

1873.

NEW ZEALAND.

BANKING ARRANGEMENTS OF THE GOVERNMENT.

Presented to both Houses of the General Assembly by command of His Excellency.

No. 1.

MEMORANDUM of the Arrangements under which the BANKING BUSINESS of the NEW ZEALAND GOVERNMENT is conducted by the BANK of NEW ZEALAND.

THE arrangements under which the banking business of the New Zealand Government is conducted by the Bank of New Zealand are as follows:—

The Colonial Account.

All moneys lodged to credit of the Public Account at the several branches of the Bank of New Zealand throughout the Colony are transferred every Monday morning to the credit of the Public Account at the Wellington Branch, whence they are withdrawn for expenditure as required.

Interest is credited on the average balance of the account at the rate of 4 per cent. when the balance is under £50,000, and at 3 per cent. on the daily balance when above that amount.

The London Account.

All moneys received in London are paid into the New Zealand Public Account at the Bank of New Zealand, whence they are withdrawn for expenditure as required. Interest is credited on the daily-balances of this account at the rate of 1 per cent. below the current Bank of England rate of discount for the time being.

Overdrafts.

Interest is charged on debit balances at the rate of 6 per cent. when such balance is less than £50,000, and 7 per cent. when above that sum; with proviso that if the discount rate of the Bank of England shall continue for two months in excess of 6 per cent., then an increase in the above rates shall be allowed for the whole period during which such excess is maintained, equal to the difference between 6 per cent. and the Bank of England rates.

Remittances.

All remittances on Government account between the Provinces of New Zealand are made at par.

All remittances between New Zealand and the Australian Colonies are made by draft at fifteen days at par.

Remittances at shorter dates, at one-half the current rates charged to the public.

All remittances to London are made by draft at sixty days at par; remittances at shorter dates at a half per cent. below the current rate, but never below par.

General Provisions.

The Bank is to be the Bankers for the Government until the arrangement be determined by six months' previous notice. All balances belonging to the Government are to be kept at the Bank of New Zealand.

Treasury, 2nd August, 1873.

C. T. BATKIN,
Secretary to the Treasury.

No. 2.

MEMORANDUM by the SECRETARY to the TREASURY relative to the Agreement of 1868 with the Bank of New Zealand.

The arrangement under which all interest and sinking fund due in London was paid through the Bank of New Zealand was entered into in December, 1868, (see letter of the Manager to the Colonial