

UNCLAIMED DIVIDENDS

XXV.—UNCLAIMED DIVIDENDS.

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UNCLAIMED DIVIDENDS.

MEMORANDUM BY MR. H. B. ORCHARD, ASSISTANT CHIEF ACCOUNTANT.

UNDER 31 Geo. III., cap. 33, the BANK OF ENGLAND agreed to advance to H. M. Exchequer the sum of £500,000 without any interest, on condition that if at any time the balance remaining in their hands, for the payment of dividends on account of the National Debt which should have been due previous to the quarter's payment then next preceding, should be reduced to a less sum than £600,000, in such case so much of the £500,000 should be repaid to the BANK OF ENGLAND.

On the 1st July, 1791, the sum of £500,000 was, in accordance with the above-mentioned provisions, advanced to H. M. Exchequer; but on the same day it was found necessary to repay to the BANK a sum of £123,260 19s. 3d., that being the amount of the deficiency of the £600,000 on the evening of the 30th June, 1791. The amount, therefore, actually advanced was only £376,739 os. 6d., at which figure it remained until the 12th March, 1808, when a further sum of £500,000 was advanced, under 48 Geo. III., cap. 4. subject to the same contingencies as the previous loan, bringing the total of the amount advanced up to £876,739 os. 9d.

From 1808 to 1877 no change took place; but in December of the latter year it became necessary for H. M. Exchequer to repay a sum of £25,000 in order that the balance in the hands of the BANK might be raised to the stipulated minimum.

Since 1877 repayments have been frequent—no less a sum than £360,000 having been repaid by H. M. Exchequer between December, 1877, and June, 1889, both dates inclusive.

Subjoined are the amounts repaid in the following years, viz. :—

	£
In 1877	25,000
1879	25,000
1880	70,000
1882	15,000
1883	40,000
1884	60,000
1885	20,000
1887	40,000
1888	5,000
Up to June . 1889	60,000
	£ 360,000

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With regard to the payment of dividends,—it is, and always has been, the practice of the Treasury to issue to the BANK a sum equal to the amount of the dividend upon the total amount of the Stock. In 1882 an Act was passed (45 & 46 Vict., cap. 72: Revenue, Friendly Societies and National Debt Act, 1882), of which Section 18 enacted that the BANK OF ENGLAND should from time to time, when required by the Treasury, certify to the Treasury the amount in their hands arising from the fractions of a penny not paid on account of dividends on the National Debt, and the Treasury might by warrant direct the BANK to repay the same to the Exchequer.

The following are the amounts of fractions of a penny in respect of the dividends on the undermentioned Stocks which had accumulated in the hands of the BANK up to the year 1883, viz.:—

	£	s.	d.
Consolidated £3 % Annuities	81,278	6	4
Reduced „	15,130	7	10
New „	4,433	11	6
£2 : 10s. % Annuities	39	2	7
New £3 : 10s. % Annuities	6	9	1
Annuities for 30 years	8	0	7
Annuities for Terms of Years	36	2	11
Red Sea and India Telegraph Annuity	0	11	4
New £3 % Annuities, 1830	13	4	7
£5 % Annuities (Consolidated)	6,557	7	0
£4 % „ (1780)	1,359	9	0
£3 % „ (1726)	1,429	9	7
£3 : 10s. % „ (1818)	10,595	19	8
£4 % „ (1826)	49	0	2
£3 : 10s. % Reduced Annuities (1824)	797	15	4
New £4 % Annuities (1822)	2,231	13	4
New £3 : 10s. % „ (1830)	3,872	12	4
£3 : 5s. % „ (1844)	3,204	5	11
Consolidated Long Annuities (1780)	127	19	0
Sundry balances of old Annuities	12,590	12	2
	£143,762	0	3

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On the 2nd January, 1884, this amount (£143,762 *os. 3d.*) was, by warrant of H. M. Treasury, written off the Exchequer Audit Roll and applied in reduction of the amount outstanding of "Loans to Government without Interest." In March of the same year a sum of £475 *1s. 0d.* was similarly applied, and the fractions that have accumulated subsequently have been dealt with annually in the same way.

The total amount of fractions of a penny repaid to H. M. Exchequer up to and including 1889 is £146,831 *os. 8d.*, comprising payments as under:

	£	s.	d.
In 1884	144,237	1	3
1885	469	16	0
1886	474	8	10
1887	475	15	7
1888	473	7	3
1889	700	11	9
	<u>£146,831</u>	<u>0</u>	<u>8</u>

The large increase in 1889 over previous years is due to the payment of dividends quarterly instead of half-yearly as formerly.

The following is a statement of the balances outstanding of the account of "Loans to Government without Interest" on the undermentioned dates, viz. :—

	£	s.	d.
1791, July 1	376,739	0	9
1808, March 12	876,739	0	9
1878, February	851,739	0	9
1880, "	816,739	0	9
" August	781,739	0	9
1881, February	756,739	0	9
1883, "	741,739	0	9
" August	726,739	0	9
1884, February	542,977	0	6
" August	542,501	19	6
1885, February	497,932	3	6
1886, "	496,557	14	8
1887, "	476,081	19	1
1888, "	435,608	11	10
1889, "	429,908	0	2
" August	369,908	0	1

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On the 20th June, 1816, an Act (56 Geo. III., cap. 60) was passed, authorising the transfer of Stock upon which dividends had remained unclaimed for the space of at least ten years at the BANK OF ENGLAND, and also all Lottery Prizes or Benefits, and balances of sums issued for paying the Principals of Stocks or Annuities which had not been demanded for the same period, to the Commissioners for the Reduction of the National Debt.

The dividends on the Stock so transferred, and the Lottery Prizes, &c., so paid to the National Debt Commissioners, were by them to be invested from time to time, so far as possible, in the purchase of other like Capital Stock, which was to be placed to a separate account, to be called "The Account of Unclaimed Dividends."

The total amount of Stock, Lottery Prizes, &c., transferred by the BANK OF ENGLAND to the National Debt Commissioners under the above Act from 1816 up to the present time is £3,971,015 5s. 8d.

The total amount of Stock, &c., re-transferred by the National Debt Commissioners during the same period is £3,175,248 8s. 5d., leaving a balance of £795,766 17s. 3d. unclaimed Stock in the hands of the Commissioners.

Act 8 & 9 Viet., cap. 62, passed 31st July, 1845, directs that any dividends or dividend accrued due on any Stocks, Funds or Annuities, constituting any part of the National Debt, and transferable at the BANK OF ENGLAND, that shall not have been demanded for ten years and upwards preceding the last day upon which any dividend shall have become due or payable upon the same Stocks, &c., and other dividends since accrued in respect of the same Stocks, &c., shall immediately after the expiration of such period of ten years be paid to the account of the National Debt Commissioners, and shall be by them invested in the manner directed by 56 Geo. III., cap. 60.

The total amount of dividends paid, in accordance with the above provisions, from 1845 to the present time is £417,555 11s.

On the 31st March, 1866, the following amounts of Stock—then standing in the Bank books to the credit of the Commissioners for the Reduction of the National Debt, "Unclaimed Dividends, per Act 56 Geo. III., cap. 60, sec. 4"—were cancelled under the authority of a Treasury Warrant dated 28th March, 1866, pursuant to Act 29 Viet., cap. 11, "an Act for the cancellation of certain Capital Stocks of Annuities standing in the names of the Commissioners for the Reduction of the National Debt."

UNCLAIMED DIVIDENDS.

	£	s.	d.		
Consols	870,155	14	10	Dividends to cease	5th Jan., 1866.
Reduced	1,438,300	0	0	„ „	10th Oct., 1865.
New £3%	691,544	5	2	„ „	„
	<u>£3,000,000</u>	<u>0</u>	<u>0</u>		

By the same Treasury Warrant the following amounts of Stock standing in the Bank books in the names of "The Commissioners for the Reduction of the National Debt, Donations and Bequests towards reducing the National Debt, per Act Geo. IV., cap. 19," were also cancelled:—

	£	s.	d.		
Consols	493,933	7	2	Dividends to cease	5th Jan., 1866.
Reduced	416,577	6	8	„ „	10th Oct., 1865.
New £3%	34,838	14	5	„ „	„
	<u>£945,349</u>	<u>8</u>	<u>3</u>		

The liabilities of the Unclaimed Dividend Account, to meet which the £3,000,000 Stock cancelled in 1866 was formerly held, have been reduced by the accumulation and re-investment of dividends on other Stock standing to the credit of the account.

The liability on the 31st March, 1889, stood at £360,710 18s. 3d.

The balance of Stock purchased with unclaimed dividends to the 31st March, 1889, was £979,929 8s. 11d.

30th September, 1889.