

During the year rehabilitation expenditure and loan authorizations amounted to £19,327,000, making the total to date £84,643,000. It is estimated that requirements in the current financial year will be in the vicinity of £18,000,000.

PUBLIC DEBT

Full details of transactions affecting the public debt during 1948-49 will be found on page 72 of the Public Accounts (parliamentary paper B-1 [Pt. I]), already tabled.

The major transaction was the adjustment necessitated by the bringing of New Zealand currency to parity with sterling as determined in August of last year.

Since 1943 the London debt has been recorded in the accounts at 25 per cent. more than sterling value. It will now be recorded as at parity with sterling. The alteration in the rate of exchange has reduced the London debt in New Zealand currency by £20,797,000. The annual payments of interest in London will now cost correspondingly less in New Zealand currency.

The moneys available in the Consolidated Fund were insufficient to pay to the Reserve Bank of New Zealand the liability arising out of the provisions of section 4 of the Finance Act, 1934, consequent upon the exchange alteration. Authority was obtained in section 2 of the Finance Act, 1948, to raise the funds necessary to meet the liability, and stock to the value of £20,000,000 was issued to the Reserve Bank for this purpose.

The year's transactions included a 3 per cent. £16,000,000 conversion issue in London to take advantage of an optional maturity of a 4½ per cent. £19,225,465 loan. Of that amount £225,465 was repaid, and the balance of £3,000,000 was transferred to New Zealand domicile. Details of the issue were included in last year's Financial Statement. Two internal loans of £3,761,485 and £3,492,230 which matured during the year were repaid on due dates.

The domicile of the public debt as at 31st March, 1949, was as follows:—

	Amount. £	Per Cent.
London	79,962,101	13·0
Australia	628,226	0·1
New Zealand	534,395,305	86·9
	<u>£614,985,632</u>	<u>100·0</u>

The figures exclude the amount of the funded debt relating to the 1914-18 war. The floating debt in the form of Treasury bills included in the above figures remained at £55,000,000.