PUBLIC DEBT OF NEW ZEALAND.

NET RESULT OF THE CONVERSION OF THE FOLLOWING PORTIONS OF THE DEBT INTO CONSOLIDATED 4-PER-CENT. STOCK.

View of the Working of the Scheme, and Capitalization of the Results.

Description of Debt Converted.	Present Annual Charge.			Further Issues required of 4-per-cent Stock.			Annual Charge up to the 1st November, 1929, after Conversion.				Net Annual Saving.	Capitalization of the Results of the Conversion: Interest at 4 per Cent. per Annum.		
	For Interest	For Expenses at ¼ per Cent on the Interest.	Total.	For Premium on Conversion.	For Stamps, Brokerage, and Costs attending Issue.	Total.	For Interest. On existing Debt.	For Interest. On Increase of Debt.	For Expenses at £550 per Million of Stock.	Total.		Present Value of Decreased Annual Charge.	Present Value of Increased Capital of Debt.	Balance in favour of the Conversion.
(1.)	(2.)	(3.)	(4.)	(5.)	(6.)	(7.)	(8.)	(9.)	(10.)	(11.)	(12.)	(13.)	(14.)	(15.)
£1,832,000 short dated .. .. (Current to 1 Jan., 1886.)	£91,600	£229	£91,829	Nil	£13,756	£13,756	£73,280	£550	£1,015	£74,845	**£16,984**	£13,078	£12,708	**£370**
990,100 5–30 .. .. .. (Current to 1 Feb., 1904.)	44,555	111	44,666	29,703	10,371	40,074	39,604	1,603	567	41,774	**2,892**	35,459	18,149	**17,310**
1,910,300 5–30 .. .. .. (Current to 1 Feb., 1905.)	85,964	215	86,179	57,309	20,009	77,318	76,412	3,093	1,093	80,598	**5,581**	71,397	33,657	**37,740**
503,700 5–30 .. .. .. (Current to 15 July, 1906.)	25,185	63	25,248	17,630	5,295	22,925	20,148	917	290	21,355	**3,893**	55,623	9,404	**46,219**
£5,236,100	247,304	618	247,922	104,642	49,431	154,073	209,444	6,163	2,965	218,572	**29,350**	175,557	73,918	**101,639**
							General reduction of expenses ..		319	319	**319**	Profit by reduction of charges of management of present Consolidated Debt		**6,659**
									2,646	218,253	**29,669**			
														£108,298

MEMORANDUM.

By the conversion—

	£	£
1. The capital of the debt will be increased by (col. 7)		154,073
viz., For premiums on conversion (col. 5)	104,642	
For commuted stamp duty, brokerage, and attendant expenses (col. 6)	49,431	
2. The annual charge upon the existing debt (increased as above) will be until the 1st November, 1929 (col. 11)		218,253
viz., For interest upon the existing debt (col. 8)	209,444	
For interest upon the increase of debt (col. 9)	6,163	
For expenses of management (less £319 for general reduction of charges) (col. 10)	2,646	
3. The total of the "decreased annual charge," or the savings in the yearly outlay, will amount to, in all		303,778

viz., For the years 1884–85	£29,350	per annum, or	£58,700
" 1886 to 1903 inclusive	12,366	"	222,588
For the year 1904	9,474	"	9,474
For the years 1905 to July, 1906, inclusive	3,893	"	5,839
For the years 1884 to July, 1906, inclusive (general saving of expenses)	319	"	7,177

	£
4. The present value of these savings is (col. 13)	175,557
But, out of this saving, provision should be made for the redemption of the increased capital of the debt, amounting to £154,073 (col. 7)	
The present value of which is (col. 14)	73,918
Thus leaving a balance in favour of the conversion of (col. 15)	101,639
To which should be added the present value of the saving of general expenses ..	6,659
Making a Total Balance in favour of the conversion of ..	**£108,298**

A. H. Bailey.
Ralph P. Hardy.

London, 5th December, 1883.