

The change to public ownership, as part of the Government's policy, resulted in the transfer of some customers' accounts, although there has been an increase in the number of customers on the books of the Bank. The Bank is securing its share of the new business offering; no doubt some of the customers who transferred their accounts have now realized that the Government have not in any way interfered with the internal administration of the Bank and that the facilities offered are in every way comparable with those previously available.

Domicile of Public Debt

The war just ended was responsible for £221,775,000 of the total debt, while the amount still owing on account of the first world war is £58,297,000, including £32,738,000 nominally due to the United Kingdom Government, but in respect of which, under a general arrangement, all payments have been suspended for many years past. Thus all the effective war debt is domiciled in New Zealand and the London debt for other purposes has been reduced to £118,162,000, plus £32,738,000 or a total of £150,900,000 expressed in New Zealand currency. Overseas debt is a charge on our exports for payment of interest and repayment of principal and, therefore, means less imports for consumption by the people of this country. Payment on account of internal debt involves problems of taxation and administration, but no net loss to the country as a whole. The war debt does, however, represent resources that have been used for destruction purposes, and the capital so lost will remain a drain on current consumption until the debt is repaid out of taxation. The 1939-45 war debt alone constitutes a charge on the taxpayer in respect of interest and repayment of no less than £7,700,000 per annum.

The total debt at 31st March last was domiciled for payment as follows:—

	£	£
War Debt 1914-18 (part London)	58,297,000	
War Debt 1939-45 (all in New Zealand)	221,775,000	
	<hr/>	280,072,000
Civil Debt, New Zealand	225,416,000	
Civil Debt, London	118,162,000	
Civil Debt, Australia	861,000	
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		£624,511,000
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It has been the policy of this Government not only to refrain from borrowing overseas for other than war, which as already mentioned has now all been repaid, but to repatriate the debt to the Dominion as quickly as circumstances permit, and since 1935 the civil debt held overseas has been reduced by no less than £47,645,000.