

Loan (Airlines Equipment)

No. 113 of 1967

An Act to approve the raising by way of Loan of Moneys in the Currency of Canada to be lent to the Australian National Airlines Commission, and for purposes connected therewith.

[Assented to 15 November 1967]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Loan (Airlines Equipment) Act 1967*. Short title.
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
3. In this Act—
“the Agreement” means the agreement the execution of which is authorized by the next succeeding section;
“the Commission” means the Australian National Airlines Commission. Definitions.
4. The execution on behalf of the Commonwealth of an agreement between the Commonwealth and Canadian Imperial Bank of Commerce, in accordance with the form in the Schedule to this Act, is approved. Approval of execution of Agreement.
5. The borrowing by the Commonwealth, in accordance with the Agreement, of moneys in the currency of Canada not exceeding in the whole Three million dollars is approved. Approval of borrowing.
6. The execution on behalf of the Commonwealth, and the delivery to Canadian Imperial Bank of Commerce, of promissory notes referred to in the Agreement is approved. Approval of notes.
- 7.—(1.) For the purpose of making available to the Commission moneys required by the Commission in connexion with the purchase by the Commission of certain aircraft, the Commonwealth may lend to the Commission amounts equivalent to the moneys borrowed under the Agreement. Application of moneys.

(2.) Moneys required for the purpose of a loan under the last preceding sub-section are payable out of the Loan Fund, which is to the necessary extent appropriated accordingly.

Terms and conditions of loans to the Commission.

8. An amount lent to the Commission by the Commonwealth under this Act is repayable by the Commission to the Commonwealth in accordance with such terms and conditions as are determined by the Treasurer.

Expenses and charges.

9. The expenses of borrowing under the Agreement, any commitment fee, interest or other charge payable under the Agreement, shall be paid out of the Consolidated Revenue Fund.

Repayment of loan moneys.

10. Moneys borrowed under the Agreement shall be repaid out of the Consolidated Revenue Fund in accordance with the provisions of the Agreement.

Appropriation of Consolidated Revenue Fund.

11. The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of the last two preceding sections.

National Debt Sinking Fund Act not to apply.

12. The *National Debt Sinking Fund Act 1966-1967* does not apply in relation to moneys borrowed under the Agreement.

Application of section 31 (5.) of Australian National Airlines Act.

13. Amounts lent to the Commission by the Commonwealth under this Act shall not be taken into account for the purposes of sub-section (5.) of section 31 of the *Australian National Airlines Act 1945-1966*.

Moneys to be paid free of taxes.

14. Notwithstanding anything in any law of the Commonwealth or of a State or Territory of the Commonwealth, whether passed or made before or after the commencement of this Act, all moneys payable as mentioned in paragraph 4 of the Agreement shall be paid free of all taxes as mentioned in that paragraph.

THE SCHEDULE

Section 4.

CANADIAN IMPERIAL BANK OF COMMERCE
HEAD OFFICE
TORONTO, CANADA

(Date)

The Australian High Commissioner,
Australian High Commission,
Royal Bank Building,
90 Sparks Street,
Ottawa 4.

Dear Sir:

We write to confirm that the Bank has approved a non-revolving credit of \$3,000,000 Canadian, in favour of the Commonwealth of Australia (the "Commonwealth").

The arrangement concerning the credit is as follows:

1. Each advance under the credit during the period December 1, 1967 to December 31, 1968 shall be represented by a promissory note signed by the Commonwealth in favour of the Bank (an "Interim Note") substantially in the form of Exhibit "A" dated the date of the advance, bearing interest payable monthly at 6% per annum as well after as before maturity and maturing on December 31, 1968.

2. The Commonwealth shall pay to the Bank a commitment fee in respect of the period from December 1, 1967 to December 31, 1968 computed at the rate of $\frac{1}{4}$ of 1% per annum (on the basis of a year of 365 days) on the daily average unused portion of the credit.

3. On December 31, 1968 the Interim Notes shall, upon payment of the commitment fee and accrued interest, be surrendered by the Bank to the Commonwealth in exchange for ten term promissory notes for an aggregate principal amount equal to that of the Interim Notes. Interest shall not be charged on the Interim Notes in respect of the day on which they are surrendered in exchange for the term promissory notes. The term promissory notes shall be signed by the Commonwealth in favour of the Bank, be substantially in the form of Exhibit "B", be dated December 31, 1968, be for equal principal amounts, be numbered, mature and bear interest at the rate per annum all as set out below.

<i>Number</i>	<i>Maturity</i>	<i>Interest Rate</i>
1	June 30, 1969	6%
2	December 31, 1969	6%
3	June 30, 1970	6 $\frac{1}{2}$ %
4	December 31, 1970	6 $\frac{1}{2}$ %
5	June 30, 1971	6 $\frac{1}{2}$ %
6	December 31, 1971	6 $\frac{1}{2}$ %
7	June 30, 1972	6 $\frac{1}{2}$ %
8	December 31, 1972	6 $\frac{1}{2}$ %
9	June 30, 1973	6 $\frac{1}{2}$ %
10	December 31, 1973	6 $\frac{1}{2}$ %

4. All moneys payable to the Bank in respect of the credit shall be paid free of all taxes now or at any time hereafter imposed by the Commonwealth, or any taxing authority thereof or therein except to the extent that the right to receive payment of the principal of or interest on any promissory note issued hereunder is or comes to be beneficially owned by any person residing in or ordinarily a resident of Australia or the Territory of Papua or the Territory of New Guinea.

THE SCHEDULE—*continued*

5. The entire principal balance outstanding under the credit together with interest thereon shall become due and payable forthwith upon default in payment of any promissory note when due or upon default in payment of interest or of the commitment fee if such default shall continue for more than ten days after notice thereof to the Commonwealth by the Bank; presentment, demand and protest or other notice of any kind in respect of advances under the credit and the promissory notes representing the same shall not be required.

6. The Bank's obligations hereunder shall be conditional upon receipt prior to December 1, 1967 of an opinion of the Secretary or Acting Secretary to the Attorney General's Department of the Commonwealth in form satisfactory to the Bank's counsel, Messrs. Blake, Cassels & Graydon to the effect that

- (a) borrowings on the terms and conditions herein provided and confirmation hereof by the person signing the same on behalf of the Commonwealth have been duly authorized in accordance with the laws of the Commonwealth and any Order or Orders in Council applicable thereto; and
- (b) promissory notes to be issued hereunder when executed and delivered on behalf of the Commonwealth by the Australian Consul-General at New York or the Australian Consul at New York or the Chief Finance Officer at the Australian Consulate-General at New York will constitute valid, binding, absolute and unconditional obligations of the Commonwealth in accordance with their terms for the performance of which the faith and credit of the Commonwealth is pledged.

7. Notice to the Commonwealth may be effectually given by sending the same by registered airmail addressed to the Treasurer of the Commonwealth of Australia, Canberra, A.C.T., 2600, Australia. Any notice so mailed shall be deemed to have been received on the seventh business day next following the mailing thereof.

Please confirm your agreement to the foregoing by signing the enclosed copy of this letter and returning the same to us.

Yours very truly

The foregoing arrangement is hereby confirmed.

Dated this _____ day of _____, 1967.

Commonwealth of Australia

by

Authorised Officer

EXHIBIT " A "

(Date)

TORONTO, Canada

On December 31, 1968, for value received COMMONWEALTH OF AUSTRALIA promises to pay to CANADIAN IMPERIAL BANK OF COMMERCE (the " Bank ") or order, the principal sum of _____ Dollars at the 25 King Street West, Toronto, branch of the Bank with interest, payable monthly, at the rate of 6% per annum, as well after as before maturity, until paid.

COMMONWEALTH OF AUSTRALIA

by

1967

Loan (Airlines Equipment)

No. 113

THE SCHEDULE—*continued*

EXHIBIT " B "

No.

December 31, 1968

TORONTO, Canada

On _____, 19____, for value received COMMONWEALTH OF AUSTRALIA promises to pay to CANADIAN IMPERIAL BANK OF COMMERCE (the "Bank ") or order, the principal sum of _____ Dollars at the 25 King Street West, Toronto, branch of the Bank with interest, payable monthly, at the rate of _____ per annum, as well after as before maturity, until paid.

COMMONWEALTH OF AUSTRALIA

by
