

MEMORANDUM ON THE REPORT

The proceeds of these bonds amounted to £258,602, which was received as under:—

May 5	...	10 per cent. on amount	...	£26,660
June 1	...	25	" "	66,650
June 15	...	25	" "	66,650
July 1	...	25	" "	66,650
July 15	...	12	" "	31,992
				97
				£258,602

It thus appears that the General Government was in funds to repay itself for its advance on account of Canterbury when the temporary loans were due. Hence it follows that Canterbury has to pay its proportion of the interest and charges on the temporary loan, and to pay interest and sinking fund on £266,600 from 15th April, 1868.

The revised accounts for the Provinces of Taranaki and Hawke's Bay are here submitted. The differences between those accounts and the accounts of the Audit Office are as follow:—

Taranaki.

<i>Dr.</i>				£	s.	d.
As per amount herewith, per Audit Office Statement	...	...	...	246	3	8
Amount undercharged in Interest Account	...	£437	10	0		
Overcharged in Capital Account	...	391	16	11		
Amount due by Province	...	...	...	45	13	1
Difference	...	...	...	£200	10	7

Hawke's Bay.

<i>Dr.</i>				£	s.	d.
As per amount herewith, per Audit Office Statement	...	...	...	503	2	5
Amount undercharged in Interest Account	...	£1,050	0	0		
Overcharged in Capital Account	...	847	13	6		
Amount due by Province	...	...	...	202	6	6
Difference	...	...	...	£299	15	11

Taranaki.

<i>Cr.</i>				£	s.	d.
Proceeds of Bonds	...	...	...	24,250	0	0
Interest charged to Province	...	...	...	1,375	0	0
				£25,625	0	0

<i>Dr.</i>						
Interest, &c., on Temporary Loan	...	...	£338	4	0	
Paid to Province...	...	...	23,613	12	8	
Proportion of General Charges	...	...	106	17	0	
Interest on £25,000, from 15th April, 1868, to 30th June, 1869, $1\frac{1}{4}$ year, at 6 per cent.	...	...	1,812	10	0	
				25,871	3	8
Due by Province	...	...	...	£246	3	8

Hawke's Bay.

<i>Cr.</i>				£	s.	d.
Proceeds of Bonds	...	...	...	58,200	0	0
Interest charged to Province	...	...	...	3,300	0	0
				£61,500	0	0

<i>Dr.</i>						
Interest, &c., on Temporary Loan	...	...	£507	6	1	
Proportion of General Charges	...	...	256	8	10	
Paid to Province	...	...	56,889	7	6	
Interest on £60,000 from 15th April, 1868, to 30th June, 1869, $1\frac{1}{4}$ year, at 6 per cent.	...	...	4,350	0	0	
				62,003	2	5
Due by Province	...	...	...	£503	2	5

Before going into the accounts of the other Provinces for which large amounts of bonds were "converted," it is here submitted that the Treasury was authorized to recover the costs of conversion and of raising further loans by the 2nd section of "The Consolidated Loan Provincial Charges Act, 1868." The terms of that Act are, that "the amount of all the charges and discount paid in the raising of such sums, and in the conversion, redemption, or payment of such loans and debts, shall be made a charge against the revenues of such Province, within the meaning of the 44th clause of "The Public Reserves Act, 1867." This is believed to be an appropriation, and that the charges made under it are therefore in conformity with the law.