

# DEBT CONVERSION AGREEMENT (NO. 2).

## No. 52 of 1931.

An Act to approve an Agreement between the Commonwealth of Australia of the First Part and the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania of the Second, Third, Fourth, Fifth, Sixth and Seventh Parts respectively.

[Assented to 12th November, 1931.]

**W**HEREAS by section one hundred and five A 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 those debts: Preamble.

BE it therefore enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Debt Conversion Agreement Act* (No. 2) 1931. Short title.

2. This Act shall commence on a date to be fixed by Proclamation. Commencement.

3. The Agreement, a copy of which is set forth in the Schedule to this Act, is hereby approved. Approval of Agreement.

### THE SCHEDULE.

AGREEMENT made the twenty-second day of October 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 (the expression "the States" in this agreement meaning where the context so permits or requires all of the parties of the second, third, fourth, fifth, sixth and seventh parts):

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 parties hereto the Commonwealth was authorized to arrange and effect a conversion, on the basis of a 22½ per cent. reduction of interest, in accordance with the terms and conditions now contained in sections 3, 8 and 10 to 22 inclusive of the *Commonwealth Debt Conversion Act* 1931 (hereinafter called "the said Act") 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

THE SCHEDULE—*continued.*

twenty-seven and the principal and interest 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 said Financial Agreement) the interest and principal of which are payable in Australia :

AND WHEREAS by the said Act provision has been made for the conversion into new securities of existing securities, comprised in the said public debts, the holders of which did not, within the time and in the manner prescribed, signify dissent from the conversion :

AND WHEREAS approximately ninety-seven per centum of existing securities have been converted under the said Act, and it is expedient that the remainder of the existing securities should be converted on the same 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 meaning as in the said Act.

3. NOTWITHSTANDING anything in the above-recited Debt Conversion Agreement or in the said Act contained, every holder of existing securities which have not been converted into new securities in accordance with the provisions of the said Act shall, notwithstanding that any holder of those existing securities may have signified or may signify dissent, be deemed to have made an application in accordance with section 9 of the said Act for their conversion into new securities, and they shall be deemed to be so converted accordingly :

PROVIDED that nothing in this clause shall apply to Commonwealth Treasury Bills issued to a 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 Government of the Commonwealth will take the necessary action to submit to the Federal Parliament any legislation necessary to carry out and give effect to this agreement.

5. SO far as this agreement may not be in accordance with the provisions of the said Financial Agreement the provisions of this agreement shall prevail.

6. SUBJECT to the last preceding clause, the provisions of the said 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 by the Prime Minister of the Commonwealth of  
Australia for and on behalf of the said Commonwealth in the presence of—  
F. STRAHAN } J. H. SCULLIN

SIGNED by the Premier of the State of New South Wales  
for and on behalf of the said State in the presence of—  
C. R. CHAPMAN } JOHN T. LANG

SIGNED by the Premier of the State of Victoria for and  
on behalf of the said State in the presence of—  
C. C. GALE } E. J. HOGAN

SIGNED by the Premier of the State of Queensland for  
and on behalf of the said State in the presence of—  
G. W. WATSON } A. E. MOORE

SIGNED by the Premier of the State of South Australia  
for and on behalf of the said State in the presence of—  
M. A. F. PEARCE } LIONEL L. HILL

SIGNED by the Premier of the State of Western Australia  
for and on behalf of the said State in the presence of—  
L. E. SHAPCOTT, J. P. } JAMES MITCHELL

SIGNED by the Premier of the State of Tasmania for and  
on behalf of the said State in the presence of—  
E. PARKES } J. C. McPHEE