

## INCREASE AND DECREASE OF THE DEBT.

The Public Debt Accounts disclose a net increase in the public debt for the year of £8,650,015 0s. 3d. This was made up as follows :—

Total debt as at 31st March, 1930 (B.-1 [Part III], 1930, page 24) .. .. .	£	s.	d.
	267,383,342	18	4
Increase—			
New loans raised during the year for the purposes of various accounts .. .. .	£	s.	d.
	11,119,725	0	0
Loans raised for redemptions but not applied as at 31st March, 1931 .. .. .	3,975	0	0
	<u>11,123,700</u>	<u>0</u>	<u>0</u>
Decrease—			
Loans paid off during the year—	£	s.	d.
From cash in various accounts .. .. .	177,090	0	0
Repayment of funded debt .. .. .	426,107	7	11
From Public Debt Repayment Account .. .. .	1,209,927	11	10
From receipts in respect of war expenses .. .. .	19,000	0	0
From reparation-moneys .. .. .	447,496	16	0
From various sinking funds .. .. .	194,060	0	0
Discount on loans redeemed below par .. .. .	3	4	0
	<u>2,473,684</u>	<u>19</u>	<u>9</u>
Net increase for the year .. .. .		8,650,015	0 3
Total debt as at 31st March, 1931 (B.-1 [Part III], 1931, page 25) .. .. .	£276,033,357	18	7

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, 1930, was £2,771,200, and on the 31st March, 1931, was £3,978,950, an increase during the year of £1,207,750. The total increase in Government loan indebtedness during the year was therefore £9,857,765 0s. 3d.

At the 31st March, 1931, a sum of £344,182 4s. 1d. appropriated for the redemption of loans was lying at credit of the Loans Redemption Account, particulars being as follows :—

## Finance Act, 1925, section 13—

Amount received in respect of war expenses, to be applied in redemption of war loans .. .. .	£	s.	d.
	11,697	6	2

## Public Revenues Act, 1926, section 135 (2)—

Amount received on account New Zealand share of German reparations, to be applied in redemption of war loans .. .. .	£	s.	d.
	179,708	7	1

## Public Revenues Act, 1926, section 135 (4)—

Amount received from Main Highways Account (Revenue Fund) for redemption of main-highways loans .. .. .	£	s.	d.
	144,636	0	0

Amount transferred from Ordinary Revenue Account for redemption of main-highways loans (representing interest received on main-highways moneys held in Loans Redemption Account) .. .. .	£	s.	d.
	4,165	10	10

Loans raised for redemption of securities, but not applied during the year .. .. .	£	s.	d.
	3,975	0	0

£344,182 4 1

## INTEREST ON PUBLIC ACCOUNT CASH BALANCE INVESTMENTS.

In my report of last year I drew attention to the system of allocating the interest derived from certain investments to all the accounts within the Public Account instead of to those accounts only which provide the money for the investments. As there is no record in the Public Accounts for 1930–31 of the amounts allocated to each account, I append a statement showing the details.

With regard to the item of £8 16s. 9d. shown in the statement under Deposits Account, I may explain that this represents half the amount allocated in respect of the balance of the Unemployment Fund. It was at first intended that this amount should be paid to the credit of the Consolidated Fund, but, as it appeared to the Audit Office that the whole of the interest earned by the Unemployment Fund should be credited to the latter fund, the matter was referred to the Crown Law Office, and a ruling has been given to the effect that the whole of the interest earned should be credited to the Unemployment Fund. The interest in question, however, together with other amounts which have since been received as interest on investments of the Unemployment Fund, is still held in suspense.