

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.