securities from the Reserve Bank from funds in hand and not immediately required for disbursement in other directions. Consequently, it should not be assumed that the reduction in the Reserve Bank's accommodation to the Government effected by the particular transactions representing the repurchase of these securities is intended to be regarded as permanent at this stage.

DISCOUNT RATE

The minimum rate for the discounting of approved bills of exchange has remained unchanged since 26th July, 1941, at 1½ per cent.

EXCHANGE RATE

No alteration was made in the Bank's official buying rate for sterling (£(N.Z.)124=£(stg.)100), and no official selling rate was quoted.

The trading banks' telegraphic transfer rates for buying and selling sterling also remained unchanged at their previous year's levels of £(N.Z.)124 7s. 6d. and £(N.Z.)125, respectively, for £(stg.)100.

However, the Bank agreed during the year (pursuant to Regulation 3 (2) of the Finance Emergency Regulations 1940 (No. 2)) to the following alterations in the trading banks' New Zealand - London on demand and usance rates :—

On 7th August, 1945.	Old Rate.	New Rate.
On demand—Selling (on basis of £(stg.)100)	£(N.Z.)124 19s. 6d.	£(N.Z.)125*

* Air-mail postage is payable by the banks.

The effect of this alteration was to bring into alignment the on-demand and telegraphic transfer rates. This was considered appropriate because of the inauguration of fast air-mail facilities replacing, as from 31st July, 1945, the airgraph service previously used.

The improvement in the mail-services and the consequent reduction in the transit time between New Zealand and London enabled the trading banks to quote more favourable on-demand and usance buying rates to the public as from 18th February, 1946, as follows :—

On Demand and Usance—Buying

(On basis of £(Stg.)100)

	Old Rate. £	s.	d.	New Rate. £	s.	d.
On demand	123	12	6	123	15	3
3 days' sight	123	11	6	123	14	6
30 days' sight	123	7	6	123	10	9
60 days' sight	123	2	6	123	6	6
90 days' sight	122	17	6	123	2	3
120 days' sight	122	12	6	122	18	0

MANAGEMENT OF PUBLIC DEBT IN NEW ZEALAND

The following major loan operations were undertaken during the year :—

1945 Victory Loan.—In last year's annual report it was recorded that up to 31st March, 1945, £(N.Z.)182,440 had been received in the form of advance subscriptions to this loan. Between the 31st March, 1945, and the issuing of the prospectus for the loan on the 14th May, 1945, a further £(N.Z.)1,610,395 was received, making a total of advance subscriptions of £(N.Z.)1,792,835.