

FINANCE.

State
Finance.

Under the Constitution Act the revenues of the State are payable into Consolidated Revenue, but certain of these revenues have been hypothecated by various Acts of Parliament for specified purposes, and are payable into special accounts or funds kept at the State Treasury. These special accounts or funds comprise the Mallee Land Account, the Assurance Fund, the Licensing Fund, the Licensing Act Compensation Fund, the Police Superannuation Fund, the Country Roads Board Fund, and the Developmental Railways Account. In addition to these funds, there are the Loan Fund into which all borrowed moneys are paid, and various Trust Funds.

Subsequent to the erection of Victoria into a self-governing Colony in 1851, it was divided for the purposes of local government into Districts which were evolved later into the present system of municipalities. The municipalities have power to levy rates and are assisted with grants by the State Government. Particulars regarding municipal finance are dealt with in another section of the *Year-Book*. Allied to the municipalities are the Boards and Trusts which control water supply, irrigation, and sewerage, and have rating powers in connexion therewith. There are also the Metropolitan Fire Brigades Board and the Country Fire Brigades Board, which are concerned with fire extinction in the metropolis and urban districts, and derive their revenues from the State Government, the Municipalities, and Insurance Companies; and the Melbourne and Geelong Harbor Trusts, which are intrusted with the management of those respective ports, and derive their revenues in the main from wharfage rates.

The Lands Purchase and Management Board manages closer settlement on behalf of the State. Lands are purchased with loan moneys, and the revenues received by the Board from lessees, &c., are payable into the Closer Settlement Fund, from which the working expenses of the Board are met, interest on loans provided, and loans redeemed.

Upon the federation of the Australian Colonies in 1901, the Customs and Excise, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government, as a set off against which the Commonwealth paid to the State at least three-fourths of the net Customs and Excise revenue until 31st December, 1910, and subsequently an annual amount equal to 25s. per head of the population. (See page 148.)

A summary of the transactions for the financial year 1915-16 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result:—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA,
1915-16.

						£
Revenue ...	...	...	...	...	...	11,470,875
Expenditure ...	...	...	...	...	...	11,683,363
Deficit for the year	...	...	...	...	...	212,488
Revenue deficit at 30th June, 1915	...	...	...	...	...	1,429,603
Revenue deficit at 30th June, 1916	...	...	...	...	...	1,642,091

The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year.

The differences between the revenue and expenditure shown above and that given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes, the particulars of which are as follows:—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	11,169,900	11,402,715
<i>Add—</i>		
Mallee Land Account—appropriated to		
Loan Redemption purposes ...	74,423	74,423
Country Roads Board Fund ...	62,270	62,270
Licensing Act Compensation Fund ...	60,396	60,396
Licensing Fund ...	95,606	95,606
Police Superannuation Fund ...	6,153	6,153
Assurance Fund ...	2,127	2,127
<i>Deduct—</i>		
Appropriation to reduction of deficit ...	...	20,327
Total	11,470,875	11,683,363

Compiled on the above basis, the revenue and expenditure of the State for the last ten years are shown in the next statement:—

STATE REVENUE AND EXPENDITURE: 1906-7 TO 1915-16.

Year ended 30th June.	Revenue.	Expenditure.	Year ended 30th June.	Revenue.	Expenditure.
	£	£		£	£
1907 ...	8,459,203	7,792,812	1912 ...	10,181,840	10,171,386
1908 ...	8,478,710	8,026,476	1913 ...	10,508,945	10,479,741
1909 ...	8,409,543	8,402,036	1914 ...	10,958,037	10,944,718
1910 ...	8,760,305	8,742,293	1915 ...	10,529,017	11,706,968
1911 ...	9,372,637	9,362,291	1916 ...	11,470,875	11,683,363

The expenditure shown in this statement comprises considerable sums appropriated to paying off the liabilities of former years, and to forming sinking funds to meet outstanding loans. Such appropriations are detailed in the succeeding table.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES,
ETC., 1906-7 TO 1915-16.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue de- ficiency of former years.	To Land Sales by Auction Fund.	In redemption of loan raised in anticipation of revenue (Act No. 1451).	Towards Redemption Funds to meet out- standing loans.*	
	£	£	£	£	£
1907 ...	666,391	38,346	25,000	163,864	893,601
1908 ...	452,234	39,163	25,000	163,296	679,693
1909 ...	7,507	45,216	25,000	145,716	223,439
1910 ...	18,012	43,319	25,000	165,527	251,858
1911 ...	10,346	41,643	25,000	166,864	243,853
1912 ...	10,454	14,988	25,000	190,909	241,351
1913 ...	29,204	...	25,000	212,269	266,473
1914 ...	13,319	...	...	204,745	218,064
1915 ...	17,519	...	...	211,117	228,636
1916 ...	20,327	...	...	266,599	286,926
Totals (10 years)	1,245,313	222,675	175,000	1,890,906	3,533,894

* Full particulars of the Redemption Funds will be found further on in this "part."

In addition to the above appropriations there were in the financial years 1906-7, 1908-9, and 1911-12, large surpluses, which were applied specially to works or purposes of a public nature.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1916. On 1st July, 1915, the total revenue deficiency was £1,429,602 9s. 11d., and in the course of the year it was increased by £212,488 7s., leaving the accumulated revenue deficiency at

the end of the financial year 1915-16 at £1,642,090 16s. 11d., which amount was met by Treasury bonds £1,270,470, by the Public Account pending the issue of bonds £82,815, and by advances from the trust funds £288,805.

REVENUE AND EXPENDITURE STATEMENT, 1915-16.

Revenue.	Amount.	Expenditure.	Amount.
	£ s. d.		£ s. d.
Excise and Inland ...	1,586,243 15 7	Consolidated Revenue deficiency, 30/6/15	1,429,602 9 11
Territorial ...	221,185 8 6	Special Appropriations	3,480,524 17 5
Public Works ...	6,235,656 13 8	Chief Secretary ...	981,691 1 5
Ports and Harbors ...	111,824 19 11	Minister of Labour	25,019 13 1
Fees ...	497,497 17 7	Minister of Public Instruction	1,043,408 4 9
Fines ...	12,598 15 10	Attorney-General...	84,375 3 6
Mallee Land Account	74,422 12 5	Solicitor General ...	70,118 2 1
Country Roads Board Fund	62,269 17 3	Treasurer ...	439,008 5 8
Licensing Act Compensation Fund	60,396 1 0	Commissioner of Crown Lands	156,251 13 4
Licensing Fund ...	95,606 4 2	Commissioner of Public Works	327,007 1 5
Police Superannuation Fund	6,152 16 1	Minister of Mines	57,257 0 2
Assurance Fund ...	2,127 7 0	Minister of Forests	54,017 11 8
Miscellaneous ...	761,425 9 11	Minister of Water Supply	118,411 9 10
Federal Government	1,743,467 0 0	Minister of Agriculture	260,371 14 11
Consolidated Revenue deficiency, 30/6/16	1,642,090 16 11	Minister of Health	39,611 2 9
		Minister of Railways	4,245,315 6 0
		Mallee Land Account	74,422 12 5
		Country Roads Board Fund	62,269 17 3
		Licensing Act Compensation Fund	60,396 1 0
		Licensing Fund ...	95,606 4 2
		Police Superannuation Fund	6,152 16 1
		Assurance Fund ...	2,127 7 0
Total ...	13,112,965 15 10	Total ..	13,112,965 15 10

The accumulated revenue deficiency at 30th June, 1916, was, as shown in the above statement, £1,642,091. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its greatest magnitude (£2,711,436) on 30th June, 1896. After that date it was steadily reduced year by year, with one or two

exceptions, to £251,652 on 30th June, 1914; but, during 1914-15, under conditions brought about by the war and a serious drought, it was increased to £1,429,603.

Heads of State Revenue. Details of the sources of the revenue for the last five financial years are given in the following statement:—

HEADS OF STATE REVENUE, 1911-12 TO 1915-16.

Heads of Revenue.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Federal Government...	1,667,657	1,691,833	1,733,280	1,757,894	1,743,467
State Taxation—					
Probate and Succession Duties	448,283	443,682	457,042	536,869	510,032
Income Tax ...	443,248	542,236	527,705	506,214	702,745
Land Tax ...	293,823	308,275	302,224	303,550	352,353
Stamp Duties ...	276,836	249,485	275,839	287,169	397,978
Licences ...	117,973	116,559	116,678	112,953	98,302
Other ...	17,103	12,449	13,848	15,286	13,429
Public Works and Services—					
Railways ...	5,237,466	5,250,599	5,568,039	5,170,020	5,727,275
Water Supply ...	255,081	304,679	324,143	284,979	355,083
Harbor Trusts, Wharfage, &c. ...	123,196	122,257	120,241	105,517	105,045
State Coal Mine ...	199,267	240,240	257,192	275,590	253,668
Interest on properties transferred to Commonwealth	138,941	105,701	87,068	82,803	82,764
Other ...	16,508	24,643	28,990	39,838	47,856
Land—					
Sales ...	211,952	238,290	164,124	139,122	162,239
Rents ...	144,267	144,841	142,738	144,466	129,191
Interest, &c. ...	125,807	138,696	168,173	172,064	193,188
Other Sources ...	464,432	574,480	670,713	594,683	596,260
Total ...	10,181,840	10,508,945	10,958,037	10,529,017	11,470,875
Per Head of Population	£ s. d. 7 12 1	£ s. d. 7 12 3	£ s. d. 7 15 2	£ s. d. 7 7 2	£ s. d. 8 1 10

The revenue for 1915-16 represents an increase of £941,858 on that for the previous year, and of this amount £557,255 is shown against Railways. The payments to the State by the Federal Government in the last six years are computed on the basis of a fixed payment of 25s. per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties. The reduction during the last three years in the revenue from sale of Crown lands is chiefly due to the fact that revenue from lands sold by auction is now payable into the Developmental Railways Account

FEDERAL AND STATE FINANCE.

Federal
and State
Finance.

The financial relations existing between the Commonwealth and the several States were, until the 31st December, 1910, such as were provided by Section 87 of the Commonwealth of Australia Constitution Act, viz., that during a period of ten years after the establishment of the Commonwealth and thereafter until Parliament should otherwise decide, a proportion not exceeding one-fourth of the net revenue of the Commonwealth from duties of Customs and Excise should be applied annually by the Commonwealth towards its expenditure, the balance to be paid to the States.

It was, however, enacted by the *Commonwealth Surplus Revenue Act 1910* that, on and after 31st December, 1910, Section 87 (Braddon clause) of the Constitution should cease to have effect so far as it affected the power of the Commonwealth to apply any portion of the net revenue of Customs and Excise towards its expenditure, and so far as it affected the payment of any balance by the Commonwealth to the several States, or the application of such balance towards the payment of interest on the debts of the several States which might be taken over by the Commonwealth; and further, that the Commonwealth should, during the period of ten years beginning 1st July, 1910, and thereafter until Parliament should otherwise provide, pay to each State by monthly instalments, or apply to the payment of interest on any State debts which might be taken over by the Commonwealth, an annual sum representing 25s. per head of the number of the people in such State.

By the same Act provision was also made that during the period of ten years beginning 1st July, 1910, and thereafter until Parliament should otherwise provide, the Commonwealth should pay to the State of Western Australia, by monthly instalments, an annual sum which in the first year should be £250,000, and in each subsequent year should be progressively diminished by the sum of £10,000, and that one-half of the amount of such payments should be debited to all the States (including Western Australia) in proportion to population.

By the *Tasmanian Grant Act 1912* the sum of £500,000 was granted out of the Consolidated Revenue of the Commonwealth for the purpose of financial assistance to the State of Tasmania, and an additional grant of £400,000 was made by the *Tasmanian Grant Act 1913*. As the result of these two grants, payments are to extend over a period of ten years, and, having commenced in 1912-13 with the amount of £95,000, there is an annual instalment of £90,000 for the succeeding eight years, and a final one of £85,000 in the year 1921-22.

INCOME TAX.

State
Income Tax.

An income tax was first imposed in Victoria in 1895, and, although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding financial year, and are divided into two classes, viz. :— (1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the gross income, the principal of which are outgoings and losses incurred in the production of the income, life assurance premiums not exceeding £50, and calls or contributions actually paid into any mining company or company in liquidation.

In the years 1912 to 1915, as shown in the succeeding tables, incomes up to £200 were exempt from taxation except in the cases of companies and absentees, and those between £201 and £500 were allowed an exemption of £150 except in the cases of companies and absentees. The rates of tax in those years on incomes from personal exertion were 3d. on every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence up to £1,500, 5d.; and over £1,500, 6d. in the £1. The rates on incomes from property were respectively double the rates on incomes from personal exertion. In the case of life insurance companies the tax was 8d. in the £1 on 30 per cent. of the premium income from ordinary business and on 15 per cent. of that from industrial business. In the case of mining companies the tax was 7d. in the £1 on the total amount of dividends declared and debenture interest paid. In the case of other companies liable to tax the rate was 7d. in the £1 on the net income.

For the year 1915-16 and for the three subsequent years, while the exemptions and rates for incomes up to £500 have not been altered, the rate on incomes over £500 from personal exertion has been increased to 4d. for every £1 of the taxable amount thereof up to £500, to 5d. for every £1 between £500 and £1,000, to 6d. for every £1 between £1,000 and £1,500, and to 7d. for every £1 over £1,500. The rates on income from property are respectively double those on incomes from personal exertion, and the rate for companies is 12d. for every £1 of the taxable amount.

In the following table are shown the rates of taxation, also the number of assessments, the amount of taxable incomes, and the tax payable in the respective groups for which different rates of taxation are charged :—

INCOME TAX ASSESSMENTS, 1915-16—BASED ON INCOMES OF 1914-15.

Income.	Rate of Tax in £1 of Taxable Income.			Number of Assessments.			
	Personal Exertion.	Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	<i>d.</i>	<i>d.</i>	<i>d.</i>				
Up to £500 ..	3	6	} 12	27,480	3,579	839	590
£501 to £1,000	4	8		2,313	929	2,529	195
£1,001 to £1,500	5	10		437	234	711	124
£1,501 to £2,000	6	12		189	97	362	87
£2,001 and upwards	7	14		221	136	525	477
Total ..	..	..	.. ..	30,640	4,975	4,966	1,478

Income.	Taxable Incomes.				Tax Payable.			
	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	£	£	£	£	£	£	£	£
Up to £500 ..	3,595,436	574,094	173,021	100,678	47,443	14,356	3,005	5,032
£501 to £1,000	1,551,442	635,391	1,724,209	139,124	27,428	22,604	35,739	6,956
£1,001 to £1,500	529,988	283,473	861,682	154,810	10,491	11,249	19,058	7,682
£1,501 to £2,000	326,451	166,343	627,467	150,774	7,095	7,278	14,882	7,540
£2,001 and upwards	835,707	487,521	2,358,429	6,107,629	21,445	25,039	71,301	305,938
Total ..	6,839,024	2,146,822	5,744,808	6,653,015	113,902	80,526	143,985	333,148

On account of rebates of income tax allowed under section 18 of the *Income Tax Act* 1915, the tax payable does not coincide with the rates of tax when applied to the taxable incomes shown in the above statement.

In the succeeding statement particulars of the assessments, incomes and tax for the last five years are set forth :—

INCOME TAX: 1912 TO 1915-16.

—	1912.	1913.	1914.	1915.	1915-16.
Number of Assessments:					
Individuals .. ..	..	42,065	44,172	44,803	40,581
Companies .. ..	..	1,449	1,500	1,632	1,473
Total, Distinct Taxpayers ..	40,527	43,514	45,672	46,495	42,054
Taxable Incomes of previous year:					
Individuals	£ ..	£ 17,221,140	£ 17,306,324	£ 16,869,357	£ 14,730,654
Companies .. ..	..	5,711,829	6,064,835	6,546,342	6,653,015
Total ..	21,540,822	22,932,969	23,371,159	23,415,699	21,383,669
Tax payable:					
Individuals .. ..	..	326,506	327,293	320,166	338,413
Companies .. ..	..	166,595	178,522	192,679	333,148
Total ..	466,185	493,101	505,815	512,845	671,561
Per taxpayer ..	£ s. d. 11 10 1	£ s. d. 11 6 8	£ s. d. 11 1 6	£ s. d. 11 0 7	£ s. d. 15 19 4
Average tax payable in the £1 on taxable incomes by—					
Individuals .. ..	..	d. 4·55	d. 4·54	d. 4·55	d. 5·51
Companies .. ..	..	7·00	7·06	7·06	12·00

In a comparison of the particulars contained in this table, it should be noted that the figures for 1914 and 1915 have not been revised, as in former years, for later transactions on account of these years which were dealt with in the year following. In the instances where revised figures are available for 1915, it is known that the number of assessments has been increased by 909 and the amount of tax payable by £4,126. These increases have not been included in the above table as there is no information available in regard to increases in the taxable income.

In the appended tables the occupations of income taxpayers are given, the summary table immediately following showing the percentage of each class paying the tax, and the proportion of the whole amount contributed by each :—

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED,
1915-16.

Occupations in Classes.	Number of Taxpayers.			Amount of Tax.				
	Total.	Percentage of Taxpayers.	Percentage of each class in Population.	Personal Exertion.	Property.	Total.	Percentage of Total.	Average to each Taxpayer.
				£	£	£		£ s. d.
1. Professional	8,439	20·07	19·26	38,474	9,935	48,409	7·21	5 14 9
2. Domestic ...	1,466	3·49	2·36	9,677	1,887	11,564	1·72	7 17 9
3. Commercial	12,883	30·63	14·16	88,371	18,092	106,463	15·85	8 5 3
4. Transport...	2,608	6·20	6·65	6,223	726	6,949	1·04	2 13 3
5. Industrial...	7,068	16·81	3·77	42,168	7,713	49,881	7·43	7 1 2
6. Primary producers ...	2,726	6·48	1·89	20,112	14,488	34,600	5·15	12 13 10
7. Indefinite...	5,391	12·82	66·94	3,086	77,461	80,547	11·99	14 18 10
8. Companies	1,473	3·50	...	333,148	...	333,148	49·61	226 3 5
Total ...	42,054	100·00	...	541,259	130,302	671,561	100·00	15 19 5

Owing to the exemption of a section of land-owners from the payment of income tax, which probably affects the number paying the tax in other classes, but certainly reduces the number of primary producers considerably, the indication given by the table of the relative wealth possessed by persons attached to the different occupational groups is not so reliable as formerly. The table shows, however, that the commercial class, which embraces 16 per cent. of the total bread-winners in the population, contributes nearly 31 per cent. of the taxpayers; that the professional class, which forms $7\frac{1}{2}$ per cent. of the bread-winners, contributes 20 per cent. of the taxpayers; that the industrial class, representing $32\frac{1}{2}$ per cent. of the bread-winners, yields only 17 per cent. of the taxpayers; and that primary producers, amongst whom are included those following agricultural, pastoral, and mining pursuits, and who represent 25 per cent. of the bread-winners,

yield only about $6\frac{1}{2}$ per cent. of the taxpayers. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with $19\frac{1}{4}$ per cent. ; then comes the commercial class, with over 14 per cent. ; and the transport class, with about $6\frac{3}{4}$ per cent. ; the smallest proportion is contributed by primary producers with about 2 per cent. Of the amount paid as tax, companies yielded $49\frac{1}{2}$ per cent. of the total ; whilst the indefinite class, forming about $12\frac{3}{4}$ per cent. of the taxpayers, yielded 12 per cent. of the tax. The commercial class, forming $30\frac{3}{4}$ per cent. of the taxpayers, gave slightly more than $15\frac{3}{4}$ per cent. of the tax ; primary producers, forming about $6\frac{1}{2}$ per cent. of the taxpayers, gave 5 per cent. of the tax ; the industrial class, forming about 17 per cent. of the taxpayers, gave almost $7\frac{1}{2}$ per cent. of the tax ; and the professional class, forming 20 per cent. of the taxpayers, gave $7\frac{1}{4}$ per cent. of the tax.

The next table deals with the sources of the incomes of taxpayers for all the principal occupations under the heads of personal exertion and property.

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS
1915-16.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>1. Professional.</i>					£	£	£	£ s. d.
Civil Servants	1,527	3	86	1,616	5,108	620	5,728	3 10 11
Clergymen ...	570	1	35	606	1,431	149	1,580	2 12 2
Legal Practitioners ...	526	18	197	741	7,388	2,700	10,088	13 12 3
Medical Practitioners ...	411	4	221	636	8,380	2,686	11,066	17 8 0
Police ...	551	...	13	564	768	13	781	1 7 8
Teachers ...	1,479	...	55	1,534	3,306	238	3,544	2 6 2
Various ...	2,396	29	317	2,742	12,093	3,529	15,622	5 13 11
	7,460	55	924	8,439	38,474	9,935	48,409	5 14 9

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915-16—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>2. Domestic.</i>					£	£	£	£ s. d.
Hotelkeepers...	848	12	232	1,092	8,242	1,620	9,862	9 0 7
Various ...	326	1	47	374	1,435	267	1,702	4 11 0
	1,174	13	279	1,466	9,677	1,887	11,564	7 17 9
<i>3. Commercial.</i>								
Agents ...	618	22	169	809	4,642	1,819	6,461	7 19 9
Brokers ...	125	...	41	166	3,368	372	3,740	22 10 7
Butchers ...	215	3	46	264	1,479	833	2,312	8 15 2
Clerks ...	4,486	12	347	4,845	19,178	2,219	21,397	4 8 4
Drapers ...	324	2	84	410	4,905	749	5,654	13 15 10
Grocers ...	331	...	72	403	2,073	516	2,589	6 8 6
Merchants ...	836	10	390	1,236	31,042	6,096	37,138	30 0 11
Salesmen ...	2,581	9	228	2,818	9,577	1,718	11,295	4 0 2
Storekeepers...	374	1	86	461	2,631	461	3,092	6 14 2
Various ...	1,183	31	257	1,471	9,476	3,309	12,785	8 13 10
	11,073	90	1,720	12,883	88,371	18,092	106,463	8 5 3
<i>4. Transport.</i>								
Carriers ...	200	3	52	255	1,166	296	1,462	5 14 8
Engaged in Postal Service	430	...	13	443	866	40	906	2 0 11
Engaged in Railways	1,565	...	34	1,599	2,684	92	2,776	1 14 9
Engaged in Shipping	276	2	33	311	1,507	298	1,805	5 16 1
	2,471	5	132	2,608	6,223	726	6,949	2 13 3
<i>5. Industrial.</i>								
Carpenters ...	442	18	132	592	3,941	1,590	5,531	9 6 10
Engine-drivers	133	...	4	137	156	3	159	1 3 3
Engineers ...	639	1	52	692	3,121	282	3,403	4 18 4
Managers ...	665	...	59	724	3,023	1,183	4,206	5 16 2
Manufacturers	630	8	249	887	17,443	2,894	20,337	22 18 7
Printers ...	642	...	32	674	2,499	431	2,930	4 6 11
Various ...	3,053	11	298	3,362	11,985	1,330	13,315	3 19 2
	6,204	38	826	7,068	42,168	7,713	49,881	7 1 2

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915-16—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
6. Primary Producers.					£	£	£	£ s. d.
Engaged in Agriculture, &c —								
Dairy Farmers	134	9	21	164	522	140	662	4 0 9
Farmers ...	751	120	308	1,179	7,438	3,230	10,668	9 1 0
Graziers ...	262	122	348	732	9,957	10,259	20,216	27 12 4
Various ...	299	31	45	375	1,081	656	1,737	4 12 8
	1,446	282	722	2,450	18,998	14,285	33,283	13 11 8
Engaged in Mining—								
Legal Managers	30	...	4	34	255	31	286	8 8 3
Miners ...	35	...	...	35	53	...	53	1 10 3
Mining Managers ...	80	...	6	86	311	19	330	3 16 9
Various ...	111	2	8	121	495	153	648	5 7 1
	256	2	18	276	1,114	203	1,317	4 15 5
	1,702	284	740	2,726	20,112	14,488	34,600	12 13 10
7. Indefinite.	556	4,490	345	5,391	3,086	77,461	80,547	14 18 10
8. Companies.								
Life Assurance	21	...	...	21	21,861	...	21,861	1,041 0 0
Mining ...	34	...	...	34	9,015	...	9,015	265 2 11
Other ...	1,418	...	...	1,418	302,272	...	302,272	213 3 4
	1,473	...	...	1,473	333,148	...	333,148	226 3 5
Total ...	32,113	4,975	4,966	42,054	541,259	130,302	671,561	15 19 5

Of the total taxpayers, 76 per cent. gained their incomes from personal exertion, about 12 per cent. from property, and about 12 per cent. from personal exertion combined with property. The proportion of taxpayers of definite occupations deriving incomes from personal exertion ranged from 59 per cent. in the case of primary producers engaged in agriculture to 94 $\frac{3}{4}$ per cent. in the case of those engaged in transport. Personal exertion combined with property was the source of income in a proportion ranging from 5 per cent. of those

engaged in transport to about $29\frac{1}{2}$ per cent. of primary producers engaged in agriculture. The incomes of the indefinite class, which comprises persons of independent means and of no occupation and pensioners, are gained by about $10\frac{1}{4}$ per cent. of their number from personal exertion, by about $83\frac{1}{4}$ per cent. from property, and by about $6\frac{1}{2}$ per cent. from personal exertion combined with property. The tax on incomes obtained from personal exertion furnished $80\frac{1}{2}$ per cent. of the total, the percentage being as low as $3\frac{3}{4}$ for indefinite occupations, and for the other classes ranging from 57 for primary producers engaged in agriculture to $89\frac{1}{2}$ in the case of those engaged in transport.

The taxable incomes of taxpayers in conjunction with occupations are shown in the following statement :—

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915-16.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
1. Professional.					£	£	£	£
Civil Servants ...	1,399	199	18	1,616	2,563	2,418	747	5,728
Clergymen ...	565	37	4	606	983	459	138	1,580
Legal Practitioners ...	411	194	136	741	906	2,588	6,594	10,088
Medical Practitioners	216	261	159	636	569	3,515	6,982	11,066
Police ...	552	11	1	564	635	114	32	781
Teachers ...	1,448	76	10	1,534	2,292	954	298	3,544
Various ...	2,187	435	120	2,742	4,287	5,612	5,723	15,622
	6,778	1,213	448	8,439	12,235	15,660	20,514	48,409
2. Domestic.								
Hotelkeepers ...	682	300	110	1,092	1,631	3,914	4,317	9,862
Various ...	302	58	14	374	512	739	451	1,702
	984	358	124	1,466	2,143	4,653	4,768	11,564
3. Commercial.								
Agents ...	599	144	66	809	1,285	2,050	3,126	6,461
Brokers ...	79	45	42	166	190	644	2,906	3,740
Butchers ...	212	37	15	264	442	451	1,419	2,312
Clerks ...	4,159	469	217	4,845	7,055	5,933	8,409	21,397
Drapers ...	297	73	40	410	549	955	4,150	5,654
Grocers ...	319	62	22	403	629	799	1,161	2,589
Merchants ...	564	295	377	1,236	1,189	4,075	31,874	37,138
Salesmen ...	2,453	295	70	2,818	4,357	3,754	3,184	11,295
Storekeepers ...	328	104	29	461	724	1,341	1,027	3,092
Various ...	1,126	228	117	1,471	2,269	3,271	7,245	12,785
	10,136	1,752	995	12,883	18,689	23,273	64,501	106,463

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915-16—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
					£	£	£	£
4. Transport.								
Carriers	198	47	10	255	342	633	487	1,462
Engaged in Postal Service	422	20	1	443	611	232	63	906
Engaged in Railways	1,542	54	3	1,599	2,069	620	87	2,776
Engaged in Shipping	255	38	18	311	387	502	916	1,805
	2,417	159	32	2,608	3,409	1,987	1,553	6,949
5. Industrial.								
Carpenters	473	77	42	592	846	1,120	3,565	5,531
Engine-drivers	136	1	...	137	142	17	...	159
Engineers	601	63	28	692	958	789	1,656	3,403
Managers	607	94	23	724	1,181	1,181	1,844	4,206
Manufacturers	479	197	211	887	1,049	2,635	16,653	20,337
Printers	619	31	24	674	941	411	1,578	2,930
Various	3,001	259	102	3,362	4,656	3,418	5,241	13,315
	5,916	722	430	7,068	9,773	9,571	30,537	49,881
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers	145	11	8	164	298	146	218	662
Farmers	757	288	134	1,179	1,834	3,623	5,211	10,668
Graziers	292	212	228	732	861	3,133	16,222	20,216
Various	316	45	14	375	640	669	428	1,737
	1,510	556	384	2,450	3,633	7,571	22,079	33,283
Engaged in Mining—								
Legal Managers	23	8	3	34	47	121	118	286
Miners	35	...	...	35	53	...	...	53
Mining Managers	73	10	3	86	136	112	82	330
Various	104	9	8	121	171	116	361	648
	235	27	14	276	407	349	561	1,317
	1,745	583	398	2,726	4,040	7,920	22,640	34,600
7. Indefinite.	3,922	984	485	5,391	14,515	22,707	43,325	80,547
8. Companies.								
Life Assurance	5	1	15	21	37	50	21,774	21,861
Mining	3	5	26	34	38	202	8,775	9,015
Other	582	189	647	1,418	4,957	6,704	290,611	302,272
	590	195	688	1,473	5,032	6,956	321,160	333,148
Total	32,488	5,966	3,600	42,054	69,836	92,727	508,998	671,561

Of the number of taxable incomes assessed, $77\frac{1}{4}$ per cent. were under £500, $14\frac{1}{4}$ per cent. between £501 and £1,000, and $8\frac{3}{8}$ per cent. over £1,000; but the tax levied on these incomes formed 10·4, 13·8, and 75·8 per cent. respectively of the total. A perusal of the above table reveals that the occupational group which contributes the largest amount of tax is that of merchants, 1,236 of whom were taxed £37,138, and that of these 377 had taxable incomes of over £1,000, and were called upon to pay £31,874. The group paying the next largest amount of tax is that of clerks, 4,845 of whom were taxed £21,397. Of these, 217 had taxable incomes of over £1,000, and were called upon to pay £8,409.

The Federal Income Tax Assessment Act, which was first imposed on incomes earned in the financial year 1914-15, is one relating to the imposition, assessment, and collection of tax on incomes in the Commonwealth exceeding a gross amount of £156 in the case of residents and on any amount in excess of £1 in the case of absentees and companies.

Provision is made that, in addition to the deduction of expenses incurred in the earning of the income, there shall be a deduction in the case of persons (other than a company or an absentee) receiving income from personal exertion, of £156 in respect of incomes up to that amount, this exemption diminishing by £1 for every £4 by which the income exceeds £156. In respect of income derived from property, there is a deduction of £156 in respect of incomes up to that amount, but for every £11 by which the income exceeds £156 the exemption is reduced by £5.

For income earned during 1915-16, a person who is not married, has no dependants, and is not an absentee and who has a gross income of £100, or a person carrying on business, who has an income therefrom which, after the allowance of deductions, amounts, together with his income from other sources to not less than £100, shall pay a tax of £1. In respect to the foregoing income the exemption of £100 diminishes by £1 for every £4 of the excess over £100.

In respect of incomes derived from a composite source, the deductions are first calculated as though the income from each source were the only income received, and the total of the deduction is apportioned *pro rata* between the income from each source.

Companies are taxable on the undistributed income. Where companies derive income from both in and out of Australia, the proportion earned only in Australia is taxed.

Persons on active service during the present war with the military or naval forces of the Commonwealth or any part of the King's Dominions, or of an ally of Great Britain, are exempt from tax so far as regards income derived from personal exertion prior to the commencement of this Act or during the present war.

The rate of tax for income derived from personal exertion is $3\frac{3}{8}\%$ d. where the taxable value is £1, the rate increasing uniformly by $\frac{3}{80}\%$ d. with each increase of £1 of the taxable income. For every £1 in excess of £7,600 the rate of tax is 5s.

On income derived from property, up to £546 the rate is $3\frac{1}{81}$ d. where the income is £1, the rate increasing uniformly by $\frac{1}{81}$ d. for each increase of £1 in the taxable income. From £546 up to £6,500 the rates are arranged so as to provide for an average rate of tax of $10\cdot5333$ d. at £1,000, $18\cdot9333$ d. at £2,000, $25\cdot8944$ d. at £3,000, $31\cdot7833$ d. at £4,000, $36\cdot5233$ d. at £5,000, $40\cdot222$ d. at £6,000, and $41\cdot7305$ d. at £6,500. For amounts in excess of £6,500 the rate of tax is 5s. per £1.

In addition to the foregoing rates, a further tax of 25 per cent. is payable on incomes earned during 1915-16.

The rate of tax payable in respect of income from companies is 1s. $10\frac{1}{2}$ d. in the £1. The income of a company distributed to members or shareholders of the company who are absentees, and interest paid or credited by the company to any absentee in respect of debentures of the company, or on money lodged at interest with the company, is taxable at the rate of 6d. in the £1.

Where the income is earned partly from personal exertion and partly from property the tax payable is at a rate that would have been applicable if the total income from both sources had been derived exclusively from each source.

LAND TAX.

State Land Tax.

The State Land Tax Act of 1915 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act at a rate declared for each year by Act of Parliament. The rate of tax for 1911 and the succeeding years was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, and the same rate has been imposed for 1916. No tax is chargeable when the unimproved value does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds

£500. The present land tax is a complete departure from the principles of the former one, under which only the lands of estates over 640 acres in extent and over £2,500 in value were taxed, and such lands were valued on a purely pastoral basis, varying from £1 to £4 per acre according to their sheep-carrying capacity, irrespective of whatever value might have attached to them for dairying or agricultural purposes.

The Assessment Roll at 31st December of each of the last five years showed the following particulars:—

Assessment.	Taxpayers.					Net Assessment of Tax.
1912	80,847	...	£305,713
1913	82,001	...	£307,377
1914	83,161	...	£311,005
1915	83,916	...	£303,542
1916	85,895	...	£304,317

In addition to the State Land Tax there is upon the lands in the State a Commonwealth Land Tax, which was assented to on 17th November, 1910.

Commonwealth Land Tax Act 1910. The Federal Land Tax is a graduated progressive tax levied on the unimproved values of all lands within the Commonwealth save those which are exempt from taxation under the Act. When the owner was a resident of Australia, after allowing for an exemption of £5,000, the tax for the four years 1910-11, 1911-12, 1912-13, and 1913-14 was 1d. on the first £1 sterling of taxable value, and increased at a uniform rate, so that the tax was equal to an average rate of 1½d. in the £1 on an estate having a taxable value of £15,001, 2d. in the £1 on an estate having a taxable value of £30,001, 2½d. in the £1 on an estate having a taxable value of £45,001, 3d. in the £1 on an estate having a taxable value of £60,001, and 3½d. in the £1 on an estate having a taxable value of £75,001. For every £1 sterling of taxable value in excess of £75,000 the rate of tax was 6d. in the £1.

When the owner was an absentee no exemption was allowed, and the tax was 1d. in the £1 on the first £5,000, and 2d. on the first £1 above £5,000, after which it increased at a uniform rate, so that the tax

was equal to an average rate of $2\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £20,001, 3d. in the £1 on the excess over £5,000 for an estate having a taxable value of £35,001, $3\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £50,001, 4d. in the £1 on the excess over £5,000 for an estate having a taxable value of £65,001, and $4\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £80,001. For every £1 sterling of taxable value in excess of £80,000 the rate of tax was 7d. in the £1.

For the financial year 1914-15 and subsequent years, when the owner is a resident of Australia, an exemption of £5,000 is allowed as formerly, but the rate of tax is fixed at $1\frac{1}{18750}$ d. on the first £1 sterling of taxable value, and increases uniformly with each £1 sterling of taxable value by $\frac{1}{18750}$ of a penny until the taxable value reaches £75,000. For every £1 of taxable value in excess of £75,000 the rate is 9d. When the owner is an absentee no exemption is allowed, and the tax is fixed at 1d. in the £1 on the first £5,000, and at $2\frac{1}{18750}$ d. in the first £1 above £5,000, and increases uniformly by $\frac{1}{18750}$ of a penny with each increase of £1 in the taxable value until such value reaches £80,000. For every £1 of taxable value in excess of £80,000 the rate is 10d.

The definition of unimproved value is the capital sum which the fee-simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a *bonâ fide* seller would require, assuming that the improvements (if any) thereon or appertaining thereto, and made or acquired by the owner or his predecessor in title, had not been made.

The following particulars of land tax assessment for Victoria for the financial year 1914-15 were furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 5,093, of which 4,372 belonged to resident and 721 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, was £49,509,923. The taxable value, after allowing for all statutory deductions from the unimproved value, was £34,350,309, on which the tax payable was £336,543. In addition there were 827 central office taxpayers who held an unimproved value of £8,643,821 representing their Victorian interests, on which the tax payable was £136,970.

RAILWAY REVENUE AND EXPENDITURE.

Victorian
Railways,
financial
results.

A summary of the results of the working of the Victorian Railways during the last five years is given in the annexed statement. The figures have been taken from the Railway Report and represent the actual business done each year, not the receipts and payments brought to account by the Treasury within the year. They include particulars of the St. Kilda-Brighton Electric Street Railway.

RAILWAY BALANCES : 1911-12 TO 1915-16.

—	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Gross Revenue ...	5,233,979	5,222,271	5,581,474	5,183,687	5,730,743
Working Expenses ...	3,323,767	3,492,765	3,773,493	4,134,878	4,020,256
Pensions, Gratuities, &c.	131,319	112,236	112,855	123,438	121,332
Net Receipts ...	1,773,893	1,617,270	1,695,126	925,371	1,589,155
Interest on Cost of Construction	1,513,102	1,595,020	1,677,369	1,767,807	1,927,107
Surplus ...	265,791	22,250	17,757	...	...
Deficit ...	...	...	...	842,436	337,952

The decrease in the surpluses of 1912-13 and 1913-14 as compared with the preceding year is due to concessions in freight charges, to the improved train facilities provided, to the higher cost of materials, &c., and to the improved scale of payment and better working conditions provided for the staff. In 1914-15 these factors again operated and expenditure was further increased by efforts to minimize unemployment, also there was a loss in revenue on account of the adverse conditions occasioned by the drought. The result was that a deficit of £842,436, the first since 1907-8, was shown for that year, and, although there was an improvement during 1915-16, that year's transactions showed a deficit of £337,952.

RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provision in the *Railways Act 1907*. This provision requires the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1916, the receipts of the fund amounted to £28,654; whilst the payments made therefrom were £3,623 for compensation, damages, costs, &c., to persons other than employees injured, £17,143 as compensation on account of injuries to or deaths of employees; and £13,883 as compensation for goods or parcels lost, and for damages caused by fire, &c.

STATE EXPENDITURE.

The following table shows for the last five years the principal heads of State expenditure from Consolidated Revenue:—

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1911-12 TO 1915-16.

Heads of Expenditure.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
<i>General Government.</i>					
Governor	11,519	9,877	10,755	7,756	7,816
Parliament and Ministry	80,291	74,740	74,354	83,238	73,867
Civil Establishment ...	264,289	300,687	327,632	333,663	320,930
Pensions and Gratuities	376,870	347,600	340,863	367,718	371,031
<i>Law, Order, and Protection.</i>					
Judicial and Legal ...	182,271	201,931	197,099	206,016	175,188
Police	329,312	357,396	363,692	370,381	343,546
Penal Establishments and Gaols	50,814	53,189	56,555	58,864	58,395
<i>Education, &c.</i>					
State Schools, &c. ...	986,633	987,212	1,033,256	1,081,461	1,052,506
Technical Schools ...	36,871	36,153	41,592	55,673	46,771
University	43,223	34,900	30,413	17,576	39,212
Libraries, &c. ...	53,343	39,531	40,839	36,069	28,119
Art and Science ...	15,345	11,220	12,630	11,969	9,739
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts	30,731	29,227	29,475	27,229	24,436
Public Health ...	45,513	47,582	53,632	49,192	39,718
Charitable Institutions, &c.	470,588	483,427	497,642	540,259	563,990

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE :
1911-12 TO 1915-16—*continued.*

Heads of Expenditure.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
<i>Crown Lands, &c.</i>	£	£	£	£	£
Crown Lands ...	189,906	210,866	176,917	180,400	151,659
Agriculture and Stock	195,576	176,074	188,826	189,784	286,081
Mining ...	268,779	290,242	317,632	360,044	334,761
<i>Public Works.</i>					
Railways ...	3,356,714	3,459,832	3,781,671	4,144,959	4,028,449
Water Supply ...	105,905	117,632	115,524	133,059	125,574
Harbors, Rivers, and Lights	89,741	113,694	164,814	155,530	111,217
Roads and Bridges ...	12,780	15,108	13,777	16,690	9,509
Country Roads Board Fund	...	45,303	49,276	54,785	62,270
Municipal Endowment, &c.	131,554	137,608	124,915	127,828	73,797
Surplus Revenue appropriated to "Revenue Services"	91,662	...	...	...	...
Land Sales by Auction Fund	14,988	...	...	...	...
Works and Buildings, n.e.i.	82,645	65,130	51,997	48,064	45,349
Interest and Expenses of Public Debt	2,096,198	2,178,055	2,298,005	2,439,180	2,706,313
Interest on Advances from Savings Banks	23,849	21,395	16,293	7,887	7,689
Redemption Funds, &c.	215,909	237,269	204,745	211,117	266,599
<i>Other Expenditure.</i>					
Mint Subsidy ...	20,000	20,000	20,000	20,000	20,000
Fire Brigades ...	24,875	26,688	27,753	29,656	31,822
Immigration ...	68,183	122,901	67,848	75,600	19,315
Licensing Fund ...	108,804	110,149	108,912	107,752	95,606
Licensing Act Compensa- tion Fund	55,275	58,948	60,139	63,624	60,396
Expeditionary Forces — Allowance to Railway Depart- ment for carriage	...	...	...	32,232	45,997
Assurance Fund ...	3,628	2,625	3,052	2,564	2,127
Miscellaneous ...	36,802	55,550	42,193	59,149	43,569
Total ...	10,171,386	10,479,741	10,944,718	11,706,968	11,683,363
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	7 11 11	7 11 10	7 15 0	8 3 8	8 4 10

Compared with the previous year the ordinary expenditure of the State for 1915-16 shows a decrease of £23,605. The heads of expenditure showing the largest decreases are—Railways, £116,510; Immigration, £56,285; Municipal Endowment, £54,031; and Harbors,

Rivers, and Lights, £44,313. The most important increases are— Interest and Expenses of Public Debt, £267,133; Agriculture and Stock, £96,297; and Redemption Funds, £55,482.

PENSIONS AND GRATUITIES.

The bestowal of pensions or superannuation allowances was abolished on the 24th December, 1881, in the case of persons, except Supreme Court Judges and police, entering the Public Service after that date.

During the year 1915-16, 3,109 pensions, amounting to £325,369, were paid to ex-public servants not including police, viz., 2,939 under special appropriations, amounting to £316,326; and 170 from annual votes, amounting to £9,043. Fifty-seven compensations and gratuities were also paid, the amount being £15,509. The following statement summarizes the numbers and amounts of payments made in the last financial year:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1915-16.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
Education Department ...	1,069	106,710	16	736	1,085	107,446
Railways ...	1,195	100,120	132	7,492	1,327	107,612
Defence ...	7	559	...	...	7	559
Lunacy ...	38	3,809	...	...	38	3,809
Under Constitution Act ...	2	2,270	...	...	2	2,270
Commissioners of Audit ...	1	667	...	...	1	667
Officers of Parliament ...	1	509	...	...	1	509
Public Service Board ...	1	175	...	...	1	175
Under Act 1988 ...	1	283	...	...	1	283
Under Civil Service Act 160	297	56,516	...	...	297	56,516
" Public Service Act 773	132	22,824	...	...	132	22,824
Commonwealth Service— Officers of transferred Departments	195	21,884	...	...	195	21,884
Various allowances ...	...	...	22	815	22	815
Total Pensions and Superannuation Al- lowances	2,939	316,326	170	9,043	3,109	325,369
Compensations and Gra- tuities	11	1,354	46	14,155	57	15,509
Subsidy to Police Super- annuation Fund	...	8,153	...	22,000	...	30,153
Total amount paid ...	...	325,833	...	45,198	...	371,031

In 1915-16 the payments out of the Police Superannuation Fund were as follows:—371 pensions, amounting to £49,804, and 8 gratuities, amounting to £3,795. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2068; and, should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue.

Pensions are payable only to those members of the police force who joined prior to the 25th November, 1902.

In the year 1915-16, 29 pensions amounting to £3,388 were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

South Africa Contingent pensions. Pensions to members and relatives of members of the South African war contingents amounted to £687 in 1915-16.

EXPENDITURE ON EDUCATION.

During the year 1915-16 the State expended on education generally the sum of £1,462,230. This amount includes the interest payable on loan moneys expended on buildings and expenditure in connexion with pensions and gratuities. The expenditure for the five years 1911-12 to 1915-16 is as follows:—

STATE EXPENDITURE ON EDUCATION: 1911-12 TO 1915-16.

Expenditure on—	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Education—Primary ..	692,950	762,692	763,351	787,834	783,540
Intermediate and secondary	39,832	55,747	64,257	72,690	73,339
Special Subjects	20,056	20,536	23,951	25,581	26,436
Training of Teachers ..	20,867	21,372	22,106	20,928	19,796
Administration	45,999	45,915	47,180	49,265	49,243
Buildings	167,657	158,028	198,377	315,869	220,042
Technical Schools (including Building Grants)	42,541	49,139	73,654	78,902	94,098
University (including Building Grants)	46,902	38,460	34,777	33,126	31,330
Interest on Loan Money expended on Buildings	39,784	39,784	39,784	53,086	56,499
Miscellaneous	95,905	99,362	104,617	107,551	107,907
Total	1,212,493	1,291,035	1,372,054	1,544,832	1,462,230

The foregoing statement deals with the expenditure by the State on education generally, and includes expenditure connected with the University and technical schools, but the statement which follows

relates to that portion of the expenditure which has been incurred in connexion with the State schools of Victoria, primary and secondary, of which the details as arranged are available only for the last five years:—

EXPENDITURE ON STATE EDUCATION SYSTEM: 1911-12
TO 1915-16.

Items.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Education:					
Primary—					
Day Schools	691,711	760,966	760,330	784,148	779,612
Night Schools	239	67	64	64	65
Schools for Deaf Mutes, Blind, and Feeble-minded Children	..	659	1,957	2,622	2,863
	691,950	761,692	762,351	786,834	782,540
Intermediate—					
Higher Elementary Schools ..	3,222	10,420	10,631	7,679	6,773
Evening Continuation Classes..	617	903	697	1,053	875
Secondary—					
High Schools	14,202	22,024	26,714	33,481	36,894
Agricultural High Schools ..	13,200	13,698	21,116	22,840	20,872
	36,241	52,045	59,158	65,053	65,414
Special Subjects—					
Cookery	6,780	6,582	8,779	9,826	11,018
Manual Training	11,145	11,542	12,267	12,184	11,608
Physical Training	510	764	951	800	874
Medical Inspection	1,621	1,648	1,738	2,328	2,458
Dressmaking and Needlework ..	..	..	216	222	244
School Gardening .. .. .	..	..	..	221	234
	20,056	20,536	23,951	25,581	26,436
Training of Teachers—					
Training College	8,209	9,149	10,897	11,180	9,994
University Practising School ..	2,547	2,626	2,570	2,586	2,686
Miscellaneous	10,111	9,597	8,639	7,162	7,116
	20,867	21,372	22,106	20,928	19,796
Administration	45,999	45,915	47,180	49,265	49,243
Buildings—					
Primary Schools	135,387	119,301	152,275	270,156	189,399
Primary Schools (expended by School Committees)	12,191	12,693	14,794	13,144	9,709
Rent	5,100	5,098	7,097	8,711	6,442
Higher Elementary Schools ..	1,510	13,075	5,994	8,776	3,033
High Schools	469	1,097	16,048	13,686	8,017
Agricultural High Schools ..	13,000	6,764	2,169	1,396	3,442
	167,657	158,028	198,377	315,869	220,442
Interest on Loan Money ex- pended on Buildings.. .. .	39,700	39,700	39,700	53,002	56,415
Miscellaneous—					
Pensions and Gratuities	95,770	97,361	101,567	105,810	107,220
Grant to State Schools Decora- tion and Equipment Society	..	2,000	2,000	1,000	..
Grant to State Schools Horti- cultural Society .. .. .	..	..	300	300	300
Subsidies, sparsely populated districts .. .. .	..	..	..	83	233
Total	1,118,240	1,198,649	1,256,690	1,423,725	1,327,639

The following return summarizes the expenditure and revenue connected with the State educational system, and shows the cost per scholar for the last ten years :—

**COST OF INSTRUCTION IN VICTORIAN STATE SCHOOLS :
1906-7 TO 1915-16.**

Year.	Expenditure by the State.	Revenue of the Education Department.	Net Expenditure.	Number of Scholars—Average Attendance.	Cost per Scholar to the State.
	£	£	£		£ s. d.
1906-7 ..	794,627	14,277	780,350	147,270	5 6 0
1907-8 ..	850,646	17,003	833,643	143,551	5 16 2
1908-9 ..	941,029	17,849	923,180	146,106	6 6 4
1909-10 ..	959,160	19,138	940,022	145,968	6 8 10
1910-11 ..	1,002,415	20,707	981,708	146,464	6 14 1
1911-12 ..	1,118,240	24,540	1,093,700	154,807	7 1 4
1912-13 ..	1,198,649	23,646	1,170,003	156,965	7 9 1
1913-14 ..	1,256,690	26,175	1,230,515	163,200	7 10 10
1914-15 ..	1,423,725	28,607	1,395,118	166,407	8 7 8
1915-16 ..	1,327,639	26,399	1,301,240	167,989	7 14 11

This table includes the amount payable each year as interest on loan moneys expended on school buildings.

TRUST FUNDS.

The following are the amounts to the credit of the Trust Funds, trust funds, and the manner of their investment, at the end of each of the last five financial years :—

TRUST FUNDS: 1912 TO 1916.

Accounts.	Credit Balance on 30th June.				
	1912.	1913.	1914.	1915.	1916.
	£	£	£	£	£
Deposits in Savings Banks	640,040	261,365	248,365	248,365	248,790
Deposits in Savings Banks Security Account	3,477,319	3,389,819	3,818,855	3,668,355	3,608,355
Victorian Loans Redemption Fund	330,090	369,079	390,437	391,286	446,216
Victorian Government Consolidated Inscribed Stock Redemption Fund	733,858	786,680	893,858	1,029,740	1,176,152

TRUST FUNDS : 1912 TO 1916—*continued.*

Accounts.	Credit Balance on 30th June.				
	1912.	1913.	1914.	1915.	1916.
	£	£	£	£	£
Railway Stores Suspense Account	203,658	123,162	119,951	101,647	141,260
Railway Rolling-stock Replacement Fund	46,291	59,499	68,419	73,522	46,644
Licensing Act 1906 Compensation Fund	43,217	47,462	56,473	66,775	64,877
Metropolitan Fire Brigades Board	68,024	73,211	93,436	98,503	103,720
Port Phillip Pilot Sick and Superannuation Fund	57,941	57,946	57,900	57,900	57,900
Unused Roads and Water Frontages Fund	58,781	35,477	19,776	13,310	8,393
Municipal Sinking Funds	712,805	719,600	683,049	657,373	606,076
Assurance Fund (Land Titles)	192,371	168,384	177,213	185,596	121,071
Intestate Estates ...	78,504	79,979	85,686	78,773	84,896
Lunatic Patients' Estates	47,140	34,040	40,920	41,632	41,158
Trustee and Assurance Companies	131,390	126,390	131,390	412,390	419,890
Closer Settlement Fund	38,098	15,220	89,217	61,125	66,516
Mallee Land Account	29,484	55,688	65,999	53,670	70,093
Coal Mines Sinking Fund	6,046	16,962	26,953	38,535	50,490
Coal Mines Depreciation Fund	14,490	25,001	45,638	75,977	95,858
Country Roads Board Fund	...	43,766	79,905	36,191	51,628
Developmental Railways Account	...	62,120	9,459	39,858	64,155
Other Funds ...	1,492,118	1,672,265	1,298,257	1,337,611	1,180,056
Total ...	8,401,665	8,223,115	8,501,156	8,768,134	8,754,194
How Invested :—					
In State Debentures, Bonds, or Stock	2,853,954	2,967,456	3,014,424	3,515,867	3,591,724
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	5,547,711	5,255,659	5,486,732	5,252,267	5,162,470

Of the accumulated revenue deficiency on 30th June, 1916, £288,805 has been met from the last item in the above return.

The Municipalities' Loans Extension Act was passed in 1898 to relieve any municipality which desired relief from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which takes advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. The amount of stock inscribed under the Municipalities' Loans Extension Act, which was not sold on 30th June, 1916, was £1,009,208. The amount of money to the credit of the municipal sinking funds, which has not materially altered during recent years, was, on 30th June, 1916, £606,076.

COMMONWEALTH FINANCE IN VICTORIA.

A statement of the Commonwealth revenue and expenditure in Victoria for the last five years is as follows:—

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA (ESTIMATED): 1911-12 to 1915-16.

Hheads of Revenue and Expenditure.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
REVENUE.					
Customs Duties... ..	£ 3,566,891	£ 4,091,761	£ 3,783,064	£ 3,539,654	£ 4,214,997
Excise Duties	892,929	655,558	645,345	817,175	927,701
Post, Telegraph, &c. ...	1,049,362	1,119,417	1,191,191	1,220,578	1,350,922
Income Tax ... ..	...	...	...	...	890,000
Land Tax	357,279	393,664	422,127	483,826	469,821
Probate Duty ... ..	...	...	...	8,588	198,043
Miscellaneous	119,539	121,609	149,273	190,179	498,516
Total	5,986,000	6,392,000	6,191,000	6,260,000	8,550,000
EXPENDITURE.					
Trade and Customs	74,994	83,179	82,062	80,991	84,978
Post, Telegraph, &c. ...	1,208,848	1,334,295	1,497,170	1,488,969	1,448,041
Defence ... ..	...	...	...	...	...
New Expenditure	2,795,501	2,946,693	2,684,488	7,048,146	5,116,514
Miscellaneous ... ..	...	...	...	...	...
Payment to the State Government	1,667,657	1,691,833	1,733,280	1,757,894	1,743,467
Total	5,747,000	6,106,000	5,997,000	10,376,000	8,393,000

As the Federal Treasurer has abandoned the practice of recording the Commonwealth revenue and expenditure according to the State in which it was earned or incurred since 30th June, 1910, only an estimate can be given of the Commonwealth revenue and expenditure in Victoria. The figures relating to Customs and Excise duties shown in the above table are by comparison with those

for 1909-10 and earlier years somewhat high, as they represent the total amounts collected within the State, less drawbacks and refunds, whereas in the years prior to 1910-11, in addition to the deductions on account of drawbacks and refunds, the duties collected on goods which were subsequently transferred to another State were debited to the exporting and credited to the importing State. The balance of trade between the States in goods of other than Australian origin is against Victoria from a Customs revenue stand-point.

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Commonwealth and State Finance.

The total Government revenue and expenditure within the State of Victoria is shown by combining State and Commonwealth receipts and expenditure. The figures relating to the principal items, subject to the qualification mentioned in the preceding paragraph, are given in the following table:—

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1911-12 TO 1915-16.

Heads of Revenue and Expenditure.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	4,459,820	4,747,319	4,428,409	4,356,829	5,142,698
Post, Telegraph, &c. ...	1,049,362	1,119,417	1,191,191	1,220,578	1,350,922
Railways ...	5,237,466	5,250,599	5,568,039	5,170,020	5,727,275
State Taxation ...	1,597,266	1,672,686	1,693,336	1,762,041	2,074,839
Other sources ...	2,156,269	2,409,091	2,534,782	2,521,655	3,981,674
Total Revenue ...	14,500,183	15,199,112	15,415,757	15,031,123	18,277,408
EXPENDITURE.					
	£	£	£	£	£
Customs and Excise ...	74,994	83,179	82,062	80,991	84,978
Post, Telegraph, &c. ...	1,208,848	1,384,295	1,497,170	1,488,969	1,448,041
Railways ...	3,356,714	3,499,832	3,781,671	4,144,959	4,028,449
Public Instruction*	1,066,727	1,058,265	1,105,261	1,154,710	1,138,489
Public Debt (Victoria)— Interest and Expenses	2,096,198	2,178,055	2,298,005	2,439,180	2,706,313
Redemption ...	215,909	237,269	204,745	211,117	266,599
Other Expenditure ...	6,231,339	6,493,013	6,239,524	10,805,148	8,660,027
Total Expenditure	14,250,729	14,893,908	15,208,438	20,325,074	18,332,896

* Primary and Technical Schools, and University.

In 1900-1901, when the State Tariff was in force, the Customs and Excise revenue was £2,558,290, and under the Commonwealth

Tariff this was not exceeded until 1906-7, when an increase of £161,141 was shown. The figures for the last five years are somewhat overstated for the reasons mentioned on pages 170 and 171, and show, when compared with 1900-1, an average increase of £2,068,725.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

Commonwealth, State, and Local Finance. A statement of the ordinary revenue and expenditure and of the loan expenditure of the Federal Government in Victoria, also of the State Government and of the municipal and local bodies, during the last five years will be found in the next table. From the totals of revenue and expenditure the amounts received by one body from another have been deducted:—

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE: 1912 TO 1916.

	Financial Year ended in—				
	1912.	1913.	1914.	1915.	1916.
<i>Revenue.</i>					
	£	£	£	£	£
Government—					
Federal ..	5,986,000	6,382,000	6,191,000	6,260,000	8,550,000
State ..	8,449,313	8,752,242	9,162,474	8,711,427	9,667,712
Municipal ..	1,703,125	1,858,322	1,952,534	1,988,189	2,104,987
Harbor Trusts ..	307,776	315,104	328,011	281,333	290,355
Melbourne and Metropolitan Board of Works ..	613,345	652,229	716,772	797,930	769,542
Fire Brigades Boards	33,418	36,994	37,447	48,631	47,296
Total ..	17,092,977	17,996,891	18,388,238	18,087,510	21,429,892
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	5,747,000	6,106,000	5,997,000	10,376,000	8,393,000
State ..	8,438,859	8,723,038	9,149,155	9,889,378	9,880,200
Municipal ..	1,808,715	1,850,737	1,984,486	2,020,380	2,138,727
Harbor Trusts ..	444,847*	491,735*	515,229*	209,436	273,269
Melbourne and Metropolitan Board of Works ..	575,266	594,425	636,892	648,734	738,246
Fire Brigades Boards	38,393	32,111	38,623	44,428	42,071
Total ..	17,053,080	17,798,046	18,321,385	23,188,356	21,465,513

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1912 TO 1916—*continued.*

	Financial Year ended in—				
	1912.	1913.	1914.	1915.	1916.
<i>Loan Expenditure.</i>	£	£	£	£	£
Government—					
Federal	193,446	346,507	624,681	623,824	11,580,148
State	2,974,149	2,693,844	3,276,994	5,351,830	4,473,569
Municipal	311,956	407,477	344,811	439,973	549,714
Harbor Trusts .. .. .	..	..	..	321,262	327,147
Melbourne and Metro- politan Board of Works	420,091	647,441	441,285	454,680	426,768
Fire Brigades Boards	418	14,796	19,373	28,808	14,711
Total	3,900,060	4,110,065	4,707,144	7,220,377	17,372,057
<i>Expenditure—Grand Total</i>	20,953,140	21,908,111	23,028,529	30,408,733	38,837,570
Per Head of Popula- tion—					
Revenue	£ s. d. 12 15 3	£ s. d. 13 0 9	£ s. d. 13 0 5	£ s. d. 12 12 10	£ s. d. 15 2 4
Ordinary Expen- diture	12 14 8	12 17 10	12 19 6	16 4 2	15 2 10
Loan Expenditure	2 18 3	2 19 6	3 6 8	5 0 11	12 5 1

The loan expenditure of the Federal Government for 1915-16, exclusive of loans to the States, amounted to £40,282,909; the proportion shown in the table above as being chargeable to Victoria has been calculated on a population basis.

The total revenues in Victoria of the Federal and State Governments, the municipalities, and other corporations in the financial year 1916 amounted to 21½ millions sterling, which was £3,342,382 more than the revenues of the previous year. The total expenditure in 1916 exceeded that of 1915 by £8,428,837, or 28 per cent.

PUBLIC DEBT.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1916, with the exception of Melbourne and Hobson's Bay Railway Debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State :—

**CASH RECEIPTS AND LOANS RAISED AND REDEEMED TO
30TH JUNE, 1916.**

	£	s.	d.
Cash received	123,571,815	11	1
Discount and expenses after deducting pre- miums received	2,309,570	2	9
Securities issued	125,881,385	13	10
Securities redeemed	49,107,353	7	4
Loans outstanding	76,774,032	6	6*

It will be seen that upon the transactions to date, for cash amounting to £123,571,816, securities representing £125,881,386 were issued, which is equivalent to the State receiving £98 3s. 4d. in cash for every £100 bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of the loans which have been raised in London at varying rates of interest is £79,318,376 after allowing for conversion operations. The amount which has been paid off by means of new loans is £34,921,730 and by means of appropriations from revenue, &c., £1,822,775, while £413,305 has been transferred to the Melbourne register, leaving a balance due in London on 30th June, 1916, of £42,160,566, consisting of debentures amounting to £2,497,400, and inscribed stock £39,663,166. The following table gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained

* There are, in addition to this amount, the overdue debentures for £1,000, which are referred to further on.

after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent :—

LOANS FLOATED IN LONDON : 1859 TO 1916.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.	Ex Interest and Expenses. (Net Proceeds.)	
	When Due.	No. of Years.					
1859	1883	24	£ 1,000,000	6	£ s. d. 105 1 11½	£ s. d. 103 18 11½	£ s. d. 5 14 0
"	"	"	750,000	6	107 17 7½	106 14 7½	5 9 10
1860	"	23	1,837,500	6	104 17 10½	103 14 10½	5 14 1
"	1884	"	812,500				
1861	1885	24	1,000,000	6	103 1 6½	101 18 6½	5 17 0
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2
1866	1891	25	850,000	6	100 8 11½	99 5 11½	6 1 1
1869	1894	"	588,000	6	98 4 2½	97 1 2½	5 4 3
1870	"	24	1,518,400	5	100 17 6½	99 14 6½	5 0 5
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5
1876	1901	"	500,000	4	94 16 10½	93 18 11½	4 8 1
"	"	"	2,500,000				
1878	1904	26	457,000	4	"	"	"
1879	"	25	3,000,000	4½	97 17 5½	96 19 2½	4 14 0
1880	"	24	2,000,000	4½	103 3 8½	102 5 11	4 6 11
1915	1920-25	5-10	784,700	4½	100 0 0	98 2 9	4 18 6
1916	1920-22	4-6	550,000	5½	"	"	"
"	"	"	100,000	5½	"	"	"
1883	1907	24	4,000,000	4	98 16 8½	97 13 7½	4 8 0
"	1908	"	2,000,000	4	97 14 1½	96 10 11½	4 4 6
"	1913	29	1,957,500	4	98 5 7	97 2 8½	4 8 3
1884	1918-22	34	2,042,500				
1885	1919	34	3,180,620	4	98 18 6½	97 15 9½	4 2 5
1886	1920	"	819,380	4	105 12 3½	104 9 0	3 15 5
1887	"	33	1,500,000				
1888	"	32	3,000,000	4	102 5 6½	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 1½	106 18 0½	3 12 9
1889	1923	34	3,000,000	3½	102 14 10	101 11 11½	3 8 5
1890	"	33	4,000,000	3½	100 2 4	98 19 6	3 11 1
1891	1921-6	30-35	850,000	3½	96 3 7	95 0 10	3 15 6
"	"	"	2,150,000				
1892	"	29-34	2,000,000	3½	91 13 7	90 10 8	4 1 5
1893	1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7
1899	1929-49	30-50	1,600,000	3	94 7 1	93 4 2	3 7 3
1901	"	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10
1902	"	27-47	1,000,000	3	95 16 6½	93 8 3½	3 7 6
1903	"	26-46	3,148,176	3½	91 14 9½	89 8 0	4 3 8
1906	"	23-43	587,808				
1907	"	22-42	702,140	3	100 0 0	98 19 1	3 11 5
1909	"	20-40	1,500,000				
1910	"	19-39	538,352	3½	97 3 11½	94 15 8½	3 17 7
1913	1918-22	5-9	3,000,000	4	99 2 6	97 10 0	3 13 8
"	1940-60	27-47	1,000,000	4	98 0 0	96 4 7	4 17 4
"	"	"	2,000,000	4	97 15 0	95 7 5	4 5 10
"	"	"	2,000,000	4	96 18 9	94 9 10	4 7 0
1915	1920-25	5-10	1,465,300	4½	100 0 0	98 4 3½	4 18 2
			<i>Treasury-bonds</i>				
1892	1893	1	1,000,000	4½	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	3½	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8½	96 18 10	5 2 7
Total			78,752,276				
Paid off			36,178,405				
Transferred to Melbourne register ..			413,305				
Outstanding			42,160,566				

The figures in the last column represent the rates of interest payable by the State for the actual amount of money which was obtained after deduction of all expenses that had been incurred in connexion with the flotation, and with allowance for redemption at par on maturity.

The nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate paid by the Government has varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{3}{4}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{2}$ per cent., in 1885 at $4\frac{1}{2}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds issued in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate realized on loans raised in London, while for loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent.; for a loan in 1902 the rate was $3\frac{3}{8}$ per cent., for one in 1909 it was $3\frac{7}{8}$ per cent., and in 1910 portion of a loan falling due was converted at $3\frac{3}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold, on loans obtained in 1913 the average rate was $4\frac{3}{8}$ per cent., and on those raised in 1915 it was nearly 5 per cent. Particulars in regard to loans raised in 1916 are not yet available.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of the loans which have been floated in Melbourne after conversion operations is £40,902,927. Of this amount £4,825,843 has been redeemed by loans, and £3,147,393 by revenue, &c., leaving due a balance of £32,929,691 on 30th June, 1916, consisting of debentures, £18,597,277, inscribed stock, £9,347,554, and Treasury bonds, £4,984,860. In addition, outstanding inscribed stock for £412,805 and debentures for £500 have been transferred from the London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £33,342,996. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last eighteen years the local debt has been increased by over 30 millions sterling. This increase has been brought about principally by the replacing of certain London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes, &c.

Loans
Floated in
Melbourne.

The following is a statement of these loans, showing the amounts originally raised, the amounts converted or paid off, and the amounts outstanding on 30th June, 1916 :—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1916.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures.</i>							
13 & 23	1854	6	1855-75	735,000	...	735,000	...
40	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	40	746,755
1440	1896	3	1913-22	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	16,962	13,188	969,850
1753	1901	3	1923-32	500,000	3,948	128,152	367,900
1816	1903	3½	1907-8	93,869	...	93,869	...
1901	1904	3	1934-54	457,000	...	333,126	123,874
		3½	1913	18,000	...	18,000	...
		3½	1914-23	50,000	...	15,000	35,000
		3½	1918	18,000	...	...	18,000
		5	1919-20	50,000	...	...	50,000
		3½	1921	447,980	...	...	447,980
		3½	1922	366,660	...	...	366,660
		3½	1923	70,000	...	...	70,000
		3½	1923	4,700	...	...	4,700
		3½	1924	1,600	...	...	1,600
2629		4	1924	2,000	...	...	2,000
1962	1904	4	1925	8,200	...	...	8,200
		3½	1926-42	186,300	800	20,300	165,200
		3½	1925-40	60,000	...	...	60,000
		3½	1926-40	160,000	...	...	160,000
		3½	1927-32	72,100	...	...	72,100
		3½	1927	150,000	...	...	150,000
		3½	1928	77,000	...	...	77,000
		3½	1929	162,650	...	...	162,650
		3½	1930	182,000	...	...	182,000
		3½	1931	1,000,000	...	...	1,000,000
		3½	1931-46	15,400	...	...	15,400
		4	1936	300,000	300,000	...	...
		4	1926-41	285,880	2,400	...	283,480
1990	1905	3½	1926	100,000	...	...	100,000
		3½	1927-42	500	...	...	500
		3½	1927	52,000	...	...	52,000
		5	1917	9,040	...	...	9,040
		5	1918	473,000	...	...	473,000
		4	1919	56,400	...	...	56,400
		5	1920	10,000	...	...	10,000
2026	1906	4	1924	10,000	...	...	10,000

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1916.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures—continued.</i>							
2026	1906	4½	1925	500,000	...	...	500,000
		3½	1926-41	9,000	...	...	9,000
		3½	1927-42	380,000	...	...	380,000
		4	1927	185,400	...	...	185,400
		3½	1928	400,000	...	...	400,000
		3½	1930	500,000	...	...	500,000
		3½	1931	61,648	...	...	61,648
		3½	1931-46	150,500	...	...	150,500
		3½	1932-46	51,500	...	...	51,500
		4	1934-49	5,300	...	...	5,300
		4	1916	400	...	...	400
		4	1918	12,700	...	...	12,700
		4	1919	51,000	...	...	51,000
		4	1921	7,500	...	...	7,500
041	1906	4	1923	600	...	...	600
		4	1924	15,600	...	...	15,600
		3½	1928-43	3,600	...	...	3,600
		3½	1929	16,000	...	...	16,000
		4	1929	210,000	...	...	210,000
		3½	1930	100,000	...	...	100,000
		3½	1928	75,500	...	...	75,500
		3½	1929	40,000	...	...	40,000
		3½	1928	345,000	...	...	345,000
		3½	1929	154,000	...	...	154,000
2053	1906	3½	1910-20	250,000	...	150,000	100,000
			1919	130,650	...	...	130,650
2116	1907	3½	1929	4,850	...	...	4,850
			1929-44	400	...	...	400
2163	1909	3½	1921	1,788,220	...	...	1,788,220
2286	1911	3½	1922	1,307,100	...	...	1,307,100
			1932	514,350	...	...	514,350
2323	1911	3½	1918	350,000	...	...	350,000
			1918-19	25,000	...	...	25,000
2635	1912	5	1919-20	75,000	...	...	75,000
			1920	14,400	...	...	14,400
2415	1912	4½	1921-3	1,000	...	...	1,000
			1927	60,000	...	...	60,000
2429	1912	4	1930	40,000	...	...	40,000
			1919	170,000	...	...	170,000
			1920	4,000	...	...	4,000
			1922	59,590	...	...	59,590
			1923	56,250	...	...	56,250
			500	...	...	500	
			1925	3,400	...	...	3,400
			1927	800	...	...	800
1929	20,000	...	...	20,000			

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916—continued.

Authorization.		Loans.			Amounts.		Loans Out- standing on 30th June, 1916.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures—continued.</i>							
				249,000	...	249,000	...
2481	1914	4	1915	249,000	...	...	575,000
		4½	1917	575,000	...	...	8,400
		4	1924	8,400	...	...	500
		4	1925	500	...	...	140,000
		4	1929	140,000	...	...	100,000
2531	1914	4½	1917	100,000	...	...	2,575,000
		4½	1918	2,575,000	...	...	200,000
2568	1914	4½	1918	200,000	...	...	150,000
		4½	1919	150,000	...	...	45,000
		4½	1919	45,000	...	...	179,530
2591	1915	4½	1920	179,530	...	...	55,000
		4½	"	55,000	...	...	1,000
		5	1918-19	1,000	...	...	3,500
2772	1915	5	1919	3,500	...	...	3,200
		5	1919-20	3,200	...	...	1,100
		5	1919-21	1,100	...	...	100,000
2794	1915	4½	1918	100,000	...	...	125,000
		5	1919-20	125,000	...	...	20,000
		4½	1920	20,000	...	...
<i>Inscribed Stock.</i>							
428	1872	4	1897	1,113,000	}	2,659,613	...
439	1872	4	"	86,780			
			"	13,102			
741	1882	4	"	167,600			
963	1887	4	"	130,000			
1015	1889	4	"	750,000			
1341	1893	4	"	150,000			
1369	1895	4	"	249,131			
1468	1896	3	1917*	2,290,482			
1564	1898	3	"	500,000			
1623	1899	3	"	500,000	...	878,905	2,517,773
1552	1898	3	"	106,196			
1602 } 1749 }	1898	3	"	211,135	...	24,947	186,188
1659	1900	3	{ 1917* 1921-30	14,162 2,800	...	...	14,162 2,800
1753	1901	3	1917*	3,948	...	...	3,948
		3½	1917*	326,406	...	...	326,406
		4	"	10,800	...	...	10,800
		3½	1919	351,697	...	...	351,697
		4	1920	1,706	...	...	1,706
2629	1904	3½	1921	32,525	...	...	32,525
		4½	1922	98,500	...	...	98,500
		3½	1923	268,000	...	...	268,000
		3½	"	3,383	...	...	3,383
1962		4	"	1,905	...	...	1,905

* Or at any time thereafter, at option of the Government, upon twelve months' notice.

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916—continued.

Authorisation.		Loans.			Amounts.		Loans Outstanding on 30th June, 1916.	
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.		
		Per cent		£	£	£	£	
<i>Inscribed Stock—continued.</i>								
2629	1904	3½	1924	85,859	...	...	85,859	
		3½	1927-42	800	...	...	800	
1962		4	1927	1,000	...	...	1,000	
		4	1936	300,000	...	...	300,000	
1980	1905	3½	1917*	113,735	...	5,000	108,735	
				1926-41	2,400	...	...	2,400
		4½	1916	25,000	...	...	25,000	
		5	1917*	35,257	...	...	35,257	
		3½	"	779,885	...	100,000	679,885	
		4½	"	20,000	...	...	20,000	
		5	"	25,000	...	...	25,000	
		5	1918	44,418	...	...	44,418	
		5	1918-19	35,000	...	...	35,000	
2026	1906	4	1917*	33,128	...	...	33,128	
			4	1919	42,200	...	...	42,200
			5	"	89,185	...	...	89,185
			5	1919-20	500	...	...	500
			5	1921	64,000	...	...	64,000
			4	"	75,000	...	...	75,000
			4	1923	700	...	...	700
			4	1924	4,750	...	...	4,750
			4	1927	241,300	...	...	241,300
			3½	1917*	163,916	...	2,850	161,066
			4	"	400	...	...	400
			5	1918	26,100	...	...	26,100
			5	1919	11,000	...	...	11,000
			4	"	22,240	...	...	22,240
2041	1906	4	1920	2,400	...	...	2,400	
			4½	1922	12,000	...	...	12,000
			3½	1923	151,515	...	...	151,515
			4	"	19,045	...	...	19,045
			4	1924	36,500	...	...	36,500
			3½	"	1,737	...	...	1,737
			4	1927	750	...	...	750
			4	1930	20,000	...	...	20,000
2053		1906	3½	1917*	46,026	...	...	46,026
2116		1907	3½	"	1,000	...	...	1,000
2161	1909	3	"	500,000	...	350	499,650	
2163	1909	3½	"	80,000	...	22,209	57,791	
2218	1910	3½	"	29,750	...	...	29,750	
2240	1910	3½	"	150,000	...	7,050	142,950	
			"	"	11,800	...	...	11,800
		"	1919	70,707	...	...	70,707	
2286	1911	3½	1922	30,000	...	...	30,000	
			"	1923	75,758	...	...	75,758
			"	1924	23,515	...	...	23,515

* Or at any time thereafter, at option of the Government, upon twelve months' notice.

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1916.
Act No.	Year.	Rate of Interest	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock—continued.</i>							
2308	1911	4	1931†	376,004	...	2,400	378,604
		4	1916	1,500	...	250	1,250
		4	1917*	6,000	...	...	6,000
		3½	"	28,550	...	...	28,550
2323	1911	4	1918	2,500	...	...	2,500
		3½	1919	77,778	...	...	77,778
		4	"	700	...	...	700
		4	1920	400	...	...	400
		4	1922	10,000	...	...	10,000
		5	1919	14,680	...	...	14,680
		4	"	6,000	...	...	6,000
		5	1919-20	1,000	...	...	1,000
		5	1919-21	1,000	...	...	1,000
2635	1912	4½	1920	25,000	...	...	25,000
2415		5	1921	25,000	...	...	25,000
		3½	"	75,717	...	...	75,717
		4½	1922	6,000	...	...	6,000
		3½	1923	26,818	...	...	26,818
		4	1925	8,500	...	...	8,500
		4	1914-15	7,750	...	7,750	...
		3½	1915-18	20,000	...	...	20,000
		3	1917*	5,400	...	...	5,400
		3½	"	46,940	...	...	46,940
		4	"	8,000	...	...	8,000
		4	1918	86,150	...	...	86,150
2429	1912	3½	1919	249,818	...	...	249,818
		4	1921	1,000	...	...	1,000
		4½	1922	30,000	...	...	30,000
		3½	"	35,000	...	...	35,000
		3½	1923	87,909	...	...	87,909
		4	"	70,000	...	...	70,000
		3½	1924	30,303	...	...	30,303
		4	"	6,750	...	...	6,750
		4	1925	440	...	...	440
		4	1916	1,100	...	...	1,100
		4	1915-17	200	...	...	200
		4	1917*	173,516	...	28,500	145,016
2481	1914	4	1918	1,200	...	130	1,070
		4	1919	54,400	...	50,000	4,400
		4	1920	2,200	...	...	2,200
		3½	1921	16,758	...	...	16,758
		4	"	14,300	...	...	14,300

* Or at any time thereafter, at option of the Government, upon twelve months' notice.

† Or at any time thereafter, at option of either party, upon twelve months' notice.

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1916—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1916.	
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debenture.	Paid off.		
		Per cent.		£	£	£	£	
<i>Inscribed Stock—continued.</i>								
2481	1914	4½	1921-22	34,500	...	...	34,500
			3½	1924	201,717	201,717
			4	"	27,009	27,009
2531	1914	4	1927	200	...	...	200
			3	1917*	31,137	31,137
			4½	1921-22	90,000	90,000
2568	1914	4	1917*	1,814	...	...	1,814
			4½	1920	100,000	100,000
			3	1917*	15,554	15,554
2591	1915	4	"	11,450	...	...	11,450
			4½	1918	20,000	20,000
			4½	1919	5,500	5,500
			4½	1920	6,600	6,600
			4½	1922	7,500	7,500
			4	1925	1,200	1,200
2772	1915	4	1917*	1,660	...	...	1,660
			5	1918	9,082	9,082
			5	1918-19	24,000	24,000
			5	1919	4,540	4,540
2794	1915	5	1919-20	2,600	...	...	2,600
			5	1918-19	5,000	5,000
			5	1919	5,630	5,630
			5	1919	5,630	5,630
<i>Treasury Bonds.</i>								
1574	1898	3½	1901	500,000	...	500,000	...	
1800	1902	3½	1907	1,000,000	...	1,000,000	...	
			1915	500,000	...	500,000	...	
1982	1905	3½	1916	2,767,000	...	1,249,000	1,518,000	
			1917	3,014,860	...	...	3,014,860
			1921	352,000	...	...	352,000
			1922	100,000	...	...	100,000
			1922	100,000	...	...	100,000
Overdue debentures	...	...	...	1,000	...	...	1,000
Total, floated in Melbourne				44,361,430	3,457,503	7,973,236	32,930,691	
Transferred from London Register				...	...	...	413,305
Total, payable in Melbourne				...	...	...	33,343,996

* Or at any time thereafter, at option of the Government, upon twelve months' notice.

Of the Victorian loans (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £1,864,975 was at 5 per cent.; and the balance (£40,158,455) was at rates varying from 3 to 4 $\frac{7}{8}$ per cent. Of the amount outstanding on 30th June, 1916, £1,154,975 is bearing interest at 5 per cent., £20,000 at 4 $\frac{7}{8}$ per cent., £440,100 at 4 $\frac{1}{2}$ per cent., £279,530 at 4 $\frac{3}{8}$ per cent., £505,500 at 4 $\frac{1}{4}$ per cent., £3,900,000 at 4 $\frac{1}{8}$ per cent., £3,665,604 at 4 per cent., £267,683 at 3 $\frac{3}{4}$ per cent., £18,022,228 at 3 $\frac{1}{2}$ per cent., and £5,087,376 at 3 per cent.

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from amounts raised by means of loans. The following table shows the details of such expenditure in each of the last five years:—

LOAN EXPENDITURE: 1911-12 TO 1915-16.

(Excluding Loans in Aid of Revenue.)

Works.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Railways	1,703,453	1,700,309	2,361,600	2,809,926	2,440,317
Water Supply ..	259,281	267,560	229,127	304,766	347,135
Closer Settlement and Small Holdings ..	889,000	576,610	303,935	173,752	86,938
Wire Netting ..	21,116	54,061	62,428	19,732	3,078
State Coal Mine ..	48,369	446	69,992	20,764	..
State Schools ..	..	..	84,786	200,951	134,441
Country Roads ..	..	..	18,424	274,362	495,062
Other Public Works	52,930	94,858	146,642	647,577	521,128
Total ..	2,974,149	2,693,844	3,276,994	4,451,830	4,028,099
Per Head of Population ..	£ s. d. 2 4 6	£ s. d. 1 19 0	£ s. d. 2 6 5	£ s. d. 3 2 5	£ s. d. 2 16 10

The following statement shows the average annual amount expended in each decade since 1881, and in each of the last five years:—

AVERAGE AMOUNT OF LOAN EXPENDITURE PER ANNUM.

	£
10 years ended 30th June, 1891	2,270,128
10 years ended 30th June, 1901	755,194
10 years ended 30th June, 1911	976,497
Year ended 30th June, 1912	2,974,149
Year ended 30th June, 1913	2,693,844
Year ended 30th June, 1914	3,276,994
Year ended 30th June, 1915	4,451,830
Year ended 30th June, 1916	4,028,099

The amount of the loans raised to 30th June, 1916, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £120,672,403, and of this sum a total of £45,167,841 (exclusive of conversion loans) had been repaid, viz., £4,970,168 out of the general revenue, and £40,197,673 out of the proceeds of redemption loans. The balance outstanding on 30th June, 1916, was £75,504,562. The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follows:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1916	Annual Interest Payable.
	£	£
REVENUE-YIELDING WORKS.		
Railways and Tramways	54,297,366	2,013,103
Waterworks—Melbourne	1,559,786	55,884
" Country	8,494,630	300,222
Harbors	970,869	36,137
Graving Dock	287,759	9,923
Agriculture and Advances to Farmers, &c.	593,060	24,697
Closer Settlement	4,878,785	173,316
Development of Mining	312,538	11,036
Total Revenue-yielding Works	71,394,793	2,624,318
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	510,018	17,884
Defence Works	151,469	5,044
State Schools, Technical Schools, and University	1,651,075	56,499
Other	1,797,207	72,317
Total other Permanent Works	4,109,769	151,744
Net Borrowings	75,504,562	2,776,062

Out of the proceeds of these loans outstanding on 30th June, 1916, sums not yet expended amount in the aggregate to £914,934 of which £496,628 is for railways, £119,018 for country water supply, £38,913 for State Schools, &c., and £260,375 for different other services. Of the amount of the loans outstanding, 94½ per cent. has been allotted to revenue-yielding works, as detailed above.

The total amount of loans outstanding on 30th June, 1916, exclusive of debentures for £1,000 overdue since 1897 and of Treasury bonds in aid of revenue, was £75,503,562, and of this sum £21,095,177 was in the form of debentures; £39,663,166 of inscribed stock (London Register); £9,760,359 of inscribed stock (Melbourne Register); and £4,984,860 of Treasury bonds. The following are the dates on which these loans are repayable, the place where repayable (Melbourne or London) being indicated:—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN REPAYABLE.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures.</i>		£	£	£
1296	1st April, 1913-23 ...	4	746,755	...	746,755
1440	" 1913-22 ...	3	63,000	...	63,000
1659	1st July, 1921-30 ...	3	969,850	...	969,850
1753	1st Jan., 1923-32 ...	3	367,900	...	367,900
1901	" 1934-54 ...	3	123,874	...	123,874
	15th April, 1914-23 ...	3½	35,000	...	35,000
	1st March, 1918 ...	3¾	18,000	...	18,000
	1st April, 1919-20 ...	5	50,000	...	50,000
	" 1921 ...	3½	447,980	...	447,980
	" 1922 ...	3½	300,000	...	300,000
	1st July, 1922 ...	3½	66,660	...	66,660
	" 1923 ...	3½	70,000	...	70,000
	29th Aug., 1923 ...	3¾	3,200	...	3,200
	22nd Oct., 1923 ...	3¾	1,500	...	1,500
	1st April, 1924 ...	3¾	1,600	...	1,600
	1st Oct., 1924 ..	4	2,000	...	2,000
	1st April, 1925 ...	4	8,200	...	8,200
2629	29th Nov., 1925-40 ...	3¾	60,000	...	60,000
1962	24th May, 1926 ...	3½	3,000	...	3,000
	27th Feb., 1926, to 29th Nov., 1940 ...	3¾	160,000	...	160,000
	2nd April, 1926-29th Nov., 1940 ...	3½	28,900	...	28,900
	December, 1926-1941 ...	3½	24,500	...	29,500
	1st Feb., 1927-1942 ...	3½	103,800	...	103,800
	April, 1927 ...	3½	150,000	...	150,000
	1st Nov., 1927-32 ...	3½	41,400	...	41,400
	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	1st Jan., 1929 ...	3½	60,000	...	60,000
	30th June, 1929 ...	3½	2,650	...	2,650
	31st Dec., 1929 ...	3½	100,000	...	100,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures—continued.</i>		£	£	£
2629	1st July, 1930	3½	82,000	...	82,000
	1st Oct., 1930	3½	100,000	...	100,000
	1st March, 1931-46	3½	15,400	...	15,400
1962	1st April, 1931... ..	3½	800,000	...	800,000
	1st Oct., 1931	3½	200,000	...	200,000
1990	1st April, 1926-41	3½	283,480	...	283,480
	18th Oct., 1926	3½	100,000	...	100,000
	1st April, 1927-42	3½	500	...	500
	1st July, 1927... ..	3½	6,000	...	6,000
	1st October, 1927	3½	46,000	...	46,000
	28th Feb., 1917	5	9,040	...	9,040
	1st April, 1918	5	473,000	...	473,000
	1st March, 1919	4	40,000	...	40,000
	1st April, 1919	5	16,400	...	16,400
	„ 1920	5	10,000	...	10,000
1st March, 1924	4	10,000	...	10,000	
1st July, 1925... ..	4½	500,000	...	500,000	
1st Oct., 1926-41	3½	9,000	...	9,000	
1st April, 1927	4	185,400	...	185,400	
2026	16th April, 1927-42	3½	280,000	...	280,000
	1st July, 1927-42	3½	100,000	...	100,000
	„ 1928	3½	400,000	...	400,000
	1st Oct., 1930	3½	500,000	...	500,000
	1st Jan., 1931	3½	61,648	...	61,648
	24th Oct., 1931-46	3½	100,000	...	100,000
	29th Dec., 1931, to 24th Oct., 1946	3½	50,500	...	50,500
	7th Feb., 1932, to 24th Oct., 1946	3½	50,500	...	50,500
	1st May, 1932, to 24th Oct., 1946	3½	1,000	...	1,000
	1st Jan., 1934-49	4	5,300	...	5,300
	1st Oct., 1916	4	400	...	400
	1st Dec., 1918	4	12,700	...	12,700
	1st March, 1919	4	51,000	...	51,000
2041	1st July, 1921	4	7,500	...	7,500
	1st Oct., 1923	4	600	...	600
	1st April, 1924	4	200	...	200
	1st July, 1924	4	2,300	...	2,300
	1st Oct., 1924	4	13,100	...	13,100
	1st Jan., 1928-43	3½	3,600	...	3,600
	„ 1929	3½	16,000	...	16,000
	„ 1928	4	50,000	...	50,000
	1st April, 1929	4	20,000	...	20,000
	1st May, 1929	4	100,000	...	100,000
	1st June, 1929	4	30,000	...	30,000
	1st Oct., 1929... ..	4	10,000	...	10,000
	1st Oct., 1930	3½	100,000	...	100,000
	2053	1st July, 1928	3½	75,500	...	75,500
1st Jan., 1929		3½	40,000	...	40,000

**TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—continued**

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures—continued.</i>		£	£	£
2116	1st July, 1928 ...	3½	345,000	...	345,000
	1st Jan., 1929 ...	3½	154,000	...	154,000
2163	1st Aug., 1915, to 1st Feb., 1920 ...	3½	100,000	...	100,000
	1st April, 1919 ...	3½	130,650	...	130,650
	30th June, 1929 ...	3½	4,850	...	4,850
2286	1st Oct., 1929-44 ...	3½	400	...	400
	1st April, 1921... ..	3½	788,220	...	788,220
	1st May, 1921 ...	3½	1,000,000	...	1,000,000
2323	1st April, 1922 ...	3½	1,307,100	...	1,307,100
	" 1932 ...	3½	514,350	...	514,350
2635	15th " March, 1918 ...	4½	50,000	...	50,000
	15th May, 1918 ...	4½	100,000	...	100,000
	15th Oct., 1918 ...	4½	100,000	...	100,000
	29th Dec., 1918 ...	4½	100,000	...	100,000
	1st July, 1918-19 ...	4½	25,000	...	25,000
2415	1st April, 1919-20 ...	5	75,000	...	75,000
	1st July, 1920 ...	4	14,400	...	14,400
2429	1st April, 1921-3 ...	4½	1,000	...	1,000
	1st Aug., 1920-22 ...	5½	...	100,000	100,000
	1st July, 1927 ...	4½	60,000	...	60,000
	1st April, 1930 ...	4	20,000	...	20,000
	1st July, 1930 ..	4	20,000	...	20,000
	1st March, 1919 ...	4	170,000	...	170,000
	1st Oct., 1920 ...	4	4,000	...	4,000
	1st July, 1922 ..	3½	59,590	...	59,590
	" 1923 ...	3½	56,250	...	56,250
	1st Oct., 1923 ...	4	500	...	500
	1st Jan., 1925 ...	4	3,400	...	3,400
	2481	1st April, 1927 ...	4	800	...
1st Jan., 1929 ...		4	20,000	...	20,000
28th Nov., 1917 ...		4½	350,000	...	350,000
16th Dec., 1917 ...		4½	225,000	...	225,000
" 1924 ...		4	8,400	...	8,400
1st Jan., 1925 ...		4	500	...	500
1st July, 1929 ...		4	110,000	...	110,000
1st Aug., 1929 ...		4	30,000	...	30,000
15th Dec., 1917 ...		4½	100,000	...	100,000
" Jan., 1918 ...		4½	225,000	...	225,000
2531	15th Feb., 1918 ...	4½	225,000	...	225,000
	15th March, 1918 ...	4½	275,000	...	275,000
	15th April, 1918 ...	4½	325,000	...	325,000
	15th May, 1918 ...	4½	225,000	...	225,000
	15th July, 1918 ...	4½	325,000	...	325,000
	16th Aug., 1918 ...	4½	325,000	...	325,000
	15th Sept., 1918 ...	4½	325,000	...	325,000
	15th Oct., 1918 ...	4½	225,000	...	225,000
	29th Dec., 1918 ...	4½	100,000	...	100,000
	1st April, 1920-25 ..	4½	...	784,700	784,700

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures—continued.</i>		£	£	£
2568	1th Jan., 1918 ...	4½	100,000	...	100,000
	15th Feb., 1918 ...	4½	100,000	...	100,000
	28th April, 1919 ...	4½	25,000	...	25,000
	28th May, 1919 ...	4½	25,000	...	25,000
	28th June, 1919 ...	4½	25,000	...	25,000
	28th July, 1919 ...	4½	25,000	...	25,000
	28th Aug., 1919 ...	4½	25,000	...	25,000
	28th Sept., 1919 ...	4½	25,000	...	25,000
2591	28th Oct., 1919 ...	4½	15,000	...	15,000
	29th Nov., 1919 ...	4½	15,000	...	15,000
	29th Dec., 1919 ...	4½	15,000	...	15,000
	1st Jan., 1920 ...	4½	179,530	...	179,530
	28th Jan., 1920 ...	4½	15,000	...	15,000
	28th Feb., 1920 ...	4½	15,000	...	15,000
	28th March, 1920 ...	4½	15,000	...	15,000
	28th April, 1920 ...	4½	10,000	...	10,000
2772	1st April, 1918-19 ...	5	1,000	...	1,000
	„ 1919 ...	5	3,500	...	3,500
	„ 1919-20 ...	5	3,200	...	3,200
	„ 1919-21 ...	5	1,100	...	1,100
2794	29th Dec., 1918 ...	4½	100,000	...	100,000
	1st April, 1919-20 ...	5	125,000	...	125,000
	„ 1920 ...	4½	20,000	...	20,000
	1st Aug., 1920-22 ...	5½	...	550,000	550,000
	<i>Inscribed Stock (London).</i>				
760	1st Oct., 1918-22 ...	4	1,112*	2,998,888	3,000,000†
2026					
805					
845	„ 1919 ...	4	33,300*	3,966,700	4,000,000
989	„ 1920 ...	4	45,800*	5,954,200	6,000,000
1032	1st Oct., 1923 ...	3½	19,800*	6,980,200	7,000,000
1196	1st Jan., 1921-26 ...	3½	22,050*	4,977,950	5,000,000
1217					
1560	„ 1929-49 ...	3	250,883*	4,211,331	4,462,214
	1st Oct., 1929-49 ...	3½	30,160*	4,701,797	4,731,957
	1st April, 1940-60 ...	4	...	979,700	979,700
1562	1st Jan., 1929-49 ...	3	...	1,000,000	1,000,000
2167	1st Oct., 1929-49 ...	3½	...	1,500,000	1,500,000
2428	1st April, 1940-60 ...	4	10,200*	1,989,800	2,000,000
2480	1st April, 1920-25 ...	4½	...	1,465,300	1,465,300

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1916, was £1,936,900.

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN REPAYABLE—continued.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Inscribed Stock (Melbourne)</i>		£	£	£
1468	29th Sept., 1917, or after	3	2,517,773	...	2,517,773
1552					
1564					
1623	" " "	3	186,188	...	186,188
1602					
1749	" " "	3	14,162	...	14,162
1659	1st July, 1921-30	3	2,800	...	2,800
1753	29th Sept., 1917, or after	3	3,948	...	3,948
	" " "	3½	326,406	...	326,406
	" " "	4	10,800	...	10,800
	1st April, 1919	3½	351,697	...	351,697
	1st April, 1920	4	1,000	...	1,000
	1st July, 1920 ...	4	706	...	706
	1st April, 1921	3½	32,525	...	32,525
	April to May, 1922	4	98,500	...	98,500
2629	1st April, 1923	3½	1,963	...	1,963
1962	1st Aug., 1923	3½	1,420	...	1,420
	1st April, 1923	4	1,000	...	1,000
	1st Oct., 1923	3½	268,000	...	268,000
	" " "	4	905	...	905
	" " 1924	3½	85,859	...	85,859
	1st Feb., 1927-42	3½	800	...	800
	1st April, 1927	4	1,000	...	1,000
	11th March, 1936	4	300,000	...	300,000
1990	29th Sept., 1917, or after	3½	108,735	...	108,735
	1st April, 1926-41	3½	2,400	...	2,400
	30th Dec., 1916	4½	25,000	...	25,000
	11th Jan., 1917	4½	20,000	...	20,000
	1st April, 1917	5	25,000	...	25,000
	29th Sept., 1917, or after	3	35,257	...	35,257
	" " "	3½	679,885	...	679,885
	" " "	4	33,128	...	33,128
	1st April, 1918	5	44,418	...	44,418
	— Feb., 1918-19	5	35,000	...	35,000
2026	1st Feb., 1919	4	42,00	...	42,200
	1st April, 1919	5	89,185	...	89,185
	— April, 1919-20	5	500	...	500
	1st April, 1921	5	64,000	...	64,000
	1st July, 1921	4	75,000	...	75,000
	1st Oct., 1923	4	700	...	700
	1st Jan., 1924	4	4,750	...	4,750
	1st April, 1927	4	241,300	...	241,300

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Inscribed Stock (Melbourne)</i> —continued.				
			£	£	£
	29th Sept., 1917, or after	3½	161,066	...	161,066
	" " " "	4	400	...	400
	1st April, 1918	5	1,100	...	1,100
	1st June, 1918	5	25,000	...	25,000
	1st Feb., 1919	4	8,000	...	8,000
	1st April, 1919	5	11,000	...	11,000
	28th Oct., 1919	4	14,240	...	14,240
	1st April, 1920	4	2,400	...	2,400
2041	8th and 12th May, 1922	4½	12,000	...	12,000
	1st Oct., 1923	3	151,515	...	151,515
	" " " "	4	19,045	...	19,045
	1st Jan, 1924	4	14,000	...	14,000
	1st Feb., 1924	4	1,500	...	1,500
	1st July, 1924	4	21,000	...	21,000
	1st Oct., 1924	3½	1,737	...	1,737
	1st April, 1927	4	750	...	750
	" " 1930	4	20,000	...	20,000
2053	29th Sept., 1917, or after	3½	46,026	...	46,026
2116	" " " "	3½	1,000	...	1,000
2161	" " " "	3	499,650	...	499,650
2163	" " " "	3½	57,791	...	57,791
2218	" " " "	3½	29,750	...	29,750
2240	" " " "	3½	142,950	...	142,950
	" " " "	3½	11,800	...	11,800
	1st April, 1919	3½	70,707	...	70,707
2286	1st June, 1922	3½	30,000	...	30,000
	1st October, 1923	3½	75,758	...	75,758
	" " 1924	3½	23,515	...	23,515
2308	1st June, 1931, or after	4	373,604	...	373,604
	— July, 1916...	4	1,250	...	1,250
	29th Sept., 1917, or after	3½	28,550	...	28,550
	" " " "	4	6,000	...	6,000
2323	1st July, 1918 ...	4	2,500	...	2,500
	1st April, 1919	3½	77,778	...	77,778
	1st Oct., 1919	4	700	...	700
	" " 1920	4	400	...	400
	24 June, 1922	4	10,000	...	10,000
	1st April, 1919	5	14,680	...	14,680
	28th Oct., 1919	4	6,000	...	6,000
	1st April, 1919-20	5	1,000	...	1,000
	" " 1919-21	5	1,000	...	1,000
2635	1st Aug., 1920	4½	25,000	...	25,000
2415	1st April, 1921	3½	75,717	...	75,717
	1st June, 1921	5	25,000	...	25,000
	14th April, 1922	4	6,000	...	6,000
	1st Oct., 1923	3½	26,818	...	26,818
	1st April, 1925	4	8,500	...	8,500

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—continued.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.			
			In Melbourne.	In London.	Total.	
	<i>Inscribed Stock (Melbourne)</i> —continued.		£	£	£	
2429	1st July, 1916, to 16th July, 1918	3½	20,000	...	20,000	
	29th Sept., 1917, or after	3	5,400	...	5,400	
	" " " "	3½	46,940	...	46,940	
	" " " "	4	8,000	...	8,000	
	1st Feb., 1918	4	3,800	...	3,800	
	1st August, 1918	4	78,600	...	78,600	
	1st Oct., 1918	4	3,750	...	3,750	
	1st April, 1919	3½	249,818	...	249,818	
	1st Oct., 1921	4	1,000	...	1,000	
	21st Jan. to 9th Feb., 1922	4	30,000	...	30,000	
	1st June, 1922	3½	35,000	...	35,000	
	" " " " " " " "	3½	87,909	...	87,909	
	1st Oct., 1923	4	70,000	...	70,000	
	" " " " " " " "	3½	30,303	...	30,303	
	" " " " " " " "	4	6,750	...	6,750	
	1st April, 1925	4	440	...	440	
	1st Oct., 1916...	4	1,100	...	1,100	
	1st July, 1916, to 1st Oct., 1917	4	200	...	200	
	29th Sept., 1917, or after	4	145,016	...	145,016	
	1st Oct., 1918	4	1,070	...	1,070	
	1st and 7th Oct., 1919	4	4,400	...	4,400	
	1st April, 1920	4	2,200	...	2,200	
	2481	" " " " " " " "	3½	16,758	...	16,758
		1st July and Oct., 1921	4	14,300	...	14,300
3rd Dec., 1921, to 5th May, 1922	4	34,500	...	34,500		
1st Oct., 1924	3½	201,717	...	201,717		
" " " " " " " "	4	27,009	...	27,009		
" " " " " " " "	4	200	...	200		
2531	1st April, 1927	4	200	...	200	
	29th Sept., 1917, or after	3	31,137	...	31,137	
2568	21st Dec., 1921, to 8th May, 1922	4½	90,000	...	90,000	
	29th Sept., 1917, or after	4	1,814	...	1,814	
2591	1st April, 1920	4¾	100,000	...	100,000	
	29th Sept., 1917, or after	3	15,554	...	15,554	
" " " " " " " "	4	11,450	...	11,450		
" " " " " " " "	4	20,000	...	20,000		
7th June, 1918	4½	20,000	...	20,000		
28th Oct., 1919	4½	5,500	...	5,500		
1st Oct., 1920	4½	6,600	...	6,600		
18th Nov., 1922	4½	7,500	...	7,500		
1st Oct., 1925	4	1,200	...	1,200		

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1916, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Inscribed Stock (Melbourne)</i> —continued.		£	£	£
2772	29th Sept., 1917, or after	4	1,660	...	1,660
	1st April, 1918 ...	5	9,082	...	9,082
	„ 1918-19 ...	5	24,000	...	24,000
	„ 1919 ...	5	4,540	...	4,540
2794	„ 1919-20 ...	5	2,600	...	2,600
	1st April, 1918-19 ...	5	5,000	...	5,000
	„ 1919 ...	5	5,630	...	5,630
	<i>Treasury Bonds.</i>				
1982	1st July, 1916 ...	3½	1,518,000	...	1,518,000
	— 1917 ...	3½	3,014,860	...	3,014,860
	— 1921 ...	3½	352,000	...	352,000
	1st April, 1922...	3½	100,000	...	100,000
617	<i>Melbourne and Hobson's Bay Railway Debentures.</i> (Overdue since 1897) ...	...	1,000	...	1,000
	<i>Treasury Bonds in Aid of Revenue.</i>				
2563	1917 ...	4½	125,000	...	125,000
	1917-19 ...	4½	425,000	...	425,000
	1918-19 ...	4½	320,470	...	320,470
2784	1917-23 ...	4½	150,000	...	150,000
	1918-19 ...	5	100,000	...	100,000
2785	1919-20 ...	5	150,000	...	150,000
	Total (including loans in aid of revenue)	...	34,614,466	42,160,566	76,775,032

In regard to due dates it may be mentioned that in several instances, where they cover a series of years, the Government by giving twelve months' notice has the option of fixing the particular year of redemption. If it be assumed that loans at the higher rates of interest will be redeemed at the earliest and those at the lower rates at the latest dates of option, or that all optional loans will be redeemed at the latest dates, the following table shows the years in which the outstanding debt will be met.

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1916.

(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—		
	3 per cent. loans are redeemed at latest, and all others at earliest date of option.	Loans at 3½ per cent. and under are redeemed at latest, and all others at earliest date of option.	All loans are redeemed at latest date of option.
	£	£	£
Overdue and Unclaimed	1,000	1,000	1,000
1916	2,325,205	2,325,205	1,558,250
1917	6,033,067	4,392,168	4,174,100
1918	7,813,020	7,313,020	4,243,020
1919	6,347,495	6,347,495	6,028,495
1920	9,338,736	9,338,736	6,846,036
1921	3,030,500	3,030,500	2,907,100
1922	2,130,350	2,130,350	5,904,850
1923	7,942,083	7,942,083	8,689,838
1924	455,740	455,740	455,740
1925	582,240	582,240	2,772,240
1926	616,280	5,263,000	5,103,000
1927	1,248,650	691,450	691,450
1928	90,100	897,500	897,500
1929	6,979,857	747,500	747,500
1930	1,814,650	1,814,650	1,814,650
1931	1,601,152	1,435,252	1,061,648
1932	933,750	954,350	954,350
1934	5,300	5,300	
1936	300,000	300,000	300,000
1940	2,979,700	3,008,600	248,900
1941 ... ..	...	324,380	324,380
1942 ... ..	...	485,100	485,100
1943 ... ..	...	3,600	3,600
1944 ... ..	...	400	400
1946 ... ..	...	217,400	217,400
1949	5,462,214	11,694,171	11,694,471
1951	123,874	123,874	123,874
1960 ... ..	...	...	2,979,700
Indefinite	3,309,069	4,949,968	5,541,840
To end of 1925	50,499,436	43,858,537	43,580,269
After 1925... ..	26,275,596	32,916,495	33,194,763
Total	76,775,032	76,775,032	76,775,032

In connexion with the replacing of London loans as they fall due by local issues, and the practice which, except in a few instances, has been followed of late years, of borrowing money in the State

instead of going to London for it, the following particulars are of interest :—

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE : 30TH JUNE, 1900, AND 1907 TO 1916.
(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900	44,655,579	4,669,306	1,735,307	152,046
1907	39,629,869	13,475,120	1,450,950	450,952
1908	37,533,136	15,772,351	1,367,800	531,616
1909	38,592,431	16,074,766	1,404,875	543,219
1910	39,012,436	16,564,289	1,419,579	560,520
1911	37,417,128	20,566,636	1,353,208	701,154
1912	37,392,128	23,345,088	1,352,333	799,227
1913	37,281,578	25,495,146	1,343,306	875,621
1914	39,275,178	26,855,548	1,428,076	926,666
1915	41,333,738	31,750,189	1,520,762	1,131,811
1916	42,160,566	31,614,466	1,562,884	1,270,886

An important point in relation to the London loans is that certain expenses occur each year in connexion with the payment of interest on them which are not common to local issues. In the last financial year the amount was £6,265, which was paid as commission; the corresponding totals in the immediately preceding years were :—£6,310 in 1909-10, £6,079 in 1910-11, £5,625 in 1911-12, £5,611 in 1912-13, £10,740 in 1913-14, and £6,276 in 1914-15.

The average rate of interest on the outstanding loans of the State is substantially less than it was a few years ago, and the following table, comparing the figures for 1900 (the year before Federation) with those for each of the last four years, illustrates this fact :—

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST : 1900 AND 1913 TO 1916.

(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per cent	Nominal amount outstanding on 30th June—				
	1900.	1913.	1914.	1915.	1916.
	£	£	£	£	£
5½ ...	...	...	...	...	650,000
5 ...	...	...	...	...	1,404,975
4½ ...	...	...	...	...	20,000
4¼ ...	5,000,000	...	...	2,974,760	3,265,100
4 ...	...	...	...	300,000	600,000
4½ ...	...	100,000	...	150,000	630,500
4¼ ...	...	...	...	2,300,000	3,900,000
4 ...	27,060,795	15,375,117	18,207,001	19,500,706	19,554,892
3½ ...	...	248,000	267,683	267,683	267,683
3¼ ...	12,250,000	36,759,065	37,354,586	37,314,973	36,182,175
3 ...	300,000	...	...	...	...
3 ...	4,714,090	10,293,542	10,300,456	10,274,805	10,298,707
Overdue*	...	1,000	1,000	1,000	1,000
Total	49,324,885	62,776,724	66,130,726	73,083,927	76,775,032

* Not bearing interest.

The difference between the interest in 1900 and in 1916 represents a saving of £103,927 per annum on the debt of £76,775,032 at 30th June, 1916.

The loans authorized, but not raised, on 30th June, 1916, amounted to £7,446,046, which sum represents the unflated balance of loans authorized since 1895. The following return gives the particulars of these loans :—

**LOANS AUTHORIZED, BUT NOT RAISED :
30TH JUNE, 1916.**

Under Loan Act No.	Total.		
	Authorized.	Raised to 30th June, 1916.	Balance not raised.
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	106,196	1,010,412
1816	100,000	93,869	6,131
2041	1,250,000	885,003	364,997
2163	500,000	465,900	34,100
2308	2,000,000	376,004	1,623,996
2323	2,000,000	1,948,878	51,122
2635	800,000	755,115	44,885
2415	800,000	755,115	44,885
2480	2,500,000	1,465,300	1,034,700
2531	3,600,000	3,580,837	19,163
2568	800,000	451,814	348,186
2591	500,000	347,334	152,666
2772	75,000	50,682	24,318
2794	3,500,000	805,630	2,694,370
Total	18,841,608	11,395,562	7,446,046

The next return shows the growth of the funded debt and interest since the date of the establishment of responsible government in 1855. The average rate of interest payable on the indebtedness has declined from 6 per cent. in 1855 to a little over $3\frac{1}{2}$ per cent. in recent years. In relation to population the annual interest per head substantially

increased from 1855 to 1900, from that year to 1914 there was only a slight increase, but since 1914 there has again been a marked advance.

GROWTH OF FUNDED DEBT AND INTEREST: 1855 TO 1916.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.		
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.	
		Total.	Average rate per cent.			
£	£		£ s. d.	£ s. d.		
1855	480,000	28,800	6·00	1 6 4	0 1 7	
1860	5,118,100	306,405	5·99	9 10 4	0 11 5	
1870	11,924,800	688,740	5·78	16 8 3	0 19 0	
1880	20,056,600	1,004,436	5·01	23 11 9	1 3 7	
1890	41,377,693	1,649,465	3·99	36 19 11	1 9 6	
1900	48,774,885	1,867,604	3·83	40 17 4	1 11 3	
1901	49,546,275	1,861,547	3·76	41 2 5	1 10 11	
1902	50,408,957	1,887,877	3·74	41 10 4	1 11 1	
1903	51,097,900	1,904,514	3·73	42 0 10	1 11 4	
1904	51,519,962	1,876,011	3·64	42 6 11	1 10 10	
1905	51,513,767	1,875,249	3·64	42 2 0	1 10 8	
1906	52,904,800	1,915,499	3·62	42 15 9	1 11 0	
1907	52,954,989	1,897,027	3·58	42 5 10	1 10 4	
1908	53,180,487	1,895,354	3·56	42 0 6	1 10 0	
1909	54,567,197	1,944,844	3·56	42 12 3	1 10 5	
1910	55,501,725	1,977,662	3·56	42 14 6	1 10 5	
1911	57,933,764	2,052,737	3·54	43 17 9	1 11 1	
1912	60,712,216	2,150,748	3·54	44 17 7	1 11 10	
1913	62,776,724	2,223,927	3·54	45 3 0	1 12 0	
1914	66,130,726	2,354,742	3·56	46 10 1	1 13 1	
1915	72,183,927	2,612,698	3 62	50 12 1	1 16 8	
1916	75,504,562	2,776,062	3·68	53 14 1	1 19 5	

SINKING FUNDS.

Sinking Funds
of Australian
States and
the Common-
wealth.

On 30th June, 1916, the sinking funds in Australia were as follows:—

SINKING FUNDS IN AUSTRALIA: 30TH JUNE, 1916.

Held in—	Sinking Funds in Connexion with—	
	Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	1,758,977	1,127,155
New South Wales	439,612	586,009
Queensland	258,897	..
South Australia	1,318,500	23,112
Western Australia	4,528,432	277,098
Tasmania	704,312	195,713
The Commonwealth	303,434	..
Total	9,312,164	2,209,087

* Figures for 1915

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1916:—

	Balance at Credit.
Mallee Land Account	£70,093
Closer Settlement Fund	66,516
Victorian Loans Redemption Fund	446,216
Victorian Government Consolidated Inscribed Stock Redem- tion Fund	1,176,152
Total	£1,758,977

By Act No. 1428 of 1896, the moneys accruing from licensing, leasing, or selling of land in the Mallee country, or Mallee border, are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1915, was £53,670, and during 1915-16 the receipts amounted to £74,423, and the expenditure to £58,000, so that the balance in the fund on 30th June, 1916, was £70,093.

Closer Settlement Fund. By Act No. 1749 of 1901, it was provided that all moneys received by the Board of Land and Works, from lessees or purchasers of farm allotments, or purchasers of any land acquired by the Board, pursuant to the general provisions of the Act, should be paid into the Treasury, and placed to the credit of a separate account to be called "The Farm Settlements Fund," which fund should be applied principally to the redemption of stock and debentures issued for Closer Settlement purposes, and the payment of interest thereon. Under the Closer Settlement Act of 1904, this fund was transferred to the Board appointed to administer that Act, and is called the "Closer Settlement Fund."

Consolidated Inscribed Stock Redemption Fund. By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses connected with such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1915-16 there was no expenditure from this fund and receipts amounted to £146,412. Transactions to 30th June, 1916, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK REDEMPTION FUND: 30TH JUNE, 1916.

Transactions.	To 30th June, 1916.
RECEIPTS.	
Waterworks Trusts	£ 230,163
Mallee Land Account	632,000
Revenue	417,885
Interest on Investments	174,679
Miscellaneous	97,046
Total receipts	1,551,773
EXPENDITURE.	
Purchase of Stock	374,398
Commission, &c.	1,211
Investment Expenses	12
Total expenditure	375,621
Balance in the Fund	1,176,152
Amount of stock repurchased and cancelled	397,305

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £1,119,461 was invested in Victorian Government debentures and stock, and £56,691 held in cash.

Loans
Redemption
Fund.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district and of sundry loans made by the Government to municipalities, &c. During 1915-16 receipts amounted to £280,684, and £225,754 was expended in the purchase for cancellation of £225,988 stock and debentures, of which £141,308 bore interest at 3 per cent., £25,500 at 3½ per cent., and £59,180 at 4 per cent. Transactions in this fund to 30th June, 1916, are shown in the following statement:—

THE VICTORIAN LOANS REDEMPTION FUND :
30TH JUNE, 1916.

Transactions.	To 30th June, 1916.
RECEIPTS.	
	£
From Revenue	1,306,531
Resumption of land in Mallee Districts and valuation of improvements	24,338
Payments by Municipalities	33,226
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	76,357
Repayment of Loans—	
Bush fires relief	22,263
Floods relief	1,453
Seed advances	172,989
New pilot steamer	9,343
Yarrowee Channel	12,667
Wire Netting	187,755
Cool stores	500
Municipalities	74
Cattle advances	10,431
Excess of face value of securities over amount invested	409
Total receipts	2,123,336
EXPENDITURE.	
Purchase of stock and debentures	1,677,120
Balance in the fund	446,216
Amount of stock and debentures repurchased and cancelled	1,692,853

The balance in the fund was represented by the face value of Victorian Government debentures and stock amounting to £364,020, and by £82,196 held in cash.

DEBTS IN AUSTRALIA AND NEW ZEALAND.

The following is a summary of the funded debts of the Australian States, the Commonwealth, and New Zealand on 30th June, 1916, showing the amounts, the amounts per head of population, the total interest payable, the average rate per cent., and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

FUNDED DEBTS OF THE AUSTRALIAN STATES, THE COMMONWEALTH, AND NEW ZEALAND: 30TH JUNE, 1916.

	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	75,504,562	53 14 0	2,776,062	1 19 6	3·68
New South Wales	130,514,018	70 6 0	4,848,971	2 12 3	3·72
Queensland ..	55,786,196	81 2 11	2,159,361	3 2 10	3·87
South Australia ..	37,743,289	87 1 1	1,435,976	3 6 3	3·80
Western Australia	39,139,676	124 7 6	1,439,621	4 11 6	3·68
Tasmania ..	13,903,913	70 8 0	528,933	2 13 7	3·80
The Commonwealth	78,044,097	15 18 4	3,479,929	0 14 2	4·46
Total ..	430,635,751	87 16 8	16,669,353	3 8 0	3·67
New Zealand (31.3.16)	109,637,397	99 12 8	4,181,297	3 16 0	3·81

In the next statement will be found the indebtedness per head of the various States of Australia and New Zealand at the close of each of the last five financial years:—

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN AUSTRALIAN STATES AND NEW ZEALAND: 1912 TO 1916.

	At 30th June—				
	1912.	1913.	1914.	1915.	1916.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	44 17 7	45 3 0	46 10 1	50 12 1	53 14 0
New South Wales ..	57 15 6	58 14 10	62 17 9	68 7 2	70 6 0
Queensland..	69 18 2	76 15 10	76 16 10	78 17 5	81 2 11
South Australia ..	69 19 3	69 10 4	76 12 0	80 1 2	87 1 1
Western Australia ..	86 18 8	96 8 10	106 5 0	114 15 10	124 7 6
Tasmania ..	59 1 8	58 14 4	62 6 1	66 3 9	70 8 0
New Zealand (31st March)	81 15 7	84 16 6	91 10 2	90 18 4	99 12 3

The following is a statement of the total indebtedness of the Australian States and the Commonwealth in 1916:—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIA : 1916.

	State and Federal Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	75,504,562	1,642,091	19,004,244	96,150,897	68 7 9
New South Wales	130,514,018	5,616,065	8,389,491	144,519,574	77 16 11
Queensland* ..	55,786,196	1,125,350	1,376,033	58,287,579	84 15 9
South Australia ..	37,743,289	854,857	344,875	38,943,021	89 16 5
Western Australia	39,139,676	1,360,965	1,840,961	42,341,602	134 11 0
Tasmania ..	13,903,913	5,000	970,121	14,879,034	75 6 9
The Commonwealth	78,044,097	9,568,391	..	87,612,488	17 17 5
Total ..	430,635,751	20,172,719	31,925,725	482,734,195	98 9 2

* Excluding Government Savings Bank Stock and Debentures, £1,349,500.

The figures in the table show the full public indebtedness of the Commonwealth, including Federal, State, municipal, and corporation debts, to the latest date at which comparison can be made. Victoria has the smallest amount of debt *per capita*, Tasmania has the next smallest, and Western Australia the largest. There are, of course, private debts to a considerable extent and private investments by British capitalists; but there is no reliable information as to the amount of this class of indebtedness.

The State debts are those for the year ended in 1916, while the municipal and corporation debts are for the year ended in 1915, figures for 1916 for other States than Victoria not being available. The complete figures for Victoria for 1916 appear in the succeeding statement:—

STATE AND LOCAL DEBTS: 1916.

State Debts (Funded)—	£	£
London Register	42,160,566	
Melbourne Register	33,342,996	
State Debts (Unfunded)	1,642,091	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
Total State Debts	77,146,653	
Municipal	5,869,260	
Harbor Trusts	2,640,000	
Metropolitan Fire Brigades Board	230,000	
Melbourne and Metropolitan Board of Works	10,573,160	
Total Debts of Municipalities and Corporations	19,312,420	
Total Debts.. .. .	96,459,073	

This sum (£96,459,073) is equal to a debt of £68 12s. 1d. per head of the population on 30th June, 1916.

DEBTS OF VARIOUS COUNTRIES.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table showing the latest available figures is furnished. It must be remembered, when making comparisons with other countries, that the large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation, and water supply works, harbors, and other public works, required for the speedy development of an entirely new country, whilst in the older countries of the world much of this class of work is left to private enterprise. It

Debts of
various
countries.

will be seen that the figures in the table relate to dates prior to or soon after the commencement of the war. There have since been large increases in the indebtedness of some of the countries mentioned:—

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Country.	Year ended—	Public Debt.	
		Total Amount.	Amount per Head of Population.
		£	£ s. d.
United Kingdom	31.3.1915	1,165,801,700	25 2 10
South African Union	31.3.1915	138,210,800	21 7 7
Canada	31.3.1915	143,986,500	17 16 7
British India	31.3.1915	304,765,300	1 5 0
France.. ..	31.12.1912	1,073,369,000	27 1 3
Belgium	31.12.1912	163,684,800	21 12 5
Austria	31.12.1912	519,631,000	17 18 5
Hungary	31.12.1912	274,702,000	12 18 8
German States	1912	771,772,500	11 13 4
German Empire (Imperial)	31.3.1912	242,743,000	3 13 5
Italy	30.6.1912	537,174,000	15 6 9
Norway	30.6.1912	20,156,000	8 6 1
United States of America (Federal)	30.6.1912	211,152,700	2 4 3
United States of America (States, Territories, &c.)	1902	383,228,000	4 17 6
Sweden	31.12.1912	33,455,500	5 19 5
Russia	31.12.1911	945,553,000	5 12 7
Japan	31.3.1913	254,593,000	4 17 4

COMMONWEALTH, STATE, AND LOCAL TAXATION.

The subjoined table shows for the last five financial years the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and local bodies in Victoria:—

COMMONWEALTH, STATE, AND LOCAL TAXATION: 1911-12
TO 1915-16.

Heads of Taxation.	Amount Received.				
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£	£	£	£	£
Federal—					
Customs Duties... ..	3,566,891	4,091,761	3,783,064	3,539,654	4,214,997
Excise Duties	892,929	655,558	645,345	817,175	927,701
Income Tax ... ..	...	...	...	...	89,000
Land Tax	357,279	393,664	422,127	483,826	469,821
Probate Duty ... ..	...	...	...	8,588	198,043
Total Federal Taxation	4,817,099	5,140,983	4,850,536	4,849,243	6,700,562
State—					
Licences	117,973	116,559	116,678	112,953	98,302
Probate & Succession Duties	448,283	443,682	457,042	536,869	510,032
Duties on Bank Notes ...	8,376	2,922	2,401	2,215	2,078
Stamp Duties	276,836	249,485	275,839	287,169	397,978
Land Tax	293,823	308,275	302,224	303,550	352,353
Income Tax	443,248	542,236	527,705	506,214	702,745
Race Clubs' percentage ...	8,727	9,527	11,447	13,071	11,351
Total State Taxation ...	1,597,266	1,672,686	1,693,336	1,762,041	2,074,839
Municipal Taxation ...	1,145,067	1,244,507	1,303,448	1,325,117	1,397,761
Total Taxation ...	7,559,432	8,058,176	7,847,320	7,936,401	10,173,162

The relative pressure of taxation in successive years evidently depends, not on its amount or on its amount per head of population, but on the ability of the community to meet it. The figures in the above table should be read in conjunction with the wealth of the people, as indicated by the banking and probate returns and by income-tax returns, also with alterations in value of property as shown in municipal returns.

The taxation in Victoria per head of population by the Commonwealth, the State, and local bodies is as follows:—

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION: 1911-12 TO 1915-16.

Division.	Taxation per Head of Population in—				
	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	3 12 0	3 14 6	3 8 8	3 7 10	4 14 6
State	1 3 10	1 4 3	1 4 0	1 4 7	1 9 3
Local	0 17 1	0 18 0	0 18 6	0 18 5	0 19 9
Total	5 12 11	5 16 9	5 11 2	5 13 10	7 3 6

In the return following will be found, for the purpose of comparison, particulars of taxation by Government and local bodies throughout the States of Australia:—

TAXATION BY GOVERNMENT AND LOCAL BODIES IN THE STATES OF AUSTRALIA.

	Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	10,100,518	7 2 6
New South Wales	15,951,267	8 10 11
Queensland	4,660,352	6 17 0
South Australia	2,458,844	5 10 8
The Northern Territory		
Western Australia.. ..	1,910,070	6 0 1
Tasmania	889,378	4 8 6
Total	35,970,429	7 5 10

In this return the Commonwealth and the State taxation have been taken for the year 1915-16, and the local taxation for the year 1914-15, and it is shown that the total taxation for Australia is £35,970,429, or an average of £7 5s. 10d. per head per annum. The lowest rate, £4 8s 6d. per head, prevails in Tasmania; South Australia (combined with The Northern Territory owing to difficulty in separating some of the Federal items) and West Australia are next in order, the former with £5 10s. 8d., and the latter with £6 0s. 1d. per head; then follow Queensland, Victoria and New South Wales, with £6 17s., £7 2s. 6d., and £8 10s. 11d. per head respectively. In the United Kingdom, the taxation for the year 1914-15 amounted to £268,222,000, or an average of £5 16s. 5d. per head per annum.

No adjustments on account of Inter-State transfers of dutiable goods have been made in the Customs figures used in this table, and consequently the taxation given for a State such as Victoria, which has a considerable trade in the export to other States of imported goods, is an exaggeration, whilst in the case of a State such as Tasmania, which receives large quantities of dutiable goods through Victoria, the taxation as shown above is without doubt less than the real amount. No other figures are available, however, and, although those given are correct for Australia as a whole, yet they should be regarded as being only fairly accurate for the individual States.

Additional taxation for the financial year 1915-16 comprised a Federal Income Tax which is fully referred to on page 158, and increases in State Income Tax and Stamp Duties.

From 1st July, 1915, until 30th June, 1919, the Victorian Stamp Duties on the following items are double those imposed in 1914-15 :— Bills of Exchange and Promissory Notes drawn in and payable in Victoria (except cheques), Receipts for £2 and upwards, Deeds of Settlement or Gift, Transfers of Real Property, and Fire, Fidelity, Guarantee, or Marine Insurance Licences. For the same period Bills of Exchange (except Bank Notes) drawn in Victoria and payable at any place outside the State, and those drawn at any place outside Victoria and payable in Victoria are dutiable as follows :—

Bills payable on demand (cheques, &c.)	..	1d.
Other Bills not exceeding £25 .. .. .	..	6d.
Other Bills between £25 and £50 .. .. .	..	1s.
Other Bills between £50 and £75 .. .. .	..	1s. 6d.
Other Bills between £75 and £100 .. .. .	..	2s.
Other Bills over £100, 1s. for every £50 or fractional part of £50 of the amount.		

In 1915-6 and the three following years the State Income Tax is increased on incomes over £500 (see page 149). For 1916-17 a Federal Entertainments Tax was imposed by an Act passed on 21st December, 1916, and is levied upon payments for admission to entertainments. The rate is fixed at 1d. when the payment for admission exceeds 6d. and does not exceed 1s. When the payment exceeds 1s. the rate is 1d. for the first shilling and $\frac{1}{2}$ d. for every 6d. or part of 6d. by which it exceeds 1s. On the 23rd October, 1916, the State Legislature passed an Act imposing certain Stamp Duties on Bookmakers' Licences or Permits and on Betting Tickets. The Stamp Duty on the Betting Tickets is as follows :—

Any betting ticket issued by a bookmaker on any race-course within twenty miles of the General Post Office, Melbourne—		
In the grand-stand enclosure .. .. .	..	3d.
Elsewhere in the race-course grounds .. .. .	..	1d.
Any betting ticket issued by a bookmaker on any other race-course .. .. .	..	1d.

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1916, and the amount of fees, under each head, collected during the year. Municipal licences for slaughtering, dairies, noxious trades, the carriage of passengers and goods, &c., are not shown.

LICENCES—NUMBER AND REVENUE: 1916.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.
<i>Excise.</i>		
Distilling—		£ s. d.
General Distillers	4	200 0 0
Wine Distillers	6	150 0 0
Vignerons	17	85 0 0
Test Stills	30	3 8 0
Brewers	20	500 0 0
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	34	1,130 15 6
<i>Licensing.</i>		
Victuallers*	3,556	69,791 0 0
Railway Refreshment Rooms	33	825 0 0
Australian Wine	273	1,365 0 0
Clubs	121	242 0 0
Packet (passenger boat)	12	240 0 0
Grocers (single bottle)	284	2,840 0 0
Wine and Spirit Merchants (two gallon)	366	9,150 0 0
Brewers	25	25 0 0
Vignerons	21	105 0 0
Billiard Tables	362	1,810 0 0
<i>Customs.</i>		
Carriage	1,107	273 17 6
Lighter and Boat	31	6 15 0
Custom House Agents	71	143 15 0
Bond	55	4,026 0 0
<i>Explosives.</i>		
Importation	81	570 0 0
Manufacture of Rackarock and Lithyte	16	4 0 0
Manufacture of other Explosives	9	13 10 0
Magazine	244	157 0 0
Fireworks, Sale of	490	24 10 0
Other than Fireworks, Sale of	1,490	372 10 0
<i>Miscellaneous.</i>		
Auctioneers—General†	855	15,181 9 11
Gold-buyers and Assayers	605	318 7 6

* Including temporary licences, which numbered 976, on which the fees collected amounted to £1,921.

† Including 233 temporary licences, on which the fees collected were £233.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1916; the fees collected in respect of these during the financial year 1915-16 were as follows:—

Description of Licence.	Amount of Fees collected
	£ s. d.
Insurance	43,092 11 4
Sale of Tobacco, &c.	1,861 2 11
Pawnbrokers	900 0 0
Hawkers	947 5 2
Carriers	48 1 0
Stage Carriage	149 15 0
Marine Store	163 8 0
Forwarding Agents	80 0 0
Permits to Fish	0 7 6
Race Clubs	407 0 0