CHAPTER 55.

An Act to make further provision respecting the National Debt and the Investment of Moneys in the hands of the National Debt Commissioners on account of Savings Banks and otherwise. [22nd August 1881.]

WHEREAS it is expedient to make further provision respecting the securities held by the National Debt Commissioners:

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 National Debt Act, 1881. Short title.

2. (1.) The Treasury may pay off any Exchequer bonds held at the passing of this Act by the National Debt Commissioners on account of Trustee and Post Office Savings Banks, not exceeding in the whole seven million seven hundred and fifty thousand pounds by the creation as from the day on which each such bond falls due, of perpetual annuities of equivalent capital value, and the day on which each such bond falls due shall be for the purposes of this Act the date of the creation of such annuities. Conversion of Exchequer bonds into permanent annuities with sinking fund.

(2.) During twenty-five years from the date of the creation of any perpetual annuities in pursuance of this section there shall be charged on and paid out of the Consolidated Fund as a sinking fund for such perpetual annuities an annual sum for the first four years of one pound, and afterwards of three pounds four shillings and fourpence for every hundred pounds of the nominal capital amount of perpetual annuities created, and such sum shall be paid to the National Debt Commissioners and shall be applied by them as if it were part of the new sinking fund under the Sinking Fund Act, 1875. 38 & 39 Vict. c. 45.

(3.) The perpetual annuities created under this section shall be charged on the Consolidated Fund, but the said annuities during the twenty-five years above-mentioned, and the sinking fund under this section shall not be paid out of the permanent annual charge of the national debt.

(4.) This section shall apply to Exchequer bonds falling due in the month of August one thousand eight hundred and eighty-one, either before or after the passing of this Act.

3. For the purposes of this Act the following provisions shall have effect: Supplemental provisions as to creation of annuities.

(1.) The annuities shall be created by a warrant from the Treasury to the Bank of England directing them to inscribe in their books, as from the date of creation specified in the warrant, perpetual annuities of the amount and description mentioned in the warrant.

(2.) The said amount 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.

(3.) The equivalent capital value of perpetual annuities shall be calculated at the average price of the day as certified by the Bank of England on the date of creation, but if no price of

stock is recorded on the date of creation, the price certified on the day nearest preceding shall be adopted.

(4.) The perpetual annuities created in pursuance of this Act shall be consolidated with other perpetual annuities of the same description and payable at the same date, and shall be transferable in the books of the Bank of England in like manner as the annuities with which they are consolidated, and shall be subject to the enactments relating to those annuities so far as is consistent with the tenour of those enactments; but nothing in this section shall make section sixty-nine of the National Debt Act, 1870, apply to any annuities created in pursuance of this Act.

33 & 34 Vict. c. 71.

Treasury warrants to be authority for Bank of England.

4. 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.

Declaration as to 43 & 44 Vict. c. 36. s. 1.

5. Whereas in pursuance of the Savings Banks Act, 1880, a terminable annuity is directed to be inscribed in the books of the Bank of England for the National Debt Commissioners on account of trustee savings banks, for the purpose of paying off the deficiency therein mentioned, and doubts have arisen with respect to the interest on securities in which such annuity is to be invested, and it is expedient to remove such doubts: Be it therefore enacted that—

During the currency of the said annuity, the interest arising from any securities in which the money received in respect of the said annuity, or of any investment of the said annuity is invested, shall for the purpose of the annual account required to be made up by the National Debt Commissioners of the interest arising from securities in their hands be treated as capital and not as interest.

Definitions.

6. In this Act, unless the context otherwise requires—

The expression "Treasury" means the Commissioners of Her Majesty's Treasury:

The expression "National Debt Commissioners" means the Commissioners for the Reduction of the National Debt:

The expression "Bank of England" means the Governor and Company of the Bank of England:

The expression "perpetual annuities" means three and a half per cent. bank annuities, three per cent. consolidated bank annuities, three per cent. reduced bank annuities, new three per cent. bank annuities, or two and a half per cent. bank annuities.