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STATUTORY INSTRUMENTS

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1979 No. 294 (N.I. 1)

NORTHERN IRELAND

**The Aircraft and Shipbuilding Industries  
(Northern Ireland) Order 1979**

*Laid before Parliament in draft*

*Made*

14th March 1979

*Coming into operation in accordance with Article 1 (2) and (3)*

ARRANGEMENT OF ORDER

Article

1. Title and commencement.
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At the Court at Buckingham Palace, the 14th day of March 1979

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

*Title and commencement*

1.—(1) This Order may be cited as the Aircraft and Shipbuilding Industries (Northern Ireland) Order 1979.

(2) Except as provided by paragraph (3), this Order shall come into operation on 1st April 1979.

(3) Article 14 (2) (d) in so far as it provides for the repeal of Article 4 of the Shipbuilding Industry (No. 2) (Northern Ireland) Order 1975 (a) shall not come into operation until 13th August 1981.

*Interpretation*

2.—(1) The Interpretation Act (Northern Ireland) 1954 (b) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order—

“associated company” has the meaning assigned to it by paragraph (3);

“the Department” means the Department of Commerce;

“the principal companies” means—

(a) Harland and Wolff Limited, having its registered office at Queen’s Island in Belfast; and

(b) Short Brothers Limited, having its registered office at Airport Road in Belfast;

and references to a principal company shall be construed accordingly;

“relevant company” means a principal company, a subsidiary of a principal company or an associated company of a principal company;

“subsidiary” and “wholly owned subsidiary” shall be construed in accordance with sections 148 and 144 (5), respectively, of the Companies Act (Northern Ireland) 1960 (c);

“undertaking” means any trade or business, or any other activity producing employment.

(3) For the purposes of this Order a company is an associated company of a principal company if—

(a) the principal company holds more than one fifth in nominal value of its equity share capital; but

(b) it is not a subsidiary of the principal company;

and subsections (3) and (5) of section 148 of the Companies Act (Northern Ireland) 1960 shall apply in determining whether, in accordance with this paragraph, one company is an associated company of another as they apply in determining whether, in accordance with the said section 148, one company is a subsidiary of another.

(4) Any power conferred on the Department by any provision of this Order to give directions or make determinations includes power to vary or revoke directions or determinations given or made under that provision.

*Financial assistance for relevant companies*

3.—(1) The Department may give financial assistance to a relevant company in such form and upon such terms and conditions as the Department may determine.

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(a) S.I. 1975/1309 (N.I. 14).      (b) 1954 c. 33 (N.I.).      (c) 1960 c. 22 (N.I.).

(2) Without prejudice to the generality of paragraph (1), the Department may in exercise of its powers under that paragraph—

- (a) acquire securities in a relevant company;
- (b) make loans or grants to a relevant company;
- (c) write off the principal and interest of loans made at any time (whether before or after the commencement of this Article) by the Department to a relevant company or enter into an arrangement with a relevant company for the conversion into share capital in the company of the principal and interest of loans so made;
- (d) guarantee obligations (arising out of loans or otherwise) incurred by a relevant company.

(3) Where by virtue of this Order the Department holds securities in a relevant company it may exercise all rights conferred by the holding thereof.

*Guarantees etc. in relation to contracts of principal companies and their subsidiaries*

4. The Department may, upon such terms and conditions as it may determine, give to any person entering into a contract—

- (a) with a principal company or a subsidiary of a principal company; or
- (b) which in the opinion of the Department is directly or indirectly related to a contract entered or to be entered into by another person with a principal company or a subsidiary of a principal company,

any form of assurance, indemnity or guarantee to meet any contingency arising out of or in connection with the contract.

*Acquisition etc. by Department of securities of companies with related undertakings*

5. The Department may acquire, hold and exercise all rights conferred by the holding of securities in a company, whether incorporated in Northern Ireland or not, carrying on an undertaking which appears to the Department to be related to an undertaking carried on by a principal company.

*Directions to principal companies*

6.—(1) The Department may give directions of a general character as to the conduct by a principal company of its undertaking in relation to matters which appear to the Department to affect the public interest.

(2) It shall be the duty of a principal company—

- (a) to give effect to any directions given to it under paragraph (1);
- (b) to secure, so far as appropriate, that each of its wholly owned subsidiaries also gives effect to any such directions.

(3) Before giving any directions under paragraph (1) the Department shall consult with the principal company to which they are to be given.

*Furnishing of information by principal companies*

7. In such manner and at such times as the Department may specify in relation to it, a principal company shall furnish the Department with such information—

(a) as the Department may specify in writing to it, and

(b) as the principal company has or can reasonably be expected to obtain, with respect to such matters relating to the principal company or its subsidiaries or the activities (past, present or future), plans or property of any of them as the Department may so specify.

*Review by Department of performance of principal companies and their subsidiaries*

8. It shall be the duty of the Department to keep under review the performance of the principal companies and their subsidiaries and in the light of such review to issue such directions under Article 6 as appear to the Department to be necessary or expedient.

*Department may obtain advice and assistance*

9. The Department may incur such expenditure as it considers necessary for the purpose of obtaining advice and other assistance in relation to or in connection with the exercise by the Department of any of its functions under this Order.

*Ancillary duties of Department in carrying out Order*

10. In carrying out its functions under this Order it shall be the duty of the Department—

- (a) to encourage the principal companies to promote industrial democracy in their undertakings and those of their wholly owned subsidiaries; and
- (b) to consult with appropriate United Kingdom government departments with regard to any measures necessary to co-ordinate the activities of the principal companies with those of British Aerospace and British Shipbuilders.

*Approval of Department of Finance*

11. The powers of the Department under Articles 3, 4, 5 and 9 shall not be exercisable except with the approval of the Department of Finance.

*Accounts and reports of principal companies to be laid before Assembly*

12.—(1) The Department shall, as soon as practicable in the case of each principal company, lay before the Assembly a copy of the documents mentioned in paragraph (2) which are laid before a general meeting of a principal company held after the commencement of this Article.

- (2) The documents referred to in paragraph (1) are—
- (a) the profit and loss account;
  - (b) the group accounts;
  - (c) the balance sheet;
  - (d) the auditors' report;
  - (e) the directors' report;

and expressions used in this paragraph have the same meaning as in the Companies Acts (Northern Ireland) 1960 and 1978.

*Financial provisions*

13.—(1) All sums received by way of interest on, or repayment of, loans or grants made by the Department under this Order shall be paid into the Consolidated Fund.

(2) Any money required for fulfilling a guarantee referred to in Article 3 (2) (d) and any money to be paid to any person by the Department by virtue of Article 4 shall be defrayed by means of sums charged on and issued out of the Consolidated Fund.

(3) The Department of Finance may borrow money for the purpose of providing money for issues out of the Consolidated Fund by virtue of paragraph (2).

*Amendment and repeals*

14.—(1) In Part III of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (a) (which specifies certain offices the holders of which are disqualified for membership of the Northern Ireland Assembly) after the entry “Director of Cable and Wireless Limited” there shall be inserted the following entries—

“Director of Harland and Wolff Limited  
Director of Short Brothers Limited”.

(2) The following enactments are hereby repealed—

- (a) the Aid to Aircraft Industry Act (Northern Ireland) 1963 (b);
- (b) the Aid to Aircraft Industry (Amendment) Act (Northern Ireland) 1965 (c);
- (c) the Aircraft Industry (Loans) Act (Northern Ireland) 1969 (d);
- (d) subject to Article 1 (3), the Shipbuilding Industry (No. 2) (Northern Ireland) Order 1975.

(3) Any financial assistance or assurance, indemnity or guarantee given or other thing done at any time by the Department under any enactment mentioned in paragraph (2) or under the Industries Development Acts (Northern Ireland) 1966 and 1971 (e) or otherwise which could have been given or done under any provision of this Order if that provision had been in force at the material time shall have effect as if given or done under that provision.

*N. E. Leigh,*  
Clerk of the Privy Council.

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(a) 1975 c. 25.    (b) 1963 c. 16 (N.I.).    (c) 1965 c. 7 (N.I.).  
(d) 1969 c. 2 (N.I.).    (e) 1966 c. 36 (N.I.); 1971 c. 22 (N.I.).

## EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order defines the powers and responsibilities of the Department of Commerce in relation to the two publicly owned companies of Harland and Wolff Limited and Short Brothers Limited. The Department is empowered to provide financial assistance to both companies and to their subsidiaries and associated companies and is placed under a duty to monitor the performance of the companies and to issue directions to them where appropriate.