

LOAN (AUSTRALIAN NATIONAL
AIRLINES COMMISSION).

No. 86 of 1960.

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

[Assented to 13th December, 1960.]

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

Short title.

1. This Act may be cited as the *Loan (Australian National Airlines Commission) Act 1960*.

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2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
- 3.—(1.) In this Act, “the Loan Agreement” means the agreement entered into between the Commonwealth and The Chase Manhattan Bank a copy of which is set out in the Schedule to this Act. Interpretation.
- (2.) For the purposes of this Act, the promissory note delivered by the Commonwealth under the Loan Agreement shall be deemed to form part of the Loan Agreement.
4. The borrowing by the Treasurer, on behalf of the Commonwealth, in accordance with the Loan Agreement, of moneys in the currency of the United States of America not exceeding in the whole Two million dollars is approved. Approval of borrowing.
- 5.—(1.) For the purpose of making available to the Australian National Airlines Commission moneys required by the Commission in connexion with the purchase by the Commission of a Lockheed Electra aircraft and related spare parts and equipment, the Treasurer shall, on behalf of the Commonwealth, lend to the Commission, upon such terms and conditions as he determines, amounts equivalent to the moneys borrowed under the Loan Agreement. Application of moneys.
- (2.) The moneys required for the purpose of loans under the last preceding sub-section are payable out of the Loan Fund, which is to the necessary extent appropriated accordingly.
6. The expenses of borrowing, and interest and other charges payable, under the Loan Agreement shall be paid out of the Consolidated Revenue Fund. Expenses and charges.
7. Moneys borrowed under the Loan Agreement shall be repaid out of the Consolidated Revenue Fund in accordance with the provisions of the Loan Agreement. Repayment of loan moneys.
8. The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of the last two preceding sections. Appropriation of Consolidated Revenue Fund.
9. The *National Debt Sinking Fund Act* 1923–1959 does not apply in relation to moneys borrowed under the Loan Agreement. National Debt Sinking Fund Act not to apply.

THE SCHEDULE.

Section 3.

LOAN AGREEMENT dated 24th August, 1960 between COMMONWEALTH OF AUSTRALIA (“the Commonwealth”) and THE CHASE MANHATTAN BANK (“Chase”).

The Commonwealth has requested Chase to make a loan to it for the purpose of enabling the Commonwealth to make available to the Australian National Airlines

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Commission, trading as Trans-Australia Airlines, amounts in United States dollars ("dollars") required by said Commission to pay part of the purchase price of a Lockheed Electra aircraft and related spare parts and equipment. Upon the terms hereof Chase is prepared to make a loan for such purpose. Accordingly, the parties agree as follows:—

§ 1. On the terms hereof Chase will make a loan of \$2,000,000 to the Commonwealth at the latter's request, on or about the date of delivery of the aircraft above mentioned, but no later than December 31, 1960. The obligation of Chase to make a loan in such amount is called Chase's "commitment" and such loan is called "the Loan". The Commonwealth will repay the Loan, in dollars, in twenty equal quarterly instalments. The first instalment will be due and payable March 1, 1961 and a subsequent instalment will be due and payable on the first day of each March, June, September and December thereafter until the amount of the Loan has been repaid. The Loan will bear interest at the rate of 5½% per annum. The Commonwealth will pay interest on the amount of the Loan for the time being outstanding, in dollars, quarterly on the first day of March, June, September and December in each year until the Loan is repaid.

§ 2. The Commonwealth will give Chase at least five business days notice of the date on which the Loan is required. On the date on which the Loan is required Chase will make the amount of the Loan available to the Commonwealth, either by credit to such account on Chase's books as the Commonwealth designates or by Chase's check in New York Clearing House funds, as the Commonwealth elects.

§ 3. On the date of the Loan, as evidence thereof, the Commonwealth will deliver to Chase a promissory note of the Commonwealth ("the Note"), duly executed by the Treasurer of the Commonwealth and by any person at the time Consul General, Acting Consul General or Consul of the Commonwealth in New York City. The Note will be substantially in the form of Exhibit A hereto and dated the date of the Loan.

§ 4. The Commonwealth represents, warrants and agrees that the principal of and interest on the Loan will be free of all present or future taxes imposed by the Commonwealth, or by any taxing authority thereof or therein, except to the extent that the right to receive payment of the principal of or interest on the Loan is or comes to be beneficially owned by any person residing in or ordinarily a resident of Australia.

§ 5. The Commonwealth represents and warrants that there has been no material adverse change in the financial, economic or political conditions of the Commonwealth from the conditions set forth in the Prospectus dated April 19, 1960 relating to the Commonwealth's Twenty Year 5½% Bonds Due April 15, 1980.

§ 6. Chase's obligation to make the Loan is subject to the performance by the Commonwealth of all its obligations under this agreement and the Loan Agreement dated June 17, 1958 between the Commonwealth and Chase, to the accuracy of its representations and warranties herein contained, and to the satisfaction on the date of the Loan of the following further conditions:

A. Before the Loan Chase shall have received an opinion of the Solicitor-General or Acting Solicitor-General of the Commonwealth, in a form satisfactory to Chase, to the effect that (i) the Loan and the Note have been duly authorized in accordance with the laws of the Commonwealth and the Order or Orders in Council applicable thereto; (ii) the Note, when signed and delivered in accordance herewith, will constitute a valid, binding, absolute and unconditional obligation of the Commonwealth, for the performance of which the full faith and credit of the Commonwealth are pledged; and (iii) this agreement has been duly authorized and executed in accordance with the laws of the Commonwealth and the Order or Orders in Council applicable hereto and all the provisions hereof are valid and binding as against the Commonwealth.

B. All legal matters relative to the Loan and the Note shall be satisfactory to Chase's counsel, Messrs. Milbank, Tweed, Hope & Hadley, and to such Australian counsel as they may consult.

§ 7. The Commonwealth will pay to Chase, in dollars, commitment fee computed at the rate of ½ of 1% per annum (on the basis of a 365-day year), for the period from April 8, 1960 to the date of the Loan or December 31, 1960, whichever is earlier, on the amount of Chase's commitment. Accrued commitment fee will be paid on the date of the Loan or December 31, 1960, whichever is earlier.

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THE SCHEDULE—*continued*.

§ 8. The Commonwealth agrees that, from the date hereof until the payment in full of the Loan—:

A. If the Commonwealth sells, offers for public subscription or in any manner disposes of any bonds or loans constituting external debt of the Commonwealth secured by lien on any revenue or asset of the Commonwealth, the Loan and the Note will be secured equally and ratably therewith and the Commonwealth will make appropriate provision to that end, where necessary.

B. From time to time, at the request of Chase, the Commonwealth will promptly deliver to Chase copies of all reports and other documents filed by the Commonwealth with the United States Securities and Exchange Commission.

C. Chase may accept and rely upon any request for the Loan, notices or other communications from the Commonwealth relative to the transactions hereby contemplated, if signed by any person at the time Consul General, Acting Consul General or Consul of the Commonwealth in New York City.

§ 9. If any principal of or interest on the Loan or the Note, or the Loan referred to in the Loan Agreement dated June 17, 1958 between the Commonwealth and Chase, is not paid when due and if such default continues for ten days, Chase may, by written notice mailed to the Commonwealth, addressed to it at The Commonwealth Treasury, Canberra, Australia, declare the entire principal amount of the Loan and the Note, and accrued interest thereon, to be, and the same will become, forthwith due and payable.

§ 10. The Commonwealth will reimburse Chase for its out-of-pocket expenses (including counsel fees) in connection with this agreement and the Loan hereunder.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed as of the date first above written.

COMMONWEALTH OF AUSTRALIA
By JOS. FRANCIS
Australian Consul General at New York

THE CHASE MANHATTAN BANK
By R. PAPE
Vice President

EXHIBIT A

\$2,000,000.

New York, N.Y.

, 1960

For value received, COMMONWEALTH OF AUSTRALIA ("the Commonwealth") hereby promises to pay to the order of THE CHASE MANHATTAN BANK ("the Payee"), at the Payee's principal office in New York, N.Y., the principal sum of \$2,000,000, in lawful money of the United States of America, by twenty quarterly instalments of \$100,000 each. The first quarterly instalment shall be payable on March 1, 1961 and a subsequent quarterly instalment shall be payable on the first day of each March, June, September and December thereafter until the principal sum is paid in full.

The Commonwealth also hereby promises to pay interest on so much of said principal sum as is from time to time unpaid, from the date hereof, in like money, at said office, quarterly on the first day of March, June, September and December in each year, at the rate of $5\frac{3}{4}\%$ per annum.

This note is the Note referred to in the Loan Agreement dated , 1960 between the Commonwealth and the Payee and is entitled to the benefits therein provided. Upon the terms provided in such Loan Agreement the principal hereof and accrued interest hereon may become payable prior to stated maturity.

The principal hereof and interest hereon will be paid free of all taxes now or at any time hereafter imposed by the Commonwealth, or by any taxing authority thereof or therein, except to the extent that this note is beneficially owned by any person residing in or ordinarily a resident of Australia.

COMMONWEALTH OF AUSTRALIA
By
Treasurer of the Commonwealth of Australia