



# National Debt (Conversion of Stock) Act 1884

## 1884 CHAPTER 23

### **3 Adjustment of accounts as to net saving from exchange under Bill**

- (1) At the expiration of each of such periods as the Treasury from time to time fix, not exceeding twelve months, an account shall be taken of the pecuniary results of the operations under this Act during that period ; and if during that period there has been by reason of such operations an increase in the nominal capital amount of the national debt, the Treasury shall forthwith create in the names of the National Debt Commissioners terminable annuities of such amount as, if based on a rate of interest of two and a half per cent. per annum, will within a period not exceeding fifty years from the date of creation, extinguish the amount of the said increase; and such annuities shall be charged on the consolidated fund and paid out of the permanent annual charge of the national debt, and shall be applied by the National Debt Commissioners, in like manner as if the same were part of the new sinking fund.
- (2) If the said account shows with respect to the said period, that any such diminution in the annual charge for the dividends of the national debt as has arisen from the operations under this Act, exceeds the annual amount of the terminable annuities created under this section, the amount of such excess shall be deemed to be the net saving from the operations of this Act, and the permanent annual charge of the national debt shall be reduced by the amount of such saving.
- (3) The Treasury may from time to time redeem out of the Consolidated Fund or the growing produce thereof, all or any part of the terminable annuities created in pursuance of this section, and the permanent annual charge of the National Debt shall be reduced by the amount of the terminable annuities so redeemed.