



NEW ZEALAND GOVERNMENT WAR LOAN, 1953

Authorised to be raised in accordance with 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.

ISSUE OF STOCK

Repayable 1st October, 1953

Proceeds to be used for equipping and maintaining the armed forces of the Dominion, and for other war purposes.

Stock of this issue is non-interest bearing up to the 1st October, 1943. Interest will be paid thereafter at the rate of 2½ per cent. per annum. A first interest payment of £1/5/- per cent. will be made on the 1st April, 1944.

BASIS OF SUBSCRIPTION. The Minister of Finance has indicated that for the purposes of the Finance Emergency Regulations 1940 (No. 2) he will not regard any person as having subscribed in due proportion to his means unless such person has subscribed to this Loan at least the amount of the income-tax payable by him in respect of income derived during the year ended 31st March, 1939, being the tax normally payable in February, 1940, decreased in the case of individuals by £50 and in the case of companies by £70. For the purposes of computing this minimum subscription, which must be calculated to the nearest multiple of £10, any income that was free of income-tax in the hands of the recipient shall be deemed to have been subject to such taxation. The tax-free income which would be taken into account in this way includes dividends other than those from companies incorporated in New Zealand, interest from tax-free Government Stock and from tax-free company debentures, tax-free income derived from abroad, and also farming income where the land used had an unimproved value of less than £3,000.

TRUSTEE PROVISION. The Trustee Act, 1908, authorizes trustees to invest in Government securities, and special provisions affecting trustees are contained in Regulation 20 of the Finance Emergency Regulations 1940 (No. 2), the effect of which is that no obligation or limitation imposed on any trustee by virtue of any trust, instrument, or otherwise shall prevent or excuse him from compliance with any direction, notice, or requirement under those Regulations.

RIGHT TO CONVERT EXISTING INTEREST-FREE LOANS. Any person who prior to the issue of this Prospectus has made a loan free of interest to the Government for the purposes of the War Expenses Account established under Part I of the War Expenses Act, 1939, may apply to convert such loan in whole or in part into an equivalent amount of stock of this issue, in which case (but not otherwise) the amount of such original loan thus converted will be regarded as a contribution to this Loan.

Any person who makes or has made a gift to the War Expenses Account may reduce his contribution to this loan by the amount of such gift.

The RESERVE BANK OF NEW ZEALAND gives notice that, on behalf of the Minister of Finance, it is authorized to receive applications for the issue of stock in terms of this Prospectus.

OBJECT OF LOAN. The proceeds of the issue will be paid into the War Expenses Account established under Part I of the War Expenses Act, 1939.

REPAYMENT. The loan will be repaid at par at the Reserve Bank of New Zealand, Wellington, on the 1st October, 1953, but any stock issued to a person in response to an application made in terms of this Prospectus will be accepted at par at any time before maturity in payment of death duties in respect of that person's estate.

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, in pursuance of which New Zealand's debt-reduction resources shall be applied in the purchase and redemption of New Zealand Government securities at or before maturity. For this purpose there is issued annually out of the Consolidated Fund a sum equal to ½ per cent. of the Debt affected, and to this is added a sum equal to interest at 3½ 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 also the portion of New Zealand's War Debt funded with the Imperial Government, having been excluded from the Debt Repayment Scheme.

SECURITIES. New Zealand Government Stock transferable by Memorandum of Transfer will be issued on or after the 25th March, 1941, on surrender of fully-paid Allotment Letters.

PRICE OF ISSUE: £100 per cent.

Payable as follows:

On Application	-	-	-	£30 per cent.
On 16th December, 1940	-	-	-	£40 per cent.
On 25th March, 1941	-	-	-	£30 per cent.

TRANSFERS. The Register of Stock will be kept at the Reserve Bank of New Zealand, Wellington, where transfers will be registered without payment of any fee. Stock will be transferable in amounts of £5 or multiples thereof.

CERTIFICATES OF TITLE. If Certificates of Title evidencing ownership of the stock are required applications should be made on the prescribed form. No fee is payable for the issue of a Certificate of Title.

INTEREST. Interest on stock of this issue will not commence until the 1st October, 1943. Thereafter interest will be paid half-yearly on the 1st April and the 1st October: the first payment, being a full six months' interest at the rate of 2½ per cent. per annum, will be made on the 1st April, 1944. Interest will be paid free of inland exchange by means of interest warrants, which will be transmitted by post at the risk of the stockholder. The Reserve Bank of New Zealand will accept directions from stockholders for payment of interest to any agent in the Dominion; existing instructions for the payment of interest in the Dominion will obtain in respect of this Loan.

STAMP DUTY. Transfers of stock of this issue will be exempt from Stamp Duty.

MINORS. Any person of the age of ten years or upwards may be registered as the holder of stock and may execute transfers thereof.

EXCHANGE ON REMITTANCES. Cheques in payment of amounts subscribed to this Loan will be accepted free of inland exchange.

CASH APPLICATIONS. Cash Applications, on the prescribed form, will be received at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion, or at any Postal Money-order Office in New Zealand.

Applications must be for sums of £10 or for a multiple thereof, and must be accompanied by a deposit of £30 per cent. of the nominal amount of stock applied for.

Default in payment at its proper date of any instalment will render any amounts previously paid liable to forfeiture and the allotment to cancellation, and the applicant will not be regarded as having contributed to this Loan.

Prepayment in full or in part may be made at any time.

CONVERSION OFFER. Persons who prior to this issue of this Prospectus have made loans free of interest to the Government for the purposes of the War Expenses Account established under Part I of the War Expenses Act, 1939, are offered conversion into an equal nominal amount of stock of this issue.

Persons wishing to avail themselves of the offer of conversion in accordance with the terms set forth in this Prospectus must transmit their applications on the prescribed forms, accompanied by relative documents of title, if any, to the Reserve Bank of New Zealand, Wellington.

Copies of this Prospectus and forms of cash application may be obtained at the Reserve Bank of New Zealand, Wellington; at the District Treasury Offices at Auckland, Christchurch, or Dunedin; at any branch of any Bank in the Dominion; at any Postal Money-order Office in New Zealand; or from members of any Stock Exchange in the Dominion.

Forms of application for the conversion offer are obtainable at the Reserve Bank of New Zealand, Wellington, only.

An advertisement authorised by the Reserve Bank of New Zealand, Wellington, 26th September, 1940.

THE LIST OF APPLICATIONS WILL BE CLOSED ON 18th OCTOBER, 1940