

## DEBT CONVERSION (FURTHER AGREEMENT) ACT.

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Act No. 48, 1931.

George V, An Act to authorise the State of New South Wales to enter into an agreement with the Commonwealth of Australia and the States of Victoria, Queensland, South Australia, Western Australia, and Tasmania relating to the conversion of that portion of the internal public debts of the Commonwealth and the States which was not converted under the provisions of the Commonwealth Debt Conversion Act, 1931. [Assented to, 7th October, 1931.]

BE

**B**E it enacted by the King's Most Excellent Majesty, <sup>No. 48, 1931.</sup> by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** (1) This Act may be cited as the "Debt Conversion (Further Agreement) Act, 1931."

(2) This Act shall commence on a date to be appointed by the Governor, and notified by proclamation published in the Gazette.

**2.** The Premier may on behalf of the State of New South Wales enter into and execute an agreement with the Commonwealth of Australia and the States of Victoria, Queensland, South Australia, Western Australia, and Tasmania in or to the effect of the draft contained in the Schedule to this Act.

Such agreement when finally settled and executed by the Premier shall be published in the Gazette, and from the date of such publication shall be binding upon the State of New South Wales and the holders of all debentures or stock affected by the agreement.

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SCHEDULE:

See 2

DRAFT DEBT CONVERSION AGREEMENT (No. 2).

AGREEMENT made the                    day of                    one thousand nine hundred and thirty-one between the Commonwealth of Australia (in this Agreement called "the Commonwealth") of the first part, the State of New South Wales of the second part, the State of Victoria of the third part, the State of Queensland of the fourth part, the State of South Australia of the fifth part, the State of Western Australia of the sixth part, and the State of Tasmania of the seventh part (each of the parties of the second, third, fourth, fifth, sixth and seventh parts being in this Agreement referred to as "a State" and the expression "the States" in this Agreement meaning where the context so permits or requires all of such parties): Whereas by section 105A of the Constitution it is provided that the Commonwealth may make agreements with the States with respect to the public debts of the States, including (inter alia) the consolidation, renewal, conversion and redemption of such debts. And whereas by an agreement made the twenty-first day of July, one thousand nine hundred and thirty-one between the

No. 48, 1931.

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the parties hereto the Commonwealth was authorised to arrange and effect a conversion, on the basis of a  $22\frac{1}{2}$  per cent. reduction of interest, in accordance with the terms and conditions of sections 3, 8 and 10 to 22, inclusive, of a Bill for an Act to be known as the Commonwealth Debt Conversion Act, 1931 (which had been passed by both Houses of the Federal Parliament, and was ready for presentation to the Governor-General for the Royal Assent), of all public debts of the States the liability for which has been assumed by the Commonwealth under the Financial Agreement between the parties hereto dated the twelfth day of December, one thousand nine hundred and twenty-seven (hereinafter called the Financial Agreement) and the interest and principal of which are payable in Australia, and of all public debts of the Commonwealth (including borrowings by the Commonwealth for or on behalf of a State under the Financial Agreement), the interest and principal of which are payable in Australia. And whereas the said Bill for the said Act was presented to the Governor-General for the Royal Assent which was duly given on the sixth day of August, 1931, without any alteration of the provisions of such Bill, which thereby became the Commonwealth Debt Conversion Act, 1931 (hereinafter called "the said Act"). And whereas by the said Act it was provided inter alia that where the holder of existing securities did not within the time and in the manner provided by the said Act signify dissent from the conversion of those securities into new securities the existing securities should be deemed to be converted into new securities. And whereas approximately ninety-seven per centum of existing securities have been converted into new securities under the said Act, and it is expedient that the remainder of the existing securities should be converted into new securities on similar terms and conditions. Now this Agreement witnesseth :—

1. This Agreement shall have full force and effect, and shall be binding on all the parties, when it is approved by the Parliaments of the Commonwealth and of the States.
2. In this Agreement the terms "existing securities" and "new securities" have the same meanings respectively as in the said Act.
3. Notwithstanding anything in the above recited Agreement dated the twenty-first day of July, 1931, or in the said Act contained, the holder or holders of all existing securities which have not before the coming into force of this Agreement been converted into new securities in accordance with the provisions of the said Act shall, notwithstanding that any holder or holders of such existing securities may have signified or may signify dissent from the conversion thereof into new securities be deemed to have made an application under section 9 of the said Act for the conversion, in accordance with the terms and conditions of sections 3, 8 and 13 to 16 (both inclusive), and 18 to 22 (both inclusive) of the said Act, of such existing securities into new securities of an equivalent amount determined in accordance with the provisions of the said Act, and such existing securities shall be deemed to be converted into new securities accordingly. Provided that nothing in this clause shall apply to Commonwealth Treasury Bills issued to a

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Bank in Australia with the approval of the Australian Loan Council or to securities issued with the like approval to such a Bank in exchange for such Bills.

4. The Commonwealth will take the necessary action to submit to the Federal Parliament any legislation necessary to carry out or give effect to this Agreement.

5. So far as the provisions of this Agreement may not be in accordance with any provisions of the Financial Agreement or of the said Agreement dated the 21st day of July, 1931, or of the said Act, the provisions of this Agreement shall prevail.

6. Subject to clauses 3 and 5 of this Agreement, the provisions of the Financial Agreement and the undertakings and obligations of the Commonwealth and of the States therein contained shall apply to the public debts after conversion in pursuance of clause 3 of this Agreement in the same manner as they applied before such conversion.

Signed, &c.