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WELLINGTON, WEDNESDAY, JANUARY 17, 1917.

*Issue of Imperial War Loan.*

Prime Minister's Office,  
 Wellington, 16th January, 1917.

THE following cablegram has been received by His Excellency the Governor, and is published for general information.

J. ALLEN,  
 Acting Prime Minister.

ISSUE OF IMPERIAL WAR LOAN.

ISSUE OF 5 PER CENT. WAR LOAN 1929/1947.

*In Stock or Bonds.—Interest payable 1st June and 1st December.*

FIRST dividend as follows, payable 1st June, 1917 :—

On fully-paid allotments, £1 8s. 9d. per cent. ; instalment allotments, 11s. 10d. per cent.

Price of issue, 95 per cent., payable as follows :—

1. For fully-paid allotments, on application, £95 per cent.
2. For instalment allotments : On application, £5 per cent. ; on Friday, 2nd March, 1917, £15 per cent. ; on Friday, 23rd March, 1917, £15 per cent. ; on Wednesday, 18th April, 1917, £20 per cent. ; on Wednesday, 9th May, 1917, £20 per cent. ; on Wednesday, 30th May, 1917, £20 per cent.—total, £95 per cent.

ISSUE OF 4 PER CENT. WAR LOAN 1929/1942.

(Income-tax compounded.)

*In Stock or Bonds.—Interest payable 15th April and 15th October.*

First dividend as follows, payable 15th April, 1917 :—

On fully-paid allotments, 12s. 8d. per cent.

The first dividend on instalment allotments will be the full half-year's interest, payable 15th October, 1917.

Price of issue, £100 per cent., payable as follows :—

1. For fully-paid allotments on application, £100 per cent.
2. For instalment allotments : On application, £5 per cent. ; on Friday, 2nd March, 1917, £15 per cent. ; on Friday, 23rd March, 1917, £20 per cent. ; on Wednesday, 18th April, 1917, £20 per cent. ; on Wednesday, 9th May, 1917, £20 per cent. ; on Wednesday, 30th May, 1917, £20 per cent. —total, £100 per cent.

The stocks are investments authorized by the Trustee Act, 1893, and trustees may invest therein notwithstanding that the price may at the time of investment exceed the redemption value of £100 per cent.

The Governor and Company of the Bank of England are authorized to receive applications for the above loans, which will take the form of stock or bonds to bearer at the option of subscribers. Stock may be inscribed as transferable in the stock-transfer books, or may be registered as transferable by deed.

Applications which may be for either loan must be for sums which are multiples of fifty pounds, and may be for either (1) fully-paid allotments, or (2) instalment allotments.

They will be received at the Bank of England Loans Office, 5 and 6 Lombard Street, London, E.C., and may be forwarded either direct or through the medium of any banker or stock-broker in the United Kingdom.

British Government Treasury bills will be accepted under discount at 5 per cent. per annum, and war expenditure certificates will be accepted under discount at £4 per cent. per annum in both cases as from the 16th February, 1917, in lieu of cash in payment for "fully-paid allotments," provided that the entire proceeds of the bills and certificates are so applied.

If not previously redeemed, the loans will be repaid at par as follows :—

- 5 per Cent. War Loan 1929/1947, on the 1st June, 1947.
- 4 per Cent. War Loan 1929/1942, on the 15th October, 1942.

But His Majesty's Government reserve to themselves the right to redeem the loans, or either of them, at par at any time on or after the undermentioned dates, on giving three calendar months' notice in the *London Gazette* :—

- 5 per Cent. War Loan 1929/1947, at any time on or after the 1st June, 1929.
- 4 per Cent. War Loan 1929/1942, at any time on or after the 15th October, 1929.

Both capital and interest will be a charge on the Consolidated Fund of the United Kingdom.

As soon as the necessary statutory authority has been obtained arrangements will be made for the acceptance by the Commissioners of Inland Revenue of stock and bonds of these loans, at their respective issue prices, with due allowance for any unpaid interest accrued thereon, in satisfaction of amounts due on account of death duties ; provided such stock and bonds have formed part of the estate of the deceased for a period of not less than six months immediately preceding the date of death.

For the purpose of providing against depreciation in the market prices of the loans the Treasury undertake to set aside monthly a sum equal to one-eighth of 1 per cent. of the amount of each loan to form a fund to be used for purchasing stock or bonds of either loan for cancellation whenever the market price falls below the issue price. Whenever the unexpended balance of such fund reaches £11,000,000 the monthly payments will for the time being be suspended, but they will be resumed as soon as the unexpended balance falls below £10,000,000.

Dividends on inscribed and registered stock of the £5 per Cent. War Loan 1929/1947 will be paid without deduction of income-tax, but the income derived from such dividends will be assessable for income-tax in the hands of the recipients at the rates of tax appropriate to their respective incomes.

Dividends on the £4 per cent. loan will be exempt from liability to assessment to British income-tax other than super-tax. For the purposes of super-tax, and in computing total income for the purposes of exemption, abatement, reduced rate of income-tax on earned or unearned income, &c., the income derived from such dividends will be treated as if the amount received represented the net income after deduction of income-tax at the full normal rate. There will, however, be no title to repayment of income-tax in respect of such untaxed dividends.

Stock and bonds of these loans, and the dividends payable from time to time in respect thereof, will be exempt from all British taxation, present or future, if it is shown, in the manner directed by the Treasury, that they are in the beneficial ownership of a person who is neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Ireland. Further, the dividends payable from time to time in respect of stock and bonds of these loans will be exempt from British income-tax, present or future, if it is shown, in the manner directed by the Treasury, that these stock or bonds are in the beneficial ownership of any person who is not ordinarily resident in the United Kingdom of Great Britain and Ireland, without regard to the question of domicile. Where a bond belongs to a holder entitled to exemption under these provisions the relative coupons will be paid without deduction for income-tax or other taxes if accompanied by a declaration of ownership in such form as may be required by the Treasury.

The books of the loans will be kept at the Bank of England and at the Bank of Ireland. Dividends on stock will be paid by warrant which will be sent by post. Dividends on bonds will be paid by coupon.

Stock will be convertible into bonds to bearer at any time by means of transfer, and bonds to bearer will be exchangeable for stock without payment of any fee.

Powers of attorney for the transfer of inscribed stock, and deeds for the transfer of registered stock, will be free of stamp duty.

"Fully-paid allotments" will be issued in one or other of the following forms as applicants may direct:—

1. "Certificates of inscription" of stock transferable, in the stock-transfer books.
2. "Register certificate" of stock transferable by deed.
3. "Bond certificates" exchangeable in due course for bond[s] to bearer.

"Instalment allotments" will be issued in the form of "allotment letters," which may either be retained until they are fully paid or may be exchanged for scrip certificates to bearer.

The instalment payable in respect of "instalments allotments" may be paid in full on or after the 2nd March, 1917, under discount at the rate of 4 per cent. per annum. Where payment in full is made between two instalment dates, discount will be calculated as from the instalment date next succeeding the date of such full payment. In case of default in the payment of any instalment by its proper date, the deposit and any instalments previously paid will be liable to forfeiture. Arrangements have been made whereby holders of allotment letters will be able to make further payments, without additional charge, at offices of the principal banks throughout the United Kingdom.

Dividends due 15th April, 1917, and 1st June, 1917, in respect of allotment letters, bond certificates, and scrip certificates will be paid by coupon.

Allotment letters and scrip certificates, if paid in full, may be exchanged for stock on or after the following dates—viz., 5 per Cent. War Loan 1929/1947, on or after the 2nd May, 1917; 4 per Cent. War Loan 1929/1942, on or after the 13th March, 1917; or they may be retained to be exchanged for bonds to bearer as soon as these can be prepared.

Stock will be transferable in any sums which are multiples of a penny. Bonds to bearer will be issued in denominations of £50, £100, £200, £500, £1,000, and £5,000.

Conversion of—

- £4 10s. per Cent. War Loan 1925/1945.
- £5 per cent. exchequer bonds due 5th October, 1919–1921.
- £5 per cent. exchequer bonds due 1st December, 1920.
- £6 per cent. exchequer bonds due 16th February, 1920.

Holders of the above issues in fulfilment of the options granted in the several prospectuses relating thereon may convert their holdings in whole or in part as on the 16th February, 1917, and receive in lieu thereof £5 per Cent. War Loan 1929–1947 and [or] £4 per Cent. War Loan 1929–1942 at the rate of £105 5s. 3d., or £5 per Cent. War Loan 1929–1947 for each £100 converted, or £100 £4 per Cent. War Loan 1929–1942 for each £100 converted.

Holders desiring to convert must give notice in the prescribed form to the Bank of England not later than the 16th February, 1917, but the actual conversion in the bank's books will not be completed until Monday, the 2nd July, 1917. Between the 17th February, 1917, and the 30th June, 1917, inclusive, holdings to be converted will be unchanged as regards amount and description, except that holdings which are to be

converted into £5 per Cent. War Loan 1929-1947 will be designated "B" stock and bonds, and those to be converted into £4 per Cent. War Loan 1929-1942 will be designated "C" stock and bonds.

The first dividends on holdings to be converted will be as follows:—

On the 1st June, 1917, £4 10s. per Cent. War Loan 1925-1945, "B," £2 9s. 3d. per cent.

On the 1st June, 1917, £5 per Cent. Exchequer Bonds 1919 and 1921, "B," £3 7s. per cent.

On the 1st June, 1917, £5 per Cent. Exchequer Bonds 1920, "B," £2 11s. 4d. per cent.

On the 1st June, 1917, £6 per Cent. Exchequer Bonds 1920, "B," £1 10s. 3d. per cent.

On the 15th April, 1917, £4 10s. per Cent. War Loan 1925-1945, "C," £1 11s. 8d. per cent.

On the 15th April, 1917, £5 per Cent. Exchequer Bonds 1919 and 1921, "C," £2 9s. 5d. per cent.

On the 15th April, 1917, £5 per Cent. Exchequer Bonds 1920, "C," £1 13s. 9d. per cent.

On the 15th April, 1917, £6 per Cent. Exchequer Bonds 1920, "C," 12s. 8d. per cent.

NOTE.—The above dividends represent interest accrued to 16th February, 1917, upon the old holdings to be converted, together with interest from the 16th February, 1917, upon the new holdings which will result from such conversion. In the case of £5 per Cent. Exchequer Bonds 1921 issued after the 5th October, 1916, the dividends will be subject to a deduction in respect of the interval which elapsed between the 5th October, 1916, and the issue of the bonds.

Bearer bonds lodged for conversion will be exchanged for bond certificates for a corresponding holding of "B" or "C" bonds, to which will be attached a coupon for the first dividend payable thereon. These certificates will be exchangeable for holdings of the new loans on and after the 2nd July, 1917. Bonds lodged for conversion must be accompanied by all coupons due subsequent to the 19th February, 1917.

N.B.—Applications for the conversion of stock inscribed or bonds registered in the books of the Bank of England should be forwarded to the Bank of Ireland, Dublin.

Stock registered in the books of the General Post Office, and bonds issued by the General Post Office, will not be convertible at the Bank of England. They will be convertible at the Post Office, under the arrangements set forth in the separate prospectus issued by H.M. Postmaster-General.

Holdings of these issues do not carry any rights of conversion into any future issue that may be made by His Majesty's Government.

A commission of one-eighth per cent. will be allowed to bankers, stock-brokers, and financial houses on allotments made in respect of cash application for this issue bearing their stamp, whether paid for in actual cash or by the discounting of Treasury bills or war expenditure certificates, but no commission will be allowed in respect of applications for conversion.

Application forms for cash applications (1) for "fully-paid allotments," (2) for "instalment allotments," may be obtained at the Bank of England and at the Bank of Ireland, at any bank or money-order office in the United Kingdom, or Messrs. Mullens, Marshall, and Co., 13 George Street, Mansion House, E.C., and the principal stock-brokers.

Application forms for conversion applications may be obtained—

(1.) For conversion of (a) holdings registered or inscribed in the books of the Bank of England, (b) bonds to bearer—at the Bank of England, London, E.C. :

(2.) For conversion of holdings registered or inscribed in the books of the Bank of Ireland—at the Bank of Ireland, Dublin.

Applicants for conversion application forms must state the description of holding which it is desired to convert.

The lists for cash and conversion application will be closed on Friday, the 16th February, 1917.

Bank of England, 11th January, 1917.

TREASURY.