

SESS. II.—1897.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

REPORT BRINGING UP THE PAPERS RELATING TO THE DEPOSIT OF £150,000 BY THE GOVERNMENT WITH THE COLONIAL BANK OF NEW ZEALAND, IN NOVEMBER, 1894.

Report brought up 20th December, 1897, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 19TH DAY OF NOVEMBER, 1897.

Ordered, "That Standing Order No. 211 be suspended, and that a Committee, consisting of thirteen members, be appointed to examine into and report upon such questions relating to the Public Accounts as they may think desirable, or that may be referred to them by the House or by the Government, and also into all matters relating to the finances of the colony which the Government may refer to them; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Fraser, Mr. Fisher, Mr. Guinness, Hon. J. G. Ward, Hon. W. J. M. Larnach, Hon. J. McKenzie, Mr. Montgomery, Hon. G. F. Richardson, Captain Russell, Hon. Sir R. Stout, Mr. Tanner, and the mover."—(Rt. Hon. R. J. SEDDON.)

REPORT.

THE Public Accounts Committee have the honour to bring up the papers relating to the deposit of £150,000 by the Government with the Colonial Bank of New Zealand in November, 1894. The Committee recommend that the papers lie on the table and be printed.

20th December, 1897.

A. R. GUINNESS,
Chairman.

No. 1.

EXTRACT FROM LETTER FROM PRESIDENT, Bank of New Zealand, to Hon. COLONIAL TREASURER, dated Bank of New Zealand, Wellington, 27th November, 1894.

* * * * *

With regard to the investment of the £150,000, I have the honour to state that the bank is prepared to purchase New Zealand Consols to that amount as an investment of part of the second million. Will you be good enough to direct that the £150,000 Consols be allotted to the bank when they are available for issue.

I am to-day, by cable, instructing the bank's manager in London to place £150,000 to credit of the New Zealand Public Account, advising the Agent-General that he has done so. Interest, it is understood, is to run from date of the advance, and is to be payable half-yearly. It will suit the bank to receive the interest in London.

I have &c.,

W. WATSON, President.

No. 2.

(Copy of Telegram.)

Wellington, 27th November, 1894.

SOLICITORS advise that money for Consols must be deposited here. Therefore have arranged with Bank of New Zealand to pay one hundred and fifty thousand into separate account here, and then have prepared Order in Council for investment of the amount in deposit Colonial, so give Colonial cheque here, which they can pay over to Bank of New Zealand for wire remittance, which Watson, under the circumstances, has agreed to make at par for Colonial. Please get McKenzie wire me first thing to-morrow that bank will accept deposit, and for him to wire Bank of New Zealand also regarding wire transfer.

Hon. J. G. Ward, Oamaru express train, or to follow on.

JAS. B. HEYWOOD.

No. 3.

GLASGOW, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this 29th day of November, 1894.

Present: His Excellency the Governor in Council.

WHEREAS by section 7 (4) of "The New Zealand Consols Act, 1894," it is enacted that the moneys in the New Zealand Consols Account shall from time to time be invested in such securities as the Governor in Council may authorise: Now, therefore, His Excellency the Governor of the Colony of New Zealand, in pursuance and exercise of the power and authority so conferred upon him, and by and with the advice and consent of the Executive Council of the said colony, doth hereby authorise £150,000 of the moneys in the New Zealand Consols Account to be invested in interest-bearing fixed deposit receipts of the Colonial Bank of New Zealand.

ALEX. WILLIS,
Clerk of the Executive Council.

No. 4.

(Telegram.)

Wellington, 28th November, 1894.

In reply your telegram to Colonial Treasurer, this bank is agreeable take deposit of one hundred and fifty thousand pounds at four per cent. per annum, repayable twenty-five thousand instalments in May, August, and November, 1896, and February, May, and August, 1897.

J. B. Heywood, Esq., Treasury, Wellington.

MACKENZIE, Dunedin.

No. 5.

SIR,—

29th November, 1894.

Herewith please receive cheque for £150,000, which it is agreed shall be placed on deposit with your bank at four (4) per cent., interest payable half-yearly in London from to-day.

The principal sum is to be repayable in London in six sums of £25,000 each, on 31st May, 31st August, and 30th November, 1896, and 28th February, 31st May, and 31st August, 1897, and deposit receipts due, dated accordingly, are to be handed to the Agent-General for New Zealand, in London, who will be informed by cable to-day of the arrangements entered into.

I have, &c.,

A. J. CADMAN,

For the Colonial Treasurer.

The Manager, Colonial Bank of New Zealand, Wellington.

No. 6.

SIR,—

The Colonial Bank of New Zealand, Wellington, 29th November, 1894.

I have the honour to acknowledge receipt of your letter enclosing cheque for £150,000, which will be placed on deposit with our bank in London, in the terms specified in your communication.

I have, &c.,

E. J. REID,

Manager.

The Hon. the Colonial Treasurer, Wellington.