



Aircraft and Shipbuilding Industries Act 1977

1977 CHAPTER 3

PART III

MISCELLANEOUS AND GENERAL

The Corporations

45 Payments to British Aerospace and wholly owned subsidiaries

- (1) For the purpose of promoting the design, development or production of civil aircraft, the Secretary of State with the consent of the Treasury may, at any time after the aircraft industry vesting date, make payments in accordance with this section to British Aerospace or any of its wholly owned subsidiaries.
- (2) No payments may be made under this section unless—
 - (a) the Secretary of State is of opinion that it is in the national interest that payments on the scale and in the way proposed should be made ; and
 - (b) it appears to the Secretary of State that, if the payments are not made, it would be inconsistent with the duties imposed on British Aerospace by or under sections 7 and 10 of this Act for British Aerospace or any of its wholly owned subsidiaries to undertake the design, development or production in question.
- (3) Payments under this section may be made on any terms and conditions, and, without prejudice to the generality of this subsection, by way of fees or by any description of investment or lending or by the making of grants.
- (4) The aggregate of the sums paid under this section, less any sums received by the Secretary of State, otherwise than by way of payment of interest on money lent under this section, in pursuance of the terms and conditions on which any such payment was made shall not at any time exceed £30 million or such greater sum, not exceeding £50 million, as the Secretary of State may with the consent of the Treasury specify by order made by statutory instrument.

Status: This is the original version (as it was originally enacted).

- (5) The power to make an order under subsection (4) above includes power to vary or revoke any order previously made in the exercise of that power; and no such order shall be made unless a draft of it has been laid before and approved by the Commons House of Parliament.
- (6) There shall be defrayed out of moneys provided by Parliament any sums required by the Secretary of State for making payments under this section and any sums received by the Secretary of State in pursuance of the terms and conditions on which payments are made under this section shall be paid into the Consolidated Fund.

46 Restrictions on payments under Civil Aviation Act 1949

- (1) Subject to subsection (2) below, in carrying out his duty under section 1(1) of the Civil Aviation Act 1949 of organising, carrying out and encouraging measures for the designing, development and production of civil aircraft, the Secretary of State shall not, on and after the aircraft industry vesting date, make or agree to make any payment to British Aerospace or any of its wholly owned subsidiaries except in the exercise of his powers under this Act.
- (2) Nothing in subsection (1) above shall apply to a payment to a company if the terms have been settled between the Secretary of State and the company before the aircraft industry vesting date.

47 Right of persons to object to practices of British Shipbuilders or their wholly owned subsidiaries

- (1) Subsections (3) to (6) below shall have effect where a person engaged in shipbuilding, other than—
 - (a) British Shipbuilders, or
 - (b) one of its wholly owned subsidiaries, or
 - (c) a body corporate the whole of whose equity share capital is held by or on behalf of the Crown,

makes to the Secretary of State a written complaint that a practice employed by British Shipbuilders or one of its wholly owned subsidiaries in relation to that or those activities is unfair to the complainant for a reason specified in the complaint.

- (2) Subsections (3) to (6) below shall also have effect where a person engaged in shiprepairing, other than—
 - (a) British Shipbuilders, or
 - (b) one of its wholly owned subsidiaries, or
 - (c) a body corporate the whole of whose equity share capital is held by or on behalf of the Crown,

makes to the Secretary of State a written complaint that a practice employed by British Shipbuilders or one of its wholly owned subsidiaries in relation to the provision of shiprepairing services is unfair to the complainant for a reason specified in the complaint.

In this subsection “shiprepairing” includes refitting, converting or maintaining ships, and “the provision of shiprepairing services” has a corresponding meaning.

- (3) The Secretary of State shall forthwith after receiving the complaint send a copy of it to British Shipbuilders and, after such period for consideration of, and comment upon,

the complaint by British Shipbuilders as the Secretary of State thinks reasonable has elapsed, shall send to the complainant a statement of any comments made by British Shipbuilders on the complaint and, if he is of opinion—

- (a) that the complaint raises a question of substance, and
- (b) that the complainant has a reasonable case to make in support of it,

shall afford the complainant and the Corporation an opportunity of making representations in relation to the matter to a person appointed by the Secretary of State.

- (4) The Secretary of State shall consider the report of the person appointed under subsection (3) above and, if it appears to him that the practice complained of is unfair to the complainant, shall give British Shipbuilders such directions as appear to him to be requisite to secure the removal of the ground on which it is unfair.
- (5) The Secretary of State shall furnish the complainant with a statement of any such directions.
- (6) When a complainant avails himself of the right to make representations conferred by subsection (3) above, the Secretary of State shall furnish the complainant and British Shipbuilders each with a copy of the report of the person appointed under that subsection, and a statement of the conclusions reached by the Secretary of State on considering the report.

48 Duty of the Corporations to consult etc. with Northern Ireland state-controlled bodies

- (1) In carrying out their respective functions, British Aerospace and British Shipbuilders shall each have full regard to the need to consult, and wherever possible co-ordinate their activities with those of, any company incorporated in Northern Ireland which is engaged in one or more of the relevant activities and at any general meeting of which the Crown is entitled to exercise or to control the exercise of at least one third of the voting power.
- (2) In subsection (1) above “relevant activities” means—
 - (a) in relation to British Aerospace, the activities specified in subsection (1) of section 2 above, and
 - (b) in relation to British Shipbuilders, the activities specified in subsection (2) of that section.