

Pacific, and it included such items as earth-moving plant, tools, tires and tubes, steel huts and buildings, navigational and aerodrome equipment, and civilian-type aircraft for use by the New Zealand National Airways Corporation. Provision was made in the agreement for this material to be paid for by the establishment of a special fund in New Zealand currency. This fund will be available to the U.S. authorities for the provision of property and accommodation required for their institutions in New Zealand and to finance the cost of educational and cultural programmes, such as the creation of scholarships, information libraries, and other facilities of mutual benefit to New Zealand and the U.S.A.

### PUBLIC DEBT

With a net increase during last financial year of £21,273,000, the public debt as at 31st March last reached the total of £624,511,000.

Debt transactions for last financial year may be summarized as follows:—

	£	£
Raised for war purposes—		
Victory Loan .. .. .	25,645,000	
Memorandum of Security .. .. .	3,537,000	
Treasury bills for refinancing part of Memorandum of Security .. .. .	8,000,000	
		37,182,000
National Development Loans .. .. .		12,980,000
Purchase of Bank of New Zealand shares .. .. .		7,038,000
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Total raised .. .. .		57,200,000
Repayments—		
War Expenses Account—		
For Memorandum of Security .. .. .	22,500,000	
Repaying war debt in New Zealand .. .. .	5,000,000	
		27,500,000
Public Debt Repayment Account .. .. .	1,083,000	
Loans Redemption Account (including £5,000,000 received from British Government and applied for redeeming war debt) .. .. .	7,344,000	
Total repaid .. .. .		<hr/>
		35,927,000
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Net increase .. .. .		£21,273,000

An item of outstanding importance, though not producing any variation in the total debt, was the repayment of loans of £16,107,000 on the 1st January, 1946, and £13,511,000 on the 1st February, 1946. Except for a small amount of £378,000, these two loans, carrying interest at 5 per cent. and 4 per cent. respectively, were domiciled in London, involving the payment of interest in sterling at the rates I have mentioned. These repayments were