

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  $3\frac{1}{4}$  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
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	£9,544

*If raised in the Colony,—*

$3\frac{1}{4}$ per cent. on £250,312	£9,387
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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.

COMPARATIVE RESULTS of a TEN YEARS' LOAN to produce £250,000 Net to be raised either in LONDON at 3 per cent. interest and at £95 for each £100 of loan, or in the COLONY at  $3\frac{3}{4}$  per cent. at par.

*If raised in London,—*

There would require to be raised to allow for cost of raising loan at £95, namely, at  $1\frac{1}{2}$  per cent. ... .. £267,380

*If raised in the Colony,—*

The cost of raising such loan would be nominal, say  $\frac{1}{8}$  per cent., so that there would require to be raised ... .. £250,312

The YEARLY AMOUNTS required to be set aside for the Loan.

*If raised in London,—*

Would be 3 per cent. on £267,380 ... ..	£8,021·4	
Sinking fund to provide for difference between £95 and £100 ... ..	£1,169·3	
Cost of remittance of interest-payments, $\frac{1}{4}$ per cent....	£20·21	
		£9,211

*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 loss will be the payment of £176 per annum for ten years, but at the end of the ten years the colony would only require to provide £250,312 instead of £267,380 if the loan was raised in London.

Treasury, Wellington, 28th August, 1899.

JAS. B. HEYWOOD,  
Secretary to the Treasury.

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