

guarantee the repayment of, and the payment of interest on, a loan or loans of an amount or amounts not exceeding in the whole the equivalent of Two million pounds made to either of those companies, each such loan being repayable within a period not exceeding six years from the date on which the loan moneys are received.

(2.) The guarantee of a loan or loans under this section does not affect the rights of Australian National Airways Proprietary Limited under clause three of the agreement approved by the *Civil Aviation Agreement Act 1952*.

Financial
conditions of
guarantees.

9. For the purposes of the protection of the financial interests of the Commonwealth, the Treasurer shall not give a guarantee under the last preceding section in respect of a loan unless—

- (a) the moneys are borrowed upon reasonable terms and conditions;
- (b) proper security is taken by the lender over the aircraft and related spare parts and equipment to which the loan relates;
- (c) the loan arrangements contain such provision as the Treasurer considers necessary for the transfer to the Commonwealth of the benefit of securities in the event of the Commonwealth being called upon to make payment under the guarantee;
- (d) undertakings to the satisfaction of the Treasurer are given that the aircraft and other assets over which security for the payment of moneys to which the guarantee relates—
 - (i) will be insured, and kept insured, against all risks against which it is customary to insure, and to their full insurable value;
 - (ii) will not be sold, mortgaged or charged except by way of security to the lender in respect of the loan; and
 - (iii) will not be taken out of Australia for a destination that is not in Australia or a Territory of the Commonwealth except after the furnishing of such security as the Treasurer may require; and
- (e) such other conditions as the Treasurer thinks necessary are fulfilled.

Rationalization
conditions of
guarantees.

10.—(1.) The Treasurer shall not give a guarantee under this Part unless undertakings are given to the satisfaction of the Minister for compliance by the Company with the obligations specified in section thirteen of this Act so long as any moneys