

(No. 28.)



1867.

T A S M A N I A.

LEGISLATIVE COUNCIL.

D E B E N T U R E S.

CORRESPONDENCE WITH THE BANKS AND CROWN AGENTS.

Laid upon the Table by Sir R. Dry, and ordered by the Council to be printed,
September 6, 1867.



(No. 1.)

Colonial Treasury, 21st November, 1866.

SIR,

THIS Government has decided on transmitting in lieu of Drafts a small amount of Debentures for sale in the London Market; I therefore beg to acquaint you that I have forwarded by the present Mail Debentures for that purpose as specified in the annexed Schedule to the amount of £5000, drawn in favour of and endorsed by me as Colonial Treasurer, and I anticipate that it will be in your power to dispose of them on advantageous terms.

For your guidance I beg to inform you that this Government have not issued in the Colony any Debentures below par.

You will be so good as to apply the proceeds to the liquidation of the principal and interest of Debentures falling due during the month of March next, the particulars of which you will find in the accompanying Statement.

I have the honor to be,

Sir,

Your obedient Servant,

CHAS. MEREDITH, *Colonial Treasurer.*

W. C. BOORE, *Esq., Manager of the Consolidated Bank, London.*

(No. 2.)

*The Consolidated Bank, Limited, No. 52, Threadneedle-street, London, E.C.,
26th January, 1867.*

SIR,

WE beg to acknowledge receipt of your favour of 21st November last, advising us that the Tasmanian Government had decided, in lieu of remitting Bills of Exchange, to transmit Debentures amounting to £5000 for sale in the London market, and requesting us to apply the proceeds of the same in payment of certain other Bonds and Coupons due in March next. Your letter further states, for our guidance, that your Government has not issued, in the Colony, any Debentures below par.

The parcels containing the Bonds specified in the Schedule (Nos. 101—150, 50 of £100 each) have been duly received, and we at once placed them in the hands of Messrs. Spurling and Skinner, our brokers, for the purpose of sale in accordance with your instructions. We now enclose you copy of a letter which those gentlemen have addressed to us on the subject, by which you will see that, for the reasons set forth therein, they entertain very slight hopes of being able to carry out your wishes with respect to the Debentures. We have, however, instructed them to use every effort in the matter, and they will not fail to take advantage of any opportunity for effecting a sale of the Bonds that may arise.

You may rely upon the Bonds and Coupons due in March next being duly paid as they mature, whether or not we have been enabled by that time to dispose of any portion of the securities remitted.

The remarks in Messrs. Spurling and Skinner's letter would seem to indicate that the difficulty in finding purchasers for the bonds arises from the fact of their being issued in the Colony, and consequently unknown to the general English Public. Their letter also suggests that to obviate this difficulty your Government should consolidate its various bond issues, and bring out a Loan in London, in accordance with the practice pursued by other Colonial Governments. By this means their securities would become familiar to English investors, and acquire

a permanent standing in the London Market. We ourselves would strongly recommend this course of proceeding if your Government desires to avail itself to any extent of the facilities of the English Market for placing its Debentures.

Should the Tasmanian Government at any time think fit to adopt the suggestions for introducing a Loan here, we shall be most happy to afford them every facility in our power for carrying out their intentions.

We remain, Sir,

Yours most obediently,

J. D. MASSEY, *Assistant Manager.*

The Treasurer of the Colony of Tasmania, Hobart Town, Tasmania.

P.S.—We beg to hand you statement of your Account to 31st December, 1866, also list of Coupons paid and cancelled, which will be forwarded to you by the Agent to the Crown Colonies.

(No. 3.)

London, 12, Copthall Court, E.C., 23rd January, 1867.

GENTLEMEN,

IN endeavouring to carry out the order with which you have favoured us, to sell Five thousand Tasmanian Government 6 per cent. Bonds due in 1895, we are sorry to be obliged to report, that we find the market for them in London in such a condition that we have very little hopes of effecting a sale; for the only dealers in Tasmanian Bonds bought about Twelve thousand pounds Bonds more than a year ago at a Discount, and although they have been trying to sell them at about 98, even in small amounts, have still about Four thousand pounds on hand. There are other sellers about of Bonds asking par, but who would doubtless take less; and there has been a Broker on the market since Monday last endeavouring to sell Five thousand pounds Bonds due in 1891 at any reasonable price, who no doubt would take 95 for his Bonds. Tasmanian Bonds have always been such a complete lock-up to purchasers, that at present they can only be quoted as unmarketable in London. But, if the authorities in the Colony would consolidate their various Loans and bring out a Loan in London in the same way that other Colonies have done, there is no reason why there should not be a ready market in London for Tasmanian Bonds. We could suggest that any issue of Bonds should provide either a Sinking Fund, as has been done by the New Zealand Government, or an annual drawing at par, as in the case of the last New South Wales Loan. We enclose a leaf extracted from the Book of Rules of the Stock Exchange showing what is required when a Colonial Loan is brought out in London.

We remain,

Gentlemen,

Your most obedient Servants,

(Signed) SPURLING & SKINNER.

*To Messrs. the Directors of the
Consolidated Bank, Limited.*

(No. 4.)

SETTLING DAYS AND QUOTATION IN THE OFFICIAL LIST OF NEW LOANS, SHARES, AND STOCKS.

118. *Bargains in new Loans and Shares, &c.*—Bargains in the scrip of a new loan, or the shares of a new Company, are contingent on the appointment of a special settling-day.

119. *Application for settlings in Loans.*—The application for a special settling-day for bargains in loans of Foreign or Colonial Governments, or Loans of Companies, must be laid before the Secretary of the Share and Loan Department, who shall give one week's notice to the Stock Exchange previously to its being considered by the Committee.

Documents required.—The application must be accompanied by the prospectus, by notarial copies, or translations, or other satisfactory evidence of the powers under which the loan is contracted, and by a certificate from the contractors or agents of the amount allotted to the public, and that the scrip or bonds are ready for delivery.

Quotations of new Loans.—Bonds, the dividends of which are payable in London, shall not (except under special circumstances) be quoted in the Official List, unless they have been publicly negotiated by tender, contract, or otherwise, and state the amount and conditions of the Loan, the powers under which it is made, and the numbers and denominations of the bonds issued, and also bear the autographic signature of the contractor or properly authorised agent.

Bonds, the dividends of which are payable abroad, may be quoted upon satisfactory proof of the amount created, and of the official quotation in the country where issued.

120. *Settling-day and quotation of Foreign or Colonial Loans.*—Bargains in Foreign Loans, which are officially quoted in the country to which they belong (provided they do not infringe the principles laid down in Rules 57 or 58), shall be for the ordinary settlement.

121. *Applications for settlements in new Shares.*—The application for a special settling-day for transactions in the shares of a new Company must, in the first instance, be laid before the Secretary of the Share and Loan Department, who shall give one week's notice to the Stock Exchange previously to its being submitted to the Committee.

Documents required.—The application for a Settlement should be made within a reasonable time after the allotment, and be accompanied by the following documents; viz.—

The Prospectus.

The Act of Parliament, or the articles of association.

The original applications for shares.

The allotment book, signed by the Chairman and Secretary of the Company.

(No. 5.)

Tasmania,
Colonial Treasury, Hobart Town, 25th March, 1867.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 26th January last in reference to the disposal of the Debentures of the Tasmanian Government in the London market, and thank you for the suggestion contained therein. I have also to thank you for the copy of Messrs. Spurling & Skinner's letter of the 23rd January in reference to the same subject.

I hope to hear by an early mail that you have succeeded in selling the Debentures for £5000 at par, as I should be sorry to see the Debentures of this Country selling at a discount.

The Debentures for £5000 above referred to formed part of a Loan for £102,569 authorised by the Tasmanian Parliament to be raised for the construction of Roads, Bridges, and other Public Works in this Colony; and Debentures to the amount of £10,000 authorised under the same Act were forwarded to the Agents-General for this Colony, Messrs. Sargeant & Julian, Spring Gardens, London, by the mail leaving here in November last; and in all probability the Debentures referred to by Messrs. Spurling and Skinner as being offered in London by another Broker formed part of the £10,000 sent to the Crown Agents for sale.

I think it was a mistake on the part of my predecessor in office in sending Debentures for sale in London through two agencies; and I will recommend this Government in future to avail themselves of the services of your Bank (in connection, perhaps, with some other Bank interested in the Australian Colonies) for selling the Debentures of this Government in London.

In August, 1865, the Tasmanian Parliament passed Acts for the construction of certain Public Works, and authorised the sum of £102,569 to be raised by Loan for defraying the cost of such Works. Contracts for the construction of most of the Works have been entered into, and the Works are now in progress, and upwards of £40,000 have been paid from the Treasury to the Contractors on account of the same, but up to this date Debentures to the amount of £5000 and £10,000 only have been issued. I propose, therefore, by the mail leaving here for London on the 25th of April, to forward to you Debentures to the amount of £87,000 to be sold in your market by Public Tender on the most favourable terms.

The Debentures will all be for £100 each, redeemable on 1st January, 1895, bearing interest at Six per cent. per annum, payable half-yearly, viz. on the 1st of January and 1st of July, at your Bank in London.

It is thought desirable by this Government that some other Bank interested in Australian affairs should be associated with your Bank in placing this Loan on the English Market; and I am in communication with the Commercial Bank here, and expect to arrange with them that their London Agents, the Bank of New South Wales, shall co-operate with your Bank in this business. I am informed that the usual charge for negotiating Loans in the London Market is One per cent. I feel assured, however, that your Bank will be prepared, with the Bank of New South Wales, to undertake the business on the most favourable terms, each Bank taking a moiety of the Commission not exceeding One-half per cent. each for your trouble.

Acting on the advices received from various sources, the Government of this Colony induced the Tasmanian Parliament during its recent Session to consolidate the whole of the outstanding Debentures of this Colony redeemable in London at various dates, and amounting to £222,900; and by an early mail I propose sending to your Bank Debentures for £100 each to the amount of £222,900, all redeemable at your Bank on the 4th of January, 1902, bearing interest at Six per cent. per annum, payable at your Bank half-yearly, viz. on the 4th of July and the 4th of January in every year. These Debentures will be offered to the holders of the present Debentures at par, in

exchange for the Debentures now held by them ; but should present holders decline taking the new Debentures in exchange, authority will be given to you to sell the same, from time to time, as may be required to redeem the old Debentures as they become due. I send herewith three copies of each of the several Acts of Parliament referred to, and by the next mail I will forward to you full information respecting the financial engagements of the Government of this Colony, with particulars respecting the Revenue and other resources, so that when you receive the Debentures for sale by tender you may be able to afford full information respecting the financial condition of the Colony to all persons who may feel disposed to invest in our Government Debentures, which I venture to think afford as safe an investment for British capitalists as the Debentures of any other British Colony.

I have addressed you in a separate cover by this mail enclosing Commercial Bank Draft on the Bank of New South Wales, London, for £2781, which I hope will reach you in due course.

I have the honor to be,

Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

The Manager of the Consolidated Bank, London.

The Consolidated Bank, Limited,

No. 52, Threadneedle-street, London, E.C., 27th May, 1867.

(No. 6.)

SIR,

I HAVE to acknowledge your esteemed favour of 25th March, replying to my letter of 26th January last, on the subject of the disposal of the Debentures of the Tasmanian Government in the London market.

With respect to the Debentures amounting to £5000 forwarded in November, 1866, I regret that I am compelled still to advise that all our efforts to place them at par have been unavailing. Our Brokers state to-day that there is an amount of £3000 now being offered in the market at 98 without finding a purchaser. The Crown agents for the Colonies have not, as far as I am able to ascertain, yet offered publicly for sale the Debentures remitted to them.

We are pleased to observe that it is your intention to forward a parcel of the Debentures of your Government to be disposed of by public tender, and we note that you are making arrangements to associate the Bank of New South Wales with us in carrying out your purpose. We await the arrival of the Debentures for £87,000, with your instructions in detail, when you may rely upon our best endeavours being devoted to carrying out the wishes of your Government.

We also duly note that you intend shortly to forward to us the Debentures issued under the Act for consolidating the Public Debt of your Colony, to be exchanged for other Debentures maturing or to be realised for the purpose of paying off such Debentures as they become due: it will also be our pleasure, when the occasion arrives, to render all possible assistance in carrying out this design of your Government.

I have also to acknowledge receipt of your favours of 22nd and 25th March, the former with Return of Debentures issued since 1st October, 1866, the latter covering draft on Bank of New South Wales for £2781, which is duly passed to your credit.

I remain, Sir,

Your most obedient Servant,

J. D. MASSEY, *Assistant Manager.*

THOS. D. CHAPMAN, *Esq., Treasurer of the Colony*
of Tasmania, Hobart Town.

Tasmania

(No. 7.)

Colonial Treasury, Hobart Town, 25th April, 1867.

SIR,

I ENCLOSE a duplicate of my letter of the 25th March, to which I refer you.

I have now the honor of informing you that I have made arrangements with the Manager of the Commercial Bank here to enlist the good services of the Manager of the Bank of New South Wales in your city to co-operate with you in bringing out the Loan for £87,300 which this Government has decided on offering to English capitalists. I have already informed you that the Loan forms part of a Loan for £102,569 authorised by an Act of the Tasmanian Parliament passed in August, 1865, three copies of which I sent you by the last Mail, and I now send you three copies

more of the said Act certified by myself and the Colonial Auditor as copies of the Act of Parliament in question, and duly enrolled in the Supreme Court of this Colony.

The whole Loan has been issued in Debentures for the sum of £100 each, dated the 1st of January, 1867, and payable at the Consolidated Bank, London, on the 1st of January, 1895, the interest being payable at the same bank half-yearly; namely,—1st of July and 1st of January in each year.

I confidently rely on your cordial co-operation with the Bank of New South Wales in bringing this Loan favourably under the notice of English capitalists; and as the state of your money market was most favourable for such an operation when the last mail left England, I trust you will succeed in obtaining very satisfactory terms.

As your bank has been acting for this Government for many years, you will be able to satisfy English capitalists as to the regularity with which the interest on Tasmanian Government Debentures has always been paid; and as the Loan now required is for the construction of roads, bridges, and other public works, with a view of opening up the Crown lands of the Colony and thus improve the Public Estate, and is, moreover, the first Loan ever offered by this Government to English capitalists, I hope to learn in due course that you have succeeded in obtaining very favourable terms.

I enclose herewith a Memorandum containing full information respecting the state of the Public Finances of the Colony, which I trust will afford you all the information you may require; and after conferring with the Bank of New South Wales, I hope you will arrange jointly to act as the agents of this Government, and call for tenders at your bank for the whole of the £87,300 at such early date after their receipt as you may think best for the interests of this Government, bearing in mind that if the money market is favourable I wish the Loan brought forward as early as possible, say about the 10th of July, so that the result may be notified to me by telegram via Ceylon immediately in time to catch the Australian Mail steamer leaving Galle for Melbourne on or about the 20th of July. You will receive under separate covers five parcels of Debentures, containing as per list enclosed 440 Debentures of £100 each,—in all £44,000, which, with the £43,300 forwarded to the Bank of New South Wales, will make up the Loan for £87,300 above referred to.

When the Debentures are sold you will be good enough to furnish me with a statement of the total amount realised, and an account of you charges, placing the net proceeds to the credit of the Tasmanian Government in your bank; and out of such proceeds you will be good enough to pay over to the Bank of New South Wales in London the sum of £30,000, say Thirty thousand Pounds, for account of the Commercial Bank in Hobart Town, who will account with me in due course.

I enclose herewith a copy of my letter addressed to the Manager of the Bank of New South Wales, by which you will see that I request them to confer with you, and in all matters to act as the joint agents of this Government in placing this Loan on the English market; and I have particularly to request that, in fixing the minimum price at which the Debentures shall be sold, you will act as if the Debentures were your own property.

I am, Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

The Manager of the Consolidated Bank, London.

Colonial Treasury, Tasmania, 25th April, 1867.

WE hereby certify that the five packets addressed to the Manager of the Consolidated Bank, (Limited) London, contain Debentures drawn under Act 29 Vict. No. 2, as follows; viz.—

1.	100 Debentures, Nos. 151 to 250	value £10,000
2.	100 ditto, Nos. 251 to 350	10,000
3.	100 ditto, Nos. 351 to 450	10,000
4.	100 ditto, Nos. 451 to 550	10,000
5.	40 ditto, Nos. 551 to 590	4000
	440 ditto.	Total..... £44,000

W. LOVETT, *Assistant Treasurer.*
G. W. FLETCHER.

(No. 8.)

*The Consolidated Bank, (Limited) No. 52, Threadneedle-street,
London, 26th June, 1867.*

SIR,

I BEG to enclose a copy of my letter of 27th ultimo, since which date I am favoured with yours of 25th April containing in detail the wishes of your Government respecting their bonds for £87,300, which from your previous advices we had learned it was their intention to send to this country to be offered to English Capitalists.

The five packets containing that portion of the bonds forwarded to us—viz., 440 bonds of £100 each, £44,000 in all—have been duly received, and the various enclosures mentioned in your letter were also found in order.

Immediately on receipt of your advices we placed ourselves in communication with the Bank of New South Wales, and informed them of our readiness to proceed to carry out your wishes jointly with themselves. After a short interval we received information from Messrs Linton & Clarke, Stockbrokers to the Bank of New South Wales, that, having considered all the details connected with the proposed issue of bonds, they had formed the opinion that the amount was not of sufficient magnitude to render necessary the agency of two Banks in introducing them to the Public; and that in all respects the interests of the Tasmanian Government would be better served if the transaction were committed entirely to the care of one of the Banks named.

By desire of their principals, the Bank of New South Wales, Messrs. Linton and Clarke brought this opinion to our notice, accompanied by a suggestion that the operation should be entrusted to them.

After due consideration my Directors offered to withdraw from the transaction rather than create a delay which might be prejudicial to the carrying out of your wishes: they were further guided to this decision by a reluctance to risk depriving your Government of any advantage which the Bank of New South Wales may possibly possess in negotiating business of this nature, from the fact of their being a purely Colonial institution. We have this day received a letter from the Bank of New South Wales expressing their agreement to our withdrawal on the terms named by us, and undertaking the entire charge of the arrangements for offering the Loan to the Public.

We beg you will consider that we have thus acted solely with the object of furthering the interests of the Tasmanian Government, and that you will accept this action as an exceptional proof of our earnest desire to maintain our long and valued connection with it unimpaired.

We have up to the present time found no opportunity to dispose at par of the bonds for £5000 forwarded by you in November last, and we did not feel that your instructions warranted us in placing them on less favourable terms. As they form part of the same loan as the £87,300 now sent, we have decided upon adding them to that amount to be offered with it for public subscription.

The net proceeds of our portion of the bonds shall be disposed of in the manner directed by you.

When the arrangements for the consolidation of the various bond issues of your Government, referred to in a recent communication from you, are completed we shall be pleased to receive your instructions in reference thereto.

I remain,
Sir,

Your most obedient Servant,

J. D. MASSEY, *Assistant Manager.*

*The Honorable T. D. CHAPMAN, Esquire,
Treasurer of the Colony of Tasmania, Hobart Town.*

(No. 9.)

The Consolidated Bank, Limited, 52 Threadneedle-street, 26th June, 1867.

SIR,

I HAVE the pleasure to acknowledge the receipt of your Letter of 25th April, enclosing the first of a Bill of Exchange for £300 (three hundred pounds), to meet the payment of Debentures as per return which you enclosed, and of our commission and interest.

We note the particulars of Debentures redeemable on the 1st proximo, which have been paid off in the Colony.

Your Letter of 24th April has been duly received, enclosing the second of a Bill of Exchange for £2781, the first of which we acknowledged.

I am,

Sir,

Your obedient Servant,

J. D. MASSEY, *Assistant Manager.*

*To the Treasurer of the Colony of Tasmania,
Hobart Town, Tasmania.*

Tasmania,

Colonial Treasury, Hobart Town, 25th May, 1867.

(No. 10.)

SIR,

I HAD the honor of addressing you on the 25th ultimo *via* Marseilles, and now enclose duplicate thereof, with copies of the Statements therein referred to. Copies of the printed papers are forwarded herewith under separate cover.

I hope to hear by an early mail that the whole of the Debentures forwarded to you with my Letter of the 25th ultimo (as per list herewith) reached you in due course, and that you have succeeded, in conjunction with the Bank of New South Wales, in placing the whole of the Loan on the London market on favourable terms.

I have now the honor to acknowledge receipt of your letter of the 26th March last, the contents of which have had my attention.

By the mail which arrived here last month I received advices from Messrs. Julyan and Sargeant, the Crown Agents for the Colonies, in Spring Gardens, London, informing me that the Debentures of this Government for £10,000 forwarded to them by the late Colonial Treasurer, Mr. Charles Meredith, in November last, were still unsold. I advised you in my Letter of the 25th March last, that I thought it was a mistake on the part of my predecessor in office to send Debentures through two Agencies for sale in the London market; and I am still of opinion that it would be better for the interests of this Government that the whole of its financial arrangements should be placed in the same hands. Acting on that opinion I write to Messrs. Julyan and Sargeant by this mail, requesting them to communicate with you immediately, and inform you the number and amount of Debentures belonging to this Government still held by them, and on your receiving from them such statement I have to request you will be good enough to apply to them to hand the same over to you for sale on account of this Government, and on your receiving the same I rely on your acting in the disposal of the same jointly with the Bank of New South Wales; the Debentures referred to forming part of the Public Works Loan for £102,500, of which £87,300 forwarded to you and the Bank of New South Wales by the last mail formed part; and on such Debentures being sold you will be good enough to forward to me a statement of account showing net proceeds thereof, with particulars of your charges for negotiating the same.

As the Debentures referred to were forwarded to the Crown Agents to be sold by them, and the proceeds applied to defray the cost of stores, &c. ordered to be purchased by them for account of this Government, I have to request that for every one hundred pounds Debenture handed over to you by the Crown Agents on behalf of this Government you will be good enough to pay over to them one hundred pounds sterling, charging such payment to this Government in your account current, advising me thereof by the first mail.

In full confidence that your Bank will, with the Bank of New South Wales, use your best efforts to place the Debentures of this Government on the London market on the most favourable terms, and also get their price regularly quoted on the London Stock Exchange,

I have the honor to be,

Sir,

Your obedient Servant,

THOS. D. CHAPMAN.

The Manager of the Consolidated Bank, Threadneedle-street, London.

(No. 11.)

Tasmania,
Colonial Treasury, Hobart Town, 25th June, 1867.

SIR,

I HAD the honor of addressing you on the 25th ult. by the last mail, *viâ* Marseilles, a duplicate of which is enclosed, to which I refer you.

I have now to request that, out of the proceeds of the Debentures for £44,000 forwarded to you for sale on the 25th of April last, you will be good enough to pay over the sum of £5000, say five thousand pounds, to Messrs. Julyan and Sargeant, the Crown Agents for the Colonies, Spring Gardens, London, advising me of such payment in due course; and I have further to request that you will be good enough to pay the Debentures named in the schedule herewith, amounting to £2400, say two thousand four hundred pounds, when presented at your Bank on the 8th of September next, and also pay the half-yearly interest due to the various Debenture holders in the month of September next, amounting as per schedule herewith to £2379, say two thousand three hundred and seventy-nine pounds. As the above payments will together amount to £9779, and thus reduce the available balance in your hands, I have to request that you will only pay the sum of £20,000, say twenty thousand pounds, over to the Bank of New South Wales for account of the Commercial Bank, Hobart Town, instead of £30,000, say thirty thousand pounds, as advised in my letter of the 25th of April last.

The accounts brought by the last mail from England lead me to hope that the money market in London will be in a very favourable state for bringing forward the Debentures for sale early in July; and I hope to receive in due course a satisfactory account of their disposal.

I have the honor to be,

Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

The Manager of the Consolidated Bank,
Threadneedle-street, London.

(No. 12.)

Tasmania,
Colonial Treasury, Hobart Town, 25th July, 1867.

SIR,

I HAD the honor of addressing you on the 25th ultimo, by the last Overland Mail *viâ* Marseilles, a duplicate of which, with copies of enclosures therein referred to, is forwarded herewith, to which I request your attention.

I have now the honor of acknowledging the receipt of your letter of the 27th of May last, which reached me on the 12th instant; and I note that you will be prepared to co-operate with the Bank of New South Wales in bringing out the Loan for Public Works on the arrival of the Debentures forwarded by the mail leaving this Colony on the 25th April last.

By the next mail from London, due here on or about the 12th of August, I hope to receive advices from you reporting the safe arrival of the Debentures in due course, and a telegraphic message *viâ* Ceylon reporting their sale on satisfactory terms, as the state of your money market when the last mail left England appeared very favourable for bringing forward our Loan.

I have now the honor to request, that on receipt thereof you will be good enough to pay the sum of £3000, say three thousand pounds, to Messrs. Julyan and Sargeant, the Crown Agents for the Colonies, in Spring Gardens, London, placing such payments to debit in your Account Current against this Government, and advising me of such payments in due course; and I have further to request that you will be good enough to pay the half-yearly interest due to the several holders of Debentures in the months of October and November next, amounting as per schedule herewith to the sum of £2064, say two thousand and sixty-four pounds.

I have the honor to be,

Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

The Manager of the Consolidated Bank,
Threadneedle-street, London.

(No. 13.)

Tasmania,
Colonial Treasury, 21st September, 1866.

SIR,

I HAVE to acknowledge the receipt of your letter of the 25th June last, in which you call attention to the unsatisfactory state of the Accounts of this Government with the Crown Agents, and urge the necessity of an early remittance.

In reply I beg to acquaint you that the Government have had the subject under consideration, and have decided upon transmitting to you by next mail Debentures to the extent of Ten thousand pounds for disposal in the London market, so as to place you in the position to meet the payment of the liabilities enumerated in your communication.

I have, &c.,
(Signed) CHARLES MEREDITH.

W. C. SARGEANT, *Esq., Crown Agent,*
London.

NOTE.—The letter from the Crown Agents dated 25th June, 1866, cannot now be found among the records and papers in the Public Offices.

(No. 14.)

Tasmania,
Colonial Treasury, 20th November, 1866.

GENTLEMEN,

AGREEABLE to my communication of the 21st September last, in which I intimated the decision of this Government to transmit Debentures for disposal in the London market, with the view of providing funds for the payment of the liabilities enumerated in your letter of the 25th June last, I now beg to inform you that I have forwarded by the present mail for that purpose Debentures as specified in the annexed Schedule to the amount of Ten thousand pounds, drawn in favour of and endorsed by me as Colonial Treasurer; and to request that you will be so good as to take such steps as you may deem best calculated to dispose of these Debentures on terms in every way advantageous to the Revenue and the public credit of the Colony.

I have, &c.,
(Signed) CHARLES MEREDITH.

Messrs. JULYAN and SARGEANT, *Crown Agents,*
Spring Gardens, London.

P.S.—For your guidance I beg to inform you that no Debentures have been sold in the Colony by the Government under par.

(No. 15.)

Offices of the Crown Agents for the Colonies, Spring Gardens,
London, S.W., 26th February, 1867.

SIR,

I HAVE to acknowledge the receipt of your letter of the 20th November last, and the Debentures noted in the margin for disposal in the London market, with a view of providing funds for the payment of the liabilities enumerated in my letter to you of the 25th June last.

2. In compliance with your request the Crown Agents have endeavoured to sell these Debentures on terms advantageous to the public credit of the Colony, but up to the present time almost without success.

3. Seeing that the principal and interest on these Debentures has been made payable at the Consolidated Bank in London, the Crown Agents wrote to that Bank requesting to be informed on the following important points; viz.—

1st. The total amount of past issues?

2nd. Why the Debentures are not quoted on the Stock Exchange?

3rd. What was the average price realised on the respective issues?

4th. When the last issue was made?

5th. Whether the Consolidated Bank would take the small amount now on hand, or dispose of it for the Crown Agents; and if so, on what terms?

4. I annex for your information copy of the reply received from the Consolidated Bank, and regret that the experience of the Crown Agents in their efforts to find purchasers for these Bonds

confirms the statement of the Brokers to that Bank, that Tasmanian Bonds in the London market at present can only be quoted as an unmarketable Stock.

5. In the postscript to your letter under acknowledgment you state, for the Crown Agent's guidance, that no Debentures have been sold in the Colony by the Government under par. This is far in excess of any price it is possible, with the Bonds in their present form, to realise here. The necessity of obtaining funds to meet the liabilities of your Government, however, has induced the Crown Agents to endeavour to sell the Debentures you have sent them at 93: they have succeeded in getting that price for £300 only, and have since lowered the minimum price to 90, but up to the present time without success.

6. It would have been more satisfactory to the Crown Agents if they had been able to communicate with you before taking any steps with reference to these Debentures, but the state of your account at this office rendered such a course quite impossible.

7. The Crown Agents have at the present date advanced on account of your Government about £2500, and are liable to be called on to meet Captains Chesney and Festing's certificates to the extent of £5200, those gentlemen having stated that payments on account of the guns manufactured by Messrs. Armstrong will very soon be due to amounts not far below the credit which stood to their names prior to your last letter on the subject.

8. So that, in addition to £2500 already advanced, the Crown Agents are in expectation of immediately having further payments to make to the extent of £3200, for services authorised by your Government three or four years since.

9. Without correct information respecting the relative amount of annual revenue and expenditure, the value of imports and exports for some years past up to the close of last year, the total amount of your public debt now outstanding, and the rates realised for the various issues, the Crown Agents are not in a position to form any opinion respecting the price Tasmanian Government 6 per cent. Debentures might be fairly expected to realise, if the requirements of the London market should be studied, as has been done by the Crown Agents in the case of other Colonial Government Loans.

10. If, however, your debt has been correctly stated at a little over a quarter of a million sterling, the low price at which your Debentures are estimated, as compared with other Colonial Government Stocks, must be attributable rather to inattention to the simple rules generally observed by borrowing Governments than to the absence of real security.

11. If the Government of Tasmania has any desire to raise the value of its Debentures in the London Market, with the view of securing a fair price for such loans as it may hereafter have to negotiate, it should first obtain the necessary Legislative authority for consolidating its past issues.

12. It is a matter of much importance that any Debentures hereafter issued, whether new, or in substitution of those already sold, should be in such a form as will entitle them to quotation in the Official Lists of the Stock Exchange.

13. Most of the Colonial Governments leave the decision of this matter and all minor details to the Crown Agents, it being easier on the spot to secure the necessary conformity with the specific and general requirements of the market.

14. The insertion of much detail in an Act of Parliament is more calculated to impede than help the disposal of a loan; practically it has been found convenient, and therefore profitable, that the legal enactment should merely provide or specify,—

1st. The total amount to be issued, and the rate of interest.

2nd. That both principal and interest shall be secured on the General Revenues and Assets of the Colony; that it should be optional with the lender to receive his half-yearly interest, and payment of the principal when due, either at the Offices of the Crown Agents in London or at the Treasury in the Colony, as he may determine at the time of allotment.

3rd. For the formation of a Sinking Fund by half-yearly payments sufficient, with compound interest, to pay off the debt at maturity of the Debenture Bonds.

15. The creation of a Sinking Fund by such payments, and the re-investment of the interest accruing thereon, has much to recommend it. In the first place it provides in an easy and gradual manner for the liquidation of the debt, it facilitates the negotiation of the loan, provided the Trustees of the Fund are not under the immediate control of the borrowing Government, and the Fund is invested in this country at their discretion in Imperial or Colonial Government Securities.

16. The Crown Agents' experience, acquired in the last 3 or 4 years in the disposal of almost Forty Colonial Government Loans, is so varied and great that I have deemed it right to offer for

your information the above observations; and, in the event of your Government entertaining any project for the consolidation of its public debt, have to express the readiness of this Department to render all possible assistance in the matter, should you deem it advisable to have recourse to it.

17. A Bank, however respectable, does not afford a good channel for the payment of dividends, investors being fully alive to the dangers they run of delay and inconvenience, if not actual loss, in the event of a stoppage or failure. Of this fact the anxiety evidenced by the enquiries of the Debenture holders of the Tasmanian Government at this Office last summer, when the Consolidated Bank closed its doors, furnishes ample proof.

18. Without correct information on all the financial and other details adverted to in paragraph 9 of this letter, the Crown Agents are not in position to offer any decided opinion on the subject, but they think with careful and proper management on this side the consolidation of your past Loans might be effected, certainly without cost, and even at a profit to your Government.

19. The Acts under which the Crown Agents have raised money on Debentures are numerous: of these the enclosed, passed by the Legislative Council of Mauritius, is as regards its provisions, perhaps, the best suited to the requirements of the London Market.

I have the honor to be,
Sir,

Your most obedient Servant,
W. C. SARGEANT.

The Honorable the Colonial Treasurer of Tasmania.

(No. 16.)

*The Consolidated Bank, 52, Threadneedle-street,
2nd February, 1867.*

GENTLEMEN,

I BEG to acknowledge receipt of your letter of the 29th ultimo, asking for certain information relative to the Debentures of the Tasmanian Government, a parcel of which has been forwarded to you to be disposed of by the Government.

By the last mail we received from the Tasmanian Government a remittance of £5000 Debentures to meet interest and principal of certain other Debentures payable at this Bank. These were handed to our brokers, Messrs. Spurling & Skinner, to be disposed of, but they at once said that they had very slight hopes of being able to realize them on terms which would be acceptable to the Tasmanian Government. I enclose for your information copy of a letter dated 23rd January, written by them at our request, setting forth their reasons for arriving at this conclusion. We have forwarded a copy of this letter to the Tasmanian Government.

I also enclose a letter from Messrs. Spurling & Skinner, dated 1st February, in which you will find all the information it is in our power to furnish in reply to the first four specific enquiries contained in your letter.

With reference to your last enquiry, "Would the Consolidated Bank be disposed to take or dispose of the Debentures remitted to you?" I have to say that the Bank is not inclined to enter upon such a transaction on its own account, and from the enclosed letters you will see that there is little prospect of our being able to dispose even of those Debentures received by us direct from the Government.

I may add that, in the letter accompanying the Debentures remitted, the Tasmanian Government stated that none had been issued in the Colony at less than "par."

The total amount of Debentures of the Tasmanian Government on which interest was paid by the Consolidated Bank during the year 1866 was £226,400, but I have no means of knowing how nearly this represents the total issue of Debentures.

I remain, &c.,
(Signed) J. D. MASSEY, Assistant Manager.

*The Crown Agents for the Colonies,
Spring Gardens, London.*

(No. 17.)

London, 12, Copthall Court, 23rd January, 1867.

GENTLEMEN,

In endeavouring to carry out the order with which you have favoured us, to sell £5000 Tasmanian Government 6 per cent Bonds due 1895, we are sorry to be obliged to report, that we find

the market for them in London in such a condition that we have very little hopes of effecting a sale, for the only dealers in Tasmanian Bonds bought about £12,000 Bonds more than a year ago at a discount; and although they have been trying to sell them at about 98, even in small amounts, have still about £4000 on hand. There are other sellers about of bonds asking par, but who would, doubtless, take less; and there has been a broker on the market since Monday last endeavouring to sell £5000 Bonds due in 1895 at any reasonable price, who, no doubt, would take 95 for his Bonds. Tasmanian Bonds have always been such a complete lock-up to purchasers that at present they can only be quoted as unmarketable in London. But if the authorities in the Colony would consolidate their various Loans and bring out a Loan in London in the same way that other Colonies have done, there is no reason why there should not be a ready market in London for Tasmanian Bonds. We would suggest that any issue of Bonds should provide either a Sinking Fund, as has been done by the New Zealand Government, or an annual drawing at par, as in the case of the last New South Wales Loan. We enclose a leaf extracted from the Rules of the Stock Exchange showing what is required when a Colonial Loan is brought out in London.

We are, &c.,

(Signed) SPURLING & SKINNER.

To the Directors of the Consolidated Bank.

(No. 18.)

London, 12, Copthall Court, 1st February, 1867.

GENTLEMEN,

IN reply to your enquiries for the Crown Agents for the Colonies respecting Tasmanian Government Bonds, we beg to refer you in the first instance to our letter of the 23rd ultimo, of which we enclose a copy.

In answer to the further information required, we have to report that the total issues of these Bonds have never been known in London, because of the amounts raised under various Acts of Parliament part appears to carry coupons payable at the Colonial Treasury, while part has coupons payable at Messrs. Heywood, Kennard, and Co.'s (afterwards at the Consolidated Bank).

We applied to the Committee of the Stock Exchange in 1864 to grant a marking of Tasmanian Bonds in the official list, but it refused because the Bonds in their present form do not comply with the regulations necessary for Colonial Bonds.

We believe the first transaction in Tasmanian Bonds took place in 1857, when during the months from June to September we sold about £30,000 Bonds at prices varying from 94½ to 98.

Since that date occasional dealings have taken place, chiefly arising from sales made by persons bringing Bonds to England from the Colony. In July, 1864, we sold £15,200 Tasmanian Bonds at 100 to dealers in the Stock Exchange, and of these the dealers sold the balance in their hands in November, 1864, at 101½ and 101¼. They bought a further amount of some broker about a year ago, and of these they have still some on hand which they offer to-day at 95.

We know of no buyers, nor do we expect that there will ever be any real market for the Bonds until a loan in the usual Colonial system is made, such loan to embrace the conversion of outstanding Bonds at a fair rate. If this were done, there is no reason why we should not have a fair market for Tasmanian Bonds in London.

We are, &c.,

(Signed) SPURLING & SKINNER.

To the Directors of the Consolidated Bank.

(No. 19.)

*Tasmania,
Colonial Treasury, Hobart Town, 25th April, 1867.*

SIR,

By the mail which arrived here from London on the 16th instant I was put in possession of your favour of the 26th February last, the contents of which have had my attention.

I was very sorry to learn that the Debentures for £10,000 forwarded to you by the late Colonial Treasurer, Mr. Charles Meredith, had not been sold.

I thank you for the offer of your services for placing any Loan this Government might desire to issue on the English market, and regret that you had not written us on the subject by the previous mail, as I had just prior to the receipt of your letter made arrangements for bringing out a Loan for £87,300 in London through the joint agency of the Bank of New South Wales and the Consolidated

Bank ; and I write those Banks by present mail with full instruction respecting the same, together with the Debentures for sale, and I hope in due course to hear of the Loan being taken upon favourable terms. I also hope by an early mail to learn that you have succeeded in effecting a sale of the Debentures for £10,000 entrusted to your care.

I thank you for the various suggestions offered in your letter of the 26th February ; and as the Parliament here have authorised the issue of fresh Debentures in exchange for all Debentures payable in London, I hope the time is not far distant when I shall see the Tasmanian Government Debentures quoted regularly on the Stock Exchange in London on as favourable terms as the Debentures of the other Australian Colonies.

I have the honor to be,
Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

W. C. SARGEANT, *Esq., Office Crown Agents,
Spring Gardens, London.*

(No. 20.)

*Offices of the Crown Agents for the Colonies, Spring Gardens,
London, S.W., 27th May, 1867.*

SIR,

IN my letter to the Honorable the Colonial Treasurer of the 26th February last, I stated that the Crown Agents had succeeded in placing, at a price of 93, £300 only of the Tasmanian Government 6 per cent. Debentures (amounting to £10,000 Stock), transmitted for disposal in the London Market for the purpose of providing funds for the payment of your liabilities here, and that the minimum price had been subsequently lowered to 90, but without success.

2. On the 5th of March a further sale of £2000 Debentures was effected at 90 : it became, however, necessary to submit to a small reduction in that price, and it has been found impossible to obtain more than 89. I enclose a statement of the sales up to this date, from which you will see that the Crown Agents have still on hand £1100 Debentures, for which they have been unable as yet to find purchasers.

3. I take this opportunity of forwarding to you copy of a letter I have addressed to Captains Chesney and Festing on receipt of yours of the 25th March last, requesting the Crown Agents to honor the drafts of those gentlemen to a further amount of £3000, with the view of enabling them to complete the purchase of the guns, &c. for the service of your Government.

4. Without taking into account this fresh credit of £3000, the balance of the amounts placed at the disposal of Captains Chesney and Festing at present is £5160 8s. 6d., whilst the cash in the hands of the Crown Agents belonging to Tasmania is £4650 and Debentures amounting to £1100 Stock ; so that the Crown Agents, if they succeed in selling the remaining Debentures (of which there appears but little prospect), would have not much more than sufficient to meet the expenditure those gentlemen have been authorised to incur.

5. Any fresh expenditure should be met by corresponding remittances.

I have the honor to be,
Sir,

Your most obedient Servant,

W. C. SARGEANT.

The Honorable the Colonial Secretary, Tasmania.

(No. 21.)

*Offices of the Crown Agents for the Colonies, Spring Gardens,
London, S.W., 25th May, 1867.*

GENTLEMEN,

I ANNEX copy of a letter from the Colonial Secretary of Tasmania requesting the Crown Agents to honor your Drafts to a further amount of Three thousand Pounds (£3000), with the view of enabling you to complete the purchase of guns, &c. for the service of that Colony.

This request the Crown Agents will have pleasure in complying with, so far as the sums in their hands belonging to the Government of Tasmania will allow; at present they have not much more than sufficient to meet your Drafts on account of the credits previously placed at your disposal, the balance on which amounts to £5160 8s. 6d.

I have, &c.

(Signed) W. C. SARGEAUNT.

Captains CHESNEY and FESTING.

(No. 22.)

Tasmania.

Colonial Treasury, Hobart Town, 25th May, 1867.

GENTLEMEN,

I FORWARD herewith a copy of my letter addressed to your Mr. Sargeaunt by the last mail, to which I refer you.

I advised you in my last that I had, by the last mail, forwarded to the Managers of the Consolidated Bank and the Bank of New South Wales in your city Tasmanian Government Debentures for £87,300, to be sold in the London Market on behalf of this Government.

The Debentures for £10,000 forwarded to you in November last, together with £5000 forwarded to the Consolidated Bank by the same mail, and the £87,300 above referred to, were all issued under the authority of an Act of the Tasmanian Parliament, the proceeds to be applied in the construction of certain Public Works authorised by another Act of the Tasmanian Parliament: copies of these Acts I forward herewith. It occurs to me that as the Consolidated Bank has been engaged for many years as the Agent for this Colony in London for paying the interest and principal of our Government Debentures, and as they are now acting jointly with the Bank of New South Wales as the agents for this Government in placing the Public Works Loan on the English Market, that it would be better for them to effect the sale of any other Debentures connected with such Loan. I have, therefore, written to them by this mail on the subject; and I have now to request you to be good enough to furnish the Consolidated Bank with a statement of the Debentures still unsold in your hands, and request them to pay to you the sum of £100 for every Debenture of £100 handed over by you to that Bank for our account. I hope by an early mail to hear from them that they have complied with my request, and in due season I shall be glad to hear from you that you are relieved from all further trouble in connexion with the sale of our Debentures in your market.

In full confidence that you will protect the credit of this Government to the utmost of your power, and that difficulties created by my Predecessor in office will soon be forgotten,

I have the honor to be,

Gentlemen,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

*Messrs. JULYAN AND SARGEAUNT, Crown Agents,
Spring Gardens, London.*

(No. 23.)

Tasmania,

Colonial Treasury, 24th April, 1867.

SIR,

THE Tasmanian Government, having determined on issuing the remainder of the Debentures authorised under "The Public Works Loans Act of 1865," propose sending them all to London by the out-going mail *via* Marseilles, leaving here on the 25th instant. The total amount will be £87,300, and the Debentures will all be for sums of £100 each, redeemable at the Consolidated Bank in London on the 1st of January, 1895, bearing interest at the rate of six pounds per cent. per annum, such interest being payable on the 1st of January and the 1st of July every year at the Consolidated Bank in London.

It is proposed to send about one-half of the said Debentures, say £44,000, to the Consolidated Bank in London; and to hand over the other £43,300 to the Commercial Bank here, to be forwarded by them to the Bank of New South Wales in London as agents for the Commercial Bank.

It is proposed that the Consolidated Bank and the Bank of New South Wales in London shall be appointed to act as the joint agents of the Tasmanian Government for the sale of the whole of the Debentures, and that the said Banks shall be instructed jointly to call for Tenders for the

purchase of the whole of the Debentures forwarded to those Banks. As, however, the object of this Government is to obtain the highest possible price for the whole of their Debentures, a discretionary authority must be left with the London agents as to the most favourable time for bringing the Loan before the public. I propose, however, suggesting to the London agents that the whole of the Debentures shall be offered for sale by public tender within one month of their being received in London, and if the price offered is considered favourable the whole shall be sold: provided, however, that the said Banks shall not be authorised to sell any of the said Debentures for a less sum than £ each, say pounds each.

I propose instructing the Consolidated Bank to pay over to the Bank of New South Wales, for account of Commercial Bank in Hobart Town, the greater portion of the proceeds of the Debentures sent to them; and on the Commercial Bank receiving advices of any such money being lodged at the Bank of New South Wales to their credit, or of the amounts realised by them for the Debentures sent to them, the Commercial Bank shall undertake to issue drafts at 60 days' sight on the Bank of New South Wales payable to the order of the Colonial Treasurer; such drafts being issued at par, and in such convenient sums as the Colonial Treasurer may demand; or the Colonial Treasurer may, if he think fit, demand the whole sum to be paid over in cash.

The Tasmanian Government will be prepared to allow the usual Banker's Commission of one per cent. for negotiating this Loan of £87,300, to be divided as follows; viz.—one moiety to the Consolidated Bank, and one moiety between the Commercial Bank and the Bank of New South Wales, as they may arrange between themselves.

You are aware that, in consequence of the heavy advances made by the Government for the construction of the various Public Works, the Public Account kept by the Colonial Treasurer at your Bank is frequently overdrawn several thousand pounds; and as it will be necessary for the Colonial Treasurer to avail himself of such accommodation for the public service for several months longer, probably till the end of the present year, or, at all events, till the Government are placed in funds by the proceeds of the Debentures now being forwarded to London, I propose that you on behalf of the Commercial Bank undertake to grant to the Colonial Treasurer on behalf of the Public Service a cash credit for such sum as may be required during the period in question,—such cash credit not to exceed the sum of £25,000 at any one time,—the Colonial Treasurer paying interest on the amount shown to be overdrawn every week at the rate of six pounds per cent. per annum.

I am, Sir,

Your obedient Servant,

THOS. D. CHAPMAN, *Colonial Treasurer.*

JAMES A. DUNN, *Esq.*, Manager Commercial Bank,
Hobart Town.

(No. 24.)

Commercial Bank of Van Diemen's Land, Hobart Town, 27th April, 1867.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 24th instant, intimating your intention of sending by this month's mail Debentures amounting to £87,000 for disposal in the London market, and also of your having appointed the Bank of New South Wales to act in conjunction with the Consolidated Bank as the Agents of your Government for the negotiation of the Loan.

I have the honor to inform you that by the mail which left here on the 26th instant I addressed Mr. Larnach, the Manager of the Bank of New South Wales in London, fully upon the subject; and you may be assured that the fullest attention shall be given to your instructions, and every regard had for the interests of the Colony which have been confided to the care of the institution over which that gentleman presides.

Upon receipt of advice of the Loan having been effected in the English market, I shall be prepared to account to you for the amount either by drafts on London or in cash payments, as you may desire.

I observe that in the meantime, or perhaps until the end of the year, you may require a cash credit at this Bank to an amount not exceeding Twenty-five thousand pounds sterling, such amount to bear interest at the rate of six per cent. per annum; and to this proposition I am quite prepared to agree, provided that such credit is to be operated upon only for the purposes of the ordinary disbursements of the Government.

I have the honor to be,

Sir,

Your obedient Servant,

The Honorable the Colonial Treasurer.

J. A. DUNN, *Managing Director.*

(No. 25.)

Tasmania,
Colonial Treasury, Hobart Town, 25th April, 1867.

SIR,

In accordance with arrangements made by this Government with the Manager of the Commercial Bank in this City, I have forwarded to your Bank, by this mail, Tasmanian Government Debentures to the amount of £43,300. The whole of these Debentures are issued in sums of £100 each, dated the 1st day of January, 1867, and payable at the Consolidated Bank in London on the 1st day of January, 1895, the interest being payable at the same Bank on the 1st of July and the 1st of January in each year. By this day's mail I also forward to the Consolidated Bank in London similar Debentures to the amount of £44,000, making together a total sum of £87,300.

This Government is desirous of placing the whole of these Debentures in the English money market on the most favourable terms; and, as the Consolidated Bank has been acting as the Agents for this Government for many years, they will be able to satisfy English capitalists as to the regularity with which the interest on Tasmanian Government Debentures has always been paid.

This Government has been in the habit of issuing Government Debentures at the Colonial Treasury in Hobart Town during the past 12 years, and they have been purchased from time to time by Colonists of Tasmania for investment; and during the last ten years no Debentures have been issued below par, and for several years they have realised a premium of one or two per cent. I enclose a Return by which you will see the total amount of Debentures of this Colony outstanding at this date amounts to £569,780, exclusive of the Public Works Loan for £102,500 of which the £87,300 forms a part: when, therefore, the £87,300 are sold, the outstanding Debentures of this Colony will amount to £672,280. Of the £569,780 previously issued the sum of £233,100 was made payable in London, and the remainder in the Colony, and, as I have informed you above, they were issued to Tasmanian Colonists, and were not therefore known on the Stock Exchange in London, and our Debentures have not therefore been known in the English money market.

This Government having decided on the construction of certain Public Works; viz., Roads, Bridges, &c., with the view of improving the Crown Estate, decided on raising a fresh loan, and as the money market in England appears very favourable for such an operation, I arranged with the Manager of the Commercial Bank here to secure your co-operation in bringing the loan before English capitalists; and I have to request that you will confer with the Manager of the Consolidated Bank in London, and agree to act with that Bank jointly as the Agents for this Government in the matter.

I enclose herewith a copy of a letter I have addressed to the Consolidated Bank, by which you will see that I leave you to act jointly with them in conducting this business, bearing in mind that this Government wishes the loan brought forward as early as possible after the receipt of the Debentures in London, as you and the Consolidated Bank may think best for the interests of this Government. I hope the state of your money market may be favourable when this letter reaches you, so that you may arrange for tenders being called for on or about the 10th of July, and the result communicated to me by telegram *via* Ceylon in time to catch the Australian Mail Steamer leaving Galle for Melbourne on or about the 20th of July.

You will notice, on perusing the copy of my letter to the Consolidated Bank, that I have requested them to pay over to your Bank the sum of £30,000, part of the net proceeds of the Debentures sent to them,—such sum to be placed by you to the credit of the Commercial Bank in this City, who will account with me for the same on receiving advice of its receipt by you.

You will also be good enough to place the net proceeds of the whole of the Debentures for £43,300 sent to you to the credit of the Commercial Bank here, who have arranged to account with me for the same on receipt of advice from you of the net amount realised.

I understand the usual bankers' commission for negotiating a loan in London is one per cent.: you will therefore make the usual charge on the £43,300, and the Consolidated Bank will make the usual charge on the Debentures sent to them.

I enclose a Memorandum containing information respecting the state of the public finances of Tasmania, which will enable you to satisfy the enquiries of capitalists seeking information respecting the same.

In submitting this loan to the English public for sale I must leave the minimum price to be fixed by you and the Consolidated Bank, in full confidence that you will act jointly as Agents for this Government in all matters entrusted to your management, and that, although this Government are desirous of having the Debentures all sold as early as possible, and on favourable terms, I rely on

your acting for this Government as you would for your own Bank were the Debentures your own property; and should circumstances be unfavourable for bringing the loan forward when this letter comes to hand, I leave you to act with the Consolidated Bank in such way as you may jointly think best.

In the hope that you will be able to report a satisfactory result,

I am, Sir,

Your obedient Servant,

THOS. D. CHAPMAN.

The Manager of the Bank of New South Wales; London.

(No. 26.)

MEMORANDUM.

Tasmania,

Colonial Treasury, Hobart Town, 25th April, 1867.

THE Tasmanian Government having issued Debentures for One hundred and two thousand five hundred pounds, under the authority of an Act of the Tasmanian Parliament passed on the 29th of August, 1865, and forwarded Eighty-seven thousand three hundred of the same by this day's mail to London, to be offered for sale by Public Tender through the agency of the Consolidated Bank and the Bank of New South Wales, I avail myself of the opportunity of showing the state of the Public Debt of the Colony at this date, with the amount of the probable Expenditure of the Government, and the estimated Revenue of the Colony, for the year 1867.

The total amount of Debentures issued by the Tasmanian Government, exclusive of the Public Works Loan for £102,500, amounts to £569,780, of which there is payable in London £233,100, and in the Colony £336,680. Total outstanding Debentures, £569,780. Also issued under the Public Works Act, 1865, £102,500, making a total issue of £672,280.

The probable Expenditure of the Government for the year 1867, as shown in the Estimates sanctioned by the Tasmanian Parliament, and printed in Paper No. 23 herewith, chargeable on the General Revenue of the Colony, amounts to £189,621 18s. 4d., and on the Land Fund to £70,746 2s. 1d., making a total Expenditure for the year 1867 of £260,368 0s. 5d.; while the estimated Revenue of the Colony for the year 1867, as shown in Paper No. 27 herewith, shows the estimated Revenue as under; say—

	£	s.	d.
From Customs	128,460	0	0
Bond Rents	750	0	0
Inland Revenue.....	49,232	0	0
Home Government.....	12,800	0	0
Land Fund.....	76,448	0	0

Making a total Revenue available for the year 1867 of..... £267,690 0 0

Showing a surplus Revenue over Expenditure for the year 1867 of £7322.

The *Gazette* of 23rd April, 1867, shows the state of the Revenue for the first three months of the year, and fully justifies the Estimates laid before Parliament, the Customs alone showing an increase on the quarter ending 31st of March, 1867, of nearly £4000, and the Land Fund showing an increase for the same period of upwards of £3000. Should the succeeding quarters show like results, there will be a surplus Revenue over Expenditure of upwards of £30,000 during the present year.

Paper No. 8 herewith shows the Revenue of the Colony from all sources for the year 1866 to have been as under; viz.—

	£	s.	d.
Customs.....	128,459	19	4
Bonding Rents.....	834	4	2
Inland Revenue, &c.....	60,556	4	6
And the Land Fund	64,404	1	1
Total Revenue for the year 1866.....	254,254	9	1

Paper No. 9 shows the total Revenues of the Colony from Customs, Inland Revenue, and Land Fund during the past fourteen years.

THOS. D. CHAPMAN, *Colonial Treasurer.*

Colonial Treasury, Tasmania, 25th April, 1867.

WE hereby certify that the five packets addressed to the Manager of the Bank of New South Wales, London, contain Debentures drawn under Act 29 Vict. No. 2, as follows; viz.—

			£
6.	100 Debentures, Nos. 591 to 690,	value	10,000
7.	100 ditto 691 to 790,	ditto	10,000
8.	100 ditto 791 to 890,	ditto	10,000
9.	100 ditto 891 to 990,	ditto	10,000
10.	33 ditto 991 to 1023,	ditto	3300
	<u>433</u>	TOTAL.....	<u>£43,300</u>

W. LOVETT, *Assistant Treasurer.*

G. W. FLETCHER.

(No. 27.)

Bank of New South Wales, London, 26th June, 1867.

SIR,

I HAD the honor to receive on the 15th current your letter of the 25th April last, advising me that, in accordance with arrangements made by your Government with the Manager of the Commercial Bank of Van Diemen's Land, you had forwarded to this Bank Tasmanian Government Debentures to the amount of £43,300, dated 1st January, 1867, payable at the Consolidated Bank on the 1st January, 1895, and that you had forwarded to the Consolidated Bank similar Debentures to the amount of £44,000, making altogether £87,300; which Debentures your Government are desirous of placing upon this market through the agency of the Consolidated Bank jointly with this Bank. I have also to acknowledge the receipt of 433 Debentures of £100 each, representing the amount above specified, which have been examined and found in order.

I appreciate the confidence which your Government has shown in this Bank by nominating it as one of the agents to represent them in introducing their first public loan upon this market; and nothing shall be wanting on my part to launch it successfully, and I hope with satisfaction to your Government.

After deliberation with my co-directors, and consideration with the brokers for this Bank, it was considered that the loan was not sufficiently large to necessitate the employment of two Banks, and that only one should be engaged in offering it to the public. Messrs. Spurling and Skinner, the brokers to the Consolidated Bank, who were also consulted in this matter, concurred in this opinion; and further that this Bank, being entirely a Colonial institution, should take the entire charge of the loan.

This opinion was communicated to the Directors of the Consolidated Bank, who, agreeing with the view that the operation is not so extensive as to require the agency of two Banks, informed me that they were ready to withdraw from the transaction upon the following conditions:—

“1st.—That the amount of Bonds subscribed for shall be allotted in equal proportions from those remitted to your Bank and to ourselves.

“2nd.—That the commission of one per cent. be paid to us in respect of that portion of the bonds remitted to us; and that Messrs. Linton and Clarke divide with our brokers the brokerage allowed them in respect of the loan.

“3rd.—That the net proceeds over and above £30,000 realized from that portion of the bonds remitted to us be paid over to us for the account of the Tasmanian Government.”

As these conditions are in accordance with the instructions conveyed to me in your letter to that Bank, of which you did me the honor to enclose a copy, and as this arrangement would promote the interests of your Government, I readily assented to take the entire charge of the loan; and am now engaged in preparing the necessary form for advertisement to be inserted in to-morrow's papers, and the forms for tender to be issued to the public on application.

For your satisfaction I beg to enclose a copy of these forms, and to direct your attention—

1st. To the time when the Tenders are to be lodged; on the 5th proximo.

2nd. To the mode of payment; viz.—Five Pounds per cent. of the Purchase-money is to be paid on application, Five Pounds per cent. upon allotment, and the balance upon the 31st proximo, when the Debentures will be delivered.

Although we have a superabundance of money which cannot even be employed at the nominal rate of Two and a quarter per cent., still there is a great want of confidence, and the present is not the most auspicious time for bringing out any loan, especially for a Government who for the first time appear as borrowers upon the English market; and I must warn you and your Government against being too sanguine as to the result. There are obstacles that cannot now be obviated successfully that will render the negotiation a matter of some doubt, and to these permit me to direct your attention.

1st. By the Act authorising the raising of this loan the security is confined to the Land Fund, and does not extend to the General Revenues of the Colony, as is generally done by the other Colonies in raising money upon Debentures, and which is looked upon with greater favour.

2nd. The Debentures of your Government, although well known to Colonists, are not known to English capitalists by not being quoted in the Stock Exchange Lists, and are thereby rendered less marketable, and will on this account not command such a high price.

3rd. The want of consolidation in your Government Loans.

This is a matter which has been brought under the consideration of the other Colonial Governments who have placed loans upon this market, and they have been urged to remedy the defect as much as possible that they may bring their Debentures into greater favour; and I would urge it upon your Government as a matter worthy of their consideration.

The Consolidated Bank informs me that, in addition to £44,000 just received in Debentures, they have £5000 Debentures of the same issue which they have not been able to dispose of, and desire that they may be included in the amount to be offered to the public, and that the proceeds be accounted for to them, to which we have agreed.

I will comply with your wishes and telegraph to the Manager of this Bank's branch in Melbourne, whom I am instructing by this mail to advise you of the result of the loan immediately on receipt of the message.

I have the honor to be,
Sir,

Your most obedient Servant,

D. LARNACH, *Managing Director.*

*To the Honorable the Treasurer for the Government
of Tasmania, Hobart Town.*

(No. 28.)

TASMANIAN GOVERNMENT LOAN FOR £102,500.

THE Directors of the Bank of New South Wales have received instructions from the Tasmanian Government to offer for disposal by Public Tender £92,300, part of the above Loan, which is a charge on the Land Fund, and authorised by an Act passed 29th August, 1865, 29th Victoria, No. 2.

The Land Fund Revenues yielded last year £64,404 1s. 1d., and are estimated to yield £76,448 in the present year.

The Loan is to be issued in Bonds of £100 each, bearing Interest at the rate of 6 per cent. per annum, from the 1st day of July, 1867, payable half-yearly by Coupons, in London, at the Consolidated Bank.

The principal money is to be paid off on the 1st day of January, 1895.

Copies of the Act and Bonds can be seen at the offices of the Bank of New South Wales.

Tenders, the form of which is annexed, to be addressed to the Directors of the Bank of New South Wales, and delivered at their office, No. 64, Old Broad-street, not later than One o'clock on Friday, July 5th, at which hour the Tenders received will be opened in the presence of such persons interested therein as may choose to attend, and Debentures will be then allotted to the highest bidders, provided the prices offered are not below the minimum price fixed by the Directors, which will be enclosed in a sealed envelope and placed upon the table previous to the opening of the Tenders, and in case the tenders should exceed the amount required a *pro rata* distribution will be made.

Tenders at a price including fractions of a Shilling, other than Sixpence, will not be accepted.

A deposit of £5 per cent. on the amount tendered for must be paid to the Bank of New South Wales, and the receipt enclosed in the application.

£5 per cent. on allotment.

And the balance on the 31st day of July, 1867.

Debentures will be delivered at the Bank of New South Wales in exchange for the receipts.

Forms of Tender can be obtained at the Bank of New South Wales, and from Messrs. Linton and Clarke, 2, Royal Exchange Buildings.

Bank of New South Wales, Old Broad-street, E.C., 26th June, 1867.

FORM OF TENDER.

To the Directors of the Bank of New South Wales.

GENTLEMEN,

I HEREBY tender for the following portion of the Tasmanian Government Six per cent. Loan, authorised by an Act passed on the 29th August 1865, 29 Victoria, No. 2, subject to the conditions contained in your advertisement of the 26th June, 1867, Debentures to the extent of £ for which I undertake to pay at the rate of in money for every £100 in Debentures.

The Receipt for the Five per Cent. payable on application I enclose.

Name _____
 Profession _____
 Address _____
 Date _____

(No. 29.)

Bank of New South Wales, Melbourne, 9th August, 1867.

SIR,

I HAVE the honor to inform you that I have received the following Telegram from our London Manager:—

“Tasmanian Loan complete failure. Minimum Ninety-five. Three applications. One thousand allotted.”

The date of the Telegram is not given: should my letters which I expect to-morrow give any further information I will communicate it to you.

I have the honor to be,

Sir,

Your most obedient Servant,

J. BADCOCK.

*The Honorable the Colonial Treasurer,
 Hobart Town.*