

NEW ZEALAND CONSOLS CONVERSION.

Results of the Operation, as affecting the Finances of the Colony.

	£	£
(a.) Capital of the debt—		
Immediate augmentation (4-per-cent. stock, created at par, to meet expenses) ..	..	17,351
Viz.: Bank of England initial charge, upon both converted debt and additional stock (£3,669,054) ..	..	2,201
Brokerage payable by the Bank of England ..	..	9,129
Stamp duty at 6d. per cent. upon the converted debt (£3,651,700) ..	..	913
Stamp duty at 12s. 6d. per cent. upon the additional stock (£17,351) ..	..	108
Incidental expenses ..	..	5,000
Additional augmentation at the end of seven years ..	..	279,210
Viz.: Premium at 7 per cent upon the converted debt ..	..	255,619
Four-per-cent. stock, created at par, to meet expenses then incident, viz. ..	..	23,591
Stamp duty at 12s. per cent upon the converted debt and premium (£3,907,319) ..	..	23,444
Stamp duty at 12s. 6d. per cent upon the further additional stock (£23,591) ..	..	147
Total augmentation after seven years ..	..	296,561
(b.) Annual charge—		
For the first seven years ..	..	183,279
Viz.: Interest at the rate of 5 per cent. upon the converted debt (£3,651,700) ..	..	182,585
Interest at the rate of 4 per cent. upon the additional stock (£17,351) ..	..	694
Eighth and subsequent years ..	..	157,931
Viz.: Interest at the rate of 4 per cent. upon the whole debt (£3,948,261)—	..	..
Viz.: Converted debt ..	..	£3,651,700
Premium upon conversion ..	..	255,619
Additional stock created ..	..	17,351
Further additional stock created ..	..	23,591
(c.) Annual reduction in charge—		
For the first seven years (sinking fund, as below, not allowed for) ..	..	100,452
Eighth and subsequent years (ditto) ..	..	125,800
(d.) Total reduction in annual charge—		
For the remaining years of the currency of the consols, say, 21·14 (sinking fund, as below, not allowed for) ..	..	2,481,976
(e.) Liquidation of increase in debt—		
Annual sinking-fund (4 per cent. interest) for 44½ years, ending 1st November, 1929, for retirement of increase of debt (£296,561), as in (a.)	2,511

18th May, 1885.

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[Approximate Cost of Paper.—Preparation, Nil; printing (1,225 copies), £1 2s. 10d.]

By Authority: GEORGE DIDSBUXX, Government Printer, Wellington.—1885.