In addition to this deficit there were certain other items charged against the balance of the accumulated surpluses of past years and the following shows the result in the funds of the Ordinary Revenue Account at the end of the year:—

Result in funds of Ordinary Revenue Account.

		£
Balance forward 1st April, 1928		3,302,232
Less—	£	
Deficit for year 1928–29	577,252	
Final instalment of purchase price of C long-term mortgage shares in Bank of New Zealand ..	58,594	
Amortization of debt	50	
Subsidies to local authorities in respect of unemployment	68,567	
Advances to Native Trustee (net)	33,000	
Advances to Rural Intermediate Credit Board..	110,100	
Sundry charges and expenses of raising loans ..	1,128	
		848,691
Balance, 31st March, 1929		£2,453,541

This balance was made up as follows:—

	£
Cash	2,315,381
Imprests outstanding	135,880
Investments	2,280
	£2,453,541

Bank of New Zealand shares.

The payment to the Bank of New Zealand is the final instalment of the purchase price of the 234,375 C long-term mortgage shares allotted to the New Zealand Government in terms of section 6 of the Bank of New Zealand Act, 1926.

Subsidies to local authorities.

Concerning the subsidies to local authorities for relief of unemployment, I have to say that in addition to the amount of £68,567 paid over there were also subsidies to the amount of £36,794 to which the State is committed but which had not been claimed by the local authorities up to 31st March last. These unclaimed subsidies will come to charge this year.

Advances to Native Trustee.

The advances to the Native Trustee referred to represent the balance outstanding on 31st March for certain temporary advances to the Native Trustee under section 17 of the Native Trustee Act, 1920, whereby the Minister of Finance can be called upon to provide money when the Native Trustee's Account is unable to meet lawful claims thereon. These advances, however, have now been repaid with interest.

Rural Intermediate Credit Board.

The advance to the Rural Intermediate Credit Board is a portion of the initial capital which in terms of section 16 of the Rural Intermediate Credit Act, 1927, is to be provided out of the Ordinary Revenue Account up to a total of £400,000 to be free of interest for ten years from the date of the first advance, which was made on 30th June, 1928.

TREASURY BILLS.

Treasury bills.

Treasury bills in anticipation of revenue amounting to £200,000 were sold in London on the 19th December, 1928, at a discount rate of $4\frac{1}{2}$ per cent., and were duly redeemed out of revenue on the 31st January, 1929.

Redemption Treasury bills totalling £1,050,000 issued during 1927–28 and outstanding on the 1st April, 1928, were redeemed during May, 1928, out of the proceeds of an issue of debentures in New Zealand. Thus no Treasury bills were outstanding on the 31st March, 1929.