

CHAPTER 3

An Act to increase the borrowing powers of the British Overseas Airways Corporation and the British European Airways Corporation; and for purposes connected with the matter aforesaid.

[20th December, 1956]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Increase of borrowing powers of air corporations. 12, 13 & 14 Geo. 6. c. 91. 2 & 3 Eliz. 2. c. 7.

1.—(1) The limit imposed by section twelve of the Air Corporations Act, 1949 (hereinafter referred to as "the principal Act"), as amended by section one of the Air Corporations Act, 1953, on the amount outstanding at any time of money borrowed by the British Overseas Airways Corporation (hereinafter referred to as "the overseas corporation") or the British European Airways Corporation shall be raised—

(*a*) as respects money borrowed by the overseas corporation, from eighty million pounds to one hundred and sixty million pounds;

(*b*) as respects money borrowed by the British European Airways Corporation, from thirty-five million pounds to sixty million pounds.

(2) The overseas corporation may, with the consent of the Treasury, borrow from the International Bank for Reconstruction and Development or the Export–Import Bank of Washington, or partly from one of the said banks and partly from the other, on such terms as may be agreed between the corporation and the bank in question, any sums required by the corporation for the purpose of buying aircraft manufactured in the United States of America and any spare part or equipment required for incorporation in or use in connection with such aircraft:

Provided that nothing in this subsection shall authorise the overseas corporation to borrow in excess of the limit imposed by subsection (1) of section twelve of the principal Act as amended by the foregoing subsection, and accordingly the references to temporary loans in the said subsection (1), and in subsection (3) of the said section twelve as it applies to the overseas corporation, shall include references to sums borrowed under this subsection.

(3) The power conferred on the Treasury by subsection (1) of section ten of the principal Act to guarantee the repayment of, and the payment of any interest on, any temporary loan raised by the overseas corporation shall include power to guarantee the repayment of and the payment of any interest on and other charges in respect of any sums borrowed by the overseas corporation under the last foregoing subsection; and subsections (2) to (5) of the said section ten (which provide for the issue out of the Consolidated Fund of sums required for fulfilling guarantees under that section, for the repayment of such sums and for the laying before Parliament of statements and accounts in respect of such guarantees) shall have effect accordingly as if in paragraph (*b*) of subsection (3) of that section the references to a temporary loan and to interest thereon respectively included references to any sums borrowed by the overseas corporation under the last foregoing subsection and to charges other than interest in respect of such sums.

Short title, citation and repeal.

2.—(1) This Act may be cited as the Air Corporations Act, 1956; and this Act and the Air Corporations Acts, 1949 and 1953, may be cited together as the Air Corporations Acts, 1949 to 1956.

(2) Section one of the Air Corporations Act, 1953, is hereby repealed.

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