

Rate of Interest.	Nominal Value of Securities.			Total Cost of Redemptions.
	Total to 31st March, 1937.	Year 1937-38.	Total to 31st March, 1938.	
Per Cent.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
3	471,491 3 1	471,491 3 1	471,491 3 1
3½	56,460 0 0	420,500 0 0	476,960 0 0	476,960 0 0
3¾	0 12 0	0 12 0	0 12 0
4	2,301,763 0 0	734,670 0 0	3,036,433 0 0	3,024,745 9 1
4½	2,070,940 0 0	2,070,940 0 0	2,055,562 5 0
5	5,415,215 0 0	8,520 0 0	5,423,735 0 0	5,423,181 5 0
5¼	1,530,990 0 0	1,530,990 0 0	1,530,972 10 0
5½	954,480 0 0	78,630 0 0	1,033,110 0 0	1,030,694 12 2
6	2,633,588 9 9	2,633,588 9 9	2,612,292 8 8
	14,963,437 1 9	1,713,811 3 1	16,677,248 4 10	16,625,900 5 0*

* This figure does not include cost of exchange on remittances.

It will be seen from the above statement that for the first time since the inception of the present debt-repayment scheme the Public Debt Commission has redeemed debt on which interest was payable at a lower rate than 3½ per cent.

The contribution, payable by the Ordinary Revenue Account to the Public Debt Repayment Account in terms of section 11 (b) of the Repayment of the Public Debt Act, 1925, is computed at the rate of 3½ per cent. on the amount of the public debt redeemed under the provisions of this Act.

There will be no saving made by Ordinary Revenue Account on the amount of £471,491 3s. 1d. 3-per-cent. debt redeemed, as the payment required to be made from that Account to the Public Debt Repayment Account will, in view of the terms of the above section, be £2,357 9s. in excess of the amount previously required for the payment of interest.

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, 1938 :—

	£	s.	d.	
Debt subject to the Repayment of the Public Debt Act, 1925	..	216,856,476	12 0	
Debt not subject to the Repayment of the Public Debt Act, 1925—				
Loans for which special sinking funds are provided—	£	s.	d.	£ s. d.
State Coal-mines Account	69,243	6	8	
Electric Supply Account	13,903,944	1	0	
Nauru and Ocean Islands Account ..	350,000	0	0	
Westport Harbour Account	614,250	0	0	
Samoan Loans Suspense Account ..	92,485	0	0	
		15,029,922	7 8	
Funded Debt to the Imperial Government—				
Ordinary Revenue Account—				
Naval Defence Act Account	577,446	11	5	
War Expenses Account	23,320,196	17	0	
Public Works Fund—				
General Purposes Account	169,109	15	3	
Land for Settlements Account ..	33,446	6	11	
		24,100,199	10 7	
State Advances Account		34,214,743	9 2	
		73,344,865	7 5	
Total debt as at 31st March, 1938 (see B.—1 [Pt. III], page 8)	..	£290,201,341	19 5	

With reference to the debt of the State Advances Account, I desire to draw attention to the position in respect of the sinking fund of that debt which has arisen as a result of the transfer of the securities of the State Advances Account to the State Advances Corporation.

The Repayment of the Public Debt Act, 1925, makes provision for the repayment of the greater portion of the public debt. Funds for the repayment of that portion of the debt, which by the Act is excluded from the main repayment scheme, are provided mainly from the special sinking funds of the undertakings for which the loans were originally raised.