

FOR PRESS:



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TERMS FOR NEXT COMMONWEALTH LOAN

Statement by the Prime Minister and Chairman of the  
Australian Loan Council, Mr Harold Holt

The Prime Minister, Mr Harold Holt, said today that a new Commonwealth cash loan will be open for public subscription from Friday, 6 October to Friday 13 October. The loan will be the second cash loan during the current financial year, the first having been issued in July last.

An offer of conversion will be made at the same time to holders of \$272 million of Commonwealth securities maturing on 15 October.

Terms for the new loan are as follows :-

- 4.5 per cent August, 1970 securities issued at 99.75 to yield approximately 4.59 per cent;
- 5 per cent July 1977 securities issued at par;
- 5.25 per cent July 1989 securities issued at par; and
- 5.25 per cent July 2003 securities issued at par.

The securities being issued are the same as those offered in the July cash loan, but the issue price of the August 1970 securities has been adjusted to allow for the shorter period to maturity.

The first interest payment on the August, 1970 securities will be made to the original subscriber on 15 October, 1967. The second interest payment, covering a period of four instead of the usual six months, will be made on 15 February, 1968. Full six-monthly interest payments will be made to holders of these securities on 15 August, 1968 and half-yearly thereafter.

Holders of the \$272 million of maturing securities eligible for the conversion offer may convert their holdings into any of the securities offered in the cash loan. The maturing securities were issued in March and August, 1954 and carried interest at  $4\frac{1}{2}$  per cent. Special Bonds Series O will remain on issue for cash subscriptions and will also be available for conversion from the maturing securities.

The usual income tax rebate of 10 cents in the dollar will apply to interest received from the securities offered in the cash and conversion loans and from Special Bonds Series C.

Further details of the cash and conversion offer are set out in prospectuses which are being circulated to all banks and stockbrokers.

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CANBERRA,  
29 September, 1967.

NOTE :During the absence of the Treasurer (Mr McMahon) overseas, Mr Holt is Chairman of the Australian Loan Council. This follows normal procedures adopted when the Treasurer, whom the Prime Minister customarily nominates as Chairman, is overseas.