

exports, including wool and gold, the value of exports per head of the male adult population has, for the three periods we are considering, steadily diminished. The exports were £55 2s. 5d. for the first period, £52 13s. 9d. for the second, and £45 11s. 5d. for the third per head respectively. Now these figures, if taken alone, would give a very erroneous impression of what is really going on with regard to production in the colony, and they would have a very serious aspect indeed if our exports other than wool and gold had not both steadily and largely increased during the same period. But fortunately the exports other than wool and gold have largely increased, as I have already shown, from £8 10s. 2d., in 1872, to £14 6s. 8d., in 1882, per head of the male adult population.

I have said that we have paid annually on the average, for interest outside the colony, during the last fifteen years, nearly £1,700,000; but it must be borne in mind, in considering our present position, that we are now paying not less than £2,500,000 a year for interest to non-residents. In other words, rather more than one-third of our exports do not belong to us—that is to say, they have to go to pay our debts abroad, and bring us no return whatever, except the difference between the interest we pay for the use of our borrowed money and the profit we make by its use, which is probably not more than two per cent. directly for that privately borrowed, although the indirect gain must be considerably more both upon the public and private borrowing.

Bearing in mind, then, Mr. Hamlin, the estimates and facts which I have just submitted, we are now in a position to understand pretty well the meaning of what is going on around us with regard to trade and money, so far as these matters are governed by what we do here.

Now, the first thing that strikes us is the curious coincidence that the total amount of interest and sinking fund, so far as can be estimated, which we have paid outside the colony during the last fifteen years is practically the same amount as the money borrowed by the colony and municipal bodies taken together. But, although this has been the case in the gross during the last fifteen years, the case has been different for the last three years. For that period the expenditure of money borrowed by the State has not much exceeded one-half of the interest and sinking fund—amounting, as before stated, to £2,500,000—which we have to pay out of the colony for colonial and municipal loans and private indebtedness; and for the last two years it has only been a little more than one-third.

From this it will at once be evident, assuming our exports to remain the same, that, unless a sufficiently large influx of capital, the property of settlers, is maintained to justify the continuance of our imports at their average rate, or unless the produce of our local industries supplying the colonial consumption increases to the extent of any reduction that may take place in our imports, commercial depression must follow. Now, our exports for the last three years have been—£6,352,692 in 1880; £6,060,866 in 1881; and £6,658,008 in 1882; while our imports for the same years have been £6,162,011, £7,457,045, and £8,609,270 respectively. Our exports for 1880 were £6,352,692, and for 1882, £6,658,008—an increase of £305,316. Our imports for 1880 were £6,162,011, and for 1882, £8,609,270—an increase of £2,447,259.

Now, there is reason to believe that the introduction of capital the property of settlers was very large during last year, and to that extent the increase in our imports was legitimate; but, making every allowance for this important item, it is clear, to my mind, that our imports last year were at least—£1,000,000 more than they ought to have been to supply our reasonable wants, that they have been obtained on credit, and are therefore pressing very heavily upon the commercial classes and, through them, upon the rest of the community. It is, I think, clear that until we have worked off our surplus stocks—and this can only be done by producing the means to pay for them, which will be the work of time—we cannot expect full relief from the present commercial depression, although the gradual easing of the money market in Australia as it takes place will give us some help.

But are there any real grounds, on account of the present commercial depression which undoubtedly exists over a large part of the colony, or from any deduction which can be fairly drawn from the figures I have just given, to justify