

CHAPTER 35.

An Act to authorise the Secretary of State to agree to make good any deficiencies in funds established by colonies and certain other countries for insuring commodities against war risks. [29th July 1941.]

BE it enacted by the King'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:—

Power to guarantee colonial commodities insurance schemes.

1.—(1) If the Secretary of State is satisfied that provision has been made by the law of any country to which this Act applies, or of two or more such countries—

(*a*) for enabling the government of that country or the governments of those countries jointly, to undertake liabilities similar to those that may be undertaken by the Board of Trade under Part II of the War Risks Insurance Act, 1939; 2 & 3 Geo. 6. c. 57.

(*b*) for enforcing provisions similar to those that may be made by a compulsory insurance order under section nine of the said Act; and

(*c*) for establishing a fund (hereafter in this Act referred to as the "colonial fund") similar to the war risks (commodities) insurance fund established under Part III of the said Act;

the Secretary of State, with the approval of the Treasury, may agree with that government or those governments, on the terms mentioned in the next following subsection and such other terms as he thinks fit, to pay any sum from time to time required

to discharge the insurance liabilities of the colonial fund, in so far as that sum exceeds the sum for the time being standing to the credit of the colonial fund.

(2) It shall be a term of any such agreement—

(*a*) that the amount required to repay any sums paid by the Secretary of State in pursuance of the agreement, together with interest thereon at such rates as the Treasury may approve, shall be charged on the colonial fund;

(*b*) that, except for the purpose of discharging the insurance liabilities of the colonial fund, no money shall be paid out of the said fund without the approval of the Secretary of State;

(*c*) that, if at any time during the war period the sum standing to the credit of the said fund is, in the opinion of the Secretary of State, in excess of the sum likely to be required to discharge the insurance liabilities of the fund, the amount for the time being charged on the fund in pursuance of paragraph (*a*) of this subsection or, if that amount is greater than the excess, so much thereof as is equal to the excess, shall, if the Secretary of State so directs, be repaid to him out of the fund;

(*d*) that any money standing to the credit of the said fund after discharging all the insurance liabilities of the fund and repaying the amount charged on the fund as aforesaid, shall be disposed of as the Secretary of State, with the approval of the Treasury, may direct.

(3) Any sums required by the Secretary of State for the purposes of any such agreement shall be paid out of moneys provided by Parliament, but, if and so far as any such sum is not paid out of such moneys, it shall be charged on and issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof.

(4) Any sum received by the Secretary of State in pursuance of any such agreement shall be paid into the Exchequer.

(5) For the purposes of this section—

(*a*) the expression "insurance liabilities", in relation to a colonial fund, means liabilities similar to those that may be undertaken by the Board of Trade under Part II of the War Risks Insurance Act, 1939, being liabilities undertaken by the government or governments concerned in respect of loss or damage incurred during the war period, together with such administrative expenses as the Secretary of State may approve;

(*b*) the expression " war period " means the period beginning with the third day of September nineteen hundred and thirty-nine and expiring when the Emergency Powers (Defence) Act, 1939, expires ; 2 & 3 Geo. 6. c. 62.

(*c*) references to the War Risks Insurance Act, 1939, shall be construed as references to that Act as amended by any subsequent Act or Order in Council for the time being in force.

2. The countries to which this Act applies are the colonies, the Sudan, British protectorates and protected states, and territories in respect of which a mandate on behalf of the League of Nations is being exercised by His Majesty's government in the United Kingdom. Countries to which Act applies.

3. This Act may be cited as the Colonial War Risks Insurance (Guarantees) Act, 1941. Short title.

Printed by SIR WILLIAM RICHARD CODLING, C.B., C.V.O., C.B.E.,
Controller of His Majesty's Stationery Office
and
King's Printer of Acts of Parliament.