

SECURITIES AND EXCHANGE COMMISSION

FORM N-CSRS

Certified semi-annual shareholder report of registered management investment companies filed on
Form N-CSR

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FILER

MERRILL LYNCH USA GOVERNMENT RESERVES

CIK: **704957** | IRS No.: **136811522** | State of Incorporation: **NJ** | Fiscal Year End: **0831**
Type: **N-CSRS** | Act: **40** | File No.: **811-03534** | Film No.: **05788434**

Business Address
P O BOX 9011
MERRILL LYNCH ASSET
MANAGEMENT
PRINCETON NJ 08543-9011
6092822467

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES

Investment Company Act file number 811-03534

Name of Fund: Merrill Lynch U.S.A. Government Reserves

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief
Executive Officer, Merrill Lynch U.S.A. Government Reserves,
800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing
address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 08/31/05

Date of reporting period: 09/01/04 - 02/28/05

Item 1 - Report to Stockholders

Merrill Lynch
U.S.A. Government
Reserves

Semi-Annual Report
February 28, 2005

(BULL LOGO) Merrill Lynch Investment Managers
www.mlim.ml.com

Mercury Advisors
A Division of Merrill Lynch Investment Managers
www.mercury.ml.com

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Fund unless accompanied or preceded by the Fund's current prospectus. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. Past performance results shown in this report should not be considered a representation of future performance, which will fluctuate. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at www.mutualfunds.ml.com and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

Merrill Lynch U.S.A. Government Reserves

Box 9011
Princeton, NJ
08543-9011

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Merrill Lynch U.S.A. Government Reserves

Officers and Trustees

Robert C. Doll, Jr., President and Trustee
Donald W. Burton, Trustee
Laurie Simon Hodrick, Trustee
John Francis O'Brien, Trustee
David H. Walsh, Trustee
Fred G. Weiss, Trustee
John Ng, Vice President
Donald C. Burke, Vice President and Treasurer
Jeffrey Hiller, Chief Compliance Officer
Alice A. Pellegrino, Secretary

Custodian
The Bank of New York
100 Church Street
New York, NY 10286

Transfer Agent
Financial Data Services, Inc.
4800 Deer Lake Drive East
Jacksonville, FL 32246-6484
800-221-7210

Effective January 1, 2005, Terry K. Glenn, President and Trustee and M. Colyer Crum, Trustee of Merrill Lynch U.S.A. Government Reserves, retired. The Fund's Board of Trustees wishes Mr. Glenn and Professor Crum well in their retirements.

Effective January 1, 2005, Robert C. Doll, Jr. became Executive Vice President and Chief Executive Officer of the Fund. Effective January 31, 2005, Mr. Doll became President and Trustee of the Fund.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

A Letter From the President

Dear Shareholder

Financial markets broadly posted positive returns over the most recent reporting period, with international equities providing some of the most impressive results.

<TABLE>

<CAPTION>

Total Returns as of February 28, 2005

<S>

	6-month	12-month
U.S. equities (Standard & Poor's 500 Index)	+ 9.99%	+ 6.98%
International equities (MSCI Europe Australasia Far East Index)	+21.18	+18.68
Fixed income (Lehman Brothers Aggregate Bond Index)	+ 1.26	+ 2.43
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 2.40	+ 2.96
High yield bonds (Credit Suisse First Boston High Yield Index)	+ 7.53	+11.21

</TABLE>

The U.S. economy has continued to show resilience in the face of the Federal Reserve Board's (the Fed) continued interest rate hikes and, more recently, higher oil prices. The Fed's measured tightening program recently brought the federal funds rate to 2.75% en route to a more "neutral" short-term interest rate target (relative to inflation). Since the U.S. presidential election, progress has been monitored on many fronts in Washington, although concerns remain about the structural problems of debt and deficits, as reflected by a significant decline in the U.S. dollar.

U.S. equities ended 2004 in a strong rally, but remained in a fairly narrow trading range for the first two months of 2005. Divergences were notable among sectors, with energy emerging as a clear leader. On the positive side, corporations have accelerated their hiring plans, capital spending remains reasonably robust and merger-and-acquisition activity has increased. Offsetting the positives are slowing corporate earnings growth, renewed energy price concerns and the potential for an economic slowdown. International equities, particularly in Asia, have benefited from higher economic growth rates (China recorded growth of 9.3% in 2004), stronger currencies and relatively reasonable valuations.

The major action in the bond market has been a flattening of the yield curve. As short-term interest rates continued to rise, yields on the long end of the curve remained relatively stable - even declining at certain points since the Fed's monetary tightening program began in June 2004. This phenomenon has been largely attributed to continued foreign interest in U.S. bonds, which has served to absorb much of the excess supply. By period-end, many believed long-term yields were long overdue for a rise.

Looking ahead, the environment is likely to be a challenging one for investors, with diversification and selectivity becoming increasingly important themes. With this in mind, we encourage you to meet with your financial advisor to review your goals and asset allocation and to rebalance your portfolio, as necessary, to ensure it remains aligned with your objectives and risk tolerance. As always, we thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

(Robert C. Doll, Jr.)
Robert C. Doll, Jr.
President and Trustee

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

A Discussion With Your Fund's Portfolio Manager

We maintained a relatively conservative approach throughout the period as interest rates continued to rise, led by the short end of the yield curve.

How did the Fund perform during the period in light of the existing market conditions?

For the six-month period ended February 28, 2005, Merrill Lynch

U.S.A. Government Reserves paid shareholders a net annualized dividend of 1.04%. The Fund's seven-day yield as of February 28, 2005, was 1.50%.

The Fund's average portfolio maturity at February 28, 2005, was 43 days, compared to 45 days at August 31, 2004.

We continued to employ a barbell strategy throughout the period, emphasizing the very front end of the market (overnight and term financing) for liquidity and selectively utilizing longer-dated securities for yield enhancement and price appreciation. Short-term interest rates continued to rise throughout the period in concert with the Federal Reserve Board's (the Fed's) monetary tightening program. This gave us reason to approach longer-dated securities with caution, as their market value tends to suffer more in a rising interest rate environment. As a result of managing the portfolio's average life and longer-dated holdings, the Fund was able to deliver highly competitive results relative to its peers.

For the most part, the economy remained on solid footing throughout the past six months. Gross domestic product (GDP) grew at a rate of 4% in the third quarter of 2004 and 3.8% in the fourth quarter. Gains in personal income contributed to 2004 GDP growth, although job creation has not been as robust as in previous economic recoveries.

In the past several months, the major themes have centered on inflation and, in particular, the price of oil. While inflation appeared to pick up at the producer level, a similar increase was not recorded at the consumer level. When producer prices move up more than consumer prices, this often underscores a lack of corporate pricing power. Nevertheless, the Fed continued to target higher interest rates to combat rising inflation. Since June 2004, the Fed has raised the federal funds rate 25 basis points (.25%) at each Federal Open Market Committee meeting, recently bringing the target rate to 2.75%. The Fed maintained its commitment to a "measured" monetary tightening program even in the face of rising oil prices, which many feared could increase inflationary pressures and threaten the economic growth forecasts at certain points throughout the period. Nevertheless, the oil price shocks were largely absorbed by the markets.

As short-term interest rates rose in symphony with the Fed interest rate hikes, long-term interest rates remained stubbornly low, producing what Fed Chairman Alan Greenspan described as a "conundrum." The result was a considerable flattening of the yield curve over the past six months, with the two-year Treasury yield increasing 120 basis points while the 10-year Treasury yield increased just 26 basis points during the period.

Issuance of Treasury securities continued to increase, largely to fund the significant twin deficits. Notably, the heavy supply continued to be absorbed by foreign interest in holding U.S. assets, despite the declining value of the U.S. dollar. The Treasury has remained prudent in its issuance of bills by adjusting the size of the weekly four-week bill as a cash management tool. In addition, the government's increased collection of both corporate and individual payroll taxes - coincident with improving employment - has helped offset the need for additional supply in the short end.

How did you manage the Fund during the period?

Primarily, our approach in this rising interest rate environment has been to maintain a relatively short average portfolio maturity.

While we continued to employ our barbelled approach throughout the period, we believed the two-year sector would give up the most ground in a rising interest rate environment. As a result, we did not participate in longer-dated securities and focused primarily on increasing our liquidity profile, namely in repurchase agreements and shorter-dated Treasury issues. We targeted one-year maturities as the fulcrum point of the yield curve and ultimately determined that the six-month to one-year sector offered the best opportunity for yield enhancement and price appreciation. At the short end, we maintained approximately two-thirds of net assets in repurchase agreements, which comprised primarily overnight and one-week maturities. This sector resets to market rates much quicker than longer-dated securities while also allowing us ample liquidity.

How would you characterize the Fund's position at the close of the period?

Our positioning at period-end could be best described as "cautious." From a market perspective, the interesting question centers on when the Fed may become more data dependent in determining monetary policy. Consensus expectations at this point are that the Fed will continue its measured approach to interest rate increases until the federal funds rate reaches a "neutral" level (relative to inflation) in the area of 3.5%. This is likely to take us to at least midyear, at which point the Fed may pause to consider the impact of its tightening program and evaluate future moves.

While the deficits and the resultant heavy supply are here to stay, the Treasury has made it clear that any measurable increase in new debt will take place further out on the yield curve, particularly in the 10-year area. Less certain is whether employment will continue to improve and how much of inflation at the producer price level will be passed on to the consumer. We will continue to monitor developments on these fronts and will look for opportunities to lengthen the portfolio's average maturity if the economy exhibits signs of faltering.

The Fund's portfolio composition, as a percent of net assets, at the end of February and as of our last report to shareholders is detailed below:

	2/28/2005	8/31/2004
U.S. Government Obligations	31.7%	32.6%
Repurchase Agreements	69.9	71.9
Liabilities in Excess of Other Assets	(1.6)	(4.5)
	-----	-----
Total	100.0%	100.0%
	=====	=====

John Ng
Vice President and Portfolio Manager

March 24, 2005

Disclosure of Expenses

Shareholders of this Fund may incur the following charges: (a) expenses related to transactions, including sales charges, redemption fees and exchange fees; and (b) operating expenses including advisory fees, distribution fees including 12(b)-1 fees, and other Fund expenses. The following example (which is based on a hypothetical investment of \$1,000 invested on September 1, 2004 and held through February 28, 2005) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The first table below provides information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

The second table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing

expenses of investing in this Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

The expenses shown in the table are intended to highlight shareholders ongoing costs only and do not reflect any transactional expenses, such as sales charges, redemption fees or exchange fees. Therefore, the second table is useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

<TABLE>

<CAPTION>

	Beginning Account Value September 1, 2004	Ending Account Value February 28, 2005	Expenses Paid During the Period* September 1, 2004 to February 28, 2005
<S> Actual	<C>	<C>	<C>
ML U.S.A. Government Reserves	\$1,000	\$1,005.10	\$4.57
Hypothetical (5% annual return before expenses)**			
ML U.S.A. Government Reserves	\$1,000	\$1,020.23	\$4.61

* Expenses are equal to the Fund's annualized expense ratio of .92%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period shown).

** Hypothetical 5% annual return before expenses is calculated by pro-rating the number of days in the most recent fiscal half-year divided by 365.

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>

Schedule of Investments

(In Thousands)

<CAPTION>

Issue	Face Amount	Interest Rate	Maturity Date	Value
<S>	<C>	<C>	<C>	<C>
U.S. Government Obligations--31.7%				
U.S. Treasury Bills*	\$1,250	1.852 %	3/10/2005	\$ 1,250
	1,000	1.905	3/17/2005	999
	5,600	1.948-		
		2.410	3/24/2005	5,592
	6,300	1.943-		
		1.951	3/31/2005	6,288
	1,200	2.401	6/16/2005	1,190
	2,800	2.458	6/23/2005	2,776
U.S. Treasury Notes	4,950	1.625	3/31/2005	4,947
	1,800	1.25	5/31/2005	1,793
	650	1.125	6/30/2005	646
	4,980	5.75	11/15/2005	5,071
	1,100	1.875	11/30/2005	1,090
	3,350	1.875	1/31/2006	3,310
	3,000	1.625	2/28/2006	2,952
	90	1.50	3/31/2006	88
Total U.S. Government Obligations (Cost--\$38,048)				37,992

<CAPTION>

Face Amount	Issue	
<C>	<S>	<C>
Repurchase Agreements--69.9%		
\$ 5,500	ABN AMRO Bank N.V., New York Branch, purchased on 2/23/2005 to yield 2.46% to 3/02/2005, repurchase price of \$5,503,	

	collateralized by U.S. Treasury Bill, due 4/07/2005	5,500
5,500	Banc of America Securities, LLC, purchased on 2/23/2005 to yield 2.49% to 3/02/2005 repurchase price of \$5,503, collateralized by GNMA, 5% due 2/20/2035	5,500
5,500	Barclays Capital, Inc., purchased on 2/22/2005 to yield 2.43% to 3/01/2005 repurchase price of \$5,503, collateralized by U.S. Treasury Bill, 6.25% due 8/15/2023	5,500
5,500	Citigroup Global Markets, Inc., purchased on 2/22/2005 to yield 2.47% to 3/01/2005 repurchase price of \$5,503, collateralized by GNMA, 7% due 4/20/2031	5,500
5,500	Countrywide Securities Corp., purchased on 2/22/2005 to yield 2.48% to 3/01/2005 repurchase price of \$5,503, collateralized by GNMA, 4.50% to 7% due 10/15/2033 to 1/15/2034	5,500

<CAPTION>

Face Amount	Issue	Value
Repurchase Agreements (continued)		
<C>	<S>	<C>
\$ 5,500	Credit Suisse First Boston, LLC, purchased on 2/22/2005 to yield 2.50% to 3/01/2005 repurchase price of \$5,503, collateralized by GNMA, 6.50% due 3/15/2031 to 4/15/2031	\$ 5,500
5,500	Deutsche Bank Securities, Inc., purchased on 2/22/2005 to yield 2.50% to 3/01/2005 repurchase price of \$5,503, collateralized by GNMA, 5.50% due 11/20/2034	5,500
5,000	Goldman Sachs & Company, purchased on 2/04/2005 to yield 2.48% to 3/04/2005 repurchase price of \$5,010, collateralized by GNMA, 2.48% due 2/20/2034	5,000
5,500	Greenwich Capital Markets, Inc., purchased on 2/23/2005 to yield 2.49% to 3/02/2005 repurchase price of \$5,503, collateralized by GNMA, 5.50% to 5.90% due 4/15/2031 to 2/15/2035	5,500
5,500	HSBC Securities (USA), Inc., purchased on 2/28/2005 to yield 2.61% to 3/01/2005 repurchase price of \$5,500, collateralized by U.S. Treasury STRIPS++, due 5/15/2015 to 2/15/2031	5,500
5,500	J.P. Morgan Securities, Inc., purchased on 2/23/2005 to yield 2.48% to 3/02/2005 repurchase price of \$5,503, collateralized by GNMA, 4.45% to 5.50% due 10/15/2034 to 12/15/2039	5,500
5,500	Lehman Brothers, Inc., purchased on 2/24/2005 to yield 2.50% to 3/03/2005 repurchase price of \$5,503, collateralized by GNMA, 4% to 10% due 6/15/2013 to 8/15/2034	5,500
5,500	Merrill Lynch Government Securities, Inc.,** purchased on 2/24/2005 to yield 2.50% to 3/03/2005 repurchase price of \$5,503, collateralized by GNMA, 6% to 7.25% due 6/15/2005 to 10/15/2034	5,500
5,500	Morgan Stanley & Co., Inc., purchased on	

2/24/2005 to yield 2.50% to 3/03/2005
 repurchase price of \$5,503, collateralized
 by GNMA, 5.50% due 6/15/2019

5,500

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>

Schedule of Investments (concluded)

(In Thousands)

<CAPTION>

Face Amount <C>	Issue <S>	Value <C>
Repurchase Agreements (concluded)		
\$ 5,500	UBS Securities, purchased on 2/24/2005 to yield 2.50% to 3/03/2005 repurchase price of \$5,503, collateralized by GNMA, 5.50% to 9.50% due 5/15/2009 to 5/20/2034	\$ 5,500
1,736	State Street Bank & Trust, purchased on 2/28/2005 to yield 2.48% to 3/01/2005 repurchase price of \$1,736, collateralized by U.S. Treasury Note, 5.50% due 5/19/2009	1,736
Total Repurchase Agreements (Cost--\$83,736)		83,736
Total Investments (Cost--\$121,784**)--101.6%		121,728
Liabilities in Excess of Other Assets--(1.6%)		(1,895)
Net Assets--100.0%		\$ 119,833 =====

* U.S. Treasury Bills are traded on a discount basis; the interest rates shown are the range of discount rates paid at the time of purchase by the Fund.

** Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

(in Thousands)

Affiliate	Net Activity	Interest Income
Merrill Lynch Government Securities, Inc.	\$(1,000)	\$10

*** The cost and unrealized appreciation (depreciation) of investments as of February 28, 2005, as computed for federal income tax purposes, were as follows:

(in Thousands)

Aggregate cost	\$ 121,784 =====
Gross unrealized appreciation	--
Gross unrealized depreciation	\$(56)
Net unrealized depreciation	\$(56) =====

++ Separately Traded Registered Interest and Principal of Securities (STRIPS).

See Notes to Financial Statements.

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>
Statement of Assets and Liabilities
<CAPTION>

As of February 28, 2005

<S>	<S>	<C>	<C>
Assets			
	Investments in unaffiliated securities, at value (identified cost--\$116,283,928)		\$ 116,227,882
	Investments in affiliated securities, at value (identified cost--\$5,500,000)		5,500,000
	Cash		392,356
	Receivables:		
	Beneficial interest sold	\$ 1,271,370	
	Interest (includes \$1,910 from affiliates)	173,964	1,445,334

	Prepaid expenses and other assets		27,910

	Total assets		123,593,482

Liabilities			
	Payables:		
	Beneficial interest redeemed	3,609,249	
	Distributor	71,042	
	Other affiliates	47,774	
	Investment adviser	32,675	3,760,740

	Total liabilities		3,760,740

Net Assets			
	Net assets		\$ 119,832,742
			=====
Net Assets Consist of			
	Shares of beneficial interest, \$.10 par value, unlimited number of shares authorized		\$ 11,988,879
	Paid-in capital in excess of par		107,899,909
	Unrealized depreciation--net		(56,046)

	Net Assets--Equivalent to \$1.00 per share based on 119,888,788 shares of beneficial interest outstanding		\$ 119,832,742
			=====

See Notes to Financial Statements.

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>
Statement of Operations
<CAPTION>

For the Six Months Ended February 28, 2005

<S>	<S>	<C>	<C>
Investment Income			
	Interest and amortization of premium and discount earned (includes \$9,883 from affiliates)		\$ 1,216,938
Expenses			
	Investment advisory fees	\$ 282,466	
	Transfer agent fees	97,287	
	Distribution fees	72,678	
	Professional fees	25,808	
	Accounting services	23,415	
	Trustees' fees and expenses	20,536	
	Registration fees	18,274	
	Printing and shareholder reports	16,296	
	Custodian fees	8,993	
	Pricing fees	535	

Other	8,152	
Total expenses	-----	574,440
Investment income--net		----- 642,498 -----
Realized & Unrealized Gain (Loss)--Net		
Realized gain on investments--net		41
Change in unrealized depreciation on investments--net		(25,881)
Total realized and unrealized loss--net		----- (25,840) -----
Net Increase in Net Assets Resulting from Operations		\$ 616,658 =====
See Notes to Financial Statements.		

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>

Statements of Changes in Net Assets

<CAPTION>

	For the Six Months Ended February 28, 2005	For the Year Ended August 31, 2004
	<C>	<C>
Increase (Decrease) in Net Assets:		
Operations		
Investment income--net	\$ 642,498	\$ 445,833
Realized gains--net	41	5,207
Change in unrealized appreciation (depreciation)--net	(25,881)	(124,319)
Net increase in net assets resulting from operations	----- 616,658 -----	----- 326,721 -----
Dividends & Distributions to Shareholders		
Investment income--net	(642,498)	(445,833)
Realized gains--net	(41)	(5,207)
Net decrease in net assets resulting from dividends and distributions to shareholders	----- (642,539) -----	----- (451,040) -----
Beneficial Interest Transactions		
Net proceeds from sale of shares	145,817,635	394,683,119
Value of shares issued to shareholders in reinvestment of dividends and distributions	642,573	451,005
Cost of shares redeemed	146,460,208 (159,810,368)	395,134,124 (449,449,454)
Net decrease in net assets derived from beneficial interest transactions	----- (13,350,160) -----	----- (54,315,330) -----
Net Assets		
Total decrease in net assets	(13,376,041)	(54,439,649)
Beginning of period	133,208,783	187,648,432
End of period	\$ 119,832,742 =====	\$ 133,208,783 =====
See Notes to Financial Statements.		

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

<TABLE>

Financial Highlights
<CAPTION>

	For the Six Months Ended		For the Year Ended August 31,		
	February 28, 2005	2004	2003	2002	2001
<S>	<C>	<C>	<C>	<C>	<C>
The following per share data and ratios have been derived from information provided in the financial statements.					
Per Share Operating Performance					
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Investment income--net	.0051	.0030	.0062	.0150	.0443
Realized and unrealized gain (loss)--net	(.0002)	(.0008)	(.0004)	(.0001)	.0012
Total from investment operations	.0049	.0022	.0058	.0149	.0455
Less dividends and distributions:					
Investment income--net	(.0051)	(.0030)	(.0062)	(.0150)	(.0443)
Realized gains--net	--*	--*	(.0001)	(.0001)	(.0002)
Total dividends and distributions	(.0051)	(.0030)	(.0063)	(.0151)	(.0445)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total investment return	.51% ⁺⁺	.30%	.63%	1.45%	4.59%
Ratios to Average Net Assets					
Expenses	.92%**	.89%	.82%	.80%	.92%
Investment income and realized gain (loss)--net	1.02%**	.29%	.65%	1.48%	4.49%

Supplemental Data

Net assets, end of period (in thousands)	\$ 119,833	\$ 133,209	\$ 187,648	\$ 244,229	\$ 270,063
--	------------	------------	------------	------------	------------

* Amount is less than \$(.0001) per share.

** Annualized.

++ Aggregate total investment return.

See Notes to Financial Statements.

</TABLE>

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

Notes to Financial Statements

1. Significant Accounting Policies:

Merrill Lynch U.S.A. Government Reserves (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. The Fund's financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. These unaudited financial statements reflect all adjustments, which are, in the opinion of management, necessary to present a fair statement of the results for the interim period. All such adjustments are of a normal, recurring nature. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Portfolio securities with remaining maturities of greater than sixty days, for which market quotations are readily available, are valued at market value. As securities transition from sixty-one to sixty days to maturity, the difference between the valuation existing on the sixty-first day before maturity and maturity value is amortized on a straight-line basis to maturity. Securities maturing sixty days or less from their date of acquisition are valued at amortized cost, which approximates market value. For purposes of valuation, the maturity of a variable rate

security is deemed to be the next coupon date on which the interest rate is to be adjusted. Other investments for which market quotations are not available are valued at fair value as determined in good faith by or under the direction of the Board of Trustees.

(b) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(c) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Interest income (including amortization of premium and discount) is recognized on the accrual basis.

(d) Prepaid registration fees--Prepaid registration fees are charged to expense as the related shares are issued.

(e) Repurchase agreements--The Fund may invest in U.S. government securities pursuant to repurchase agreements. Under such agreements, the counterparty agrees to repurchase the security at a mutually agreed upon time and price. The Fund takes possession of the underlying securities, marks-to-market such securities and, if necessary, receives additional securities daily to ensure that the contract is fully collateralized. If the counterparty defaults and fair value of the collateral declines, liquidation of the collateral by the Fund may be delayed or limited.

(f) Dividends and distributions to shareholders--The Fund declares dividends daily and reinvests daily such dividends (net of non-resident alien tax and backup withholding tax withheld) in additional fund shares at net asset value. Dividends and distributions are declared from the total of net investment income and net realized gain or loss on investments.

(g) Securities lending--The Fund may lend securities to financial institutions that provide cash or securities issued or guaranteed by the U.S. government as collateral, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. Where the Fund receives securities as collateral for the loaned securities, it collects a fee from the borrower. The Fund typically receives the income on the loaned securities but does not receive the income on the collateral. Where the Fund receives cash collateral, it may invest such collateral and retain the amount earned on such investment, net of any amount rebated to the borrower. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within five business days. The Fund may pay reasonable finder's, lending agent, administrative and custodial fees in connection with its loans. In the event that the borrower defaults on its obligation to return borrowed securities because of insolvency or for any other reason, the Fund could experience delays and costs in gaining access to the collateral. The Fund also could suffer a loss where the value of the collateral falls below the market value of the borrowed securities, in the event of borrower default or in the event of losses on investments made with cash collateral.

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

Notes to Financial Statements (concluded)

2. Investment Advisory Agreement and Transactions with Affiliates:
The Fund has entered into an Investment Advisory Agreement with Merrill Lynch Investment Managers, L.P. ("MLIM"). The general partner of MLIM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner. For such services, the Fund pays a monthly fee equal to an annual rate of .45% of the average daily net

assets of the Fund.

The Fund has a Distribution and Shareholder Servicing Plan in accordance with Rule 12b-1 under the Investment Company Act of 1940, pursuant to which Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), an affiliate of MLIM, receives a distribution fee under the Distribution Agreement from the Fund at the end of each month at the annual rate of .125% of average daily net assets of the accounts of Fund shareholders who maintain their accounts through MLPF&S. The distribution fee is to compensate MLPF&S and its financial advisors and other directly involved branch office personnel for selling shares of the Fund, providing direct personal services to shareholders and in processing share orders and administering shareholders' accounts.

The Fund has received an exemptive order from the Securities and Exchange Commission permitting it to lend portfolio securities to MLPF&S or its affiliates. Pursuant to that order, the Fund also has retained Merrill Lynch Investment Managers, LLC ("MLIM, LLC"), an affiliate of MLIM, as the securities lending agent for a fee based on a share of the returns on investment of cash collateral. MLIM, LLC may, on behalf of the Fund, invest cash collateral received by the Fund for such loans, among other things, in a private investment company managed by MLIM, LLC or in registered money market funds advised by MLIM or its affiliates.

FAM Distributors, Inc. ("FAMD"), a wholly-owned subsidiary of ML & Co., is the Fund's distributor.

Financial Data Services, Inc. ("FDS"), a wholly-owned subsidiary of ML & Co., is the Fund's transfer agent.

For the six months ended February 28, 2005, the Fund reimbursed MLIM \$1,390 for certain accounting services.

Certain officers and/or trustees of the Fund are officers and/or directors of MLIM, PSI, FAMD, FDS, and/or ML & Co.

3. Shares of Beneficial Interest:

The number of shares sold, reinvested and redeemed during the periods corresponds to the amounts included in the Statements of Changes in Net Assets with respect to net proceeds from sale of shares, value of shares reinvested and cost of shares redeemed, respectively, since shares are recorded at \$1.00 per share.

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

Proxy Results

During the six-month period ended February 28, 2005, Merrill Lynch U.S.A. Government Reserves' shareholders voted on the following proposals. Proposals 1, 2A, 2B and 4G were approved at a shareholders' meeting on January 31, 2005. With respect to Proposals 4C, 4D, 4E and 4F, the proposals were adjourned until March 24, 2005. A description of the proposals and number of shares voted were as follows:

<TABLE>

<CAPTION>

	Shares Voted For	Shares Withheld From Voting
<S>	<C>	<C>
1. To elect the Fund's Board of Trustees:	Robert C. Doll, Jr. 122,749,441	3,149,403
	Donald W. Burton 122,697,180	3,201,664
	Laurie Simon Hodrick 122,788,475	3,110,369
	John F. O'Brien 122,710,138	3,188,706
	David H. Walsh 122,788,573	3,110,271
	Fred G. Weiss 122,743,443	3,155,401

<CAPTION>

Shares Voted For	Shares Voted Against	Shares Voted Abstain
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<S>	<C>	<C>	<C>
2A. To approve changes to the fundamental investment restriction on borrowing.	114,175,835	5,442,554	6,280,454
2B. To approve changes to the fundamental investment restriction on lending.	114,397,817	5,223,058	6,277,968
4G. To approve amendment in charter provisions regarding fund officers.	110,820,813	8,466,376	6,611,654
4C. To approve charter amendment to permit the fund to terminate and wind up its affairs without a shareholder vote.	Adjourned	Adjourned	Adjourned
4D. To approve amendment to charter provisions regarding merger, consolidation and/or sale of assets.	Adjourned	Adjourned	Adjourned
4E. To approve amendment to charter provisions regarding charter amendments.	Adjourned	Adjourned	Adjourned
4F. To approve amendment to charter provisions regarding investment advisory agreements.	Adjourned	Adjourned	Adjourned

</TABLE>

Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this Web site at <http://www.icsdelivery.com/live> and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

MERRILL LYNCH U.S.A. GOVERNMENT RESERVES, FEBRUARY 28, 2005

Item 2 - Code of Ethics - Not Applicable to this semi-annual report

Item 3 - Audit Committee Financial Expert - Not Applicable to this semi-annual report

Item 4 - Principal Accountant Fees and Services - Not Applicable to this semi-annual report

Item 5 - Audit Committee of Listed Registrants - Not Applicable

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies - Not Applicable

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - Not Applicable

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 10 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 11 - Controls and Procedures

11(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

11(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal half-year of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 - Exhibits attached hereto

12(a) (1) - Code of Ethics - Not Applicable to this semi-annual report

12(a) (2) - Certifications - Attached hereto

12(a) (3) - Not Applicable

12(b) - Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Merrill Lynch U.S.A. Government Reserves

By: /s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Merrill Lynch U.S.A. Government Reserves

Date: April 22, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Merrill Lynch U.S.A. Government Reserves

Date: April 22, 2005

By: /s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Merrill Lynch U.S.A. Government Reserves

Date: April 22, 2005

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert C. Doll, Jr., Chief Executive Officer of Merrill Lynch U.S.A. Government Reserves, certify that:

1. I have reviewed this report on Form N-CSR of Merrill Lynch U.S.A. Government Reserves;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions

about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Merrill Lynch U.S.A. Government Reserves

EX-99. CERT

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Donald C. Burke, Chief Financial Officer of Merrill Lynch U.S.A. Government Reserves, certify that:

1. I have reviewed this report on Form N-CSR of Merrill Lynch U.S.A. Government Reserves;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact

necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting

which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Merrill Lynch U.S.A. Government Reserves

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Robert C. Doll, Jr., Chief Executive Officer of Merrill Lynch U.S.A. Government Reserves (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Robert C. Doll, Jr.
Robert C. Doll, Jr.,
Chief Executive Officer of
Merrill Lynch U.S.A. Government Reserves

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Merrill Lynch U.S.A. Government Reserves

and will be retained by Merrill Lynch U.S.A. Government Reserves and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1350CERT

Certification Pursuant to Section 906 of the Sarbanes Oxley Act

I, Donald C. Burke, Chief Financial Officer of Merrill Lynch U.S.A. Government Reserves (the "Fund"), certify that:

1. The N-CSR of the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

Dated: April 22, 2005

/s/ Donald C. Burke
Donald C. Burke,
Chief Financial Officer of
Merrill Lynch U.S.A. Government Reserves

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Merrill Lynch U.S.A. Government Reserves and will be retained by Merrill Lynch U.S.A. Government Reserves and furnished to the Securities and Exchange Commission or its staff upon request.