

## Sub-Enclosure to Enclosure No. 6.

Mr. HALL to the AGENT-GENERAL.

SIR,—

Treasury, Wellington, New Zealand, 18th January, 1873.

I have the honor to enclose a copy of "The Public Revenues Amendment Act, 1872," and to call your attention to section 16 of that Act.

I transmit likewise a warrant under the hand of His Excellency the Governor, appointing you, in conjunction with P. G. Julyan, Esq., C.B., and W. C. Sargeant, Esq., to be agents for appointing the bank at which the New Zealand Public Account shall be kept, and authorizing any two of the agents so appointed to operate on that account.

It is the desire of the Government that the account shall be kept at the Bank of New Zealand; but, as a means of precaution, you are empowered, under the warrant enclosed, to remove the account to some other Bank, should circumstances at any time render it expedient to adopt that step.

You will observe that the immediate effect of this constitution of the New Zealand Public Account is to necessitate the maintenance of but one account at the Bank, from which account all transfers for expenditure, to be made either by yourself or by the Crown Agents, will be made to subordinate accounts in the names of the persons operating on those accounts, to be styled in each case the "Imprest Account."

Thus, the transactions occurring in the "New Zealand Public Account" will be, on the one side, all sums lodged to that account for loans raised, or other original receipts; and, on the other side, the several sums transferred for expenditure to the "Imprest Accounts."

These "Imprest Accounts" will consist of—

The account of the Colonial Agent for moneys transferred to his credit, to make authorized payments; and

The accounts of the Crown Agents for moneys transferred to their credit to pay interest and sinking fund, or other authorized payments.

As the latest London accounts reaching New Zealand prior to the 30th June are those for the month ending the 31st March previous, it is desirable that any balance at credit of your Imprest Account on the date last named should be repaid on that date into the New Zealand Public Account, and that any balance at the credit of the Crown Agents (except the balance of moneys in their hands applicable to the payment of interest and sinking fund due prior to that date) should be repaid in like manner; such sums as may be required for expenditure being reissued from the New Zealand Public Account on the 1st April.

Thus, on closing the accounts of the colony on the 30th June, the English Imprest Accounts incorporated therein will be found to be closed, and will be uniform with those of the colony at the end of the financial year in that important particular.

You will be good enough to call the attention of the Bank to the requirements of section 18 of the Act in respect of the Bank sheet, and you will please to take care that the Imprest Accounts are rendered in compliance with section 19.

I shall be glad if you will transmit a copy of this letter to Mr. Julyan, and one to Mr. Sargeant, as there is not time to forward them from here before the closing of the mail.

I have, &c.,

JOHN HALL,

(in the absence of Mr. Vogel).

I. E. Featherston, Esq., M.D.,  
Agent-General for New Zealand.

## Sub-Enclosure.

COPY of GOVERNOR'S WARRANT.

Dated Wellington, 18th January, 1873.

## Enclosure 7 in No. 7.

The Hon. Sir J. VOGEL to the LOAN AGENTS.

Westminster Chambers, Victoria Street, Westminster, S.W.,

29th April, 1875.

GENTLEMEN,—

I have the honor to acknowledge the receipt of your letter of the 20th April, enclosing to me copy of a warrant, dated January, 1873, and of a letter which accompanied it, in which you state that you propose acting under the powers of that warrant, for the purpose of placing portions of the moneys now deposited with the Bank of New Zealand in some of the large joint-stock banks, such as the London and Westminster and London Joint Stock; and you ask me to state whether I see any objection to the course proposed.

2. In reply, I have to say that the warrant and the letter accompanying it, of which you forward me a copy, were meant to give you power to remove the Government funds deposited with the Bank of New Zealand, in case you were of opinion that that bank was getting into difficulties, and that the documents were not intended to be otherwise acted upon.

3. The Government are under an agreement with the Bank of New Zealand, and six months' notice is necessary, in order to end it. At the same time, there are frequent negotiations for modifications of the terms of the agreement.

4. In 1872, you addressed the Government upon the question of keeping such large balances with the Bank of New Zealand, and the reply was, that you might be at liberty to invest some portion of the Government funds in Exchequer bills, if you thought it desirable to do so; but that the balance was to be kept at the Bank of New Zealand. Subsequently, legislation took place, with the view, as I have said, of enabling the representatives of the colony in England to take action in case of difficulty arising.

5. So little, however, did I contemplate the present necessity of moving the balances, or any portion of them, from the Bank of New Zealand, that, as Colonial Treasurer, I lately negotiated with the Bank for increasing the rate of interest; and it was only after I had informed the Agent-General