CHAPTER 32.

An Act to remit certain Loans formerly made out of the Consolidated Fund or other Public Revenue of the United Kingdom. [2d August 1877.]

WHEREAS certain advances out of the Consolidated Fund or other public revenue of the United Kingdom have been made for the objects mentioned in the schedule to this Act, and the account of each of these advances shows the amount mentioned in that schedule, together with interest, to be unpaid, and due to the Consolidated Fund:

And whereas in the case of the advance for the purchase of a Bankruptcy Court it is doubtful whether the amount has not been virtually repaid, and in the case of certain other advances it is doubtful whether the advance has not been remitted, and in the case of all the said advances there is no prospect of recovering any further amount by way of principal or interest, and it is inexpedient to keep open for any further period the account of such advances:

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:

Short title.

1. This Act may be cited as the Public Loans Remission Act, 1877.

Extinguishment of debts in schedule.

2. The debts due to the Consolidated Fund mentioned in the schedule to this Act, and all arrears of interest thereon, shall, after the passing of this Act, but subject to the provisions contained in the schedule, be extinguished, and the amount of debt so extinguished shall be considered as a free grant from Parliament.

SCHEDULE.

Objects of Advance.	Acts under which Advance was made.	Amount Advanced.	Amount Repaid.	Principal Outstanding.	Account of Advance and reason for Remission.
LONDON.—Bankruptcy Court.	1 & 2 Geo. 4. c. 115. s. 8.	£ s. d. 22,300 0 0	£ s. d. 10,000 0 0	£ s. d. 12,300 0 0	The money was advanced for purchasing the site of and building the Bankruptcy Court in Basinghall Street, in pursuance of addresses from the House of Commons in 1819 and 1821, which were carried into effect by the Act 1 & 2 Geo. 4. c. 115. The amount was to be repaid out of certain fees to be received for the use of the room under each commission of bankruptcy; but the Act made no provision for the payment of any interest on the loan. 10,000*l.* was repaid in the financial year 1832–3. In 1849, by 12 & 13 Vict. c. 106., the court, with the site, was (s. 60) vested in the Commissioners of the Court, and the Lord Chancellor was (s. 63) authorised out of "the unclaimed dividend account" to order repayment to the Treasury of the balance due in respect of the sums advanced for the purchase of the site, and for the erection and fitting up of the building. In 1861, by 24 & 25 Vict. c. 134., the court and site were vested in the Commissioners of Her Majesty's Works, to be appropriated to such purpose as the Lord Chancellor should direct. Section 60 of the Act of 12 & 13 Vict. c. 106. was repealed, s. 63 remained in force. In 1869, by 32 & 33 Vict. c. 91., the court and site were (s. 15) continued vested in the Commissioners of Works, and to be appropriated as the Lord Chancellor, with the concurrence of the Treasury, should from time to time direct. By the same Act 244,387*l.* 19*s.* 1*d.* stock, and 6,064*l.* 6*s.* 8*d.* cash, standing to the "unclaimed dividend account,"

Objects of Advance.	Acts under which Advance was made.	Amount Advanced.	Amount Repaid.	Principal Outstanding.	Account of Advance and reason for Remission.
		£ s. d.	£ s. d.	£ s. d.	were transferred to the Commissioners for the Reduction of the National Debt, the stock being cancelled and the cash applied in reduction of debt. (Sections 9, 30, and second schedule.) The debt, therefore, has been virtually, though not in form, repaid.
CARNARVON.—Revising list of burgesses.	5 & 6 Will. 4. c. 76. s. 20.	3,853 10 0	3,832 10 0	21 0 0	The amount was advanced under the Municipal Corporations Act in order to pay the remuneration of the barristers who were to revise the list of burgesses for the year 1835, instead of the mayors and assessors. The remuneration, together with the travelling and other expenses of these barristers, were to be paid by the Treasury, but the amount paid for remuneration alone was to be recovered from the boroughs. In 1849, when the accounts were intended to be finally closed, the borough of Carnarvon failed to repay the 21*l.* No steps, however, were taken to compel such repayment, and it would be impossible now to put forward the claim.
CRINAN CANAL -	33 Geo. 3. c. 104. 45 Geo. 3. c. 85. 51 Geo. 3. c. 117. 56 Geo. 3. c. 135.	74,400 0 0	- - -	74,400 0 0	The first advance was made to the Canal Company in 1799 on the security of the rates and duties of the canal, with interest at 5 per cent. Further advances were made in 1806 and the subsequent years up to 1817. No sum has ever been paid in respect either of principal or interest. In 1817 the advance had been made to the Commissioners of the Caledonian Canal, who had practically the control of the canal instead of the company, and in 1848 the canal was by 11 & 12 Vict. c. 54. vested in those Commissioners free from all claims by the company or any person claiming through them. In 1859 grants of public money, amounting to 17,000*l.*, were made for repairing the works of the Crinan Canal, and by 23 & 24 Vict. c. 46. s. 25, all rates levied are to be expended on the improvement of the canal. By allowing these Acts to pass, the Government virtually abandoned their claim to the repayment of the debt; and even were it otherwise, the surplus revenue of the Crinan Canal is so small that it may at any time be absorbed in expenses, and would afford no prospect of any repayment of the principal or interest.
GLASGOW AND CARLISLE ROADS.	56 Geo. 3. c. lxxxiii. (*Local.*) 58 Geo. 3. c. 44. 59 Geo. 3. c. xc. (*Local.*) 1 & 2 Geo. 4. c. cxxvii. (*Local.*)	- - -	- - -	- - -	The loan was advanced in 1816 at 5 per cent. on the security of the surplus of the road tolls and duties after payment of the repairs of the road and the interest on money privately subscribed. The amount was divided between the Scotch section, the English section, and the building of the Beattock Inn by the Acts subsequent to 1816, but a portion originally lent to the Scotch section was afterwards applied towards the expenses of the English section. Until 1845 there was no surplus. Between that year and 1848, in consequence of the making of the railway, there was a surplus, which was paid into the Exchequer, and the Treasury accepted a sum of 11,911*l.* 15*s.* 6*d.* as arrears of interest on the Scotch section up to the 30th of June 1848. A certain amount has since been received from the Scotch section in respect of principal, and from the English section and Beattock Inn on account of interest. On the Scotch section there is a prior debt of 20,688*l.* 4*s.* 3*d.* due to private creditors, and the receipts have for many years proved insufficient to discharge the interest on this private loan. On the English
(1.) Scotch section -	- - -	12,145 18 9	300 0 0 1,809 9 7	10,036 9 2	
(2.) English section.	- - -	33,333 18 5	Nil.	33,333 18 5	
(3.) Beattock Inn	- - -	4,520 2 10	Nil.	4,520 2 10	
		50,000 0 0	2,109 9 7	47,890 10 5	

Objects of Advance.	Acts under which Advance was made.	Amount Advanced.	Amount Repaid.	Principal Outstanding.	Account of Advance and reason for Remission.
		£ s. d.	£ s. d.	£ s. d.	section the expenditure has for many years exceeded the revenue. The rent of the inn is the only sum continued to be received, and the value of the inn may be accepted *pro tanto* in discharge of the loan, but otherwise there is no prospect of any sum being recovered either for principal or interest. The inn being the property of the Government will be sold, and until it is sold the rent of the inn will be paid into the Exchequer as miscellaneous revenue. So far as regards the interest of the Crown in the inn, the debt is to be treated as not remitted until after the sale, and the Crown will retain the same rights, title, interest, and remedies in respect of the inn as they would have if the inn continued to be charged with the payment of the whole loan advanced out of public revenue, and for this purpose the inn shall be deemed to continue to be so charged.
QUEENSFERRY. Firth of Forth.	54 Geo. 3. c. 138.	10,000 0 0	Nil.	10,000 0 0	The money was advanced on the security of the rates and tolls, with a view to complete the improvements of the ferry by the erection of piers on each side, and was to be repaid with interest at 5 per cent. In 1830 the ferry was vested in new trustees by 11 Geo. 4. c. 115. (Local), but the debt was reserved and charged on the new rates. In 1863 the North British Railway Company were empowered by 26 & 27 Vict. c. 213. s. 36. to buy up the ferry, and in the event of their not purchasing within two years the Edinburgh and Glasgow Railway Company were empowered by 26 & 27 Vict. c. 237. (Local) s. 31. to buy. In both Acts the right of the Crown to the debt was reserved. The North British Railway Company did not purchase, but having acquired in 1865 the undertaking and powers of the Edinburgh and Glasgow Railway Company, under those powers agreed in 1867 to buy the ferry for 4,500*l.* This sum was deposited in a bank, and proceedings were taken in the Court of Session for distributing the amount. As it appeared that creditors had charges prior to that of the Government for debts largely exceeding the amount of the purchase money, it was considered useless to make any claim on the part of the Crown, and the purchase money was divided among the preference creditors. Consequently the debt is irrecoverable.
FIFE AND MIDLOTHIAN FERRIES.	53 Geo. 3. c. CXXV. (*Local.*)	10,000 0 0	Nil.	10,000 0 0	The money was advanced to the local authorities for improving the communication between the counties of Edinburgh and Fife, by the ferries from Leith and Newhaven on the south side, and Kinghorn and Burntisland on the north side of the Firth of Forth. It was lent without interest, on the security of the tolls and on condition of an equal amount being subscribed privately. In 1838 the ferries were admittedly insolvent; applications for further Government aid had been repeatedly refused, and the Treasury refused to have anything more to do with the ferries, but no steps appear to have been taken to formally remit the debt. The traffic which formerly went by these ferries has now almost entirely been diverted to the North British Railway ferries between Granton and Burntisland.
WELLAND CANAL CANADA.	9 Geo. 4. c. 91.	50,000 0 0	Nil.	50,000 0 0	In consequence of applications by the colony for assistance towards completing the Welland Canal connecting the lakes of Ontario and Erie, an offer was made by the Imperial Government to the colony either of a grant of one ninth of the

Objects of Advance.	Acts under which Advance was made.	Amount Advanced. £ s. d.	Amount Repaid. £ s. d.	Principal Outstanding. £ s. d.	Account of Advance and reason for Remission.
					expenses of constructing the canal, or of a loan of 50,000*l.* The loan was adopted and was made to the president and directors of the Canal Company on the security of a mortgage of the tolls and profits, to be repaid in 10 years with interest of 4 per cent., and the canal was to be completed in five years. The company failed to complete the canal, and no payment was ever made for principal or interest. After the company failed, the Colonial Government undertook the works, and in 1840 a Colonial Act was passed for the transfer of the canal from the company to the Colonial Government. Neither upon this transfer, nor subsequently, have the Imperial Government ever made any claim to have their debt repaid out of the future profits of the canal.
SHUBENACCADIE CANAL.	11 Geo. 4. & 1 Will. 4. c. 34.	20,000 0 0	Nil.	20,000 0 0	The money was advanced in 1830 to a company to establish an inland communication for connecting Halifax with the agricultural and mineral districts on the Bay of Fundy. The loan was advanced on a mortgage of the land on the line of the canal and of the works, tolls, and rates, to be repaid in 10 years with interest at 4 per cent. In 1838 the undertaking had failed, owing to the defective execution of the works. In 1849 the Canadian Government informed the Secretary of State that owing to some defect in the mortgage, claims might be established to the property in priority to the mortgage. In 1851 the mortgage was foreclosed and the property sold to the Colonial Government for 404*l.* The Imperial Government in January 1852 surrendered their claim to this sum, and only required a guarantee for the right of free passage in the event of the canal being completed by the locality. The debt was thus virtually remitted in 1852.
NEW ZEALAND COMPANY.	9 & 10 Vict. c. 42. 9 & 10 Vict. c. 82. 10 & 11 Vict. c. 112.	236,000 0 0	Nil.	236,000 0 0	In 1845 the New Zealand Company applied for the loan, and at the same time claimed compensation for injury received by reason of the passing of certain Acts of the Imperial Parliament, and of the local legislature since the formation of the company, and in 1846, 100,000*l.* was lent to the company on a mortgage of their landed property, to be repaid with interest at 3 per cent. in seven years. The company soon applied for a further loan, together with a further claim for damages. The Imperial Government admitted that the operations of the company had been advantageous to the colony, and a further advance of 136,000*l.* was made. The Act 10 & 11 Vict. c. 112. (which authorised this loan) directed (s. 15) that no interest should be charged on that or on the former loan, and further provided (s. 19) that if the directors of the company gave notice to a Secretary of State that they were ready to surrender the charters of the company, the lands of the company should revert to Her Majesty as part of the demesne lands of the Crown in New Zealand, and (s. 20) that upon such reversion the claim in respect of the said loans should be remitted to the company. The above notice was given by the directors of the company on the 4th of July 1850 (14 & 15 Vict. c. 86.), and although the condition imposed by 10 & 11 Vict. c. 112. was fulfilled, the debt has never been formally cancelled.
		476,553 10 0	15,941 19 7	460,611 10 5*	

* It may be stated that in addition to the sum outstanding on account of principal it is computed that the amount of simple interest unpaid in respect of these loans is not less than 500,000*l.*