

I now show the division of our debt:—

Self-supporting, earning Interest.

	£
Amount expended on railways	25,602,948
Loans to local bodies	4,882,000
Telegraph and telephone lines	1,431,647
Reserve Fund securities	800,000
New Zealand Consols	462,166
Total	£33,178,761

Profit-earning.

	£
Advances to settlers and workers	7,939,700
Lands for settlements	6,303,485
Bank of New Zealand shares	500,000
State fire insurance	2,000
Total	£14,745,185

It will thus be seen that £47,923,946 of our debt pays interest, and some of this gives more than the interest paid for its use, being actually profit-producing. If from this is deducted the sum borrowed to help local bodies, which when due will be paid by the Dominion, there remains a sum of £43,041,946, which is no burden, from the point of view of taxation, and never will be, to the taxpayer.

Of the remaining portion of our public debt, some is indirectly interest-bearing, such as—

Purchase of Native Lands, £2,461,167.

This has been well spent. Some of the lands purchased have been sold, some leased, and some are still owned by the Crown. The returns to the State in the way of rent, moneys received for sales, and the assets still remaining would be more than sufficient to set off against the liability.

Roads and Bridges Construction, £6,871,251.

This may be considered indirectly interest-bearing, though it is well known that a very large portion of it has been loaded on the land and is direct interest-bearing, but for present purposes I call it indirect interest-bearing. The physical configuration of our country, its deep gorges, high hills, and numerous large rivers, made it imperative that heavy expenditure should be incurred for intercommunication amongst its scattered settlements. Otherwise settlement in many parts of the country would have been next to impossible, as without facilities for transport thousands of our people would have been in a sorry state. Were money not freely spent on such works the development of the Dominion would have been seriously retarded. I shall, however, in the ultimate analysis consider it as non-interest-paying.

Expended on Public Buildings, £5,240,251.

This amount may be regarded as indirectly interest-bearing. Rent would have to be paid if the State did not erect its own offices.

To the foregoing might be added the loans raised for immigration and tourist resorts, but it is safer to regard them as non-interest-bearing.

I will now state the loans that are non-interest-bearing.