

It will be seen that an annual saving of interest amounting to £160,952 12s. 9d. has now been effected by the operation of the Act. The following figures show how this saving increases year by year as the cumulative effect of the sinking fund becomes apparent :—

Annual saving of interest on securities redeemed to—							£	s.	d.
31st March, 1926	..	..	..	..	..	..	8,137	10	3
31st March, 1927	..	..	..	..	..	..	27,043	9	3
31st March, 1928	..	..	..	..	..	..	39,592	0	4
31st March, 1929	..	..	..	..	..	..	46,782	0	4
31st March, 1930	..	..	..	..	..	..	57,218	13	7
31st March, 1931	..	..	..	..	..	..	69,198	9	3
31st March, 1932	..	..	..	..	..	..	90,816	3	3
31st March, 1933	..	..	..	..	..	..	109,236	2	3
31st March, 1934	..	..	..	..	..	..	137,436	17	9
31st March, 1935	..	..	..	..	..	..	160,952	12	9

Of the £1,623,160 12s. redeemed during the year, £1,530,000 consisted of Treasury bills issued under the Banks Indemnity (Exchange) Act, 1932–33, and, as explained in my report for last year, the effect of redeeming these bills out of the Public Debt Repayment Account was to free an equal amount of credit in the Ordinary Revenue Account for the purposes of the latter account.

The following statement shows the amount of loans subject to the repayment of the Public Debt Act, 1925, and of those not subject to the Act, as at 31st March, 1935 :—

Debt subject to the Repayment of the Public Debt Act, 1925							£	s.	d.
..	..	..	..	..	..	..	208,599,968	4	2
Debt not subject to the Repayment of the Public Debt Act, 1925—									
Loans raised in respect of the—									
State Advances Account—							£	s.	d.
Advances to Settlers Branch	..	..	..	..	..	..	19,588,020	8	5
Advances to Workers Branch	..	..	..	..	..	..	12,117,444	10	4
Advances to Local Authorities Branch	..	..	..	..	..	..	2,778,690	15	7
							34,484,155	14	4
Loans for which special sinking funds are provided—									
State Coal-mines Account	..	..	..	..	..	..	105,833	6	8
Electric Supply Account	..	..	..	..	..	..	12,140,335	11	1
Nauru and Ocean Islands Account	..	..	..	..	..	..	431,475	0	0
Westport Harbour Account	..	..	..	..	..	..	614,250	0	0
Samoaan Loans Suspense Account	..	..	..	..	..	..	105,000	0	0
							13,396,893	17	9
Funded debt to the Imperial Government—									
Land for Settlements Account	..	..	..	..	..	..	33,446	6	11
Naval Defence Act Account	..	..	..	..	..	..	577,446	11	5
Public Works Fund—General Purposes Account	..	..	..	..	..	..	169,109	15	3
War Expenses Account	..	..	..	..	..	..	23,320,196	17	0
							24,100,199	10	7
							71,981,249	2	8
Exempted under Finance Act, 1931 (No. 4), section 7 (2): Deed of hypothecation							3,850,000	0	0
Total debt not subject to the Act	..	..	..	..	..	..	75,831,249	2	8
Total debt as at 31st March, 1935 (see B.-1 [Pt. III], 1935, page 8)							£284,431,217	6	10†

† N.B.—This does not include loans under Rural Advances Act, 1926, amounting to £4,213,050, which are not treated by the Treasury as forming part of the public debt.