

Increase and Decrease of the Public Debt

The following statement shows increases and decreases of the public debt during the year—

						£	s.	d.
Total debt as at 31st March, 1946	..	..	..	..	..	624,511,589	12	9
Increases during the year—						£	s.	d.
Bank of New Zealand Shares Account	..	..	..	..	..	3,070,985	0	0
National Development Loans	..	..	..	..	..	15,600,000	0	0
War Expenses	..	..	..	..	..	7,964,694	12	6
						26,635,679	12	6
						651,147,269	5	3
Decreases during the year—								
War expenses debt redeemed	..	..	..	..	..	8,638,737	4	10
Other debt redeemed	..	..	..	..	..	7,756,770	15	11
						16,395,508	0	9
Total debt as at 31st March, 1947	..	..	..	..	..	£634,751,761	4	6

The statement shows that the total public debt has been increased during the year by £10,240,171 11s. 9d. This increase is entirely represented by long-term debt, the short-term Treasury bills debt having remained at the same figure as that shown in my previous report (£55,000,000).

Reduction of Interest paid

As between the financial years 1945-46 and 1946-47 a saving of over £1,000,000 has been effected in the amount of interest paid on the public debt.

This saving has been achieved as follows:—

- (1) By repayment in London of loans bearing high rates of interest and borrowing in New Zealand at lower rates any cash required for these redemptions.
- (2) By conversion of securities domiciled in New Zealand to other securities bearing lower rates of interest.
- (3) By a reduction in the rate of interest payable on Treasury bills.

Excess unauthorized

As already mentioned in connection with transactions requiring validating legislation, the unauthorized authority provided by section 58 of the Public Revenues Act, 1926, was overdrawn by £2,032,677. Overdrawals have now occurred in five successive years, and this fact renders the statutory limit something of a dead letter. It is, however, satisfactory to notice from the abstract published at pp. 61-66 of the Public Accounts that in respect of 1946-47 there was no general overspending of votes, and that a large part of the excess arose from single special items.

Crown Suits Act, 1908

Section 31 of the Crown Suits Act, 1908, provides that where a judgment has been given against the Crown a certificate of the amount awarded shall issue from the Court, and section 32 provides that "on receipt of such certificate the Governor-General may cause to be paid out of any money specially appropriated by Parliament to that purpose