

REPORT.

THE SELECT COMMITTEE of the House of Representatives, appointed May 16, 1856, "*to consider the Bank Charters Bill and Private Paper Money Bill,*" report as follows:—

Your Committee, having duly considered the Bills referred to them, are of opinion that the objects sought to be attained, namely, the establishment in New Zealand of Local Banks of deposit and issue, subject to such restrictions as shall be most conducive to the safety of the public, without unduly repressing legitimate enterprise, are worthy of the most earnest attention on the part of the Legislature, and could not fail, if carried into effect, to accelerate the progress and greatly to develop the resources of the Colony. At the same time, your Committee is of opinion that the subject, in its practical bearing, is so new to most of the Members of the Legislature, that legislation upon a well defined and permanent basis would involve more consideration than can well be bestowed upon it during the present Session.

Under these circumstances, your Committee consider that the immediate practical wants of the Colony will be met by a measure to enable Banks incorporated by Her Majesty's royal letters patent to conduct their operations in the Colony; and by a repeal in favor of such Banks of those clauses in the Paper Currency Ordinance which prohibit the issue of private paper money. Your Committee consider that the position held in the Colony for so many years by the Union Bank of Australia entitles that establishment to be placed on the same footing in regard to the issue of paper money as a Royal Charter Bank.

Your Committee have prepared a Bill to carry into effect the views now recommended to your adoption with respect to Royal Chartered Banks, the second clause of which reserves to the Governor the power of making such terms with any Company seeking to establish itself as a Bank of Issue within the Colony, as may be deemed expedient. This clause is framed with special reference to the necessity which will arise of providing for the winding up of the present Colonial Bank of Issue upon favourable terms.

Your Committee propose the substitution of this Bill for those referred to its consideration.

JAMES MACANDREW, *Chairman.*

*Committee Room, House of Representatives,
May 22, 1856.*