

Loans paid off during the year :—

By transfers of cash from—		£
Ordinary Revenue Account .. ..	..	1,359,849
Discharged Soldiers Settlement Account ..	..	4,100
Land for Settlements Account .. ..	..	150,800
State Advances Office .. ..	..	300,008
War Expenses Account .. ..	..	7,296
Total payments by transfer of cash ..		1,822,053
By sinking funds released and proceeds H.M.S. "New Zealand" .. ..	..	859,544
By loans raised in 1923–24 for redemptions in 1924–25 .. ..	..	46,590
Redemption of Treasury Bills issued in anticipation of loan from Public Works Loan proceeds .. ..	..	500,000
Discount on securities redeemed below par ..	..	21,779
		<u>£3,249,966</u>
Net increase as shown by above figures ..	..	6,198,286
Add gross debt at 31st March, 1924 ..	..	221,616,361
Gross debt at 31st March, 1925 ..		<u>£227,814,647</u>

In addition to the above transactions, securities to the amount of £10,022,517 were renewed, £400,550 converted, and £2,929,042 debentures and inscribed stock and £8,400,000 Treasury bills were redeemed, in each case by the issue of new securities of an equal face value.

The gross debt at the 31st March, 1925, was held as under :—

Where held.	Amount. £	Gross Annual Charge. £
New Zealand	104,043,959	4,563,370
Australia	2,952,200	129,483
London	120,818,488	5,299,101
	<u>£227,814,647</u>	<u>9,991,954</u>
Annual sinking funds .. ..	..	740,860
Repayment of funded debt .. ..	..	333,289
Total gross charge .. ..	..	11,066,103
Estimated recoveries from trading and other accounts		<u>2,240,617</u>
Net annual charge at 31st March, 1925 ..	..	<u>£8,825,486</u>

The assets of the Dominion, as shown in table No. 17 attached to this Statement, have appreciated considerably, and largely reflect the increase in debt. Although in some quarters the increase in the debt is viewed with misgivings, I see no reason for doubt as to the ability of the country to carry the liability so long as the policy followed by the Government of devoting borrowed money to the creation of good assets of a reproductive and interest-bearing nature is continued, and provided our rate of development on these lines is not ahead of the power of the community to make profitable use of the capital so raised.

FUNDED DEBT.

Funded debt.

Payments amounting to £1,851,930 were made in 1924–25 in respect of £27,532,164, loans advanced by the Imperial Government, which were funded in terms of the agreement dated 6th September, 1922.