

Example of Working

Conversion as from 15th December, 1933, of 6 per cent. securities for £100, maturing 14th January, 1947, into 4½ per cent. securities.

Interest rate on existing securities (as reduced by Part I of the Act) is 4½ per cent. per annum.

	£
One year's interest on £100 at existing rate (4½ per cent.) is	4·8
One year's interest on £100 at new rate (4¼ per cent.) is	4·25

Difference is £0·55

Period from date of conversion (15th December, 1933) to existing maturity date (14th January, 1947) is 13 years 30 days, counted as 13 years.

Factor for 13 years is 9·761556.

£0·55 multiplied by 9·761556 is £5·3688558, or £5 7s. 4d., which is the premium for £100 of the existing securities.

The premiums on other amounts of existing securities of the same class can be computed in the same way, or, alternatively, by ascertaining 5·3688558 per cent. of the amount of the principal in each case.

(T. 49/212/6.)

F. D. THOMSON,
Clerk of the Executive Council.

Order in Council consenting to the Raising of Loans by certain Local Authorities and prescribing the Conditions thereof.

BLEDISLOE, Governor-General.

ORDER IN COUNCIL.

At the Government Buildings at Wellington, this 24th day of May, 1934.

Present :

THE RIGHT HON. G. W. FORBES PRESIDING IN COUNCIL.

WHEREAS the several local authorities enumerated in the Schedule hereto, being desirous of raising the respective loans stated opposite their names therein, have respectively complied with the provisions of the Local Government Loans Board Act, 1926 (hereinafter called "the said Act"), and it is expedient that the precedent consent of the Governor-General in Council, as required by the said Act, should be given to the raising of the said loans :

Now, therefore, His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, and in pursuance and exercise of the powers and authorities conferred on him by section eleven of the said Act (as set out in section twenty-nine of the Finance Act, 1932 (No. 2), and of all other powers and authorities enabling him in this behalf, doth hereby consent to the raising by the respective local authorities mentioned in the Second Column of the said Schedule, of the respective loans set out in the Third Column of the said Schedule, up to the respective amounts specified in the Fourth Column of the said Schedule, and in giving such consent doth hereby determine as follows :—

1. The terms for which the said loans or any parts thereof may be raised shall be the respective terms (in years) stated in the Fifth Column of the said Schedule.

2. The rates of interest that may be paid in respect of the said loans or any parts thereof shall be such as shall not produce to the lender or lenders a rate or rates exceeding the respective rates per centum per annum stated in the Sixth Column of the said Schedule.

3. The said local authorities shall, before raising the said respective loans or any parts thereof, make provision for the repayment thereof by establishing sinking funds under the Local Bodies' Loans Act, 1926, or under such other statutory enactment as may be applicable in any respective case, and shall thereafter make payments to such sinking funds at intervals of not more than one year, at a rate or rates per centum which shall be not less than the respective rates stated in the Seventh Column of the said Schedule, such payments to be made in respect of every part of the said respective loans for the time being so raised and not repaid, the first such payment in each respective case to be made not later than one year after the first day from which interest to the lender or lenders is computed on any loan or part thereof so raised.

4. The rate payable for brokerage, underwriting, and procuracy fees in respect of the raising of the said respective loans or any parts thereof shall not in the aggregate exceed one-half per centum of any amount raised.

5. The payment of interest and repayment of principal in respect of the said loans shall be made in New Zealand.

SCHEDULE.

First Column. Consecutive Number.	Second Column. Name of Local Authority.	Third Column. Name of Loan.	Fourth Column. Amount of Loan.	Fifth Column. Term of Loan.	Sixth Column. Rate of Interest per Centum.	Seventh Column. Annual Rate per Centum of Payment into Sinking Fund.
1	Nelson Hospital Board ..	Capital Expenditure Redemp- tion Loan, 1934	£ 20,000	Years. 15	£ s. d. 4 0 0	£ s. d. 5 0 0
2	Riccarton Borough Council	Blair's Corner Widening Repay- ment Loan, 1934	1,100	20	4 0 0	3 7 6
3	"	South Area Repayment Loan (No. 2), 1934	3,200	20	4 0 0	3 7 6

(T. 40/416/6.)

F. D. THOMSON, Clerk of the Executive Council.