

## Subject: Hospital Funding

Not so long ago we raised 250 million from the financial sector at, I believe, an interest rate of 3.5 per cent. This seemed very expensive in the current financial climate.

Have the States considered raising part or all of the 400 million which are required for the hospital project by way of a bond issue to Jersey residents?

This would have several advantages, namely the bond issue could be at a much lower interest rate, say 1.50 to 1.75 per cent.

In view of currently low interest rates, the Jersey saver would gain substantially as would the States of Jersey.

The States would benefit from an annual tax take (21 per cent) on the interest it would pay to Jersey residents.

The Jersey resident would benefit from higher interest rates and a fairly iron-clad long term investment.

To keep things simple, bonds could be made available in the first instance in denominations of say £50,000 each. After the initial placing, any further funding requirement would be raised from the financial sector.

I should be grateful if you would give this your consideration.

Kind regards

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