

SUMMARY OF DEBT OPERATIONS FOR YEAR.

Summary of debt operations.

The changes in the position of the debt during 1928-29 may be summarized as follows :—

Debt as at 1st April, 1928	..	..	..	£	251,396,252
Add—					
New loans raised for 1928-29—				£	
Ordinary	..	..	..	6,839,547	
State Advances	..	..	..	3,067,910	
					9,907,457
Part £7,000,000 loan carried forward for 1929-30	..				5,379,105
Increases arising out of conversions and redemptions of 1929 stock	..	..	..		739,347
Raised for redemption but not applied at 31st March, 1929..					3,946
Less redemptions—				£	267,426,107
Ordinary	..	..	..	803,537	
War	..	..	..	1,089,367	
Discharged soldiers	..	..	..	726,350	
State Advances	..	..	..	614,870	
					3,234,124
Debt as at 31st March, 1929	..	..	..	£	264,191,983

<i>Classification of the Debt.</i>					£
Ordinary	..	..	..	..	151,488,052
War	..	..	..	..	70,881,269
Discharged soldiers	..	..	..	..	8,287,656
State advances	..	..	..	..	33,535,006
					£264,191,983

Relative burden of the debt.

£264,000,000 of public debt at first sight would appear to be a staggering burden to be carried by our relatively small population, and undoubtedly it would be a very heavy burden for the Dominion if the debt were wholly deadweight like the debts of most of the countries of the Old World. Our war debt, of course, is wholly unproductive, but it now amounts to little more than one-quarter of the total. The greater part of the remainder, raised for public works, land-settlement, and State advances, is self-supporting. The proof of this lies in the expenditure figures. For instance, during the last financial year the actual payments for interest and statutory repayment charges on the debt amounted to £12,779,721, but, as I demonstrated when dealing with the expenditure earlier in this Statement, only £6,024,395 of the burden fell on the taxpayer, and of this amount the greater portion—to wit, £3,797,979—was on account of war debt. The balance of the interest-payments was provided for out of the earnings of our interest-earning assets. State Advances, for instance, provide the whole of the interest on their portion of the debt. Further, in addition to the actual recoveries in cash, it must not be overlooked that the expenditure of the capital which gave rise to the debt has contributed in no small measure to the development of the Dominion, and though it cannot be accurately assessed in pounds shillings and pence it cannot be gainsaid that the railways, roads, bridges, and other public works have been productive to a greater degree even than is indicated by the expenditure figures I have just quoted.

Government's borrowing-policy.

The Government is certainly not going to embark on any programme of extravagant expenditure out of loan-money, but is going to see to it that as far as possible further debt is incurred only for the purpose of providing what is essential for the economic development of the resources of the country. So long as this principle is observed, and steps are taken to see that the State obtains full value for its money, the wealth of the community will increase at a greater rate