

CANADA RAILWAY LOAN ACT.

Canada now proposes to put a portion of the loan on the market, and, after consultation with Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., the financial agents of the dominion in London, the terms specified in the annexed paper are suggested as those on which it should be offered to the public.

Prospectus (A).

It will be perceived that it is proposed that the bonds for that portion of the loan which is guaranteed by the Imperial Government should, when issued, be countersigned on the part of Her Majesty's Government in the same form as was adopted in 1855, in the case of the Turkish Loan guaranteed by Her Majesty and the Emperor of the French.

Paper (B).

The approbation of the Commissioners of Her Majesty's Treasury is necessary before preparing the form of bond to be issued by the Government of Canada, which is also annexed, as well as to the proposed terms of the loan and the form in which the guarantee is to be evidenced; and it will be requisite that the financial agents of the dominion, or the Minister of Finance, should receive the Commissioners' authority to grant the interim receipts embodying the undertaking for the countersignature on the part of Her Majesty's Government to the bonds when issued.

(A.)

DRAFT of Substance of Terms of Proposed Loan.

ISSUE of 1,500,000 *l.* Canada Bonds, bearing 4 per cent. interest, and guaranteed by the Imperial Government of Great Britain under the authority of the Act of 30 Victoria, c. 16, being one moiety of the loan authorised by that Act, and of 500,000 *l.*, 5 per Cent. Bonds of the Government of Canada, being also a moiety of the loan of 1,000,000 *l.* authorised by the Act of the Parliament of Canada, passed on the 21st of December 1867, for the construction of the intercolonial railway.

Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co. are authorised by the Minister of Finance of the dominion of Canada, to receive at the office of the former firm, No. 8, Bishopsgate-street Within, on between the hours of 11 and 12 o'clock of the day, sealed tenders for 1,500,000 *l.*, Canada 4 per Cent. Bonds guaranteed by the Imperial Government of Great Britain, and to be repaid at the end of 35 years, say on 1st October 1903, as per form of bond annexed, and 500,000 *l.*, Canada 5 per Cent. Bonds of the form and tenor also annexed, and for which a sinking fund of 1 per cent. per annum will be provided.

All these bonds will bear interest from 1st July 1868, and the dividends will be payable half-yearly on 1st April and 1st October of each year, as per Dividend Warrants.

The above-mentioned sealed tenders may be for the whole or part of 2,000,000 *l.*, in the proportion of three quarters of guaranteed bonds, and one quarter of ordinary 5 per Cent. Canada Bonds, and no tender will be admitted which does not comply with this condition.

The Minister of Finance of Canada will deliver to the partners present of Messrs. Baring Brothers & Co., and Messrs. Glyn, Mills, Currie, & Co., a sealed paper containing the minimum price at which he will sell the above-mentioned 2,000,000 *l.* bonds; and those partners will then open the tenders, and afterwards the Minister's sealed paper, and allot the bonds to the highest bidder or bidders, *pro rata*, according to the price offered.

Neither Messrs. Baring Brothers & Co., nor Messrs. Glyn, Mills, Currie, & Co. will make any tender.

Upon allotment a payment of 20 per cent. will be required, and the subsequent instalments must be paid at the office of Messrs. Baring Brothers & Co., or Messrs. Glyn, Mills, Currie, & Co., as follows: or in default the previous payments will be forfeited—

25 per cent.	-	-	-	-	-	-	13th October 1868.
25 per cent.	-	-	-	-	-	-	12th January 1869.
Balance	-	-	-	-	-	-	13th April 1869.

Payment of these instalments may be made in full on any of the above days, under discount, at the Bank of England minimum rate of discount.

Scrip receipts will be issued without delay, and bonds of 1,000 *l.*, 500 *l.*, or 100 *l.* will be delivered in exchange as soon as practicable.

(B.)

CANADA.

Form of Debenture or Bond.

UNDER the authority of an Act of Parliament of Canada passed on the 21st December 1867, entitled "An Act respecting the Construction of the Intercolonial Railway," this debenture entitles the bearer on the 1st October 1903 to the sum of of lawful money of Great Britain, being part of the sum of 3,000,000 *l.* raised under the authority of the said Act, the said principal sum to be repaid in London, at the banking houses of Messrs. Baring Brothers, and of Messrs. Glyn, Mills, Currie, & Co., and to interest thereon until repayment of the principal at the rate of 4 per cent. per annum, payable