

constructed by private enterprise at a cost of £801,464,000; and if we add this to the Home debt of £740,331,000, we have a total of £1,541,795,000, or £43 per head. But more costly at Home than the debt is the military and naval expenditure, which absorbs some £30,000,000 annually, or, proportionately, a good five times what New Zealand has to expend. So that under that head the colony is in a far better position than the Mother-country. We quite agree with the *Economist* that "comparisons of this kind can be made to support almost anything," and, such being the case, we are the more interested in impressing the right view of this important question upon British investors.

The final thrust is delivered in the following manner: "There can be no doubt that reliable figures in reference to the financial position of the colony are far from satisfactory. As can be seen by the following figures, the indebtedness per head of population is very high as compared with the other Australasian Colonies." We have then set out the debt-figures per head of all the Australasian Colonies for the year 1884, and we have taken the liberty of adding those at this present date, May, 1886.

							Debt per Head, as in the <i>Economist</i> , Dec. 31, 1884.	Debt per Head, May, 1886.
							£ s. d.	£
New Zealand (exclusive of Maoris)	..	..	..	..	..	..	58 4 8	54
New South Wales	..	..	..	..	..	..	32 13 6	36
Queensland	..	..	..	..	..	..	52 19 6	60
South Australia	..	..	..	..	..	..	49 9 5	57
Tasmania	..	..	..	..	..	..	24 10 7	30*
Victoria	..	..	..	..	..	..	28 12 9	30
Western Australia	..	..	..	..	..	..	23 4 3	38

*Including guaranteed Main Line capital.

Now, the figures for May, 1886, are approximate, but for all practical purposes they are correct, and it is curious that the New Zealand statement actually shows a decrease per head. This is due to the circumstance that in the above £58 4s. 8d. no allowance is made for sinking funds, which, at the date named, had reduced the outstanding debt to £53 per head. Since 1884 New Zealand has borrowed £2,500,000 and added some forty thousand to the population, the two increases just about covering one another.

In the foregoing remarks we have dealt with every point raised by the *Economist*, and in doing so we hope we have made it clear what the true financial condition of New Zealand is. The colony has (but not in the past few years) borrowed considerably; and, as we hold it, now suffers more from a Protectionist policy and the recent decline in the value of wool and other produce than from aught else. When Sir Julius Vogel mooted a vigorous public works policy last autumn we were the first to oppose it—these are the times to move quietly; but there is no need to stop such an important work as the North Island Trunk Railway, and what is necessary for that purpose we shall doubtless in due time see obtained, none the less readily because the *Standard* has had the nightmare. It is not for the first time. By the way, how would the *Standard* explain the fact that the New Zealanders have been enabled to deposit with their bankers the sum of £10,051,347, in addition to the £2,091,897 deposited in their savings-banks (the Home equivalent for these deposits would be £720,000,000); while there are crowds of New Zealand companies paying good dividends, of which British capitalists do not even know the names. New Zealanders manage to have a good deal of cash and capital of their own somehow, even though they are likened by our ferocious contemporary to "the sands of the Arabian Desert."

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