

STATEMENT SHOWING ADVANCES FOR WAR PURPOSES RECEIVED FROM THE IMPERIAL GOVERNMENT SINCE THE OUTBREAK OF THE WAR—VIZ., AUGUST, 1914—AND THE CAPITAL LIABILITIES THEREON AND THE SECURITIES ISSUED THEREFOR, AS AT 31ST MARCH, 1920.

Authorizing Acts.	Amounts advanced.	Terms of Repayment.	Capital Liabilities.		Securities issued.			
					4½-per-cent. Debentures.		Memorandum of Agreement.	
	£		£	s. d.	£	s. d.	£	s. d.
Public Revenues Amendment Act, 1914, section 8	2,000,000	£1,110,000 repayable at £100 for each £95 advanced. Interest at 3½ per cent. £890,000 repayable at £100 for each £99 advanced. Interest at 4½ per cent.	1,168,421	1 0	..	..	1,168,421	1 0
			898,989	18 0	898,989	18 0	..	..
	2,000,000		2,067,410	19 0	898,989	18 0	1,168,421	1 0
Public Revenues Amendment Act, 1915, section 5	3,200,000	Repayable £100 for each £99 advanced. Interest at 4½ per cent. £1,600,000 at par. Interest at 5 per cent. £2,400,000 repayable at £105 5s. 3d. for each £100 advanced. Interest at 5 per cent. Repayable at £100 for each £95 advanced. Interest at 5 per cent.	3,232,323	4 7	3,232,323	4 7	..	..
	4,000,000		1,600,000	0 0	..	..	1,600,000	0 0
			2,526,300	0 0	..	..	2,526,300	0 0
	710,000		747,368	8 5	..	..	747,368	8 5
	7,910,000		8,105,991	13 0	3,232,323	4 7	4,873,668	8 5
Finance Act, 1916, section 35	4,500,000	Repayable in terms of Imperial War Loan, 1929-1947—i.e., £100 each £95 advanced. Interest at 5 per cent.	4,736,842	2 1	..	..	4,736,842	2 1
War Purposes Loan Act, 1917, and War Purposes Loan Act, 1917 (No. 2)	1,530,000	At par. Interest at 5 per cent. ..	1,530,000	0 0*	..	..	1,530,000	0 0
	3,300,000	At par. Interest at 5 per cent. ..	3,300,000	0 0*	..	..	3,300,000	0 0
	4,830,000		4,830,000	0 0	..	..	4,830,000	0 0
Finance Act, 1918.. ..	6,600,000	At par. Interest at 5 per cent. ..	6,600,000	0 0*	..	..	6,600,000	0 0
Totals	25,840,000		26,340,244	14 1	4,131,313	2 7	22,208,931	11 6

* Provisional liability is par.

A sum equal to 1 per cent. of the total capital moneys borrowed for war purposes, and outstanding on the 31st March in the preceding year, is paid to the Public Trustee to hold and invest the same with all accumulations of interest thereon; 4 per cent. per annum is received on the investments of the sinking funds, under which it is calculated that each war loan will be extinguished in approximately forty years.

PUBLIC DEBT.

At the 31st March, 1914, the gross public debt stood at £99,730,427, or a gross indebtedness per head of the European population of £91 10s. 2d. At the end of the financial year 1919-20 the gross debt amounted to £201,170,755, against which sinking funds amounting to £7,257,564 were held, leaving a net indebtedness per head of £165 3s.

It is true that there has been a large increase in the amount of the public debt since the 31st March, 1914, but we have the satisfaction of knowing that the greater proportion of the new money was raised in the Dominion, and that consequently the interest thereon is circulated locally to the benefit of our own people. We owe the principal to ourselves, and it will be a good thing if in future the money which we require for public purposes can be raised in the same way, even if we have to pay a slightly higher rate of interest.

From the following summary of the additions to the public debt it will be seen that the whole increase is not due to the war, as the ordinary activities upon which loan-moneys are expended did not entirely cease during the war period, and money had to be obtained by the Treasury for carrying on local development to a limited extent:—