

amounted to £17,403,600, and the interest on the public debt to £6,905,400, besides upwards of £613,000 paid for sinking fund. As to country settlement and occupation, throughout Australasia there is a tendency to gather into the towns; but cultivation grows apace all the same. The cultivated area in New Zealand has long been increasing at the rate of hundreds of thousands of acres every year. These are the figures since 1880: In 1880, 4,506,000; in 1881, 4,786,000; in 1882, 5,189,000; in 1883, 5,651,000; in 1884, 6,073,000; in 1885, 6,551,000. Suppose that you were bringing new land under cultivation in England at the rate of thirty millions of acres every year, as your equality of proportion to population! In the same six years we grew nearly a hundred and seventeen million bushels of grain; last year (1885) we grew more than twenty million bushels. We cultivate our land and then lay it down to English grass, of which we have more than five million acres. Suppose you had three hundred millions of acres of sown grasses in England as your equality of proportion! We have now cultivated in New Zealand three hundred thousand more acres than the area of cultivated land, including land laid down to English grass, in the whole continent of Australia. The number of separate occupied holdings over one acre in cultivation also grows every year. In 1881 it was 24,147; in 1882, 26,298; in 1883, 27,352; in 1884, 28,587; in 1885, 29,814. Out of this last number 23,313 separate holdings were occupied by freeholders. As to the railways, our fifteen hundred miles now open for traffic have cost twelve millions, and they yielded for the financial year 1885 a net revenue of 3 per cent., leaving 1 per cent., or £120,000, to be made up. The direct yield per cent. of our lines will never be very great, because we have so many harbours that if we raise the rates the traffic goes by sea. But the indirect yield is too great to be easily measurable, for it is the secret of our large cultivation. . . . The real and personal property of the private settlers is now officially valued for the property-tax at £128,000,000, besides £12,000,000 belonging to municipal and other public bodies; to say nothing of the railways and other solid public works belonging to the State or of the Crown lands."

[Extract from the *Economist*, 15th May, 1886.]

THE INDEBTEDNESS OF NEW ZEALAND.—Sir Francis Bell, the Agent-General for New Zealand, has, in reply to some criticisms upon the financial condition of that colony, written an exceedingly intemperate letter, which will do the cause he represents no good. By the violence of its language it is calculated to convey the impression that the writer finds argument difficult, and consequently elects to fall back upon abuse of his opponents. And when he does condescend to apply anything of the nature of argument and to use figures, the statements made are of the nature of those specious half-truths which are exceedingly apt to mislead. For instance, Sir Francis Bell characterizes the statement that the interest on the New Zealand debt is paid out of loans as "sheer nonsense;" and it is certainly the case, as he says, that the revenue of New Zealand for the five financial years ending 1885 amounted to £17,403,600, while the interest on the public debt was only £6,905,400, exclusive of £613,000 paid for sinking fund. But no mention is here made of the administrative charges of the colony, which have, of course, a first claim upon the revenue, and hence, with the ordinary expenditure left out, the figures given are worse than valueless. According to official figures, the total revenue, the expenditure out of revenue, and the expenditure out of loan for the four years ending 1884 have been as follows:—

	1884.	1883.	1882.	1881.
Total revenue .. .. .	£ 3,707,488	£ 3,871,267	£ 3,917,160	£ 3,757,493
Expenditure out of revenue .. .. .	4,101,318	3,924,005	3,824,735	3,675,797
Excess or deficiency in revenue .. .. .	-393,830	-52,738	+92,425	+81,696
"Expenditure out of loan" .. .. .	1,565,748	1,191,784	821,976	1,069,927

If the territorial revenue and expenditure be deducted from these figures, which should properly be done, the net results appear distinctly less favourable. It is plain, then, that the revenue has recently proved insufficient to meet the expenditure, and that the assertion which Sir Francis Bell so utterly scouts is not without some foundation. Again, the Agent-General refers to the large increase in the cultivated area in New Zealand; but, although there has been a considerable increase for some years past, it is as well to point out that the bulk of the increase has not been in arable land, but in land laid down to grass. And in speaking of this Sir Francis Bell compares New Zealand with Great Britain, as measured proportionally by population, forgetting that the same unreliable method could readily be used against himself. New Zealand, for instance, has about six hundred thousand inhabitants, or about one-sixtieth of the number of Great Britain; and the total colonial debt is just under thirty millions: so that to be on equal terms with the colony as regards indebtedness the debt of the Mother-country would have to amount to eighteen hundred millions, or two and a quarter times its actual amount. The debt-charge, moreover, of Great Britain, taken proportionally, would be about eighty-eight millions, or four times its actual amount. These comparisons show how very wide of the point Sir Francis Bell is in even the coolest part of his rejoinder. But, apart from comparisons of this kind, which can be made to support in a kind of way almost anything, 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 on the 31st December, 1884, is very high as compared with the other Australian Colonies: New Zealand, £58 4s. 8d.; New South Wales, £32 13s. 6d.; Queensland, £52 19s. 6d.; South Australia, £49 9s. 5d.; Tasmania, £24 10s. 7d.; Victoria, £28 12s. 9d.; Western Australia, £23 4s. 3d.; and, while thus heavily loaded with debt, and with the outlook far from clear, there is, unfortunately, a strong tendency on the part of the Government to borrow heavily and spend freely, instead of a disposition to adopt an opposite and a wiser policy. This naturally excites some anxiety, not only here, but also amongst those well qualified to form an opinion in the colony itself.

[Extract from the *Standard*, 17th May, 1886.]

THE *Economist*, dealing with some observations of the Agent-General for New Zealand, circulated with reference to the remarks of Mr. Froude and of the *Standard* upon the finances of that colony, contradicts his main assertion point-blank. Sir F. Dillon Bell characterized as "sheer nonsense" the statement of Mr. Froude's New Zealand informant that the interest of the debt is paid out of loans. The official figures of the colony show that, so far from being nonsense, this payment of current charges out of capital is increasing, and has become of the greatest possible significance to all who trust New Zealand with money. Here is the table:—

	1884.	1883.	1882.	1881.
Total revenue .. .. .	£ 3,707,488	£ 3,871,267	£ 3,917,160	£ 3,757,493
Expenditure out of revenue .. .. .	4,101,318	3,924,005	3,824,735	3,675,797
Excess or deficiency in revenue .. .. .	-393,830	-52,738	+92,425	+81,696
"Expenditure out of loan" .. .. .	1,565,748	1,191,784	821,976	1,069,927

If, as the *Economist* justly observes, the territorial revenue and expenditure were deducted from these figures, as they should be, the net result would be distinctly more unfavourable. It is well also to recall the fact that the debt of England, were it as heavy, head for head, as that of New Zealand, would require eighty-eight millions per