

Now, therefore, it is mutually agreed as follows :—

1. In respect of the total principal of the debt set out in the First Schedule (£27,532,163 17s. 10d.), or so much thereof as from time to time remains unpaid, the Dominion shall pay the Imperial Government interest at the rate of £4 19s. 5·88d. per centum per annum.
2. Interest due by the Dominion to the Imperial Government in pursuance of paragraph 1 of this agreement shall be payable half-yearly on the first day of June and first day of December, the first of such payments to be made on the first day of December, one thousand nine hundred and twenty-two.
3. In addition to the interest payable by the Dominion in pursuance of paragraphs 1 and 2, it is further agreed that the Dominion shall pay to the Imperial Government half-yearly on the said first day of June and the first day of December, in reduction of the principal, such sums as will when added to the interest so paid make a total annual payment of £1,651,929 16s. 8d., which is equivalent to the sum of £6 per centum per annum upon the total principal of the debt set out in Schedule I. This total annual payment shall continue to be made until the principal is wholly repaid.
4. While interest is paid by the Dominion as provided above the Imperial Treasury shall not be entitled to payment of the coupons attached to the debentures included in Schedule I, and they shall, as and when the coupons fall due, cause the same to be cancelled and returned to the Treasurer of the Dominion. Likewise, when the total principal has been repaid the Imperial Treasury shall cause the bonds to be cancelled and returned to the Treasurer of the Dominion.
5. Notwithstanding anything contained in this agreement, the Dominion shall have the right at any time, on giving three months' notice, to repay to the Imperial Government at par any part of the debt set out in Schedule I, but any such repayment shall not affect the amount of the total annual payment as provided in paragraph 3, which shall continue unchanged until the whole of the principal is repaid.

Witness—N. Egerton Young.

Witness—C. Knowles.

O. E. NIEMEYER,
Deputy Controller of Finance, H.M. Treasury.

J. ALLEN,
High Commissioner in London for the Dominion
of New Zealand.

SCHEDULE I.				£	s.	d.
4½-per-cent. debentures, 1925-45	..	..	..	5,323,232	6	4
5-per-cent. debentures, 1929-47	..	..	..	11,100,000	0	0
3½-per-cent. debentures, 1925-28	..	..	..	1,000,000	0	0
5¾-per-cent. debentures	..	..	..	9,900,000	0	0
3½-per-cent. book debt	..	..	..	168,421	1	0
5-per-cent. book debt	..	..	..	40,510	10	6
				£27,532,163	17	10

The total interest payable on the above debts at the respective rates of interest shown amounts to £1,369,590 14s. 4d. per annum, and this is equivalent to interest at the rate of £4 19s. 5·88d. per cent. on the total of the debts—viz., £27,532,163 17s. 10d.

SCHEDULE II.				£	s.	d.
4½-per-cent. debentures	..	..	..	2,090,909	1	9

NOTE.

Extract from report by New Zealand Government Actuary :—

“On the basis set out in the agreement of the 6th September, 1922, the total funded debt will be repaid in a little under thirty-six years, counting from the 1st June, 1922. This means that the seventy-second instalment, payable at the end of thirty-six years, will be slightly less in amount than the preceding instalments.”

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