

Silver and Bronze Coin Account

The Silver and Bronze Coin Account, or, as it could now be more correctly described, the Silver, Cupro-nickel and Bronze Coin Account, is one of many individual accounts shown in Deposits Account on pages 32-33 of the Public Accounts.

Payments now being made from this account represent principally purchases from the Reserve Bank, at face value, of silver coinage withdrawn from circulation, and the cost of cupro-nickel coinage manufactured by the Royal Mint for replacement or addition. The new coinage is resold to the Reserve Bank at face value, and the receipts from these sales are credited to the account. The balance in the account (£3,200,864 at 31st March last) has been increasing over many years, and it appears that a large part of it could be used as ordinary revenue if that course should be deemed advisable.

Purchase of Carlton Hotel Co.'s Property in London

An important transaction during the year was the acquisition by the Government of a United Kingdom Crown lease of the property in London which is at present occupied by the Carlton Hotel and His Majesty's Theatre.

By the payment of £325,000 to the Carlton Hotel Co. the Government took over the company's interests in the site and buildings. A new lease for ninety-nine years, which requires the payment of an annual ground rent of £16,000, was then entered into with the United Kingdom Commissioners of Crown Lands.

It appears that the present buildings cannot be satisfactorily adapted as New Zealand Government offices, and that they will have to be demolished. Agreements with existing tenants and building restrictions are likely to cause this to be deferred for some years.

It is anticipated that the rents which will be collected meanwhile will provide approximately for outgoings plus 4 per cent. interest on the £325,000, but they will not provide for the loss of this capital on demolition. Such loss will in effect be an addition to the cost of the new New Zealand House, London.

Oldman Collection

Another purchase made in London during the year was in respect of the Oldman Collection of Polynesian and Melanesian articles, or, as the experts prefer to call them, artifacts. It was suggested when the purchase was first mooted that it could be effected for £10,000, and approval to the expenditure of this sum was actually given by Cabinet. The suggestion proved to be unfounded, and a figure as high as £55,800 was later mentioned. Finally the price was fixed at £44,000. There is little information on the relative file as to how this sum was arrived at—that is, no valuation of the collection article by article is recorded there.

The cost of purchase and delivery was covered by an item in last year's supplementary estimates.

Compensation Paid to the Reserve Bank on Alteration of Exchange-rate

Section 4 of the Finance Act, 1934, provides that any depreciation of the assets of the Reserve Bank, expressed in New Zealand currency, due to an alteration in the rate of exchange shall be recouped to the Bank from the Consolidated Fund. Similarly, any appreciation of these assets due to a like alteration would be credited to that Fund.