

## STATE ADVANCES DEBT.

Section 36 (b) of the New Zealand State-guaranteed Advances Act, 1909, provided that certain loans raised for State advances under the Government Advances to Settlers Act, 1908, "shall be credited by the Treasury in the Public Accounts of the Dominion in reduction of the public debt." The 1909 Act further made it clear that any fresh loans raised thereunder were to be charged upon the New Zealand State-guaranteed Advances Account and guaranteed by the Government of New Zealand, and were not to be deemed part of the public debt charged on the public revenues of New Zealand. The New Zealand State-guaranteed Advances Amendment Act, 1910, authorized the loans raised thereunder to be charged on the public revenues, but in section 8 of this Act it was specifically provided that, as between the Treasury and the State Advances Office, such loans "shall not be deemed to form part of the public debt, but shall be entered in the appropriate accounts of the Advances Office as capital liabilities of the respective branches of that Office". Pursuant to these provisions of law, the loans raised under these Acts for advances to settlers, advances to workers, and advances to local authorities have been kept separate from the public debt, and have been shown in the public-debt accounts in B.-1 [Part III], as "State Advances Debt," while the securities outstanding in respect of these loans have been kept distinct from the securities outstanding in respect of the public debt, and have been shown in separate statements following the statement of securities outstanding in respect of the public debt.

The Treasury has decided to abolish this distinction and to bring all these loans within the public debt. With this end in view, the securities outstanding at the 31st March, 1931, have been brought under the heading "The Public Debt of New Zealand" in B.-1 [Part III], pages 53 and 54, and the separate statements have been discontinued. In view of the distinction created by statute, however, it did not appear to Audit to be permissible to bring these loans within the public debt, and it has therefore been decided to introduce legislation authorizing their inclusion in the public debt. As there appears to be no good reason, from an accountancy point of view, for maintaining any distinction between these loans and the public debt, I have certified B.-1 [Part III], in anticipation of such legislation being passed. In the statement showing the balances and summary of transactions of the public debt for the year the loans comprising the State Advances debt have not been brought into the public debt. Entries to do this will no doubt be submitted by the Treasury during the current year, after the proposed legislation has been passed.

I would take the opportunity of drawing attention to the fact that the loans raised under the Rural Advances Act, 1926, which are very similar in their nature to those mentioned above, are not brought into the public debt. There can be no question that these loans are a debt of the New Zealand Government, for they are raised by a Government Department—the State Advances Office—and the principal and interest is payable, in the first place, from the Consolidated Fund, and is recoverable by that fund from the State Advances Account. It would seem, therefore, that these loans also should be brought into the public-debt accounts as part of the public debt of the Dominion.

## PAYMENT OF FEES TO ANNUITANTS OF THE PUBLIC SERVICE SUPERANNUATION FUND WHO WERE ENGAGED BY THE GOVERNMENT TO SERVE ON A COMMISSION.

Section 33 of the Public Service Superannuation Act, 1927, provides, *inter alia*, that when a contributor receives payment for services rendered by him to or for any branch of the Government service while in receipt of a retiring-allowance, then no more of such retiring-allowance shall be paid in respect of any month than is equivalent, when added to the remuneration so received by him in that month, to one-twelfth of his annual salary at the date of retirement. During the year vouchers were submitted to the Audit Office supporting claims for fees payable to two superannuitants who were appointed to a Commission to hear cases of hardship arising out of the operation of the special land tax. As the fees, together with their superannuation, exceeded the amount allowed by the section quoted above, the vouchers were not passed by Audit until the assurance of the Minister of Finance was given that a validating clause would be provided therefor.

## UNEMPLOYMENT ACT, 1930.—EXEMPTION FROM PAYMENT OF LEVY.

Certain classes of persons were granted exemption from payment of the unemployment levy by Order in Council dated the 12th December, 1930.

Some persons who are entitled to exemption under these regulations had paid the December instalment of the levy before the Order in Council was published. Vouchers for refunds of these instalments were submitted, but as the Order in Council did not have retrospective effect the applicants were not legally entitled to a refund. As it did not appear equitable that applicants should be penalized as the result of delay in the issue of the regulations, Audit passed the vouchers on an undertaking being given by the Minister of Finance that validating legislation would be provided during the ensuing session.

## GRANT BY THE GOVERNMENT TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

*Civil List Act, 1920.*—Section 16 of the Civil List Act, 1920, and section 11 of the Finance Act, 1927, provide for the salary and allowances payable to the Speaker of the House of Representatives. In November of last year a grant of £200 was made to the Speaker to enable him to take an extended health-recruiting trip. There was no statutory authority for the payment of this amount, but Audit passed the claim on receipt of an assurance from the Government that the necessary legislative authority would be provided therefor during the ensuing session.