

## OUR PUBLIC DEBT.

As in the case of taxation, which, as I have shown, is by comparison with other countries very light indeed, so there is another popular delusion which in my opinion requires to be dealt with—that is, that our debt is a grievous burden, almost too great to be borne. It is nothing of the sort, and the true position must be stated again and again at the risk of appearing to be wearisome in iteration. Our gross debt is large, but so are our assets; and in considering the position of any individual company or nation the debts must not be referred to alone. What has been done with the money borrowed? Are there assets to represent it? What percentage of it has been applied to increase the earning-power of the business? These are some of the questions which must be answered before an opinion can be formed as to the heaviness or the lightness of the debt under consideration.

Our debt may be examined in detail thus :—

	£
Total gross public debt .. .. .	81,078,122
Less accumulated sinking funds .. .. .	1,240,734
Net debt .. .. .	<u>£79,837,388</u>

The gross debt is shown in detail thus :—

Borrowed for—	£
Maori war .. .. .	2,357,000
Defence .. .. .	2,783,727
Railways .. .. .	25,602,948
Roads and bridges construction .. .. .	6,871,251
Public buildings .. .. .	5,240,251
Telegraph and telephone lines .. .. .	1,431,647
Harbours and lighthouses .. .. .	573,683
Immigration .. .. .	2,463,002
Lands for settlement .. .. .	6,303,485
Government advances to settlers .. .. .	6,974,935
Government advances to workers .. .. .	964,765
Bank of New Zealand shares .. .. .	500,000
New Zealand Consols .. .. .	462,166
Purchase of Native lands .. .. .	2,461,167
Tourist and health resorts .. .. .	131,507
Development of goldfields and coal-mines .. .. .	987,598
Loans to local bodies .. .. .	4,882,000
State fire insurance .. .. .	2,000
Reserve Fund securities   .. .. .	800,000
Scenery-preservation .. .. .	40,000
Deficiencies in revenue, charges and expenses of raising loans, increase by conversion, &c., provincial liabilities, and miscellaneous .. .. .	9,244,990
	<u>£81,078,122</u>

I desire to point out that there is now a sinking fund for all our existing loans, and every future loan has a sinking fund provided for it without introducing any separate legislation to establish the same. We are in this respect in a singularly strong position. No other country in the world occupies so satisfactory a position.

The portions of the debt borrowed for advances to settlers and workers, for purchasing lands for settlement, Native lands, Bank of New Zealand shares, construction of railways, telegraph and telephone lines, and loans to local bodies pay their own interest. Other portions are partly or indirectly interest-bearing. I propose to give details regarding our debts, and to show how they are used.