

the margin between the value of exports and the liability for interest was becoming narrower through the operation of the price-level even by 1890, since a diminution of prosperity equal to £4 per head of the population had occurred, a decline that was sufficiently serious without the intervention of other factors.

Examination of the figures presented with this chapter shows clearly that neither the growth of population nor the expansion of production kept pace with the increase in indebtedness. The amount of the debt and the annual liability for interest are the two aspects still necessary to conclude the survey. Coghlan estimates that, by 1890, the total private payment of interest abroad for New South Wales alone amounted to not less than £2.75 millions, in addition to £1.75 millions on the public debt or £4.5 millions in all.<sup>1</sup> If £2.75 millions represented the interest on private debt and this was the average rate of interest for the whole of the six colonies, the annual interest bill at this time exceeded £9 millions. Adding this to the £6 millions payable on the public debt it is clear the total interest payable on both the private and public debt of Australia amounted to, at least, £15 millions. Other estimates made at the time, based on different data, agree so closely with this total that it may be accepted with confidence.<sup>2</sup> Allowing for that proportion of the private debt which was purely speculative in character, the community was faced with an annual interest bill amounting to not less than £15 millions. A very interesting comparison of the progressive balance available for meeting the overseas debt can now be extracted from Coghlan's figures.

TABLE XIII

*Progressive Balance available for Interest*

(In Millions Sterling)

	1861.	1871.	1881.	1891.
Total exports . . . . .	16.6	23.1	31.2	36.3
Aggregate interest on whole debt . . . . .	2.0	4.0	8.0	15.0
Balance available . . . . .	14.6	19.1	23.2	21.7
Percentage exports needed for interest . . . . .	12	17	26	41
Percentage exports available to buy imports . . . . .	88	83	74	59

<sup>1</sup> *Wealth and Progress of New South Wales*, 1892.

<sup>2</sup> Reginald Black estimated the total public and private debt at between £350 and £400 millions.