LOCAL LOANS

1953 No. 1527

Treasury Minute, dated 19th October, 1953, fixing Rates of Interest on Local Loans

Made - - - - 19*th October*, 1953
Coming into Operation 20*th October*, 1953

My Lords read Section I of the Public Works Loans Act, 1897(a) (as amended by Section 5 of the Public Works Loans Act, 1935(b)), 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.

The rates of interest on loans to Local Authorities as defined in Section 10 of the Local Authorities Loans Act, 1945(c) which were fixed by the Treasury Minute of the 8th February, 1952(d), have been reviewed.

The Chancellor of the Exchequer now recommends, and My Lords approve, the following scale to come into operation on the Twentieth day of October, 1953 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	$2\frac{5}{8}$
Loans for more than five years but not more than fifteen years	$3\frac{1}{2}$
Loans for more than fifteen years	4

1953 No. 1528

Treasury Minute, dated 19th October, 1953, fixing Rates of Interest on Local Loans (other than Loans to Local Authorities)

Made - - - - 19*th October*, 1953
Coming into Operation 20*th October*, 1953

My Lords read Section 4 of the Public Works Loans Act, 1918(e), by which it is declared that the power of the Treasury under Section 1 of the Public Works Loans Act, 1897(a), as amended by Section 4 of the Public Works Loans Act, 1917(f), 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

(a) 60 & 61 Vict. c. 51. (b) 26 Geo. 5 & 1 Edw. 8. c. 5. (c) 8 & 9 Geo. 6. c. 18.
(d) S.I. 1952/273; 1952 II, p. 2049. (e) 8 & 9 Geo. 5. c. 27. (f) 7 & 8 Geo. 5. c. 32.

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 taken into account the nature and value of the security for the loan.

They also read Section 92 of the Housing Act, 1936(a), and Section 73 of the Housing (Scotland) Act, 1925(b), as amended by Sections 25 and 28 of the Housing (Scotland) Act, 1935(c), 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.

The rates of interest on loans advanced otherwise than on the security of local rates which were fixed by Treasury Minute of 8th February, 1952(d), have been reviewed.

The Chancellor of the Exchequer now recommends, and My Lords approve, the following rates to come into operation as from the Twentieth day of October, 1953, and to apply to loans advanced otherwise than on the security of local rates from the Local Loans Fund, on or after that date:—

I

	Per cent.
Loans to housing associations as defined by the Housing Act, 1936, and the Housing (Scotland) Act, 1935:	
For any period up to 50 years	4

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	4

III

Loans under the Housing Acts to companies and private persons not limiting their profits as aforesaid:	
For any period up to 40 years	4¼

IV

Loans under the Harbours and Passing Tolls, etc., Act, 1861(e) with collateral security:	
For any period up to 50 years	4

V

Loans under the Harbours and Passing Tolls, etc., Act, 1861 without collateral security:	
For any period up to 50 years	4¼

VI

All other loans:	
For any period	4¼

(a) 26 Geo. 5 & Edw. 8. c. 51. (b) 15 & 16 Geo. 5. c. 15. (c) 25 & 26 Geo. 5. c. 41.
(d) S.I. 1952/272; 1952 II, p. 2049. (e) 24 & 25 Vict. c. 47.