

1875.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

BANKING ARRANGEMENTS OF THE GOVERNMENT.

Report brought up 20th October, 1875.

ORDER OF REFERENCE.

(Extract from the Journals of the House of Representatives.)

THURSDAY, THE 29TH DAY OF JULY, 1875.

Ordered, That it be an instruction to the Public Accounts Committee to inquire into and report upon the conditions under which the Banking Business of the Government is conducted by the Bank of New Zealand, and whether these conditions imperatively required that so large a sum as between three and four millions should be deposited with one institution; and further to report whether it is not in the interest of the colony at large that other arrangements should be made for the future. The Committee to report in three weeks.—*(Mr. Rolleston.)*

ORDER OF REFERENCE.

(Extract from the Journals of the House of Representatives.)

TUESDAY, THE 24TH DAY OF AUGUST, 1875.

Ordered, That leave be given to the Public Accounts Committee to postpone the bringing up of their report on the Banking Business of the Colony for three weeks.—*(Mr. Reader Wood.)*

ORDER OF REFERENCE.

(Extract from the Journals of the House of Representatives.)

THURSDAY, THE 7TH DAY OF OCTOBER, 1875.

Resolved, That the Public Accounts Committee have power to prosecute such inquiry as may arise out of any evidence before the Committee upon the Banking Arrangements of the Government.—*(Mr. Reader Wood.)*

REPORT.

THE Public Accounts Committee having, in obedience to the reference to them of the 29th day of July, inquired into the conditions of the Banking business of the Government, and the several other matters referred to therein, and having taken evidence thereon, do now report as follows:—

1. The conditions on which the Banking business of the Government is conducted by the Bank of New Zealand are shown by the correspondence between the Government and the Bank, copies of which are appended.

2. The Committee are of opinion that those conditions did not require that the whole of the proceeds of the loans should be deposited with one Bank; and would further express their opinion that, for the future, a limit should be placed to the depositing of large sums in any one institution, and that separate arrangements, apart from the ordinary Banking arrangements of the Government, should be made in each case for dealing with the proceeds of all loans raised by the colony.

3. Further, the Committee have come to the following resolutions, which, together with the evidence and appendices, they have the honor to report:—

1. That, in the opinion of this Committee, notice should be forthwith given to determine the present agreement with the Bank of New Zealand.
2. That tenders should be invited from the several Banks (not associated but separately) carrying on business within the colony, for conducting the Government account of the colony.
3. That the imputations and inferences of Mr. Bridges, to the effect that some improper influence had been exercised by the Bank of New Zealand on Sir Julius Vogel, in connection with the purchase of the Port Chalmers Railway and otherwise, are absolutely unwarranted and without foundation.

E. W. STAFFORD,
Chairman.

20th October, 1875.