Copy of Prospectus of 1934 London Loan.

NEW ZEALAND GOVERNMENT £3 10s. PER CENT. INSCRIBED STOCK, 1955–1960.

(Interest payable Half-yearly at the Bank of England on the 15th April and the 15th October.)

ISSUE OF £3,989,100.

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

A First Payment of £1 15s. per £100 Stock, being a full half-year's interest, will be made on the 15th April, 1935.

PRICE OF ISSUE £100 PER CENT.

	£	
Payable as follows:—		
On Application	5	per cent.
On Monday, the 15th October, 1934	95	„
	£100	„

The Government of New Zealand undertake to observe forthwith the conditions prescribed under the Colonial Stock Act, 1900, as notified in the *London Gazette* of the 14th December, 1900, in order that Trustees may invest in this Stock under the powers of the Trustee Act, 1925, 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 above Act, they are authorized to receive applications for £3,989,100 NEW ZEALAND GOVERNMENT £3 10s. per cent. INSCRIBED STOCK, 1955–1960.

If not previously redeemed, the Stock will be repaid at par at the Bank of England on the 15th October, 1960; but the New Zealand Government reserve to themselves the right to redeem the Stock, in whole or in part, by drawings or otherwise, at par on, or at any time after, the 15th October, 1955, on three calendar months' notice having been given in the *London Gazette* and *The Times* of such intended redemption. In the latter event the Stock will cease to bear interest on the date fixed for such redemption.

New Zealand Government Stock issued and payable in London and the interest thereon so payable, the property of persons not domiciled in New Zealand, are not, and will not be, subject to any taxes, duties, or levies by the Dominion.

By Act 40 and 41 Vict. Ch. 59, the revenues of the Dominion of New Zealand alone will be liable in respect of this Stock and the dividends thereon and the Consolidated Fund of the United Kingdom and the Commissioners of His Majesty's Treasury will not be directly or indirectly liable or responsible for the payment of the Stock or of the dividends thereon, or for any matter relating thereto.

The proceeds of the Issue will be used for the repayment on the 15th October, 1934, of the outstanding balance of the New Zealand Government £4 per cent. Inscribed Stock, 1933–1943, of which due notice is being given in the *London Gazette* and *The Times*. The present Issue does not, therefore, involve any increase in the New Zealand Public Debt.

The transactions of the New Zealand Ordinary Revenue Account for the year ended 31st March, 1934, including £1,413,000 provided from revenue for the redemption of debt, resulted in a deficit of £709,000. In this connection it was necessary to transfer to revenue during the year, the sum of £2,000,000 which was provided from surplus revenue accumulated since 1914.

The Exports from New Zealand during the financial year ended the 31st March, 1934, amounted to £46,043,000 and the Imports to £26,136,000—a favourable visible balance of trade of £19,907,000. Returns at present to hand in respect of the current financial year indicate that a favourable balance is being maintained.

The gross Public Debt of the Dominion on the 31st March, 1934, was £302,792,000 involving a gross increase for the year of £25,317,000. Against this gross increase, however, must be offset redemptions totalling £5,148,000 leaving a net increase of £20,169,000. This increase consists of £1,277,000 long-term debt, the balance of £18,892,000 being Treasury Bills issued principally under the provisions of the Banks Indemnity (Exchange) Act, 1932–1933. These "exchange" Bills will be redeemed in August, 1934, by utilizing London funds through the newly-constituted Reserve Bank of New Zealand. The new loan-moneys received during the year were applied principally to Public Works (Railways, Electric Power, Telephone and Telegraph Extensions and other productive works).

Against the Public Debt of New Zealand must be set tangible assets valued on a conservative basis at approximately £305,000,000. Of these assets £265,000,000 are directly interest bearing and productive—*e.g.*, Railways, Telephones and Telegraphs, Hydro-electric Development, Advances to Settlers and Workers, Crown Lands, Sinking Funds, &c.—and the remaining £40,000,000 are indirectly productive, such as Roads, Public Buildings, &c.

Redemptions of Debt amounting to £5,148,000 were carried out during the year ended 31st March, 1934, of which £1,183,000 represents long-term debt. The redemptions include a portion of the War Debt, which has been reduced from £81,840,000 in 1921 to £66,725,000 on 31st March, 1934. This shows a total reduction in the War Debt of over £15,000,000 since 1921. Approximately £24,100,000 of the present outstanding War Debt is funded