

£1,049,096 1s. 4d., which, but for the above issues, would have been to the credit of the Public Account, either at the Bank or in the hands of Accountants of the Treasury :—

	£	s.	d.	£	s.	d.
Balances of Special Revenues (Abstract II.)	{	Dr.	65,843	14	1	
	}	Cr.	13,033	14	5	
			<hr/>			52,809 19 8
Ditto of Loans and Treasury Bills, viz. (Abstract III.) :—						
Half-Million Loan	...	...	32,357	15	4	
£150,000 Loan	...	...	1,575	3	11	
Three-Million Loan	...	...	508,154	1	4	
Treasury Bills outstanding	...	...	125,000	0	0	
			<hr/>			667,087 0 7
Ditto of Reserve Fund (Abstract IV.)	...	...				34,200 16 9
Ditto of Deposits (Abstract VII.)	...	...				100,668 10 2
Ditto of Suspense and Temporary Accounts, viz. (Abstract IX.) :—						
1. Receipts of year 1867-8	...	...	22,941	19	6	
2. Interest and Sinking Fund Temporary Accounts	...	...	100,241	17	10	
3. Savings on Votes	...	...	114,274	11	3	
			<hr/>			237,458 8 7
						<hr/>
						£1,092,224 15 9

The sum of £500,000, issued to the Imperial Treasury in debentures, in liquidation of claims on account of war expenses, has been temporarily placed in an "Advance" Account, where it leaves a balance overpaid to the Imperial Treasury of £282,635 Os. 11d. This sum, if transferred to the Three-Million Loan Account, would reduce the Balance of Advances and that of the Three-Million Loan by a corresponding sum.

It is also necessary to observe that the balance of the "Interest and Sinking Fund Temporary Accounts" (£100,241 17s. 10d.) is a "cross" entry. If struck out, the balance at the foot of the Statement of Issues (see also "Balance," page 102 of printed Statement) would be reduced by that amount. This must be clearly understood, as otherwise it might be supposed that the "balance" referred to existed as a cash balance, when in reality £100,241 17s. 10d. of the amount is merely a "cross" entry.

The Public Debt of the Colony, on the termination of the financial year 1866-7, may be stated as follows :—

	£	s.	d.	£	s.	d.
Treasury Bills outstanding	...	...	125,000	0	0	
Old Debentures outstanding	...	...	316	0	0	
Southland Certificated Debt	...	...	281,829	15	1	
Half-Million Loan	...	...	500,000	0	0	
Loan of £150,000	...	...	150,000	0	0	
Three-Million Loan	...	...	3,006,237	15	11	
			<hr/>			£4,063,383 11 0
Apportioned as follows :—						
Auckland,—On account of Native titles to land	£	s.	d.	£	s.	d.
extinguished	...	...	90,000	0	0	
On account of War Loan*	...	...	186,707	16	8	
			<hr/>			276,707 16 8
Wellington,—On account of Native titles to land	...	...	27,000	0	0	
extinguished	...	...	14,841	8	10	
On account of War Loan*	...	...				41,841 8 10
						39,979 11 3
Taranaki*	...	...		
Hawke's Bay,—On account of Native titles to land	...	...	27,000	0	0	
extinguished	...	...	2,727	16	11	
On account of War Loan*	...	...				29,727 16 11
Nelson,—Under Public Debts Apportionment Act	...	...	45,000	0	0	
Canterbury,—Do. do.	...	...	74,000	0	0	
Otago,—Do. do.	...	...	63,000	0	0	
Southland,—Do. do.	...	...	18,000	0	0	
Do., Certificated Debt	...	...	281,829	15	1	
			<hr/>			481,829 15 1
Colony	...	...				3,193,297 2 3
						<hr/>
						£4,063,383 11 0

The Public Debt, as stated by the Treasurer, shows a liability on account of the Three-Million Loan of £1,000 in excess of the correct sum. The discrepancy arises from the Treasury having treated an exchange of debentures as an addition to the Public Debt. The over-statement will be adjusted in the Accounts for the year 1867-8.

On the other hand, the Treasury has not included among the Public Debts the Certificates issued by the Auditor-General in acknowledgment of Southland Debt. These Certificates, with the accruing interest, are a liability of the Colony. The Certificates issued amount to £281,829 15s. 1d.

2nd July, 1868.

CHARLES KNIGHT, Auditor.

* "The Loan Allocation Act, 1865," under which this apportionment is made, was repealed by "The Loan Allocation Act Repeal Act, 1867."