

holdings of the  $4\frac{1}{2}$  per Cent. and 3 per Cent. Stocks, in whole or in part, on the terms set forth in this Notice. Stock not so exchanged will be repaid in cash at par on the 1st March, 1945, in the case of New Zealand Government  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, and on the 1st April, 1945, in the case of New Zealand Government 3 per Cent. Inscribed Stock, 1945.

Holdings of New Zealand Government  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, surrendered in acceptance of this offer will be exchanged as on the 1st March, 1945, into New Zealand Government  $3\frac{1}{4}$  per Cent. Stock, 1962–1965 (which up to and including the 1st August, 1945, will be designated "A"), at the rate of £100 of such Stock for each £100 Stock surrendered; a cash payment at the rate of 10s. for each £100 Stock surrendered, representing the difference between £100, being the redemption value of New Zealand Government  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, and £99 10s., being the issue price of New Zealand Government  $3\frac{1}{4}$  per Cent. Stock, 1962–1965, will be made on the 1st March, 1945, to holders of  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, who accept the offer and not to subsequent holders.

Holdings of New Zealand Government 3 per Cent. Inscribed Stock, 1945, surrendered in acceptance of this offer will be exchanged as on the 1st April, 1945, into New Zealand Government  $3\frac{1}{4}$  per Cent. Stock, 1962–1965 (which up to and including the 1st August, 1945, will be designated "B"), at the rate of £100 of such Stock for each £100 Stock surrendered; a cash payment at the rate of 10s. for each £100 Stock surrendered, representing the difference between £100, being the redemption value of New Zealand Government 3 per Cent. Inscribed Stock, 1945, and £99 10s., being the issue price of New Zealand Government  $3\frac{1}{4}$  per Cent. Stock, 1962–1965, will be made on the 1st April, 1945, to holders of 3 per Cent. Inscribed Stock, 1945, who accept the offer and not to subsequent holders.

The six months' interest due on the 1st March, 1945, on New Zealand Government  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, will be paid to the persons who, at the close of business on the 1st February, 1945, are registered as holders of the Stock.

The six months' interest due on the 1st April, 1945, on New Zealand Government 3 per Cent. Inscribed Stock, 1945, will be paid to the persons who, at the close of business on the 1st March, 1945, are registered as holders of the Stock.

Acceptances of this offer of exchange must be made on the special printed forms which have been sent by post to all registered holders of the  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, and of the 3 per Cent. Inscribed Stock, 1945 (in the case of joint accounts to the first-named holder or to the first-named holder whose registered address is in the United Kingdom). Acceptances in respect of Stock Certificates to Bearer must be lodged at the Chief Accountant's Office, Bank of England, London E.C. 2, and must be accompanied by the relative Stock Certificates. Stock Certificates to Bearer in respect of New Zealand Government  $4\frac{1}{2}$  per Cent. Inscribed Stock, 1945, must be accompanied by the coupons dated 1st March, 1945, in the case of acceptances lodged not later than the 1st February, 1945; the interest due on the 1st March, 1945, in respect of such lodgments will be paid by warrants transmitted by post. Stock Certificates to Bearer in respect of New Zealand Government 3 per Cent. Inscribed Stock, 1945, must bear the coupons dated 1st April, 1945; the interest due on the 1st April, 1945, will be paid by warrants transmitted by post.

#### NEW ZEALAND GOVERNMENT, $3\frac{1}{4}$ % STOCK, 1962–1965

(Authorised to be raised under the New Zealand Loans Act, 1932)

The Stock will be paid off at par at the Bank of England on the 1st September, 1965, but the New Zealand Government reserve to themselves the right to redeem at par on the 1st September, 1962, or on any date thereafter, all or any part (to be selected by drawings or otherwise) of the Stock then outstanding on giving at least three calendar months' notice by public advertisement in *The Times*.

Under the provisions of the New Zealand Loans Act, 1932, the principal of and interest on the Stock are charged upon the Public Revenues of New Zealand.

Under the provisions of the New Zealand Land and Income Tax Act, 1923 (No. 21), income derived by a person not resident in New Zealand from New Zealand Government Stock the interest on which is payable in London is not liable to taxation in the Dominion.

The revenues of the Dominion of New Zealand alone are liable in respect of the Stock and the interest 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 interest thereon, or for any matter relating thereto.

The Repayment of the Public Debt Act, 1925, of New Zealand instituted a method whereby the Dominion'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 providing for an annual repayment of Public Debt. 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 the Debt affected, and to this is added a sum equal to interest at  $3\frac{1}{2}$  per Cent. per annum on the Debt paid off under this scheme. By this means a portion of the savings in interest on the Debt paid off is applied to further repayments of Debt, so that the Debt reduction resources are increasing year by year.