

Mr. Verrall.

STATE BANK.

ANALYSIS.

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A BILL INTITULED

AN ACT to establish a State Bank.

Title.

WHEREAS it is expedient that the finances of this colony should be reformed :

Preamble.

5 BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows :—

1. The Short Title of this Act is, "The State Bank Act, 1890."

Short Title.

10 2. The Governor in Council is hereby authorised to establish a bank in the colony for the purposes of conducting the financial business of the colony and of supplying a paper currency, to appoint a manager and other officers, to purchase or erect all necessary bank buildings and offices, and to make all necessary rules and regulations for the proper management and working of the said bank.

Governor authorised to establish bank.

15 3. The said bank shall be a body corporate, under the name of "The State Bank of New Zealand," and by that name shall sue or be sued, and as a corporation shall have perpetual succession and a common seal.

Bank to be a body corporate.

20 4. The chief office shall be established at such place as may be the seat of the General Government for the time, or elsewhere, as may be deemed by the Governor in Council to be most expedient; and branches and agencies shall be established wherever it may be expedient to do so.

Places of business.

25 5. The issue department of the State bank shall be separate from the banking department, and shall issue through the banking department circulating notes of various denominations, but of not less value than ten shillings, "Payable on demand in gold," in exchange for specie or bullion to half the value of the notes issued; and

Issue department and banking department to be separate.

	the specie or bullion so obtained shall be kept in the issue department as a reserve against the notes issued.	
Circulation of bank-notes.	6. One year after the passing of this Bill, it shall be unlawful to circulate in New Zealand any other bank-notes than those of the State bank.	5
Government accounts.	7. All moneys and securities belonging to the Government, Government Savings-bank, Post Office, Public Trust Office, Government Insurance Department, County Councils, Road Boards, Harbour Boards, or other local bodies shall be deposited in the State bank, where separate accounts shall be kept of the same.	10
Private accounts.	8. The State bank shall accept deposits from private persons, and give interest upon current accounts.	
Purchase of gold and silver.	9. The State bank shall purchase gold or silver from the miners.	
Cash credits may be given.	10. In proportion to the amount of specie and bullion deposited in the banking department of the State bank, according to the practice of banking, the manager shall give cash credits,—	15
	(1.) To the Government or local bodies upon debentures issued under authority of Parliament ;	
	(2.) To private persons upon debentures or mortgage securities to the value of the securities deposited, but not exceeding the sum of pounds to any one person ;	20
	(3.) To private persons upon bills of exchange.	
Establishment of clearing-houses.	11. It shall be lawful for the Government, by Proclamation, to establish one or more clearing-houses having subsidiary local clearing-rooms for the effecting at one or more places of the daily exchanges between the several banks carrying on business within the colony, and for payment at the same places of the balances resulting from such exchanges, and to appoint regulations for the conduct of the business thereof, and for the election of officers and payment of expenses thereof.	25
Returns to be made.	12. Quarterly and yearly returns, showing the assets and liabilities of the State bank, shall be made and duly verified in the same manner as is now done by other banks in the colony.	35