The other matter to which I would refer relates to the use of item numbers in the estimates. At present the items as presented to the House are not numbered, and no numbers are inserted until the estimates have been passed by the House and are embodied in the statements B.-7 and B.-7A. These statements are not usually available for Audit purposes until some eight months of the financial year to which they relate have elapsed, and as a result the checking of the expenditure under votes is rendered more difficult during the whole of that period. I would suggest that if it were possible to number the items in the estimates as brought before the House, the item numbers would be available for the greater portion of the year, and the auditing of the expenditure, and probably the charging of vouchers by the Departments, would thus be much simplified.

In this connection I would also draw attention to the grouping of unrelated services under the one item of a vote. For example, in the 1928–29 appropriations, B.-7, under Vote 78, Working Railways, Item No. 5, are three such different services as—Purchase of stores; State sawmills (including purchase of land, timber, and machinery, and equipment and working); and Purchase of land on behalf of employees, and advances to employees for purchase of houses. Similarly, under Vote No. 79, Post and Telegraph Working-expenses, Item No. 8, are grouped—Allowances to Savings-bank officers; Furniture and fittings; various Office management expenses; Overtime and meal allowances; Parcel-post expenses; and Maintenance of Post and Telegraph buildings. If each of the items under these votes were separately numbered, as is the case in the majority of the votes, the auditing of the expenditure would be much more readily effected and the control of expenditure be improved.

STATEMENT OF ROYALTIES PAYABLE TO THE CROWN AND UNPAID AT 31st MARCH, 1929.

Section 91 (2), Public Revenues Act, 1926.

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."

In last year's report and that of the preceding year it was mentioned that there were many difficulties in the way of preparing a return which would comply with the Act and at the same time avoid unfairness to individuals whose names are required by law to be published.

Following the course previously adopted, the names of those in arrear are not published, but in the figures hereunder are included all amounts which were shown on the Department's books as owing and unpaid on the 31st March last. No attempt has been made to distinguish between the persons who have reasonable grounds for non-payment and those who have not:—

Department.	Amount unpaid. £ s. d.	£ s. d.
Forestry—		
Auckland Region	23 1 4	
Rotorua Region	32 11 5	
Wellington Region	525 5 1	
Nelson Region	476 0 4	
Westland Region	1,344 11 11	
		2,401 10 1
Lands—		
North Auckland	301 13 3	
Auckland	285 12 6	
Hawke's Bay	75 4 7	
Wellington	4,707 4 8	
Westland	567 10 4	
Otago	36 1 0	
Southland	173 4 8	
		6,146 11 0
Agriculture		0 2 9
Defence		87 6 0
Marine		629 1 1
Native		1,994 18 7
Prisons		736 15 6
Public Works		36 6 11
Mines		9,075 17 10
		£21,108 9 9