

## PRIVATE PROPERTY AND INCOMES.

THE first century of Australasian history closed on the 26th January, 1888, and though it is impossible to trace step by step the progress made during that period, as the data for the purpose are for the most part wanting, sufficient material is available from which a comparative statement of the wealth of the states at different periods may be deduced. In the following figures the private property of the people has alone been considered, the value of the unsold lands of the state, as well as the value of public works, having been omitted. The table shows the value of private property for the whole of Australasia, and the increase thereof at intervals of twenty-five years from the date when this territory was first colonised :—

Year.	Value of Private Property.
1788 .....	Country first colonised.
1813 .....	£1,000,000
1838 .....	26,000,000
1863 .....	181,000,000
1888 .....	1,015,000,000
1901 .....	1,083,838,000

Though Australasia has but the population of a province of some of the great European powers, in the wealth and earnings of its people it stands before most of the secondary states, and as regards wealth and income per head of population it compares very favourably with any country.

The plan adopted in valuing the elements of private wealth is given in detail in previous issues of this work, and has not been greatly varied on this occasion. Land, houses, and other improvements thereon, represent more than two-thirds of the private wealth. There are now ample data for assessing the value of these, for besides the municipal returns which are available for each state, there are complete land-tax returns for New South Wales, New Zealand, and South Australia. From the information thus to hand, there has been no difficulty in arriving at the value of land separately from its improvements. Estimates of the value of property of all kinds were made with great care for the year 1901 ; these have since been reviewed, and as there does not appear to have been any change of sufficient consequence to warrant an alteration of the estimates arrived at in the census year, the figures have, therefore, been reproduced in this chapter. For all Australasia, the value of land in private hands is £411,747,000, out of

a total wealth of £1,083,838,000; this represents a proportion of 38 per cent., varying in each state, as follows:—

State.	Value of Land.	Proportion of Value of all Property.
New South Wales .....	£142,617,000	39·74 per cent.
Victoria .....	112,396,000	40·30 "
Queensland .....	35,887,000	31·80 "
South Australia .....	34,080,000	41·73 "
Western Australia .....	8,813,000	21·78 "
Tasmania .....	16,488,000	45·86 "
Commonwealth.....	350,281,000	38·54 "
New Zealand.....	61,466,000	35·11 "
Australasia .....	411,747,000	37·99 "

The value of land and improvements together amounts to £738,910,000, or 68·18 per cent. of the total value of property. The following is a statement of the values for each state:—

State.	Value of Land and Improvements.	Proportion of Value of all Property.
New South Wales .....	£263,052,000	73·29 per cent.
Victoria .....	204,294,000	73·25 "
Queensland .....	63,793,000	56·53 "
South Australia .....	56,060,000	68·65 "
Western Australia .....	14,363,000	35·49 "
Tasmania .....	26,243,000	72·99 "
Commonwealth .....	627,805,000	69·08 "
New Zealand .....	111,105,000	63·46 "
Australasia .....	738,910,000	68·18 "

The improvements on the lands of the Commonwealth and New Zealand are valued at £327,163,000; which sum represents 79·46 per cent. of the value of land, ranging between 84·45 per cent. in New South Wales and 59·16 per cent. in Tasmania.

Distributing the total value of private property into the ten subdivisions usually adopted in the classification of the elements of private wealth, the following results are arrived at:—

Classification.	Commonwealth States.	New Zealand.	Total.
	£	£	£
Land .....	350,281,000	61,466,000	411,747,000
Houses and permanent improvements ...	277,524,000	49,639,000	327,163,000
Live stock .....	85,048,000	27,184,000	112,232,000
Furniture and household goods and effects	29,746,000	5,254,000	35,000,000
Personal effects .....	12,066,000	2,318,000	14,384,000
Machinery and implements of trade, excluding mining machinery .....	29,852,000	6,121,000	35,973,000
Shipping .....	5,874,000	1,777,000	7,651,000
Mining properties and plant .....	32,299,000	2,950,000	35,249,000
Merchandise and produce on hand .....	59,711,000	14,021,000	73,732,000
Coin and bullion .....	26,361,000	4,346,000	30,707,000
Total .....	908,762,000	175,076,000	1,083,838,000

The foregoing gives an average of £240 per inhabitant for Australasia, and £243 for the Commonwealth, which figures show a considerable reduction on those of 1890, when the average was not less than £309 per inhabitant. The results fall somewhat short of the truth, inasmuch as they do not take into account property rights, the value of which is not represented by land, buildings, machinery, etc. The case of gas companies may be cited as an example. The total value of the shares of and interests in these companies throughout Australasia is approximately £6,900,000, but in the statement of values of properties given above, the actual property of gas companies appears as value of land, machinery, plant, etc., £4,350,000, no note being taken of value of goodwill and other items which form an appreciable proportion of the value of these works. The actual selling value of the gas undertakings of Australasia is therefore £2,550,000 in excess of the value of their tangible assets, and there are many other cases where a like anomaly exists. For New South Wales it is found that the sum of £18,000,000 might be added to the valuation on this score, and probably a like amount for Victoria, but the data even for these states are imperfect, and it has not been considered desirable to take into consideration an item about which there is any uncertainty.

The distribution of the property amongst the various states is as follows:—

State.	Value of Property.	
	Total.	Per Inhabitant.
	£	£
New South Wales .....	358,934,000	205
Victoria .....	278,887,000	234
Queensland .....	112,860,000	230
South Australia .....	81,664,000	227
Western Australia .....	40,462,000	230
Tasmania .....	35,955,000	208
Commonwealth .....	908,762,000	243
New Zealand .....	175,076,000	229
Australasia .....	1,083,838,000	240

These figures must be taken with some qualification. The foregoing table shows the state wherein the property lies, but gives no indication as to the place of residence of the owners. As is well known, residents in Great Britain have very large interests in Australia and New Zealand, and persons residing in one state have large holdings in other states: thus residents of Victoria and South Australia have large investments in New South Wales, Queensland, and Western Australia, while residents of Victoria and New South Wales are largely interested in Queensland properties. If it were possible to locate the actual ownership of property throughout Australasia it would probably be found that the actual distribution is very different from the apparent distribution as shown above.

The figures available to illustrate the amount of property possessed by persons not living within the state in which their property is situated are by no means complete; indeed details of any kind are obtainable only for New South Wales, Victoria, and New Zealand.

An analysis of the information gathered by the Stamps Office in Sydney for the purpose of assessing the values of the estates of deceased persons shows that the ownership of the £32,638,705 on which stamp duty was paid during the last seven years was as follows:—

	Total. £	Proportion per cent.
New South Wales .....	26,319,141	80·6
Europe, including Great Britain .....	3,093,692	9·5
Victoria .....	2,076,792	6·4
Other States of Australia and New Zealand .....	993,925	3·0
Elsewhere .....	155,155	0·5
	<hr/> £32,638,705	<hr/> 100·0

It may, therefore, be assumed that 20 per cent. of the property in New South Wales is owned by persons who live outside its boundaries, about 10 per cent. being held in Great Britain and 6½ per cent. in Victoria.

In regard to Victoria, there is no direct evidence of ownership available, but the place of residence of the persons who pay income tax affords indirect evidence of great value. During the last five years the incomes of persons paying taxation in respect of incomes derived from property in Victoria were £21,364,000, and of this amount £3,932,500 was enjoyed by persons who resided out of Victoria. This gives about 18½ per cent. as the apparent proportion of absentee incomes. The actual proportion, however, is not so great, as incomes of residents of Victoria below £200 a year do not pay tax, while all absentee incomes are liable; making due allowance on this score it will be found that in all probability 16 per cent. of property in Victoria is owned by absentees.

So far as New Zealand is concerned, there is both direct and indirect evidence. In the year 1888 the value of property assessed for property tax was £135,881,176, and of this sum £24,313,706, or 18 per cent., was returned as belonging to persons not residing in the colony. Since then the proportion of property held by absentees has greatly declined; there has of late years been no great import of capital into the colony, while during some years there have been considerable withdrawals. On the other hand, the total value of property has largely increased, so that at the present time the proportion of New Zealand property held by absentees is only about 9 per cent.

The proportion for Queensland and Western Australia is probably greater than in the other states; for South Australia and Tasmania it is probably less. Adopting a reasonable estimate for these states, it may be said that, apart from Government stock held in London, the value of property in Australia belonging to non-residents

of the states in which such property is situated, is not less than £152,000,000, and in New Zealand £15,350,000. In the case of Australia, a considerable portion of this property is held by persons residing in other states than those where the property is situated, and, if allowance be made on this account, it will be found that the value of property belonging to other than Australian residents is approximately £110,000,000. The question of the indebtedness of the Australasian states is referred to at length in another part of this chapter, and for further information the reader is referred to page 314.

#### DISTRIBUTION OF PROPERTY.

It is a somewhat prevalent practice amongst statisticians to make the valuations for probate purposes the basis of their estimates of the wealth of a country, but no reliance whatever can be placed upon the returns of values of estates assumed for probate purposes, for such returns at best only profess to give the apparent amount of property left by deceased persons, without any allowance for debts. There is, however, some show of reason for using the valuation of estates for stamp-duty purposes. These valuations are far below the values for probate purposes, for while during the twelve years ended with 1902 the probate returns in New South Wales give a total of £66,708,000, the sworn valuation of the very same estates for stamp duty was £52,187,000, or a little more than 78 per cent., and there can hardly be any doubt that all the other states would show similar discrepancies. Much greater reliance could be placed upon estimates depending upon the amount of stamp duty paid, if the ages of the persons dying were taken into consideration; but information on this point is not procurable, except at excessive trouble, and the idea of using the valuations for stamp duty for estimating the amount of wealth in the country cannot, therefore, be resorted to.

The probate returns, however, are not without considerable statistical value, as will presently appear, and the returns for the seven years ended with 1902 are, therefore, given below:—

State.	Number of Estates.	Total Value of Estates.	Average Value of Estate left by each Deceased Person leaving Property.	Corrected values to allow for overstatement of Probate Returns.
		£	£	£
New South Wales .....	17,325	41,180,987	2,378	1,855
Victoria .....	21,664	37,508,811	1,731	1,350
Queensland .....	4,176	10,971,064	2,627	2,049
South Australia .....	6,008	11,400,680	1,898	1,480
* Western Australia .....	1,342	2,137,181	1,592	1,242
Tasmania .....	1,349	2,188,948	1,623	1,266
Commonwealth .....	51,864	105,387,671	2,032	1,585
New Zealand .....	7,399	12,762,606	1,725	1,345
Australasia .....	59,263	118,150,277	1,994	1,555

\* Five years only.

On the preceding page it is pointed out that the probate returns in New South Wales over-state the actual value of property by some 20 per cent. : assuming that there is an equal over-statement in all the states, the figures shown in the last column of the foregoing table would represent the true average values of the estates of persons having property in each state.

By comparing the number of persons who leave property at death with the number of persons dying some idea is obtained of the proportion of the whole population possessing estates sufficiently valuable to become the objects of specific bequest. This has been done for each year since 1880, and the following table shows the number of persons per hundred dying who were possessed of property, while the figures may also be taken as the proportion of the whole population owning property to the value of at least £100 :—

State.	Proportion of Estates per 100 deaths of total population.				
	1880-84.	1885-89.	1890-94.	1895-1900.	1901-2.
	per cent.	per cent.	per cent.	per cent.	per cent.
New South Wales.....	11·0	11·6	13·2	15·15	16·65
Victoria .....	12·7	13·1	17·3	21·63	24·18*
Queensland .....	6·6	8·8	10·2	10·17	10·08
South Australia .....	12·3	15·3	17·4	19·95	21·96
Western Australia .....	10·8	10·7	12·0	11·56	†
Tasmania .....	9·6	11·5	11·9	10·72	12·62*
Commonwealth .....	11·1	12·0	14·1	17·23	*
New Zealand.....	.....	.....	9·4	15·97	19·09
Australasia.....	.....	.....	14·0	16·75	... ..

\* 1901 only.

† No later information.

These figures show a distribution of property not to be paralleled in any other part of the world ; and in a country where so much is said about the poor growing poorer and the rich richer, it is pleasing to find that in the whole population one in six is the possessor of property, and that the ratio of distribution has been increasing with fair regularity in every province of the group. Victoria has the widest diffusion of wealth of the individual states ; South Australia comes next to Victoria ; then come New Zealand, New South Wales, Tasmania, Western Australia ; and lastly, Queensland. Too much stress, however, may be laid on the apparently wider distribution of wealth in one state than in another, for it is obvious that a province with a stationary or decreasing population will naturally come out of a comparison of this kind more favourably than another with a rapidly-increasing population.

To show the wide distribution of property in these states, the following statement is even more useful than the figures just given. The comparison is made as for every hundred deaths of adult males, and for the

same number of deaths of adult males and females. This latter method is undoubtedly the proper basis of comparison, as large numbers of females are possessors of a substantial amount of property :—

State.	Proportion of Estates per 100 deaths of adult males.					Proportion of Estates per 100 deaths of adult males and females.				
	1880- 1884.	1885- 1889.	1890- 1894.	1895- 1900.	1901- 1902.	1880- 1884.	1885- 1889.	1890- 1894.	1895- 1900.	1901- 1902.
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
New South Wales .....	34·6	37·5	41·2	43·4	45·8	22·3	23·8	25·8	26·8	27·8
Victoria .....	38·8	39·7	40·8	58·8	63·0*	23·4	24·2	30·2	34·3	36·6*
Queensland .....	18·3	23·1	28·6	26·2	23·9	13·8	16·9	20·2	18·2	16·4
South Australia .....	50·0	53·5	59·4	62·7	65·9	29·1	30·9	32·3	34·2	36·1
Western Australia .....	29·5	29·3	31·2	27·0	..†	19·8	19·6	21·1	20·4	..†
Tasmania .....	26·0	31·6	33·2	29·5	36·5*	15·8	19·4	20·1	17·2	19·8*
Commonwealth .....	34·6	37·0	42·1	46·6	..	22·0	23·4	26·1	28·5	..
New Zealand .....	..	..	27·3	42·1	48·1	..	..	16·7	25·5	28·4*
Australasia .....	..	..	41·6	46·0	..	..	..	25·8	28·1	..

\* 1901 only.

† No later information.

There is the same weakness in these figures as in those representing the values. Taking the last ten years it has been ascertained that in New South Wales nearly six in each hundred estates, for which probate or letters of administration are granted, prove to be without assets; it is possible a like condition obtains in other states, and the proportion of persons having property is therefore somewhat overstated.

Taking the returns of estates subject to stamp duties as the basis of comparison, and making allowance for those escaping duty, such as the circumstances seem to warrant, the following table gives for each State the number of adults with property to the value of at least £100 :—

State.	Number of Estates exceeding £100 in value.
New South Wales .....	188,800
Victoria .....	226,200
Queensland .....	41,200
South Australia .....	63,800
Western Australia .....	24,600
Tasmania .....	16,400
Commonwealth .....	561,000
New Zealand .....	114,400
Australasia .....	675,400

The figures for some of the states may appear to be extraordinarily large, but they find strong support in the banking returns, especially those of the Savings Banks, given elsewhere in this chapter. There is a general assumption in dealing with this branch of statistics that few women possess property, and in dealing with property and incomes

the position of women is often lost sight of. Full information regarding women's property is obtainable for New South Wales, and the following comparisons are interesting; the figures refer to the seven years 1896 to 1902, but they differ somewhat in regard to the percentages from those in the preceding pages, which include all properties over £100 in value:—

	Males.	Females.
Number of persons dying who had property in excess of £200 .....	12,043	4,311
Number residing in the State of New South Wales ..	11,244	4,120
Number residing elsewhere .....	799	191
Value of property devised .....	£28,458,600	£4,180,105
Average value of estates .....	£2,363	£970
Proportion of total adult population with estates over £200 in value .....	31 per cent.	17½ per cent.

#### IMPORTATION OF CAPITAL.

Australasia ranks among the debtor nations. In June, 1903, its people owed to persons outside its boundaries, or, more correctly speaking, there was invested in it by non-residents, and owing by its various Governments, a sum approximating to £408,078,000, or £87 per inhabitant. Of this large sum, £156,875,000 represents the private investments, and £251,203,000 the outstanding liabilities of the states and local governing bodies. More important in some respects than the corpus of the debt are the annual payments made in respect thereof. These can be stated with some exactitude. The yearly interest paid on account of state debts to other than Australasian creditors amounts to £8,297,000, and on account of local government debts, £562,000, while the income from private investments may be stated at £8,350,000, and the absentee incomes and return on shares held in London, £400,000. These various sums make up a total of £17,609,000, which is the tribute paid yearly by Australasia to London.

It has been stated above that the gross amount of investments by non-residents is £408,078,000. This sum may be divided into what was received prior to 1871, and what was received subsequent to that date, for 1871 may be conveniently taken as the opening year of latter-day Australasian finance. At the opening of 1871 these states stood indebted to Great Britain as follows:—

	Commonwealth States.	New Zealand.	Total.
	£	£	£
On account of State and Municipalities	26,520,000	7,842,000	34,362,000
Private investments.....	33,090,000	5,504,000	38,594,000
<b>Total .....</b>	<b>59,610,000</b>	<b>13,346,000</b>	<b>72,956,000</b>



From 1871 to 1902 the increase of indebtedness was :—

	Commonwealth States.	New Zealand.	Total.
	£	£	£
On account of State and Municipalities	166,464,000	50,377,000	216,841,000
Private investments .....	114,282,000	3,999,000	118,281,000
Total .....	280,746,000	54,376,000	335,122,000

The figures just given are irrespective of the money brought by persons taking up their abode in Australasia; the amount of such money is very considerable, as will presently appear.

The interests of the various states are so intertwined that there is not a little difficulty in accurately determining the amount of capital imported on private account, in which each stands indebted to Great Britain. In former editions of this work such a distribution was made, but the changes that have taken place since 1893, in which year the bank crisis occurred, have been so many and so extensive, that a separation of the respective interests of the various States is well-nigh impossible.

In considering the question of the annual payment made by Australasia to Great Britain—which is its sole creditor—it is important to have distinctly in view the fact that part of this income is payable irrespective of production, and part only arises when there has been antecedent production. In the first of these categories is the charge on state and municipal borrowings to the amount already stated (£8,859,000), and from two-fifths to a half of the income from private investments, or, in round figures, £3,500,000—the two taken together making a sum of £12,359,000, or £2 12s. 8d. per inhabitant, which must be exported entirely irrespective of the condition of productive industry. It may here be remarked that there is another source of drainage from these states to be considered in estimating the tributary stream flowing from Australasia to England—that is, the income of absentee colonists, which for 1902 probably reached £400,000, a figure very greatly below that of previous years. The total payments to outside creditors or investors during 1902 may be summarised as follow :—

	£
Payments on account of state or municipal borrowings, and on account of private investments on which interest must be paid irrespective of the condition of production .....	12,359,000
Return dependent on antecedent production .....	4,850,000
Absentee incomes .....	400,000
Total.....	£17,609,000

Of the sum just given, £14,866,000 is paid by the states of the Commonwealth, and £2,743,000 by New Zealand.

From these figures it will be gathered that for these states to pay their way there ought to be an excess of exports over imports equal to the interest on loans outstanding and the earnings of investments—that is to say, if no capital were introduced and none withdrawn. But equilibrium in this respect is not to be looked for. Even now there is a stream of capital coming here in excess of what is withdrawn; and in the worst years several thousand persons arrive in Australasia with the intention of settling, a large proportion of whom bring with them some little capital with which to begin their career in their new home. In the foregoing pages the expression “capital introduced” must be taken in a qualified sense. Under the condition of equilibrium between the introduction and withdrawal of capital, as already demonstrated, Australasia would show an excess of exports representing the interest on state and other public loans and the tribute due to private investors. This export for 1902 was about £17,609,000, and it is therefore plain that Australasia might increase its indebtedness to the extent of over seventeen and a half millions in any one year and at the same time show an equality between its imports and exports. With this explanation in mind it will not be difficult to understand how, in spite of the fact that during the last thirty-two years the indebtedness of Australasia was increased by £335,117,000, the balance of trade during the same period was against the country to the extent of £10,908,000. Such is the operation of interest as affecting a debtor country. In further explanation of this view of the matter the following figures are given; they refer to the borrowings of the Governments and local bodies during the thirty-two years 1871–1902:—

State.	Borrowings of State and Local Government Bodies.	Interest on State and Local Government Loans.	Net Amount of Money introduced.
	£	£	£
New South Wales .....	53,261,000	42,836,000	10,425,000
Victoria .....	40,117,000	43,930,000	(—) 3,813,000
Queensland .....	31,425,000	25,308,000	6,117,000
South Australia .....	20,150,000	19,127,000	1,023,000
Western Australia .....	14,353,000	2,914,000	11,439,000
Tasmania .....	7,158,000	5,909,000	1,249,000
Commonwealth .....	166,464,000	140,024,000	26,440,000
New Zealand .....	50,377,000	49,994,000	383,000
Australasia .....	216,841,000	190,018,000	26,823,000

It will be seen that out of loans aggregating £216,841,000 a sum of only £26,823,000 reached Australasia, the balance of £190,018,000 being retained in London to meet interest charges, as a set-off against a similar sum which otherwise it would have been necessary to remit

from Australasia. The figures in regard to private borrowings are still more striking:—

Private borrowings in excess of withdrawals .....	£118,281,000
Capital introduced by persons taking up their abode in Australasia .....	27,141,000
Total inflow of capital .....	£145,422,000
Earnings of investments of non-residents and incomes of absentees in excess of income derived by residents in Australasia from investments abroad .....	183,152,000
Excess of outflow over inflow .....	£37,730,000

Leaving out of consideration the capital introduced by immigrants, it will be seen that since 1871 the return to investors, together with absentee incomes, has exceeded by nearly sixty-five millions the amount invested in Australasia, although of the principal sum, £118,281,000 still remains due. It may be difficult to conceive how such a result has been possible, but the difficulty will be lessened when it is remembered that at the beginning of the period embraced in the tables the Australasian states were already paying an annual tribute to private investors of £3,517,000, and, therefore, on account of debts incurred and investments made prior to 1871 something like 112 millions might have been paid away during the last thirty-two years without any reduction in the principal owing.

#### MOVEMENT OF CAPITAL.

The movement of capital towards Australasia up to the end of 1870 presented no features of unusual importance, for the total sum received, though large, representing as it did rather more than £38 per inhabitant, was not larger than might reasonably have been expected to be introduced into a country so rapidly adding to its population and so fertile in resources. During this period the investments on private account and by the various Governments were almost equal in amount, but in the thirty years that followed, the borrowing operations of the Governments far outstripped private investments. The following table shows the borrowings of the state and on private account up to the end of 1870, and in five-year periods subsequent to that date:—

Period.	Money raised by Government or Local Bodies.	Private Investments, excluding Immigrants' Capital.	Total.
	£	£	£
Prior to 1871	34,362,000	38,594,000	72,956,000
1871-75	20,999,000	2,392,000	18,607,000
1876-80	32,804,000	11,407,000	44,211,000
1881-85	46,944,000	37,186,000	84,130,000
1886-90	53,374,000	49,077,000	102,451,000
1891-95	28,653,000	1,322,000	27,331,000
1896-1900	21,982,000	18,400,000	40,382,000
1901-1902	12,085,000	5,925,000	18,010,000
Total	251,203,000	156,875,000	408,078,000

\* Excess of withdrawals over investments.

In the foregoing table the importation of capital by immigrants has been neglected; if this be taken into consideration, the figures given in the next table show the full amount for the period subsequent to 1870:—

Period.	Total Capital Introduced.
1871-75 .....	£23,010,000
1876-80 .....	48,959,000
1881-85 .....	90,504,000
1886-90 .....	107,088,000
1891-95 .....	30,705,000
1896-1900 .....	42,847,000
1901-1902 .....	19,150,000
Total .....	£362,263,000

The total indebtedness of Australasia to British investors is set down in the foregoing pages at £408,078,000, and the annual return therefrom, excluding absentee incomes, £17,209,000. The capital sum represents a weight of £86 18s. 9d. per inhabitant, and the annual return £3 13s. 4d. The apparent interest earned is, therefore, slightly above 4 per cent., a rate which must be considered very favourable, seeing that £251,203,000, or three-fifths of the total, comprises Government and Municipal securities. The indebtedness of the states of the Commonwealth to British creditors amounts to £340,356,000, or £87 11s. 8d. per inhabitant, of which £192,984,000 is due by the central and local governing bodies, and £147,372,000 represents private investments. The indebtedness of New Zealand is £67,722,000, or £83 16s. 5d. per inhabitant, of which £58,219,000 is owing by the central and local governing bodies, and £9,503,000 represents private investments.

From the table given above showing the total amount of money including that brought to the country by immigrants introduced during each quinquennial period since 1870, it will be seen that the net introduction of capital during the first period was £23,010,000, and of this New Zealand received £10,707,000, or nearly one-half, principally the proceeds of Governmental borrowings, the withdrawals of private capital being nearly as large as the amount introduced. Queensland and New South Wales had, during the period, an accession of capital to the extent of £4,329,000 and £4,321,000 respectively; in the one case the sum obtained by the state was £2,389,000, and by the public, £1,940,000, while in the other case the sum introduced by the state was £2,861,000, and by private persons something less than £1,460,000. The net sum introduced into Victoria was £2,982,000, the state having imported £3,352,000, while the export of private capital was some £370,000. Tasmania received in all £1,210,000, of which £220,000 was introduced by the state, and nearly one million by private persons, which must be reckoned a very considerable sum in view of the smallness of the population of the island. Nearly the whole sum introduced into Western Australia (£400,000) was by the

Government. South Australia, even so far back as 1871-75, was in a very different position to the other states in regard to private investments. During the five years the state introduced £1,722,000, but £2,661,000 was withdrawn by lenders or sent out of the state for investment. Speaking generally, the period 1871 to 1875 was marked by large public borrowing, with a very moderate influx of private capital. During this interval the importation by the various Governments amounted to £2 per inhabitant yearly, the private investments being not more than 4s. per inhabitant.

The period from 1876 to 1880 showed a net importation of capital to the amount of £48,959,000, or more than twice the sum received during the preceding five years. Of the sum named, New Zealand received £15,396,000, or slightly less than one-third, although its population was only one-eighth of the whole of Australasia. The larger portion of the money brought to New Zealand was in the shape of Government loans, which amounted to £10,884,000, the net sum received on account of private investment being £4,512,000. New South Wales stood next as regards the amount of capital received, but the borrowing by the state and local bodies only amounted to £5,458,000, or half the sum raised by New Zealand, while the private investments amounted to about £8,168,000, of which nearly two millions were received with immigrants taking up their permanent abode in the state. The total capital imported into New South Wales during the five years was £13,626,000. Queensland received £8,028,000 during the period—an enormous sum, considering that the population was not more than 150,000. The money imported by the Government was £4,980,000, and that invested by private persons, £3,048,000. The Victorian Government imported £5,229,000, while the sum sent to the state by private investors, over and above the amount withdrawn, was £1,949,000. The South Australian Government borrowed largely during the five years, the sum raised being £5,217,000, but, as in the previous period, the sum withdrawn by investors or sent to other states for investment exceeded the capital introduced by £1,644,000. Both Tasmania and Western Australia received less capital from abroad from 1876 to 1880 than in the previous five years, the amounts being £954,000 and £204,000 respectively. The Government borrowings were £671,000 in the one case and £365,000 in the other; but in Tasmania there was an investment of £283,000 by private persons, and a withdrawal of £161,000 in the case of Western Australia. Taking Australasia as a whole, the public borrowings during 1876-80 were large, amounting to £32,804,000, or a yearly sum of about £2 12s. per inhabitant. The import of private money continued on a more extended scale, the sum received in excess of withdrawals being £16,155,000, but nearly five millions of this sum were brought in by immigrants.

The facility with which New Zealand had been able to obtain money on loan during the five years 1876-80 was an object lesson not lost on the Australian states, for during the five years from 1881 to 1885 the sum

of £46,944,000 was raised by the various Governments and local bodies ; while private investors, banks, and financial institutions poured in money at an almost equal rate, the net sum received on private account being, in round figures, £43,560,000. These sums represent yearly amounts of £3 2s. 4d. and £2 18s. 1d., or together over £6 per inhabitant—a rate of increase in indebtedness quite unparalleled in any country except in the next succeeding five years of Australasian history. Of the large sum of £90,504,000 received by these states, the share of New South Wales was £30,473,000. In the light of this statement it is easy to understand how, during this same period, though one of drought and restricted production, the industrial life of the state was marked by increasing wages, shorter hours, and full employment. The importation by the state amounted to £16,066,000, and by private investors to £14,407,000, but of the sum last quoted £2,719,000 represented the money brought by immigrants and entailed no burthen on the state for future interest to be exported. This period was, so far as New South Wales is concerned, the one marked by the most lavish borrowing by the state, though it yields to the subsequent quinquennium in regard to the importation of private capital. Queensland was next to New South Wales in receipt of most money during the period under review, the Government of that state having obtained £7,094,000, while private investments amounted to £12,505,000—enormous sums for a population of a quarter of a million. Included in the private investments, however, is the sum of £1,927,000 introduced by immigrants taking up their abode permanently in the state. The imports of capital into New Zealand during the quinquennium were still very heavy, amounting to £7,442,000 by the Government, and £10,475,000 on private account, or £17,917,000 in all. Of the private importation, £587,000 accompanied the owners who settled in the colony. The capital received by Victoria, which in the two preceding periods amounted to very moderate sums, now rose to £13,002,000, viz., £8,519,000 on account of the Government, and £4,483,000 by private investors. The South Australian Government in 1881–85 was still a large borrower, £5,895,000 being raised and expended during that time, while, contrary to the experiences of previous periods, there was an importation on private account of £1,000,000. Tasmania, also, considerably increased its borrowings, the state raising £1,465,000 in the five years, while £425,000 was sent for investment or was received with the owners. The borrowing of the Western Australian Government for 1881–85 amounted to £463,000, but not more than £265,000 was received for private investment, or in all £728,000.

The next period, 1886–90, was marked by very extraordinary features. The average population of Australasia was 3,540,000, yet during the short space of five years the various states governing these people raised and expended £53,374,000, while an additional sum of £53,714,000 was received for investment on private account, or was introduced into the country by persons who made it their abode. But even more

astonishment will be evinced on considering the detailed figures for each state. Of the large total received by the various states, considerably more than one-half—£54,690,000—was obtained by Victoria, and, as the population during the five years under review was 1,070,000, the inflow of capital amounted to over £51 per inhabitant. The state and local bodies borrowed and disbursed £16,987,000, which was the largest expenditure from the proceeds of loans that any state contrived to crowd into the short space of five years. The private capital introduced was £35,792,000, and the sum brought by persons taking up their abode in the country was £1,911,000. These figures afford a sufficient clue to the astounding impetus which trade received during these years, and the corresponding rise in land values. New South Wales, though not the recipient of so much money as its southern neighbour, nevertheless contrived to obtain £28,145,000—a far larger sum than could be conveniently absorbed in five years, especially as in the like preceding period £30,000,000 was absorbed. The capital introduced represented £11,571,000 of Government borrowings, £15,187,000 of private investments, and £1,387,000 brought by persons making New South Wales their home. The Queensland Government was also a large borrower, its loan expenditure during the five years, 1886–90, being not less than £9,581,000. The private capital introduced, however, fell off largely. The sum received, allowing for withdrawals to the amount of £3,360,000, was £1,574,000. The flow of private money to New Zealand practically ceased during the period now under consideration, amounting only to £632,000, as compared with £10,475,000 in the preceding five years; but Government borrowings still continued, and a sum of £6,560,000 was raised and expended. South Australia occupied an exceptional position, for though the Government introduced some £5,693,000, there was a large withdrawal of private capital, or, as it may be, an export of capital for investment in other states, so that the net import on public and private account amounted to £1,345,000. Tasmania, with its population of 150,000, was well in the struggle for British investments, the State importation being £2,557,000, and the investment by private persons, £570,000; of this last sum £85,000 was introduced by persons taking up their abode in the state. It was about this period, too, that Western Australia began to attract attention as a field for investment, for over and above the sum of £425,000 introduced by the Government, about £1,009,000 was invested by private persons, perhaps one-fifth of the amount being accompanied by the investors themselves.

The recitation of borrowing just given brings the financial history of the Australias down to the close of 1890. Two years more of credit and investment remain to be traced, after which came the collapse of credit, and the events of May, 1893, still fresh in the public memory. That two years elapsed after the close of 1890 before Australasian public credit in London finally collapsed is true only of Victoria, and in a modified sense of New South Wales, Western Australia, and Tasmania. These states continued to be the recipients of British

money, but private investments were—excepting in the case of Victoria—on a minor scale. Victoria received fresh capital to the extent of £8,834,000, of which amount only £464,000 was brought in by immigrants. New South Wales received from private investments over £3,000,000, but the withdrawals were also extensive, so that the net amount of capital invested was only £1,711,000. Western Australia received £952,000, of which £408,000 was accompanied by the owners. Tasmania received £792,000, and of this about £271,000 was introduced by permanent residents. Withdrawals of private capital were already in progress before the close of 1890, and were continued from South Australia, but to a less extent than in the preceding period. New Zealand ceased to receive any private money, while Queensland, for the first time in its history, showed a net withdrawal of capital, the amount of which during the two years was £2,011,000, but as the state had introduced £1,917,000, there was an actual withdrawal of £3,928,000. During the two years 1891 and 1892 the total capital imported into Australasia was £25,083,000, and of this £18,786,000 was introduced by the various Governments and local bodies.

During the three years which followed there was a withdrawal of private capital from Australasia to the extent of £7,619,000, so that in spite of the importation during the years 1891 and 1892, the quinquennium showed a net withdrawal of £1,322,000. There was during the period a movement of £20,088,000 apparently introduced, and £21,410,000 withdrawn; but this movement was mainly between the states themselves, and not between Australasia and Great Britain. Looking at the figures in detail, it would seem that there was an importation in excess of withdrawals of £14,686,000 into Victoria, and £2,382,000 into Western Australia. So far as Victoria is concerned, this introduction of money was not by way of investment; it was merely the recall by the large financial institutions of their capital from other states. This withdrawal affected New South Wales and Queensland most largely; £10,162,000 was withdrawn from the latter province during the five years, and it is a great tribute to its resources and stability that this withdrawal should have been effected with so little disturbance to its financial position. New South Wales lost £4,481,000, part of which represents deposits gathered in London and withdrawn during the panic, and part transference of capital by branch institutions to the head offices in Melbourne. From New Zealand £2,143,000 was withdrawn, and from South Australia £1,698,000. The withdrawal in nearly all cases was a silent one; and it was only when a financial institution absolutely failed and the courts were invoked to consent to the removal of assets that the community at large realised the process that had been going on.

Taking the whole period of five years the net amount introduced was £30,705,000, the various governments obtaining £28,653,300 from abroad, while private investors withdrew £1,322,000, but as immigration



did not entirely cease it is estimated that £3,374,000 was introduced during the period by persons who took up their permanent abode in the country. The respective shares of the state Governments in the money obtained in London on loan was as follows :—

New South Wales.....	£11,655,000
Victoria .....	5,430,000
Queensland .....	2,996,000
South Australia .....	638,000
Western Australia .....	2,291,000
Tasmania.....	1,835,000
Commonwealth .....	24,845,000
New Zealand .....	3,808,000
Australasia .....	£28,653,000

The withdrawal from Australia practically ceased in 1895, but during the next five years the movement of capital between the States and Europe was much involved, and cannot be traced very definitely. In 1896 and 1897 there was a considerable amount of money introduced into Western Australia, where the gold-fields claimed much attention from British mining speculators. In the same years, about £4,000,000 of private capital was brought to New South Wales; a large part of this, however, was money that had been withdrawn during the period following the bank crisis. In 1898 and the two following years, considerable sums were also brought to New South Wales, so that in the five years ending with 1900 the State received altogether some £10,000,000 of private capital. During these five years the imports and exports of Victoria were practically equal in amount, and as the payments on behalf of the Government in London exceeded its borrowings by £7,350,000, and as there were also large payments on private account, this equality could only have been brought about by private borrowing. Careful estimates place the money so introduced at about £10,600,000. This money, however, may not have been required for investment in Victoria, as Melbourne is the headquarters of many important financial institutions, whose interests extend over the whole of Australia. A certain amount was also sent to Tasmania for investment during these five years; on the other hand the process of withdrawing capital from Queensland was continued, and it is probable that an average of £1,500,000 a year left that state. During the five years, 1896-1900, the various state Governments increased their indebtedness to outside creditors by £14,735,000, more than half of which (£7,600,000) was obtained by Western Australia. New South Wales obtained £2,650,000; Queensland, £2,900,000; South Australia, £985,000; and Victoria, £600,000. The New Zealand Government also borrowed freely, and increased its indebtedness to the London market, including small sums borrowed by local bodies, by £7,187,000. Owing to its exceptionally prosperous condition, the colony was able to repay £4,450,000 to its private creditors. It has been claimed in some quarters that this withdrawal

of capital from New Zealand was the voluntary act of investors dissatisfied with the trend of New Zealand legislation. Be that as it may, the fact remains that at the present time the indebtedness of New Zealand to various non-resident creditors is less than £10,000,000 sterling, and during the whole period over which the process of withdrawal has extended, the industries of the colony have undergone rapid expansion.

Taking Australia and New Zealand together, during the five years 1896-1900 the introduction of money on government account amounted to £21,982,000; besides this £18,400,000 was invested by persons living outside Australia in excess of money withdrawn, while the introduction of capital by immigrants amounted to £2,465,000.

During the two years, 1901-1902, the governments of the Australian States obtained £7,695,000 from the London market, New South Wales, Western Australia and Queensland being the chief borrowers. In these two years also considerable sums were sent to the country for investment, the introduction of capital in excess of withdrawals amounting approximately to £7,570,000, while the money brought by immigrants during the same period was estimated to have been £1,140,000. The New Zealand Government continued its borrowing policy and £4,390,000 was obtained by it in London. The repayment of British money on private investment continued, and it is estimated that £1,645,000 was withdrawn from the colony during the two years on this account. Taking Australia and New Zealand together, during the years 1901-1902 the sum of £19,150,000 was invested either with the Government or in private enterprise, in excess of the loans repaid and capital withdrawn.

In speaking of the British capital invested in Australasia no mention has been made of the amount lost by the owners in unprofitable speculations, of which there have been not a few. From the nature of the case the sum total of these losses cannot be stated with any degree of accuracy; but there is no reason to suppose that the proportion is greater than would have occurred in like investments if made in the British Isles.

#### INCOME.

The incomes received by the people of Australasia can be determined with considerable accuracy, as the information available for such an estimate is fairly extensive. For New South Wales, Victoria, South Australia, and New Zealand there are income-tax figures, in Queensland and Tasmania particulars of collections under dividend and income-tax acts, and for several of the states very full returns relating to land-values. Besides these direct sources of information there are official estimates of incomes for New South Wales and New Zealand. Excluding the revenues of the various state governments, the yearly income derived from Australasia amounts to £224,101,000, and of this sum local residents draw £206,492,000, and British investors and absentees

## PRIVATE PROPERTY AND INCOMES.

£17,609,000, and of this last-mentioned sum £8,859,000 represents income derived from Government or municipal stocks, and £8,750,000 the amount from private sources. Of the total income (£224,101,000) the states of the Commonwealth claim £184,674,000, and New Zealand £39,427,000, the incomes of non-residents in each case being £14,866,000 and £2,743,000.

Leaving out of consideration the income drawn by debenture-holders in England, it would appear that the income derived from private sources for each of the states was:—

State.	Total.	Per Inhabitant.
New South Wales .....	£63,927,000	£45·9
Victoria .....	52,819,000	43·7
Queensland .....	22,940,000	44·8
South Australia .....	14,724,000	40·3
Western Australia.....	15,864,000	77·4
Tasmania .....	7,834,000	44·6
Commonwealth .....	£178,108,000	£46·2
New Zealand .....	37,134,000	46·5
Australasia .....	£215,242,000	46·2

The amount of income derived from private sources (that is to say, all incomes except payments made by the various governments and local bodies to their debenture-holders), is thus £215,242,000, and of this amount £8,750,000, or slightly over 4 per cent., is drawn by non-residents.

Dividing the incomes into two categories, viz., those below and those above £200 a year, very interesting results are obtained; the figures do not include the sum of £8,859,000 paid to non-resident debenture-holders and holders of local government stock:—

State.	Number of persons with incomes of £200 and over.	Total Incomes £200 and over.	Total Incomes under £200.
	No.	£	£
New South Wales.....	29,700	19,539,000	44,388,000
Victoria .....	24,557	15,852,000	36,967,000
Queensland .....	8,100	5,613,000	17,327,000
South Australia.....	13,610	4,319,000	10,405,000
Western Australia.....	5,000	3,630,000	12,234,000
Tasmania .....	3,780	2,120,000	5,714,000
Commonwealth .....	84,747	51,073,000	127,035,000
New Zealand .....	14,470	8,318,000	28,816,000
Australasia.....	99,217	59,391,000	155,851,000

The incomes of the various states depend in a very large measure upon the number of adult male workers in those States, and the variations in the rates per inhabitant disclosed by the foregoing table, are largely due to the different proportions which these workers form of the general population. Amongst the Australian States Victoria and Western Australia stand at the extremes, the former with 307 adult males per thousand of the population, and the latter with 477 per thousand, and it is, therefore, easy to understand how, in such circumstances, the revenue per head of population in Western Australia so greatly exceeds that of Victoria.

In the edition of this work, published in 1900, attention was directed to the smallness of the aggregate incomes in Victoria subject to taxation—that is, incomes in excess of £200. In the year then reviewed the total of such incomes was £10,080,000, and the opinion was hazarded that the amount was greatly under-stated. Confirmation of this opinion was given by the increase, in the year immediately following, of the amount of taxable incomes, and in the present calculation the Victorian incomes over £200 have been set down at £15,852,000, which is an increase of over 57·2 per cent.

The incomes drawn from investments by persons non-resident amount to £8,350,000, and about £400,000 is spent by Australians resident in Europe. Of the first-mentioned amount, £2,850,000 is drawn from New South Wales, or nearly 4½ per cent. of the total incomes of the state apart from payments to debenture-holders; £1,800,000 is drawn from Victoria, or 3½ per cent.; £1,800,000 from Queensland, or nearly 8 per cent.; and £450,000 or less than 1¼ per cent. from New Zealand. As pointed out elsewhere in this volume the people of New Zealand are rapidly paying off their private indebtedness to the British moneylender, and as the process of repayment has been accompanied by an increase in the private wealth of the colony and in the output of its industries, it must be accepted as a satisfactory evidence of progress. In the case of some of the states the absentee income derived from them, is largely counterbalanced by incomes derived from other states. This is especially true of South Australia and Victoria. The absentee incomes of the first-named are equalled, if not exceeded, by the revenue which its residents derive from investments in Western Australia, New South Wales, and Queensland; while as regards Victoria there is evidence that New South Wales makes to the southern state an annual payment of from £480,000 to £600,000, according to the character of the season, while Queensland and Western Australia also make large payments, so that the excess of absentee incomes over the earnings of Victorian capital abroad is not very great.

The detailed figures of the incomes of the people, read with those in regard to property and production, admit of several very interesting comparisons as to the relation of one to the other. The following table shows the percentage which the incomes drawn in each state bear to the

value of private wealth, the incomes being distinguished into total incomes and those over £200 a year :—

State.	Percentage which Total Incomes bear to value of private property.	Percentage which Incomes over £200 bear to private property.
New South Wales .....	17·8	5·4
Victoria.....	19·0	5·4
Queensland .....	20·3	4·1
South Australia .....	18·0	5·3
Western Australia.....	39·2	9·0
Tasmania.....	21·8	5·9
Commonwealth .....	19·5	5·4
New Zealand.....	21·2	4·8
Total	19·8	5·3

Taking Australia as a whole, the assessment placed upon private property appears to be about five times the annual income; Western Australia being the only state which departs in any marked degree from this proportion. In that state the assessment is only two and a half times, and this low ratio is accounted for by the circumstance that a large proportion of the private property of the state is represented by gold-mines, and the value of a gold-mine is rarely large compared with the payments made for wages and other services connected with its working.

As the fair distribution of the income of a country is of more importance to the population at large than the aggregate amount of all incomes, it is interesting to know what proportion of the population enjoys large incomes, and if the incomes of the great mass of the population are affected by the accumulation of large incomes in few hands. In the present condition of statistics no great amount of light can be thrown upon the question, although some interesting facts may be gleaned from the particulars already given. The unit for the most useful comparison in regard to incomes is the bread-winner; but as there are both male and female bread-winners it is necessary to take into account the less commercial and productive value of women's work compared with men's. Taking the productive employments of New South Wales and Victoria as a basis, it is found that the earnings of thirty-six men equal those of one hundred women, and if this wage efficiency holds good throughout Australia the work of the 1,560,784 male and 422,123 female bread-winners at the census of 1901 would be equivalent to that of 1,712,748 male bread-winners alone; and comparisons of earnings should therefore be made on the basis of this last number and not on the total 1,982,907 of male and female bread-winners taken together. There is, however, another consideration. Australia has not yet developed a class of independent women workers.

It is true there are considerable numbers of women who are the main bread-winners of their families, but as a rule the earnings of the woman go to supplement the earnings of the head of the family, usually the house-father, and there are some cogent reasons why the comparison of earnings and population should be made on the basis of the number of families to be supported, and this, for practical purposes, may be taken as indicated by the number of male bread-winners, and on such basis the following table has been compiled :—

State.	Average income Male Bread-winners whose income is less than £200 a year.	Average income Male Bread-winners whose income exceeds £200 a year.	Proportion of Male Bread-winners whose income exceeds £200 a year.
	£	£	
New South Wales.....	103	658	6·6 per cent.
Victoria .....	103	645	6·1 „
Queensland.....	103	569	4·5 „
South Australia.....	97	317	11·3 „
Western Australia .....	137	725	5·9 „
Tasmania.....	104	561	6·6 „
Commonwealth .....	105	530	7·2 „
New Zealand.....	107	575	5·3 „

This statement forms a corrective to the table on page 322 giving the average income per inhabitant. In that table South Australia and Victoria show the smallest incomes of any of the states, viz., £40·3 and £43·7 respectively, as compared with an average of £45·9 for New South Wales and £44·8 for Queensland; it would now appear that compared with the male bread-winners the average income below £200 a year is equal in Victoria to what it is in Queensland and in New South Wales, viz., £103, while in South Australia it is £97. As regards incomes over £200, the return for Victoria (£645) is largely in excess of the average for the Commonwealth; but for South Australia the average (£317) is much below that of the other states, although there is compensation in the fact that such incomes are widely distributed; thus in South Australia 11·3 per cent of all incomes exceed £200 as compared with 4·5 in Queensland, 5·9 in Western Australia, and 6·6 in New South Wales and Tasmania, and the comparison would be still more favourable if the absentee incomes drawn by Victoria and South Australia from the other states could have been brought into consideration.

As the income of every country depends largely upon its production, a comparison of incomes and production is interesting. No general law can be laid down as to the relation between the two, but it will be found that the more various and developed the industries the greater will be the income which results from production.

The following is the ratio of the incomes obtained in each state to the value of production in that state, as set out on page 913.

It will be seen that in each case the incomes exceed the production; in Western Australia, however, the excess is very little above 2 per cent., whereas in the case of Victoria the excess is nearly 78 per cent. The low percentage of income given off by production in the case of Western Australia is explained by the fact that of the total production of £12,544,000, the value of gold won exceeds £7,000,000, and the income given off, so to speak, by this production is far less than the value of the production itself, for the winning of gold not only is a costly process, but when the precious metal is obtained, the cost of carriage and handling and other expenses form but a trifling percentage of its value.

State.	Percentage which Total Incomes bear to value of pro- duction.	Percentage which Incomes over £200 bear to production.
New South Wales .....	166·7	49·6
Victoria .....	177·8	46·8
Queensland .....	141·0	31·8
South Australia .....	158·8	47·8
Western Australia .....	102·2	19·2
Tasmania .....	144·7	32·9
New Zealand .....	128·0	26·6