

PUBLIC DEBT.

Public Debt.

Apart from the operations affecting the floating debt which I have just explained, there was a net increase in the amount of the public debt during the year of £1,277,394, £491,254 being due to premiums arising under the conversion operations and £786,140 to operations during the year. The successful conversion of £5,000,000 5-per-cent. debt into 3½-per-cent. securities at 97 in October last, referred to in last year's Budget, was the only debt operation undertaken in London during the financial year. In the Dominion additional long-term debt to the amount of £4,522,765 was raised for the following purposes:—

	£	£
Capital expenditure—		
Public works (including hydro-electric supply) ..	1,662,690	
Land for settlements	198,000	
Main highways	203,000	
State Forests	75,000	
		2,138,690
Redemptions of debt		2,384,075
		<u>£4,522,765</u>

Of this £4,522,765 raised in New Zealand, £1,906,090 was obtained from the public at 3¼ per cent., while the balance of £2,616,675 was derived from departmental investments.

Debt redemption.

Redemptions of long-term debt during the financial year amounted to £3,736,625, the funds for the purpose being derived from the following sources:—

	£	£
For debt repayment—		
Repayment of Public Debt Act, 1925	596,270	
Reparations and war credits	650	
Separate accounts	754,040	
		1,350,960
From issues in redemption		2,385,665
		<u>£3,736,625</u>

Thus the additional debt incurred exceeded repayments by £786,140. Of the redemptions effected, £104,560 was held in Australia and the balance in New Zealand.

Thanks to the generosity of Great Britain in extending the moratorium on our funded war debt and certain other debts due to the British Government, no payments were made in respect of this portion of the debt during last financial year.

Debt summary.

The debt operations for last financial year may be summarized as follows:—

	£
Debt as at 31st March, 1933	282,622,958
Plus net increase in floating debt (mostly temporary) as previously mentioned	18,891,644
	<u>301,514,602</u>
Plus net increase in long-term debt—	£
(a) Due to loan conversion	491,254
(b) Due to operations during year	786,140
	<u>1,277,394</u>
Public debt as at 31st March, 1934	<u>£302,791,996</u>

Following the simplification of the internal debt as a result of the conversion operations, the opportunity has been taken to alter the form of the debt table (B.-1 [Part III]), which honourable members will find now contains a concise