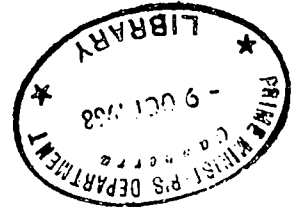


STATEMENT BY THE PRIME MINISTER AND  
CHAIRMAN OF THE AUSTRALIAN LOAN COUNCIL  
THE RT. HON. J.G. GORTON, M.P.

AUSTRALIAN LOANS IN THE UNITED STATES

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A series of loan agreements has been successfully negotiated in the U.S. In total, these borrowings by the Commonwealth amount to \$US 180 million.

Three of the loans are from the Export-Import Bank of the United States, and a fourth is a joint loan from the Export-Import Bank and United States commercial banks.

The Export-Import Bank has agreed to lend the Commonwealth \$US 50 million (\$A 44.6 million), in two tranches of \$US 25 million each, to finance the importation of specified categories of capital equipment from the United States. Since the Export-Import Bank is an agency of the United States Government, the loans are not subject to the U.S. Interest Equalization Tax.

The first tranche of the new loan will carry an interest rate of 7 per cent per annum and will be issued at par. It will mature finally in 1983.

The second loan is for an amount of \$US 75 million (\$A 67 million) to assist in financing the purchase of 24 F 111C aircraft, spares, associated equipment and services. This is additional to an earlier borrowing of \$US 80 million arranged in 1966 for this purpose.

The loan will carry an interest rate of 6 per cent and will be issued at par. Repayment of amounts drawn will be spread over 7 years.

The third loan agreement is for an amount of \$US 53 million (\$A 47.3 million) to assist in financing the purchase by Qantas Airways Ltd. of four Boeing 747 ("Jumbo Jet") Aircraft.

One half of the loan will be provided by the Export-Import Bank and the Boeing Company, and the other half by a syndicate of United States commercial banks.

The proposed expenditure in the United States on the four aircraft and related equipment is \$US 132 million, of which Qantas will finance 20 per cent from its own resources. The Commonwealth will be looking to borrow the remainder in two tranches of approximately \$US 53 million each, and the present loan represents the first tranche.

Interest on the Export-Import Bank/Boeing portion will be at 6 per cent, and on the commercial bank portion will be one-half per cent above the Morgan Guaranty Trust Company's prime rate, with a minimum of 5.5 per cent and a maximum of 7 per cent. At present, this would mean a rate of 6-3/4 per cent. The loan will be repaid over a period of 7 years.

The fourth loan agreement covers a borrowing of \$US 2.5 million (\$A 2.3 million) to assist in financing the purchase by Trans-Australia Airlines of its fifth Boeing 727 Aircraft. It will carry an interest rate of 6 per cent, and will be repaid over 7 years.

An agreement which the Treasurer signed on behalf of the Commonwealth Government with the Union Bank of Switzerland in Zurich two weeks ago provided for a loan of approximately 10 million Swiss francs to complete the financing of this purchase.

When account is taken of the recent 200 million Deutsche Mark loan in Frankfurt, and the Swiss loan for T.A.A., loan agreements totalling approximately \$A 208 million have recently been concluded.