

There is an increase of £77,891 in loans on mortgage, and £10,602 in loans on policies.

The rate of interest earned on the funds is £4 8s. 5d. per cent., as contrasted with £4 8s. 6d. for 1902 and £4 8s. 5d. for 1901. There are indications that the fall in the rate of interest, which the Department in common with other financial institutions has had to face of late years, has, for the time at any rate, been arrested; and it may be mentioned that the considerable amount of money which the Department had on hand awaiting investment at the close of 1903 has, at the date of this report, been invested in satisfactory securities, which are freely offering at a higher rate of interest than has been obtainable for some time past.

The satisfactory position of the Department's securities may be gauged by the fact that out of an income from interest amounting to over £152,000, only £415 was overdue at the end of the year. The Department has no foreclosed properties on its hands, the small balance appearing in the accounts under that heading (£1,033) representing the balance of purchase-money not yet due in respect of properties sold.

J. H. RICHARDSON,
Government Insurance Commissioner.
