

Copy of Prospectus of 1936 Local Conversion Loan.

Dominion of New Zealand.

NEW ZEALAND GOVERNMENT LOANS.

ISSUE OF £13,930,000 IN THE FORM OF EITHER $3\frac{1}{2}$ PER CENT. STOCK OR DEBENTURES, REPAYABLE 1953/1957; 3 PER CENT. STOCK OR DEBENTURES, REPAYABLE 1939/1941.

For Payment in Cash or in exchange for Holdings of 4 per Cent. Stock and Debentures, 1937–40. *Authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932.*

Interest payable half-yearly at the Reserve Bank of New Zealand on the 15th January and the 15th July.

A first payment, being a full half-year's interest on each loan, will be made on the 15th July, 1937.

Trustees may invest in either of these loans under the powers of the Trustee Act, 1908, unless expressly forbidden by the instrument (if any) creating the Trust.

The RESERVE BANK OF NEW ZEALAND gives notice that, on behalf of the Minister of Finance, it is authorized to receive applications for the above-mentioned New Zealand Government Stock or Debentures.

If not previously redeemed, the Stock and Debentures of the above-mentioned issues will be repaid at par at the Reserve Bank of New Zealand on the 15th January, 1957, as regards the $3\frac{1}{2}$ per cent. 1953–1957 Loan and on the 15th July, 1941, as regards the 3 per cent. 1939–1941 Loan; but the Minister of Finance reserves the right to repay, at par, the $3\frac{1}{2}$ per cent. Loan at any time on or after the 15th January, 1953, and the 3 per cent. Loan at any time on or after the 15th July, 1939, subject in each case to three months' notice of his intention to repay having been given in the *New Zealand Gazette*.

The proceeds of the new issues are to be utilized for the redemption of the 4 per cent. New Zealand Government Loan, 1937–1940, totalling £12,426,675 6s. 11d., of which public notice of redemption on the 15th January, 1937, has been given by the Minister of Finance in terms of section 15 (1) of the New Zealand Debt Conversion Act, 1932–33, and also for the redemption of securities amounting to £1,530,000 issued in respect of the repayment in London on the 15th September, 1936, of the Southland Electric-power Board 5 per cent. and 6 per cent. Guaranteed Debentures, 1936–1954.

The Stock and Debentures will be issued pursuant to the provisions of the New Zealand Loans Act, 1932, whereby the interest and principal are a direct charge upon the public revenues of the Dominion.

The ultimate repayment of the Public Debt of the Dominion is, in the main, provided for under the Repayment of the Public Debt Act, 1925, under which New Zealand's debt reduction resources are 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 a sum equal to $\frac{1}{2}$ per cent. of the debt affected, and to this is added a sum equal to interest at $3\frac{1}{2}$ per cent. per annum of the debt paid off under this scheme. The Repayment of the Public Debt Act applies to the major portion of the Dominion's debt, certain loans for which adequate sinking fund provisions are specifically provided and the portion of New Zealand's War Debt funded with the Imperial Government having been excluded from the Debt Repayment Scheme.

Stock and Debentures of the new loans are offered for *payment in cash or in exchange for holdings of 4 per cent. New Zealand Government Stock and Debentures, 1937–1940*, according to the terms set forth in this prospectus.

CASH APPLICATIONS.

Price of Issue for both Loans £100 per Cent.

Payable as follows:—	£
On application	4 per cent.
On Monday, 18th January, 1937.. .. .	96 „
	£100 per cent.

Cash applications on the prescribed forms will be received at the Reserve Bank of New Zealand, Wellington; at any branch of the Bank of New Zealand in the Dominion, or at any Postal Money Order Office in New Zealand, and must be accompanied by a deposit of £4 per cent. of the nominal amount applied for. *Applications for either Stock or Debentures must be for sums of not less than £50 or for a multiple of £50.*

Bearer Debentures will be issued in denominations of £50, £100, £500, and £1,000.

In the case of partial allotment, the surplus from the amount paid as deposit will be refunded to the applicant. Payment in full of the balance due may be made at any time prior to the 18th January, 1937, but no discount or interest will be allowed in respect of any such pre-payments. Failure to complete payment by that date will render the amount previously paid liable to forfeiture and the allotment to cancellation.