Copy of Prospectus of 1939 Internal Loan.

Dominion of New Zealand.

NEW ZEALAND GOVERNMENT LOANS.

Interest payable 31st May and 30th November.

ISSUE OF £4,500,000 IN EITHER OF THE FOLLOWING FORMS :—

£4% STOCK REPAYABLE 31ST MAY, 1954/1958.
First interest payment 30th November, 1939, on—

Fully-paid allotments ..	£2 0s. 0d.%
Instalment allotments ..	£1 10s. 6d.%

Price of issue: £96 per cent.

Payable as follows :—

1. For fully-paid allotments—	
On application	£96%
2. For instalment allotments—	
On application	£10%
On Friday, 30th June, 1939 ..	40%
On Friday, 4th August, 1939 ..	46%
	£96%

£4% STOCK REPAYABLE 30TH NOVEMBER, 1948.
First interest payment 30th November, 1939, on—

Fully-paid allotments ..	£2 0s. 0d.%
Instalment allotments ..	£1 10s. 6d.%

Price of issue: £99 per cent.

Payable as follows :—

1. For fully-paid allotments—	
On application	£99%
2. For instalment allotments—	
On application	£10%
On Friday, 30th June, 1939 ..	40%
On Friday, 4th August, 1939 ..	49%
	£99%

Authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932, whereby the interest and principal are a direct charge upon the public revenues of the Dominion.

Trustees may invest in either of the above-mentioned Loans under the powers of the Trustees Act, 1908, unless expressly forbidden in the instrument (if any) creating the Trust.

The RESERVE BANK OF NEW ZEALAND gives notice that, on behalf of the Minister of Finance, it is authorized to receive applications for New Zealand Government Loans as above.

If not previously redeemed, the £4 per cent. Loan, 1954/1958, will be paid off at par at the Reserve Bank of New Zealand on the 31st May, 1958; but the Minister of Finance reserves the right to repay at par at any time on or after the 31st May, 1954, on giving three months' notice, in the *New Zealand Gazette*, of his intention to repay.

If the market selling price of the £4 per cent. Loan, 1954/1958, falls below the price of issue, namely £96 per cent., sums will be made available annually, as required, up to a total of 5 per cent. of the amount of the Loan outstanding at the end of the previous financial year, for the purchase for cancellation of such stock on offer below that price.

If not previously redeemed, the £4 per cent. Loan, 1948, will be paid off at par at the Reserve Bank of New Zealand on the 30th November, 1948.

Stock of the £4 per cent. Loan, 1948, which has been in the beneficial ownership of a holder for a period of at least six months prior to death, will be accepted at par at any time before maturity in payment of death duties in respect of that person's estate.

The proceeds of the issue are to be utilized for Public Works and general developmental purposes, including capital expenditure on defence works.

The ultimate repayment of the Public Debt of the Dominion is, in the main, provided for under the Repayment of the Public Debt Act, 1925, in pursuance of which New Zealand's Debt reduction resources shall be applied in the purchase and redemption of New Zealand Government securities at or before maturity. For this purpose there is issued annually out of the Consolidated Fund a sum equal to ½ per cent. of the Debt affected, and to this is added a sum equal to interest at 3½ per cent. per annum of the Debt paid off under this scheme. The Repayment of the Public Debt Act applies to the major portion of the Dominion's Debt, certain loans for which adequate sinking fund provisions are specifically provided, and also the portion of New Zealand's War Debt funded with the Imperial Government, having been excluded from the Debt Repayment Scheme.

Securities.—On surrender of fully-paid Allotment Letters on or after the 4th August, 1939, New Zealand Government Stock will be issued in either of the following forms as applicants may direct :—

(1) Registered Stock transferable by Memorandum of Transfer.

(2) Stock Certificate(s) to bearer with coupons annexed.

Registered Stock will be convertible into Stock Certificates to bearer, and Stock Certificates will be convertible into Registered Stock, *without payment of any fee.*

Transfers.—The Register of Stock will be kept at the Reserve Bank of New Zealand, Wellington, where transfers will be registered *without payment of any fee.* Stock will be transferable in amounts of £5 or multiples thereof.