

MEMORANDUM FOR THE POSTMASTER-GENERAL.

The overdue Instalments of the Intercolonial Royal Mail Company's Debt at present amount to £7,000.—(See Memos. of Arrangement between the Colonial Treasurer and Mr. Coleman, dated 28th September last, T. 59, 483.) Mr. Coleman, by his letter to the Postmaster-General, dated 21st ult., proposes, as I understand, that the Colonial Government shall defer claiming repayment of a further sum of £2,000, being part of the 4th Instalment of £3,000 due under the Admiralty Contract, but Mr. Coleman does not indicate at what time he proposes that the Colonial Government should recover this sum of £2,000. I think Mr. Coleman's proposal may be acceded to on the condition expressed by the Postmaster-General; and also on condition—

1. That the Company shall augment the Quarterly Instalment payable to the Colonial Government in reduction of the Debt during the year 1860, from £3,250 (at which amount the Instalments are fixed by the above-cited Memo. of 28th September last to £3,750,) so that at the end of the year 1860 the amount of the overdue Instalments may be reduced to £6,000.
2. That the Interest on each Instalment of the Debt as payable under the Admiralty Contract shall be paid on the day originally fixed by the Admiralty Contract for payment of each Instalment.
3. That a running account shall be kept of the Interest on the deferred Instalments and that such Interest shall be paid and kept down from Quarter to Quarter, so as to prevent accumulation of interest on the overdue Instalments.

Mr. Coleman should also be reminded that the consideration for the pecuniary accommodation which has been extended to the Company is the establishment and maintenance of the Intercolonial Line between Sydney and Auckland direct, and that, should that line be abandoned by the Company, the Government will be entitled to require immediate repayment of the overdue Instalments.

C. W. RICHMOND.

November 4th, 1859.

K.—MEMORANDUM BY AUDITOR-GENERAL.

Colonial Treasury, at Auckland.

The duties of Customs and the collections of the Postmaster are paid into the Union Bank of Australia, to the credit of the Colonial Treasury Account; the former weekly, and the latter monthly. All other Revenues are paid into the Colonial Treasury, and lodged by the Cashier in the Union Bank to the credit of the same account daily, if the amount exceeds £5.

Payment for claims not exceeding £2,000 are made by cheques drawn by the Assistant Treasurer on the Union Bank of Australia. The funds necessary for the purpose are from time to time transferred to the credit of the Assistant Treasurer's Account at the Union Bank, by cheques, signed by the Colonial Treasurer and countersigned by the Governor, for £2,000, or occasionally for £3,000, if the immediate demands are heavy.

Claims exceeding £2,000 are paid by cheques on the Colonial Treasurer's Account.

The balance of the Assistant Treasurer is not allowed to exceed £5,000.

The Bank Pass Books for both accounts are in the keeping of the Cashier of the Treasury, whose duty it is to reconcile the balances with the Treasury Cash Book, every Saturday.

The cheques on the Assistant Treasurer's Account are prepared for signature by the Cashier, who thus maintains a constant supervision over the Assistant Treasurer's Account with the Bank.

The Colonial Treasurer's monthly accounts are made up by the Cashier, and the balances are supported by the certificates of the Accountant of the Union Bank.

It will thus be seen that, although the Assistant Treasurer is entrusted with the expenditure of the public money, under the above restrictions, the means of ascertaining the correctness of the operation on the Bank Account are in the hands of the Cashier, who enters the same into the Treasury Cash Book.

The Assistant Treasurer and Cashier are under bond to the Crown; the former in the sum of £2,000, and the latter £1,000.

SUB-TREASURIES.

Where there is a Branch of the Union Bank of Australia, the public moneys are paid into the Bank, to the credit of the Sub-treasurer, in which case the Sub-treasurers make their payments by cheques. The balance of the Sub-treasurer's Account is the same in amount as the credit at the Union Bank, less the amount of outstanding cheques. The public balance is verified by the Account Current of the Bank, which is forwarded in support of the Sub-treasurer's quarterly accounts.

Where there is no Branch of the Union Bank, a survey is held periodically on the Sub-treasurer's Chest; and the Report of the Surveyors attached to the Sub-treasurer's Account.

NATIVE SECRETARY'S DEPARTMENT.

When loans are issued to Natives, the authorised sum is paid at the Colonial Treasury to the Native Secretary, who furnishes periodical statements of his receipts and disbursements for the information of the Colonial Treasurer. The amount outstanding as Loans to Natives is not allowed to exceed £3825.

NATIVE LAND PURCHASE DEPARTMENT.

The Commissioners are imprested with the funds necessary for each purchase of lands from the Natives on an approved requisition; and are relieved in the public accounts of the sums so advanced on their forwarding to the Auditor satisfactory evidence of their having duly appropriated the money. If difficulties arise in completing the negotiations for the purchase of the lands, the advance is returned into the Treasury. Generally the moneys are issued for each specific purchase; but there is no rule on this subject.

CHARLES KNIGHT,
Auditor.

13th September, 1860.