

## 1926 PUBLIC WORKS LONDON LOAN.

Public Works Loan,  
1926.

At the end of May, London advised that, the general strike having been called off, a resumption of the lending market was at hand, though the position was, in view of the continuance of the coal strike, still reported to be somewhat uncertain as to terms obtainable. It was, however, decided to proceed, and a loan of £6,000,000 under the following authorities was underwritten :—

	£
Finance Act, 1925 (public works) .. .. .	4,000,000
Electric-power Works Loan Act, 1919 (electric supply)	1,100,000
Railways Improvement Authorization Act, 1914 (railways improvement) .. .. .	900,000
	<u>£6,000,000</u>

It was issued to the public on the 31st May at £98 10s. ; interest 5 per cent., maturing on the 1st January, 1946 ; the yield to investors being £5 2s. 6d.

The result was in all the circumstances somewhat surprising as the application list was closed in two hours, the sum of £119,600,000 from 24,059 applicants having been offered, while the loan subsequently went to a premium.

## FUNDED DEBT.

Funded debt.

Payments amounting to £1,651,930 were made in 1925–26 in respect of £27,532,164, loans advanced by the Imperial Government, and funded in terms of the agreement dated 6th September, 1922.

The half-yearly payments represent both principal and interest, and the following table shows how this debt has been reduced to £26,257,022 :—

Instalment paid.	Interest.	Principal.	Balance of Debt outstanding.
	£	£	£
1st December, 1922 .. .. .	684,794	141,171	27,390,993
1st June, 1923 .. .. .	681,282	144,683	27,246,310
1st December, 1923 .. .. .	677,684	148,281	27,098,029
1st June, 1924 .. .. .	673,996	151,969	26,946,060
1st December, 1924 .. .. .	670,216	355,749	26,590,311
1st June, 1925 .. .. .	661,367	164,598	26,425,713
1st December, 1925 .. .. .	657,274	168,691	26,257,022

New Zealand has the right, on giving three months' notice, to repay at par any part of the principal.

## PUBLIC DEBT COMMISSION.

Public Debt  
Commission.

The Public Debt Commission, constituted under the Repayment of the Public Debt Act, passed last session, held its first meeting early in March of this year for the purpose of formulating the policy to be adopted in the matter of debt-repayment and to set in motion the machinery provided under the statute.

The amount available for debt-repayment for the financial year ended 31st March last was £872,734, and the Commission applied this in discharging from the debt securities purchased from time to time at a discount, together with further suitable securities held by Treasury Investment Accounts. Securities of a total nominal value of £889,733 were accordingly cancelled and redeemed.

As opportunity offers for purchase of securities on favourable terms, it is the intention of the Commission to apply its resources to the reduction of deadweight and overseas debt.

Details of the transactions affecting the debt coming under the provisions of the Act will be available to honourable members in the statement and account of the proceedings of the Commission to be laid on the table of the House.