

(No. 39.)



1878.

T A S M A N I A.

H O U S E O F A S S E M B L Y.

LOAN, £300,000, 4 PER CENT.:

CORRESPONDENCE.

Laid upon the Table by the Colonial Treasurer, and orderèd by the House to be printed, July 16, 1878.



MINUTE PAPER FOR THE EXECUTIVE COUNCIL.

Colonial Treasury, Hobart Town, 1st February, 1878.

THE Colonial Treasurer submits that he be authorised, in accordance with the provisions of the Act of Parliament, 41 Victoria, No. 3, to issue Three thousand Debentures for a sum not exceeding £300,000; each Debenture to be for £100, and dated 31st day of December, 1877, bearing interest at the rate of Four Pounds per cent. per annum, payable half-yearly in London, on the first day of January and the first day of July in each year; and that he be authorised to negotiate the sale of the said Debentures in the London Money Market on such terms as he may think fit.

W. R. GIBLIN, *Colonial Treasurer.*

THE Governor in Council approves.

E. C. NOWELL.
1. 2. 78.

1.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 1st October, 1877.

SIR,

As I am now submitting to the Parliament of Tasmania proposals to authorise the issue of a new Loan of £300,000 to be disposed of in London, I take this opportunity to convey to you the earliest intimation of this Government's intention to do so.

It is proposed to issue the Loan in Debentures bearing Four Pounds per cent. interest, to be payable in London half-yearly on the first of January and first of July. The principal to be paid in London at Thirty years from the 1st January, 1878.

The purposes for which the Loan would be raised would be as to £171,000 for Public Works for the improvement of the country, and as to £129,000 for the taking up and consolidation of various small loans of the Government falling due next year.

The Revenue of the Colony of Tasmania for the current year is over £340,000, and its expenditure about £321,000, showing a surplus of upwards of £19,000.

The Trade of the Colony is increasing largely year by year, and its rich mineral resources are now only being developed.

The Government would propose to avail themselves of the good offices of yourself and the Bank of New South Wales for the purpose of bringing out the Loan. Will you be good enough to inform me what will be the probable cost of putting the loan on the market, with any other information likely to be of service to the Government? I notice that the South Australian Loan of £500,000, 4 per cent., floated in February last, realised £97 10s. per £100 Bond, and as the expenses were under 10s. per cent., the loan netted £97 per cent. to the South Australian Government. As the measures have yet to be passed through Parliament, and as the necessary Debentures would take some time in preparation, it is not probable that they could leave here earlier than the Mail closing here on the 24th December, and due in London on the 18th February next.

I have, &c.

W. R. GIBLIN.

The Manager Consolidated Bank, London.

4

2.

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Melbourne.

*The Consolidated Bank, Limited,
52, Threadneedle-street, London, 23rd November, 1877.*

SIR,

I HAVE the honor to acknowledge the receipt of your special letter of the 1st ultimo, in which you announce the intention of your Government to issue a Four per cent. Loan to the extent of £300,000.

Australian loans are readily subscribed for in this market, and the loan of your Government would no doubt be fully applied for.

The price of issue must depend upon the circumstances, political and financial, existing at the period of issue; and it is not possible to give any reliable quotation for next March.

You may rely upon my Directors, in conjunction with the Directors of the Bank of New South Wales, giving the matter their most careful consideration, and protecting the interests of your Government in every possible way.

Under a new regulation of the London Stock Exchange, it is now necessary to state the minimum price of issue in the prospectus of loan, and not to have a sealed minimum placed on the table as was formerly the custom.

As an indication for the consideration of your Government, I may mention that in May last the Queensland Government issued a loan for £740,000, the minimum price of which was fixed at 91 *ex* all interest. This was not all applied for at the time, but was afterwards taken up, and at present is worth about 92½ *ex* all interest.

With regard to the cost of bringing out the loan, the commission, which would be divided between ourselves and the Bank of New South Wales, would be 10s. (ten shillings) per cent. Then there is the customary allowance to brokers of 5s. (five shillings) per cent.; (this allowance to brokers is usual, is money well spent, and is quite necessary to the success of the loan); the stamps would be 2s. 6d. per cent.; and the cost of printing and advertising and minor expenses would probably be another 2s. 6d. (two shillings and sixpence) per cent.; making a total cost of less than one per cent. off the price of issue.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH.

3.

CONSOLIDATED BANK to COLONIAL TREASURER.

Per S.S. Whampoa, from Plymouth.

*The Consolidated Bank, Limited,
52, Threadneedle-street, London, 24th November, 1877.*

SIR,

I TAKE advantage of the departure of the above-named steamer, with a mail, to forward to you the enclosed duplicate of a letter which I had the honor of addressing to you yesterday, *via* Brindisi and Melbourne. It will serve for my guidance if you will be so obliging as to inform me at what date this duplicate reaches you.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH.

4.

COLONIAL TREASURER to CONSOLIDATED BANK.

Via Brindisi.

Colonial Treasury, Hobart Town, 24th December, 1877.

SIR,

ADVERTING to my letter to you of the 1st of October last, I have now the pleasure to inform you that the Parliament of Tasmania have authorised the issue of the loan for £300,000 which I then stated it was my intention to propose.

I now send you six copies of the Act of the Parliament of this Colony, 41 Viet. No. 3, by which you will find the Government of Tasmania are authorised to issue £300,000 of Debentures,

bearing interest at the rate of Four Pounds per cent. per annum, and redeemable in the year 1908, (due date 30th June, 1908).

These Debentures are now being made out and signed; and as it is understood here that some difficulty has arisen when the Debentures have been made out for amounts varying from £100 to £5000, I have thought it better, although in the first instance more troublesome, to issue Three thousand Debentures of £100 each. All these Debentures will bear date 31st day of December instant, and the first half-year's interest will be payable in London on the first day of July next.

The objects for which the Loan is issued are twofold. First, to provide funds for the execution of a considerable system of Public Works, of a permanent character, for the improvement of the means of communication to various parts of the Colony, to the extent of £141,300,—the particulars of which (with the exception of £8000 for Public Buildings) appear in Schedules 1, 2, 3, and 4 of the Act of Parliament of Tasmania, 41 Vict. No. 10, of which I send you six copies; and the second object of the Loan is to redeem certain Debentures falling due during the year 1878, to the amount of £129,300. These last-named Debentures represent loans contracted at various times during the last twenty years at six per cent. and five per cent., and which will be consolidated by the issue of the proposed new loan. The balance of the £300,000, less the two sums of £141,300 and £129,300, will be available,—after allowing for the discount which necessarily must attend the floating of a four per cent. Loan for the first time on behalf of this Colony,—for the redemption of Debentures which may fall due during the year 1879. In accordance with the proposal named in my letter of the 1st October last, I would now request you to be good enough to place yourself in communication with the Manager of the Bank of New South Wales, and make immediate arrangements for bringing out the proposed loan at as early a date as, upon consultation, Mr. Larnach and yourself may deem advisable.

Although the loan was authorised three weeks ago, I am unable to send the Debentures themselves by the Mail closing to-day, inasmuch as the Assistant Treasurer has to sign not only each Debenture, but sixty-one coupons to each,—a tedious process, causing considerable delay. I will, however, forward by the next mail £150,000 of Debentures, and the remaining £150,000 by the mail leaving this on the 6th February, and due in London on the 27th March, so that you may be in actual possession of all the Debentures, ready to deliver to purchasers by the beginning of April. I should, therefore, trust that you will be able to announce the Loan, and call for tenders without waiting the actual receipt of all the Debentures, so as to enable the Loan to be floated not later than April next. I should suggest that the Debentures be offered with interest as from the 1st of January, so that the purchaser would receive a full half-year's interest on the 1st July,—but must leave that to yourself and Mr. Larnach.

I will write you next mail as to a minimum price, as to which the Tasmanian Government must leave a discretion in your hands.

With regard to the financial position of the Colony, I am happy to be able to confirm what I stated in my letter of 1st October. The anticipated increase of the Revenue has been more than realised, and the current year will close with a surplus of about £20,000 of receipts over expenditure. I send you two copies of the *Hobart Town Mercury* newspaper of this day's date; and a reference to the figures which are given at the third side of the Supplement, and summarised in the leading article of the newspaper itself, will show very clearly the great improvement which has taken place in the commerce and trade of the Colony, and will demonstrate the excellence of the security which it has to offer to the English public. The figures referred to were obtained from official sources, and their accuracy may be relied upon.

I may mention with regard to the tin mines now being worked in Tasmania, and from which £287,000 worth of metal has been exported during the current year, that Parliament has authorised an expenditure of £20,800 on roads and works to assist the miners to convey their produce to the sea coast; but the roads for this purpose being less permanent in character, that sum is made chargeable upon the ordinary Consolidated Revenue Fund of the Colony, and is not included in the Loans Bill now forwarded.

I enclose you copy of a letter addressed by this Government to the Tasmanian Main Line Railway Company, Limited, with which I should not trouble you, but that it is stated in the same paper (*Mercury*) above mentioned that the Company have been damaging the credit of the Colony by misrepresentations as to its position. This statement is based I believe on an erroneous telegram lately published in the Colonial journals, indicating a price for our Debentures much less than that previously obtained; but I do not myself attach any weight to the threat said to have been made by persons interested in that Company, that they would damage the credit of the Colony.

I have, &c.

W. R. GIBLIN.

The Manager Consolidated Bank, London.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 24th December, 1877.

SIR,

THE Government of Tasmania being desirous of floating on the London market a loan of £300,000, bearing interest at the rate of four pounds per cent. per annum, desire to avail themselves of your good offices to act in conjunction with the Manager of the Consolidated Bank in bringing out the loan, and I do not doubt that you will readily lend your valuable assistance to secure it being placed on favourable terms.

I send you by this opportunity six copies of the Act of the Parliament of this Colony, 41 Vict. No. 3, by which you will find that the Government of Tasmania are authorised to issue £300,000 of Debentures, bearing interest at four per cent. per annum, and redeemable in the year 1908. Due date 30th June, 1908.

These Debentures are now being made out and signed; and as it is understood here that some difficulty has arisen when the Debentures have been made out for amounts varying from £100 to £5000, I have thought it better, though in the first instance more troublesome, to issue three thousand Debentures of £100 each.

All of these Debentures will bear date the 31st day of December instant, and the first half year's interest will be payable in London on the 1st day of July next.

The objects for which the loan is issued are twofold,—first to provide funds for the execution of a considerable system of Public Works of a permanent character for the improvement of the means of communication in various parts of the Colony, to the extent of £141,300, the particulars of which, with the exception of £8000 for Public Buildings, appear in Schedules 1, 2, 3, and 4 of the Act of Parliament of Tasmania, 41 Victoria, No. 10, of which I also send you six copies; and the second object of the loan is to redeem certain Debentures falling due during the year 1878 to the extent of £129,300. These last-named Debentures represent loans contracted at various times during the last 20 years at six per cent. and five per cent. interest, and which will be consolidated by the issue of the proposed new loan. The balance of the £300,000, less the two sums of £141,300 and £129,300, will be available, (after allowing for the discount which must necessarily attend the floating of a four per cent. loan for the first time on behalf of this colony,) for the redemption of Debentures which may fall due during the year 1879. In order to give effect to the desire of the Government, I would now request you to be good enough to place yourself in communication with the Manager of the Consolidated Bank, and make immediate arrangements for the bringing out of the proposed loan at as early a date as upon consultation the Manager of the Consolidated Bank and yourself may deem advisable.

Although the loan was authorised three weeks ago I am unable to send the Debentures themselves by the mail closing to-day, inasmuch as the Assistant Treasurer has to sign not only each Debenture but sixty-one coupons to each, a tedious process necessitating considerable delay. I will, however, forward by the next mail to the manager of the Consolidated Bank £150,000 of Debentures and the remaining £150,000 by the mail leaving this on the 16th February, and due in London on the 27th March, so that he may be in actual possession of all the Debentures ready to deliver to purchasers by the beginning of April. I should therefore hope that you would be able to announce the loan and call for tenders without waiting the actual receipt of all the Debentures, so as to enable the loan to be floated not later than April next.

I should suggest that the Debentures be offered with interest as from the 1st of January, so that the purchaser would receive a full half year's interest on the 1st of July, but must leave that to yourself and the manager of the Consolidated Bank. I will write by next mail as to a minimum, as to which the Tasmanian Government must leave a discretion in your hands.

With regard to the financial position of the Colony I am happy to say it is most satisfactory, the current year showing a surplus of about £20,000 of receipts over expenditure, and every industry in the Colony being prosperous.

I send you two copies of the Hobart Town *Mercury* newspaper of this day's date; and a reference to the figures which are given at the third side of the supplement, and summarised in the leading article of the newspaper itself, will show very clearly the great improvement which has taken place in the commerce and trade of the Colony, and will demonstrate the excellence of the security it has to offer to the English public. The figures referred to were obtained from official sources, and their accuracy may be relied upon.

I may mention that with regard to the Tin Mines now being worked in Tasmania, and from which £287,000 worth of metal has been exported during the current year, that Parliament has

authorised an expenditure of £20,800 on roads and works to assist the miners to convey their produce to the sea-coast; but the roads for this purpose being less permanent in character, that sum is made chargeable on the ordinary Consolidated Revenue Fund of the Colony, and is not included in the Loans Bill now forwarded.

I enclose you a copy of a letter addressed by this Government to the Tasmanian Main Line Railway Company, Limited, with which I should not trouble you but that it is stated in the same paper (the *Mercury*) above mentioned that the Company have been damaging the credit of the Colony by misrepresentations as to its position. This statement is based, I believe, on an erroneous telegram lately published in the Colonial journals indicating a price for our Debentures much less than that previously obtained; but I do not myself attach any weight to the threat said to have been made by persons interested in that Company that they would damage the credit of the Colony.

I may mention that the total debt of the Colony prior to the issue of this loan stood at £1,526,000, but that the £300,000 now sought to be raised is only an addition to that debt to the extent of £143,300, the amount, as before explained, to be expended upon permanent Public Works, the residue of the loan for the consolidation and renewal of existing Debentures, being included in the amount of £1,526,000 before given.

As the revenue of this Colony has never been more elastic, nor the wealth and abundance of its resources more manifest, I confidently rely upon the exertions of yourself and the Manager of the Consolidated Bank being attended with a most satisfactory result to this Government.

I have, &c.

W. R. GIBLIN.

The Manager Bank of New South Wales, London.

6.

COLONIAL TREASURER to CONSOLIDATED BANK.

TASMANIA.

Colonial Treasury, 21st January, 1878.

SIR,

I HAVE the honor to acknowledge the receipt, on the 7th instant, of your special letter of the 23rd November, in reply to mine of the 1st October last. This letter reached me *viâ* Brindisi; and on the 17th instant I received a duplicate, together with your favour of the 24th November, per s.s. *Whampoa* direct to Melbourne.

In accordance with my letter of the 24th ultimo I now send you 1500 Debentures of £100 each, in ten parcels containing 150 in each, being one half of the Debentures constituting the issue of £300,000 authorised by the Act of the Tasmanian Parliament 41 Victoria, No. 3.

The other moiety of the Debentures will be forwarded, *viâ* Suez and Brindisi, by the Mail closing here on the 18th of next month, which will be due in London on the 8th April. I trust that the Debentures may arrive in safety to a favourable money market, and that in conjunction with the Bank of New South Wales you will arrange for the floating of the Loan with as little delay as possible.

I note your remarks as to the charges for commission, brokerage, stamps, &c., which are all perfectly satisfactory.

With regard to the minimum to be announced, I should like it to be fixed as high as Mr. Larnach and yourself, after consultation, may think reasonable and safe, but not lower than 91 *ex* interest. If you determine to sell with accrued interest, as suggested in my last letter, you will of course regulate the minimum accordingly.

I note that the South Australian Government have during the present month (January) floated, what is, I presume, the balance of their large four per cent. loan at 95,—the issues in February and July being £97 10s. or thereabouts. As to the position of the Colony, I can only confirm the information supplied in my previous letters. The gross revenue for 1877 was £360,808. The net revenue, after deducting certain drawbacks and an expenditure upon roads and the redemption of Debentures, being about £25,000 above the estimated and voted expenditure for the year.

The present year opens with an elastic revenue, an influx of working population from the other Colonies, new mineral discoveries, and an increasing trade.

The Colony has not been a borrower in the London market for eight years, and never came before the capitalists of Great Britain under anything like the favourable circumstances in which it is now placed.

I trust that you will acquaint me by telegraph of the result of the floating of the Loan as early as may be possible.

With regard to the disposition of the proceeds, I have to request that you will retain in London, say, £65,000, to be applied as follows:—

	£	£
Interest to fall due in July	19,884	
and on new Loan	6000	
	<hr/>	25,884
Interest various dates August to November		2270
Debentures due in London, November		5000
Interest due 1 January, 1879		25,884
Ditto		1000
To be placed by you to the account of this Government with the Crown Agents, say		5000
		<hr/>
		£65,038
		<hr/>

The balance of the net product of the Loan you will be good enough to pay into the Bank of New South Wales, London, to the credit of the Colonial Treasurer of Tasmania with the Commercial Bank, Hobart Town, as I have made special arrangements with the Commercial Bank for the transmission of the moneys here. As a very considerable part of the £65,000 to be retained in England will not be immediately required, you will be good enough to arrange to so deposit the amounts as to secure such an allowance of interest to this Government as may be usual and current at the time. In Tasmania all the Banks allow three per cent. for three months, four per cent. for six months, and five per cent. for deposits made for twelve months.

I have, &c.

The Manager Consolidated Bank, London.

W. R. GIBLIN.

7.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 21st January, 1878.

SIR,

CONFIRMING my letter to you of the 24th December, I have now the honor to inform you that by this mail I have transmitted to London, to the Manager of the Consolidated Bank, 1500 Debentures of £100 each—being one-half of the proposed loan of £300,000 as to which I addressed you last mail. The balance of the Debentures will be forwarded by next mail.

I have written fully by this opportunity to the Manager of the Consolidated Bank, asking him to place himself in communication with you to arrange as to the minimum to be fixed, and the time and manner of bringing out the Loan, and must leave the matter in your hands, assured that Mr. Tulloch and yourself will do all that is possible to make the loan a success.

As to the proceeds, I have written to Mr. Tulloch to retain £65,000 in London to meet various payments which have to be made there during the current year, and to pay the whole of the balance into your Bank to the credit of the Colonial Treasurer of Tasmania with the Commercial Bank, Hobart Town. I have made special arrangements with Mr. Barclay, the Manager of the local institution, as to the transfer of the money to this Colony; and he will, no doubt, write you fully on the subject.

I have, &c.

The Manager Bank of New South Wales, London.

W. R. GIBLIN.

8.

BANK OF NEW SOUTH WALES, LONDON, to COLONIAL TREASURER.

*Bank of New South Wales, Old Broad-street,
London, E.C., 13th February, 1878.*

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 24th December, on the subject of your new Loan of £300,000.

The Manager of the Consolidated Bank came to me some weeks ago to confer about the minimum price which he should recommend you to adopt, so that I was not unprepared for your present communication.

It will afford me very great pleasure to co-operate with the Consolidated Bank in launching this Loan; and so soon as we are in receipt of the Debentures it shall be done without delay.

It would not be safe to call for tenders before we are in receipt of the Debentures, because, should they go to the bottom of the sea, we would be liable to have actions brought against us by the allottees.

In preparing the prospectus care will be taken to put forward the favourable state of your finances. I cannot think that the Directors of the Tasmanian Main Line Railway will attempt to discredit your Government, but if they should your letter to them of the 24th December will be a sufficient answer.

In launching the Loan we will probably state in the prospectus the value of Tin exported from your Colony during last year; and nothing will be lost by delay, as we can increase the minimum price by the amount of interest accrued: and we may also hope that peace in Europe may be more assured in six weeks hence than it is at present.

I have, &c.

D. LARNACH.

The Hon. Colonial Treasurer, Tasmania.

9.

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Melbourne.

The Consolidated Bank, Limited, London, 15th February, 1878.

Tasmanian Government 4 per cent. Loan, 1878.

SIR,

I HAD the honor of writing to you on this subject on the 23rd of November last; and have now to acknowledge the receipt of your letter of the 24th December last, with six copies of the Tasmanian Act of Parliament, 41 Vict. No. 3 (authorising the issue of the Loan of £300,000), and six copies of the like Act, 41 Vict. No 10 (providing for the expenditure of the amount thus raised).

I take note from your letter that you were about to forward £150,000 Debentures by the January Mail, and the remaining £150,000 Debentures by the Mail leaving Hobart Town on the 6th instant; so that the whole £300,000 Debentures ought to be here by the 27th proximo.

We are most desirous to meet your wishes for the bringing out of the Loan at the earliest practicable and advisable date; but, having regard to the risk attending the transmission of the Debentures, we, in conjunction with the Bank of New South Wales, think that it will be unadvisable to offer them to the public before the whole of them have actually come into our hands.

In the meantime, however, and with the view of preventing any unnecessary delay, we will prepare a Prospectus and other preliminaries, so as to be in a position to take immediate action on the arrival of the second portion of the Debentures, and issue the Loan in the early part of April.

It is to be hoped that by that date political matters will have become more settled, and that the Loan will consequently be issued under more advantageous circumstances.

We shall also, in the interval, probably hear from you (in reply to my letter of the 23rd of November last) on the subject of the minimum price of issue, and such other points as you may deem it desirable to write about.

The two copies of the Hobart Town *Mercury* of the 24th December last, which you advise as being forwarded with your letter, have not reached me; but, in this connexion, I take note of the information in your letter as to the satisfactory financial position of the Colony.

I have also to thank you for the copy that you enclosed of the letter addressed by your Government to the Tasmanian Main Line Railway Company, and which will enable us to answer any inquiries that may be addressed to us on this subject.

I have, &c.

JAS. TULLOCH.

The Hon. Colonial Treasurer, Tasmania.

10

10.

COLONIAL TREASURER to CONSOLIDATED BANK.

*Colonial Treasury, Hobart Town, Tasmania,
18th February, 1878.*

SIR,

CONFIRMING my special letter to you of the 21st January, I have now the honor to forward to you the balance of the Debentures constituting the £300,000 loan authorised by the Act of the Parliament of Tasmania, 41 Vict. No. 3.

The 1500 Debentures of £100 each, now forwarded, are in ten parcels of 150 each, and are numbered consecutively from 1501 to 3000 inclusive. I trust you will find them correct.

I shall be glad to receive the earliest telegraphic advice from you as to the result of the loan.

I have nothing to add to the information forwarded by the last mail, except to state that the Premier of the Colony, the Honorable P. O. Fysh, is about proceeding to England by the *Lusitania*, leaving Melbourne on the 2nd proximo, and should he arrive before the loan is floated he will be able to give you additional information as to the position and prospects of the Colony, should any further be required. Upon that head I need only add to what I have previously written, that the mineral wealth of the Colony is being developed in an increasing ratio month by month, and that the prospects of the Colony continue to be exceedingly encouraging.

Considerable agitation is felt here as to the prospects of European war in which England would be involved. While sincerely hoping that this calamity may be averted, I must leave in your hands, after consultation with the Bank of New South Wales, and with Mr. Fysh if in England, the question of deferring the issue of the loan should the market appear to be unfavourable to offer it with reasonable prospect of success. Should it unfortunately be necessary to postpone offering the Debentures, be good enough to communicate the fact by cable.

I have, &c.

The Manager Consolidated Bank, London.

W. R. GIBLIN.

11.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 18th February, 1878.

SIR,

IN conformity with the statement contained in my letter to you of the 21st January, I have now the honor to inform you that by the mail closing this day I have despatched, *via* Brindisi, to the Manager of the Consolidated Bank, London, the balance of the Debentures which constitute the proposed loan of £300,000 authorised by the Parliament of Tasmania by Act 41 Vict. No. 3.

The Debentures sent last mail were all for £100 each, and were numbered from 1 to 1500 inclusive; those forwarded by this opportunity are made out for the like amounts, and are numbered from 1501 to 3000 inclusive.

I have informed Mr. Tulloch that the Premier of the Colony, the Hon. P. O. Fysh, is about to visit England, and leaves Melbourne on the 2nd proximo by the *Lusitania*. I trust the loan may be satisfactorily dealt with before his arrival; but should such not be the case, and any difficulty arise in which his information would be useful, I should be glad if you would avail yourselves of his counsel and assistance in deciding any question on which your advices from here may not prove sufficiently definite.

I must now leave the matter in the hands of yourself and the Manager of the Consolidated Bank, confidently relying upon your best exertions being given to ensure the success of the loan.

I have, &c.

The Manager Bank of New South Wales, London.

W. R. GIBLIN.

12.

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Melbourne.

*The Consolidated Bank, Limited,
52, Threadneedle-street, London, 15th March, 1878.*

Tasmanian Government 4 per cent Loan, 1878.

SIR,

I LAST had the honor of writing to you upon this subject on the 15th ultimo, and a copy of my letter of that date is herewith enclosed.

I have now to acknowledge the receipt of your valued letter of the 21st January last, and also of One thousand five hundred Debentures of £100 (One hundred Pounds) each, as advised by you; these being one half of the Debentures constituting the issue of £300,000 authorised by the Act of Parliament of Tasmania, 41 Victoria, No. 3.

I take note that the other moiety of the Debentures was to be forwarded on the 18th ultimo, *viâ* Suez and Brindisi, so as to be due here on the 8th April.

The information and remarks in your letter shall have our attentive consideration with the view of promoting the success of the loan.

In the meantime I have to bring under your notice an increased strictness on the part of the Committee of the Stock Exchange with respect to the conditions on which they will allow of the quotation of stocks. In accordance with their new regulations, they will require to have a copy of the Act of Parliament of the 3rd December last, 41 Victoria, No. 3, bearing your official signature in attestation of its genuineness: and I would beg leave to request that this attestation should take the following form:—

“I hereby certify that this is a true copy of the Act of the Parliament of Tasmania of the 3rd December, 1877, (41 Victoria, No. 3,) authorising the raising of the sum of £300,000 by Debentures.”

I observe that the Debentures state, as in previous issues, that the interest is payable *upon presentation of the Debentures* at this Bank.

We presume, however, that you will not consider it necessary for us to require their production; and, as we may have inquiries on this point, I think it would be advisable that you should write us a letter authorising our paying the interest on presentation of the Coupons only. I may remark that it is invariably thus paid in the case of all other Colonial issues.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH.

13.

BANK OF NEW SOUTH WALES, LONDON, to COLONIAL TREASURER.

Bank of New South Wales, London, E.C., 15th March, 1878.

SIR,

I BEG to acknowledge the receipt of your letter of the 21st January last, to hand on the 11th instant, *viâ* Brindisi, intimating the transmission to London by that route of the first moiety of the Debentures of the proposed Loan of £300,000.

I have been in communication with Mr. Tulloch, and have learned from him that these Debentures have arrived safely.

I have arranged with him that, upon the arrival of the second half of the Debentures, we will confer upon the most suitable time and make all necessary arrangements for the fixing the minimum, and as to the terms and manner for bringing out the Loan.

I observe that you had instructed Mr. Tulloch to retain £65,000 in London to meet various payments which have to be made during the current year, and to pay the whole of the balance into this Bank to the credit of the Colonial Treasurer of Tasmania with the Commercial Bank, Hobart Town; also, that you have made special arrangements with Mr. Barclay as to the transfer of the moneys to the Colony.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

D. LARNACH.

14.

COLONIAL TREASURER to CONSOLIDATED BANK.

[TELEGRAM.]

BALANCE Debentures posted you February 18th; due London April 8th.

Tasmania, 15th March, 1878.

W. R. GIBLIN.

12

15.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 18th March, 1878.

SIR,

ON the 15th instant I forwarded to you a telegram in the following words:—"Balance Debentures posted you February 18th; due London April 8th."

The first instalment (£150,000) of the Debentures constituting the proposed Loan of £300,000 having been posted to you on the 21st January, *via* Suez and Brindisi, would be due in London on the 11th instant. I therefore allowed time for that instalment to reach you before using the telegraph, so that you might be in receipt of the one half the Debentures; and by my message above given be assured that the balance were actually in course of transit to you.

I trust that all have reached you in due course, and that I may soon have the pleasure of hearing by telegraph that the Loan has been floated on terms favourable to Tasmania.

I have, &c.

The Manager Consolidated Bank, London.

W. R. GIBLIN.

16.

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Melbourne.

*The Consolidated Bank, Limited, 52, Threadneedle-street,
London, 12th April, 1878.*

Tasmanian Government 4 per cent. Loan, 1878.

SIR,

I LAST had the honor of writing to you on this subject on the 15th ultimo, *via* Brindisi and Melbourne, and a copy of that letter is herewith enclosed.

I have now to acknowledge the receipt on the 8th instant of your valued letter of the 18th of February last; and also of One thousand five hundred Debentures of £100 (One hundred Pounds) each, these being the second half of the total issue of the Loan.

Conformably with your instructions, we and the Bank of New South Wales have made the requisite arrangements for bringing out the Loan, the tenders for which will be received on the 15th instant; and I beg leave to enclose for your information a copy of the prospectus.

In conjunction with Mr. Larnach, and acting upon the best advice that we have been able to obtain on the subject, we have fixed the minimum price at £92 10s., interest running from the 1st January last. Before this letter reaches you, we shall have informed you of the result by telegraph.

We observe that one of the Debentures, viz., No. 2097, has not been signed by the Treasury Clerk.

We trust soon to have the satisfaction of learning the safe arrival of the Premier of the Colony, the Honorable P. O. Fysh, and of having an interview with him.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH.

TASMANIAN GOVERNMENT LOAN FOR £300,000.

IN FOUR PER CENT. DEBENTURES.

Authorised by the Tasmanian Parliament under the Act 41 Victoria, No. 3, assented to 3rd December, 1877, for the purpose of Public Works and redemption of Debentures falling due in 1878 and 1879, and secured upon the Public Revenues of the Colony.

THE Bank of New South Wales and the Consolidated Bank, Limited, as Agents for the Tasmanian Government, have been instructed to negotiate the said Loan for £300,000.

This Loan is issued for the purpose of consolidating various small Loans falling due during the years 1878 and 1879, to the extent of £129,000, and for public works to the extent of £171,000.

The Loan will be issued in Debentures of £100 each, bearing interest at 4 per cent. per annum from the 1st of January last, and the Coupons of the said Loan are payable upon the 1st of January and 1st of July in each year, at the Consolidated Bank, Limited, where also the principal will be payable on the 1st day of July in the year 1908.

Copies of the Act with the Debentures and Coupons can be seen at the Bank of New South Wales and the Consolidated Bank, Limited.

Tenders in the form annexed will be received at the Bank of New South Wales, No. 64, Old Broad Street, up till Two o'clock on Monday, the 15th instant, where and when they will be opened in the presence of the Agents and of such of the applicants as may attend.

The Debentures will be allotted to the highest bidders, provided the prices offered are not below £92 10s. in money for every £100 in Debentures.

Tenders at a price including a fraction of a shilling other than sixpence will not be preferentially accepted, and should the equivalent Tenders exceed the amount of the Debentures to be allotted, a *pro ratâ* distribution will be made.

Payment of the Debentures will be required as follows:—

5 per cent. on application, and

The balance on the 15th May next, when the Debentures will be delivered.

Forms of Tender may be obtained at the BANK OF NEW SOUTH WALES and the CONSOLIDATED BANK, LIMITED.

BANK OF NEW SOUTH WALES,
64, Old Broad Street, E.C.

CONSOLIDATED BANK, LIMITED,
52, Threadneedle Street, E.C.

9th April, 1878.

FORM OF TENDER.

To the Directors of

THE BANK OF NEW SOUTH WALES,
AND
CONSOLIDATED BANK, LIMITED.

Gentlemen,

_____ hereby tender for £ _____

Debentures of the Tasmanian Government, according to the annexed notice of the 9th instant, on which
_____ enclose the required deposit of £ _____

The amount also
in words.

and undertake to pay £ _____

for every £100 in Debentures, and to accept the same or any less amount that may be allotted to _____

The amount also
in words.

and to pay the balance in conformity with the terms of the said notice.

Name _____

Address _____

Date _____ April, 1878.

17.

BANK OF NEW SOUTH WALES, LONDON, to COLONIAL TREASURER.

Via Brindisi.

*Bank of New South Wales, Old Broad-street,
London, E. C., 12th April, 1878.*

SIR,

I BEG to acknowledge the receipt, on the 8th instant, *via Brindisi*, of your letter of the 18th February last, informing me of your having forwarded by the same opportunity, to the Manager of the Consolidated Bank, the balance of the Debentures constituting the proposed Loan of £300,000.

These, I learned from Mr. Tulloch, had arrived safely.

The market is somewhat unsettled, from the uncertainty of European politics, but at present is as favourable as it is likely to be for some time, even if peace be assured, while the declaration of war would destroy the chance of our floating the Loan at any reasonable price.

Mr. Tulloch and I conferred after the receipt of your letters, and decided that no time should be lost in issuing the Prospectus. Our desire was to have called for Tenders on the 17th instant (when he had hoped that the Hon. Mr. Fysh would have been present); but, being the day prior to the commencement of the Easter Holidays, we thought it would be unfavourable and inconvenient. We then fixed Tuesday; but, as we were going to press, we learned that a large Loan was to be brought out for the Board of Works, and we ultimately decided upon Monday, at 2 o'clock.

You will observe that we have fixed the price, below which offers will not be received, at £92 10s.

Five per cent. is to be paid on application, and the balance on the 15th proximo.

I enclose copy of the Prospectus and of the Press Notices; and I hope I may be able to advise you by wire, on Monday afternoon, of the successful placing of the Loan.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

D. LARNACH.

PRESS NOTICES, 10 APRIL, 1878.

Times.

THE Bank of New South Wales and the Consolidated Bank (Limited) announce a four per cent. Loan of £300,000 for the Government of Tasmania for subscription. The money is to be used to the extent of £129,000 for consolidating small existing Loans, and the balance will be devoted to public works. Tenders for the £100 Debentures, in which the Loan will be issued, are to be received up till Monday next, and the minimum price fixed is £92 10s. per cent.

Advertiser.

The Tasmanian Government have authorised the Bank of New South Wales and the Consolidated Bank to receive Tenders for £300,000 in Four per cent. Debentures of £100 each. They will be allotted to the highest bidders, provided the price is not below £92 10s. per cent., with 5 per cent., and the balance is payable on the 13th May. The Loan is for the purpose of consolidating Loans to the extent of £129,000, and the balance, £171,000, is for public works. Tenders must be sent, on or before the 15th instant, to the Bank of New South Wales.

Financier.

The Bank of New South Wales and the Consolidated Bank (Limited), as agents for the Tasmanian Government, announce that they have been instructed to negotiate a Loan for £300,000. The Debentures hitherto issued by the Tasmanian Government have been Six per cents.; but, in consideration, doubtless, of the improvement which has taken place during the last two or three years in Colonial Government credit, the present Debentures are Four per cents. They will be issued in amounts of £100 each, with interest from the 1st January last, and the principal will be repayable on the 1st of July, 1908. The *minimum* or reserve price is 92½ per cent. Tenders will be received at the Bank of New South Wales until two o'clock on Monday, the 15th instant, when they will be publicly opened. It is mentioned that the Loan is issued for the purpose of consolidating various small Loans falling due during the years 1878 and 1879, to the extent of £129,000, and for public works to the extent of £171,000.

Standard.

The Bank of New South Wales and the Consolidated Bank (Limited), as agents for the Tasmanian Government, have been instructed to negotiate a loan for £300,000, in £100 Four per cent. Debentures, issued for the purpose of consolidating various small loans falling due during the years 1878 and 1879 to the extent of £129,000, and for public works to the extent of £171,000. The loan will bear interest from the 1st of January last, and the Coupons are payable upon the 1st of January and 1st of July in each year, at the Consolidated Bank (Limited), where also the principal will be payable on the 1st day of July, 1908. The *minimum* price of issue is £92 10s. per cent.

Daily News.

The Bank of New South Wales will receive tenders on the 15th instant, in conjunction with the Consolidated Bank, for a Tasmanian Government Loan for £300,000 in Debentures bearing 4 per cent. interest and redeemable in July, 1908. The lowest price has been fixed at £92 10s. for every £100 Debenture. Five per cent. must be paid on application, and the balance on the 15th May. The loan is principally wanted for the purpose of consolidating other small loans.

Post.

The Bank of New South Wales and the Consolidated Bank, as agents for the Tasmanian Government, announce that they have been instructed to negotiate a loan for £300,000 in 4 per cent. Debentures, for the purpose of consolidating loans falling due this and next year to the extent of £129,000, and for public works to the extent of £171,000. The tenders will be received at the Bank of New South Wales on Monday next, the *minimum* being fixed at £92 10s. per £100.

Economist.

TASMANIAN 4 PER CENT. DEBENTURES.—By the Bank of New South Wales and the Consolidated Bank, tenders are invited until the 15th inst. for a new loan for £300,000, in £100 debentures, the minimum price of issue being £92 10s. Of this amount, £129,000 is required to consolidate small debts now falling due, and £171,000 for public works. Interest will be payable on the 1st January and 1st July, and the principal in 1908.

18.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 13th April, 1878.

SIR,

I HAVE the honor to acknowledge the receipt, on the 28th March, of your special letter of the 15th February last, as to the new Tasmanian Loan.

I note that, after consultation with Mr. Larnach, you did not deem it advisable to announce the £300,000 4 per cent. Loan, 1878, until the Debentures had actually arrived in London. As, however, the Mail, which left here on the 18th February, and which conveyed the last moiety of the Debentures, was delivered in London on its due date, the 8th instant, I trust that you duly received the parcels, and that the Loan is now advertised; and that I may soon hear by telegraph of its successful issue.

I regret that the newspapers (Hobart Town *Mercury*, 24th December, 1877), forwarded with my December letter, did not reach you; they were enclosed in an envelope and addressed to you, *via* Brindisi.

The financial condition of the Colony continues to improve; and new mines of tin, copper, &c., are being discovered, many of them in places hitherto unsettled and unexplored.

The exports of tin for the first three months of the present year exceeded £100,000; and the revenue from Customs during the same period showed that marked and continuous improvement which has been the happy characteristic of the last five years in Tasmania.

I fear that the unsettled state of political affairs in Europe, and the perturbation caused by the constant menace of war, may prove disadvantageous to our Loan; but I trust not to a very marked extent.

The Manager Consolidated Bank, London.

I have, &c.

W. R. GIBLIN.

19.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 13th April, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 13th February last, (which reached me on the 28th March), on the subject of the Tasmanian £300,000 4 per cent. Loan.

I observe that you do not propose to issue Loan until the actual receipt of the last of the Debentures; and I note with satisfaction the telegraphic intelligence that the mail that conveyed to London the last parcels of the securities reached on its due date, the 8th of April.

I trust that the Debentures have all arrived safely, and that in the course of a few days from this I may hear that they have been disposed of at satisfactory prices, notwithstanding the adverse influence of either Main Line Railway Directors or war panics.

I have, &c.

W. R. GIBLIN.

The Manager Bank of New South Wales, London.

20.

CONSOLIDATED BANK to COLONIAL TREASURER.

Per Cuzco, from Plymouth.

*The Consolidated Bank, Limited, 52, Threadneedle-street,
London, 18th April, 1878.*

SIR,

Tasmanian Government 4 per cent. Loan, 1878.

I HAD the honor of writing to you on this subject on the 12th instant, *viâ* Brindisi and Melbourne, and a copy of that letter is herewith enclosed, together with a second copy of the prospectus of the Loan.

The prospectus had been issued on the 9th instant, announcing that tenders would be received up to two o'clock on Monday, the 15th instant.

On Saturday, the 13th instant, we were surprised by the appearance in *The Times* newspaper of a letter, (copy herewith,) from Mr. Francis Mowatt, which,—although we had in our possession the complete reply contained in the Colonial Secretary's letter of the 24th of December last to the Tasmanian Main Line Railway Company,—was calculated seriously to prejudice the success of the Loan, as the fact of its publication on the day immediately preceding the issue hardly left us the possibility of fully removing the unfavourable impression created by it.

In conjunction with the Bank of New South Wales, we at once addressed a letter, (copy herewith,) to the Editor of *The Times*, requesting the insertion *in extenso* of the Colonial Secretary's letter above mentioned.

We regret to have to state that, instead of complying with that request, *The Times* thought proper to insert only the condensed notice, (copy herewith,) of our communication, concluding, as you will perceive, with a further hostile observation; to which,—appearing, as it did, on the very day of the issue of the Loan,—a rejoinder became, of course, impossible.

Under these circumstances it is not surprising that the total amount tendered for of the Loan was only £70,200 (Seventy thousand two hundred Pounds,) in the sums and at the prices detailed in the list herewith.

It was then announced that further tenders would be received up to Wednesday, the 17th instant, at the minimum price. Shortly afterwards, however, tenders came in for the remaining £229,800 (Two hundred and twenty-nine thousand eight hundred Pounds) of the Loan, and the list was closed the same afternoon.

We confirm our two telegrams to you of that date, (copies herewith); and shall have the honor to send you further details on the 26th instant, *via* Brindisi and Brisbane.

In the meantime we trust that, in the face of the exceptionally adverse circumstances above stated, the result of the issue cannot fail to be regarded by you as satisfactory.

In accordance with the instructions in your letter of the 21st January last, we have paid the sum of £5000 (Five thousand Pounds) to the account of your Government with the Crown Agents for the Colonies.

I append a list of the enclosures referred to in this letter; and

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH, *Manager.*

The Times, Saturday, 13th April, 1878.

THE following letter on the manner in which the Tasmanian Government keeps its engagements is worth notice at the present time, since Tasmania has again come as a borrower on this market. It ought to have a complete answer to the facts—and they are familiar facts—here stated or its loan should be refused:—

“Warwick-square, 11th April, 1878.

“Sir,—Observing by *The Times* that the Tasmanian Government is inviting subscriptions for a loan of £300,000, I think it right that the public should be made acquainted with the fact that this same Government invited a few years ago subscriptions for £650,000 for the construction of a main line of railway in Tasmania under a similar promise, and the guarantee of the payment of a sum of money—£32,500—annually as the equivalent of interest on the amount to be subscribed at the rate of 5 per cent. per annum, and yet, although the said capital was so subscribed and the said railway was by the expenditure of it duly completed and made use of by the Government within the date specified—the 15th March, 1876,—it has never paid one shilling of the promised interest or sum guaranteed.

“I have to add that the only excuse made by the said Government for this gross breach of faith is that the line of railway was not, in its opinion, finished in the manner prescribed by the contract; but that this plea was put forward merely to gain time and, if possible, evade payment is conclusively proved by the fact that the line has been in successful operation and has run the stipulated number of trains and within the times specified, without the intermission of a single day, ever since it was finished. In a word, it may be positively affirmed that the Tasmanian Government has no reasonable ground whatever, other, perhaps, than want of means, for the non-fulfilment of its promise and guarantee; and that this is its own opinion, and that it has no reliance on its own idle excuse, is that, on receiving notice of action in a court of law from the company for the enforcement of the guarantee, it replied by a declaration that it would plead the privilege of the Crown in bar of the action, and when, subsequently, the company offered to submit their claim to arbitration, they declined also that proposition.

“I hold £10,000 of the guaranteed loan herein referred to, and am, Sir, your obedient Servant,

“FRANCIS MOWATT,”

(Copy.)

“TO THE EDITOR OF *The Times*.

“Tasmanian Government Loan.

“13th April, 1878.

“Sir,—With regard to the letter of Mr. Francis Mowatt in your Money Article of to-day, as to the Tasmanian Main Line Railway, we shall be obliged if you will insert the enclosed letter from the Colonial Secretary of Tasmania to the Directors of the Tasmanian Main Line Railway, which fully sets forth the facts of the case. We regret its length, but feel that the entire letter is necessary to show the true position of affairs.

“Signed by Mr. Tulloch for the Consolidated Bank, Limited; and by Mr. George for the Bank of New South Wales; Agents for the Tasmanian Government.”

The Times, Monday, 15th April, 1878.

THE banks which represent the Tasmanian Government in the issue of the new Tasmanian loan have sent us a printed letter regarding the dispute with the railway company referred to in Mr. Mowatt's letter. It is of too great length to print entire, but the following are the principal paragraphs of it. The letter is signed by Mr. William Moore, the Colonial Secretary of Tasmania:—

“The Government are of opinion, from the information supplied to them, that substantially the railway has not been constructed and completed in accordance with the contract; and that the incomplete state of the line, and the very inefficient and unsuitable character and condition of the rolling stock, have tended, and do daily tend, to the diminution of the traffic receipts of the railway, to the injury alike of the company and of the colony. Necessity compels the travelling public to use the railway, and hence the traffic receipts are increasing, as the Government are

happy to notice; but such receipts, I have no hesitation in saying, would be very much larger if the railway had been constructed and equipped in the manner provided by the contract. The present state of matters is as unsatisfactory and as disappointing to the Government of Tasmania as it can possibly be to the bondholders and shareholders of the company; and nothing would give the Government greater pleasure than to be assured that immediate steps had been taken to complete and equip the line, so that it would satisfy any independent and competent Board of engineers who might be appointed to inspect it that it was at last in accordance with the contract, in order that our payment of the conditionally guaranteed interest might immediately commence. If, however, for any reason the company are unable or unwilling to complete the railway so as to enable them to receive payment of the guaranteed interest, the Government would be prepared to entertain any proposal for the sale of the line in its present unfinished state; but, as they are well aware of the very large amount of money that would be required to put the line into a satisfactory condition, they would not feel at liberty to entertain or to submit to Parliament any proposal that was not based upon a recognition of that fact. The Government are not in a position to put in force the compulsory powers of purchase contained in the contract, inasmuch as the line not having been 'completed and opened for traffic' in accordance with the conditions of the contract, the power to compel a sale by the company has not yet arisen. If the company are not prepared to adopt one of the two courses indicated, viz.—1, either at once to put the line into such a condition as to fulfil satisfactorily and essentially the contract conditions; or, 2, offer the railway to the colony for sale on fair and reasonable terms, so as to enable the colony to expend the amount required to put the line into proper order, and enable it to be worked with reasonable safety and satisfaction to the public, the only course that would be open to the Government will be reluctantly to advise Parliament to withhold any further advance by way of loan to the company, and to enforce the payment of the loans already made, amounting up to the present time to £20,900 and now proceeding at the rate of £1500 per month for a period which will expire in May next. It is even now a matter of much anxiety to the Government whether, in the present state of the line, they are morally justified in making advances to keep it open—the express, hitherto the most punctual of the trains run by the company, having on two days during the past week met with accidents, fortunately unattended with injury to life and limb, but causing great anxiety to the friends and relatives of passengers, owing to the detention of the trains."

If the Government feels sure of being able to substantiate these charges, it seems a pity that it does not accept the offer to submit the dispute to arbitration, as by that course its contentions might be vindicated beyond question. At present it looks a little as if the Government wished to force the company to sell its line at such a price as the Tasmanians chose to put upon it.

[COPY OF TELEGRAM.]

CONSOLIDATED BANK to COLONIAL TREASURER, HOBART TOWN.

15th April, 1878.

Loan partially successful. 65,000 applied for. Balance open until Wednesday at minimum £92 10s.

[COPY OF SECOND TELEGRAM.]

CONSOLIDATED BANK to COLONIAL TREASURER, HOBART TOWN.

15th April, 1878.

BALANCE of Loan taken at minimum. Interest from 1st January.

BANK OF NEW SOUTH WALES to COLONIAL TREASURER.

Per s.s. *Cuzco*:

*Bank of New South Wales, Old Broad-street,
London; 18th April, 1878.*

SIR,

I HAVE the honor to enclose press copy of my letter of the 12th instant, and have not since been favoured with any letter from you.

On the 13th instant there appeared in the *Times* newspaper a letter from Mr. Francis Mowatt, a bondholder of the Tasmanian Main Line Railway, animadverting upon the position of your Government with that undertaking. We, in conjunction with the Consolidated Bank, addressed a note to the editor of that journal, and enclosed for insertion the copy of the letter of the Colonial Secretary to the Railway Company enclosed in your letter of 24th December last, but which was only partly inserted in the issue of the 15th instant; and the editor most unwarrantably gave an expression of opinion which was calculated to do more harm than even Mr. Mowatt's letter.

A copy of the letters and extracts from the papers I enclose herewith.

These, no doubt, had a prejudicial effect upon the Loan, as on proceeding to open the tenders on the same day, the 15th instant, at 2 o'clock, we had for the Loan of £300,000 only 19 applications, aggregating £65,200, at prices varying from £92 10s. 6d. to £95 10s., which was very discouraging.

Intimation was made to the meeting that the balance of the Loan would be kept open until Wednesday, the 17th instant, at 4 o'clock, and that applications would be registered and allotted in the order received.

I, with the Directors of the Consolidated Bank, exerted our influence with some of the Stock Brokers; and I was glad to be able to report, by supplementing my telegram announcing the partial success of the Loan, that the balance had been tendered for that same afternoon at the minimum, and allotted.

These telegrams, as follows, I confirm:—

“Loan partially successful. 65,000 applied for. Balance open until Wednesday, at minimum £92 10s.”

“Balance of Loan taken at minimum, interest from First January.”

I avail myself of this opportunity to forward (1) a list of the tenders, showing amount applied for, and the proceeds of the Loan, to be £262,608 12s.; (2) a list of the usual press notices, which I commend to your attention.

I have, &c.

D. LARNACH, *Managing Director.*

The Hon. Colonial Treasurer, Tasmania.

Times.

The tenders for the Tasmanian Four per Cent. Loan were to-day opened at the Bank of New South Wales, when £70,200 was applied for and allotted at and over the *minimum* of £92 10s. The balance of the Loan was left open for subscription at the *minimum*, and has since been taken at that price.

Standard.

The tenders for the Tasmanian Four per Cent. Loan were to-day opened at the Bank of New South Wales, when £70,200 was applied for and allotted at and over the *minimum* of £92 10s. The balance of the Loan was left open for subscription at the *minimum*, and has since been taken at that price.

Daily News.

The tenders for the Tasmanian Four per Cent. Loan were to-day opened at the Bank of New South Wales, when £70,200 was applied for and allotted at and over the *minimum* of 92½. The balance of the Loan was left open for subscription at the *minimum*, and has since been taken at that price.

Post.

Tenders for £300,000 Tasmanian Government 4 per Cent. Debentures were opened at the Bank of New South Wales to-day, no tender being received at less than £92 10s. per £100 bond. The number of tenders was only 19, for a total amount of £70,200, at prices varying from £92 10s. 6d. to £95 10s., the whole of that sum being allotted. The balance of the Loan was left open for subscription at the *minimum*, and was subscribed in the course of the afternoon.

Advertiser.

The tenders for the Tasmanian Four per Cent. Loan were to-day opened at the Bank of New South Wales, when £70,200 was applied for and allotted at and over the *minimum* of £92 10s. The balance of the Loan was left open for subscription at the *minimum*, and has since been taken at that price.

Financier.

The tenders for the Tasmanian Four per Cent. Loan were yesterday opened at the Bank of New South Wales, when £70,200 was applied for and allotted at and over the *minimum* of £92 10s. The balance of the Loan was left open for subscription at the *minimum*, and has since been taken at that price.

22.

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Brisbane.

*The Consolidated Bank, Limited, 52 Threadneedle-street,
London, 26th April, 1878.*

SIR,

Tasmanian Government 4 per cent. Loan, 1878.

I HAVE the honor to confirm my letter to you of the 18th inst., per *Cuzco*, from Plymouth, and to refer to the copy of it now enclosed with copies of its enclosures Nos. 2, 3, 4, 5, 6, 7, and 8.

Herewith is likewise enclosed a statement of the 4 per cent. Debenture Account to the present date, exhibiting a balance to the credit of the Account, amounting to £8809 10s. 2d. (Eight thousand eight hundred and nine pounds ten shillings and two pence), which will, I trust, be found to be correct.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

JAS. TULLOCH, *Manager.*

19

23.

COLONIAL TREASURER to CONSOLIDATED BANK.

Viâ Brindisi.

Colonial Treasury, Hobart Town, 11th May, 1878.

SIR,

I HAVE the honor to acknowledge the receipt, on the 26th of April, of your letter of the 15th March, in which you advise the receipt of one half of the Debentures forming the Tasmanian 4 per cent. Loan, 1878.

I note your remarks with reference to the increased strictness on the part of the Committee of the Stock Exchange with reference to the conditions on which they will allow of the quotation of stocks; and, in order to comply with their new regulations, I have now the honor to forward to you two copies of the Act of Parliament of Tasmania, (41 Vict. No. 3,) authorising the Loan, which I have verified by my official signature in attestation of its genuineness in the form suggested by you, and trust that this will suffice to remove all difficulty as to the quotation of the stock on the Exchange.

With regard to the form in which the Debentures were made out, I would state that it is the one which has been usual here, and was I believe originally adopted for the purpose of enabling the Treasurer in any case in which suspicious circumstances as to the ownership might have arisen to require the production of the Debentures themselves. The uniform practice has been, however, to pay on the production of the Coupons only, and there can be no objection to that course being continued.

I have, therefore, the honor to authorise you, in the case of the Debentures forming the new 4 per cent. Loan, to pay the interest on such Debentures upon the presentation to you of the Coupons only, notwithstanding the form in which the Debentures are made out.

I have, &c.

The Manager Consolidated Bank, London.

W. R. GIBLIN.

24.

COLONIAL TREASURER, HOBART TOWN, to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 11th May, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 15th March last, which came to hand on the 26th April, *viâ* Brindisi, having reference to new Tasmanian 4 per cent. Loan of 1878 (£300,000).

I have written by this mail to the Manager of the Consolidated Bank, enclosing him certified copies of the Act of Parliament of Tasmania authorising the Loan, in accordance with a request made by him, and for the purpose of enabling the stock of this Loan to be quoted on the Stock Exchange. I enclose for your information a copy of the Act referred to, with my certificate thereon in attestation of its genuineness, in a form suggested by Mr. Tulloch.

I have, &c.

The Manager Bank of New South Wales, London.

W. R. GIBLIN.

25.

BANK OF NEW SOUTH WALES, LONDON, to COLONIAL TREASURER.

Per Aconcagua.

Bank of New South Wales, London, E.C., 18th May, 1878.

SIR,

I HAVE the honor to report that the balances of the allotments on the Loan of £300,000 for your Government have all been paid, with the exception of that on allotment No. 14 for £300, and that the Consolidated Bank handed us yesterday, the 17th inst., the sum of £209,000, to account of the proceeds of the Loan, which amount has been passed to your credit with the Commercial Bank; and by next mail I hope to be able to report the payment of the balance above mentioned, and to hand you closed account.

I have, &c.

The Hon. Colonial Treasurer, Tasmania.

D. LARNACH, *Director.*

CONSOLIDATED BANK LONDON, to COLONIAL TREASURER.

Viâ Brindisi and Brisbane.

*The Consolidated Bank, Limited, 52, Threadneedle-street,
London, 24th May, 1878.*

SIR,

TASMANIAN 4 PER CENT. LOAN, 1878.

I LAST had the honor of addressing you upon this subject on the 26th ultimo, *viâ Brindisi and Brisbane*, and a copy of my letter of that date (with a triplicate of my letter of the 18th April, per *Cuzco*,) is enclosed herewith.

The balances of payment for the Debentures has since been duly received ; and I now have the honor to enclose a final statement to the 23rd instant, closing the account, and trust that it will be found correct.

You will perceive that, in accordance with the instructions in your letter of the 21st of January last, we have,—after paying Five thousand pounds (£5000) to the credit of your Government with the Crown Agents for the Colonies,—placed Sixty thousand and thirty-eight pounds (£60,038) to the credit of the Government in Deposit Account ; and paid in to the Bank of New South Wales here, to the credit of the Colonial Treasurer of Tasmania with the Commercial Bank, Hobart Town, Two hundred and nine thousand eight hundred and seventy-four pounds two shillings and sixpence (£209,874 2s. 6d.), the balance of the net proceeds of the Loan.

In conjunction with the Bank of New South Wales, we duly made application to the Committee of the London Stock Exchange to allow an official quotation of the Loan ; but were shortly afterwards informed that opposition had been made to this on the part of the Tasmanian Main Line Railway Company.

We have now applied to the Committee for permission to see the objections put forward by the Railway Company. So soon as we succeed in this step it is our purpose to submit the information to Mr. Fysh, and to lodge a reply with the Committee, if allowed so to do.

Notwithstanding the opposition, we hope that the quotation will be allowed in due course.

I beg leave to add that I received, on the 4th inst., your letter of the 18th March last.

I have, &c.

JAS. TULLOCH, *Manager.*

The Hon. the Colonial Treasurer, Tasmania.

BANK OF NEW SOUTH WALES, LONDON, to COLONIAL TREASURER.

Viâ Brindisi.

*Bank of New South Wales, Old Broad-street,
London, E.C., 7th June, 1878.*

SIR,

I HAVE the honor to acknowledge the receipt, on the 1st instant, of your letter of the 13th April last, and have now the pleasure to hand you closed account of the Loan for your Government for £300,000, and to intimate that the balance of the proceeds was placed, on the 23rd ultimo, to your credit with the Commercial Bank.

On the 17th ultimo we, in conjunction with the Consolidated Bank, made application to the Stock Exchange for an official quotation of the Loan in their daily list ; and on the 22nd ultimo Mr. Slaughter, Secretary to the Committee, wrote intimating that the Secretary of the Tasmanian Main Line Railway Company had made formal application to the Committee asking delay in granting a quotation, and at the same time Mr. Slaughter intimated that if we deemed it expedient to examine the document lodged by the Company it would be necessary to make application, in writing, to the Committee, which we did, asking permission for Mr. P. O. Fysh and ourselves to do so, which, however, up to the present has not been granted ; but we have through another channel ascertained the contents of the letter, and made Mr. P. O. Fysh acquainted with them, and who will, when the opportunity is given before the Committee of the Stock Exchange, give a complete answer to the Main Line Railway Company's letter.

We are informed that the Committee will consider our application for a quotation of the Loan on Tuesday, the 11th current.

Herewith I enclose for your information—

Copy of our letter of application to the Committee of the Stock Exchange for a quotation of the Loan.

Copy of the letter from Mr. Slaughter.

Copy of our letter to the Stock Exchange Committee asking permission to examine Tasmanian Main Line Railway Company's letter.

Copy of circular by Albert Grant in reference to the Tasmanian Main Line Railway Company's claim against the Government.

I also enclose Prospectus of the Queensland Loan for £1,200,000, brought out on the 28th ultimo, with statement showing the resources of that Colony.

I have, &c.

D. LARNACH, *Managing Director.*

The Hon. the Colonial Treasurer, Tasmania.

(Copy).

17th May, 1878.

SIR,

WE beg to inform you that the Bank of New South Wales, in conjunction with the Consolidated Bank, Limited, under instructions of the Honorable the Treasurer of the Government of Tasmania, offered here on the 15th ultimo, on behalf of his Government, a loan of £300,000 (Three hundred thousand Pounds), in Four per cent. Debentures, secured upon the Consolidated Revenues of that Colony. Tenders were called for at a price of not less than £92 10s. per £100 Debenture, and applications were received and opened in presence of the Directors of both Banks and such of the applicants as attended, when it was declared that £70,200 had been tendered for, and the balance, £229,800, having been applied for during the course of the day the whole loan was allotted on that day to the public.

The deposit of 5 per cent. was duly paid on application, and the balance due on the 15th instant has also been paid, with the exception of that on allotment No. 14, £300, when the Debentures were delivered in exchange for the letters of allotment.

In terms of the requirements of your Committee, each Debenture bears the number and denomination of the Debentures comprising the whole loan, and is stamped, as per specimen annexed, and signed by a Director of each of the banks as Financial Agents for the Government.

We enclose herewith for your inspection one Debenture of the loan, which we trust will be found in every respect in accordance with the requirements of your Committee.

We also enclose—

Copy of the Act authorising the loan ;
Notarial copy of the letter of instructions from the Honorable the Treasurer ;
Certified copy of the Prospectus of 9th ultimo ;
List of the applications, showing names and amounts applied for ;
Copy of the letter of allotment ; and
Statutory declaration that the amount was all applied for and allotted, that the deposit of 5 per cent. was duly made and the balance due on the 15th instant (with the exception above mentioned) paid ;
and we have now to ask the favour of your placing these before your Committee, with the request that they will be pleased to grant an official daily quotation of the loan in the Exchange List.

Mr. Clarke, of Messrs. Linton, Clarke, & Co., is the Broker acting for the Banks, and is appointed to represent them if necessary before your Committee.

We are, &c.

(Signed) DAVID GEORGE, *Secretary, Bank of New South Wales.*
JAS. TULLOCH, *Manager Consolidated Bank, Limited.*

M. SLAUGHTER, *Esq., Secretary of the Committee of the Stock Exchange.*

(Copy).

London Stock Exchange, Share and Loan Department, 22nd May, 1878.

DEAR SIR,

A FORMAL application from the Tasmanian Main Line Railway Company's Secretary to our Committee, asking delay, &c. in connection with your loan, is now in my hands. If you deem it expedient to examine this document, be good enough to make written application to the S.E. Committee through me.

Yours faithfully,

(Signed) M. SLAUGHTER, *Secretary.*

D. GEORGE, *Esq., Secretary Bank of New South Wales.*

22nd May, 1878.

DEAR SIR,

I SHALL esteem it a favour if your Committee will permit me, accompanied by the Hon. P. O. Fysh, late Premier of Tasmania, to examine the document lodged with you by the Tasmanian Main Line Railway Company's Secretary, requesting your Committee to delay the application for a quotation of the Tasmanian Government Loan of £300,000 in the official list.

I am, &c.

(Signed) DAVID GEORGE, *Secretary.*

M. SLAUGHTER, *Esq., Secretary to the Committee of the Stock Exchange.*

[Issued to Subscribers only.]

THE GENERAL BANKING COMPANY, LIMITED.

CIRCULAR No. 1.

The Tasmanian Main Line Railway Guaranteed 5 per cent. Debenture Bonds. Present price, 59 to 61 per £100 Bond.

THE Tasmanian Railway Company was formed to build a Railway between Hobart Town and Launceston, under a Contract with the Government of Tasmania in August, 1871. By this Contract the Government bound themselves to pay, under Clause 5 of the Agreement, 5 per cent. upon the money expended for the purposes of construction of the Railway up to the sum of £650,000 during four years for the construction, and thirty years after the opening of the entire Line for traffic—equal to £32,500 per annum.

The Line was opened for traffic on the day stipulated in the Contract, and the stipulated number of trains at the stipulated speed have been running punctually since the opening of the Line to the time of the latest news from the Colony.

In March, 1872, 6500 Bonds of £100 each, being £650,000, were issued in London by the Company at the price of £92 10s. per £100 Bond, and were eagerly subscribed, it being then thought a cheap investment, based as it was on the guarantee of the Tasmanian Government.

After the Line was opened, the Government alleged that there were certain things that had not been done to their satisfaction, and on that ground have withheld since July, 1876, the payment of the stipulated interest. This caused the Bonds to fall very considerably.

The Company have in vain asked from the Government a statement of what they require to be done, and they have equally in vain asked to refer the dispute to arbitration. The Government would agree to neither. Certain small things may in all probability have been required to be done to the Line, as is the case with every new Line on its first opening, but the suspension of interest was not on that account justifiable.

To put themselves in a position to comply with these requirements, and also to give the Bondholders a controlling voice in the Company's affairs, they having found the larger part of the Capital necessary, an English Act of Parliament was applied for and obtained in the last Session, by which power was given to raise £100,000 in Debentures, in priority to the £650,000 of Debentures issued in 1872; and by this Act authority was given to reduce the interest not exceeding 1 per cent. per annum, practically from 5 per cent. to 4 per cent., so as to provide the fund for paying the interest on the £100,000 new Debentures. Voting powers at the same time were granted to the Bondholders, and four of their body were elected Directors to strengthen the Board.

The Board duly raised the £100,000 Debentures, and out of the proceeds have sent out some additional Rails and Rolling Stock, and the Line is now believed to be in a thoroughly efficient condition.

The Tasmanian Government, who have acted so arbitrarily in this matter, recently (last month) offered in this market a small loan for £300,000, and it is believed that only a small portion of it was subscribed in consequence of it being known that the Government were in default in payment of the guaranteed interest to this Company.

The Government have recently expressed their satisfaction at the Bondholders having an adequate representation on the Board, which previously had been nominated by the Shareholders alone; and the Government have, within the last few days, telegraphed an invitation to the Company to send out a deputation to Tasmania properly authorised to settle all pending questions.

The Board of Directors have decided to accept this invitation, and two Directors and the Secretary will proceed on the 13th instant to Tasmania. From representations that have been made to the Company, there is very little doubt the Government desire to purchase the Line, as they wish to construct a series of connecting Lines, and to have the whole of their Railway system in their hands.

By the Contract between the Company and the Government, the latter had power at any time, upon giving twelve months' notice, "to purchase the Line at a price to be fixed, failing agreement, by a majority of five Valuers, two to be named by the Governor, two by the Company, and one to be chosen by the four Valuers first appointed."

If the Government elect to avail themselves of this valuation, it is impossible that any award can be made that would not considerably exceed the £650,000 of Debentures created, since not only has this amount been issued by the Company and spent on the Line, but £393,940 of Ordinary and Preference Share Capital, and £49,925 of second mortgage Debentures in addition; and supposing the Line to be acquired upon the ordinary mode of assessing the value of Government expropriation, there would be no reason for any less sum than the full amount of Capital of all sorts issued by the Company, amounting to £1,093,865, being paid by the Government to the Company for the Line.

As, however, there is a disposition on the part of all concerned, if the Government are willing to treat the Company fairly, to meet the Government in a liberal spirit, in all probability a sum less than the full representative value of the Stocks issued would be accepted by the Company.

The Tasmanian Government are becoming alive to the fact that in treating the Company fairly and even liberally, they are doing the best services to the financial credit of the Colony, and as they must come to this market for further loans to construct their Railway system, and as by a rule of the Stock Exchange no quotation can be had of a new issue of any defaulting State or Colony, there can be no doubt that the deputation, on reaching Tasmania, will effect a sale of the property to the Government.

Whether, however, the Government purchase or not, there cannot be a doubt that they will arrange for the payment of the arrears of Interest due by them, and for the resumption by them of the payment of the Interest upon the £650,000 of Bonds now quoted on the Stock Exchange.

If the Line is not sold, but resumption of payment of Interest is agreed to by the Government, then the question of the value of the Debentures is very easily ascertained. The 5 per cent. Debenture Bonds which, by the one per cent. deducted for the £100,000 issue as above mentioned, become 4 per cent. Debenture Bonds, having a guarantee

for Thirty years for that amount by the Government, and being (subject to the £100,000 Debentures) Mortgagees of the Line and its revenues, which during the next Thirty years must largely increase, and ultimately earn more than the amount of the guaranteed Interest, should be at least worth as much as the Four per cent. Tasmanian Government Debenture Bonds which were offered for subscription last month by the Bank of New South Wales and the Consolidated Bank by tender, at the minimum price of £92 10s.

This price would give, on the present quotation of 60 for the £650,000 Tasmanian Railway Debentures, a profit of £32 10s. per Bond, which is equal to 50 per cent. increase on the money outlay.

If on the other hand the Government purchase the Line, they cannot offer less (or if they did, it would not be accepted) than £812,500. Four per Cent. Government Debenture Bonds, the Interest on which would be the £32,500 Interest guaranteed by the Government under the Contract with the Railway Company.

By the Act of Parliament of last year, it is stipulated that after paying off the portion of the £100,000 expended, and the arrears of Interest (the latter of which, however, the Government would have to pay in addition to the purchase price), 77 per cent. of the Sale price is to be distributed to the holders of the £650,000 Debenture Bonds.

This proportion (allowing that £50,000 of the £100,000 will have been spent) would amount to £587,125, equal to over £90 per Bond in 4 per cent. Tasmanian Government Bonds, which valued at £92 10s. will produce over £83 cash per Bond.

The present quotation of 60 arises from the fact of but few persons being aware of the position of this Railway and its relations to the Tasmanian Government, and especially to the recent communications that have taken place between the Tasmanian Government and the Company.

The Directors sail on the 13th instant, and should arrive in Tasmania about the end of June; and by the middle of July, that is about two months from now, telegraphic communication ought to allow the result to be known in this country; and as either the sale of the Line or the resumption of the payment of interest, one of which is certain to be adopted by the Government, would make these Bonds worth over £83 per Bond, we have no hesitation in calling the attention of our Subscribers to the desirability of the purchase of the Bonds at any price up to £75, which would even at that price leave a very handsome margin for profit in the short time the money need be outlaid, especially when it is considered that this is not by holding a speculative Stock, but one bearing all the time the guarantee of a thriving and flourishing Colonial Government.

I am, Sir,
Your obedient Servant,

ALBERT GRANT, *Chairman and Managing Director.*

103, Cannon-street, E.C., London, 7th May, 1878.

QUEENSLAND GOVERNMENT FOUR PER CENT. LOAN OF 1877, £1,322,000,
Authorised by the Act of the Colonial Legislature, 41 Vic., No. 22, assented to 6th November, 1877.

TENDERS FOR £1,200,000.

THE Union Bank of Australia are empowered, as Financial Agents of the Government of Queensland, to negotiate a sale of Debentures, amounting to £1,200,000, being the whole amount of the above Loan that will be offered in London, the Balance, viz., £122,000, having been taken by the Queensland Government Savings' Bank. The Loan, which is secured upon the Consolidated Revenues of the Colony, is for the execution of certain permanent works of public utility and convenience—viz., Immigration, Railways, Roads and Bridges, Telegraphs, Harbours and Rivers Improvement, Water Supply, Public Buildings, Defence of the Colony, and certain other purposes.

The Debentures bear interest at Four per cent. per annum, commencing from 1st July, 1878, the Coupons being payable on the 1st January and 1st July in each year, at the Offices of the Banking Agents of the Government in London.

The principal sum will be payable on the 1st July, 1915, in London, Brisbane, Sydney, or Melbourne, at the option of the holder.

Copies of the Act authorising the Loan can be seen at the Union Bank of Australia, 1, Bank Buildings, Lothbury; where also Statistics of the Colony may be procured.

Tenders in the form annexed will be received at the Union Bank of Australia, until Two o'clock on Tuesday, the 28th instant, where and when they will be opened by the Directors, in the presence of such of the applicants as may attend.

The Debentures will be allotted to the highest bidders, but no Tender will be accepted at less than £92 for every £100 of Debentures.

Tenders at a price including a fraction of a shilling other than sixpence will not be preferentially accepted, and should the equivalent Tenders exceed the amount of the Debentures to be allotted, a *pro rata* distribution will be made.

Payment will be required as follows, viz. :—

Five per cent. on application, to be enclosed in Tender, and the balance on Wednesday, the 10th July next, when the Debentures will be delivered.

Forms of Tender may be obtained of the Union Bank of Australia.

Union Bank of Australia, 1, Bank Buildings, Lothbury, E.C.
21st May, 1878.

No.

FORM OF TENDER.

The Union Bank of Australia, London.

GENTLEMEN,

[The amount also in words.] **Queensland Government,** hereby Tender for £ **Debentures of the**
 [The amount £ for every £100 of Debentures, and to accept the same or any less amount
 also in words.] that may be allotted to and to pay the balance in conformity with the terms of the said notice.
 enclose the required Deposit of £

Name

Address

Date May, 1878.

COLONY OF QUEENSLAND.

THE Loan of 1877—£1,322,000, in Debentures bearing 4 per cent.—is for the following purposes:—

Immigration.....	£150,000
Improvement of Harbours and Rivers	100,000
Railways.....	751,600
Electric Telegraphs.....	25,000
Public Buildings	86,300
Roads and Bridges	52,600
Water Supply	62,500
Advances to Municipalities	10,000
Defence of the Colony	12,000
Difference between amount voted and amount received under "Loan Act of 1876".....	72,000
	<u>£1,322,000</u>

The total previous Loans of the Colony amount to £7,689,286, which have been applied to various reproductive purposes similar to the foregoing.

The Colony of Queensland comprises the north-eastern portion of the Continent of Australia, having an area of 678,600 square miles, with a seaboard of 2250 miles. At the close of 1877 it possessed 400 miles of Railway open or ready to open, 82 miles in course of construction, 93 miles for which tenders were accepted or ready to be accepted, and 165 miles authorised by the Legislature but not yet commenced, making a total, when completed, of 740 miles. At the same date, 5041 miles of Electric Telegraphs were open, and 600 miles additional were in course of construction.

The following Statistics, taken from official sources, show the steady progress made by the Colony since its separation from New South Wales in December, 1859:—

Year.	Population.	Revenue (General).	Expenditure (General).	Imports.	Exports.	Progress of Agriculture.
		£	£	£	£	Acres under crop.
1860	23,056	178,589	180,103	742,023	523,477	3,353
1865	87,804	472,451	449,232	2,505,559	1,153,464	14,415
1870	115,567	743,058	771,999	1,577,339	2,533,732	52,210
1871	125,146	799,005	780,642	1,562,605	2,760,045	59,969
1872	133,533	988,888	852,055	2,218,717	2,998,934	62,491
1873	146,690	1,120,034	954,856	2,885,499	3,542,513	64,218
1874	163,517	1,160,947	1,109,380	2,962,439	4,106,462	70,331
1875	181,288	1,223,194	1,401,198	3,328,009	3,857,576	77,347
1876	187,100	1,293,868	1,302,982	3,126,559	3,875,581	85,569
1877	203,095	1,564,782	1,473,275	3,672,849	4,102,068	..

It should be stated that the above returns of Revenue and Expenditure are from 1st January to 31st December in each year; the returns for the financial year, the commencement of which has recently been altered from January to July, being somewhat different.

In addition to the actual revenue of £1,564,782 in 1877, a further sum of £301,600 was received on account of Land Sales within the Railway Reserves, which, in accordance with special Acts, is applied solely to the extension of the Queensland Railway System. These reserves, five in number, are estimated to contain not less than forty-five millions of acres—an amount sufficient to provide funds, not only to complete the proposed Railways, but also largely to extend them into the interior, without adding to the public debt, or becoming a charge upon the Consolidated Revenue.

The Cultivation of Sugar continues to progress satisfactorily. The returns for the present season are estimated by the Chief Inspector of Distilleries as follows:—

Land under Cane.....	13,000 acres.
Sugar Crop.....	12,000 tons; value, £300,000.
Rum.....	150,000 gallons; value, £18,000.

The deposits with the various Banks in the Colony have increased from £286,900 in 1860, to £3,674,350 in 1877, whilst the Savings' Banks Deposits at the latter date amounted to £762,312.

^a Owing to a change in the system of making up the accounts, three half-yearly payments of interest are included in this amount.

25

28.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 8th June, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your favor of the 12th April, which reached me on the 21st day of May, being 39 days from its date. The enclosure, Prospectus of the £300,000 4 per cent. Loan, also came safely to hand.

I regret to learn that Debenture No. 2097 had not been signed by the Treasury Clerk, but trust that the purchaser will not take any objection to the omission, which was of course merely accidental.

I am pleased to be able to inform you that the Revenue of the Colony for 1877 reached £345,577, being an excess of £5577 over the estimate I gave you in my letter of 1st October last; and that for the first five months of the current year the Revenue exceeded by upwards of £13,000 the corresponding period of last year.

I have, &c.

W. R. GIBLIN.

The Manager Consolidated Bank, London.

29.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 8th June, 1878.

SIR,

I HAVE the honor to acknowledge the receipt, on the 21st ult., of your letter of the 12th April, which thus reached me in 39 days. There is no route at present open which can compare with the P. & O. Mail Service *via* Brindisi, Suez, and Melbourne for promptness and regularity of transmission of letters to this Colony.

I have to thank you for the full information contained in your letter, and for the Press notices of our Loan which you were good enough to forward.

You will be pleased to learn that the condition of the Colony continues to improve rapidly. A large area of country in the west of the Island, hitherto almost unknown, is now discovered to be rich in mineral deposits of tin, gold, &c.; and our Revenue (though small if compared to the larger and more prosperous Colonies) is steadily improving. Thus the Revenue, which in 1876 was £313,828, in 1877 reached £345,577; and during the first five months (January to May) of the present year the receipts were upwards of £13,000 in excess of those of the corresponding period of last year.

I have, &c.

W. R. GIBLIN.

The Manager Bank of New South Wales, London.

30.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 6th July, 1878.

SIR,

I HAVE the honor to acknowledge the receipt on the 21st June of your letter dated 18th April last, per *Cuzco*, with eight enclosures, which was delivered here on the same day and hour as the Mail *via* Brindisi, Suez, and Point de Galle, which left London on the 10th May.

I have also the honor to acknowledge the receipt on the 29th June of your letter of the 26th April, *via* Brindisi and Brisbane, which, with its enclosed account, thus reached me eight days after other London letters of fourteen days later date. I did not receive from you any advices by the regular Peninsular and Oriental Mail service, which left London on 10th May, and reached this, as above, on the 21st June.

I notice with great regret, though not altogether with surprise, the unscrupulous and partially successful efforts made by persons interested in the Tasmanian Main Line Railway Company to damage the credit of this Colony in the London market, and to prevent the Loan being floated on reasonable terms.

Bearing in mind the time selected for the assault upon the good faith of the Colony, and the apparently partisan view taken by the *Times* of the questions at issue between the Colony and the Railway Company, I concur with you in considering that our 4 per cent. Loan was floated "under exceptionally adverse circumstances;" and that being remembered, I must say that the result is quite as satisfactory as I could reasonably expect.

I note that, in accordance with my letter of 21st January last, you have paid a sum of £5000 to the Crown Agents as requested.

On the 18th June last I received from you a Telegram, dated 11th June, to the following effect:—

"In consequence of opposition by Main Line Railway, settlement and quotation of last Loan postponed by Stock Exchange."

This Telegram was delayed in transmission owing to a temporary interruption of the cable communication between Australia and Tasmania.

While I presume that the action of the Committee of the Stock Exchange, referred to in your Telegram, could not interfere with the payment of the balance of the Loan subscribed for on the 13th April, yet it sufficiently indicates the will and the intention of those interested in the Main Line Railway to coerce this Colony into a settlement of disputes on terms favourable to their claims. The present state of matters is most unsatisfactory to all parties, and this Government would gladly hail any proposals which would lead to a fair and equitable adjustment of all matters in difference.

The Manager of the Consolidated Bank, London.

I have, &c.

W. R. GIBLIN.

31.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES, LONDON.

Colonial Treasury, Hobart Town, 6th July, 1878.

SIR,

I HAVE the honor to acknowledge the receipt on the 21st June last of your letter per *Cuzco*, dated 18th April, and of the several enclosures therein referred to.

I had not the pleasure of hearing from you by the regular Peninsular and Oriental Company's Mail, which left London on 10th May, and reached this on the same day and hour as the *Cuzco's* Mail—22 days earlier in date.

Under all the circumstances, and especially having regard to the determined and unscrupulous manner in which the good faith of this Colony was attacked on the very eve of the floating of our new 4 per cent. Loan, I must express my satisfaction at the result; and I desire to thank you for the pains that you took to contradict the injurious statements put forward by interested parties with a view to damage the credit of the Colony, and to express my gratification that your efforts were attended by a considerable measure of success.

It is easy for us on the spot to feel confident of the rectitude of our actions, and the propriety of our resistance to an unjust demand; but it is very difficult to make the justice of our case clear and apparent at the other end of the world, where almost the only people sufficiently interested to enquire into the subject are those whose pecuniary interests would point in an opposite direction to that taken by the Colony.

It is believed that a deputation from the Tasmanian Main Line Railway Company are now on their way to the Colony. I sincerely hope that the result of their visit may be the amicable adjustment of all questions in difference between the Company and the Colony; but the course taken with regard to our recent Loan can hardly be looked on as propitiatory, or as in any way calculated to allay angry feelings on the part of the colonists, who find a demand to pay the full price for an imperfect and defective article sought to be enforced by the extraordinary method of injuring the credit of the Colony in the London market.

I have, &c.

W. R. GIBLIN.

Manager of the Bank of New South Wales, London.

32.

RETURN of Tasmanian Government Debentures issued under Act 41 Vict. No. 3, by the Consolidated Bank and Bank of New South Wales for a 4 per cent. Loan of £300,000, subscribed for by Public Tender in London, on the 15th April, 1878.

Number.	Price tendered for every £100 Debenture.			Amount Allotted.	Total Paid.		
	£	s.	d.		£	s.	d.
2	95	10	0	200	191	0	0
2	94	0	0	200	188	0	0
4	93	11	0	400	374	4	0
1	93	2	6	100	93	2	6
10	93	0	6	1000	930	5	0
53	93	0	0	5300	4929	0	0
1	92	17	6	100	92	17	6
51	92	16	0	5100	4732	16	0
110	92	15	6	11,000	10,205	5	0
13	92	15	0	1300	1205	15	0
50	92	11	6	5000	4628	15	0
5	92	11	0	500	462	15	0
35	92	10	6	35,000	32,383	15	0
2348	92	10	0	234,800	217,190	0	0
3000	..			300,000	£277,607	10	0

Being an average of £92 10s. 8½d. per £100.

These Debentures were issued for the sum of £100 each, bearing interest at the rate of 4 per cent. per annum, payable half yearly in London on the 1st July and 1st January.

The whole £300,000 were offered for sale in London by public tender on the 15th April last, and a deposit of 5 per cent. was paid on allotment; and the balance, due on the 15th May following, has also been paid.

Amount realised on allotment of £300,000 Debentures	£	s.	d.
	277,607	10	0
Deduct cost of negotiating Loan in London—			
Telegrams	18	13	4
Stamp Duty on 3000 Bonds of £100 each, at 2s. 6d. per cent.	375	0	0
Brokerage	742	15	0
Commission, ½ per cent. to the Consolidated Bank and Bank of New South Wales	1500	0	0
Printing, Advertising, &c.	58	19	2
	2695	7	6
Expenses in the Colony—			
Preparation of Debentures	75	0	0
Telegrams	15	15	4
	90	15	4
	2786	2	10
	£274,821	7	2

Average cost of negotiating the Loan, 18s. 6¾d. per cent.

WM. H. WINDSOR, Assistant Colonial Treasurer.

Colonial Treasury, Hobart Town, 24th July, 1878.

LOAN £300,000, 4 PER CENT.

Correspondence in continuation of Paper No. 39 of the present Session.

[Laid upon the Table by the Colonial Treasurer, and ordered by the House to be printed, 6 August, 1878.]

33.

BANK OF NEW SOUTH WALES to COLONIAL TREASURER.

*Bank of New South Wales, Old Broad-street,
London, E.C., 20th June, 1878.*

SIR,

I BEG to enclose press copy of my letter of the 7th instant; and have now the honor to inform you that on the 11th instant the application for a settlement and quotation of your Government Loan for £300,000 was brought before the Committee of the Stock Exchange, when Mr. Fysh and representatives from this and the Consolidated Bank appeared in support of the application. Mr. Fysh replied at length to the charges brought against the Government by the Tasmanian Main Line Railway Company. Mr. Sheward, Chairman of the Company, appeared to support the request of the Company to the Stock Exchange Committee asking for delay in granting a quotation, and reiterated the charge of repudiation against the Government; the result being that the Committee unanimously agreed to postpone the settlement and quotation under clause 59 of their Rules and Regulations, copy of which I enclose for your information.

On the same day the following Telegram was sent you:—

“In consequence of opposition by Main Line Railway, settlement and quotation of last loan postponed by Stock Exchange.”

I have, &c.

*To the Honorable the Colonial Treasurer,
Hobart Town, Tasmania.*

D. LARNACH, *Managing Director.*

EXTRACT from the Rules and Regulations of the Stock Exchange.

New Bonds of Foreign Governments violating Conditions of previous Public Loans.

59. The Committee will not recognise New Bonds, Stock, or other Securities issued by any Foreign Government that has violated the conditions of any previous Public Loan raised in this country, unless it shall appear to the Committee that a settlement of existing claims has been assented to by the general body of Bondholders.

Companies issuing such Securities will be liable to be excluded from the Official List.

34.

BANK OF NEW SOUTH WALES to COLONIAL TREASURER.

*Bank of New South Wales, Old Broad-street,
London, E.C., 5th July, 1878.*

SIR,

I HAVE the honor to acknowledge the receipt on the 1st instant of your favour of 11th May last, enclosing certified copy of the Act of Parliament of Tasmania authorising Four per cent. Loan of 1878, £300,000, for which I thank you.

I have, &c.

*The Honorable the Colonial Treasurer,
Hobart Town, Tasmania.*

DAVID GEORGE, *Secretary.*

CONSOLIDATED BANK to COLONIAL TREASURER.

Via Brindisi and Melbourne.

*The Consolidated Bank, Limited, 52, Threadneedle-street,
London, 5th July, 1878.*

Tasmanian 4 per cent. Loan, 1878.

SIR,

I LAST had the honor of writing to you on this subject on the 24th of May last, via Brindisi and Brisbane, and a copy of my letter of that date, with a copy of the corresponding Statement of Account, is herewith enclosed.

I have since been duly favoured with your letters of the 13th April and 11th May last, the latter enclosing, in compliance with the request in my letter of the 15th March last, two certified copies of the Act of the Tasmanian Parliament, 41 Vict. No. 3.

With reference to the statement in the Debentures that the Interest is payable upon presentation of the Debentures, (referred to in my letter of the 15th March last), I duly take note, from your reply of 11th May, that this form was originally adopted for the purpose of enabling the Treasurer, in case of suspicious circumstances as to the ownership, to require the production of the Debentures when the Coupons are presented for payment; but that the uniform practice has been to pay on production of the Coupons only: that there can be no objection to this course being continued, and that you, therefore, authorise its continuance in the case of the Four per cent. Loan notwithstanding the form in which the Debentures are made out.

In my letter of the 24th May last I informed you that we had made application to the Committee of the London Stock Exchange, requesting them to authorise the usual settlement and quotation of your Four per cent. Loan.

In anticipation of this we furnished the Secretary of the Stock Exchange with full particulars of the Loan, making a Statutory Declaration as to its entire issue, and, in fact, fully complying with the ordinary requirements of the Committee for the granting of a settlement and quotation.

The 11th June was ultimately fixed for the consideration of the matter.

For the purpose of supplying any information that might be necessary I attended the Committee on behalf of this Bank; Mr. Currie on behalf of the Bank of New South Wales; Mr. Fysh, unofficially, but for the purpose of affording information; and Mr. Sheward, Chairman of the Tasmanian Main Line Railway Company, on behalf of that Company.

The matter was then fully gone into, Mr. Fysh giving a full history of the formation of the Railway, and of the defects and shortcomings in its construction.

Mr. Sheward denied Mr. Fysh's main allegations. Mr. Fysh replied in explanation, and the several inquiries of the Committee were duly answered. We were then requested to retire.

After a short delay we were recalled, and the Chairman of the Committee informed us, without assigning any reason or affording any explanatory information, that the Committee had decided to postpone the settlement and quotation of the Loan.

This result, which we communicated to you in a telegram on the 11th ultimo, was of course solely and entirely due to the opposition raised by the representatives of the Tasmanian Main Line Railway.

The effect of this refusal to grant a quotation is to prevent almost entirely dealing in the Bonds; so that the Brokers who usually subscribe for these Loans in the first instance, intending ultimately to supply them to the public as may be required, are left with large amounts on hand.

From the observations made by various members of the Stock Exchange Committee, the impression is that they do not intend to grant the quotation of the Loan until the differences existing between your Government and the Tasmanian Main Line Railway Company are satisfactorily arranged. The refusal to grant the quotation has no immediate effect upon your Loan, except in so far as it restricts its negotiability; but it must not be forgotten that, unless the present difficulty is got over, there will be no probability of future Loans being issued on favourable terms in our market.

I have, &c.

JAS. TULLOCH, *Manager.*

*The Honorable the Colonial Treasurer,
Hobart Town, Tasmania.*

31

36.

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 3rd August, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 24th May last, forwarded by the Brindisi, Torres Straits, and Brisbane route, which reached me on the 24th July, 61 days from its date.

The information which it contained had been anticipated by a letter from the Bank of New South Wales, dated the 7th June, or fourteen days later than your letter, but having been forwarded by the ordinary Mail Service, (*viâ* Brindisi, Suez, Galle, and Melbourne,) came to hand on the 18th July,—thus occupying 40 days in transit as against 61 by the more circuitous route. Up to the present time neither the Torres Straits nor San Francisco Mail services can be compared with that by Suez and Galle for promptness and regularity of transmission of letters to this Colony. I mention this, as by your letter of the 24th November last you inferentially express a desire to know which is the most direct and expeditious mode of communication with Tasmania.

The final Statement of the Loan Account to the 23rd May, enclosed in your letter, came duly to hand, and was quite correct.

I much regret the step taken by the Directors of the Tasmanian Main Line Railway Company for the purpose of preventing the quotation of our 4 per cent. Loan on the Stock Exchange; and still more that, up to the period of my last advices from you, the opposition of the Company seems to have been successful.

A long-promised Deputation from the Directors of the Company arrived this week in New Zealand, and are expected in Tasmania next week. I trust that their visit will conclude in a satisfactory settlement of this vexed question. I will acquaint you at the earliest possible opportunity when any solution of the points in difference has been arrived at.

I enclose, for your information, two copies of Parliamentary Paper No. 39, containing the Correspondence respecting the negotiation of the Loan.

I have, &c.

W. R. GIBLIN.

The Manager of the Consolidated Bank, London.

37.

COLONIAL TREASURER to BANK OF NEW SOUTH WALES.

Viâ Brindisi.

Colonial Treasury, Hobart Town, 3rd August, 1878.

SIR,

I HAVE the honor to acknowledge the receipt, on the 18th July, of your letter of the 7th June last, which thus reached me in 40 days, again illustrating the superior advantage of the Brindisi, Suez, and Galle route over any other yet opened.

I have to thank you for the various enclosures contained in your letter, all of which supplied most interesting information, which you will see, by the printed copy correspondence I have now the honor to forward you, I have made available for the use of our Parliament.

I regret the action which the Directors of the Tasmanian Main Line Railway have thought it becoming to take, in order, as I presume, to force on a settlement of their demands; and, especially, that the Committee of the Stock Exchange seem to have given credence to their representations.

The local Agent of the Company has written to me, on the part of the English Directors, denying in the most explicit and emphatic terms Mr. Albert Grant's connection with the Company, asserting that he is not now even a shareholder, and that he does not possess, and never has possessed, any influence over the Directorate. It seems very hard to reconcile this denial with patent facts.

The Deputation from the Company, mentioned in my last letter, have arrived in New Zealand, and are expected in Tasmania next week. I will avail myself of the earliest opportunity to communicate to you the result of their visit, should my hope expressed in that letter be realised.

I have, &c.

W. R. GIBLIN.

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

COLONIAL TREASURER to CONSOLIDATED BANK.

Colonial Treasury, Hobart Town, 30th August, 1878.

Tasmanian 4 per cent. Loan, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 5th July last, viâ Brindisi, Suez, Galle, and Melbourne, which reached me on the 12th instant, being only 38 days from its date.

I regret the action taken by the Committee of the Stock Exchange, deferring the quotation of the above Loan upon representations made by the Tasmanian Main Line Railway Company. It appears to me to be utterly unjustifiable, as by no fair use of language can the Tasmanian Government be stated to "have violated the conditions of a previous public Loan," which is I understand the alleged reason for refusing the quotation.

The dispute is a *bonâ fide* one, and the action of the Stock Exchange Committee appears to be of a partisan character, which would not have been looked for from such a quarter.

A Deputation from the Railway Company are now in Tasmania negotiating with the Government, but no arrangement has been yet concluded. The interference of the Company with our credit and standing in the English market has rather aggravated differences than facilitated a settlement.

I have, &c.

W. R. GIBLIN.

The Manager of the Consolidated Bank, London.

COLONIAL TREASURER to MANAGER OF BANK OF NEW SOUTH WALES.

Colonial Treasury, Hobart Town, 31st August, 1878.

Tasmanian 4 per cent. Loan, 1878.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 20th June last, viâ San Francisco, which reached here on the 12th instant.

On the same day I also received your Secretary's letter of the 5th July, viâ Brindisi, Suez, Galle, and Melbourne, which had thus gained 15 days upon its predecessor in course of transit.

I have to thank you for the information contained in your letter as to the action of the Committee of the Stock Exchange, deferring the quotation of the above Loan upon representations made by the Tasmanian Main Line Railway Company, and for the extract from the Rules and Regulations of the Stock Exchange—Rule 59—upon which the decision of the Committee professes to be based. I must reiterate my regret that the Committee should have taken such a view of a *bonâ fide* dispute between the two contracting parties, to which the rule in question seems entirely inapplicable.

A Deputation from the Main Line Railway Company are now in Tasmania, ostensibly with a view to the amicable adjustment of all matters in difference between the Company and the Colony. Little disposition has, however, yet been shown to meet the reasonable demands of the Colony in a fair spirit—the proposal to refer all the matters in difference to five Arbitrators being rejected by the Company with disdain.

It appears to me that the Company rely upon the action of the Committee of the Stock Exchange to put pressure upon the Colony to settle with them on any terms, however unfair to the Colony.

I hope that I may prove mistaken in this view, and that by next Mail I may be able to advise you of some compromise having been arrived at.

I have, &c.

W. R. GIBLIN.

D. LARNACH, Esq., Manager Bank New South Wales, London.