

At the 31st March, 1934, a sum of £414,500 9s. 6d., appropriated for the redemption of loans, was lying at credit of Loans Redemption Account, particulars being as follow:—

|  |          |    |    |
|--|----------|----|----|
| Finance Act, 1925, section 13—   |          |    |    |
| Amount received in respect of war expenses to be applied in redemption of war loans .. .. .  | £        | s. | d. |
|  | 19,616   | 12 | 5  |
| Public Revenues Act, 1926, section 135 (2)—  |          |    |    |
| Amount received on account of New Zealand's share of German reparations  | 2,112    | 3  | 11 |
| Finance Act, 1932, section 12—   |          |    |    |
| Balance of Mining Advances Account transferred to Loans Redemption Account for redemption of securities .. .. .  | 0        | 5  | 1  |
| Finance Act, 1932, section 13—   |          |    |    |
| Balance of Nauru and Ocean Islands Account transferred to Loans Redemption Account for redemption of securities .. .. .  | 2,987    | 18 | 9  |
| Balance of Nauru and Ocean Islands Sinking Fund Account transferred to Loans Redemption Account for redemption of securities .. .. .   | 65       | 4  | 5  |
| Amount received from British Phosphate Commission for redemption of Nauru and Ocean Islands securities in terms of section 13 (4) of the Finance Act, 1932 .. .. .                       | 26,278   | 3  | 11 |
| Public Revenues Act, 1926, section 135 (4)—  |          |    |    |
| Amount transferred from Main Highways Account (Revenue Fund) for redemption of main-highways loans .. .. .   | 333,640  | 0  | 0  |
| Amount transferred from Ordinary Revenue Account for redemption of main-highways loans (representing interest received on main-highways moneys held in Loans Redemption Account) .. .. . | 28,000   | 1  | 0  |
| Amount received from State Advances Account for redemption of securities   | 1,000    | 0  | 0  |
| New Zealand Loans Act, 1932, section 14—   |          |    |    |
| Loans raised for redemption of securities: Electric Supply Account ..  | 800      | 0  | 0  |
|  | <hr/>    |    |    |
|  | £414,500 | 9  | 6  |
|  | <hr/>    |    |    |

#### New Zealand Debt Conversion Act, 1932–33.

The transactions under the above Act were completed during the year, except in cases in which the holders of debentures did not present their securities for conversion, and, as a consequence, the Treasury was unable to issue the new securities. Such cases were, however, comparatively few in number. An exceedingly large amount of detail audit work was involved in the conversion, and many complicated questions arose in connection therewith, but these were satisfactorily settled after conferring with the Treasury.

After the commencement of the conversion operations the Government decided to exempt from the operation of the Act a number of the securities which were subject to the Act, particularly in the case of securities held by Government Departments, and to convert these and other securities on terms differing from those fixed by the Act. To enable this to be done, statutory authority was taken in section 2 of the Finance Act, 1933 (No. 2).

Most of the entries in connection with the conversion were passed through the Loans Redemption Account—Part II, Conversion Account, but some of the entries were passed through the Ordinary Revenue Account of the Consolidated Fund. The particulars of the transactions effected to 31st March, 1934, may be briefly set out as follow:—

|   |              |    |    |
|---|--------------|----|----|
| Loans Redemption Account: Part II, Conversion Account—      |              |    |    |
| Old securities converted—                                   |              |    |    |
| New Zealand Debt Conversion Act, 1932–33—                   |              |    |    |
| Debentures .. .. .  | £            | s. | d. |
| Stock .. .. .   | £            | s. | d. |
| Death duty stock .. .. .                                    | 886,915      | 0  | 0  |
| Stock certificates .. .. .                                  | 4,200        | 0  | 0  |
| Dissented debentures (exchanged for stock)                  | 76,650       | 0  | 0  |
|   | <hr/>        |    |    |
|   | 70,279,550   | 18 | 5  |
| Finance Act, 1933 (No. 2), section 2—                       |              |    |    |
| Debentures .. .. .  | 42,313,883   | 17 | 1  |
| Stock .. .. .   | 217,530      | 0  | 0  |
|   | <hr/>        |    |    |
|   | 42,531,413   | 17 | 1  |
| Premiums allowed on conversion—                             |              |    |    |
| New Zealand Debt Conversion Act, 1932–33 ..                 | 491,254      | 8  | 6  |
|   | <hr/>        |    |    |
|   | £113,302,219 | 4  | 0  |
| <hr/>   |              |    |    |
| New securities issued in conversion—                        |              |    |    |
| New Zealand Debt Conversion Act, 1932–33—                   |              |    |    |
| Debentures .. .. .  | £            | s. | d. |
| Stock .. .. .   | £            | s. | d. |
| Death duty stock .. .. .                                    | 5,202,495    | 0  | 0  |
| Stock (issued in exchange for dissented debentures) .. .. . | 64,582,965   | 6  | 11 |
|   | 908,695      | 0  | 0  |
|   | 76,650       | 0  | 0  |
|   | <hr/>        |    |    |
|   | 70,770,805   | 6  | 11 |
| Finance Act, 1933 (No. 2), section 2—                       |              |    |    |
| Stock .. .. .   | 42,531,413   | 17 | 1  |
|   | <hr/>        |    |    |
|   | £113,302,219 | 4  | 0  |
|   | <hr/>        |    |    |