

effected by the issue in New Zealand of stock totalling £29,618,000 at 2½ per cent., the stock being taken up mainly by the Reserve Bank, but partly by Treasury Accounts.

The net saving in interest on this transaction is approximately £605,000, but the main benefit is the elimination of overseas interest totalling £1,330,000, which, coupled with the annual saving of £675,000 in connection with the Memorandum of Security repayment, gives a net reduction in overseas debt charges of over £2,000,000 per annum.

Bank of N.Z. shares

It will be noticed that £7,038,000 of the increase in the debt for last financial year was for purchase of Bank of New Zealand shares. Following the passing of the Bank of New Zealand Act, 1945, shareholders on the New Zealand register were given till the 31st January, 1946, to indicate the form of settlement desired, and the major portion of the work was completed in time for incorporation in the accounts at 31st March last.

The offers to the overseas shareholders in London and Australia closed on the 31st March, 1946, so that in neither of these cases is any portion of the transactions reflected in the accounts.

The following shows the position to date of completed purchases:—

	£
Shares previously held by State	2,109,375
Shares acquired under 1945 Act—	£
In New Zealand	3,528,894
Overseas holdings	653,765
	4,182,659
Overseas holdings still held privately	36,091
Total subscribed capital	£6,328,125

An additional 6,640 shares have been purchased by the Government, but have not yet been actually transferred.

The shares transferred have been paid for as follows:—

	£
Tax-free stock 3 per cent., 1957	1,658,430
Ordinary stock 3 per cent., 1957–60	6,466,925
London Register New Zealand Government stock 3¼ per cent., 1962–65	804,157
Cash	1,138,523
	£10,068,035

Interest on stock issued will be offset by dividends received.

I would take this opportunity of paying a tribute to the directorate and administration of the Bank, which have served for so many years as an integral part of the national economy of the Dominion, and to thank those directors who are remaining in office.