

Increase and Decrease of the Debt.

The Public Debt Accounts disclose a net increase in the public debt for the year of £5,909,442 4s. 10d. This was made up as follows :—

	£	s.	d.
Total debt as at 31st March, 1931 (B.—1 [Pt. III], 1931, page 25)	276,033,357	18	7
Increase—			
New loans raised during the year for purposes of various accounts—			
Public Works Fund—General Purposes Account	3,028,750	0	0
Public Works Fund—Electric Supply Account..	1,000,000	0	0
Hauraki Plains Settlement Account	800	0	0
Main Highways Account	380,000	0	0
Native Land Settlement Account	175,000	0	0
State Forests Account	200,000	0	0
Swamp Land Drainage Account	12,750	0	0
	4,797,300	0	0
Treasury bills issued under Public Revenues Act, 1926, section 41	15,845,000	0	0
Less Treasury bills redeemed	12,815,000	0	0
	3,030,000	0	0
	7,827,300	0	0
Decrease—			
Loans paid off during the year—			
From Ordinary Revenue Account—			
Repayment of funded debt	221,035	0	3
Various	10	0	0
From Discharged Soldiers Settlement Account—			
Cash applied	30,478	15	0
Amount representing redemptions from premium on exchange	5,181	5	0
	35,660	0	0
From State Advances Account	291,360	0	0
From reparation-moneys	51,630	0	0
From Public Debt Repayment Account—			
Cash applied	1,243,118	6	6
Amount representing redemptions from premium on exchange	21,211	13	6
	1,264,330	0	0
From various sinking funds	41,000	0	0
Loans redeemed from loans raised for redemptions	110,100	0	0
Less amount raised for redemptions	98,852	5	1
Amount representing redemptions from premium on exchange	11,247	14	11
Loans redeemed from loans raised in previous years for redemptions	1,585	0	0
	1,917,857	15	2
Net increase for the year	5,909,442	4	10
Total debt as at 31st March, 1932 (B.—1 [Pt. III], 1932, page 19)	£281,942,800	3	5

The increase of £3,030,000, arising from the issue of Treasury bills, represents loans borrowed for revenue purposes and paid into the Ordinary Revenue Account, and efforts will presumably be made to liquidate this portion of the debt from revenue at the first opportunity, and so to prevent the amount from becoming a permanent accretion to the public debt. At the 31st March, 1932, the Ordinary Revenue Account held balances in cash and investments amounting to £1,058,953, which could properly be set off against the liability of £3,030,000 on Treasury bills.

The items of £5,181 5s., £21,211 13s. 6d., and £11,247 14s. 11d., shown as representing redemptions from premium on exchange, arose in connection with the redemption during the year of securities domiciled in Australia. Owing to the rate of exchange, New Zealand to Australia, being favourable to the New Zealand Government, loans repayable in Australian currency at the amount of £261,900 were redeemed at an actual cost in New Zealand currency of £224,259 6s. 7d., the saving totalling £37,640 13s. 5d., as shown by the three items mentioned above. These items do not represent amounts actually paid or raised for the redemption of the securities, but represent the amount of the public debt redeemed in excess of the amount of money actually paid from the Public Account or raised for the redemptions, as the case may be.

The above figures do not include loans raised under the Rural Advances Act, 1926, as these loans, though raised by the Government, are not brought into the public debt accounts. The amount of such loans outstanding as at the 31st March, 1931, was £3,978,950, and on the 31st March, 1932, was £4,001,650, an increase during the year of £22,700. The total increase in Government loan indebtedness during the year was therefore £5,932,142 4s. 10d.