

Mr. Batkin.
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interested combination. The rate of interest in such a case would, of course, be determined amongst the banks themselves, and it is quite possible that, in order to obtain even fair terms, the Government might be driven back to its present position of keeping the account with one bank. Such a combination as would inevitably result from a division of the account would, moreover, operate most unfavourably in case the Government should at any time require an advance. If the account were divided equally, then no one bank would advance a larger sum than another, since, by doing so, it would be simply adding to the deposit of the other banks, and thus the amount obtained by the Government would be measured by the resources of the weakest bank; or if the advance was obtained by way of overdraft, in which case the objection as to the increase of the Government deposits in the other banks would not operate, then the overdraft allowed by each would be measured by the indebtedness of the Government as a whole, and no one bank would be inclined to contribute more than its proportion of a total sum, the limit of which would have been previously agreed upon between them. Assuming its funds to be secure, I am of opinion that the Government will be in a position to exact better terms by keeping its account at one bank, than by dividing it amongst many.

As affecting the collection and disbursement of the Public Funds, a division of the account amongst the several banks would, it appears to me, be attended with the utmost difficulty.

The receipts of the colony are now paid in as collected to the Public Account, and the sums so paid in are credited in the Treasury books to the several Ways and Means Accounts. These accounts are now classified in the four funds designated by law :—

The Consolidated Fund,
The Special Fund,
The Land Fund,
The Public Trust Fund.

The Consolidated Fund forms one Ways and Means Account. The Special Fund comprises nine Ways and Means Accounts, the Land Fund ten, and the Trust Fund twenty-seven. The difficulty of dividing the items of receipt appertaining to these accounts amongst several banks will be apparent when it is remembered that there are upwards of 500 Receivers of Revenue in the colony, many of whom receive revenues payable to each of the four funds, and that many of them already pay into several accounts; thus, Collectors of Customs pay into—

The Public Account,
The Provincial Account,
The Collectors' Deposit Account,
The Collectors' Imprest Account.

Receivers of Land Revenue pay into—

The Public Account,
The Provincial Account,
The Receivers' Deposit Account.

Receivers of Gold Revenue pay into—

The Provincial Account,
The Native Deposit Account,
The Receivers' Deposit Account,
The Receiver-General's Deposit Account.

Clerks to the Bench pay to—

The Public Account,
The Provincial Account,
The Corporation Account,
The Courts of Law Trust Fund Account,
The Clerks' Imprest Account.

Postmasters pay to—

The Public Account,
The Postmaster-General's Account,
The Postmasters' Deposit Account,
The Postmasters' Imprest Account.

So that it will be seen that the Receivers as a whole are already required to distribute their collections amongst nine accounts, viz.,—

The Public Account,
The Provincial Account,
The Corporation Account,
The Courts of Law Trust Fund Account,
The Postmaster-General's Account,
The Receiver-General's Account,
The Receivers' Deposit Account,
The Natives' Deposit Account,
The Imprest Account.

It is impossible to state the objections to a division of the account in other than general terms, without knowing in what form the division is to be made. A division to take effect at the time of collection would be impossible for many reasons: thus, the Colonial Bank has only seven branches, and the Bank of Australasia only eight; and even if every bank had branches at the same places, it would of course be impossible to divide each day's receipts amongst six banks, and yet in no other way could the deposit in each bank, and the labour of remitting, &c., be equalized; and it must be borne in mind that if the balance deposited in each bank is to be equal, the labour imposed on the banks must be equalized also. It would be manifestly unfair that one bank should bear the cost and trouble of collecting the revenue, and the others share only in the deposit.

If it is proposed that all Consolidated Revenue should be deposited in one bank, all or certain Special Funds in another, Land Fund in another, and so on, then all equality in the deposits is at