

MEMORANDUM ON THE REPORT

to 1st October, 1868, half of which has to be deducted as belonging to the year 1868-9; and, for the same reason, £775 has to be deducted from £3,875 charged as "Sinking Fund" (evidently, by a clerical error, for "Interest and Sinking Fund,") on £38,750, from 1st April, 1868, to 30th June, 1869.

As, however, for reasons already given, the amount charged as Sinking Fund on the Provincial Loan for the year 1867-8 is less than it should be, the whole sum of £8,333 6s. 8d., the balance of £37 10s., or £18 15s., the balance of Sinking Fund remaining in the sum of £3,710 (that is £3,875—£775) which is £193 15s., and a sum of £381 5s., charged as Sinking Fund on £457,500 from April 1st to 15th, 1868, are all taken, in the following statement of results, as forming portions of the £10,000 which has to be charged.

Result of necessary alterations in Audit Office Statement is as follows:—

Amounts charged in excess in Audit Office Statement, as compared with the Account now submitted—

Difference between £22,440 7s. 6d., charged as Interest, &c., on £498,675, from 15th April, 1868, to 15th January, 1869, and £22,421 5s., being Interest, &c., on £498,250 for same period	£	s.	d.
		19	2 6
Difference between £14,075 19s. 4d., charged as Interest, &c., on £502,762, from 15th January to 30th June, 1869, and £13,814 12s. 6d., being Interest, &c., on £502,350 for same period		261	6 10
Amounts charged as Sinking Fund on Provincial Loan for 1868-9:—			
		£18	15 0
		775	0 0
		<u>793</u>	<u>15 0</u>
			£1,074 4 4

Amounts short charged in Audit Office Statement, being difference between amount of Sinking Fund for 1867-8 and amounts charged as under—

Sinking Fund for year	£10,000	0	0
Amount charged	£8,333	6	8
		18	15 0
		193	15 0
		381	5 0
		<u>8,927</u>	<u>1 8</u>
Difference			1,072 18 4
Balance of adjustments			£1 6 0

Comparison with account herewith—

Amount charged by Audit Office... ..	£	s.	d.
	75,102	9	0
Less Interest on Loan of 1856	9,637	3	0
			65,465 6 0
Amount of Account annexed			65,464 0 0
Difference as above			£1 6 0

Wellington.

<i>Dr.</i>	£	s.	d.
Interest on £97,600 from 15th July, 1868, to 30th June, 1869, 23-24ths of year, at 6 per cent.... ..	5,612	0	0
<i>Cr.</i>			
By amount charged	4,393	12	9
			£1,213 7 3

This amount does not seem to require remark. It makes the amount due by the Province slightly less than that which is shown by the Audit Office. The results are as follow:—

Audit Office Statement, Wellington <i>Dr.</i>	£	s.	d.
	1,221	17	3
Treasury " "	1,213	7	3
Difference			£8 10 0

Nelson.

The case of Nelson is a peculiar one, as no provision was made for it under Schedule B of "The Public Debts Act, 1867." The General Government was not aware that it would have to retire the Nelson Bonds due on 30th June, 1868, until that day had nearly arrived. Before the Agent in London could be communicated with, he had sold all the bonds that were authorized by the Schedule referred to above, and, therefore, to meet this liability (and another of which the Government was then aware for the Province of Wellington, but which does not come into the Accounts now under review), and also to replace the amount expended as charges incident to the raising of the loan, a further issue of bonds was made to the extent of £100,000, which were hypothecated for an advance of £80,000 for twelve months at 5½ per cent. interest, payable quarterly in advance, with power to sell during such twelve months at the discretion of the Government. The bonds were eventually sold under this power, but the price had so far declined that the average rate realized was only about 92¼ per cent. (£92,266.)