

THE SCHEDULE—*continued.*

- (c) the benefit of all security so taken will be transferred to the Commonwealth in the event of the Commonwealth being called upon to make payment under the guarantee.
- (5.) No guarantee shall be given by the Commonwealth under this clause in respect of, nor shall any then existing guarantee apply to, any moneys borrowed by the Company after the expiration of a period of ten years from the date of the commencement of this agreement nor shall any advance be made by the Commonwealth to the Company under this clause after the expiration of that period.
- (6.) The Company will make all arrangements necessary to ensure that, upon the expiration of that period of ten years, all amounts borrowed by it and secured by a guarantee by the Commonwealth, or advanced by the Commonwealth, in pursuance of this clause, together with all interest payable thereon, will be repaid by regular payments in the shortest time practicable, but in any event before the expiration of the period of this agreement.
- (7.) In the event of any default by the Company in the repayment of monies secured by a guarantee, or advanced by the Commonwealth in pursuance of this clause, the Commonwealth shall thereupon be under no obligation to give any further guarantee or to facilitate the raising of any further borrowings by the Company pursuant to this clause.
- (8.) The Company will—
- (a) insure and keep insured against all risks against which it is customary to insure, and to their full insurable value, all aircraft and other assets securing the repayment of moneys borrowed in accordance with this clause; and
  - (b) in the event of any amount becoming payable by the Commonwealth under any guarantee given by it, repay to the Commonwealth upon demand the amount so paid by the Commonwealth.
- 4.—(1.) The Company will pay to the Commonwealth within one year from the date of the commencement of this agreement, and the Commonwealth will accept, the sum of Three hundred and thirty-seven thousand seven hundred and seventeen pounds six shillings (£337,717.6.0) in full satisfaction of all claims by the Commonwealth against the Company for air route charges in respect of the period commencing on the first day of August One thousand nine hundred and forty-seven and ending on the thirtieth day of June One thousand nine hundred and fifty-two. Air route charges.
- (2.) Upon the payment by the Company to the Commonwealth of the sum of Three hundred and thirty-seven thousand seven hundred and seventeen pounds six shillings (£337,717.6.0) referred to in sub-clause (1.) of this clause, the Commonwealth will take steps to discontinue the action instituted by the Commonwealth against the Company in the High Court of Australia by Writ of Summons No. 7 of 1948.
- (3.) In respect of the period commencing from the first day of July One thousand nine hundred and fifty-two and ending on the date of the expiration of this agreement, the air route charges charged to the Company by the Commonwealth shall not, subject to this clause, exceed one-half of the charges set forth in Air Navigation Order Part 99 dated the twenty-seventh day of May One thousand nine hundred and forty-nine, as amended on the first day of August of that year, unless and except to the extent that an increase becomes necessary because of the provision of additional or improved facilities and services or because of higher costs of maintaining and operating facilities and services.
- (4.) In the event of the use of routes not specified in the Appendix to that Order, the additional amounts charged in respect of those routes shall be proportionate to one-half of the charges specified in that Order, increased if necessary in accordance with sub-clause (3.) of this clause.
- (5.) Nothing in this clause shall prevent the Commonwealth from imposing air route charges by whatever legislative means and on whatever basis of calculation it thinks fit which will produce substantially the same aggregate amount over the period referred to in sub-clause (3.) of this clause as the charges calculated in accordance with that sub-clause, increased if necessary in accordance with that sub-clause, together with the additional amounts charged in respect of new routes in accordance with sub-clause (4.) of this clause, would produce.
- 5.—(1.) In providing for the carriage of mail by air, the Commonwealth will take all steps necessary to assure to the Company during the continuance of this agreement, subject to the Company providing efficient services with suitable time-tables in Air Mail.