH, 1887.

Denomination.	Total Amount of National Debt.	Amount of Debt held by Government Departments.(included in previous column).
FUNDED DEBT.		
3 per Cents. (Consols)	£ 329,601,303	£ 39,851,215
Reduced 3 per Cents.	76,627,345	16,988,547
New 3 per Cents.	179,660,758	31,977,909
New $3\frac{1}{2}$ per Cents.	225,746	6,109
$2\frac{3}{4}$ per Cents.	4,647,799†	123,988
$2\frac{1}{2}$ per Cents.	33,228,820	15,010,536
Debt to Banks of England and Ireland	13,645,869	...
Terminable Annuities (for details, p. 68 Burdett)	81,123,148	70,694,160
Exchequer Bills... ..	5,161,000	5,014,300
Exchequer Bonds	3,675,900	

* Canada was the first British colony to float a nominal $3\frac{1}{2}$ per cent. loan, viz., in June, 1884, or about four months before New South Wales; but Canada subsequently reverted to 4 per cents. Queensland was the second Australasian colony to raise a $3\frac{1}{2}$ per cent. loan; that colony having according to recent advices successfully floated a loan amounting to £2,500,000 on the 18th July, 1888, at an average price of £94 6s. 11d. net *ex* interest. This would give an average rate of interest, after allowing for expenses of floating, of £3 16s. 6d. per £100. Whilst these pages were passing through the press, intelligence was received that, on the 15th June, 1888, Canada successfully floated a 3 per cent. loan in London for £4,000,000 with a currency of 50 years. The amount was subscribed three times over, and the average price obtained, less accrued interest, was £94 14s. 10d. This, after allowing for expenses, estimated to amount to about £1 3s., would give £3 5s. 7d. per £100 as the average rate of interest payable.

† The details of this proposal were laid before the House of Commons on the 9th March, 1888.

‡ Created in 1884-5.

NATIONAL DEBT OF THE UNITED KINGDOM, 31ST MARCH, 1887

—continued.

Denomination	Total Amount of National Debt.	Amount of Debt held by Government Departments (included in previous column).
FUNDED DEBT—continued.		
Treasury Bills	£ 8,681,000	£ ...
Deficit to Savings Banks and Friendly Societies Accounts	1,897,351	...
Total Debt	738,176,039	179,666,764
Deduct—		
Loans recoverable	28,165,450	...
Purchase money of Suez Canal Shares	3,532,040	...
Net amount of Debt	706,478,549	179,666,764

NOTE.—The information in this table was taken from "Burdett's Official Intelligence" for 1888, page 65.

373. The stocks to which the proposed reduction is to apply are those in the first three lines of the table, amounting in all to 586 millions sterling, all bearing interest at the rate of 3 per cent., viz., Consols, 320½ millions; Reduced Three per Cents., 76½ millions; and New Three per Cents., 179½ millions. The holders of these stocks will be asked to consent to their conversion into new stock, bearing interest at the rate of 2¾ per cent. for fourteen years, and after that period interest at the rate of 2½ per cent.; and, in the event of their declining to do so, they will be paid off at par. The New Threes may be paid off at any time without notice, but the holders of Consols and of Reduced Threes are entitled to receive twelve months' notice, in consideration of their foregoing which they are to be paid a premium of ¼ per cent. The new stock is guaranteed against redemption for a period of 35 years, viz., until the 5th April, 1923. It may be remarked that in 1887 the price of Consols ranged from 99¾ to 103¾.

Mr. Goschen's scheme for reducing interest on British National Debt.

374. There is no doubt that the fear of conversion, with reduced rate of interest, had for some time before the actual announcement of that policy directed attention to colonial and other high-class securities. This impression, however, was not very marked until towards the end of January, 1888, when it appears a large amount of Consols were sold with a view to investment of the proceeds in English Corporation Bonds and Indian and Colonial Stocks;* and then, for the first time, Australian (New South Wales) 3½ per cent. stock passed beyond par, and reached 102¼; but immediately after Mr. Goschen's announcement

Increased value of colonial securities.

* See Westgarth's Circular, No. 293, of 3rd February, 1888.

(on the 9th March, 1888), the prices of all colonial stocks went up with a bound. Thus Victorian 4 per cent. inscribed stock (January and July), due in 1920, which was quoted on the official list in 1887 as ranging from $102\frac{3}{4}$ to $109\frac{3}{8}$, ran up to $113\frac{7}{8}$; the New South Wales 4 per cent. inscribed stock (January and July), due in 1933, which fluctuated between $106\frac{3}{4}$ and $112\frac{1}{4}$ in 1887, similarly rose to $118\frac{1}{2}$; whilst the $3\frac{1}{2}$ per cent. inscribed stocks of the same colony (April and October), which brought scarcely 92 two years previously, and fluctuated between $92\frac{1}{4}$ and $99\frac{1}{2}$ in 1887, rose as high as $107\frac{3}{4}$. According, however, to advices of the 8th June, 1888, the prices of the Victorian 4 per cents. subsequently eased to about 112; the New South Wales 4 per cents. to 113; and its $3\frac{1}{2}$ per cents. to 104. Taking the mean of the highest and lowest rates quoted in the official list, the price of Victorian 4 per cents. has risen from 106 in 1887 to $110\frac{1}{4}$ in 1888; that of New South Wales 4 per cents. from $109\frac{1}{2}$ to $114\frac{1}{4}$; and the $3\frac{1}{2}$ per cents. of the same colony from nearly 96 to $103\frac{1}{2}$. A similar improvement has also taken place in the stocks of the other colonies, as will be observed from a comparison of the prices quoted for 1887 and 1888 in the following table:—

PRICES OF STOCK OF THE AUSTRALASIAN COLONIES IN LONDON,
1887 AND 1888.

Colony.	Stock.			Prices.*				Latest (Week ending 8th June, 1888.)
	Rate of Interest percent.	Year when Principal is due.	Interest payable on the first day of—	1887.		1888. (To 8th June.)		
				Highest.	Lowest.	Highest.	Lowest.	
Victoria ...	4	1920	Jan. & July	$109\frac{3}{8}$	$102\frac{3}{4}$	$113\frac{7}{8}$	$106\frac{3}{4}$	112
New South Wales ...	4 $3\frac{1}{2}$	1933 1924	Jan. & July April & Oct.	$112\frac{1}{4}$ $99\frac{1}{2}$	$106\frac{3}{4}$ $92\frac{1}{4}$	$118\frac{1}{2}$ $107\frac{3}{4}$	110 $99\frac{3}{8}$	113 104
Queensland ...	4	1924	Jan. & July	106	$98\frac{7}{8}$	$108\frac{3}{4}$	103	106
South Australia	4	1917-18	April & Oct.	$105\frac{1}{4}$	$100\frac{1}{2}$	109	$104\frac{1}{4}$	$108\frac{1}{2}$
Tasmania ...	4	1913	Jan. & July	$105\frac{1}{4}$	$99\frac{1}{2}$	108	$101\frac{1}{2}$	$104\frac{1}{4}$
New Zealand ...	4	1929	May & Nov.	$100\frac{3}{8}$	$93\frac{3}{8}$	$104\frac{1}{2}$	$96\frac{1}{4}$	98

375. With reference to the conversion of the British 3 per cent. debt and its effect on colonial stocks, Messrs. Westgarth and Co. wrote as follows in their circular of the 29th March, 1888:—

“The feature of our to-day’s circular is the wonderful position of the colonial securities in this market, in response to the grand and already evidently successful movement of Mr. Goschen in the conversion of the public 3 per cent. debt to a lower interest-rate stock. The prospect of $2\frac{3}{4}$ per cent. instead of 3 per cent. after this year, and after fourteen more years a further reduction to $2\frac{1}{2}$ per cent., together with the general impression that this latter great stock, ‘the stock of the future,’

* Taken from “Burdett’s Official Intelligence,” and the “Weekly Official Intelligence.”

with its promise of comparative permanence, will stand even at 'par,' or the value of 100, or possibly still higher, has aroused the investing world to lay prompt hold upon all higher-interest stocks that approached the first class of security. We had occasion to remark in our last circular that 'the values of the leading Australasian stocks upon this market are now at a point never before reached.' But this was only the beginning of the effect, for upon the Chancellor's plans being definitely announced last week, a further great advance rapidly occurred, so that New South Wales Fours touched 118, and the 3½ per cents. 107¾. There has been in most instances some slight reaction since; but the buying continues so steady, and general that no material or permanent fall is expected, while as to the less prominent classes of security, the towns, harbours, &c., the rise seems hardly yet developed."

376. Seeing that the British Government has decided to lower the rate of interest on the National Debt eventually to 2½ per cent., it is only reasonable to predict that the rate of interest on first-class colonial securities will fall within a short period to 3 per cent., which will, it is believed, be the nominal rate on the best colonial stocks in the future. Considering, moreover, that the 4 per cent. stocks of Victoria and New South Wales are now at a price* which (after allowing for accrued interest) yields only about £3 8s. 8d. per £100, whilst the New South Wales 3½ per cents. yield still less, viz., £3 6s. 9d.,† the question naturally arises whether it would not be wise for the two leading Australasian colonies to float all their future loans at 3 per cent.‡ In reference to this question, Messrs. Westgarth and Co. make the following remarks in the circular already alluded to:—

Future rate of interest for colonial loans.

"These (*i.e.*, the Australasian) colonies have descended in their interest rates, within the last 20 to 25 years, from 6 to 5 per cent., from 5 to 4, and latterly, in at least one case, from 4 to 3½ per cent. The change must now surely be, and without needless delay, to 3 per cent. By our well-known market law, premium is always relatively loss to a stock. A 3 per cent. for the two leading colonies, New South Wales and Victoria, would probably now or hereafter bring 95 to 97. If these two colonies issued 3 per cents., it would perhaps be better, as an approach to the market advantage of uniformity, that the others should do the same, even although at some greater discount. All of them should also aim to consolidate respectively all their stocks, so that each colony might have all its stock in most negotiable form. The interest dates also should be as nearly as possible the same. Two would suffice, so as to give to investors, by buying two different half-yearly interest stocks, a quarterly dividend. The best date is 1st January 1st July, and the next best 1st April 1st October. No colonial stock of any kind or quality should have any other interest date."

377. It will be observed that the writer recommends the consolidation of stocks in order to make them more readily negotiable; and the question of converting their 3½ and 4 per cent. debentures into a uniform 3 per cent. stock, and consolidating the whole of their loans into stock bearing that rate of interest, is one which may be expected sooner or later to engage the attention of the respective colonial Governments.

Conso idation of stocks.

* See last table.

† The lower interest on this stock is due probably to the large quantity in existence, amounting to about 16½ millions, a large stock being more saleable than a small one.

‡ Canada has already floated a loan at 3 per cent. See footnote to paragraph 371 *ante*. It should be pointed out that if the effort now being made to induce the Imperial Parliament to consent to the investment of British Trust Funds in Colonial Government securities should be successful the value of such securities will be still further enhanced.

Issue of
loans at
short terms
or with
right of re-
demption.

378. The fact of loans being issued without right of redemption for long terms of years may perhaps cause them to fetch better prices than if they were issued for short periods, or if that right were reserved. Still, as matters have turned out, the wisdom of the policy of increasing the currency of the Victorian loans from 25 years—which was that of the earlier borrowings—to 30 and even 35 years may well be doubted; * and, considering the probability of the rate of interest on Government securities coming down within the next few years to 3 per cent., it would appear that all loans floated at above that rate in future ought to be for short terms only, or subject to a stipulation that, after due notice, they might be paid off at any time at the option of the Government.

Prices
obtained for
loans of
Victoria and
New South
Wales
compared.

379. It has already been shown † that the most successful Victorian loan was the 4 per cent. loan of £1,500,000—having a currency of 33 years—floated in January, 1888, at an average net price, *ex* accrued interest and expenses, of £106 18s. 1d. per £100; and that the most successful loan of New South Wales was one of 3½ per cent. for £3,500,000—having a currency of 30 years—floated in April, 1888, at a net average price of £100 17s. 2d.; also, that the actual rate of interest payable per £100 is £3 12s. 9d. in the former case, and £3 9s. in the latter. The latter, therefore, is the more successful loan, which is to be attributed mainly to the fact that it was floated immediately after the sudden rise which took place in the value of colonial securities, consequent on the announcement of the British Consols Conversion scheme already alluded to, ‡ whilst the Victorian loan was placed upon the market two months before that announcement was made. If the price realized for the Victorian loan be reduced to the same basis as that on which the New South Wales loan was floated—viz., a nominal rate of 3½ per cent., and principal redeemable in 30 years—it will be found that the price realized for the Victorian loan was £2 6s. 5d. per £100 lower than that realized for the loan of New South Wales; thus—

COMPARATIVE PRICES OF LOANS RAISED IN 1888 ON A UNIFORM
3½ PER CENT. BASIS.

(Loans assumed to be redeemable in 30 years.)

		£	s.	d.
Victoria	... (Actual interest = £3 12s. 9d. per £100)	98	10	9
New South Wales	... „ = £3 9s. 0d. „	100	17	2
Difference in favour of New South Wales		£2	6	5

Cost of float-
ing loans
of Victoria
and New
South
Wales com-
pared.

380. The expenses of floating loans have lately been much greater in the case of the loans of New South Wales than in regard to those of

* New South Wales is, in this respect, worse off than Victoria, as, during the last five years, she has borrowed 22½ millions sterling with a currency of from 38 to 50 years.

† See paragraphs 368, 369, and 371 *ante*.

‡ See paragraphs 372 and 373 *ante*.

Victoria. Thus, the expenses of floating Victorian loans averages £1 3s. per £100 debenture, but it varies from £1 2s. to over £1 14s. in the case of New South Wales—the average being £1 9s. 7d. The following are the average expenses of floating loans in the two colonies during the seven years ended with 1888 :—

EXPENSES OF FLOATING LOANS OF VICTORIA AND NEW SOUTH WALES, 1882 TO 1888.*

Year.	Amount of Loan.		Expenses per £100 Debenture or Stock in—					
	Victoria.	New South Wales.	Victoria.		New South Wales.			
	£	£	£	s.	d.	£	s.	d.
1882 ...	...	2,000,000	...			1	1	9
1883 (1st loan)	4,000,000	3,000,000	1	3	1	1	1	10
„ (2nd loan)	2,000,000	3,000,000	1	3	2	1	6	5
1884 ...	4,000,000	5,500,000	1	2	11	1	11	2
1885 ...	4,000,000	5,500,000	1	2	9	1	14	5
1886 ...	1,500,000	5,500,000	1	3	3	1	13	0
1887 ...	3,000,000	...	1	2	10	...		
1888 ...	1,500,000	3,500,000	1	3	1	1	7	11
Total ...	20,000,000	28,000,000	1	3	0	1	9	7

381. The annual charge per million made by the Bank of England for the inscription and management of the stock of New South Wales is £600 for the first ten millions, and £500 for the second ten millions ; whereas the annual charge per million made by the London and Westminster Bank for the same services rendered to the Government of Victoria is only £500 for the first ten millions, £450 for the second ten millions, and £400 for subsequent amounts.

Annual cost of managing stock of Victoria and New South Wales.

382. The following table shows the total amount of debt, and the indebtedness per head, in Victoria and the other Australasian colonies on the 31st December of each of the six years ended with 1886 ; also the number of years' revenue the debt is equal to in each year :—

Debts of Australasian colonies.

PUBLIC DEBTS OF THE AUSTRALASIAN COLONIES.

Colony.	Year.	On the 31st December.		
		Total Amount of Debt.	Amount of Indebtedness per Head.	Number of Years' Revenue Debt is equal to.
		£	£ s. d.	
Victoria ...	1881	22,426,502	25 9 7	4.32
	1882	22,103,202	24 11 1	3.95
	1883	24,308,175	26 7 5	4.33
	1884	27,526,667	29 1 11	4.64
	1885	28,628,588	29 9 7	4.55
	1886	30,114,203	30 0 5	4.65

* See also table following paragraph 364 ante

PUBLIC DEBTS OF THE AUSTRALASIAN COLONIES—*continued.*

Colony.	Year.	On the 31st December.		
		Total Amount of Debt.	Amount of Indebtedness per Head.	Number of Years' Revenue Debt is equal to.
		£	£ s. d.	
New South Wales	1881	16,924,019	21 14 8	2·52
	1882	18,721,219	23 1 9	2·53
	1883	21,632,459	25 4 5	3·34
	1884	30,101,959	33 6 0	4·23
	1885	35,564,259	37 2 8	4·69
	1886	41,034,249	40 19 1	5·43
Queensland	1881	13,245,150	58 7 1	6·55
	1882	13,125,350	52 17 5	6·24
	1883	14,907,850	51 17 2	5·77
	1884	16,419,850	52 19 6	6·14
	1885	19,320,850	61 4 10	6·80
	1886	20,820,850	60 15 5	7·41
South Australia	1881	11,196,800	38 3 6	5·16
	1882	12,472,600	42 9 10	5·98
	1883	13,891,900	45 12 5	6·74
	1884	15,473,800	49 9 5	7·64
	1885	17,020,900	54 6 2	7·37
	1886	18,340,200	58 12 10	9·28
Western Australia	1881	511,000	17 0 6	2·01
	1882	511,000	16 12 2	2·04
	1883	611,000	19 5 6	1·93
	1884	765,000	23 4 3	2·64
	1885	1,288,100	36 12 4	3·99
	1886	1,286,000	32 9 9	3·31
Tasmania	1881	2,003,000	16 16 10	3·96
	1882	2,050,600	16 14 10	3·72
	1883	2,385,600	18 18 0	4·24
	1884	3,202,300	24 10 7	5·83
	1885	3,357,000	25 1 10	5·88
	1886	4,026,720	29 6 11	7·08
New Zealand*	1881	29,659,111	59 4 2	7·89
	1882	30,235,711	58 8 1	7·72
	1883	31,385,411	58 0 6	8·11
	1884	32,860,982	58 4 8	8·86
	1885	35,790,422	62 4 3	8·74
	1886	37,587,776	63 15 6	10·20

NOTE.—The following colonies have floated loans in London since the 31st December, 1886:—Victoria, £3,000,000 in January, 1887, and £1,500,000 in January, 1888; New South Wales, £3,500,000 in April 1888; Queensland, £2,500,000 in February, 1887, and £2,500,000 in July, 1888; South Australia, £850,000 in May, 1887; New Zealand, £2,000,000 in June, 1888. For public debts of the respective colonies at the end of 1887, see Summary of Australasian Statistics (third folding sheet at the commencement of the last volume), which gives a statement of the debts of the respective colonies at the end of each of the fourteen years 1873 to 1887; also Appendix A to the last volume.

* New Zealand, as a set-off against the debt, has an accrued sinking fund, which amounted on the 31st December, 1886, to £3,469,264. The net liability was thus £34,118,512, or £57 17s. 9d. per head, and was equal to 9·25 times the revenue. The sinking funds in the other colonies are of no great importance

383. In 1886, as compared with the previous year, New South Wales, South Australia, and Tasmania show a large increase of indebtedness per head, amounting to nearly £4 in the first named to over £4 in the two last, whilst smaller increases occurred in Victoria and New Zealand. According to the returns of the same year, by far the most heavily-indebted colony, in proportion to population, was New Zealand, with nearly £64; next to it Queensland, with nearly £61, and South Australia with nearly £59, per head. Victoria, in proportion to population, was only half as heavily indebted as any of these, and was also less indebted than any other Australasian colony, except Tasmania. The following is the order in which the colonies stood in respect to their indebtedness per head, the most heavily-indebted colony being placed first:—

Order of colonies in respect to indebtedness.

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

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

384. The public debt in the different colonies varied, in 1886, from an amount equal to over 10 years' revenue in New Zealand, and 9½ years' revenue in South Australia, to a sum equal to 3½ years' revenue in Western Australia. Victoria occupied a lower, and consequently more favorable, position in this respect than any of the colonies, except Western Australia, her debt being equal to her revenue for 4½ years. The following is the order in which the colonies stood in respect to this matter:—

Order of colonies in respect to proportion of revenue of revenue to debt.

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF REVENUE TO PUBLIC DEBT.

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

385. If the amounts of debt at the latest period shown in the table be added together, it will be found that the aggregate debt of the colonies on the continent of Australia was over 111½ millions, being over 10 millions more than in 1885; and the aggregate debt of Australia, with the addition of Tasmania and New Zealand, was over 153 millions sterling, being 12 millions more than in 1885. The following are the exact figures, also the proportion of indebtedness per head of

Public debt of Australia and Australasia.

the population, and the proportion the aggregate debt bore to the aggregate revenue of the colonies within the same limits:—

PUBLIC DEBT OF AUSTRALIA AND AUSTRALASIA, 1886.*

	Public Debt.		
	Total Amount.	Amount per Head.	Multiple of Revenue.
	£	£ s. d.	Per cent.
Continent of Australia	111,595,502	41 6 11	5·80
Ditto, with Tasmania and New Zealand	153,209,998	44 14 3	6·52

Debt per head higher in Australasia than in Australia.

386. It will be observed that a combination of the indebtedness of the insular colonies with that of the colonies upon the Australian continent gives a proportion of debt per head higher by £3 7s. 4d. than such a proportion applied to the continental colonies alone, in explanation of which it will be remembered that although, in proportion to population, Tasmania is the most lightly, New Zealand is the most heavily, indebted colony of the group.

Increase of debt in Australasia in thirteen years.

387. During the year 1886, the public debt of Australasia, taken as a whole, increased by over twelve and a quarter millions—or by more than one-twelfth—whilst the amount per head of population increased by £2; and during the thirteen years ended with 1886, the public debt increased by one hundred and ten and a half millions—or nearly four-fold—whilst the proportion per head was much more than doubled. The debt also increased in a much greater ratio than the public revenue, for whereas in 1873 it was equal to the income of the colonies for only about three and a half years, in 1886 it was equal to their income for six and a half years. This is shown by the following figures:—

INCREASE OF PUBLIC DEBT OF AUSTRALASIA, 1873 TO 1886.

Year.	Public Debt of Australia, Tasmania, and New Zealand.		
	Total Amount.	Amount per Head.†	Multiple of Revenue.
	£	£ s. d.	
1873	42,672,423	20 7 1	3·46
1884	126,350,558	39 13 3	5·67
1885	140,970,119	42 13 10	5·87
1886	153,209,998	44 14 3	6·52
Increase, 1873-86 ...	110,537,575	24 7 2	3·06
„ 1886 ...	12,239,879	2 0 5	0·65

* For later figures, see Appendix A to last volume.

† In 1873, the population was 2,096,560; in 1884, 3,233,041; in 1885, 3,302,174; and in 1886, 3,426,562.

388. The purposes for which the public debts of the Australasian colonies were incurred may be classified under three heads—(1.) Works yielding direct revenue, including all immediately reproductive works, such as railways, telegraphs, water-works, harbour and river improvements, &c.; (2.) Other works of a permanent character not returning direct revenue—including roads and bridges, defence works, school buildings, and other public works and buildings; (3.) Miscellaneous—including introduction of immigrants, war debts, amounts borrowed to cover deficiencies in revenue, and amounts unapportioned to their proper heads. In the following table, the debt of each colony is classified under these three heads:—

Classification of debts of Australasian colonies.

PURPOSES FOR WHICH PUBLIC DEBTS OF AUSTRALASIAN COLONIES WERE INCURRED.

(Amounts outstanding on the 31st December, 1886.)

Purposes for which Incurred.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.	New Zealand.*
	£	£	£	£	£	£	£
1.—WORKS YIELDING DIRECT REVENUE.							
Railways and Tramways ..	23,079,747	28,541,582	11,833,657	10,878,530	704,068	1,702,228	12,978,429
Electric Telegraphs ..	..	663,295	672,061	825,375	138,644	90,971	538,979
Water Supply (including Sewerage)	4,327,930	3,149,288	445,321	2,402,675	..	..	558,926
Harbours, Rivers, Lighthouses, and Docks	626,018	1,577,259	1,312,313	1,363,395	..	1,075,738	745,299†
Total	28,033,695	33,931,424	14,263,352	15,469,975	842,647	2,868,937	14,821,633
2.—OTHER WORKS OF A PERMANENT CHARACTER.							
Roads and Bridges	108,043	550,299	707,673	1,321,910	48,821	..	3,124,299
Defence Works	100,000	505,086	100,690	187,220	..	97,073	429,719†
School Buildings	1,105,557	50,000	..	624,000‡	..	90,428	..
Other Public Works and Buildings	766,908	947,368	577,775	21,425	64,229	506,577	1,880,435
Total	2,080,508	2,052,753	1,386,138	2,154,555	113,050	694,078	5,434,453
3.—MISCELLANEOUS.							
Immigration .. ..	..	569,930	2,228,007	..	..	232,814	2,118,071
Deficiencies in Revenue (including Treasury Bonds)	..	..	397,440	100,000	..	146,871	1,075,614
Balance { Other Services .. ..	..	1,385,086§	633,618	615,670||	..	84,020¶	1,159,433
{ Unapportioned** .. ..	..	3,095,056	1,912,295	..	330,503	..	12,978,572
Total .. ..	..	5,050,072	5,171,360	715,670	330,303	463,705	17,331,690
Grand Total	30,114,203	41,034,249	20,820,850	18,340,200	1,286,000	4,026,720	37,587,776

* The figures for New Zealand represent the net expenditure out of the "Public Works Fund" since 1870, the date of the first Immigration and Public Works Loan; it is, moreover, stated that, besides loan moneys, receipts in aid from Stamps duties, &c., contributed somewhat towards the total sum so expended. The balance required to make up the total debt at the end of 1886, which comprise the old provincial loans, of which particulars are not available, has been entered as "Unapportioned."

† In New Zealand, a portion of the expenditure on "Defences" is included under the head of "Harbours," &c.

‡ Including other buildings.

§ Consisting of "Repayment of Loans," £1,335,230; and Public Works in Queensland when it formed part of New South Wales, £49,856. The former amount should properly have been distributed under the purposes for which the original loan was raised.

|| Consisting of General Public Works for Northern Territory.

¶ Debentures redeemed, amounting to £53,700, have been deducted from the amount returned for "Other Services," since the purposes were not specified for which the original loans thereby paid off were raised.

** Consisting chiefly of unexpended balances, except in the case of New Zealand. See first footnote *supra*.

Purposes for which debts of Australasian colonies were contracted.

389. The major portion of the public debt of each of the Australasian colonies was contracted for the purpose of railway construction, but smaller amounts were borrowed for water supply, immigration, electric telegraphs, harbour and defence works, roads and bridges, school-houses, and other public works. Up to the end of 1886, New South Wales had borrowed a larger amount for railway construction than any other colony, the amount being over £28,500,000, as against £23,000,000 borrowed for the same purpose by Victoria, nearly £12,000,000 by Queensland, and nearly £11,000,000 by South Australia. The amount set down as having been borrowed by New Zealand for railway construction is nearly £13,000,000, but the purposes for which £12,500,000* of the debt—consisting chiefly of old provincial debts—(about a third of the whole New Zealand debt at the end of 1886)—were contracted are not accurately known, and possibly some portion of this may have been devoted to railways, although not a large amount, as the total cost of railways in New Zealand, up to the end of 1886 is returned as £13,017,567, or only £39,000 more than the amount known to have been borrowed for railway construction. Victoria has borrowed more for water supply than any other colony, the total amount being £4,300,000, as against £3,150,000 borrowed by New South Wales, and £2,400,000 borrowed by South Australia for the same object. No portion of the public debt of Victoria, South Australia, or Western Australia has been contracted for the promotion of immigration; but, up to the end of 1886, Queensland and New Zealand had each borrowed over two millions for immigration purposes, whilst New South Wales and Tasmania had borrowed smaller sums.

Order of colonies in respect to borrowings for reproductive works.

390. Ninety-three per cent. of the Victorian public debt was incurred for the purpose of being expended upon revenue producing public works, which is a larger proportion than in any of the other colonies. This is shown by the following figures, which give the proportion so incurred in each colony:—

ORDER OF COLONIES IN REFERENCE TO PROPORTION OF DEBT INCURRED FOR REPRODUCTIVE WORKS.

	Per Cent.
1. Victoria	93·09
2. South Australia	84·35
3. New South Wales	82·69
4. Tasmania	71·25
5. Queensland	68·51
6. Western Australia	65·52
7. New Zealand	39·43†

* Including unspent balances of loan moneys at the end of the year, and the old provincial debts of New Zealand taken over by the Central Government, amounting to £11,060,028. It is now impossible to determine accurately the purposes for which the latter amount was contracted; it is probable that a considerable portion of it was spent in carrying on wars with the Maoris.

† The purposes for which a large portion of the New Zealand debt was incurred cannot now be determined. See last paragraph and footnote.

391. Of the total amount borrowed by the colonies on the Australian continent to the end of 1886, over four-fifths was for railways and other reproductive works, nearly 7 per cent. was for other works of a permanent character, and, with the exception of 5 per cent., which was unapportioned, the balance was spent on immigration and other services. Of the amount borrowed by the continental and insular colonies combined, the proportion for reproductive works is considerably less, but the proportions for immigration and for other purposes are considerably more, than those for like objects relating to the continental colonies alone. This is shown in the following table:—

Purposes for which debt of Australasia was contracted.

PURPOSES FOR WHICH DEBTS OF AUSTRALIA AND AUSTRALASIA WERE CONTRACTED.

(Amounts outstanding on the 31st December, 1886.)

Purposes for which Debt was contracted.	Continent of Australia.		Australia with Tasmania and New Zealand.	
	Amount of Debt.	Proportions per Cent.	Amount of Debt.	Proportions per Cent.
I.—WORKS YIELDING DIRECT REVENUE.	£		£	
Railways and Tramways ...	75,037,519	67·24	89,718,176	58·56
Electric Telegraphs ...	2,299,375	2·06	2,929,325	1·91
Water Supply (including sewerage)	10,325,214	9·25	10,884,140	7·10
Harbours, Rivers, Lighthouses, and Docks	4,878,985	4·37	6,700,022	4·38
Total ...	92,541,093	82·92	110,231,663	71·95
2.—OTHER WORKS OF A PERMANENT CHARACTER.				
Roads and Bridges ...	2,736,746	2·45	5,861,045	3·83
Defence Works ...	892,996	0·80	1,419,788	0·93
School Buildings ...	1,779,557	1·60	1,869,985	1·22
Other Public Works and Buildings	2,377,705	2·13	4,764,717	3·11
Total ...	7,787,004	6·98	13,915,535	9·09
3.—MISCELLANEOUS.				
Immigration ...	2,797,937	2·51	5,148,822	3·36
Revenue Deficiencies (including Treasury Bonds)	497,440	0·45	1,719,925	1·12
Balance: { Other services ...	2,634,374	2·36	3,877,827	2·53
{ Unapportioned ...	5,337,654	4·78	18,316,226	11·95
Total ...	11,267,405	10·10	29,062,800	18·96
Grand Total...	111,595,502	100·00	153,209,998	100·00

Public debts
of British
dominions.

392. 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, 1886.

Country or Colony.	Public Debt.		
	Total Amount.	Amount per Head.*	Multiple of Revenue.†
EUROPE.			
United Kingdom	£ 736,278,688‡	£ 19 14 9	8·11
Malta	79,168	0 9 11	·35
ASIA.			
India	174,524,101	0 17 7	2·34
Ceylon	2,262,779	0 15 11	2·25
Straits Settlements	40,700	0 1 7	·06
AFRICA.			
Mauritius	746,150	2 0 6	1·03
Natal	3,972,930	8 19 6	6·62
Cape of Good Hope... ..	22,061,293	17 12 4	7·26
St. Helena	5,250	1 0 8	·52
Lagos	441	0 0 1	·01
Sierra Leone	58,000	0 19 2	·92
AMERICA.			
Canada	45,854,611§	9 14 1	6·73
Newfoundland	476,748	2 8 4	2·19
Bermuda	7,214	0 9 6	·24
British Guiana	642,572	2 6 10	1·85
West Indies—			
Bahamas	83,126	1 18 2	1·77
Jamaica	1,522,190	2 10 5	2·63
St. Lucia	33,600	0 16 1	·85
St. Vincent	2,560	0 1 2	·08
Barbados	19,800	0 2 4	·15
Grenada	13,278	0 5 7	·25
Tobago	1,000	0 1 0	·11
St. Christopher }	10,725	0 5 3	·30
Nevis			
Antigua	21,471	0 12 3	·45
Montserrat	4,300	0 7 7	·86
Dominica	13,400	0 9 4	·88
Trinidad	571,880	3 4 2	1·26

* For population of Great Britain and the various colonies, see table following paragraph 137 *ante*.

† For revenue of Great Britain and the various colonies, see table following paragraph 278 *ante*.

‡ For particulars as to the rates of interest on various portions of the British Debt, see paragraphs 372 and 373 *ante*.

§ Total net liabilities of the Dominion and Provincial Governments, after deducting the assets.

PUBLIC DEBTS OF BRITISH DOMINIONS, 1886—*continued.*

Country or Colony.	Public Debt.		
	Total Amount.	Amount per Head.*	Multiple of Revenue.†
AUSTRALASIA.			
Australia, Tasmania, and New Zealand ‡	£ 153,209,998	£ s. d. 44 14 3	6·52
Fiji	264,695	2 2 0	4·10
Total	1,142,782,668	4 10 8	5·60

393. It will be observed that the total indebtedness of Great Britain and her dependencies reaches to about eleven hundred and forty-three millions sterling; that nearly two-thirds of this amount is owing by Great Britain herself, and over one-eighth by the Australasian colonies. Indebtedness of British dominions.

394. In Australasia, taken as a whole, the indebtedness, in proportion to population, is more than twice as large as that of the United Kingdom, which in this respect is far above any of its other dependencies. As regards individual colonies, the indebtedness per head of New Zealand, Queensland, or South Australia is fully three times as large as the indebtedness per head of the United Kingdom; whilst that of New South Wales is twice as large, and that of Victoria is larger by one-half. The two first-named colonies are, in proportion to population, by far the most heavily-indebted countries in the world. It may be observed that the indebtedness per head of Canada—which moreover includes its provincial debts—is considerably less than one-third of that of Australasia. It is stated, however, that the figures given for the former represent the net debt, after deducting assets, so that the gross debt may be much larger. Indebtedness per head of British dominions.

395. In proportion to revenue, the debt of Great Britain is far larger than that of any of her dependencies, of which the Cape of Good Hope stands first and Canada and Natal next in this respect. Besides these three colonies, there is no other possession 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. Proportion of debts to revenues of British dominions.

396. During the year 1886 the public indebtedness of the British dominions increased by £12,600,000, notwithstanding the reduction of six millions in the debt of the United Kingdom; but, on the other Increased indebtedness of British dominions.

* For population of Great Britain and the various colonies, see table following paragraph 137 *ante*.

† For revenue of Great Britain and the various colonies, see table following paragraph 278 *ante*.

‡ For public debts and amounts per head, and proportion of debt to revenue, in the various Australasian colonies, see table following paragraph 382 *ante*.

hand, an increased amount of twelve millions was borrowed by Australasia, and five millions by Canada.

397. 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.	
EUROPE.					
Austria-Hungary	...	1887	£ 406,689,†	9 17 8	5·53
Belgium...	...	1885	70,877,	11 19 10	5·53
Denmark	...	1883-4	5,943,	2 16 8	1·88
France	1886	789,362,	20 13 1	5·71
Germany	...	1887-8	407,968, ‡	8 14 2	3·24
Greece	1887	23,649,	11 19 0	8·00
Holland	1887	91,263,	20 15 8	9·27
Italy	1885-6	454,959,	15 3 11	7·65
Portugal	...	1886-7	115,384,	26 15 11	16·55
Roumania	...	1887	30,337,	5 10 4	5·49
Russia	1885	518,919, §	4 19 7	6·25
Spain	1885-6	252,963,	14 13 8	7·31
Sweden and Norway	...	1886-7	19,443, ||	2 19 3	2·73
Switzerland	...	1887	1,467, ¶	0 12 0	·70
Turkey	1878	292,830, **	13 6 8	19·95
ASIA.					
Japan	1887	49,085,	1 5 9	3·15
AFRICA.					
Egypt	1887	102,779,	15 2 0	10·47
Tunis	1884	5,000, ††	0 8 5	6·60

* For populations on which these calculations are based, see table following paragraph 139 *ante*.

† This amount is made up of £240,941,000, general debt of the whole empire; £53,883,000, special debt of Austria Proper; and £111,865,000, special debt of Hungary.

‡ This amount is made up of the debt of the empire, £35,761,023 (including Treasury Bills) in 1888-9, together with the debts of the following States at the dates named, viz.:—Alsace-Lorraine, £1,334,175 in 1887; Anhalt, £243,770 in 1887; Baden, £17,222,470 in 1886; Bavaria, £2,268,125 in 1886; Brunswick, £3,659,530 in 1886; Hamburg, £9,708,350 in 1886; Hesse, £1,805,539 in 1887; Lippe, £48,645 in 1887; Lübeck, £729,750 in 1887; Mecklenburg-Schwerin, £1,178,500 in 1887; Oldenburg, £1,871,570 in 1886; Prussia, £209,095,650 in 1887-8; Reuss-Greiz, £22,527 in 1887; Reuss-Schleiz, £72,778 in 1887; Saxe-Altenburg, £52,538 in 1887; Saxe-Coburg-Gotha, £384,920 in 1887; Saxe-Meiningen, £609,750 in 1886; Saxe-Weimar, £292,838 in 1886; Saxony, £32,203,070 in 1887; Schaunburg-Lippe, £25,500 in 1887; Schwarzburg-Rudolstadt, £230,350 in 1887; Schwarzburg-Sondershausen, £190,937 in 1887; Waldeck, £116,280 in 1887; and Württemberg, £21,202,576 in 1887. A large proportion of the debts of the German States was contracted for the construction of railways. As a set-off against the "Debt of the Empire," there exist various invested funds amounting to £35,968,828. Deductions have been made where possible, so as to prevent sums being included twice over, thus appearing in both the Imperial and the State revenues.

§ Including the debt bearing no interest, consisting of bank note circulation amounting to £69,496,000; also Treasury bonds to the amount of £24,000,000; also the Railway debt (guaranteed by the State), amounting to £125,295,000. According to the London *Statist*, the debt of Russia was increased by nearly £200,000,000 during a recent decade.

|| This amount is made up of £13,656,012, debt of Sweden; and £5,786,883, debt of Norway.

¶ The above amount excludes the debts of the various Cantons, amounting in the aggregate to about £12,000,000. There exists, as a set-off against the debt, State property ("federal fortune") valued at £2,200,000.

** Consisting of foreign debt, £217,830,000, and estimated internal and floating debt, £75,000,000. Paper money estimated at £90,000,000 excluded.

†† Exclusive of a floating debt of at least £702,000.

PUBLIC DEBTS OF FOREIGN COUNTRIES—*continued.*

Country.	Year.	Public Debt.		
		Total Amount (000's omitted).	Amount per Head.*	Multiple of Revenue.
AMERICA.		£	£ s. d.	
Argentine Confederation ...	1887	32,758,	9 10 9	3·09
Brazil	1885	93,666,	1 0 7	7·05
Mexico	1886	42,079,	4 0 5	7·73
Peru	1884	50,000, †	16 13 11	31·69
United States	1886	265,961,	4 15 9	3·79

398. The public debt of the United Kingdom is larger than that of any other country in the world except France, which is the larger by £53,000,000. Next to these in point of indebtedness are Italy, Germany, Austria-Hungary, Turkey, the United States, Spain, Russia, and British India, in the order named. These are the only countries which have larger debts than the present united debts of the Australasian colonies. ‡

Gross amount of debt in different countries.

399. In proportion to population, the most heavily-indebted independent country is Portugal, which is, however, in this respect far behind all the Australasian colonies. § The debt per head in the United Kingdom is smaller than in Portugal, slightly less than France or Holland, but larger than in any other country outside Australasia.

Amount of debt per head in different countries.

400. According to the table, Peru is very much more heavily indebted in proportion to its revenue than any other country. The debt of that country, together with the debts of Turkey, Portugal, Egypt, and Holland, are all larger in proportion to their revenues than the debt of the United Kingdom † is to its revenue. The united debts of the Australasian colonies ‡ are much smaller in proportion to their united revenues than the debts of Greece, Mexico, Italy, Spain, or Brazil, as well as those of the countries previously so mentioned, are to their respective revenues; but such proportion in Australasia closely approximates to that in Russia.

Proportion of debt to revenue in different countries.

401. In comparing the indebtedness of the Australasian colonies with that of other countries, it should be borne in mind that whereas the latter was mainly incurred for war purposes, the former was, as already pointed out, almost entirely contracted for the construction of railways, water supply, and other works of a reproductive character.

Objects of Australasian and other debts.

* For populations on which these calculations are based, see table following paragraph 139 *ante*.

† Exclusive of £14,000,000 Government paper in circulation.

‡ See table following paragraph 392 *ante*.

§ See table following paragraph 382 *ante*.

402. Municipalities in Victoria are empowered by the Local Government Act (38 Vict. No. 506) to borrow money for permanent works or undertakings, but the amount so borrowed—except in the case of cities, which have additional powers*—is not to exceed ten times their average annual net income 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, 1887, also of the total amounts included therein. This is exclusive of sums borrowed by the municipalities through the General Government for waterworks (viz., £662,372, towards the redemption of which £61,464 has been repaid into a sinking fund)—they being included in the public debt of the colony†:—

MUNICIPAL DEBT, 1887.

Municipalities.	At the end of the Municipal Financial Year.	
	Number of Districts which had Loans outstanding.	Total Amount of outstanding Loans.
Cities, towns, and boroughs... ..	42	£ 1,511,183
Shires	31	197,069
Total... ..	73	1,708,252

403. In 1887, as compared with 1886, the number of municipalities which had outstanding loans increased by 7, viz., 3 cities, towns, or boroughs, and 4 shires. The total increase in the amount outstanding was £229,093, of which £192,958 was due to the borrowings of cities, towns, or boroughs, and £36,135 to those of shires.

404. The rates of interest usually paid by municipalities are from 5 to 6 per cent., there being, however, a few instances in which the rates paid are either above or below those quoted. In one city (Melbourne), the nominal rates on portions of the loan are as low as 4½ and 4 per cent. No municipality pays a higher rate than 8 per cent. for a loan, and that rate was paid in 1887 by only two municipalities (boroughs).

405. If the municipal debts, as shown above, together with the Harbour Trust debt of £750,000,‡ be added to the Government debt on the 30th June, 1887, viz., £33,119,164,§ it will appear that the total

Under the Local Government Act Amendment Act 1883 (47 Vict. No. 786), section 26.

† See table following paragraph 348 *ante*, also footnote (†) to that table.

‡ See paragraphs 337 to 339 *ante*.

§ On the 30th June, 1888, the debt of the General Government had increased to £34,627,382.

Municipal
debt.

Increase in
municipal
borrowings.

Rates of
interest
paid by
municipalities.

General and
municipal
debt.

liability of the colony was £35,577,416, or a proportion of £34 18s. 3d. per head of population.

406. At the end of June, 1887, there was a total balance of £1,773,937 to the credit of the various trust funds, as against a credit balance of £1,770,513 at the end of the previous year. The following are the particulars of the various funds at each of those periods:—

TRUST FUNDS, 1886 AND 1887.

Accounts.	Credit Balances on the 30th June.		Increase.	Decrease.
	1886.	1887.		
	£	£	£	£
Assurance fund *	37,578	43,513	5,935	...
Suitors' fund	62,314	35,954	...	26,360
Police Superannuation fund ...	82,569	78,093	...	4,476
Intestate estates	119,447	120,692	1,245	...
Municipal Investments account ...	47,264	61,465	14,201	...
Melbourne and Hobson's Bay Railway Deposit account	11,548	12,018	470	...
Three Trustees, Executors, and Agency Companies, and two Insurance Com- panies	40,000	35,000	...	5,000
Defences—Discipline Act 1883—Am- munition and Deferred Pay fund, &c.	14,386	19,644	5,258	...
Post Office Savings Banks	1,273,049	1,240,578	...	32,471
Insolvency (unclaimed dividends) ...	3,961	3,974	13	...
Customs Goods overtime	634	599	...	35
Municipalities Sinking fund and Re- demption account	52,038	52,393	355	...
Survey Fees account	14,749	27,076	12,327	...
Security account	3,850	3,781	...	69
Licensing Act 1885	1,212	29,649	28,437	...
Sundries	43,364	45,258	1,894	...
Total †	1,807,963	1,809,687	1,724	...
Deduct remittances and advances ...	37,450	35,750	...	1,700
Total	1,770,513	1,773,937	3,424‡	...

407. Of the amount at credit of trust funds at the end of 1887, about 44 per cent. was invested in debentures or inscribed stock and 56 per cent. was deposited in banks. The following table shows the amounts,

* It should be pointed out that the balance at the credit of this Fund has been reduced in the last two years by £69,878, advanced 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.

† Exclusive of the amount of £69,878 referred to in the preceding footnote, but including £6,546 advanced to the Bungaree Loan Liquidation Account.

‡ Net increase.

and manner of their investment, at the end of each of the last eighteen financial years:—

TRUST FUNDS, 1870 TO 1887.

On the 30th June.	Amount at Credit of Trust Funds.			
	Invested in Debentures or Inscribed Stock.	Deposited in Banks.	Held otherwise.*	Total.
	£	£	£	£
1870 ...	129,000	320,181	...	449,181
1871 ...	250,000	267,421	...	517,421
1872 ...	297,000	390,877	...	687,877
1873 ...	553,600	347,035	...	900,635
1874 ...	605,574	361,799	...	967,373
1875 ...	608,454	237,090	76,451	921,995
1876 ...	613,344	89,909	240,370	943,623
1877 ...	626,844	290,645	66,249	983,738
1878 ...	642,746	155,005	200,048	997,799
1879 ...	675,423	114,628	316,518	1,106,569
1880 ...	690,511	...	308,616	999,127
1881 ...	709,872	546,014	...	1,255,886
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	6,546	1,770,513
1887 ...	782,820	985,178	5,939	1,773,937

Retiring allowances.

408. The retiring allowances paid from the Victorian revenue are, as has been pointed out in previous issues of this work, of two kinds, viz., those awarded to persons without reference to whether they are old or disabled, or are still fit for duty, in consideration of eminent services rendered to the State either by themselves or their relatives; and those granted only to public servants who, by reason of age or infirmity, are incapacitated from the performance of duty. The first are strictly pensions; the second, although often called pensions, are, properly speaking, not so, but superannuation allowances.

Age an element in certain cases only.

409. The amount of a pension does not depend upon the age of the recipient, or whether the service for which it is granted has extended over a long period or a short one. The recipient of a superannuation allowance, unless suffering from infirmity supposed to be incurable, must have reached a certain minimum age, and must have served for

* In agent's hands, London; owing by other Governments; advanced on account of Stock Act in anticipation of sales; advanced on account of loans; "deficiency met," "charges on account finance of succeeding year," &c.

not less than a certain time, the amount of his allowance depending upon the position attained in the service and the number of years served.

410. Superannuation allowances or gratuities on retirement from the Public Service are granted on the scale allowed by the Civil Service Act (25 Vict. No. 160) to all public officers, including State school teachers—classified or unclassified—who entered prior to the passing of the *Pensions Abolition Act* (45 Vict. No. 710), viz., on the 24th December, 1881; but no persons entering the Public Service after that date, except Judges of the Supreme and County Courts, and officers and members of the police force (for whose benefit a special superannuation fund is maintained), are entitled to a retiring allowance or gratuity of any kind whatsoever.

Abolition of retiring allowances, &c.

411. Of pensions as before defined, there were in 1886–7 six in all, embracing allowances to four former Ministers released from office on political grounds, to the widow of a former Governor of Victoria, and to the daughter of an eminent explorer of the Australian coasts. The total amount included in these pensions was £4,405.

Pensions.

412. The persons entitled under Act of Parliament to superannuation allowances in the same year numbered 502, and consisted of two ex-Supreme Court Judges, six former judges of County Courts, a late Clerk of Parliaments, a late Master-in-Equity, two late Commissioners of Audit, 453 ex-officers of the Public Service, 17 ex-officers of the Lunacy Department, 13 ex-officers of the Railway Department, and 7 others. The aggregate amount of the allowances to these persons was £58,449, or an average of £116 8s. 8d. to each recipient.

Superannuation allowances under Acts of Parliament.

413. Taken together, the pensions and superannuation allowances numbered 508, or 83 more than in the previous year, and amounted to £62,844, or £12,159 more than in that year. The average to each recipient was £123 14s. 2d., or £4 9s. more than in 1885–6. It may be mentioned that the increase in the number and amount of these allowances is more apparent than real, it being due chiefly to the circumstance that a large proportion of allowances which were formerly voted annually are now paid under Act.

Pensions, &c., under Acts, 1886 and 1887.

414. The different authorities under which pensions and superannuation allowances are legalized, and the individuals to whom they were awarded, also the number on the list, and the gross and average amount

Pensions, &c., 1886–7.

of the pensions and superannuation allowances not subject to annual votes paid during 1886-7, will be found in the following table:—

PENSIONS AND SUPERANNUATION ALLOWANCES,* 1886-7.

Authority under which legalized.	Description of the Recipients.	Number of Persons on the List.	Amount Paid.					
			Total.			Average to each Recipient.		
			£	s.	d.	£	s.	d.
PENSIONS.								
18 & 19 Vict. cap. 55 (Constitution Act, Schedule D)	Former Ministers of the Crown	4	3,305	6	6	826	6	7
21 Vict. No. 20 ...	Daughter of the late Captain Flinders, R.N.	1	100	0	0	100	0	0
33 Vict. No. 362 ...	Widow of a former Governor of Victoria	1	1,000	0	0	1,000	0	0
SUPERANNUATION ALLOWANCES.								
18 & 19 Vict. cap. 55	Supreme Court Judges...	2†	2,654	3	4	1,327	1	8
33 " Vict. " No. " 345 (County Court Statute)	Clerk of Parliaments ...	1	500	0	0	500	0	0
37 Vict. No. 435 ...	County Court Judges ...	6	4,875	0	0	812	10	0
49 Vict. No. 870 ...	Master-in-Equity ...	1	750	0	0	750	0	0
25 Vict. No. 160 (Civil Service Act)	Commissioner of Audit	2	650	14	3	325	7	2
47 Vict. No. 773 (Public Service Act)	Officers in the Public Service	284	36,239	9	5	127	12	1
31 Vict. No. 309 (Lunacy Statute)	Ditto ...	169	10,391	12	4	61	9	9
47 Vict. No. 767 (Victorian Railways Act)	Officers in the Lunacy Department	17	435	13	5	25	12	7
47 Vict. No. 777 (Discipline Act)	Officers in the Railway Department	13	1,203	0	11	92	10	10
	Officers of the Defence Force	7	739	7	4	105	12	6
	Total ...	508	62,844	7	6	123	14	2

Police pensions, how granted.

415. Superannuation allowances to the police are not included in the foregoing statement, as they are paid under the Police Regulations Statute (37 Vict. No. 476) out of a fund called the Police Superannuation Fund, which is maintained by an annual income of £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 Courts of Petty Sessions under various Statutes; and, if necessary, by a deduction not exceeding 2½ per cent. from the

* Not including those voted annually, for which see paragraph 419 *post*.

† One of these also draws a pension as a former Minister of the Crown, *supra*.

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.

416. The number of recipients of police retiring allowances in 1886-7 was 224, and the gross amount payable was £21,079, or an average of £94 2s. 1d. to each recipient. It should be mentioned, however, that the actual amount paid in 1886-7 was only £20,603, probably in consequence of some amounts not having been drawn. In addition, gratuities in lieu of retiring allowances were paid in 17 instances, amounting in the aggregate to £5,171, or an average of nearly £305 to each recipient.

Number of police pensions and gratuities, 1886-7.

417. In the year under review, for the tenth 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 made was at the rate of $2\frac{1}{2}$ per cent., or the full amount allowed by law, and realized £4,646. 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 of £2,600 in 1880-81, of £5,000 in 1881-2, of £8,000 in 1882-3, and of £10,000 in each of the last four years. The balance at credit of the fund at the beginning of 1886-7 was £12,569, and at the end of the year it increased to £13,100.*

Deduction from pay of police, and votes in aid.

418. Except in cases of infirmity of mind or body, the ordinary minimum age at which retiring allowances are granted to members of the civil service is sixty years, and to members of the police force fifty-five years. Of the existing retiring allowances, however, 38 per cent. of those granted to public servants,† and as many as 51 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.

419. 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, whilst in the employment of the State, were attached to the unclassified branches of the service, and consequently were not comprehended in any of

Allowances voted by Parliament.

* The actual balance on 30th June, 1887, was only £8,100, but £5,000 of the Government grant due on account of the year was paid soon afterwards.

† Including pensions granted under the Civil Service and Public Service Acts.

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 pensions to three persons—two being the widows of constables who were shot by the Kelly gang of outlaws. The number of retiring allowances voted in 1886-7, the gross amount paid, and the average to each recipient, also the departments in which the several recipients served, will be found in the following table:—

SUPERANNUATION ALLOWANCES AND PENSIONS VOTED BY
PARLIAMENT, 1886-7.

Department.	Number of Recipients.	Allowances Voted.	
		Total Amount Paid.	Average to each Recipient.
SUPERANNUATION ALLOWANCES.		£	£ s. d.
Chief Secretary	13	674*	51 16 11
Minister of Public Instruction ...	68	4,945	72 14 5
Attorney-General	1	240	240 0 0
Treasurer	1	68	68 0 0
Commissioner of Crown Lands and Survey	1	75	75 0 0
Commissioner of Public Works ...	16	1,559	97 8 9
Commissioner of Trade and Customs ...	2	550	275 0 0
Postmaster-General... ..	4	180	45 0 0
Commissioner of Railways	10	1,853	185 6 0
PENSIONS.			
Widows of Constables shot by the Kelly gang of outlaws	2	87	43 10 0
Pioneer† of overland route to India and Australia	1	85	85 0 0
Total	119	10,316	86 13 9

Pensions,
gratuities,
&c.

420. The following is a summary of the pensions, superannuation allowances, compensations, and gratuities, paid out of the general revenue during the year 1886-7, distinguishing those paid from special appropriations from annual votes or otherwise:—

* Six of these pensions, amounting to £170, were granted to ex-constables of police for injuries received in execution of duty, in addition to amounts paid out of Police Superannuation Fund.

† Pension granted to sisters.

PENSIONS, RETIRING ALLOWANCES, COMPENSATIONS, AND GRATUITIES
PAID 1886-7.

Pensions, Compensations, &c.	Annual Allowances.	Compensations and Gratuities.	Total.
	£	£	£
<i>Under Special Appropriations—</i>			
Constitution Act	6,459	...	6,459
County Court Judges	4,875	...	4,875
Master-in-Equity	750	...	750
Commissioner of Audit	651	...	651
Railway Department	1,203	11,441	12,644
Public Service*	47,806	6,978	54,784
Others (Lady Darling and Mrs. Petrie) ...	1,100	...	1,100
Total	62,844	18,419	81,263
<i>Under Annual Votes—</i>			
Railway Department	1,853	7,856	9,709
Public Service	8,291	13,961	22,252
Others	172	...	172
Total	10,316	21,817	32,133
Total, exclusive of Police Pensions ...	73,160	40,236	113,396
<i>To the Police—</i>			
Endowment and amount voted £12,000† } From Police Superannuation Fund 13,774 }	20,603	5,171	25,774
Grand total	93,763	45,407	139,170
<i>Less amount derived from Police Superannuation Fund</i>	...	...	13,774
Amount paid by State ... ..	...	...	125,396‡

421. Taking into account pensions, retiring allowances, compensations, and gratuities of all kinds, whether specially appropriated or voted, the amount paid by the State was greater by £8,104 in 1886-7 than in the previous year.

Retiring allowances, &c., 1885-6 and 1886-7.

* Including allowances to officers under the Civil Service and Public Service Acts, the Lunacy Statute, and the Discipline Act.

† These figures represent the amount paid from the general revenue, which consists of the usual endowment of £2,000, and an additional grant of £10,000 voted by Parliament.

‡ See table following paragraph 240 *ante*.