

1973 No. 2175**CIVIL AVIATION****The Air Corporations (Dissolution) Order 1973***Laid before Parliament in draft**Made - - - - 20th December 1973**Coming into Operation 1st April 1974*

Whereas the report last made in pursuance of section 39 of the Civil Aviation Act 1971(a) (hereinafter referred to as "the Act") includes a statement that in the opinion of the British Airways Board the British Overseas Airways Corporation and the British European Airways Corporation (hereinafter referred to as "the Corporations") should be dissolved;

And whereas a draft of this Order has been laid before Parliament and approved by resolution of each House of Parliament pursuant to section 63(2) of the Act:

Now, therefore, the Secretary of State, in exercise of his powers under section 57(1) of the Act and under that subsection as extended and modified by the Civil Aviation Act 1971 (Overseas Territories) Order 1973(b) and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation, operation, interpretation

1.—(1) This Order may be cited as the Air Corporations (Dissolution) Order 1973 and shall come into operation on 1st April 1974.

(2) The Interpretation Act 1889(c) applies for the purpose of the interpretation of this Order as it applies for the purpose of the interpretation of an Act of Parliament.

2. All property, rights and liabilities which immediately before this Order comes into force are property, rights and liabilities of either of the Corporations shall by virtue of this Order and without further assurance be property, rights and liabilities of the British Airways Board.

3. The Corporations are hereby dissolved.

4. The provisions of the enactments and instruments referred to in Article 5(2) hereof and of the enactments specified in the Schedule hereto shall have effect with the modifications therein specified, being modifications which the Secretary of State considers appropriate in consequence of the dissolution of the Corporations.

(a) 1971 c.75. (b) S.I. 1973/1891 (1973 III, p.6563). (c) 1889 c.63.

5.—(1) This Article applies to the following territories to which section 57(1) of the Act, as modified by the Civil Aviation Act 1971 (Overseas Territories) Order 1973, has been extended by that Order:

Belize
Bermuda
British Solomon Islands Protectorate
British Virgin Islands
Cayman Islands
Falkland Islands (Colony and Dependencies)
Gilbert and Ellice Islands Colony
Hong Kong
Montserrat
Seychelles
Turks and Caicos Islands.

(2) In any enactment including an enactment of the legislature of any territory to which this article applies, or in any instrument made thereunder, in force in any such territory immediately before 1st April 1974, and relating to either of the Corporations, any reference to either of the Corporations shall be construed on and after that day as a reference to the British Airways Board.

Michael Heseltine,
Minister for Aerospace and Shipping,
Department of Trade and Industry.

20th December 1973.

SCHEDULE

*Minor and consequential amendments of enactments**Civil Aviation Act 1949(a)*

1. In section 15(1) and (4) for "Airways Corporations" there shall be substituted "British Airways Board" and in subsection (1) of that section the words from "or, where" to the end of the subsection shall be omitted.
2. In section 16(3) the words "any of" shall be omitted, and for "Airways Corporations" there shall be substituted "British Airways Board" and for "Corporation concerned" there shall be substituted "British Airways Board".
3. In section 56 for "any of the Airways Corporations" there shall be substituted "the British Airways Board".
4. In section 63(1) the definition of "Airways Corporations" shall be omitted.

House of Commons Disqualification Act 1957(b)

5. In Part II of Schedule 1, and in the part substituted for Part II by Schedule 3, the words "The British European Airways Corporation" and "The British Overseas Airways Corporation" shall be omitted.

Air Corporations Act 1967(c)

6. Sections 1, 2(1) and (2), 3, 6 and 7 shall be omitted.
7. In section 23(1) and (2) for "each of the corporations", "the corporation", "either of the Corporations" and "the corporation concerned" there shall be substituted "the British Airways Board", and for "corporation's" there shall be substituted "British Airways Board's".
8. In section 25:
 - (1) for subsections (1) and (2) there shall be substituted the following subsections:
 - "(1) In respect of the financial year ending with the day preceding the dissolution of the corporations, the Board shall prepare a statement of accounts for each of the corporations in such form as the Secretary of State with the approval of the Treasury may direct, showing the state of affairs and the profit or loss of the corporation and its subsidiaries.
 - (2) The statement of accounts so prepared shall contain such particulars with respect to any undertaking which at any time during that financial year was a subsidiary of the corporation as the Secretary of State with the approval of the Treasury may direct."
 - (2) in subsection (3) after "corporations" there shall be inserted "for the said financial year" and "annually" shall be omitted.
 - (3) subsection (4) shall be omitted.
9. For section 26 there shall be substituted the following section:
 - "26. The Board shall as soon as possible after the dissolution of the corporations prepare in respect of each of them a report dealing with the operations of the corporation during the financial year ending with the day preceding the dissolution."

(a) 1949 c. 67.

(b) 1957 c. 20.

(c) 1967 c. 33.

10. In Schedule 1:

(1) paragraphs 1 to 7 and 9 to 13 shall be omitted.

(2) for paragraph 8(1) there shall be substituted the following paragraph:

“The Board shall make such provision for the payment of pensions, allowances or gratuities to or in respect of such persons who have been members of the corporation as the Board may determine and any provision made in relation to a person who has been a member in pursuance of this paragraph shall be in addition to the provision, if any, made in relation to him by virtue of section 55(6) of the Civil Aviation Act 1971.

In this sub-paragraph “gratuities” includes a refund of contributions to a pension fund with or without interest on or any other addition to the contributions.”

Civil Aviation Act 1968(a)

11. In section 24 for “the British European Airways Corporation and the British Overseas Airways Corporation” there shall be substituted “and the British Airways Board”, and for “Corporation concerned” there shall be substituted “Board”.

12. In section 25(1) the words “and paragraph 11 of Schedule 1 to the Air Corporations Act 1967” and “and of B.E.A. and B.O.A.C.” and subsection (1)(b) shall be omitted, and for the words “body concerned” there shall be substituted “Authority”.

Air Corporations Act 1969(b)

13. Section 4 and Schedule 2 shall be omitted.

Civil Aviation Act 1971

14. Section 38(1)(c) and (d) and (2)(c) and (d) shall be omitted.

15. In section 40:

(1) in subsection (1)(b) the words “or to secure that either of the corporations dispose” and “or corporation” shall be omitted.

(2) in subsection (2)(a) the words “or one of the corporations” shall be omitted; and

(3) subsection (2)(b) shall be omitted.

16. In section 41:

(1) subsection (4) shall be omitted.

(2) after subsection (5) there shall be added:

“(6) Where the liability in respect of any sums borrowed by either of the corporations under section 7 of the Air Corporations Act 1967 from a person other than the Board or the other Corporation and outstanding immediately before the dissolution of the corporation becomes a liability of the Board by virtue of an Order under section 57 of this Act, those sums shall be deemed to be duly borrowed by the Board in pursuance of this section.”

17. Section 44 shall be omitted.

18. In section 46 subsections (1)(c) and (2)(a) and the words in subsection (3) “or either of the corporations” and “or the corporation in question are” shall be omitted.

19. In section 48:

(1) subsection (1) shall be omitted.

(2) after subsection (3) there shall be added:

“(4) Where the Treasury has given a guarantee under section 10 of the Air Corporations Act 1967 in respect of a liability of one of the corporations which becomes a liability of the Board by virtue of an Order under section 57 of this Act, that guarantee shall have effect as a guarantee by the Treasury of a liability of the Board.”

20. In section 52(1)(a) the words “or either of the corporations” and from “(including” to the end of the paragraph shall be omitted.

21. In section 53(1) for “an accounting year” there shall be substituted “the accounting year ending with the day preceding the dissolution of the corporations”, and for “sent to the Board by the corporations” there shall be substituted “prepared by the Board for each of the corporations”.

22. In section 54(1) for the words from “reports” to the end there shall be substituted “, in the case of the year ending with the day preceding the dissolution of the corporations, the reports prepared by the Board under section 26 of the Air Corporations Act 1967.”

23. Section 56(2) (as substituted by section 21 of the Superannuation Act 1972(a)) shall cease to have effect, but any scheme having effect under that subsection and in force immediately before the date of dissolution of the corporations shall, unless and until terminated in accordance with its provisions, have effect as if it had been established under subsection (1) of that section.

24. In section 58 the words from “and it shall” to the end of the section shall be omitted.

25. Paragraphs 17 to 19, 21(1) and (2) and 24 of Schedule 10 shall be omitted.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order provides for the property, rights and liabilities of B.O.A.C. and B.E.A. to be vested in the British Airways Board on the 1st April 1974 and for the dissolution of those two corporations on that date.

The Order makes appropriate modifications to enactments relating to the corporations in consequence of the dissolution including a general modification of enactments of certain overseas territories to which section 57(1) of the Civil Aviation Act 1971 has been extended by the Civil Aviation Act 1971 (Overseas Territories) Order 1973.

(a) 1972 c. 11.

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