Apart from war debt, which is, of course, wholly unproductive, the greater part of the remainder, raised for public works, land-settlement, and State advances, is self-supporting, the interest payments being provided by the interest-earning assets.

Government's borrowing policy is to see that as far as possible further debt incurred only for purpose of providing for economic development of resources of Dominion, but no hesitation in providing capital required for State advances, land-settlement, and completion of trunk railway-lines.

Comparisons with Previous Year.

	£
Total revenue, comparative increase	496,497
Customs, increase	11,663
Income-tax, increase	37,148
Land-tax, decrease	14,155
Stamp and death duties, increase	71,353
Total expenditure, comparative net increase ..	1,529,082
Interest, increase	278,147
Pensions, increase	91,307
Electoral Department, increase	80,046
Agriculture, increase	86,316
Education, increase	92,681
Samoan Military Police (new item) ..	27,374

Capital Expenditure on Public Works.

	£
Railway construction, additions, and improvements	3,179,391
Main highways and roads	1,822,922
Hydro-electric supply	965,560
Telegraphs and telephones	624,414
Public buildings (including schools)	602,392
Irrigation, land, and river improvements ..	282,806
Other public works	182,095
	£7,659,580

London Loan, 1929.

£7,000,000 raised in January for—

	£
Public Works Fund (railway construction, roads, telegraph and telephone extension, &c.) ..	4,500,000
Hydro-electric-power works	1,000,000
Railways improvement	1,500,000
	£7,000,000

Loan very favourably commented upon in London financial papers.
Loan obtained on better terms than other borrowing States.

Conversion Operations.

In addition to £7,000,000 loan, £11,729,496 of 4-per-cent. stock maturing in November, 1929, was converted into 4½-per-cent. stock maturing in 1948–58, on the basis of £104¼ of the new stock for every £100 of the old. £17,833,996 of 1929 4-per-cent. stock dealt with to 31st March last, leaving £11,274,356 still outstanding.

Debt deductions during year totalled £3,234,124.