

THE PUBLIC DEBT.

On the 31st March, 1898, the gross public debt was £44,963,424, while on the 31st March last the debt had increased to £46,938,006, representing an addition of £1,974,582 during the year. This is a large increase, arising principally from the settlement of very large land-purchase transactions being effected at the same time as we placed our new loan upon the market. The reproductive portion of the additional debt may be stated as under:—

	Loan raised.	Total.	Costing per Annum.	Earning per Annum.
	£	£	£	£
For purchase of land for settlements ...	499,000	...	18,337	24,950
For advances to settlers ...	500,000	...	15,000	25,000
For loans to local bodies ...	73,900	...	3,695	3,695
For New Zealand Consols deposits ...	29,740	...	1,041	1,307
		1,102,640		
For aid to public works and land settlements—				
For additions to open lines ... £400,000	13,000	13,168
For roading to open up new blocks ...	180,000	...	5,675	9,000
			56,748	77,120
For construction of railways ... 230,000		
For schools ... 50,000		
	860,000			
Sinking-fund debentures... ..	54,300			
Increase of debt by conversion	19,384			
	933,684			
Less debentures redeemed	61,742			
		871,942		
Total increase during 1898–99		£1,974,582		

With regard to the increase owing to conversion operations, £2,581,108 of 3-per-cent. stock was inscribed for the purpose of converting £2,249,524 debentures, and to provide funds to pay off £312,200 of debentures under various Acts and at varying rates of interest. These transactions have added £19,384 to the debt, but have resulted in a material saving of something like £24,000 for interest-charges. The net debt at the close of last year had been increased by £1,999,206.

TABLE showing the INCREASE of DEBT during the LIBERAL ADMINISTRATION, and the Cost per Annum of the Direct Interest-earning Debt, and the Amount earned per Annum by the Outlay of such Debt.

Purpose for which Debt was raised.	Amount.	Costing per Annum.	Earning per Annum.
	£	£	£
Direct interest-earning—			
Land-settlement	1,408,566	51,364	70,428
Advances to settlers	2,000,000	60,000	100,000
Loans to local bodies	914,400	42,834	45,720
Lands-improvement	500,000	17,958	25,000
Bank of New Zealand, preferred shares... ..	500,000	17,500	17,500
New Zealand Consols	385,925	13,507	13,507
District railways	47,000	2,350	1,547
Additions to open lines	400,000	13,000	13,168
	6,155,891	£218,513	£286,870
Non-direct interest-earning—			
Purchase of Native lands	649,700		
Public works	935,000		
Increase by conversion	626,728		
Sinking Fund accretions	1,304,500		
Naval and military settlers	27,226		
	9,699,045		
Less redemption—			
Consolidated Stock Act, 1884 £1,260,420			
Other debentures 330,969			
	1,591,389		
Increase of the public debt, 1891–99	£8,107,656		