

## 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, however, 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 data thus to hand, there has been no difficulty in arriving at the value of land separately from its improvements. For all Australasia, the value of land in private hands was in 1901, £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.
	£	per cent.
New South Wales .....	142,617,000	39·74
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.
	£	per cent.
New South Wales .....	263,052,000	73·29
Victoria .....	204,294,000	73·25
Queensland .....	63,796,000	56·53
South Australia .....	56,060,000	68·65
Western Australia.....	14,360,000	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.

It has been found since the last issue of this volume that the value of State lands and of certain public works had been included in the valuation of property for New Zealand. This, of course, was an error, as the values are exclusive of State lands and the improvements made thereon. This explanation will account for the reduced figures for New Zealand that are now published.

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, &c. 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, &c., £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	265
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 New South Wales are largely interested in Queensland properties, and 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 £27,949,895 on which stamp duty was paid during the last six years was as follows :—

	Total. £	Proportion per cent.
New South Wales .....	22,236,303	79·5
Great Britain.....	2,819,797	10·1
Victoria .....	1,810,800	6·5
Other States of Australia and New Zealand .....	940,560	3·4
Elsewhere .....	142,435	0·5
	£27,949,895	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, and 10·6 per cent. outside Australia.

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. In the year 1900 it is estimated that the income of persons paying taxation in respect of incomes derived from property in Victoria was £4,192,281, and of this amount £812,406 was enjoyed by persons who resided out of Victoria. From this it would appear that something like 19 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 probably declined to about 15 per cent., as there has of late years been no great import of capital into the colony, while during some years there have been considerable withdrawals.

The figures for New South Wales, Victoria, and New Zealand taken together show that 18½ per cent. of the property in those States belongs to absentees. 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 £164,000,000, and in New Zealand £18,500,000. 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 £128,000,000. 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 753.

#### 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; during the ten years ended with 1900 the probate returns in New South Wales give a total of £53,867,000, while the sworn valuation of the very same estates for stamp duty was £41,686,000, 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

PRIVATE PROPERTY AND INCOMES.

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 five years ended with 1900 are, therefore, given below :—

State.	Number of Estates.	Total Value of Estates.	Average Value of Estate left by each Deceased Person leaving Property.
		£	£
New South Wales .....	11,886	28,339,908	2,384
Victoria .....	17,818	30,981,576	1,739
Queensland .....	2,955	8,297,308	2,807
South Australia .....	4,168	8,153,202	1,956
* Western Australia .....	1,077	1,777,212	1,650
Tasmania .....	1,120	1,786,791	1,595
Commonwealth .....	39,024	79,335,997	2,033
New Zealand .....	5,942	10,409,909	1,752
Australasia .....	44,966	89,745,906	1,996

\* Four years only.

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.
	per cent.	per cent.	per cent.	per cent.
New South Wales.....	11·0	11·6	13·2	15·15
Victoria .....	12·7	13·1	17·3	21·63
Queensland .....	6·6	8·8	10·2	10·17
South Australia .....	12·3	15·3	17·4	19·95
Western Australia ...	10·8	10·7	12·0	11·56
Tasmania .....	9·6	11·5	11·9	10·72
Commonwealth ...	11·1	12·0	14·1	17·23
New Zealand.....	.....	.....	9·4	15·97
Australasia.....	.....	.....	14·0	16·75

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, Western Australia, and Queensland; and lastly Tasmania. Too much stress 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.

In the United Kingdom, during the five years 1890-94, the last period for which complete returns can be obtained, the number of estates on which legacy duty was paid was 257,351. Making the liberal allowance of one-fourth for successions, of which the number is not given in the *Statistical Abstract*, the total estates would be 321,700, as compared with 3,595,447 deaths, or a little over 8·9 per cent., as against 14·0 per cent. in Australasia during the same period. 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.			
	1880-84.	1885-89.	1890-94.	1895- 1900.	1880-84.	1885-89.	1890-94.	1895- 1900.
	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	22·3	23·8	25·8	26·8
Victoria .....	38·8	39·7	49·8	58·8	23·4	24·2	30·2	34·3
Queensland .....	18·3	23·1	28·6	26·2	13·8	16·9	20·2	18·2
South Australia .....	50·0	53·5	59·4	62·7	29·1	30·9	32·3	34·2
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	15·8	19·4	20·1	17·2
Commonwealth ...	34·6	37·0	42·1	46·6	22·0	23·4	26·1	28·5
New Zealand .....	...	...	27·3	42·1	.....	.....	16·7	25·5
Australasia .....	...	...	41·6	46·0	.....	.....	25·8	28·1

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 to each State the number of persons with property to the value of at least £100 :—

State.	Number of Estates exceeding £100 in value.
New South Wales .....	188,700
Victoria .....	225,900
Queensland .....	47,000
South Australia .....	61,900
Western Australia .....	23,100
Tasmania .....	15,000
Commonwealth .....	561,600
New Zealand .....	110,000
Australasia .....	671,600

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 six years 1896 to 1901, 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 .....	10,166	3,610
Number residing in the State of New South Wales .....	9,483	3,443
Number residing elsewhere .....	683	167
Value of property devised .....	£24,531,377	£3,418,518
Average value of estates .....	£2,413	£947
Proportion of total adult population with estates over £200 in value .....	35 per cent.	20 per cent.

#### IMPORTATION OF CAPITAL.

Australasia ranks among the debtor nations. At the close of 1901 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 £387,772,000, or £84 per inhabitant. Of this large sum, £146,420,000 represents the private investments, and £241,352,000 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 £7,991,000, and on account of local government debts

£642,000, while the income from private investments may be stated at £7,228,000, and the absentee incomes and return on shares held in London, £400,000. These various sums make up a total of £16,261,000, 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 £387,772,000. 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 thus :—

	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
Total .....	59,610,000	13,346,000	72,956,000

From 1871 to 1901 the increase of indebtedness was :—

	Commonwealth States.	New Zealand.	Total.
	£	£	£
On account of State and Municipalities	165,821,000	41,169,000	206,990,000
Private investments .....	94,861,000	12,965,000	107,826,000
Total.....	260,682,000	54,134,000	314,816,000

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

(£8,633,000), and from two-fifths to a half of the income from private investments, or, in round figures, £2,890,000—the two taken together making a sum of £11,523,000, or £2 10s. 4d. 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 1901 probably reached £400,000, a figure very greatly below that of previous years. The total payments to outside creditors or investors during 1901 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 .....	11,523,000
Return dependent on antecedent production .....	4,338,000
Absentee incomes .....	400,000
Total.....	£16,261,000

Of the sum just given, £13,039,000 is paid by the States of the Commonwealth, and £3,222,000 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 1901 was about £16,261,000, and it is therefore plain that Australasia might increase its indebtedness to the extent of over fifteen 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-one years the indebtedness of Australasia was increased by £314,816,000, the money or money's worth actually received, as represented by the excess of imports, was less than that sent away by £4,910,000. 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-one years 1871-1901 :—

State.	Borrowings of State and Local Government Bodies.	Interest on State and Local Government Loans.	Net Amount of Money introduced.
	£	£	£
New South Wales .....	54,322,000	41,473,000	12,849,000
Victoria .....	43,563,000	43,125,000	438,000
Queensland .....	29,435,000	23,885,000	5,550,000
South Australia .....	22,107,000	18,393,000	3,714,000
Western Australia .....	9,112,000	2,668,000	6,444,000
Tasmania .....	7,282,000	5,737,000	1,545,000
Commonwealth .....	165,821,000	135,281,000	30,540,000
New Zealand .....	41,169,000	46,498,000	(—) 5,329,000
Australasia .....	206,990,000	181,779,000	25,211,000

It will be seen that out of loans aggregating £206,990,000 a sum of only £25,211,000 reached Australasia, the balance of £181,779,000 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 .....	£ 107,826,000
Capital introduced by persons taking up their abode in Australasia .....	26,000,000
Total inflow of capital .....	£133,826,000
Earnings of investments of non-residents and incomes of absentees in excess of income derived by residents in Australasia from investments abroad .....	164,400,000
Excess of outflow over inflow .....	£30,574,000

It will be seen that, leaving out of consideration the capital introduced by immigrants, the return to investors, together with absentee incomes, has exceeded by over fifty-six millions the amount invested in Australasia, although of the principal sum, £107,826,000, 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 103 millions might have been paid away during the last thirty-one years without any reduction in the principal owing.

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 twenty-five 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
1896-1901	24,216,000	13,870,000	38,086,000
Total	241,352,000	146,420,000	387,772,000

\* 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 .....	107,088,060
1891-95 .....	30,705,000
1896-1901 .....	38,717,000
Total .....	£338,983,000

The total indebtedness of Australasia to British investors has been set down in the foregoing pages as £387,772,000, and the annual return therefrom, excluding absentee incomes, £15,861,000. The capital sum represents a weight of £83 18s. 6d. per inhabitant, and the annual return £3 8s. 8d. The apparent interest earned is, therefore, slightly above 4 per cent., a rate which must be considered very favourable, seeing that £241,352,000, or three-fifths of the total, comprise Government and Municipal securities. The indebtedness of the States of the Commonwealth to British creditors amounts to £320,292,000, or £83 11s. 4d. per inhabitant, of which £192,341,000 is due by the central and local governing bodies, and £127,951,000 represents private investments. The indebtedness of New Zealand is £67,480,000, or £85 13s. 5d. per inhabitant, of which £49,011,000 is owing by the central and local governing bodies, and £18,469,000 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 £1,500,000. 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 raise 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 office 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 is 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, there was a total of £30,705,000 introduced. Of this sum, £28,653,000 represents the borrowings of the various Governments and local bodies, the share of each being 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

Even in this period immigration did not entirely cease, and it is estimated that an amount of £3,374,000 was introduced by persons who took up their permanent abode in the country.

The withdrawal of capital from Australia practically ceased in 1895. During the two following years, there was a considerable sum introduced chiefly to Western Australia, where the gold-fields claimed much attention from British mining speculators. In 1896 and 1897 about four millions of private capital were brought to New South Wales, a large part of which was money withdrawn during the period following the banking crisis. In 1899 and the two following years, about five and a half millions were sent to the same State, where business prospects appeared very bright. During the six years ending in 1901 there was an excess of imports over exports into Victoria of about £500,000; but as the payments on behalf of the Government in London exceeded the borrowings by £7,100,000, there would appear to have been an introduction of private capital to the extent of £7,600,000 in excess of payments made to British and other creditors on private account. The last could scarcely have been less than £9,350,000, so that the sum of £16,950,000 would stand as the amount of capital introduced into the State during the six years. The probabilities are entirely against the supposition that so large an amount of capital was brought to Victoria during those years, but there is evidence that from six to seven millions

of private capital found its way to Melbourne during the period. The balance, amounting to some £1,700,000 per annum, represents the earnings of Victorian capital invested outside the State boundaries, and the return for the business services which Melbourne renders to the Commonwealth.

The most interesting feature of the movement of capital during the six years, besides the one just mentioned, is the position assumed by Western Australia since 1897. For many years preceding 1897 the State had been the recipient of much capital, the return therefrom being by no means large. In 1899, for the first time during seventeen years, the exports of the State exceeded the imports. This excess has since continued and is indicative of the return made by Western Australia to the investors in its payable gold-mines. It is calculated that during the last five years this return has averaged within a few thousands of two millions sterling.

The total import of private capital into the Commonwealth during the last six years appears to have been nine and three-quarter millions, while the proceeds of State loans raised in London during the same period amounted to £24,896,000. During the two years 1896-7, Western Australia was the only borrower, its loans amounting to £1,846,000. This State has continued its public works policy, its borrowings in London averaging £1,200,000 a year. The proceeds of the loans have been applied mainly to railway extensions and water supply. New South Wales obtained from London £6,711,000; Queensland, £4,387,000; Victoria, £2,992,000; South Australia, £2,819,000; and Tasmania, £840,000 during the same period.

The New Zealand Government, during the six years 1896-1901, obtained £4,092,000, and the private investments made in the Colony amounted to £5,806,000, the bulk of both the State and private borrowings being made in the year 1899.

Taking Australasia as a whole, the State and municipal borrowings during the six years 1896-1901 amounted to £28,988,000, while £15,559,000 was introduced on private account, not including about £2,000,000 brought to the country by immigrants. The total introduction of capital, therefore, amounted to £44,547,000.

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 £221,336,000, and of this sum local residents draw £204,692,000, and British investors and absentees £16,644,000, and of this last-mentioned sum £9,016,000 represents income derived from Government or municipal stocks, and £7,628,000 the amount from private sources. Of the total income (£221,336,000) the States of the Commonwealth claim £182,868,000, and New Zealand £38,468,000, the incomes of non-residents in each case being £13,378,000 and £3,266,000.

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 principal States was in 1901 :—

State.	Total.	Per Inhabitant.
	£	£
New South Wales .....	64,936,000	47·3
Victoria .....	51,422,000	42·7
Queensland .....	23,868,000	47·3
South Australia .....	16,374,000	45·1
Western Australia.....	12,021,000	64·1
Tasmania .....	7,285,000	42·0
Commonwealth .....	175,906,000	46·2
New Zealand .....	36,414,000	46·7
Australasia .....	212,320,000	46·3

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 £9,016,000 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	19,306,000	45,630,000
Victoria .....	28,498	13,530,000	37,892,000
Queensland .....	9,950	5,393,000	18,475,000
South Australia.....	9,630	4,934,000	11,440,000
Western Australia.....	3,835	1,611,000	10,410,000
Tasmania .....	4,140	1,657,000	5,628,000
Commonwealth .....	85,753	46,431,000	129,475,000
New Zealand .....	12,606	7,566,000	28,848,000
Australasia .....	98,359	53,997,000	158,323,000

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 £212,320,000, and of this amount £7,628,000, or slightly over 3½ per cent., is drawn by non-residents, in addition to the sum of £9,016,000 paid to debenture-holders.

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 last edition of this work 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 understated. 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 have been set down at £13,530,000, which is an increase of over 34 per cent. When it is remembered that the assessed incomes of New South Wales, excluding altogether those derived from the use or occupancy of land—that is to say, incomes aggregating £7,166,000—amount to £12,140,000, or only about one million below the total of all Victorian incomes, it is difficult to avoid the conclusion that even at this increased amount these incomes are largely understated. It is impossible, however, to reject the Victorian income tax returns and set up unofficial figures in their place, so that these figures have been used in all the estimates given in this chapter.

The incomes drawn from investments by persons non-resident amount to £7,228,000, and about £400,000 is spent by Australians resident in Europe. Of the first mentioned amount, £2,832,000 is drawn from New South Wales, or nearly 4½ per cent. of the total incomes of the State apart from payments to debenture-holders; £1,802,000 is drawn from Victoria, or 3½ per cent.; £1,366,000 from Queensland, or nearly 6 per cent.; and £1,132,000, equal to a little over 3 per cent., from New Zealand.

The figures just given 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 figures show 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 .....	17·9	5·3
Victoria.....	18·3	4·8
Queensland .....	21·5	4·9
South Australia .....	20·1	6·0
Western Australia.....	30·8	5·8
Tasmania.....	20·4	4·6
New Zealand.....	20·4	4·2

The incomes of the country usually exceed the value of the production; the more various and developed the industries the greater will be the income which results from production.

The following is a statement of the incomes obtained in each state and the value of production in that state, as set out on page 806. 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 <sup>1</sup>	Percentage which Total Incomes bear to value of production.	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

#### OLD AGE PENSIONS.

The question of granting pensions to aged persons has been of late years much discussed throughout Australia and New Zealand, and at the present time the old age pension system is in operation in New South Wales, Victoria, and New Zealand. The last named province was the

first to legislate in regard to the matter, and pensions were payable from 1st April, 1898.

Every person in New Zealand, of the full age of sixty-five years, or upwards, is entitled to a pension, provided he has resided continuously in the colony for twenty-five years, certain concessions in regard to residence being made in favour of seamen and others. To be entitled to a pension, a person must not possess an income in excess of £52 a year, nor property exceeding £270 in value. There are also other qualifications, principally affecting good citizenship. The full pension is £18 a year, payable in monthly instalments. For each £1 of income above £34 a year, and for each £15 of property above £50, £1 per annum is deducted from the amount of the pension. In March, 1902, there were 32,000 persons in New Zealand whose ages exceeded sixty-five years, and of these 12,776 had already been granted pensions, 10,900 in the full amount, and 1,876 in sums ranging from £1 to £17. The average pension paid was £17 and the sum payable in respect of all pensions, excluding management, is £217,192. The proportion of the population who claim old age pensions varies according to the locality. This variation is due partly to the differences in the proportion of the persons above the pension age, and partly to the fact that in districts where mining is the chief industry, few persons are able to earn their living after they reach sixty-five years. The proportion of pensioners to the population over sixty-five years of age is about 40 per cent., and the proportion of pensioners to those qualified, both by age and residence, is about 50 per cent.; but there can be hardly any doubt that both the number of pensioners and the proportion to total population will increase considerably during the next few years.

The old age pension scheme sanctioned by the Parliament of New South Wales specifies a pension of £26 a year, diminished by £1 for every £1 of income above £26 a year, and by £1 for every £15 of property that the pensioner possesses. Where a husband and wife are each entitled to a pension, the amount is fixed at £19 10s. a year each, unless they are living apart under a decree of the Court or a deed of separation, when the full sum of £26 will be allowed. Persons under 65 years of age but over 60 years are entitled to pensions if they are incapacitated by sickness or injury from earning their livelihood, but debility due merely to age is not considered as an incapacitating sickness.

The pension system came into force on the 1st August, 1901, and at the close of the first pension year there were 22,252 pensions current, representing an annual payment of £531,823 or £23 18s. per pension. There were on 1st August, 1902, 2,656 persons of ages between 60 and 65 years in receipt of pensions, and 19,596 persons of 65 years and upwards. The total population, 65 years and over, was 47,426, so that the proportion receiving pensions was 41·3 per cent. Full pensions of £26 were paid to 15,610 persons, and 3,893 of £19 10s. to married persons, while 2,749 persons received less than full pensions in amounts varying from £1 to £25.

The pension system of Victoria differs very materially from that in operation in New South Wales and New Zealand. The average weekly income of a claimant in Victoria during the six months immediately preceding the grant of a pension must not have amounted to 8s. per week (in New South Wales the sum allowed is £1 per week); he must also have made reasonable efforts to provide for himself, and this is not necessary either in New South Wales or New Zealand, where the pension is granted in consideration of old age, and a citizen may enjoy his pension on attaining the age of 65, whether he is able to work or not; indeed, the law allows him to supplement his income to the extent of 10s. per week, in the case of New South Wales, and 13s. in that of New Zealand; the total income enjoyed by the pensioner may, therefore, in these two States, amount to 20s. per week. In Victoria, the amount of pension is determined by the Commissioners appointed to adjudicate on the matter, and 8s. is the maximum allowed; but the Commissioners have to determine what sum less than 8s. may be reasonable and sufficient to meet the wants of the claimant. Moreover, when a claimant, although he has attained the statutory age of 65 years, appears to be physically capable of earning or partly earning his living, a pension may be refused or fixed at a lower sum than 8s. As noted before, the total income of a pensioner in New South Wales may reach 20s., that is 10s. over and above a full pension; but in Victoria, the limit of a pensioner's income from all sources is 8s., although, under certain conditions, he may be allowed to earn a sum which, with his pension, will amount to 10s. in all. The statutory maximum of pension is diminished by 6d. per week for every £10 of savings accumulated by the claimant, or by the value of the board and lodging which he may receive; the value of such board and lodging, however, may be taken at any sum not exceeding 5s. per week. Proceedings to obtain an old age pension are usually in open court, but the Commissioners dealing with the claim may dispense with the personal attendance of the claimant where the latter is physically unfit, or where the claim is one that obviously should be granted. Relatives—if the father, mother, brother, sister, or child of the claimant—are required to assist in the maintenance of the pensioner, where their means are sufficient to allow them to do so, and they may be brought before the Commissioners' Court to prove their inability to contribute to the maintenance of the pensioner to whom they are said to be related.

It will be seen that, whereas in New South Wales and New Zealand the old age pension is a gift by the State to citizens who have contributed by taxation, and who, as the preamble to the New South Wales Act declares, have during the prime of life helped to bear the public burthens of the State by the payment of taxes, and by opening up its resources by their labour and skill, in Victoria the pension partakes more of the nature of a charitable dole. It is easy to understand, therefore, how it is that in New South Wales there are 22,252 persons who are in receipt of pensions, and in New Zealand 12,776, while in Victoria

the number is only 13,410, although the persons of 65 years and upwards in Victoria number 66,452 compared with 47,426 in New South Wales and 31,965 in New Zealand.

The number of persons of 65 years and upwards in Australasia was, at the beginning of 1902, 184,630, of whom 152,665 resided in the Commonwealth and 31,965 in New Zealand. These figures are deduced from the census returns and are probably in excess of the truth, as a large number of persons, in anticipation of the establishment of a general system of old age pensions, described themselves as over 65 years of age, though in reality they had not reached that age. However, accepting the figures as they stand, the following are the numbers in the various States of the Commonwealth :—

New South Wales .....	47,426
Victoria .....	66,452
Queensland .....	13,237
South Australia .....	15,029
Western Australia .....	3,513
Tasmania .....	7,008

152,665

Proposals have been made from time to time for the Commonwealth Government to institute a system of old age pensions applicable to persons resident in any of the States, an objection to the present State system being that residence of twenty years in the case of Victoria and of twenty-five years in the case of New South Wales is a condition precedent to the granting of a pension. There are a large number of persons who have been twenty-five years in Australia but whose time has been spent in two or more States and who, therefore, would not under any State system likely to be put into operation be entitled to a State pension. These persons would be eligible under a federal system to receive pensions in virtue of their residence in Australia.

The proportion of the 152,665 persons of 65 years and upwards now in the Commonwealth, who were born or have resided for twenty-five years in Australia, is probably about 84 per cent., and the proportion qualified to receive a pension about 43 per cent., so that if a federal pension scheme had been in operation on 1st January, 1902, there would have been 65,650 pensioners over 65 years of age. The cost of this scheme, according to the New South Wales rates, would be £1,575,600 per annum, and according to the New Zealand rates, £1,132,500. The New South Wales system, as before stated, provides for pensions to persons between the ages of 60 and 65 years, incapacitated, by reason of physical infirmity from earning their livelihood. If provision were to be made by the Commonwealth for such persons according to the New South Wales scale, the cost of the pension system would be about £1,800,000.