

NEW AUSTRALIAN CASH LOAN IN LONDON

Statement by the Prime Minister, the Rt. Hon. Sir Robert Menzies

The Prime Minister and Chairman of the Australian Loan Council (Sir Robert Menzies) gave details tonight of a new Australian cash loan which has been negotiated in London by the Commonwealth Treasurer (Mr. Harold Holt) with the approval of the Loan Council.

The loan will be for an amount of £Stg.20 million (£A25 million) and will carry an interest rate of  $5\frac{1}{2}$  per cent with an issue price of  $98\frac{1}{2}$ . The loan will mature in April 1981-82.

Sir Robert said that £Stg.5.7 million (£A7.1 million) of the proceeds will be earmarked for the redemption of an equivalent amount of Commonwealth securities which mature in London on 1st January 1964. The remaining £Stg.14.3 million (£A17.9 million) will be available for the 1963-64 Commonwealth and State borrowing programmes approved by the Loan Council.

Sir Robert said that, in view of the difficulties which Australia may face in borrowing in the United States for the next few years as a result of the proposed Interest Equalization Tax on foreign issues in that country, it was particularly gratifying that the Treasurer had been able to arrange such a large cash loan in London.

The new loan will be the fourth Australian cash loan in London since 1958, the three previous loans being for amounts of either £Stg.12 million or £Stg.15 million. Each of these was issued at  $5\frac{1}{2}$  per cent, and the most recent loan (in January 1963) was for an amount of £Stg.12 million and had an issue price of 98.

The new loan will open for subscription in London on Wednesday 2nd October.

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