CHAPTER 54.

An Act to make further provision with respect to the Indian Loan of 1879. [22nd August 1881.]

WHEREAS the Indian Advance Act, 1879, authorised the Commissioners of Her Majesty's Treasury (in this Act referred to as the Treasury) to advance to the Government of India two million pounds, and provided that such advance should be repaid by the Government of India as follows: 42 & 43 Vict. c. 45.

In the financial year 1880–81 - - - 290,000*l.*
In each of the six succeeding financial years - 285,000*l.*

inclusive of interest, at the rate of three per cent., and at such time or times as might be agreed on between the Treasury and the Government of India, but the Act provided that the interest so received should be repaid to the Government of India:

And whereas the said sum of two million pounds was advanced to the Government of India, but no sum has been repaid by the said Government in respect either of principal or interest:

And whereas in pursuance of the East Indian Loan (Annuities) Act, 1879, the above sum was raised by the creation of two million and forty-nine thousand two hundred and fifty-nine pounds five shillings and ninepence three per cent. consolidated bank annuities, and those annuities are charged on the Consolidated Fund, but are not paid out of the permanent annual charge for the National Debt: 42 & 43 Vict. c. 61.

And whereas the said annuities were purchased by the Commissioners for the Reduction of the National Debt (in this Act referred to as the National Debt Commissioners) on account of trustee and post office savings banks:

And whereas it is expedient to repeal the said obligation on the Government of India to repay the said sum of two million pounds, and to provide for the conversion of the above-mentioned amount of three per cent. consolidated bank annuities into terminable annuities and for the payment of those annuities out of the permanent annual charge for the National Debt:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the Indian Loan Act, 1881. Short title.

2. (1.) The Indian Advance Act, 1879, and the East Indian Loan (Annuities) Act, 1879, are hereby repealed without prejudice to anything done in pursuance of the said Acts before the passing of this Act. Repeal of 42 & 43 Vict. cc. 45 and 61, and provision as to conversion of annuities into terminable annuities.

(2.) The three per cent. consolidated bank annuities created in pursuance of the East Indian Loan (Annuities) Act, 1879, shall continue to be charged on the Consolidated Fund, and shall be paid out of the permanent annual charge of the National Debt.

(3.) The Treasury shall at any time or times before the thirty-first day of March one thousand eight hundred and eighty-two convert into terminable annuities for periods not exceeding twenty-five years such amounts of three per cent. consolidated bank annuities held by the National Debt Commissioners on account of trustee and post office savings banks, or either of them, as in the

whole are equal to two million and forty-nine thousand two hundred and fifty-nine pounds five shillings and ninepence capital stock.

(4.) The Treasury may convert the same by a warrant to the Governor and Company of the Bank of England directing them to cancel the said annuities in their books as from the date of conversion specified in the warrant, and to inscribe in their books, as from the same date to the same account as that for which the cancelled annuities were held, terminable annuities of the amounts and for the periods mentioned in the warrant.

(5.) The amount of the terminable annuities to be inscribed shall be certified to the Treasury by the National Debt Commissioners under the hands of the Controller-General, or Assistant Controller, and of the Actuary of the National Debt Office.

(6.) For the purpose of ascertaining the amount of the terminable annuities—

interest shall be taken at the rate of interest yielded by three per cent. consolidated bank annuities at the average price of the day as certified by the Bank of England on the date of conversion.

the capital value of perpetual annuities shall be calculated at the average price of the same day.

(7.) The perpetual annuities directed in pursuance of this Act to be cancelled shall after the date of conversion be cancelled, and all payments in respect thereof shall cease.

(8.) The terminable annuities created under this Act shall after the date of their creation be charged on the Consolidated Fund, and be paid out of the permanent annual charge of the National Debt yearly or half-yearly at such times in each year as may be fixed by the warrant creating them.

(9.) Every terminable annuity received by the National Debt Commissioners in pursuance of this Act shall, so far as it represents interest, be dealt with as dividends of the perpetual annuities converted into such terminable annuity would have been applied, and, so far as it represents principal, shall be dealt with by them as moneys received on account of trustee or post office savings banks, as the case may be.

(10.) The warrants of the Treasury issued in pursuance of this Act shall be a sufficient authority to the Bank of England for doing the things thereby directed, and copies of such warrants shall be laid before both Houses of Parliament within one month after they are issued, if Parliament is then sitting, and, if not, within one month after the then next meeting of Parliament.

Temporary increase of permanent annual charge of National Debt.
43 & 44 Vict. c. 36.
38 & 39 Vict. c. 45.

3. For the period of four financial years commencing on the first day of April one thousand eight hundred and eighty-one, the permanent annual charge for the National Debt shall, subject to any increase under the Savings Bank Act, 1880, be twenty-eight million nine hundred and twenty thousand pounds, and thereafter during the currency of the terminable annuity created under this Act shall be twenty-eight million one hundred and twenty thousand pounds, and during the said periods the Sinking Fund Act, 1875, shall be construed as if the above-named sums were respectively substituted in the first section of that Act for "twenty-eight million pounds."