	Death-rate per 1,000 of Population.
Victoria	17·54
Queensland	15·44
Western Australia	14·24
Tasmania	14·13
New South Wales	13·43
South Australia	10·98
New Zealand	9·40

Although considerable numbers of persons who are in weak health come to New Zealand from the Old Country for the benefit of our unsurpassed climate—often I am sorry to say, too late—we nevertheless enjoy this very low rate of mortality, which is the lowest in the world.

Friendly societies.

With regard to registered friendly societies, the assets as at the end of 1888 were returned as of the value of nearly £410,000. An increase of £30,000 may be reasonably assumed for the year, making, as at the end of 1889, a total of £440,000, of which £17,000 was deposited in the Post Office Savings-Bank. The funds of other societies organized for purposes of thrift and registered under the Friendly Societies Act amounted, at the same date, approximately to £10,000, and the funds of registered trade unions to £6,500.

Notwithstanding these signs of substantial progress, which are of a most satisfactory nature, it is an undeniable fact that what is known as trade in its more limited sense has for a considerable time been suffering great dulness, and this, of course, is felt chiefly in the centres of population—that is, in the distributing centres of the colony—and this fact is most suggestive. I have considered the matter carefully, and, though I do not profess to give a complete explanation, I have no doubt as to the main cause.

Cessation of private as well as public borrowing in London, cause of dulness in trade.

I believe it is the practical abandonment of our long-continued practice of borrowing very large sums of money in the London market by the Government and by private individuals that is at the bottom of our trade difficulty. We have long recognised in a vague sort of way that the difficulty is connected with the cessation of public borrowing, but few of us have recognised the potent factor which the borrowing by private persons of outside capital has been, and still is, in our financial condition. It may seem a curious and startling thing to say, but I believe it to be true, that the cessation of private borrowing in the various forms of credit given in London to our settlers has as much to do with the present trade difficulty as the cessation of our public loans. The subject is a difficult one, and requires close attention to master it. I would therefore ask the special attention of the Committee for a short time while I place before honourable members the facts relating to our public and private borrowings; premising, however, that here I shall use round numbers only. And, as my present object is only to ascertain the gross and mean annual sum derived from English lenders which has been available for spending in the colony—the average balance of the cash account, so to speak, from year to year between England and New Zealand on loan account, public and private—I must of course treat the two sides of the account as *pro tanto* cancelling each other. For instance, if in a given year we receive £1,000,000 of borrowed money and pay £500,000 in interest, then, though the receipt was on capital account and the payment on account of income, for my present purpose I say the sum available for spending for that year—the free balance—was £500,000. I say this so that I can state the matter more shortly without being liable to misconception.

As to British mortgages.

I regret to say that we have no returns of mortgages, either local or British, before 1878. We find from the land-tax returns of that year that the British mortgages then amounted to £10,123,000; in 1882 we see by the property-tax returns that they had increased to £15,018,000; and that in 1885 they had reached their maximum of £16,832,000, because in 1888—the year of the last return made—they had fallen to £16,205,000. I think it very doubtful if in 1870 the British mortgages reached more than £3,000,000, but we will assume that they did reach that sum. If this was so, then British capital was pouring into the colony during the fifteen years from 1871 to 1885 at the rate of nearly one million a year to assist private enterprise. But against this has to be set the interest paid upon this amount during the same period. I