

1899.

## NEW ZEALAND.

# A LOAN RAISED IN THE COLONY AND A LOAN RAISED IN LONDON

(COMPARATIVE RESULTS OF).

*Laid on the Table of the House of Representatives by leave.*

COMPARATIVE RESULTS of a TEN YEARS' LOAN to produce £250,000 Net if raised in LONDON at 3 per cent. and at £94 for every £100, or if raised in the COLONY at  $3\frac{3}{4}$  per cent. at par.

*If raised in London,—*

|  |          |
|--|----------|
| There would require to be raised   | £270,280 |
| to produce £250,000 net, after providing for raising loan at £94 and $1\frac{1}{2}$ per cent. for cost of raising such loan. |          |

*If raised in the Colony,—*

|   |          |
|---|----------|
| There would require to be raised  | £250,312 |
| as the cost of raising such loan would be nominal, say, $\frac{1}{8}$ per cent. |          |

The YEARLY AMOUNTS required to be set aside for Loans.

*If loan is raised in London,—*

|   |              |
|---|--------------|
| 3 per cent. on £270,280, interest   | £8,108       |
| Sinking fund to provide for difference between selling-price, £94, and face-value of debentures, £100 | £1,416       |
| Cost of remittance of interest-payments to London, $\frac{1}{4}$ per cent. on £8,108                  | £20          |
|   | <hr/> £9,544 |

*If raised in the Colony,—*

|                                      |        |
|--------------------------------------|--------|
| $3\frac{3}{4}$ per cent. on £250,312 | £9,387 |
|--------------------------------------|--------|

So that, if the loan is raised in the colony, the saving will be £157 per annum in the yearly charges, besides having to provide at the end of the currency of the loan (ten years) only £250,312, whilst if the loan is raised in London there would be required to be provided at the end of the currency (of ten years) of loan £270,280.

Treasury, Wellington, 28th August, 1899.

JAS. B. HEYWOOD,  
Secretary to the Treasury.