THE SCHEDULE.

Section 3.

AN AGREEMENT made the twenty-fourth day of October, One thousand nine hundred and fifty-two BETWEEN the COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") of the one part and AUSTRALIAN NATIONAL AIRWAYS PROPRIETARY LIMITED, a company incorporated under the laws of the State of Victoria relating to companies and whose registered office is situated at 390 Flinders Street Melbourne in the said State (in this agreement called "the Company") of the other part:

WHEREAS the Australian National Airlines Commission constituted under the *Australian National Airlines Act* 1945–1947 of the Commonwealth (in this agreement called "the Commission") and the Company are the major operators of airline services in Australia for the transport of passengers and goods:

AND WHEREAS in order to facilitate trade and commerce among the States, provide for the efficient carriage of mail by air within Australia and assist the defence of the Commonwealth it is expedient in the opinion of the Commonwealth to make provision for the purpose of ensuring—

(a) the continued existence of the Company, as well as of the Commission, as an operator of airline services within Australia;

(b) the maintenance of competition between the Commission and the Company; and

(c) the efficient and economical operation of air services within Australia:

AND WHEREAS for the attainment of those purposes it is necessary to make arrangements for the operation of air services within Australia and to provide assistance to the Company in manner provided in this agreement:

NOW IT IS HEREBY AGREED by and between the parties to this agreement as follows:—

Approval by Parliament. 1. This agreement shall have no force or effect and shall not be binding on either party unless and until it is approved by the Parliament of the Commonwealth.

Commencement. 2. This agreement shall commence and come into full force and effect upon the date upon which it is so approved.

Financial assistance. 3.—(1.) Subject to this clause, the Commonwealth will, at the request of the Company, guarantee the repayment to the Commonwealth Bank of Australia of a loan or loans not exceeding in all the sum of Three million pounds (£3,000,000) to be made by that bank to the Company for the purchase of not more than six heavy aircraft of the Vickers "Viscount" or other type required by the Company for use in its air services within Australia together with necessary spare engines, spare parts and accessories for those aircraft.

(2.) If, after the commencement of this agreement, the Commission is authorised to purchase new or second-hand heavy aircraft, the Commonwealth will facilitate the borrowing of such amount as may be required by the Company for the purchase of an equal number of heavy aircraft comparable in type and price to those authorised for purchase by the Commission, provided always that the total of all amounts borrowed by the Company in accordance with sub-clause (1.) of this clause and this sub-clause and not repaid shall not at any one time exceed the sum of Four million pounds (£4,000,000).

(3.) In this clause, "facilitate" means:—

(a) that, in the event of the Company being unable otherwise to borrow upon reasonable terms and conditions the money required to purchase the aircraft referred to in sub-clause (2.) of this clause, the Commonwealth will guarantee the repayment of a loan of such amount as may be required to effect the purchase; and

(b) that, in the event of the Company being unable to obtain that loan, the Commonwealth will advance the amount on loan, as and when required, on terms and conditions (including security) substantially the same as those that would have applied had the loan been available on bank overdraft guaranteed in accordance with this clause.

(4.) A guarantee by the Commonwealth in accordance with this clause shall be in such form as the Treasurer shall approve and shall be given only if—

(a) the moneys are borrowed upon reasonable terms and conditions;

(b) proper security is taken by the lender over the aircraft, spare engines, spare parts and accessories purchased by the Company with those moneys; and