

STATEMENTS, ETC., RELATING TO THE BALANCES OF THE PUBLIC WORKS FUND—*continued.*

EXPLANATION of the DISCREPANCIES between the BALANCES at DEBIT of the BANK of NEW ZEALAND, LONDON, in the TREASURY ACCOUNTS, and the BALANCES actually at CREDIT of the GOVERNMENT ACCOUNT there.

1. Bank orders on the New Zealand Public Account, London, are charged by the Treasury, on the day they are issued, against the vote and fund to which they relate, the bank being simultaneously credited with the amount. Until paid by the bank these orders are in the position of cheques outstanding.

2. The Commissioners under "The Public Revenues Act, 1878," issue bank orders in London. These, though immediately paid and charged by the bank there, are not entered in the Treasury accounts until the receipt of advices.

3. The Agent-General obtains advances on Imperial-guaranteed debentures, and, when funds are available, redeems them. He also discounts bank drafts when necessary, and pays into credit of the account various moneys from time to time received by him. The Loan and Stock Agents pay the proceeds of loans into the account. Entries in respect of all these transactions are usually made in the Treasury on receipt of advices by mail.

There are two points of agreement, however. Orders for the payment of interest and sinking-fund are entered on the due date; and bank drafts are debited to the bank on the days they mature, in accordance with advices previously received, unless they have been discounted.

Treasury, Wellington,  
12th August, 1890.

JAMES C. GAVIN,  
Secretary to the Treasury.