

2. An arrangement was made with the Bank for the payment in Adelaide of the amount due upon telegraphic messages to New Zealand, the Bank receiving, in consideration of exchange and commission, a sum of 2 per cent. upon the amount paid. It is found, however, that in addition to this amount, the person to whom the payment was made in Adelaide has been called upon to pay a further sum of 1 per cent. for exchange.
3. A sum of £12,525 was remitted by the Bank on 1st August, 1871, to its London office, for payment of interest and sinking fund due in November. This amount was not required for the purpose for which it was remitted, and on 12th June last it was carried to the credit of the General Government account. For a period of seven months and twelve days the Bank availed itself of the use of this money, and up to the present time, upon a technical plea, has refused to credit the Government with the interest to which, under the agreement, it is entitled.
4. In August, 1870, an amount of £1,162 10s. was paid to the Bank of New Zealand, to meet payments due in London in October of that year. This amount was, it seems, in excess of the amount required by £214 10s. This balance was reccredited the Government on 24th April, 1872. Meanwhile, a precisely similar payment of £948 fell due. For this full amount the Bank, under the arrangements then in force, debited the Government with interest, although at the time the aforesaid sum of £214 10s. belonging to the Government, was lying in its coffers. This surcharge of interest has never been remitted.
5. On the 1st October, 1872, the Bank paid, on behalf of the Government, interest on certain bonds to the amount of £948. Prior to this the Bank was, on the 15th March, informed that the Agent-General had been instructed to provide the Bank with the moneys necessary to make the payment. From some oversight this was not done. The Bank, in place of reminding the Agent-General of the oversight, made the payment, and afterwards, under an old agreement, made a charge of £32 12s. 8d. for interest and exchange. Their legal right to make the charge is not called in question, but the proceeding itself is of a character unusual with Banks having a reputation for liberality.

Some of these matters have already been the subject of correspondence, and indeed the requirement of the Government, as regards the first point, has already been given effect to. I cannot, however, but express my regret that, during the very short time I have been associated with the Treasury, so many causes of complaint should have come to my knowledge.

The Manager, Bank of New Zealand, Wellington.

I have, &c.,
G. M. WATERHOUSE.

No. 9.

Mr. S. S. REVANS to the Hon. the COLONIAL TREASURER.

SIR,—

Bank of New Zealand, Wellington, 11th February, 1873.

I have the honor to acknowledge the receipt of your letter No. 183, dated 10th instant, in which you recapitulate certain points connected with the conduct of the Government business by this Bank, as to which you think the Government has cause of complaint against the Bank.

As these matters have already, at various times, been subjects of separate correspondence between the Government and the Bank—as some have been already adjusted, either before or immediately after their being brought under the Bank's notice, and others arise out of differences of opinion and are now in course of arrangement—I assume it to be unnecessary to make any detailed observations upon them herein, but beg to reply generally, that the contents of the letter which I have now the honor to acknowledge shall receive every attention from the Bank.

I have, &c.,
SAMUEL S. REVANS,
Acting Manager.

The Hon. the Colonial Treasurer, Wellington.

No. 10.

Mr. J. WOODWARD to the MANAGER, BANK OF NEW ZEALAND.

SIR,—

Treasury, Wellington, 1st November, 1872.

I am instructed by the Colonial Treasurer to forward you herewith a copy of "The Public Revenues Act, 1872," and to call your attention to section 3, and also to the altered form of the Schedule.

You will perceive that to carry out the Act there will require to be a separate account opened, under the designation of the "Public Account," at every branch or agency of your Bank in which payments may require to be made. The same rule will also apply to your own Bank, as the form of order (copy of which I also enclose) treats the Bank in Wellington, for this purpose, the same as the branches elsewhere. In short, the Paymaster-General's Account, as kept hitherto, will now be superseded by the Public Account already referred to, which, for the sake of distinction, I suggest might have the additional designation of "Disbursement Account."

I have, &c.,
J. WOODWARD,
Assistant Treasurer.

The Manager, Bank of New Zealand, Wellington.