

Included in the investments are debentures issued for State Advances purposes amounting to £2,326,150.

This satisfactory result justifies the opinion expressed in last year's Financial Statement that the Dominion had reached the end of the period of unrest and uncertainty, and that natural causes, if supported by economical and careful administration, would ensure a speedy recovery.

The trade returns disclose steady progress and prosperous conditions, and indicate that everything this country produces can be sold or exchanged.

For the financial year ended 31st March, 1924, the value of the exports exceeded the value of the imports by £7,250,000, there being an increase both in volume and value. After making due allowance for the interest payable in the United Kingdom on Government and local bodies' loans there remained a balance in favour of the Dominion. It will, of course, be understood that any debit balance must ultimately be transferred to the permanent or semi-permanent debt; therefore, having regard to borrowing in the United Kingdom by the Government and local bodies, it is incumbent on me to point out that a credit balance can only be sustained by increased production. Borrowing abroad must therefore be kept within relative limits, and care taken that imported capital is strictly applied to productive purposes.

ACCUMULATED SURPLUSES.

The balance of accumulated surpluses brought forward on the 1st April, 1923, amounted to	£	5,637,090
<i>Less transferred, 1923-24</i>		<u>2,517,341</u>
		3,119,749
Add surplus of revenue over expenditure, 1923-24 ..		1,812,365
Add recoupment from Native Land Settlement Account of amount previously transferred to Loans Redemption Account		22,600
		<u>£4,954,714</u>
Balance forward on 1st April, 1924		
Balance made up of—		
Investments—	£	
State Advances securities	2,326,150	
Bank of New Zealand shares	375,000	
Sundry securities	373,187	
Cash, including imprests	1,880,377	
		<u>£4,954,714</u>

Statement showing how Accumulated Surpluses have been applied.

To Total accumulated surplus, 1920-24	£	26,799,257	By Transfers to—	£	
			Discharged Soldiers Settlement Account		13,500,000
			Discharged Soldiers Depreciation Fund Account		1,000,000
			Public Works Fund		1,500,000
			Reserve Fund securities		2,000,000
			Loans redemption		4,264,712
			Education Loans Account		100,000
			Balance revenue and expenditure, 1921-22		279,831
			State Advances securities		2,326,150
			Bank of New Zealand shares		375,000
			Sundry securities		373,187
			Cash balance, 31st March, 1924		1,880,377
		<u>£26,799,257</u>			<u>£26,799,257</u>