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 following information is furnished by the High Commissioner for New Zealand :—

Under the provisions of the New Zealand Loans Amendment Act, 1947, which replaced the Repayment of the Public Debt Act, 1925, resources are made available, under the control of the Public Debt Commission constituted under the Act, for the purchase of New Zealand Government Securities on the open market for cancellation or to pay them off at maturity, thereby providing the Commission with the means of effecting an annual repayment of Public Debt. The Act provides for the annual appropriation to Loans Redemption Account of a sum equal to one half per Cent. of the Public Debt coming within the Act and outstanding at the end of the previous financial year, together with a further sum equal to four per Cent. of the debt repaid or redeemed under the 1925 and 1947 Acts before the same date.

Since September, 1939, the Dominion has repaid under the provisions of the 1925 and 1947 Acts, and from other sources, over £50,000,000 of New Zealand Government Stock issued in the United Kingdom, thus reducing the New Zealand Public Debt in London to £106,200,000. During the corresponding period the value of New Zealand's exports has risen from £46,500,000 per annum to over £120,000,000 per annum.

The proceeds of the Stock issued for cash will be applied towards the redemption on the 1st June, 1949, of New Zealand Government 3½ per Cent. Inscribed Stock, 1949–1954, which is not exchanged under the terms of this prospectus.

The stock, if not previously redeemed, is to be repaid at par at the Bank of England on the 1st June, 1977, but the New Zealand Government reserve to themselves the right to redeem the Stock, in whole or in part, by drawings or otherwise, at par at the Bank of England on, or on any date after, the 1st June, 1973, on three calendar months' previous notice being given by public advertisement in *The Times*, in which case the Stock to be redeemed will cease to bear interest on the date so fixed for redemption.

The Stock will be transferable by deed, in multiples of one penny, free of charge and stamp duty.

The Bank of England have been appointed Registrar of the Stock.

Interest will be payable half-yearly on the 1st June and the 1st December ; the first payment, at the rate of 5s. per £100 Stock, will be made on the 1st June, 1949, in respect of Stock issued for cash. The interest due on the 1st June, 1949, will be paid (less Income Tax) by coupon if the relative Scrip Certificate to Bearer has not been registered on or before the 2nd May, 1949 ; in all other cases interest warrants will be transmitted by post and Income Tax will be deducted from payments of more than £5 per annum.

If allotments of the Stock in respect of cash applications and applications for exchange of New Zealand Government 3½ per cent. Inscribed Stock, 1949–1954, do not reach the total of £7,000,000 Stock, the balance of the Stock will be issued for cash to the Reserve Bank of New Zealand on the terms of this prospectus.