

Practically this £163,702 represents a new loan for the Public Works Fund, and it may be assumed that there would have to be paid something like the following if it were necessary to go upon the London market for the money:—

To provide £163,702 of cash plus expenses of raising, it would have been necessary to have created and sold—

	£	£
£173,000 stock at 96	...	166,080
Interest at $3\frac{1}{2}$ per cent. on £173,000	6,055	
Management at £500 per million	86	
Annual charge	...	<u>£6,141</u>

This gives a saving of upwards of £2,700 of annual charge for interest; so that the difference between the conversion operation and obtaining a new loan may be set down as effecting a saving of £8,700 per annum.

J. W. POYNTON,
Secretary to the Treasury.

R. B. VINCENT,
Accountant to the Treasury.

The Treasury, Wellington, 23rd August, 1910.

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