

## RESERVE FUND, LONDON.

The Reserve Fund in London of £2,000,000 is invested in gilt-edged securities; **Reserve Fund.** the interest earned by the fund during the past year amounting to £90,550.

## PUBLIC DEBT.

The gross public debt at the 31st March, 1926, was £238,855,478, as compared **Public debt.** with £227,814,647 twelve months previously. The debt is allocated as follows:—

					£
Ordinary	..	..	..	..	125,992,741
War	..	..	..	..	75,333,648
State advances	..	..	..	..	27,771,153
Discharged soldiers settlement	..	..	..	..	9,757,936
					<u>£238,855,478</u>

The increases are—

					£
Ordinary debt	..	..	..	..	6,055,882
State advances	..	..	..	..	6,334,973
					<u>£12,390,855</u>

Decreases—

					£
Discharged soldiers	..	..	..	..	51,950
War debt	..	..	..	..	1,298,074
					<u>£1,350,024</u>

leaving the net increase in the gross debt at £11,040,831.

Of the increased debt of £11,040,831, State advances (settlers, workers, and local authorities) absorbed £6,334,973, or 57 per cent. The total borrowed for ordinary debt purposes was £6,859,566, but by redemptions out of Ordinary Revenue Account (£445,513), from other accounts (£356,071), and by the removal from the debt of debentures totalling £2,100, the increase in ordinary debt for the year was reduced to £6,055,882.

The movement in the gross debt during the year is shown by the following:— **New loans during the year.**

New loans raised during the year for—

					£
Public works	..	..	..	..	3,939,870
Waihou and Ohinemuri Rivers improvement	..	..	..	..	69,000
Electric supply	..	..	..	..	830,000
Deteriorated lands	..	..	..	..	2,000
Education loans	..	..	..	..	478,650
Hauraki Plains settlement	..	..	..	..	70,000
Main highways	..	..	..	..	500,000
Railways improvement	..	..	..	..	500,000
Samoa loan	..	..	..	..	15,000
Swamp drainage	..	..	..	..	35,000
State advances	..	..	..	..	6,346,955

Charges and expenses:—

Public works	..	..	..	..	294,032
Electric supply	..	..	..	..	42,005
Main highways	..	..	..	..	42,004
Railways improvement	..	..	..	..	42,005
State advances	..	..	..	..	168,018

£13,374,539