

borrowing, and from an abrupt disturbance in the rhythm of trade, are to be clearly traced in the period now being reviewed. Up to the year 1880 the overseas trade of Australia exhibited all those features that the economic history of young and undeveloped countries would lead us to expect. After that year a natural and inevitable transition towards maturity as a borrower was forced on by the stupendous volume of capital imported. By 1885 it was becoming apparent that the stage was arriving in which the interest on old loans was becoming larger than the amount of new loans contracted each year. Australia was rapidly—far too rapidly as events proved—becoming a mature borrowing country. Owing to the sudden cessation of the influx of capital in 1893, through a complexity of causes, external as well as internal, the interest on old loans became immediately and unexpectedly more than five times the amount of the new loans that it was found expedient to raise. This catastrophic pinching of the financial shoe, in addition to the other factors still to be examined, was sufficient to explain the limping industrial and commercial gait of the country for the succeeding decade. This situation is summarized in the following table:

TABLE XV

*Australian Public Loans and Annual Interest*<sup>1</sup>  
(In Millions Sterling)

<i>Year.</i>	<i>New loan.</i>	<i>Annual interest and charges.</i>
1883 . . . .	14-629	2-904
1884 . . . .	12-755	4-370
1885 . . . .	12-356	4-452
1886 . . . .	7-529	4-601
1887 . . . .	6-375	4-865
1888 . . . .	5-230	5-112
1889 . . . .	11-874	5-357
1890 . . . .	7-720	5-517
1891 . . . .	8-230	5-871
1892 . . . .	8-147	6-117
1893 . . . .	8-321	6-859
1894 . . . .	1-179	7-056
1895 . . . .	2-184	7-008

<sup>1</sup> Compiled by Commonwealth Bureau of Census and Statistics.