

NEW COMMONWEALTH CASH AND CONVERSION LOAN

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

on 9th October, 1963.

Good Evening Ladies and Gentlemen :

I am speaking to you in my capacity as Chairman of the Australian Loan Council. I therefore speak on behalf of the Commonwealth Government and also on behalf of the six State Governments, all of whom, of course, have a direct interest in the success of the new Commonwealth £60M cash loan and the associated conversion loan which will open tomorrow.

Subscriptions to the cash loan will form part of the 1963-64 Loan Council borrowing programme of £272M. The largest single portion of the year's borrowing programme will be spent by the State housing authorities and building societies in providing new homes for our rapidly expanding population. Some £50M will be spent in this way. An amount of the same order will be spent on schools, universities, and the like requirements for education. The remainder of the programme will be applied mainly to hospitals, railways, extensions of town and country electricity, gas and water supplies, irrigation schemes and sewerage and drainage works. So you will see that most people have, directly or indirectly, a stake in the success of the Loan Council programme.

I have been asking you to subscribe to the Loan because you will thereby help to finance expansion of our economy, but perhaps I could also point out that the securities offered in the Loan represent a very sound investment for your savings. You can obtain yields ranging from £4.10.0 per cent. on long-term securities, to about £4.6.0 per cent. on medium-term securities and £3.16.0 per cent. on short-term securities. In addition, if you are a taxpayer, you will have the advantage of a tax rebate of 2/- in the £ which of course greatly improves the net yield from your securities.

You may also happen to be one of nearly 100,000 holders of the £144M $3\frac{1}{8}$ per cent. securities which mature next Tuesday. In that case, you are invited to convert into the same securities as we are issuing in the cash loan. I hope you will do this because in an important sense, conversions are no different from loan subscriptions. If instead of converting, you redeem your securities, the money paid to you will have to be found by your Commonwealth or State Governments from their own resources which are, of course, those of the people, including you.

I would like also to mention the advantages offered by Special Bonds which are continuously on offer. We devised these a few years ago. They are specially designed for comparatively small investors. They give very good returns and they can be cashed in full at short notice from next April onwards. For these several reasons, I hope that we will have your support for the Loan, whether as a cash subscriber or as a converter of existing securities. This is, I repeat, very much a community enterprise and one in which your interests both as citizens and as individuals march together.
