

to have to report that legislation has not been introduced to provide the requisite authority for the Post and Telegraph Department legally to control the creation and issue of revenue stamps, reference to which was made in the last three reports.

Dairy-produce Act, 1923.

The accounts of the New Zealand Dairy Board for the year ended 31st July, 1938, contain an item "Guaranteed Price Investigation (Part), £456 5s. 8d.", which represents expenditure incurred by the Board in collecting data and in the preparation of evidence for submission to the Guaranteed Prices Advisory Committee, 1938. Audit was unable to find any statutory authority which would enable it to pass the expenditure incurred in connection with this investigation, and accordingly an exception to this effect was included in the audit certificate on the balance-sheet. The Minister of Finance has advised the Board that legislation will be introduced during the present session of Parliament to validate this expenditure.

Statement of Royalties payable to the Crown and unpaid at the 31st March, 1939.

Section 91 (2) of the Public Revenues Act, 1926, reads as follows:—

"The Controller and Auditor-General shall include in the report to be prepared by him pursuant to subsection two of section eighty-nine hereof a statement as to all royalties payable to the Crown and for the time being unpaid, setting forth in respect of such royalties—

"(a) The name of the person by whom the same are payable ;

"(b) The amount payable by each such person ; and

"(c) The steps (if any) that have been taken to recover the said royalties, and, if no such steps have been taken, the reasons for allowing the said royalties to remain outstanding."

These provisions were first imported into the statutes by section 24 of the Public Revenues Amendment Act, 1913, but as far as I can ascertain no attempt was made to comply with the requirements of this section until 1927.

In that year the Controller and Auditor-General drew attention in his report to this omission, and mentioned that he had obtained the necessary information from the respective Departments, but that he had experienced many difficulties in preparing a return which would comply with the Act and at the same time avoid unfairness to the individuals whose names were required to be published.

On that occasion the information was shown in an abridged form, and a similar course has been followed each year. Since 1927 suggestions have been made from time to time that the law should be amended, and when dealing with the matter in my report of last year I stated that in future I proposed to follow the requirements of the statute by publishing details as to the names of persons by whom royalties are owing and outstanding at the end of the year unless Parliament indicated otherwise. The statutory position has not been altered, however, but on further consideration of the question I feel that some injustice may be done by publishing this information.

Examination of the accounts reveals that quite a considerable proportion of the debts have been liquidated since the 31st March, and in the case of one Department, in respect of which a total amount of £2,378 4s. 11d. was outstanding, the sum of £1,826 1s. 3d. has been paid by debtors up to the 31st May, 1939, whilst further small payments have been since received. It seems, therefore, quite invidious and unreasonable to publish such particulars concerning debts arising from royalties without publishing like particulars of any of the numerous other debts due to the Crown.