

Opinions may differ as to how much of the total is self-supporting, but the amounts expended in the construction of railways (£26,154,970), in the purchase of Native lands (£2,715,217), in the acquirement of lands for settlements (£6,318,638), are of this nature; and the amounts spent on telegraph and telephone lines (£1,601,767), loans to local bodies (£3,507,000), and Reserve Fund securities (£800,000) must be considered as revenue-producing. Other amounts, such as those expended in purchasing the Bank of New Zealand shares, £500,000, and for advances to settlers and workers, £9,203,815, bring in more income than is paid out for interest.

The net debt amounted to £82,193,310, and was made up of—

	£	Sinking Fund accrued. £	Net Debt. £
Public debt	66,793,360	Less 1,448,675	65,344,685
New Zealand State-guaranteed Advances debt	17,560,553	" 711,928	16,848,625
Total net debt			<u>£82,193,310</u>

INCREASE IN OUR INDEBTEDNESS.

The public debt was increased by £3,275,791 during the year. The increases were for—

State-guaranteed Debt—	£	£	
Land for settlements	410,700	{ 25,000 at 3½ per cent., Dominion. 363,200 at 3½ 22,500 at 4	" "
Advances to settlers	792,946	{ 377,946 at 3½ 415,000. Bank rate varying.	" London.
Advances to workers	471,169	{ 325,000 at 3½ per cent., Dominion. 46,169 at 3½ 100,000 at 3½	" London. Dominion.
Local authorities	222,000	{ 212,000 at 3½ 10,000 at 3½	" "
Native-land settlement	254,500	{ 200,000 at 3½ 54,500 at 3½	" "
Guaranteed mining	5,000	{ at 3½	" "
			£2,156,315
Public Works—			
Aid to Public Works and Land Settlement Act, 1910	181,650		at 3½ per cent., London.
Aid to Public Works and Land Settlement Act, 1911... ..	450,000	{ 100,000 at 3½ 350,000 at 3½	" Dominion. London.
Hutt Railway and Road Improvement Acts, 1903-5-7-10	5,190		at 4 " Dominion.
Government Railways Amendment Act, 1910	33,850	{ 10,000 at 3½ 23,850 at 4	" " "
Miscellaneous—			
New Zealand Consols Act, 1908	11,945	{ 3,165 at 3½ 8,780 at 4	" Dominion.
Naval Defence Act, 1909	279,750		at 3½ " London.
Paeroa-Waihi Railway Act, 1903... ..	6,036		at 3 " "
Coal-mines Act, 1908	20,000	{ 10,000 at 3½ 10,000 at 3½	" Dominion.
Scenery Preservation Act, 1903	5,000		at 3½ " "
Increase by conversion	126,505		
	<u>£1,119,926</u>		
Less redemptions—			
Maori Land Settlement Act, 1905, £450	450		
			1,119,476
Total increase for 1911-12			<u>£3,275,791</u>