

The statement shows that the total public debt has been increased during the year by £21,273,177 18s. 1d. The long-term debt was increased by £13,273,177 18s. 1d., and the short-term Treasury bills debt by £8,000,000, as shown in the following summary:—

		£	s.	d.	£	s.	d.
Long-term debt as at 31st March, 1945	..	556,238,411	14	8			
Long-term debt as at 31st March, 1946	..	569,511,589	12	9			
Increase	..				13,273,177	18	1
Treasury bills as at 31st March, 1945	..	47,000,000	0	0			
Treasury bills as at 31st March, 1946	..	55,000,000	0	0			
Increase	..				8,000,000	0	0
Increase to 31st March, 1946	..				£21,273,177	18	1

The statement includes as long-term debt transactions under the Memorandum of Security Agreement. The balance outstanding at 31st March, 1945, was £18,962,500, and a further amount of £3,537,500 was borrowed during the year. The amount of £22,500,000—the entire balance outstanding under the agreement—was repaid during March, 1946.

Overseas Investments of Reserve, and Earthquake and War Damage Funds

Of the investments of £4,690,000 in the Earthquake and War Damage Fund, and £2,375,000 in the Reserve Fund, as shown in the Public Accounts, £420,000 of the former Fund and all of the latter were held at 31st March in British Government securities.

Excess unauthorized

Section 56 (1) of the Public Revenues Act, 1926, provides for general imprest advances in New Zealand, of which the balance unaccounted for shall not at any time exceed £600,000. A further similar provision is made in section 80 (1) under which transfers to Foreign Imprest Account for expenditure in London may be charged to "General Services" provided the amount outstanding under this heading does not exceed £750,000. These limits were increased by the Finance Act, 1945, section 4, to £1,500,000 for General Imprest and £1,000,000 for General Services, thus increasing by £1,150,000 the amount which may be advanced in excess of the provision under annual appropriations. One result of this is that when the advances have been spent and come to final charge some of the votes liable to carry the charge are caused to be overspent. This excess expenditure necessitates recourse to the unauthorized authority provided by section 58 of the Act, but the limit of this, apart from Railways, is £500,000. Such limit is therefore likely to be exceeded, as it was last year to an amount of £692,259 2s. 2d.,