

RESULT OF COMMONWEALTH LOAN

Statement by the Prime Minister and Acting Treasurer,  
the Rt. Hon. R.G. Menzies

The Prime Minister and Acting Treasurer, Mr R.G. Menzies, said today that cash subscriptions of £58.5 million were received to the Commonwealth loan which closed on Wednesday, September 23. The loan target was £50 million, and the over-subscription was therefore £8.5 million.

Mr. Menzies said he considered this to be a very satisfactory result.

A feature of the recent loan was a number of large subscriptions from savings banks. This was no doubt associated with the substantial increases in savings bank deposits which have occurred in the last few months. Relatively little was received from trading banks on this occasion.

Mr. Menzies said that nearly three-quarters of the subscriptions were made to the medium and long-term securities on offer, including about 60% of the total into 5% 1979 securities. This meant that little more than one-quarter of the subscriptions were made into short-term securities whereas, in the February, 1959 loan, nearly 60% of subscriptions were made into short-term securities. During the three weeks since the opening of the cash loan, cash subscriptions of £3.6 million were made into Special Bonds. This was a little higher than subscriptions made in the periods during which the last two loans were open and shows that there is a continuing interest in these securities by the small investor. Total subscriptions to Special Bonds - Series B since 1st July, 1959 are now £7.4 million, including £3.8 million raised during the ten weeks preceding the Commonwealth cash loan. During the thirteen week period since 1st July, redemptions of Special Bonds - Series A totalled £800,000, and net receipts from Special Bonds during the period have accordingly been £6.6 million.

Mr. Menzies said that approximately £76 million has been raised in Australia and overseas towards the financing of the Commonwealth and State 1959-60 borrowing programmes of £220 million approved by the Australian Loan Council - £10.8 million from the \$25 million loan floated in New York earlier this month, £58.5 million from the internal cash loan, and £6.6 million from Special Bonds. He added that the Commonwealth is unlikely to come on to the Australian market for a public loan before the end of 1959 but will probably be making two cash offers during the first half of 1960. However, advance subscriptions may be made immediately to the next Commonwealth loan, and Special Bonds will remain on sale until further notice.

There were more than 250,000 individual holders of the £194.8 million maturing September, 1959 securities for which a conversion offer was made concurrently with the Commonwealth cash loan. It will be some time before final results of this loan are available, but conversions so far total £137.0 million.

Redemptions so far are £33.8 million and an amount of £24.0 million is still outstanding.

CANBERRA.  
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