

# LOAN (DROUGHT RELIEF).

No. 71 of 1940.

An Act to authorize the Raising of Moneys to be loaned to, and the Payment of Moneys to, certain States for the Purposes of Drought Relief.

[Assented to 16th December, 1940.]

[Date of commencement, 13th January, 1941.]

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

Short title.

1. This Act may be cited as the *Loan (Drought Relief) Act* 1940.

Authority to borrow  
£2,800,000.

2. The Treasurer may, from time to time, under the provisions of the *Commonwealth Inscribed Stock Act* 1911–1940, or under the provisions of any Act authorizing the issue of Treasury Bills, borrow moneys not exceeding in the whole the sum of Two million eight hundred thousand pounds.

Application of moneys.

3.—(1.) Moneys borrowed under this Act shall be issued and applied only for the expenses of borrowing, and for making loans to the States mentioned in the next succeeding sub-section for the purpose of the alleviation, in accordance with agreements made or to be made between the Commonwealth and the States, of hardship suffered by primary producers in consequence of drought.

(2.) The moneys so loaned to each State shall not exceed the amount set forth opposite the name of that State in the following table :—

	£
New South Wales .. .. .	750,000
Victoria .. .. .	600,000
Queensland .. .. .	250,000
South Australia .. .. .	600,000
Western Australia .. .. .	570,000

4.—(1.) The principal of moneys loaned to any State in accordance with this Act shall be repaid by that State to the Commonwealth by four equal annual payments, the first to be made not later than four years after the making of the loan and the last to be made not later than seven years after the making of the loan.

Conditions  
of loans  
to States.

(2.) A State to which moneys are loaned in accordance with this Act shall pay interest thereon to the Commonwealth at a rate equal to that payable by the Commonwealth on moneys borrowed by the Commonwealth for the purposes of this Act.

5.—(1.) During the first year after the making to any State of a loan in accordance with this Act, the Treasurer may pay to that State a sum not exceeding the interest on the loan payable by that State to the Commonwealth in respect of that year, and during each of the next following six years the Treasurer may pay to that State a sum not exceeding one-half of the interest on the loan payable by that State to the Commonwealth in respect of that year.

Payment to  
States of  
portion of  
interest.

(2.) Payments under this section shall be payable out of the Consolidated Revenue Fund, which is hereby appropriated for the purpose.