To be subscribed by Government in fully paid-up shares of £10 each, and to be paid for by Government securities bearing 3½ per cent interest. The dividend on the preference shares to be 3½ per cent. cumulative.

The capital then will be—

"A" stock	£2,000,000	
Preference shares	500,000	
Ordinary shares	512,500	
		3,012,500

Purchase the business of another bank which can readily be done with the funds now available.

Institute Assets Board as provided in former scheme for working Assets Company. Debentures to be issued by Assets Board to Bank bearing 3½ per cent., and Government to guarantee deficiency, whatever it may be, but which is now estimated at £1,550,000, and for such guarantee to have security over:—

(*a*.) Ordinary share capital	512,500
(*b*.) Reserve liability	1,000,000
(*c*.) Profits of bank for next five years, which may be estimated at	250,000
	£1,762,500

Parliament further to—

(1.) Revoke Bank-note Act *re* issue, and give the sole issue of notes in the colony to the Bank of New Zealand.

(2.) Give Bank entire agency of Government in London, including inscription of stock, payment of interest, &c.

(3.) Give power to all local bodies to inscribe their stock with Bank of New Zealand.

(4.) Prohibit Bank of New Zealand shareholders from winding-up the Bank until the £2,000,000 borrowed under guarantee be repaid.

J. G. Ward.

Sir R. Stout's Proposals.

That the colony grant assistance to the maintenance of the Bank; and that the following be the terms and conditions—viz.:—

(*a*.) That the Government should take £500,000 worth preference shares bearing 3½ per cent., dividends to be paid by issuing £500,000, 3½ per cent. stock;

(*b*.) That the shareholders pay £500,000 in calls of reserve liability;

(*c*.) That the share capital of the Bank be written off the deficit—that is, £1,350,000;

(*d*.) That the balance of the ascertained deficiency—namely, £1,765,000 + £376,000 = £2,141,000, less £1,350,000 (say to allow a margin of £59,000) £850,000—be guaranteed by the Government on condition that the reserve liability (£500,000) and the shares (£500,000) be held as security for the guarantee;

(*e*.) That the Government business in London be granted to the Bank;

(*f*.) That no dividends be paid on the share capital for at least two years, and not until at least a reserve fund of £200,000 has been formed;

(*g*.) That the £1,000,000 of guaranteed stock be handed to Bank for use in Bank;

(*h*.) That the Bank be allowed to amalgamate or to purchase the business of another Bank, provided no cash passes on such amalgamation or purchase but only shares be issued, and then only if the Governor in Council approves;

(*i*.) That the shares of the Bank taken by the Government to be redeemable by the shareholders; and that as soon as possible a sinking fund be created to repurchase the shares.

RAMIFICATIONS OF THE BANK OF NEW ZEALAND IN NEW ZEALAND.

Shareholders in New Zealand number 1,050.
They are liable for £403,000.
One hundred and fifteen branches.
28,584 current accounts.
Holds money for 35,110 people, whose deposits amount to £4,219,000.
Its discount accounts, representing traders' acceptances, are equal to £456,000.
It has credited thousands in every trade, and the Colony of New Zealand is its creditor for—

In New Zealand	£458,000
In London	945,000
	£1,403,000