

21. The Public Debt of New Zealand—Inflation-adjusted Savings Bonds

This figure does not include the sum of \$382,976,031 being the assessment by the Reserve Bank of New Zealand of the obligation at 30 June 1986 in respect of the premium on redemption.

22. Movements in Currency Values

In accordance with the Particular Accounting Policy adopted in respect of foreign currencies exchange rates were officially realigned on 1 June 1986. The New Zealand dollar values of overseas public debt, investments, and cash holdings were adjusted accordingly. There were also several individual alterations during the quarter which necessitated adjustment to the New Zealand dollar values of the overseas investments and cash holdings concerned.

The total net decrease in the public debt of \$472,329,000 arising from 1 June 1986 realignment consisted of:

	Realignment 1 June 1986	
	Increase (\$000)	Decrease (\$000)
Loans denominated in—		
Australian dollar .. .. .	..	136
Canadian dollar .. .. .	..	725
Deutschemark .. .. .	..	98,095
European currency unit .. .. .	..	57,740
French franc .. .. .	..	486
Indian rupee .. .. .	..	468
Japanese yen	77,259	..
Dutch guilder .. .. .	..	11,097
Pound sterling .. .. .	..	71,615
Swiss franc .. .. .	..	93,337
United States dollar .. .. .	..	215,765
	<u>77,259</u>	<u>549,464</u>
IBRD loans (various currencies) .. .. .	..	124
Net decrease	472,329	..
	<u>\$549,588</u>	<u>\$549,588</u>

The total net decrease of \$10,798,000 in the overseas investments consisted of:

	Realignment 1 June 1986	
	Increase (\$000)	Decrease (\$000)
Investments denominated in—		
Canadian dollar	102	..
Deutschemark .. .. .	..	1,483
Dutch guilder .. .. .	..	1,030
French franc .. .. .	..	7
Japanese yen .. .. .	..	12,003
Pound sterling .. .. .	..	1,231
Swiss franc .. .. .	..	15
United States dollar	4,869	..
	<u>4,971</u>	<u>15,769</u>
Net decrease	10,798	..
	<u>\$15,769</u>	<u>\$15,769</u>

B. V. Galvin,
Secretary to the Treasury.
30 July 1986

R. C. W. Hamilton,
Director, Financial Management, Treasury.
30 July 1986