

British
Empire.

India 18 per cent, the Australasian colonies 16 per cent, and Canada 4 per cent. The debt of Great Britain was reduced by \$31,104,754 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, Queensland, Tasmania 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 1892 it would have taken just about six and one-half years.

Expendi-
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265. 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 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.

Public
debts
should be
compared
with nation-
al wealth

266. 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 the wealth of a country can only be estimated approximately, and as in no two cases can such an estimate be expected to agree, the absence of certainty must detract considerably from 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, might seem justified by the assets set against them, and it must be remembered that, as a rule, any development of natural wealth is impossible without an expenditure, more or less large, first being made, in order to provide the means of bringing that wealth within reach of its proper markets. According to Mr. Mulhall, the wealth of Canada in 1888 was \$954 per head of population, having increased from a total of \$1,907 millions in 1861 to \$4,769 millions in 1888, being an average increase of \$106 millions annually. These figures would make the gross debt of the country 6 per cent and the net debt 5 per cent of its national wealth.