

19. The Bank shall, at any of its branches, receive deposits for credit of the Imprestees of the Government, or for credit of special-deposit accounts of officers of the Government, and shall honor the cheques of such Imprestees or officers, as the case may be, and furnish such periodical statements of account as the Treasury regulations may require, or the Treasury or Controller and Auditor-General may direct.

20. The Bank shall furnish to the Paymaster-General, the Government Insurance Commissioner, and the Public Trustee, such periodical statements of the transfers to, and the operations on the Public Account Disbursement Account at its several branches, and the Government Insurance Disbursement Account and Public Trustee's Disbursement Account at Wellington, as these officers may require. The Bank shall also furnish to the Treasury, the Controller and Auditor-General, or such other person as may be authorized by either of them to demand the same, such statements of any official account opened by or for or on account of any officer of the Government as may at any time be required.

AS TO CHARGES AND INTEREST.

On Deposits.

21. The Bank will allow interest on deposits at the rates following, that is to say,—

- (1.) On the daily balances of the Public Account, the Receiver-General's Deposit Account, the Post Office Account, the Government Insurance Account, the Public Trustee's Account, and the account of the Commissioners of the Public Debts Sinking Funds at Wellington, when the balances of those accounts as a whole are under eighty thousand pounds, four per cent.
- (2.) When the balances of those accounts as a whole exceed that amount, three per cent.
- (3.) Provided that whenever the balances of the accounts mentioned in subsection 1 of this clause, exclusive of all sums deposited for fixed periods, shall exceed four hundred thousand pounds, the Treasury or the Bank may require a reconsideration of the rate of interest to be paid thereon.

In the event of the Treasury and the Bank failing to agree thereon, the Bank may refuse to pay interest on any sum so in excess, and the Treasury may thereupon deal with such excess in the manner provided in clause 2 of this agreement.

- (4.) On the daily balances of the New Zealand Public Account and the Foreign Imprest Account of the New Zealand Government in London, one and a half per cent. less than the Bank of England rate. Interest on sums deposited to be reckoned from the day subsequent to each deposit.

Provided that no interest shall be paid under this provision exceeding the rate of five per cent., and that the Bank shall have the option of declining to pay interest on balances in excess of four hundred thousand pounds.

- (5.) On fixed deposits made—
At the Bank at Wellington, or at any of the branches of the Bank in the colony,—
At such rates as may be mutually agreed upon from time to time.
At the London branch of the Bank up to three hundred thousand pounds,—
For six months, three per cent. ;
For twelve months, four per cent.

On Advances.

22. The Bank will be prepared to advance to the Government in amounts not exceeding two hundred thousand pounds per month—

- (1.) On the security of Treasury or Deficiency Bills at par to any amount not exceeding one hundred thousand pounds. Such advance to be made at the option of the Government either in the colony or in London, but not in both.
- (2.) On New Zealand securities quoted on the London Stock Exchange, or on Debentures for any loan authorized to be issued, and which will be so quotable, with power to remit and hypothecate the same, any amounts either in the colony or in London which together shall not, in the whole, exceed three hundred thousand pounds. But the Bank shall not be required to advance any amount exceeding ninety per cent. of the nominal value of a five per cent. loan, and in the like proportion for a loan bearing a rate of interest other than five per cent.

23. The Bank will make advances as above referred to at the rate of interest following; that is to say,—

In the Colony, at six per cent. ;

In London, at five per cent. ; or in case the Bank of England rate is in excess of four per cent., then at the rate of one per cent. above the said Bank of England rate.

24. Whenever the Government has obtained advances from the Bank under this agreement, the Government shall not be at liberty to place any sums of money on deposit with other Banks so long as such advances remain unpaid, and any sums previously so deposited shall, on maturity of the deposits, be placed with the Bank, if the Bank so requires, at the rates then current for deposits of a like class.

25. The Government shall not obtain advances from or through any other bank, except upon failure to obtain the amount required from or through the Bank, at a rate of interest not exceeding that specified in clause 23, or such other rate as the Treasury may deem reasonable.

But this provision shall not apply to any advances which the Government may obtain in London.

On Remittances.

26. The Bank will sell its drafts to the Government—

- (1.) On London, at one hundred and twenty days' sight at par, or at other currencies at one-quarter per cent. concession on the rates offered to the public, but not below par. The Bank shall not be required to sell drafts at a shorter currency than sixty days' sight :
- (2.) Drawn in London on the Bank in the colony, at one-quarter per cent. concession on the rate charged to the public :