

honor to request that you will be pleased to understand the words "one per cent." as meaning "one shilling per cent."

I have, &c.,

GEO. TOLHURST,

(For the Inspector).

The Hon. the Colonial Treasurer, Wellington.

### No. 11.

The INSPECTOR, Bank of Australasia, to the Hon. the COLONIAL TREASURER.

SIR,—

Bank of Australasia, Inspector's Office, Wellington, 17th April, 1876.

I received on Saturday, Mr. Fox's communication of 13th inst., stating that you had thought it necessary to refer my letter of 4th idem to the Cabinet, and that it was there decided to call the attention of the Bank authorities to the document.

This certainly surprised me, and, as Mr. Fox did not reveal the specific cause of offence, I at once applied myself to discover wherein I had exceeded my intention of making solely a forcible appeal, in the interests of the Bank, for consideration, at what I conceived to be a critical time.

That there was misconception somewhere I felt assured, and investigation leads me to conclude that it is on my part, in supposing that the final decision of Parliament, as to the Government banking arrangements, had yet to be given.

I had imbibed this impression from the local newspaper accounts of what took place on the occasion of the presentation of the Public Accounts Committee's Report, as well as from the speeches of members of the House—notably that of the then Colonial Treasurer. These accounts, if remember aright, one and all, were to the effect that only portion of the report had been adopted. By chance I am enabled to refer at once to the *Evening Post* of 20th October last, which begins an article thus:—"Although the House did *not* formally adopt that portion of the Public Accounts Committee's Report which recommended that the existing arrangements between the Bank of New Zealand and the Government should be terminated, and tenders invited for the Public Account," &c., &c. And, in officially advising the result of the presentation, I myself stated to our Directors that "in consequence of the Government desiring to remain unfettered during the recess, the Report was not formally adopted."

That impression remained while I was writing my previous letter, and is only now shaken by a reference to *Hansard*, which states that the whole Report was adopted.

It will thus, I trust, be understood how I, holding this mistaken view of the situation, could not but regard the final solution of the whole question of Government banking arrangements, before the House should meet, as premature.

I infer now that the matter is finally settled, so far as Parliament is concerned. If so, my letter has been grounded on a misapprehension, and I would therefore ask to withdraw it, at the same time apologizing for any annoyance inadvertently caused through its terms.

I may state that a copy of such letter has been already despatched, some days since, by myself to the Directors of this Bank in London, and to the Superintendent in Melbourne.

I have, &c.,

E. W. MORRAH,

Inspector, N.Z.

The Hon. the Colonial Treasurer, Wellington.

### No. 12.

SECRETARY to the COLONIAL TREASURER to the INSPECTOR, Bank of Australasia.

SIR,—

General Government Offices, Wellington, 19th April, 1876.

Replying to your letter of the 17th inst., I have been directed by the Colonial Treasurer to state, that he does not consider you would have been justified in writing such a letter as yours of the 4th inst., whether or not the House of Representatives had adopted as a whole the Report of the Select Committee on Public Accounts. On this point you were correct in your first surmise: the House did not adopt the Report. Your request to withdraw the letter means, therefore, nothing.

The Colonial Treasurer feels that it will be necessary for you to express unqualified regret for having written the letter, in order to induce him to recommend that you be allowed to withdraw it.

I have, &c.,

E. W. Morrah, Esq., &c., Bank of Australasia, Wellington.

E. Fox.

### No. 13.

The INSPECTOR, Bank of New South Wales, to the Hon. the COLONIAL TREASURER.

Inspector's Office, Bank of New South Wales,

Christchurch, 19th April, 1876.

SIR,—

I have the honor to inform you, in reference to your circular inviting tenders for the conduct of the Government banking business of the colony, that this Bank does not intend to tender for the same.

The terms and conditions of your circular are such as to make it impossible for us to tender with any hope of being able to conduct the Government account with any degree of satisfaction to ourselves or to the Government.

An agreement, terminable on six months' notice after the lapse of six months from the date the agreement came into force, would completely shut a Bank out from perfecting arrangements in regard to advances required or money deposited by the Government, whereby it and the Government would be mutually benefited.