

Main Highways, Marketing, National Airways, National Patriotic Fund, Public Service Superannuation, Public Trust, Railways, Railways Superannuation, State Advances, State Coal, State Fire and Accident Insurance, Teachers' Superannuation, War and Earthquake Damage, Waterfront Industry, and Wool Disposal Commission.

The remainder of the accounts appear in parliamentary paper B.—1 [Pt. IV], and those to be presented during the present session will cover the financial year 1945–46.

Prior to the war all balance-sheets, whether presented with a relative annual report or not, were included in B.—1 [Pt. IV], and the Audit Office suggests that this practice should be resumed as affording a readier means of reference than that now followed.

Interest on Capital Liability

Mention was made on page 20 of last year's report of the extent to which interest on capital liability had been paid by various accounts.

During the past financial year three accounts—Housing Construction, State Advances, and Post Office—paid their interest in full.

The following accounts paid a portion: Land for Settlements, Electric Supply, and Housing.

The unpaid portions due by Electric Supply and Housing Accounts have since been received.

The Working Railways Account paid the balance of interest owing for the year 1945–46, and the whole amount owing for 1946–47 has been remitted by the Minister of Finance in terms of section 14 of the Finance Act (No. 2), 1930.

No interest was paid by Main Highways, State Coal-mines, State Forests, Nauru and Ocean Islands, Iron and Steel Industry, and Linen Flax Corporation accounts.

Electric Supply Account

Under the provisions of the State Supply of Electrical Energy Act, 1917, two profit and loss accounts are prepared, one for all State generating-stations in the North Island and one for the South Island.

The Act and amendments provide for the charging of depreciation and debt repayment instalments and the creation of a General Reserve, and the Electric Supply Account became liable for taxes under section 4 of the Land and Income Tax Amendment Act, 1940.

As mentioned in the annual report of the State Hydro-electric Department for the year 1945–46, it has not been possible to meet the combined debit for depreciation, taxes, and debt repayment from current income, and the whole amount of the General Reserve of £480,000 has been applied towards this purpose. Arrears of contributions for debt repayment remaining due to the Loans Redemption Account at 31st March, 1946, amounted to £376,532 and £176,623 in the accounts of the North Island and the South Island respectively.