

The investment in the State coal-mines has proved so successful that in a few years' time these properties will be good value for nearly half a million, and will stand to the Dominion practically free of cost. A perusal of the accounts will be found interesting, notwithstanding the unfair criticism of some publications in Australia. In one case, the *Pastoralists' Review*, ignoring the true Profit and Loss Account, which undoubtedly shows the true actual profits, constructed a balance-sheet based on receipts and expenditure, including in the latter a large expenditure of capital in opening up new mines in the Paparoa Ranges and constructing a new railway to these mines.

During the period from 1891 to 1909 the population, exclusive of Maoris, has increased from 634,058 to 960,642—an increase of 326,584, equal to 51 per cent.—and the country has been opened up and developed with steadily increasing rapidity. These are factors that should not be lost sight of when considering the question of our financial stability. Yet they are usually ignored by pessimistic critics.

It will be useful to place before you an estimate of the private wealth in 1909—

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Total capital value of land privately owned	205,845,053
Total value of live-stock, machinery, implements, rolling-stock, &c.	27,349,338
Total capital invested in trading and manufac- turing, estimated on the total income re- turned for taxation, capitalised at 5 per cent. (a low estimate) as the average return on capital invested	197,735,020
Native land capital value	16,276,236
Lessees' interest in Crown lands	10,546,281
Church and other lands not otherwise included	2,625,202
Education lands	5,038,615
Fixed deposits	20,084,880
Banks' mortgages not taxed	7,500,000
Public Trust Common Fund mortgages	2,309,415
Building Society mortgages	2,000,000
Post-Office Savings-Bank deposits	12,159,293
Bank-note issue	1,587,051
	<u>£511,056,384</u>

The land-values have been proved to be fully 30 per cent. below actual sales, so that no one can term them boom values.

In addition to what I have stated, there is the private wealth represented by incomes derived from salaries and professions amounting to £3,731,144. These directly employ little or no capital, but they indirectly represent capital, and if capitalised at 5 per cent. would represent £74,622,880. Then there are the wage-earners, who make no returns of income. Their estimated total income is £45,061,350.

The public and private wealth in 1909 was £613,518,825, an increase from 1891 of £300,000,000, produced to a large extent by the expenditure of public money and the corresponding development of the country. The public and private wealth per head of mean population is £768, an increase of £376 from 1891 to 1909, with an increase in the population of 51 per cent.

These figures and facts prove that although the public debt has increased by the amount I have stated, the assets in the rapid development of the country have increased in a vastly greater ratio: for every £1,000,000 increase in the public debt the assets have increased fully by £10,000,000. This in commercial circles would be considered very sound business.

In thirteen years—from 1896-7 to 1908-9—there is an annual increase of income returned for taxation alone of £9,325,976, an average increase year by year of £717,459. In fifteen years—from 1893-4 to 1908-9—there is an annual increase of £10,043,703 in incomes returned for taxation.