

ment was not proceeding on sound lines, either from the point of view of the capital investor or from that of the people sharing the interest burden. If we except the years of the gold-rush, immigration reached its highest peak in 1883 when the capital imports were just beginning; and the lowest record is shown for 1888—the *annus mirabilis* in Victoria—when less than 18,000 immigrants came to Australia. Again, unemployment was lightest during the very years that immigration was heaviest, and vice versa. When it is realized that the population increased by only half a million during a period when indebtedness rose by more than £100 millions, we have to seek very little further for the explanation of the essential unsoundness of the whole position.<sup>1</sup>

But even growth of population, whether by immigration or by natural increase, must be deemed less adequate as a measure for borrowing capacity than is productiveness. The expansion of all the industries of the continent was the one condition at that time which could justify the absorption of capital; and every analysis of the situation, from distribution of the people as between town and country to progress of primary industry, fails to indicate a satisfactory advance. In the first place, that concentration of population in the cities which has since become so marked was beginning to appear. The figures given below will afford an idea of the progress of this movement; and, ignoring the social implications, it can scarcely be deemed indicative of rural expansion.<sup>2</sup>

Whilst, in view of the fact that most of the economic land of the continent had been occupied by 1880, it would be manifestly unfair to expect the maintenance of the rate of settlement or of production set in the period following 1850, the diminished rate of expansion has to be seen in the light of the increasing burden of debt. The progress in rural industry is indicated by a review

<sup>1</sup> In 1888, when the net increase for all Australia was only 15,000, Victoria showed an increase of 25,760 due to the influx of immigrants from the other states attracted by the continuance of boom conditions after depression had set in elsewhere. Victoria obtained 10,550 people from New Zealand, 8,480 from South Australia, 1,050 from Western Australia, and 390 from Tasmania in that year.

<sup>2</sup> See *The Peopling of Australia*, chapter by E. T. McPhee on Australian urbanization.

URBANIZATION IN AUSTRALIA

	1871.	1881.	1891.
Victoria, per cent. in Melbourne . . . . .	28	32	42
N.S.W., per cent. in Sydney . . . . .	26	29	33
Queensland, per cent. in Brisbane . . . . .	12	14	25