

Customs duties are abundantly heavy, while those of stamps and legacies are not neglected, and over all there exists a property-tax assessed on the capital value, which in its ramifications literally embraces every kind or class of property, real or personal. It is true some of the land of the colony is very good; but the good is very limited in extent and is all alienated, leaving only the mountains and the disputed territory of the Maori King, a densely forest country, as an asset for the public creditor. Such, then, is the position of the colony in its public capacity; and I regret to say that the internal economic system, if anything, is less encouraging. To borrow money and batten on its expenditure has been a growing evil in the colony for many years past, and I can safely say that there is not one City Council, Municipality, County Council, Road Board, Harbour Board, or other corporate body which has not its own individual debt; and if to these we add the Government debt, the mortgages registered on private property (by no means modest), and the capital of banks and finance companies employed in the colony, the aggregate reaches £65,000,000, which, at a general average of $6\frac{1}{2}$ per cent., reaches the sum of over £4,000,000 of interest. And, as only £12,000,000 is registered as New Zealand capital, nearly the whole of that sum has to go annually out of the colony to pay the interest on public or private debts. In 1883 the exports amounted to £7,000,000; but since then the low price of grain and Indian competition have almost destroyed the cultivation of wheat for export, and the existing depression in price of wool will reduce the total value of exports for the current year to little more than £5,000,000, which represents the purchasing-power of the colony and the wherewithal to pay interest on her huge public and private debts, administer the government of the country, and maintain her free educational system of £600,000. The question to be considered is, Can she stand the present strain? rather than entertaining the idea of contracting new liabilities. Were there an influx of labour and capital to the colony, as in colonies situated nearer to the great centres of European populations, the burden, though great, might soon be relieved; but at present labour has to be found by the Government for the unemployed, and the introduction of new capital by private enterprise has long since ceased; indeed, it is no longer an open secret that much of the private lands have fallen into the hands of finance institutions for advances made in more prosperous times, and are now farmed directly on their account. The picture is a desponding one, but it is true, and the future is shadowed in doubt. It is true there is at the head of affairs a gentleman of great financial capacity, Sir Julius Vogel, well known in London monetary circles; but his great energy and wisdom, I think, would be better employed in husbanding the colony as he now finds it rather than in increasing a burden out of all proportion to the population and resources of the colony.—Yours, &c., MERCATOR."

[Extract from the *Times*, Friday, 12th March, 1886.]

THE subjoined letter from Sir F. Dillon Bell replies to the letter from "Mercator" in yesterday's article. Its terms seem to us unnecessarily fierce; but perhaps Sir Francis thinks that the Government of New Zealand is charged with an unconstitutional desire to raise a loan without consent of the Legislature of the colony. Our correspondent ought, of course, to have written "the intention of asking for power to raise," and not "the intention of raising" a loan. That they are thinking of issuing a new loan before long is, we believe, matter of common knowledge. No doubt "Mercator," however, will reply to this brusque challenge, and we hope he will imitate the commendable brevity of Sir Francis's letter: "March 11.—SIR,—The fact of your having admitted the letter signed 'Mercator' into your columns induces me to depart from my usual rule not to notice anonymous statements. With your correspondent's opinions I have nothing to do, but he pretends to announce in express and specific terms that my Government has 'foreshadowed the intention of raising a new loan of from £8,000,000 to £10,000,000 to construct three new lines of railway.' No one, I think, can be justified in asking the *Times* to let him make an announcement of that kind in its columns as a matter of fact without giving his authority. I challenge your correspondent to give the authority on which he has made it.—I am yours faithfully, F. D. BELL."

No. 71.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 2nd May.)

CONVERSION, yesterday: Amount of 5-per-cent. debentures of loan of 1863 exchanged for 5-per-cent. bonds for six years, £43,600; for $112\frac{1}{2}$ 4-per-cent. inscribed stock, £65,600. Amount of debentures of 10-40 loan converted, £1,292,700. Amount of debentures of 5-per-cent. loan of 1879 converted, £136,000. Amount of debentures of 6-per-cent. loan of 1860 converted, £19,000. Amount of 6-per-cent. debentures of loan of 1863 converted, £114,400. London, 1st.

No. 72.

The COLONIAL TREASURER to the LOAN and STOCK AGENTS.

Loan Agents, London.

Wellington, 3rd May, 1886.

CONVERSION: Satisfactory. Highly appreciate your management. What about syndicate pay off balance $4\frac{1}{2}$ -per-cent. five-thirties August?

No. 73.

Order in Council authorizing Creation of £251,020 3s. Stock, under "The Consolidated Stock Act, 1884."

W. F. DRUMMOND JERVOIS, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this sixth day of May, 1886.

Present: HIS EXCELLENCY THE GOVERNOR IN COUNCIL.

WHEREAS by an Act passed by the General Assembly of the Colony of New Zealand, the Short Title whereof is "The Consolidated Stock Act, 1884," it is, among other things, enacted that the said Act shall be incorporated with and read as a part of "The New Zealand Consolidated Stock Act, 1877," and that the Agents mentioned in the now reciting Act shall be the Agents from time to time appointed under "The New Zealand Consolidated Stock Act, 1877;" and by the now reciting Act it is also enacted that, in respect of the loans having sinking funds mentioned in the Schedule to such Act, the Colonial Treasurer shall, within each financial year ending on the thirty-first day of March, compute the amount which, from all sources, whether from contributions to the sinking fund or from the produce of accrued investments of the same, including the interest on drawn bonds, will accrue to increase the sinking fund of each loan within each year; and, upon such computation being approved by the Controller and Auditor-General, such amount shall be held to be