1891 *to* 1911.

Since 1891 our debt has been increased from £38,830,350 to £81,078,122, but it will be seen that more than 86 per cent. of the increase is self-supporting:—

Interest-bearing.		*Non-interest-bearing.*	
Borrowed for—	£	Borrowed for—	£
Railways	11,022,948	Defence	1,145,727
Public buildings ..	3,440,251	Roads and bridges ..	1,765,251
Telegraph and telephone lines	662,647	Harbours and lighthouses	89,683
Lands for settlements ..	6,303,485	Immigration.. ..	4,002
Advances to settlers ..	6,974,935	Tourist and health resorts	131,507
Advances to workers ..	964,765	Goldfields and coalfields development ..	416,598
Bank of New Zealand shares	500,000	Scenery-preservation ..	40,000
New Zealand Consols ..	462,166	Costs of raising loans, discounts, and conversion into stock, &c..	2,049,640
Purchase of Native lands	915,167		
Loans to local bodies ..	4,557,000		
State fire insurance ..	2,000		
Reserve Fund securities	800,000		
Total	£36,605,364	Total	£5,642,408

Percentage of increase that is interest-bearing, 86·7.

Percentage of increase that is not bearing interest, 13·3.

So that it will be seen that prior to 1891 49 per cent. of our debt was directly or indirectly interest-bearing, and from 1891 to 1911 the percentage of increase of the loans that were interest-bearing was 86 per cent., while prior to 1891 the loans that were non-interest-bearing was 51 per cent., and from 1891 to 1911 the percentage of increase of our loans that were not bearing interest was only 13·3 per cent. These facts speak for themselves, and should be remembered by those who are so ready to cry out against our financial position.

The average rate of interest paid on our loans was considerably more in 1891 than it is now. On the 31st March, 1891, it was £4 10s. 3d. per £100. Since then it has decreased by about 17½ per cent., and is now about £3 14s. 6d.

Taking the difference in population, the rate of interest per head on the non-interest-bearing portion of our debt is much less now than twenty years ago. That which is earning interest, it cannot be too often repeated, does not oppress the taxpayer at all. In 1891 the population of the Dominion was, exclusive of Maoris, 634,058. It is now 1,008,407, an increase of 59 per cent. The non-interest-bearing debt has, however, increased by only 12·8 per cent. In 1891 it was £19,810,350: it is now only £25,452,758. At the rate of interest paid on our loans in 1891 the annual sum to be paid on the £19,810,350 of non-interest-bearing debt would be £893,446—that is, £1 8s. per head of the population. At that same rate of interest the amount per head on the £25,452,758 of dead-weight debt now owing would be £1 2s., but we are paying less interest now, and for the £25,452,758 non-interest-producing debt now owing the present amount of interest would be £946,842, or 18s. 7½d. per head only.

If we regard the whole amount of our debt as a dead-weight one—that is, neither profitable nor self-supporting, as the greater portions of the national debts of many countries unfortunately are—it will be seen that it is not so onerous now as it was twenty years ago. The interest paid per head on the whole debt was, in 1891 £2 15s. 3¼d.: it is now £2 10s 5¼d., a decrease of 8 per cent. But in 1911 only 31 per cent. of our debt can be said to be dead-weight, while in 1891 51 per cent. of it was of this nature, and the amount payable on it has fallen from £1 8s. to 18s. 7½d. per head of the population, a decrease of 19·4 per cent.