

1881.  
NEW ZEALAND.

## MEMORANDA IN CONNECTION WITH THE NEW PLYMOUTH HARBOUR BOARD INQUIRY

(REFERRED TO IN THE SPEECH OF THE HON. MAJOR ATKINSON ON THE SECOND READING OF  
THE NEW PLYMOUTH HARBOUR BOARD COMMISSION BILL.)

*Laid upon the Table by leave of the House.*

MEMORANDUM showing the PROBABLE LOSS to the COLONY arising from taking over the Liability and Assets of the New Plymouth Harbour Board in respect of a Loan of £200,000, founded upon the Report of the New Plymouth Harbour Board Inquiry Committee.

						£	£
<i>Liability.</i>							
Amount borrowed	...	...	...	...	...	200,000	
Less debentures purchased—							
Out of loan	...	...	...	...	£7,500		
Out of sinking fund	...	...	...	...	2,000		
					9,500		
						£190,500	
The annual charge for interest on £190,500, at 6 per cent., amounts to	...	...	...	...	...	11,430	
The present value of £11,430 per annum for twenty-eight years, computed at 5 per cent. compound interest, amounts to	...	...	...	...	...	170,285	
The present value of £190,500, payable twenty-eight years hence, computed at 5 per cent. compound interest, amounts to	...	...	...	...	...	48,595	
							218,880
<i>Assets.</i>							
Unexpended balance of the loan	...	...	...	...	...	109,897	
Balance in the hands of the Sinking Fund Commissioners	...	...	...	...	£28,410		
Deduct amount required to pay interest due on 1st November, 1881—six months on £190,500 at 6 per cent.	...	...	...	...	5,715		
					22,695		
Estimated revenue from land—							
Sales on deferred payments extending over ten years	...	...	...	...	£26,000		
Sales for cash	...	...	...	...	56,250		
					£82,250		
Assuming that this sum would be receivable in 10 years, in equal instalments of £8,225, the present value at 5 per cent. compound interest would be	...	...	...	...	...	63,511	
							196,103
							£22,777

NOTE.—The above statement includes the cash balances on 16th July, 1881. No allowance is made for interest on these balances from 16th July to 1st November, 1881; but if such interest were allowed, and if the land revenue accrued within a shorter time than ten years, the deficit would be proportionately less. If the revenue from sales for cash accrued in five years in equal instalments of £11,250, the deficit would be reduced to £17,506.

MEMORANDUM of the PROBABLE LOSS on the same Account, assuming that the Outstanding Debentures of the Loan would be purchased, say, at £112 for every £100.

To purchase the debentures outstanding, amounting to £190,500, at 112 (assuming they could be now purchased at that rate, which is more than doubtful), would require	...		£	£
Amount of cash in hand,—				213,360
Balance of the loan	...	...	...	£109,897
In the hands of the Sinking Fund Commissioners	...	...	£28,410	
Less interest due 1st November, 1881	...	...	5,715	
			22,695	
				132,592
Estimated revenue from land, as in previous statement, £82,250. Assuming that this sum would be receivable in ten years, in equal instalments of £8,225, the present value, at 5 per cent. compound interest, would be	...	...	...	63,511
				196,103
				£17,257
				£17,257

NOTE.—If the revenue from sales for cash accrued in five years in equal instalments of £11,250, the deficit by this mode of stating the account would be £11,985. If the debentures were purchased at 115 instead of 112, the deficit would be £22,972 instead of £17,257; or, if the land revenue accrued in five years, £17,700 instead of £11,985.