

4th. Advances by the banks to Government: These, both in the colony and in London, to be taken from the two banks as nearly as possible in equal portions, or as the banks may agree between themselves.

5th. Payment of debentures and interest: Either bank, if required, to pay any coupons for interest or principal-money due on debentures or Treasury Bills, either in London or Australia, at the usual terms and rates.

5. Regarding the charges which we should make for transacting any portion of the Government banking business that might be intrusted to us, they would in no case exceed those mentioned and agreed to in the arrangement made between the Government and the present Government bankers, dated 20th April, 1880, and we would be prepared to sign an undertaking accordingly.

6. I have ventured to address you somewhat more fully and in detail regarding this request than perhaps may seem to you necessary, but my object has been to lay the matter before you in as simple a way as possible.

Knowing how occupied you must be, I have adopted this plan of writing in order to save you the trouble of an interview; but should you deem the matter of sufficient importance to grant an interview, either Mr. Watson, the Inspector of the bank, or I, will have pleasure in waiting on you in Wellington or elsewhere, at your convenience.

The Hon. John Ballance,

Colonial Treasurer, Wellington.

I have, &c.,

H. MACKENZIE,

General Manager.

THE COLONIAL BANK OF NEW ZEALAND.

Progress of the Bank.

	Advances.		Deposits.		Total Assets.
	£		£		£
31st December, 1874 ...	116,161	...	52,619	...	238,019
31st December, 1879 ...	1,026,308	...	689,980	...	1,374,639
31st December, 1884 ...	1,561,337	...	1,419,575	...	2,115,769
31st August, 1889 ...	1,949,594	...	1,860,475	...	3,009,179
28th February, 1891 ...	2,435,465	...	2,138,703	...	3,523,237

Position at 28th February, 1891.

Total assets ...	...	...	...	...	£3,523,237
Uncalled capital ...	...	...	...	...	600,000
Reserve liability of shareholders ...	...	...	...	...	1,000,000
Security to the public ...	...	...	...	...	£5,123,237
Liability to the public ...	...	...	...	...	3,054,680
Excess of security over liabilities to the public ...	...	...	...	...	£2,068,557

H. MACKENZIE,

General Manager.

No. 2.

The SECRETARY to the TREASURY to the GENERAL MANAGER, Colonial Bank of New Zealand.

SIR,—

The Treasury, Wellington, 8th April, 1891.

I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 25th ultimo, submitting the claims of your bank for a share of the banking and other finance business of the colony, and to inform you that your proposals shall receive the careful consideration of the Government.

I have, &c.,

JAS. B. HEYWOOD,

Secretary to the Treasury.

The General Manager, Colonial Bank of New Zealand, Dunedin.

No. 3.

The GENERAL MANAGER, Colonial Bank of New Zealand, to the COLONIAL TREASURER.

The Colonial Bank of New Zealand,

Dunedin, 6th July, 1891.

SIR,—

My letter of the 25th March, written to you when the Colonial Treasurer of New South Wales had concentrated his banking business among those banks having their principal offices in Sydney, was framed on the assumption that possibly you also might wish, in a division of the Government account, to give the preference to the banks here of a strictly New Zealand character.

Anxious as I was, and am, to secure for my institution as large a share of the Government business as possible, further consideration has led me to the surmise that it may be your wish, while bringing the present monopoly to an end, to give a share to all the banks doing business in the colony.

Should such be your wish, I have pleasure in assuring you that we will be pleased to receive whatever share may be allocated to us.

I have, &c.,

H. MACKENZIE,

General Manager.

The Hon. John Ballance, Colonial Treasurer, Wellington.