

59 per cent., India 17 per cent., the Australasian Colonies 15 per cent., and Canada 4 per cent. The debt of Great Britain was reduced by \$41,301,186 during the year. With the exception of the Australasian Colonies, the amount per head in the United Kingdom was higher than in any of her possessions, and with the exception of South Australia and New Zealand the multiple of revenue was also the highest. At the time of Confederation five years and six months of the revenue would have been required to pay off the net debt of Canada ; in 1890 it would have taken a little less than six years.

215. The proportions of debt to population in the Australasian Colonies and also in Cape Colony are very large, but while, as in Canada, the whole amounts have been incurred in the construction of public works, by far the largest portion has been expended on railways, which in those colonies are almost altogether the property of the State, and there is consequently a very much larger revenue available for the payment of interest derived directly from the expenditure of loans, than there is in this country, where the money has been spent on works directly productive to the country, but only indirectly so to the State revenue. In proportion, moreover, to the wealth and general trade, more particularly of the Australasian Colonies, their populations are very scanty.

216. It is doubtful whether the calculations as to the amount of debt per head of population really possess as much value as is generally ascribed to them ; what may seem an enormous amount *per capita* for a country to carry may be relatively a far smaller burden than a much reduced amount in another country, and therefore, if possible, the debt of a country should be compared with its wealth and resources, which would afford a far more accurate, in fact, the most accurate idea possible, of its actual financial position ; but unfortunately the wealth of a country can only be estimated approximately, and in no two cases can such an estimate be expected to agree, the absence of certainty therefore doing away with the value of such calculations. If the value of the enormous resources of the principal colonies could be put into figures, the present debts, large as they appear to be, would seem justified by the assets set against them, and it must be remembered that the development of natural wealth in this or any other country is absolutely impossible without an expenditure, more or less large, first being made, in order to provide the means of bringing that wheat

Expenditure on productive works in Australasian and other Colonies.

Proportion of public debt to national wealth the proper comparison.