NATIONAL DEBT COMMISSIONERS

1952 No. 273

Treasury Minute, dated 8th February, 1952, fixing Rates of Interest on Local Loans

Made - - - - 8*th February*, 1952
Coming into Operation 9*th February*, 1952

My Lords read Section 1 of the Public Works Loans Act, 1897(**a**) which empowers the Treasury from time to time to fix the rates of interest at which loans may be made out of the Local Loans Fund on the security of local rates, and provides that the Treasury, in fixing the rates, shall have regard to the duration of the loans, and also that the rates shall be such as, in the opinion of the Treasury, are sufficient to enable the loans to be made without loss to the Fund.

They also read the Local Authorities Loans Act, 1945(**b**) which prohibits, with certain exceptions, all borrowing by a local authority otherwise than from the Public Works Loan Commissioners, and also abolishes the statutory provisions which made it necessary to charge on certain loans for housing, small holdings and allotments, the minimum rate of interest allowed for the time being for loans out of the Local Loans Fund whatever the period.

The rates of interest on loans to Local Authorities as defined in Section 10 of the last mentioned Act which were fixed by the Treasury Minute of the 8th November, 1951(**c**), have been reviewed in the light of present monetary conditions.

The Chancellor of the Exchequer now recommends, and My Lords approve, the following scale to come into operation on the Ninth day of February, 1952 and to apply to all loans advanced to local authorities, as defined in Section 10 of the Local Authorities Loans Act, 1945, from the Local Loans Fund on or after that date:—

	per cent.
Loans for not more than five years	2¾
Loans for more than five years but not more than fifteen years	3¾
Loans for more than fifteen years	4¼

1952 No. 272

Treasury Minute, dated 8th February, 1952, fixing Rates of Interest on Local Loans (other than Loans to Local Authorities)

Made - - - - 8*th February*, 1952
Coming into Operation 9*th February*, 1952

My Lords read Section 4 of the Public Works Loans Act, 1918(**d**), by which it is declared that the power of the Treasury under Section 1 of the Public Works Loans Act, 1897(**e**), as amended by Section 4 of the Public Works

(**a**) 60 & 61 Vict. c. 51. (**b**) 8 & 9 Geo. 6. c. 18. (**c**) S.I. 1951/1955; 1951 I, p. 1385.
(**d**) 8 & 9 Geo. 5. c. 27. (**e**) 60 & 61 Vict. c. 51.

Loans Act, 1917(a), to fix rates of interest on loans made out of the local Loans Fund otherwise than on the security of local rates includes (subject always to the provisions of the said Sections) a power to fix rates of interest differing from the rates fixed for loans made out of that Fund on the security of local rates, and a power to fix different rates of interest in respect of different loans and that in fixing the rate of interest the Treasury may take into account the nature and value of the security for the loan.

They also read Section 92 of the Housing Act, 1936(b), and Section 73 of the Housing (Scotland) Act, 1925(c) as amended by Sections 25 and 28 of the Housing (Scotland) Act 1935(d), which provide that loans may be granted to companies, societies, associations and persons as defined in those Sections in connection with the provision of houses.

They further read Section 3 of the Public Works Loans (No. 2) Act, 1946(e), which repeals the statutory minimum rate of interest of three pounds two shillings and sixpence per cent. per annum on loans advanced to borrowers other than local authorities, under the Housing Acts, from the Local Loans Fund.

The rates of interest on loans advanced otherwise than on the security of local rates which were fixed by Treasury Minute of 8th November, 1951(f), have been reviewed in the light of present monetary conditions.

The Chancellor of the Exchequer now recommends, and My Lords approve, the following rates to come into operation as from the Ninth day of February, 1952, and to apply to loans advanced otherwise than on the security of local rates from the Local Loans Fund, on or after that date:—

	Per cent.
I	
Loans to housing associations as defined by the Housing Act, 1936, *and the Housing (Scotland) Act,* 1935:	
For any period up to 50 years	4¼
II	
Loans under the Housing Acts to companies and private persons limiting their profits to the rate for the time being prescribed:	
For any period up to 40 years	4¼
III	
Loans under the Housing Acts to companies and private persons not limiting their profits as aforesaid:	
For any period up to 40 years...	4½
IV	
Loans under the Harbours and Passing Tolls, etc., Act, 1861(g), *with collateral security:*	
For any period up to 50 years...	4½
V	
Loans under the Harbours and Passing Tolls, etc., Act, 1861. *without collateral security:*	
For any period up to 50 years...	4½
VI	
All other Loans:	
For any period	4½

(a) 7 & 8 Geo. 5. c. 32.
(b) 26 Geo. 5 & 1 Edw. 8. c. 51.
(c) 15 & 16 Geo. 5. c. 15.
(d) 25 & 26 Geo. 5. c. 41.
(e) 9 & 10 Geo. 6. c. 75.
(f) S.I. 1951/1956; 1951 I, p. 1386.
(g) 24 & 25 Vict. c. 47.