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AUSTRALIAN LOAN IN GERMANY

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

Arrangements have been completed in Frankfurt for the issue of Australia's first public loan in Germany.

The new loan is for an amount of DM100 million (\$22.3 million). The loan will have an interest coupon of  $6\frac{1}{2}$  per cent and will be issued at 99 per cent, to give a yield to maturity of 6.61 per cent per annum over the 15-year period of the loan. The loan will finally mature in November 1982 but will be optionally redeemable by the Commonwealth at various prices from November, 1973 onwards.

Final negotiations for the loan were completed in Frankfurt with Deutsche Bank Aktiengesellschaft which acted on behalf of an international underwriting syndicate of 57 investment and banking firms.

The bonds will be offered for sale in nearly every financial centre overseas except the United States.

The Australian Ambassador to Germany (Mr F. J. Blakeney) signed the loan agreement for the Commonwealth in Frankfurt this morning.

The terms and conditions of the borrowing were settled with the approval of the Australian Loan Council. The net proceeds of the loan will be paid to the Commonwealth on 20 October. After allowing for the discount in the issue price, and for expenses, net proceeds of approximately \$21.6 million will be applied towards the Commonwealth Government's share of the 1967-68 borrowing programme approved by the Loan Council.

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CANBERRA,

12 October, 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.