

The actual transactions during the year may be summarized as follows :—

		£	
Debt as at 1st April, 1931	276,033,358	Debt transactions.
Add new loans raised—			
		£	
Public works	4,422,300		
Native-land settlement	175,000		
State forests	200,000		
		4,797,300	
Revenue bills outstanding (floating debt)		3,030,000	
		283,860,658	
Less redemptions—			
Ordinary debt	755,203		
War	835,635		
Discharged soldiers	35,660		
State advances	291,360		
		1,917,858	
Debt as at 31st March, 1932		£281,942,800	

Classification of Debt.

		£	
Ordinary	170,749,008		Classification of debt.
War	66,876,165		
Discharged soldiers	7,668,876		
State advances	36,648,751		
	£281,942,800		

Domicile of Debt.

		£	
London	159,641,855		Domicile of debt.
Australia	3,914,550		
New Zealand	118,386,395		
	£281,942,800		

Before leaving the subject of public debt, I may state that the possibility in future of raising additional funds overseas at a reasonable cost is at present uncertain, and we must be prepared to rely more on the local market for our essential capital requirements. As I have already pointed out, of the loan of £5,000,000 raised in April last, only £1,000,000 is available for capital works this financial year, and the balance of our requirements will have to be raised locally.

Only a comparatively small amount of debt is due for repayment overseas this year, but, as indicated earlier in this Statement, the Government has the option, at any time after the 16th July last on giving three months' notice, to repay the £5,000,000 bonds issued in London in 1931. These bonds are very costly to the State (approximately £6 1s. 3d. per cent. per annum), and it would be advisable to exercise the option as soon as conversion can be secured on favourable terms.

Loans falling due locally during this financial year amount to £5,301,170, of which £4,136,150 is held by the public and £472,120 represents Post Office Investment Certificates. Of the total of £5,301,170 the sum of £155,660 has already been redeemed and the debt reduced accordingly. To the extent that the available funds provided by the statutory debt-repayment scheme are not sufficient to cover the redemption of such portions of these loans as are not renewed, the funds derived from new investments will be required for this purpose. This may further decrease the amount that can be made available for capital expenditure on public works.