

*Copy of Prospectus of 1939 London Conversion Loan.*

## NEW ZEALAND GOVERNMENT £3½ PER CENT. CONVERSION STOCK, 1939-45.

Interest payable Half-yearly at the Bank of England on the 1st January and the 1st July.

ISSUE OF £16,000,000 STOCK.

*Authorized to be raised under the New Zealand Loans Act, 1932.*

A first payment of £1 15s. per £100 Stock, being a full six months' interest, will be made on the 1st January, 1940.

The Government of New Zealand have observed the conditions prescribed under the Colonial Stock Act, 1900, as notified in the *London Gazette* of the 14th December, 1900, and Trustees may invest in this Stock under the powers of the Trustee Act, 1925, subject to the provisions of section 7 of that Act and unless expressly forbidden in the instrument creating the Trust.

The GOVERNOR AND COMPANY OF THE BANK OF ENGLAND give notice that, on behalf of the Agents appointed for raising and managing loans under the New Zealand Loans Act, 1932, they are authorized to receive applications for the above stock.

Holders of New Zealand Government £3½ per cent. Stock, 1940, which is due to be repaid on the 1st January, 1940, may surrender their holdings in sums of £100 and receive in exchange for each £100 Stock surrendered, £100 New Zealand Government £3½ per cent. Conversion Stock, 1939-45, together with a cash Payment at the rate of £1 per cent. Applications for conversion must be made on the special printed forms. Forms have already been sent by post to all holders of Inscribed Stock (in case of joint accounts, to the first holder).

Applications for the conversion of Stock Certificates to Bearer must be accompanied by the relative Stock Certificates with Coupons maturing on the 1st January, 1940, attached. Stock Certificates to Bearer will be converted into Stock which will be exchangeable in due course for Stock Certificates to Bearer of the denominations of £100, £500, and £1,000.

Cash applications will be accepted in accordance with the terms set out herein to an amount sufficient to make up with the Stock issued in conversion the above total of £16,000,000 New Zealand Government £3½ per cent. Conversion Stock, 1939-45.

The proceeds of Cash applications will be applied towards the redemption at par on the 1st January, 1940, of New Zealand Government £3½ per cent. Stock, 1940, which has not been converted.

Interest on the Stock will be payable in sterling at the Bank of England on the 1st January and 1st July. Interest Warrants will be transmitted by post.

The Register of the Stock will be kept at the Bank of England. Stock will be transferable in sums of £100 or multiples thereof. Transfers will be free of Stamp Duty and will be made on the ordinary common form of transfer.

The Stock will be convertible in due course into Stock Certificates to Bearer of the denominations of £100, £500, and £1,000, with Coupons attached, without payment of any fee.

The Stock will be redeemed by purchases at or under par exclusive of accrued interest or by half-yearly drawings at par, in sums of £100, commencing 1st July, 1940. For the purpose of facilitating drawings, each £100 of Stock will be given a distinctive number and such numbers will be stated on the back of the relative Registered Stock Certificate or Stock Certificate to Bearer. In any half-year in which drawings are necessary such drawings will be effected in the months of May and November. Holders of Registered Stock drawn for redemption will be advised by notices posted to their respective registered addresses not later than the 5th June or 5th December in each such half-year; in the case of Stock Certificates to Bearer the distinctive number of each £100 Stock drawn for redemption will be published in *The Times*. Stock so drawn will be due for redemption at the Bank of England on the next succeeding 1st July or 1st January, on which dates the Stock will cease to bear interest.

The New Zealand Government, pursuant to an order of the Governor-General in Council dated the 21st July, 1939, have undertaken to provide for the redemption of the Stock by making available in London out of funds accruing from exports from the Dominion or otherwise sufficient sterling to repay by instalments as set out below the whole of this issue by 1st January, 1945:—

	£
In the year ending 31st December, 1940 .. .. .	2,000,000
In the year ending 31st December, 1941 .. .. .	3,500,000
In the year ending 31st December, 1942 .. .. .	3 500,000
In the year ending 31st December, 1943 .. .. .	3 500,000
In the year ending 31st December, 1944 .. .. .	3,500,000

These instalments will be made available by two equal payments in each year on or before the 30th June and the 31st December respectively, commencing 30th June, 1940. (Half-yearly payments will be reduced by the nominal amount of drawn Stock converted under the option set out below in the half-year to which such payments respectively relate.) Half-yearly payments will also be proportionately reduced as conversions of undrawn Stock or partial redemptions of Stock are made under the options set out below, but so that such proportionate reductions will not affect the proportion of outstanding Stock to be redeemed in any half-year, nor the repayment of the whole of the Stock by the 1st January, 1945.