

Copy of Prospectus of 1933 London Loan.

NEW ZEALAND GOVERNMENT £3 10s. PER CENT. INSCRIBED STOCK, 1949-1954.
(Interest payable Half-yearly at the Bank of England on the 1st February and the 1st August.)

ISSUE OF £5,000,000.

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

THE proceeds of this issue will be used to repay the £5,000,000 New Zealand 5-per-cent. Bonds, 1932-1934, due for repayment in London on the 16th January, 1934. The present issue does not involve, therefore, any increase in the New Zealand Public Debt.

A First Interest Payment of 10s. per £100 will be made on the 1st February, 1934.

PRICE OF ISSUE £97 PER CENT.		£
Payable as follows :—		
On Application	5 per cent.
On Thursday, the 19th October, 1933	12 ..
On Thursday, the 30th November, 1933	35 ..
On Wednesday, the 10th January, 1934	45 ..
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		£97 ..
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The Government of New Zealand undertake to observe forthwith the conditions prescribed under the Colonial Stock Act, 1900, as notified in the *London Gazette* of the 14th December, 1900, in order that 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 £5,000,000 NEW ZEALAND GOVERNMENT £3 10s. per cent. INSCRIBED STOCK, 1949-1954.

If not previously redeemed, the Stock will be paid off at par at the Bank of England on the 1st February, 1954; but the New Zealand Government reserve to themselves the right to repay the Stock at par, in whole or in part, at any time on or after the 1st February, 1949, on three calendar months' notice having been given in the *London Gazette* and the *Times* of such intended 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 will be 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 will not be directly or indirectly liable or responsible for the payment of the Stock or of the dividends thereon, or for any matter relating thereto.

In view of the present economic position the programme for capital expenditure in the Dominion has been and is being severely restricted to the completion of essential undertakings and no new work involving a charge against loan-moneys is being authorized which does not conform to this basis.

The transactions of the New Zealand Ordinary Revenue Account for the year ended 31st March, 1933, including £1,308,000 provided from revenue for the redemption of debt, resulted in a surplus of £40,000. In this connection it was necessary to transfer to revenue during the year the sum of £2,500,000 which was provided from surpluses accumulated since 1914.

Every effort is being made to maintain a balanced Budget for the current financial year, and substantial internal economies involving a reduction in interest charges and curtailment of non-essential services have already been effected.

The Exports from New Zealand during the financial year ended the 31st March, 1933, amounted to £37,510,000 and the Imports to £25,059,000—a favourable visible balance of trade of £12,451,000. Returns at present to hand in respect of the current financial year indicate that this favourable balance is being maintained.

The gross Public Debt of the Dominion on the 31st March, 1933, was £282,620,000, involving a gross increase for the year 1932-1933 of £5,710,000. Against this gross increase, however, must be offset redemptions totalling £5,030,000, thus the net increase in debt for the year was only £680,000. New loan-money received during the year (and included in the gross increase) totalled £1,750,000, which has been applied to Public Works (principally Railways, Electric Power, Telephone and Telegraph Extensions and other productive works).

Against the Public Debt of New Zealand must be set tangible assets valued on a conservative basis at approximately £305,000,000. Of these assets £265,000,000 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 £40,000,000 are indirectly productive, such as Roads, Public Buildings, &c.