

Copy of Prospectus of 1936 London Loan.

NEW ZEALAND GOVERNMENT £3 PER CENT. INSCRIBED STOCK, 1952-1955.

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

ISSUE OF £4,000,000.

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

A First Payment of Interest, at the rate of £1 5s. per £100 Stock, will be made on the 1st January, 1937.

PRICE OF ISSUE £98 10s. PER CENT.

Payable as follows:—

	£	s.	
On Application	5	0	per cent.
On Friday, 31st July, 1936	93	10	„
	£98	10	„

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, 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 £4,000,000 NEW ZEALAND GOVERNMENT £3 per cent. INSCRIBED STOCK, 1952-1955.

If not previously redeemed, the Stock will be repaid at par at the Bank of England on the 1st July, 1955; 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 1st July, 1952, on three calendar months' notice having been given in *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 are 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 are not 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 applied to the repayment on the 1st August, 1936, of New Zealand Government £6 per Cent. Inscribed Stock, 1936-1951, of which due notice is being given in the *London Gazette* and *The Times*. The total amount of this Stock now outstanding is £5,869,988 9s. 9d. and the balance of the moneys required for repayment is being provided by the New Zealand Government so that the present operation involves an actual reduction in the Public Debt.

The transactions of the New Zealand Ordinary Revenue Account for the year ended 31st March, 1936, including £1,440,000 provided from revenue for the redemption of debt and without recourse to reserves, resulted in a surplus of £270,000.

The Exports from New Zealand during the financial year ended the 31st March, 1936, amounted to £49,676,000 and the Imports to £37,439,000, resulting in a favourable visible balance of trade of £12,237,000. 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, 1936, was £282,561,000, involving a gross increase for the year of £3,837,000 long-term Debt of which £2,400,000 was raised for Public Works (Railways, Electric Power, Telephone and Telegraph Extensions and other productive works), the balance representing increases due to conversions, &c. This gross increase was offset by redemptions totalling £1,857,000, leaving a net increase in the long-term Debt of £1,980,000. The redemptions include a portion of the War Debt, which has been reduced from £81,840,000 in 1921 to £65,035,000 on 31st March, 1936. This shows a total reduction in the War Debt of £16,805,000 since 1921.

Against the Public Debt of New Zealand must be set assets valued at approximately £309,000,000. Of these assets £268,000,000 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 £41,000,000 are indirectly productive, such as Roads, Public Buildings, &c.

The Repayment of the Public Debt Act passed by the New Zealand Parliament in 1925 substituted for the long-term Sinking Fund system a method whereby the Dominion's Debt reduction resources are now made available to purchase New Zealand Government securities on the open market for cancellation or to pay them off at maturity, thereby ensuring an actual reduction in the Public Debt annually. For this purpose there is issued annually out of the Consolidated Fund of the Dominion a sum equal to $\frac{1}{2}$ per cent. of