

Extract from the *Times* of 24th June, 1864.

It is understood that New Zealand Government debentures for £1,000,000 are about to be offered to the public by the Crown Agents for the Colonies. This sum forms the first instalment of a loan of £3,000,000, authorised to be raised by the Colonial Legislature for defraying the cost of the present rebellion, for the introduction of settlers, and for other public purposes. A Bill is now before Parliament by which it is proposed to extend the guarantee of the Imperial Government to one-third of the whole loan, or £1,000,000 sterling, and this portion is to be applied exclusively to military defence. The other two-thirds are secured on the general revenues of the colony, and it is a million of this latter portion which is now about to be offered to public competition. The debentures bear interest at 5 per cent., and are redeemable in 50 years by the operation of a sinking fund of 1 per cent., the principal and interest being payable by the Crown Agents in London.

## THE PANAMA CONTRACT AND THE NEW ZEALAND LOAN BILL.

To the Editor of the *Standard*.

SIR,—Mr. Crosby Ward, the Postmaster-General, and at that time a member of the government of New Zealand, was sent home instructed to negotiate for the conveyance of the mails from England to New Zealand and Australia via Panama. With the legal aid, and under the wing of the Postmaster-General of Great Britain, he made an agreement, exact and well considered, in which no legal formality seems to have been omitted. The Panama Steamship Company, with which Mr. Ward contracted, invited and received applications for shares, and entered into arrangements (which must be fulfilled) to build fitting steamers to carry the contract out efficiently. I subscribed £1000 to the capital, not for a moment doubting the good faith of the New Zealand Government; but, to my surprise, I learn that Mr. Ward and his contract are repudiated by his employers, and that the ministry of which he was a member, has been outvoted and turned out. British Colonial Governments, above all others, must keep good faith, if they wish for credit. In my judgment it will be well to defer passing till next session the New Zealand Loan Bill, by which our Government is to guarantee interest on £1,000,000, and in the meanwhile colonial integrity may find its level. I for one am not content to pay out of imperial taxes the interest on this loan, nor hold my tongue, while the public is invited to subscribe for £3,000,000, and become hereafter, as I am now,

A DISAPPOINTED SUBSCRIBER.

P.S.—I enclose my card.  
June, 1864.

## No. 18.

THE HON. THE COLONIAL TREASURER TO THE HON. THE COLONIAL SECRETARY.

Westminster Palace Hotel, London, July 13th, 1864.

SIR,—

I have the honour to report that yesterday the tenders for the first instalment of £1,000,000 of the New Zealand Loan were opened at the offices of Messrs. Julian & Sargeant. The amount tendered for was £6,100, the amount at and above the minimum of 90 was £3,600.

In fixing the minimum we were guided by the state of the money market on Saturday the 9th instant, which was as follows:—

India 5 per cents.	104	5	0
New South Wales ditto	97	10	0
Canada 5 per cents.	88	10	0
New Zealand 6 per cents.	106	0	0

The ruling rates of interest for money were:—

Short paper (best)	5	$\frac{7}{8}$
Six months Bank Bills	6	$\frac{1}{4}$
Ditto Trade Bills	7	
Joint Stock Banks give 4 $\frac{1}{2}$ per cent. on deposit.		

The fact also was taken into consideration that notwithstanding the comparatively favourable state of the market, money was not flowing towards Colonial Investments; a few days ago the Union Bank of Australia endeavoured to negotiate a 6 per cent. Loan of £100,000 for the Queensland Government, at £103 12s. 0d. Not more than one third of the amount was subscribed and under £30,000 was placed. We thought if we fixed the minimum lower than 90 that probably the Loan would fill up no better, whilst it would at a future time be difficult if not impossible to sell at a higher price should the market become suddenly more favourable for colonial securities.

The number of companies of all kinds and descriptions constantly being brought forward absorb all the available capital, and the inducements offered by them of high interest have had the effect, for the present at least, of shutting colonial securities almost altogether out of the market.

It happened too, most inopportunistically for this Loan, that a few days ago a telegram was received at the War Office, and published in every English paper, of a sad reverse to our troops at Tauranga, accompanied with very serious loss of life. This news has had a most depressing effect. The telegram stated the disaster in its worst form, unaccompanied with any explanation of its cause or its probable effect; the public begin to consider that the New Zealand war is interminable, and no doubt the impatience shown in consequence of the state of things in New Zealand affects the credit of the Colony.

Under these circumstances I have thought it better to instruct Messrs. Julian and Sargeant to ascertain upon what terms advances can be had upon the Debentures, than to reduce the minimum and so tempt speculators to buy at a price which would be a great pecuniary sacrifice to the Colony. I have also instructed them up to the 25th instant to offer the Debentures at the minimum fixed in the first