

CORRESPONDENCE RELATIVE TO BALANCES AT THE CREDIT OF THE PUBLIC ACCOUNT.

No. 1.

Mr. J. E. FITZGERALD to the Hon. the COLONIAL TREASURER.

SIR,—

Controller's Office, 25th August, 1867.

Pursuing the subject of my letters of the 17th and 23rd instant, I have now the honor to explain how the balances in the Public Account will stand upon the adjustment I propose to carry out. Those balances were, on the 30th June—

	£	s.	d.
Consolidated Fund	113,109	9	8
Special Fund	<i>Dr.</i> 49,046	12	0
Land Fund	<i>Dr.</i> 2,745	6	8
Public Trust Fund	62,502	7	7

After the adjustment they will stand as follows:—

	In the Colony.			In England.		
	£	s.	d.	£	s.	d.
Consolidated Fund	<i>Dr.</i> 32,296	16	4
Special Fund	160,059	19	0	112,483	13	9
Land Fund	<i>Dr.</i> 2,745	6	8
Trust Fund	<i>Dr.</i> 1,197	17	5	50,118	2	0

And, taking into account the operations on the Public Account which have taken place since the 30th June, the balances will stand as follows in the Colony:—

	£	s.	d.
Consolidated Fund	<i>Dr.</i> 99,800	10	4
Special Fund	<i>Cr.</i> 161,732	1	8
Land Fund	<i>Dr.</i> 677	2	10
Trust Fund	<i>Cr.</i> 1,932	19	6

It will, perhaps, be convenient that I should once more state, what has frequently been stated in my communications with the Treasury, the view taken by the Controller of the differences between the balances in the accounts of this Office and of the Treasury.

When the four funds were divided the balance in the Chest was divided, and all moneys were subsequently paid into the four accounts. I need not enter upon the question, upon what principle such division was made. The Controller deals only with the money as it is placed in his custody. The Controller's balances are therefore those resulting from the actual payments into and issues out of the Public Account. But if the Treasury were to make a statement showing that the payments made in 1867-8 were erroneous, and will show what moneys ought to have been placed to the credit of each fund, I have always held that it would be the duty of the Controller to make an adjustment to rectify transactions which were made upon insufficient information.

But such a statement must of course refer only to the balances in the Wellington Bank, because, for the purpose of issue, that only is money in the Public Account—that is to say, money upon which the Government can draw.

It seems to me that some one period should be taken, and that the 1st July, 1868, would be the best for this purpose. At that date the balances were as follows:—

	Treasury.			Controller.		
	£	s.	d.	£	s.	d.
Consolidated Fund	46,979	15	11	35,145	8	0
Special Fund	7,183	14	11	25,043	6	0
Land Fund	36,856	13	2	12,446	19	6
Trust Fund	36,782	3	6	1,045	2	8
	127,802	7	6	73,680	16	2

The sum of £54,121 11s. 4d., by which these balances differ, was money *in transitu* in the Colony, and perhaps some small sums in suspense. But it is the total of £73,680 16s. 2d. which requires to be redivided, so as to make the balances in the Control and the Treasury agree.

It is obvious that this is a transaction which must never be repeated; and I have always represented that I could not make the alteration unless upon a statement of account showing that the adjustment would be final. These balances being once adjusted, would always coincide in future at the end of the year, by the refund of the Paymaster's unexpended balances to the proper account.

I would therefore respectfully urge upon the Treasury the desirability of making this adjustment of the balances on the 30th June, 1868, with as little delay as possible.

I have, &c.,

The Hon. the Colonial Treasurer.

JAMES EDWARD FITZGERALD.