



# The London Gazette

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TUESDAY, 10 JUNE, 1947

The Treasury hereby give notice, pursuant to the provisions of section 31 of the Finance Act 1935, that, with effect from 1st June 1947, the rates of interest on the outstanding balances of loans made to Local Authorities and others from the Local Loans Fund which at present carry interest at above  $4\frac{1}{2}$  per cent. per annum will be reduced to  $4\frac{1}{2}$  per cent. per annum; provided, however, that no such reduction in the rates of interest will be made in the case of loans advanced to Local Authorities for the purposes of the Housing, Town Planning, etc. Act 1919 or of the Housing, Town Planning, etc. (Scotland) Act 1919.

## TREASURY MINUTE PRESCRIBING THE TERMS UPON WHICH THE REPAYMENT OF LOANS MADE FROM THE LOCAL LOANS FUND BEFORE 1ST AUGUST, 1945 MAY BE ALLOWED IN ADVANCE OF THE DUE DATE.

1. On 20th May, 1947 the Chancellor of the Exchequer announced to Parliament that, as a result of a review of the assets and liabilities of the Local Loans Fund, it had been decided in accordance with the provisions of Section 31 of the Finance Act, 1935, to reduce to  $4\frac{1}{2}$  per cent., as from 1st June, 1947, the rates of interest on all loans from the Fund at present carrying interest at rates above  $4\frac{1}{2}$  per cent., except where the loans were advanced to local authorities for the purposes of the Housing, Town Planning, etc., Act, 1919 and the Housing, Town Planning, etc. (Scotland), Act, 1919.

2. My Lords have accordingly, reconsidered the interim arrangements prescribed by Treasury Minute of 12th December, 1946, which governs the conditions upon which repayment of loans made before 1st August, 1945 to local authorities and others from the Local Loans Fund can at present be accepted in advance of the date at which, in accordance with the terms agreed to by the borrower at the time the loan was made, the principal of such loans falls due for repayment.

3. Having regard to the intention of Parliament, as embodied in the Statutes governing the Fund, that the Fund should be safeguarded against loss, and to the importance of maintaining the general principle that borrowers repaying before the due date should repay an amount sufficient to liquidate the liability incurred by the Fund in respect of the advance, My Lords conclude that the provisions of Treasury Minute of 12th December, 1946 are no longer appropriate.

4. My Lords have therefore decided that, on or after 20th June, 1947, repayments in advance of the due date in respect of loans advanced before 1st August, 1945 may only be accepted provided:

(i) That at least a month's notice of the intention to repay has been given to the Public Works Loan Commissioners:

(ii) That the borrower repays a sum equal to the present value of the annuity payments (or payments of equal instalments of principal with diminishing interest) still remaining to be made to the Public Works Loan Commissioners under the mortgage with those Commissioners, such present value being calculated by discounting the annuity payments (or other annual or half-yearly payments) at a rate of  $2\frac{1}{2}$  per cent.

5. My Lords authorise and require that unless and until They shall otherwise direct and subject to the exception provided for below, the cash sums to be lodged in respect of the repayment in advance of loans made from the Local Loans Fund before 1st August, 1945 shall, on and after 20th June, 1947, be calculated in accordance with the terms of this Minute.

6. Should any question arise in a particular case as to the correct amount of the discounted value of the annuity (or other) repayments which it is desired to anticipate under the terms of this Minute, the matter shall be referred to the Lords Commissioners of His Majesty's Treasury whose decision shall be final.

7. As an exception repayment in respect of unexpended balances of loans already advanced will continue to be accepted (subject to due notice) on the basis of £100 for each £100 cash advanced in any case where the Public Works Loan Commissioners are satisfied that the balance is unexpended either because a scheme is less costly than was anticipated or because it has been definitely reduced in extent.

8. Treasury Minute of 12th December, 1946 is hereby cancelled with effect from 20th June, 1947.

9. This Minute does not affect the validity of the Treasury Minute of 1st August, 1945 (regarding loans made on or after that date), which remains in force.

Treasury Chambers, London, S.W.1.

6th June, 1947.

*Treasury Chambers, S.W.1.*

The Lords Commissioners of His Majesty's Treasury hereby give notice that they have made an Order under section 9 of the Finance Act, 1932, and Section 1 of the Import Duties (Emergency Provisions) Act, 1939, viz:—

The Import Duties (Drawback) (No. 3) Order, 1947, relating to an increase in the allowance of drawback in respect of certain board made from paper or pulp used in the manufacture of suit cases and attaché cases.

The Order has been published as Statutory Rules and Orders, 1947, No. 1054, and copies may be purchased (price 1d. net) direct from His Majesty's Stationery Office, at the following addresses: York House, Kingsway, London, W.C.2; 13a Castle Street, Edinburgh 2; 39-41 King Street, Manchester 2; 1 St. Andrew's Crescent, Cardiff; 80 Chichester Street, Belfast; or through any bookseller.