

PUBLIC DEBT

While the public debt has increased considerably, mainly as a result of war borrowing, the management of the debt in recent years has placed it in such a position that the burden is not such a serious handicap to our expanding economy as was previously the case. The most vital factor is the decreased proportion of the debt domiciled overseas, and I covered this aspect very fully last year, indicating the substantial progress which the present Government had made in this direction. As no overseas loans were due for repayment during the past year the position in that respect remains unchanged. Similarly, the floating debt, represented by short-term Treasury bills, remains unchanged at £55,000,000. The only alteration during the past year was an increase of £10,240,000 in the long-term debt domiciled in New Zealand.

The present position of the total debt is—

External debt—					£
London	150,900,000
Australia	861,000
Internal debt—					
Long-term	427,990,000
Floating debt	55,000,000
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					£634,751,000
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It will be noticed that less than one-quarter of the total debt is now held overseas. The debt domiciled in New Zealand is distributed over a very wide range of stock and bond holders. Thus the benefit of interest payments is spread over an increasing proportion of the population who are also taxpayers and, as such, meeting their share of the burden of the debt.

Reverting to the past year's debt transactions, the total new issues I mentioned previously were £26,635,000, and these were used for the following purposes:—

					£
National development loans	15,600,000
War expenses	7,964,000
Bank of New Zealand shares	3,071,000
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					£26,635,000
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The national development loans have already been dealt with.

War-expenses—National Savings

The war-expenses borrowings were for rehabilitation, gratuities, &c., the moneys being provided by national savings receipts, which have again been at a high level. These investments through national