

MEMORANDUM IN EXPLANATION OF THE ANNEXED RETURNS.

THE operation of "The Public Revenues Act, 1867," causes the payments for Interest and Sinking Fund on Loans to disappear, to a great extent, from the Provincial Accounts. Under the provisions of that Act, where Interest and Sinking Fund are paid by the General Government for account of a Province (as in the case of the Land-purchase Loan of 1856 and the Consolidated Loan of 1867), the amounts so paid are charged to the respective Provinces from month to month, and thus become a deduction from the amount they would otherwise receive as Consolidated Revenue. The Provincial Auditors can only include in their accounts the money actually received by the Provinces, and the consequence is that amounts paid for Interest, &c., as above mentioned, drop out of the accounts kept by them.

The following table shows the sums charged in this way during the year 1868:—

Provinces.	Amounts.
Auckland	£43,148 13 10
Taranaki	678 2 9
Wellington	3,161 15 8
Hawke's Bay	3,139 0 5
Nelson	3,006 16 6
Marlborough	6 8 6
Canterbury	14,108 5 6
Westland	8,107 9 11
Otago	16,244 12 6
Southland	1,250 2 5
Total	£92,851 8 0

The above sums therefore require to be added to both sides of the accounts now furnished, as the actual proportion of the Colonial Revenue which has been either paid to the Provinces or expended on their account was £92,851 8s. more than is stated in these accounts—or, in other words, that it was really £313,014 17s. 7d., instead of £220,163 9s. 7d., as stated. The payments by the Provinces for Interest and Sinking Fund are thus increased by the sum of £92,851 8s., making the total Provincial expenditure on account of Loans to be £237,517 12s. 8d., instead of £144,666 4s. 8d., as shown.

In addition to the items given in these accounts, a sum of £2,221 12s. 2d. was recovered from the Province of Hawke's Bay on account of an amount due to the General Government by that Province. This sum was deducted from the Land Revenue, which therefore appears as £12,611 12s. 8d., instead of £14,833 4s. 10d.

The sum of £2,040 17s. 2d. was in like manner recovered from Marlborough, on account of Interest and Sinking Fund paid by the Province of Nelson, which Province has been credited with the amount. The revenue and expenditure of Marlborough should therefore be increased by £2,040 17s. 2d.

The County of Westland Account is principally taken from the account kept in the Colonial Treasury under the County of Westland Act, 1867. That account was closed on the 31st of October, 1868, and the account for the remaining two months has been supplied by the County Treasurer. The money required for local expenditure from 1st January to 31st October, 1868, was issued from the Colonial Treasury as Advances to the County Paymaster; but to bring the account into conformity with the accounts of the Provinces, these advances are not shown, but instead of them, the actual revenue and expenditure of the County.

J. WOODWARD,
Assistant Treasurer.

Treasury, June 10, 1869.