

Iron and Steel Act 1967

1967 CHAPTER 17

An Act to provide for the establishment of a National Steel Corporation and the transfer thereto of the securities of certain companies engaged in the production of steel and, in connection therewith, to revive certain provisions of the Iron and Steel Act 1949 and continue others in force and to amend certain of the revived provisions; to make fresh provision for the control of the provision of iron and steel production facilities; to dissolve the Iron and Steel Board and amend the provisions of the Iron and Steel Act 1953 concerning the Iron and Steel Holding and Realisation Agency; and for purposes connected with the matters aforesaid.

[22nd March 1967]

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:—

PART I

THE NATIONAL STEEL CORPORATION

The National Steel Corporation.

1.—(1) There shall be a public authority to be called the National Steel Corporation (in this Act referred to as "the Corporation"), which shall have such powers and duties as are conferred and imposed on them by, or by virtue of, the following provisions of this Act.

(2) The Corporation shall be a body corporate having perpetual succession and a common seal.

(3) The Corporation shall consist of a chairman and not less than seven nor more than twenty other members, and the chairman and the other members shall be appointed by the Minister

PART I

of Power (in this Act referred to as "the Minister") from amongst persons appearing to him to have had wide experience of, and shown capacity in, the production of iron ore or iron or steel, industrial, commercial or financial matters, applied science, administration or the organisation of workers.

(4) The appointment of a member of the Corporation (other than the chairman) shall not be made by the Minister except after consultation with the chairman.

(5) As soon as possible after appointing a person to be a member of the Corporation the Minister shall lay before each House of Parliament a statement of the term for which he has been appointed.

(6) Subsections (4), and (6) to (10), of section 1 of the 1949 Act and Schedule 1 thereto (except paragraph 1) are hereby revived and shall have effect with respect to the Corporation and the members thereof as they had effect with respect to the body established by that Act by the name of the Iron and Steel Corporation of Great Britain and the members thereof.

(7) Where a person ceases, otherwise than on the expiry of his term of office, to be a member of the Corporation, and it appears to the Minister that there are special circumstances which make it right that that person should receive compensation, the Minister may, with the approval of the Treasury, require the Corporation to make to that person a payment of such amount as may be determined by the Minister with the like approval.

1957 c. 20.

(8) Part II of Schedule 1 to the House of Commons Disqualification Act 1957 (which specifies certain commissions, tribunals and other bodies all members of which are disqualified under that Act) shall, in its application to the House of Commons of the United Kingdom, be amended by inserting, at the appropriate point in alphabetical order, the words "The National Steel Corporation".

Powers of the Corporation.

2.—(1) Subject to the provisions of this Act, the Corporation shall have power to carry on any iron and steel activities and to sell iron and steel products and, with the consent of, or in accordance with the terms of any general authority given by, the Minister, to carry on any other activities which any publicly-owned company is for the time being authorised by its memorandum of association or, as the case may be, by its charter of incorporation or other charter to carry on or any company which at any time was publicly-owned was at any time so authorised to carry on; but nothing in this subsection shall empower the Corporation to hold or acquire interests in any company or to form, or take part in forming, any company.

PART I

(2) Subject to the provisions of this Act, the Corporation shall have power—

(*a*) to hold such interests in companies as vest in them under or by virtue of this Act and, with the consent of, or in accordance with the terms of any general authority given by, the Minister, to acquire by agreement, and to hold, interests in other companies;

(*b*) with the consent of, or in accordance with the terms of any general authority given by, the Minister, to form, or take part in forming, companies; and

(*c*) to exercise all rights conferred by the holding of interests in companies.

(3) The Corporation shall have power to provide for any group of companies (whether consisting of all or any of the publicly-owned companies, other companies or both) any services which, in the opinion of the Corporation, can conveniently be provided as common services therefor; and for the purposes of this subsection the Corporation shall be entitled to treat themselves as being included amongst the publicly-owned companies.

(4) The Corporation shall have power to do any thing or to enter into any transaction (whether or not involving the expenditure, the borrowing in accordance with the provisions of this Act, or the lending, of money, the acquisition of any property or rights or the disposal of any property or rights) which in their opinion is calculated to facilitate the proper carrying on of their activities under subsection (1) of this section or the proper exercise of their powers under either of the two last foregoing subsections.

(5) Any reference in this section to interests in a company includes a reference to rights in respect of money lent to the company or guarantees given for the benefit of the company.

(6) For the avoidance of doubt it is hereby declared that the foregoing provisions of this section relate only to the capacity of the Corporation as a statutory corporation, and nothing in the said provisions shall be construed as authorising the disregard by the Corporation of any enactment or rule of law.

General duty of the Corporation.

3.—(1) It shall be incumbent on the Corporation—

(*a*) to promote the efficient and economical supply by the Corporation and the publicly-owned companies of iron and steel products, and to secure that such products produced by the Corporation and the publicly-owned companies are available in such quantities, and are of such types, qualities and sizes, and are available at such prices, as may seem to the Corporation best calculated

PART I

to satisfy the reasonable demands of the persons (including those in Northern Ireland) who use such products for manufacturing purposes and to further the public interest in all respects;

(*b*) to secure that neither the Corporation nor a publicly-owned company shall show undue preference to, or exercise unfair discrimination against, any such persons or any class thereof in the supply and price of such products, but without prejudice to such variations in the terms and conditions on which such products are supplied as may arise from ordinary commercial considerations or from the public interest;

(*c*) to take such steps as appear to the Corporation to be practicable and desirable for the promotion of the export of such products and of such other products as may be produced by the Corporation or a publicly-owned company; and

(*d*) to take such steps as appear to the Corporation to be practicable and desirable for the promotion of research into matters affecting, or arising out of, the carrying on of iron and steel activities or of any other activities carried on by the Corporation or a publicly-owned company and the doing of such work as is requisite to enable the results of such research (whether promoted by the Corporation or not) to be turned to account or to enable the consequence of an idea affecting, or arising out of, the carrying on of those activities to be so turned, either by themselves prosecuting or doing it or by their promoting it by a publicly-owned company or by others.

(2) Where the Corporation promote research or the doing of work otherwise than by themselves prosecuting or doing it, they may give assistance (including financial assistance) therefor.

(3) The policy of the Corporation shall be directed to securing the safety, health and welfare of persons employed by them and by the publicly-owned companies.

(4) Nothing in subsection (1) above shall be construed as imposing upon the Corporation, either directly or indirectly any form of duty or liability enforceable by proceedings before any court.

Duty of the Corporation to review their affairs and report to the Minister.

4.—(1) It shall be the duty of the Corporation, forthwith after the vesting date (as defined in the following provisions of this Act), to undertake a review of their affairs for the purpose of determining whether the carrying on of the activities that have fallen to be carried on under their ultimate control is organised, so far as regards the direction thereof, in the most efficient

PART I

manner and to report their conclusions to the Minister; and so often thereafter as occasion seems to them to require it, or as the Minister may require it, to undertake a further such review and to report similarly.

(2) Before reaching conclusions in consequence of a review undertaken in pursuance of the foregoing subsection, the Corporation shall seek consultation with organisations appearing to them to represent substantial proportions of the persons in the employment of the Corporation or the publicly-owned companies or of any class of such persons.

(3) The first report under subsection (1) above must be made before the expiration of the period of twelve months beginning with the said date or such longer period as the Minister may allow.

(4) The Minister shall lay before each House of Parliament a copy of each report under subsection (1) above.

Publication by the Corporation of lists of prices and conditions of sale.

5.—(1) The Corporation shall from time to time publish, in such manner as appears to them best adapted for informing the persons affected, and in such form as appears to them appropriate, notices containing prices which they propose should normally be charged in the United Kingdom by them and publicly-owned companies for iron and steel products, and terms and conditions on which they propose iron and steel products should normally be sold in the United Kingdom by them and publicly-owned companies.

(2) The Corporation may in such a notice provide for the variation of a price, term or condition published therein, according to such circumstances as may be specified therein.

(3) Subsection (1) above shall not apply to products of an activity specified in paragraph 4 or paragraph 6 of Schedule 3 to the 1953 Act except such, if any, of those products as the Minister may by order specify.

Publication by the Corporation of information concerning activities of theirs and of publicly-owned companies.

6.—(1) The Minister may give to the Corporation directions—

(*a*) requiring them to compile in such form as may be specified in the directions and to publish in such manner as may be so specified such statistics and returns as may be so specified, being either statistics and returns relating to the activities of the Corporation and the publicly-owned companies or statistics and returns relating to such of those activities as may be so specified;

(*b*) to make in such form as may be so specified and to publish in such manner as may be so specified such forecasts as may be so specified, being either forecasts

PART I

with respect to the output of the Corporation and those companies of, and their capacity to produce, iron and steel products or forecasts with respect to the output of the Corporation and those companies of, and their capacity to produce, iron and steel products of such class as may be so specified;

and the Corporation shall give effect to any such directions.

(2) Any such directions may require statistics and returns to be compiled, and forecasts to be made, either periodically or on a specified occasion.

Miscellaneous provisions relating to the Corporation.

7.—(1) The following provisions of the 1949 Act are hereby revived and shall have effect for the purposes of this Act, namely,—

section 4 (powers of Minister in relation to Corporation);

section 7(1) (compulsory purchase of land);

section 8 (power of Corporation to promote and oppose Bills);

section 9 (Corporation not to be exempt from taxation, &c).

(2) The power conferred by the said section 4 on the Minister to give directions to the Corporation shall extend to the giving to them of such directions as appear to him to be requisite to secure that the carrying on of the activities that have fallen to be carried on under the ultimate control of the Corporation is organised, so far as regards the direction thereof, in the most efficient manner, notwithstanding that the directions may be of a specific character.

(3) The Corporation shall not make, or permit to be made, any substantial change in the manner in which the carrying on of the activities mentioned in the last foregoing subsection is organised, so far as regards the direction thereof, except with the consent of the Minister or in pursuance of a direction given by him by virtue of that subsection.

Re-establishment of Consumers' Council and committees.

8.—(1) On such day as the Minister may by order appoint for the purposes of this section (which shall not be later than six months after the vesting date as defined in the next following section), the Council that was established by section 6(1) of the 1949 Act by the name of the Iron and Steel Consumers' Council and ceased to exist in consequence of the enactment of section 1(1) of the 1953 Act shall, by virtue of this subsection, be re-established by that name, and the following provisions of the said section 6 with respect to the Council shall, by virtue of this subsection, be revived and shall again have effect with respect to the Council, namely, subsection (2) (with the omission

of paragraph (*c*) and the word " and " where occurring immediately before that paragraph) and subsections (4), (5), (8) to (10), (13) and (15). PART I

(2) The persons who may be appointed by the Minister to the said Council shall include persons appointed by him to represent consumers in Northern Ireland of the products of any of the principal activities of the Corporation and the publicly-owned companies.

(3) In consequence of the reviver of the said subsections, subsection (6) of the said section 6 (power of Minister to give directions on any matter arising out of any conclusion, report or representation made by the Council) shall, by virtue of this subsection, be revived also on the said day.

(4) The said Council shall be furnished by the Minister with such clerks, officers and staff as appear to him, with the concurrence of the Treasury as to numbers, to be requisite for the proper discharge of their functions (including the functions of any committee appointed by the Council), and the Minister shall, out of moneys provided by Parliament, pay to the members of the said Council and of any committee thereof such allowances, and to the clerks, officers and staff thereof such remuneration and allowances, as he may, with the approval of the Treasury, determine, and shall, out of moneys so provided, pay such expenses of the said Council and of any committee thereof as he may, with the like approval, determine.

PART II

ACQUISITION OF SECURITIES OF CERTAIN IRON AND STEEL UNDERTAKINGS AND MATTERS CONNECTED THEREWITH OR CONSEQUENTIAL THEREON

Vesting in the Corporation of securities of scheduled companies.

9.—(1) Subject to the provisions of this section and to the provisions of Part II of the 1949 Act revived by the following provisions of this Part of this Act, all securities of the companies specified in Schedule 1 to this Act shall, on the vesting date (as defined in subsection (5) below), vest in the Corporation by virtue of this section, free from all trusts and encumbrances.

(2) Securities created by a company specified in the said Schedule 1 as collateral security for a loan to that company shall be excepted from the operation of the foregoing subsection, but any securities so created shall be cancelled as from the vesting date.

(3) The companies specified in Schedule 1 to this Act are those each of which fulfils the conditions set out in one or other of the following paragraphs, namely:—

(*a*) that, on 4th November 1964, the company was operating works which produced in the period of twelve months

PART II

beginning the 1st July 1963 (hereafter in this subsection referred to as "the relevant year") not less than 475,000 tons of steel (including alloy steel), and on the first-mentioned day was not a subsidiary of another company;

(*b*) that, on 4th November 1964, the company was a holding company in whose case a subsidiary thereof was on that day operating works which produced in the relevant year not less than 475,000 tons of steel (including alloy steel) or in whose case two or more subsidiaries thereof were on that day operating works which together produced in the relevant year not less than 475,000 tons of steel (including alloy steel), but was not on that day a company in whose case the subsidiaries thereof exceeded fifty in number;

(*c*) that, on 4th November 1964, the company was one of more than fifty subsidiaries of another company and on that day was operating works which produced in the relevant year not less than 475,000 tons of steel (including alloy steel).

(4) For the purposes of this Act and of the provisions of the 1949 Act revived by this Act, where a company has at any time changed its name from the name by which it is referred to in Schedule 1 to this Act, that Schedule shall have effect as if the new name, or any subsequent name, were substituted for the name set out in that Schedule.

(5) In this Act, "the vesting date" means the day next following that on which the interim expires or such earlier day as the Minister may by order appoint; and for the purposes of the foregoing definition the interim shall be taken to be the period of thirty-six weeks beginning with the day of the passing of this Act.

Compensation for vesting of securities.

10. Compensation for the vesting, by virtue of the last foregoing section or of a provision of the 1949 Act revived by the following provisions of this Part of this Act, of securities in the Corporation (other than any which, immediately before the vesting date, were vested in the Iron and Steel Holding and Realisation Agency) shall be satisfied by the issue, in accordance with the provisions (which are hereby revived) of Schedule 4 to the 1949 Act, of such amount of government stock (that is to say, stock the principal whereof and the interest whereon shall be charged on the Consolidated Fund) as, in the opinion of the Treasury, is of a value equal on the date of the issue to the value of the securities, regard being had (in estimating the value of the stock so issued) to the market values of other government securities at or about that date.

PART II
Valuation of securities quoted before May 1966 and of new issues.

11.—(1) In the case of securities of any class that were quoted in the Stock Exchange Daily Official List on each of the relevant days in the last six months of the relevant period and on a previous relevant day, the value of securities of that class for the purposes of the last foregoing section shall, subject to the provisions of this section, be deemed to be—

(*a*) the average of the mean (adjusted, in a case in which subsection (2) below applies, in accordance with that subsection, or in a case in which subsection (3) below applies, in accordance with both subsections) of the quotations for securities of that class appearing in the said List on each of the relevant days falling within the period during which they were so quoted; or

(*b*) the average of the mean (adjusted, in either such case as aforesaid, in manner aforesaid) of the quotations for securities of that class appearing in the said List on each of the relevant days in the said six months;

whichever is the higher, such addition, if any, being made to the higher average as is necessary to make it a complete multiple of one penny.

(2) Where, in the case of securities of a class whose value falls to be determined under this section, a fresh issue of securities of that class has been made before the end of the last of the relevant days, each mean of the quotations for securities of that class appearing in the said List on a relevant day before the issue is made that falls to be brought into computation under the foregoing subsection shall be adjusted by multiplying it—

(*a*) in a case in which the fresh issue was made for payment, by the quotient derived by dividing the number ascertained under subsection (4) below with reference to securities of that class by that referred to in paragraph (*a*)(i) of that subsection;

(*b*) in a case in which the fresh issue was free, by the reciprocal of the number of times by which the nominal value of the aggregate of the securities of that class before the fresh issue is increased by reason of that issue.

(3) Where, in the case of such securities as aforesaid, more fresh issues than one have been made before the end of the last of the relevant days, subsection (2) above shall be applied, with cumulative effect, with reference to each successive issue, and as well to previously adjusted mean quotations as to unadjusted ones.

PART II

(4) The number relevant for the purposes of the application of subsection (2) above with reference to a fresh issue of securities of any class is the quotient derived by dividing—

(*a*) the sum of—

(i) the number that expresses in shillings (correct to five places of decimals) the mean of the quotations for the shares that constitute the existing securities (or, if those securities are constituted otherwise than of shares, for the units by reference to which those securities are quoted), on the last day on which the securities were open to be dealt in together with the right to receive an allotment of securities of the fresh issue; and

(ii) the product obtained by multiplying the number that expresses in shillings (correct to five places of decimals) the price at which the freshly issued securities are issued by the nominal value of the aggregate of the securities freshly issued expressed as a fraction of the nominal value of the aggregate of the existing securities; by

(*b*) the number of times by which the nominal value of the aggregate of the securities of the class in question before the fresh issue is increased by reason of that issue.

(5) Where, in the case of securities of any class whose value would, apart from this subsection, fall to be ascertained under the foregoing provisions of this section, there has been, at any time after the last of the relevant days, a fresh issue of securities of that class, the value of every security of that class for the purposes of the last foregoing section shall (subject to the next following subsection) instead of being ascertained under the said provisions, be deemed to be the average of the values of all the securities of that class calculated on the basis that—

(*a*) the value of each of the securities comprised in that issue is the price at which it was issued or, if it was issued free, is nil; and

(*b*) the value of the remaining securities is that which they had or would have had for the purposes of this section immediately before the issue took place.

(6) Where, at any time after the last of the relevant days, any securities whose value would, apart from this subsection, fall to be ascertained under subsection (1) or (5) above have been converted into securities of a different nominal value—

(*a*) the value of those securities as so converted shall, for the purposes of the last foregoing section, be

deemed to be a value bearing to the value which the securities had or would have had for the purposes of this section immediately before the conversion took place the same proportion as the nominal value of the securities as converted bears to the nominal value of the securities immediately before the conversion took place; and PART II

(*b*) the last foregoing subsection shall apply to any fresh issue of securities which have been converted as aforesaid, but if a part only of a class of securities has been converted as aforesaid, the converted securities shall, for the purposes of that subsection, be treated as securities of a different class from that of the unconverted securities.

(7) Where a new class of securities has been issued after the last of the relevant days, the value of securities of that class for the purposes of the last foregoing section—

(*a*) except in a case falling within the following paragraph, shall be deemed to be the price at which they were issued or, if they were issued free, shall be deemed to be nil;

(*b*) in a case in which they consist in shares issued in consideration of the extinguishment of an equivalent number of shares in another company (being one specified in Schedule 1 to this Act) which is effected by virtue of a compromise or arrangement sanctioned under section 206 (power to compromise with creditors and members) of the Companies Act 1948 by the court, being a compromise or arrangement whose effect is that that company becomes a subsidiary of the company by whom the shares are issued, shall be deemed— 1948 c. 38.

(i) in a case in which the shares extinguished do not constitute the whole of a class, to be (except in a case in which, after the compromise or arrangement takes effect, a fresh issue of shares of that class is made) the same as that of shares of that class, and (in the said excepted case) what the value of shares of that class would have been had the fresh issue not been made (no regard being had, in either event, to any conversion, after the compromise or arrangement, into shares of a different nominal value of shares of that class);

(ii) in a case in which the shares extinguished constitute the whole of a class, to be what the value of shares of that class would have been had they

PART II

continued to exist and vested in the Corporation by virtue of section 9 of this Act;

and the two last foregoing subsections shall apply to any fresh issue or conversion of securities of the new class.

(8) If all the securities of any issue were originally disposed of to a person who did not become the registered holder of those securities, the price of each of those securities shall, for the purposes of subsection (5) or (7)(*a*) of this section, be deemed to be either—

(*a*) the price paid for that security by the first registered holder thereof; or

(*b*) the price received by the company for the security plus an amount equal to two and a half per cent. of that price;

whichever is the lower.

(9) If any question arises under the foregoing provisions of this section as to the value of any securities, it shall be settled by agreement between the Minister and the stockholders' representative or, in default of such agreement, by arbitration under the 1949 Act.

(10) Calculations for the purposes of this section are to be completed correct to five places of decimals.

(11) In this section—

"convert" means, in relation to any securities, to consolidate and divide those securities into units of larger nominal value or to sub-divide those securities into units of smaller nominal value, without in either case making any change in the aggregate nominal value of the securities;

"the mean of the quotations" means the average of the two figures shown in the Stock Exchange Daily Official List on the date in question in respect of the security in question under the heading "Quotations";

"quotation" has the same meaning as in the Stock Exchange Daily Official List, and accordingly does not include the statements of the business that was done;

"relevant days" means the fifteenth days of the months comprised in the relevant period, except that in the cases of the months specified in column 1 of the Table set out at the end of this section, the relevant days shall be those respectively specified in relation thereto in column 2 of that Table;

"relevant period" means the period of sixty-one months beginning with April, 1961;

"the Stock Exchange Daily Official List" means the publication known as the Stock Exchange Daily List of Officially Quoted Securities which is published by and under the authority of the Council of the Stock Exchange, London;

and for the purposes of subsection (1) of this section, an alteration effected, after the last of the relevant days, in rights attaching to securities shall not be taken to have changed them into different securities.

TABLE

Month	Relevant Day
April 1961	14th
July 1961	14th
October 1961 ...	16th
April 1962	16th
July 1962	16th
September 1962 ...	14th
December 1962 ...	14th
April 1963	16th
June 1963	14th
September 1963 ...	16th
December 1963 ...	16th
February 1964 ...	14th
March 1964	16th
August 1964 ...	14th
November 1964 ...	16th
May 1965	14th
August 1965 ...	16th
January 1966 ...	14th

Valuation of securities issued, but not quoted, before May 1966.

12.—(1) The value, for the purposes of section 10 of this Act, of securities, other than any whose value falls to be determined under the last foregoing section, shall be such as may be agreed between the Minister and the stockholders' representative or, in default of such agreement, as may be determined by arbitration under the 1949 Act to be the value which the securities would have had under the last foregoing section had they been quoted in the Stock Exchange Daily Official List on all of the relevant days subsequent to the day on which they were issued; and the arbitration tribunal, in determining the value that the securities would have had as aforesaid, shall have regard to all relevant factors.

(2) In this section "the Stock Exchange Daily Official List" and "relevant days" have the same meanings as in the last foregoing section.

PART II
Reviver of sections 12 to 14 and 17 to 27 of 1949 Act and Schedules 5 and 6 thereto.

13.—(1) The following provisions of, or connected with, Part II of the 1949 Act are hereby revived and shall have effect for the purposes of this Act, namely:—

section 12 (effect of transfer of securities to Corporation);

section 13 (disclaimer of agreements and leases);

section 14 (effect of Act on certain loan and other agreements);

section 17(1), (2) and (4) and Schedule 5 (stockholders' representatives);

section 18 (control of dividends, interest and other payments);

section 19 (final payment of dividends and interest);

section 20 (power to acquire securities of certain additional companies);

section 21 (removal of company from list of those to be nationalised);

section 22 (prohibition of transfer of iron and steel works);

section 23 and Schedule 6 (recovery of assets transferred by a company which comes into public ownership);

section 24 (dissipation of assets by transactions involving payments, distributions, &c., to members of company);

section 25 (other transactions resulting in dissipation of assets);

section 26 (supplementary provisions relating to dissipation of assets);

section 27 (approvals and undertakings given before passing of nationalisation Act).

(2) Section 23 of the 1949 Act, as revived by this section and amended by virtue of the following provisions of this Act, shall apply to a transfer or grant made at any time after 4th November 1964 by a company which does not come into public ownership under this Act or under Part II of the 1949 Act but on, or at any time after, that day was a wholly owned subsidiary of a company so coming into public ownership (other than a transfer or grant made to a company so coming into public ownership) as it applies to a transfer or grant made during the period mentioned in subsection (1) of that section by a company so coming into public ownership, but with the substitution, for the reference to three months after the date of transfer of the company appearing to the Minister to have entered into the transaction in question, of a reference to three months after the date of transfer of the company of which the company making the transfer or grant was at the material time a wholly owned subsidiary.

PART II

(3) Nothing in section 17 or 19 of the 1949 Act, so far as revived by this section, shall apply to a company whose securities were, immediately before the vesting date, vested in the Iron and Steel Holding and Realisation Agency.

(4) The Minister shall, out of moneys provided by Parliament, pay to a stockholders' representative such remuneration (whether by way of salary or fees) and such allowances, and such expenses incurred by him in the exercise of his functions, as may be determined by the Minister with the approval of the Treasury, and any sums paid by the Minister under this subsection shall be repaid to him by the Corporation on demand and shall be paid by him into the Exchequer.

(5) Any sum required by the Treasury to enable them to pay interest under the paragraph substituted by this Act for paragraph 5 of Schedule 6 to the 1949 Act shall be issued out of the Consolidated Fund.

Transfer to the Corporation of right to receive repayment of certain loans.

14.—(1) On the vesting date, there shall be transferred to the Corporation the right of the Iron and Steel Holding and Realisation Agency to repayment of the principal of, and to payment of interest on, any loan then outstanding that was made by them under section 20(1)(*a*) of the 1953 Act.

(2) Any agreement made by the Minister under section 5 of the 1953 Act shall have effect, as from the vesting date, in favour of and against the Corporation as if,—

(*a*) the Corporation had been a party, instead of the Minister, to the agreement; and

(*b*) for any reference (however worded, and whether express or implied) to the Minister, there were substituted, as respects anything falling to be done or occurring on or after the vesting date, a reference to the Corporation;

and section 14 of the 1949 Act shall not apply to any such agreement.

PART III

CONTROL OF PROVISION OF IRON AND STEEL PRODUCTION FACILITIES BY PERSONS OTHER THAN THE CORPORATION OR A PUBLICLY-OWNED COMPANY

Provision of production facilities to be subject to the Minister's consent in certain cases.

15.—(1) The following provisions of this section shall, as from the vesting date, have effect in place of section 6 of the 1953 Act (which, in certain cases, requires the provision of additional production facilities to have the consent of the Iron and Steel Board or, on appeal, the Minister).

(2) The Minister may from time to time by order require that, in such cases as may be defined in the order by reference to

PART III

size, cost or other relevant factors, any person (other than the Corporation or a publicly-owned company) proposing to provide or procure the provision of any additional production facilities in Great Britain shall give particulars in writing of the proposal to the Minister and shall not proceed therewith without the consent in writing of the Minister.

(3) Before making an order under the last foregoing subsection, the Minister shall consult with the Corporation and also with such organisations as he thinks fit, being organisations appearing to him to be representative of iron and steel producers, of workers employed in the carrying on in Great Britain of iron and steel activities, of consumers of iron and steel products, of workers employed in the undertakings of such consumers, or any class of such producers, workers or consumers as aforesaid.

(4) An order under subsection (2) of this section shall be so framed that, so far as practicable, the consent of the Minister under that subsection is required only in cases where the provision of the additional production facilities concerned would be likely, in the Minister's opinion, substantially to affect the efficient and economic development of production facilities in Great Britain.

(5) The Minister shall not refuse his consent under subsection (2) of this section to such a proposal as is therein mentioned except after giving to the person seeking the consent notice containing particulars of the reasons for which he has not yet given the consent and after considering any representations made in writing by that person; and that person shall be given an opportunity of appearing, either personally or by his representative, before a person appointed by the Minister, and if he avails himself of that opportunity the Minister shall, before giving or refusing his consent, consider the report of the person so appointed.

(6) Where a person seeking the consent under subsection (2) of this section of the Minister avails himself of the right conferred by the last foregoing subsection to appear before a person appointed by the Minister, the Minister shall furnish him with a copy of the report of the person so appointed and a statement of the Minister's reasons for giving or refusing his consent.

(7) Nothing in this section shall affect the provision of any production facilities if, before the vesting date, the Iron and Steel Board or the Minister have, under section 6 of the 1953 Act, consented in writing to the provision thereof.

(8) Section 29(1), (5), (6) and (7) of the 1953 Act (which relate to the enforcement of certain provisions of that Act by injunction) shall have effect with the substitution, for references

to section 6 of that Act, of references to this section and, for references to the Iron and Steel Board, of references to the Minister.

(9) References in this section to the provision of additional production facilities shall be construed as references to the provision of new production facilities and to the reconstruction of, or making of additions to, existing production facilities; and in this section "production facilities" means premises, plant or machinery used or proposed to be used for the carrying on of any activities included in paragraphs 2 and 3 of Schedule 3 to the 1953 Act.

PART IV

FINANCE

General financial duties of the Corporation.

16.—(1) It shall be the duty of the Corporation so to exercise and perform their functions under this Act and the 1949 Act as to secure that the combined revenues of the Corporation and all the publicly-owned companies taken together are not less than sufficient to meet their combined charges properly chargeable to revenue account, taking one year with another.

(2) The Corporation shall charge to revenue account in every year all charges which are proper to be made to revenue account, including, in particular, proper provision for the depreciation or renewal of assets and proper allocations to general reserve, and shall secure that the publicly-owned companies charge to revenue account in every year all charges which are proper to be made to revenue account including, in particular, proper provision for the depreciation or renewal of assets; and the references in the foregoing and following subsections to charges properly chargeable to revenue account shall be construed accordingly.

(3) It shall be incumbent on the Corporation to secure that if, in the case of a financial year in respect of which there is prepared pursuant to the following provisions of this Part of this Act a consolidated statement of accounts dealing with the state of affairs and profit and loss of the Corporation and the publicly-owned companies as a whole, the combined revenues in that year of the Corporation and all the publicly-owned companies taken together (as shown in the statement) exceeds their combined charges properly chargeable to revenue account for that year (as so shown), the excess is, to such (if any) extent as the Minister may direct, applied for such purposes of the Corporation and of the said companies as he may direct and, subject to that, is applied for such of those purposes as the Corporation may determine.

PART IV
General reserve.

17.—(1) Without prejudice to the Corporation's power to establish specific reserves, they shall establish and maintain a general reserve.

(2) The management by the Corporation of their general reserve, the sums to be carried from time to time to the credit thereof, and the application of the moneys comprised therein shall (subject to the following provisions of this section) be as the Corporation may determine.

(3) None of the moneys comprised in the Corporation's general reserve shall be applied otherwise than for the purposes of the Corporation or of the publicly-owned companies.

(4) The power conferred by section 4 of the 1949 Act on the Minister to give directions to the Corporation shall extend to the giving to them, with the approval of the Treasury, of directions as to any matter relating to the establishment or management of the Corporation's general reserve or the carrying of sums to the credit thereof or the application of the moneys comprised therein, notwithstanding that the directions may be of a specific character.

The Corporation's commencing capital debt.

18.—(1) The Corporation shall, on the vesting date, assume a debt due to the Minister of the aggregate of the following amounts:—

(*a*) such amount as may be notified to the Corporation in writing by the Minister as being the amount determined by him, with the approval of the Treasury, to be necessary to recoup the Crown expenses and liabilities incurred by virtue of the provisions of section 10 of this Act and Schedule 6 to the 1949 Act;

(*b*) the aggregate of the amounts of loans the right to repayment of which is transferred to the Corporation by section 14 of this Act; and

(*c*) £110,274,094 (being the value of securities vested in the Corporation by section 9 of this Act which, immediately before the vesting date, were vested in the Iron and Steel Holding and Realisation Agency).

(2) The rate of interest payable on the said debt and the date from which interest is to begin to accrue, the arrangements for paying off the principal of the said debt, and the other terms of the said debt shall be such as the Minister, with the approval of the Treasury, may from time to time determine; and different rates and dates may be determined under this subsection with respect to different portions of the said debt.

(3) Any sums received by the Minister by way of interest on, or repayment of, the said debt shall be paid into the

Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct and applied by the Treasury as follows, that is to say,— PART IV

(*a*) so much thereof as represents capital shall be applied in redeeming or paying off debt of such description as the Treasury think fit; and

(*b*) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the National Debt as represents interest.

Borrowing powers of the Corporation and of publicly-owned companies.

19.—(1) The Corporation may borrow temporarily, by way of overdraft or otherwise, either from the Minister or, with the consent of the Minister and the approval of the Treasury, from any other person, such sums as the Corporation may require for meeting their obligations or exercising and performing their functions under this Act or the provisions thereby revived of the 1949 Act or for lending money temporarily to a publicly-owned company.

(2) The Corporation may borrow from the Minister (otherwise than by way of temporary loan) such sums as they may require for all or any of the following purposes, namely,—

(*a*) the provision of money for meeting any expenses incurred by the Corporation or a publicly-owned company in connection with any works the cost of which is properly chargeable to capital;

(*b*) the provision of working capital required by the Corporation or a publicly-owned company;

(*c*) the acquisition under section 2 of this Act of any interests in, or property or rights of, a company or the formation under that section of a company;

(*d*) the lending of money to a publicly-owned company (otherwise than by way of temporary loan);

(*e*) the payment off of any part of the debt assumed by the Corporation under the last foregoing section or any money borrowed by them;

(*f*) any other purpose for which capital moneys are properly applicable.

(3) A publicly-owned company may borrow from the Corporation or, with the consent of the Corporation and the Minister, by way of temporary loan from any other person, such sums as the company may require for the purposes of their undertaking.

(4) The aggregate amount outstanding in respect of the sum of the principal of any money borrowed under this section by the Corporation (other than money borrowed for the payment

PART IV

off of any part of the debt assumed by them under the last foregoing section) and the principal of any money borrowed under this section by the publicly-owned companies otherwise than from the Corporation shall not exceed £300,000,000.

(5) The Commons House of Parliament may resolve that the last foregoing subsection shall have effect with the substitution, for the reference to £300,000,000, of a reference to such greater sum (not exceeding £400,000,000) as may be specified in the resolution.

(6) Neither the Corporation nor a publicly-owned company shall have power to borrow money except in accordance with this section.

Loans by the Minister to the Corporation.

20.—(1) The Minister may, with the approval of the Treasury, lend to the Corporation any sums which the Corporation have power to borrow under the last foregoing section.

(2) Any loans which the Minister makes under this section shall be repaid to him at such times and by such methods, and interest thereon shall be paid to him at such rates and at such times, as he may, with the approval of the Treasury, from time to time direct.

(3) The Treasury may issue out of the Consolidated Fund to the Minister such sums as are necessary to enable him to make loans under this section.

(4) For the purpose of providing sums to be issued under this section out of the Consolidated Fund to the Minister or of providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.

1939 c. 117.

(5) Any sums received by the Minister under subsection (2) of this section shall be paid into the Exchequer, and shall be issued out of the Consolidated Fund at such times as the Treasury may direct, and shall be applied by the Treasury as follows, that is to say:—

(*a*) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit; and

(*b*) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the National Debt as represents interest.

PART IV

Accounts of the Minister.

21. The Minister shall, as respects each financial year, prepare in such form and manner as the Treasury may direct an account of sums received by him as mentioned in section 18(3) of this Act, of sums received by him under section 20(2) thereof and of sums issued to him under section 20(3) thereof and of the disposal by him of those sums respectively, and send it to the Comptroller and Auditor General not later than the end of November following the year; and the Comptroller and Auditor-General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

Treasury guarantees.

22.—(1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums which the Corporation borrow from a person other than the Minister.

(2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament, and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.

(3) Any sums required by the Treasury for fulfilling any guarantee under this section shall be charged on and issued out of the Consolidated Fund.

(4) If any sums are issued in fulfilment of any guarantee given under this section, the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as the Treasury may so direct, in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Treasury may so direct.

(5) Any sums received by the Treasury under the last foregoing subsection shall be paid into the Exchequer.

Investment powers of the Corporation.

23.—(1) Any sums in the hands of the Corporation which are not immediately required for the purposes of their business may be invested in such manner as the Corporation think proper.

(2) Nothing in the foregoing subsection shall be taken to authorise the Corporation to do, without the consent of, or otherwise than in accordance with the terms of any general

PART IV

authority given by, the Minister, anything which, under section 2 of this Act, may be done by them only with such consent or in accordance with the terms of any such general authority.

Accounts of the Corporation and audit thereof.

24.—(1) The Corporation shall keep proper accounts and other records and shall prepare—

(*a*) in respect of each financial year, a statement of the accounts of the Corporation;

(*b*) in respect of the first financial year in which it is practicable so to do, and of each financial year thereafter, a consolidated statement of accounts dealing with the state of affairs and profit or loss of the Corporation and the publicly-owned companies as a whole; and

(*c*) in respect of a financial year as to which the Minister, with the approval of the Treasury, directs that this paragraph shall have effect (being a year in respect of which the Corporation are required to prepare a consolidated statement of accounts under the last foregoing paragraph), a consolidated statement of accounts dealing with the state of affairs and profit or loss of the Corporation and (according as may be specified in the direction) its subsidiaries or such of them as may be so specified;

in such form as the Minister, with the approval of the Treasury, may direct.

(2) The Minister may make regulations—

(*a*) requiring that there shall be stated in, or in a note on or statement annexed to, the statement referred to in subsection (1)(*a*) above, such information relating to bodies which, at a time specified in the regulations, are subsidiaries of the Corporation and to assets of the Corporation consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, such bodies as may be so specified;

(*b*) requiring that there shall be so stated such information as may be so specified relating to bodies corporate (not being at such time as aforesaid subsidiaries of the Corporation) shares in which are, at that time, to such extent as may be so specified, held by the Corporation, and to assets of the Corporation consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, those bodies corporate;

(*c*) requiring that there shall be so stated, in such form as may be so specified, the information furnished by the Corporation's subsidiaries in compliance with any provision of the enactments for the time being in force

relating to companies imposing on a company a requirement to furnish information corresponding to any that may be required to be furnished by the Corporation by virtue of paragraph (*b*) above;

(*d*) determining the circumstances in which, for the purposes of any requirement imposed by virtue of paragraph (*a*) or (*b*) above, shares in, or amounts owing from, a body corporate are to be treated as being held by or owing to the Corporation;

(*e*) granting exemption in circumstances so specified from a requirement imposed by virtue of paragraph (*a*) or paragraph (*b*) above;

(*f*) making such provision supplementary to any requirement imposed by virtue of paragraph (*a*) or (*b*) above as the Minister thinks necessary or expedient.

(3) The accounts of the Corporation shall be audited by auditors appointed by the Minister, and a person shall not be qualified to be so appointed unless he is a member of one or more of the following bodies:—

The Institute of Chartered Accountants in England and Wales;

The Institute of Chartered Accountants of Scotland;

The Association of Certified and Corporate Accountants;

The Institute of Chartered Accountants in Ireland;

Any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(*a*) of the Companies Act 1948 by the Board of Trade; 1948 c. 38.

but a Scottish firm may be so appointed if each of the partners is qualified to be so appointed.

(4) So soon as the accounts of the Corporation have been audited, the Corporation shall send to the Minister—

(*a*) a copy of the statement referred to in subsection (1)(*a*) above and of any note or statement required by virtue of subsection (2) above to be placed thereon or annexed thereto, together with a copy of any report made by the auditors on the statement so referred to;

(*b*) copies of the accounts of each of the publicly-owned companies prepared in accordance with the Companies Act 1948, as amended by any subsequent enactment, whether passed before or after the passing of this Act, and a copy of the report of the directors of each such company, but so that where group accounts within the meaning of that Act are prepared by any company it shall not be necessary for a copy of the accounts of any

PART IV

subsidiary dealt with in those group accounts or of the report of the directors of the subsidiary to be sent to the Minister;

(*c*) if the first-mentioned accounts are in respect of a financial year in respect of which the Corporation are required to prepare a consolidated statement of accounts under subsection (1)(*b*) above, a copy of that consolidated statement, together with a copy of any report made by the auditors on that statement; and

(*d*) if the first-mentioned accounts are in respect of a financial year in respect of which the Corporation are required to prepare a consolidated statement of accounts under subsection (1)(*c*) above, a copy of that consolidated statement, together with a copy of any report made by the auditors on that statement.

In this subsection any reference to the report of the directors of a company is a reference to the report of the directors of the company which, by section 157 of the Companies Act 1948, is required to be attached to every balance sheet of the company laid before it in general meeting.

1948 c. 38.

(5) The Minister shall lay a copy of every such statement, note, account and report before each House of Parliament.

(6) The Corporation shall keep at their principal office copies, which shall be available for inspection during business hours, of any statement of information furnished by the Corporation in compliance with a requirement imposed by virtue of subsection (2) above, and shall furnish a copy of the statement to any person on demand and on payment of such reasonable charge as the Corporation may require.

Information respecting certain classes of business of the Corporation and publicly-owned companies to be contained in the Corporation's report to the Minister.

25.—(1) If a body in the group consisting of the Corporation and the publicly-owned companies has, in the course of a financial year of the body ending after such date as the Minister may determine for the purposes of this subsection, carried on business of a kind to which this section applies, or business of that kind of two or more classes that differ substantially from each other, the Corporation shall determine the amount of the turnover of the body for that financial year in respect of business of that kind or, as the case may be, of each of those classes; and if the amount of turnover in respect of that business or, as the case may be, of any of those classes, is determined by the Corporation to have exceeded £250,000, there shall be contained, if the body is the Corporation, in the report which, by section 4(6) of the 1949 Act, they are required to make next after the end of that financial year or, if the body is a publicly-owned company, in the report which the Corporation are by that section required to make next

after the end of the financial year of the Corporation with or within which the first-mentioned financial year ends, a statement of— PART IV

(*a*) that amount;

(*b*) the extent or approximate extent (expressed, in either case, in monetary terms) to which, as so determined, the carrying on of business of that kind or, as the case may be, of that class by the body contributed to, or restricted, the profit or loss of the body for the financial year of the body before taxation;

(*c*) the extent or approximate extent to which, as so determined, capital moneys were, in the course of that financial year, employed in the carrying on by the body of business of that kind or, as the case may be, that class; and

(*d*) such further information, if any, relating to the carrying on by the body of business of that kind or, as the case may be, that class as the Minister may from time to time direct.

(2) If, in the course of a financial year of the Corporation ending after such date as the Minister may determine for the purposes of this subsection, any two or more bodies in the group consisting of the Corporation and the publicly-owned companies have carried on business of a kind to which this section applies, or business of that kind of two or more classes that differ substantially from each other, the Corporation shall determine the amount of the turnover for that financial year of the said bodies as a whole in respect of business of that kind or, as the case may be, each of those classes; and if the amount of that turnover in respect of business of that kind or, as the case may be, any of those classes, is determined by the Corporation to have exceeded £1,000,000, there shall be contained, in the report which, by section 4(6) of the 1949 Act, the Corporation are required to make next after the end of that financial year, a statement of—

(*a*) that amount;

(*b*) the extent or approximate extent (expressed, in either case, in monetary terms) to which, as so determined, the carrying on by the said bodies of business of that kind or, as the case may be, that class contributed to, or restricted, the profit or loss of the Corporation and the publicly-owned companies as a whole for that financial year;

(*c*) the extent or approximate extent to which, as so determined, capital moneys were, in the course of that year, employed in the carrying on by the said bodies as a whole of business of that kind or, as the case may be, that class;

PART IV

(*d*) such further information, if any, relating to the carrying on by the said bodies of business of that kind or, as the case may be, that class as the Minister may from time to time direct.

(3) Each report made by the Corporation under section 4(6) of the 1949 Act after they are required to make a determination in pursuance of a subsection above shall contain a statement of the method or, if more than one method is used, of each method, by which turnover is determined by the Corporation for the purposes of that subsection; and in any such report containing a statement made in pursuance of that subsection there shall be stated with respect to each matter involving a determination by the Corporation (other than the determination of an amount of turnover) the method by which that determination is arrived at.

(4) The method used in arriving at a determination in any case for purposes of paragraph (*c*) of subsection (1) above and that used in arriving at a determination in any case for purposes of paragraph (*c*) of subsection (2) above shall be such as, when examined in conjunction with the determination made in the first-mentioned case in pursuance of paragraph (*b*) of the said subsection (1) and that made in the second-mentioned case in pursuance of paragraph (*b*) of the said subsection (2) respectively, will give a true and fair view of the relationship in those cases respectively between capital employed and profits made or loss incurred.

(5) The Corporation shall not be required, by virtue of this section, to furnish information which is furnished in any statement, note, account or report which, in pursuance of section 24(4) of this Act, the Corporation have sent to the Minister, or in any statistics or return published in pursuance of a direction given under section 6 of this Act.

(6) This section applies to business consisting wholly or mainly in activities not being iron or steel activities, and, for the purposes of this section, classes of business that do not differ substantially from each other shall be treated as one class.

(7) The Minister may from time to time direct that this section or a provision thereof shall not apply to business of a class or description specified in the direction; and if the Minister gives a direction under this subsection, that fact, and the class or description of business to which the direction relates, shall be stated in each report made under section 4(6) of the 1949 Act so long as that direction is in force.

(8) The Minister may from time to time vary the amount by reference to which it is to be determined, under subsection (1) or (2) above, whether a statement is to be contained in a report made under section 4(6) of the 1949 Act, and may fix different amounts under this subsection for different purposes.

PART IV
General provisions as to stock issued for compensation.

26.—(1) Stock issued in satisfaction of compensation payable under this Act in respect of the vesting of securities or of compensation payable under Schedule 6 to the 1949 Act shall bear such rate of interest, and be subject to such conditions as to repayment, redemption and other matters as the Treasury may determine.

(2) The Treasury may by regulations make provisions as to the procedure for the issuing by the Bank of England of government stock in satisfaction as aforesaid, including provisions as to evidence of the amount of stock to be issued in any case, and the person to whom it is to be issued, on which the Bank is to be authorised or required to act.

(3) The Corporation shall be liable to indemnify the Bank of England against any loss suffered by them arising out of, or in connection with, the issue of such stock.

(4) Any expenses incurred in connection with the issue or repayment of such stock shall be charged on and issued out of the Consolidated Fund.

(5) The Treasury may, for the purpose of providing any sums required by them in order to redeem such stock, raise money in any manner in which they are authorised to raise money under the National Loans Act 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act. 1939 c. 117.

(6) There shall be paid to the Banks of England and Ireland respectively, out of the Consolidated Fund, such sum in respect of the management of any such stock in any financial year as may be agreed upon between the Treasury and those Banks respectively.

(7) Section 47 of the Finance Act 1942 (which empowers the Treasury to make regulations as respects the transfer and registration of stock and registered bonds of the descriptions specified in Part I of Schedule 11 to that Act), and any regulations made under that section which are in force immediately before the passing of this Act, shall have effect as if such stock were included amongst the stocks mentioned in the said Part I and amongst the stocks to which the said regulations apply. 1942 c. 21.

(8) The following enactments, namely,—

(*a*) paragraphs 3 and 5 of Schedule 2 to the National Loans Act 1939;

(*b*) section 196(1) of the Income Tax Act 1952; 1952 c. 10.

(*c*) section 15(1) of the National Debt Act 1958; 1958 c. 6. (7 & 8 Eliz. 2.)

shall have effect as if references to securities issued under the said Act of 1939 included references to such stock.

PART IV

(9) The power of the Treasury to make regulations under the said section 47 shall include power to make regulations (so as to have effect pending the registration of stock issued in satisfaction of compensation payable under this Act in respect of the vesting of securities) providing for all or any of the matters for which provision was made by paragraphs 22 to 25 of Schedule 7 to the 1949 Act and regulations providing for the matter for which provision was made by paragraph 28(3) of that Schedule.

PART V

DISSOLUTION OF THE IRON AND STEEL BOARD AND THE IRON AND STEEL HOLDING AND REALISATION AGENCY, AND OTHER PROVISIONS RELATING THERETO

Transfer of assets, &c., of, and dissolution of, the Iron and Steel Board.

27.—(1) Subject to the provisions of this Act, on the vesting date,—

(*a*) all the property, rights, liabilities and obligations which, immediately before that date, were property, rights, liabilities and obligations of the Iron and Steel Board established under Part II of the 1953 Act shall, by virtue of this section, become property, rights, liabilities and obligations of the Corporation; and

(*b*) the said Board shall cease to have any powers or duties under sections 3 to 15 of the 1953 Act (which give to the Board certain supervisory and other functions in relation to the iron and steel industry).

(2) On the expiration of the period of one month beginning with the vesting date, or of such longer period beginning with that date as the Minister may by order direct, the said Board shall cease to exist.

(3) The temporary and transitional provisions of Part I of Schedule 2 to this Act shall have effect in relation to the Iron and Steel Board for the remaining period of the Board's existence, and the supplemental provisions of Part II of that Schedule shall have effect in connection with the matters provided for in subsection (1)(*a*) of this section; and in that Schedule "the Board" means the Iron and Steel Board.

(4) Nothing in this section shall be taken as transferring to the Corporation any statutory powers or duties conferred or imposed on the Iron and Steel Board by the 1953 Act.

Termination of the Iron and Steel Board's levies on iron and steel producers.

28. The Minister may by order provide for the termination of liabilities imposed by virtue of section 13 of the 1953 Act (provision of funds for the Iron and Steel Board) on iron and steel producers.

PART V

Cesser of duty of the Iron and Steel Holding and Realisation Agency to return undertakings to private ownership, and amendments of provisions of 1953 Act as to dissolution of Agency.

29.—(1) The duty imposed by section 18(1) of the 1953 Act on the Iron and Steel Holding and Realisation Agency to secure the return to private ownership of the undertakings owned by bodies which, on the day appointed under section 1 of that Act, became subsidiaries of theirs is hereby determined; and, in section 25(1) of that Act, for the words "If at any time it appears to the Treasury that the duty of the Agency under section eighteen of this Act has been substantially discharged, the Treasury may by order dissolve the Agency", there shall be substituted the words "The Treasury may, at any time after the vesting date under the Iron and Steel Act 1967, by order dissolve the Agency".

(2) An order dissolving the Agency may substitute a Minister of the Crown, a Government department or the Corporation for the Agency in any regulations made under section 24 of the 1953 Act (compensation to officers and servants of companies).

(3) In subsection (2)(*a*) of the said section 25 (by virtue whereof property, rights, liabilities and obligations of the said Agency immediately before its dissolution must be transferred by the order dissolving it to a Minister of the Crown or his nominees or agents), after the word "agents" there shall be inserted the words "or to the National Steel Corporation" and in the said subsection—

(*a*) references to rights shall be construed as not including references to the right transferred to the Corporation by section 14(1) of this Act; and

(*b*) references to liabilities shall be construed as including references to any contingent liability falling on the said Agency by virtue of paragraph 7(1) of Schedule 1 to the 1953 Act (which transferred to the Agency any liability of the Iron and Steel Corporation of Great Britain under section 49 of the 1949 Act to satisfy judgments or orders obtained against publicly-owned companies);

and the said order may include provision for giving to the transferee under it of any such liability as is mentioned in paragraph (*b*) of this subsection the same right of indemnity as is given to the Agency by paragraph 7(3) of the said Schedule 1.

(4) Different substitutions may be made by virtue of subsection (2) above, and different provision may be made by virtue of the said subsection (2)(*a*), in relation to different cases.

PART VI

MISCELLANEOUS AND GENERAL

Right of certain iron and steel producers to object to trade practices of the Corporation and publicly-owned companies appearing to be unfair.

30.—(1) Subject to subsection (6) below, the three next following subsections shall have effect where an iron and steel producer, being neither one of a description mentioned in subsection (5) below, nor the Corporation nor a publicly-owned company, makes to the Minister written complaint about a practice employed by the Corporation or a publicly-owned company in selling iron and steel products, being products of an activity specified neither in paragraph 4 nor in paragraph 6 of Schedule 3 to the 1953 Act, and the complaint is expressed to be made on the ground that the practice is unfair to the complainant and specifies the respects in which he considers that it is so unfair.

(2) The Minister shall forthwith after receiving the complaint send a copy thereof to the Corporation and, after such period for consideration of, and comment upon, the complaint by the Corporation as the Minister thinks reasonable has elapsed, shall send to the complainant a statement of the comments, if any, made by the Corporation on the complaint and shall, if he is of opinion that the complaint raises a question of substance and that the complainant has a reasonable case to make in support of the complaint, afford the complainant and the Corporation an opportunity of appearing, either personally or by a representative, before a person appointed by the Minister.

(3) The Minister shall consider the report of the person appointed under the last foregoing subsection and may, if it appears to him that the practice complained of is unfair to the complainant, give to the Corporation such directions as appear to him to be requisite to secure the removal of the grounds on which it is so unfair; and the Minister shall furnish the complainant with a statement of any such directions and the Corporation shall give effect thereto.

(4) Where a complainant avails himself of the right conferred by subsection (2) above to appear before a person appointed by the Minister, the Minister shall furnish the complainant and the Corporation each with a copy of the report of the person so appointed, and a statement of the conclusions reached by the Minister on considering the report.

(5) The description of iron and steel producer referred to in subsection (1) above is an iron and steel producer who carries on business comprising one or more of the activities specified in paragraphs 4 and 6 of Schedule 3 to the 1953 Act, but no other iron and steel activity.

PART VI

(6) The Minister may by order give either or both of the following directions—

(*a*) a direction that subsection (1) of this section shall have effect as if the reference to an iron and steel producer of a description mentioned in the last foregoing subsection did not include a reference to an iron and steel producer of a specified description or that that subsection shall have effect as if the first-mentioned reference were omitted;

(*b*) a direction that that subsection shall have effect as if the reference to products of an activity specified neither in paragraph 4 nor in paragraph 6 of Schedule 3 to the 1953 Act did not include a reference to products of a specified description or that that subsection shall have effect as if the first-mentioned reference were omitted.

Conditions of employment, pension rights, &c.

31.—(1) The following provisions of the 1949 Act as to conditions of employment, pension rights and compensation of officers, that is to say, sections 39, 40 (except subsection (6)) and 41, are hereby revived.

(2) Section 39 of the 1949 Act shall be amended as follows:—

(*a*) in subsection (1) after the word "section" there shall be inserted the words "being machinery for operation at national level or works level or a level falling between those levels and appearing to the Corporation to be appropriate", after the words "establishment and maintenance" there shall be inserted the words "for operation at any such level as aforesaid", and for paragraph (*b*) there shall be substituted the following paragraph—

"(*b*) the promotion and encouragement of measures affecting efficiency, in any respect, in the carrying on by the Corporation and by publicly-owned companies of their activities, and the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the Corporation and by publicly-owned companies";

(*b*) in subsection (2), for the words "the Minister of Labour and National Service", there shall be substituted the words "the Minister of Labour"; and

(*c*) after subsection (2) there shall be inserted the following subsection—

"(2A) Where it falls to the Corporation or a publicly-owned company to participate in the operation of machinery established under this section, and the operation involves discussion of a subject by other persons participating therein, the Corporation

PART VI

or, as the case may be, the publicly-owned company shall make available to those persons, at a reasonable time before the discussion is to take place, such information in their possession relating to the subject as, after consultation with those persons, appears to the Corporation or, as the case may be, publicly-owned company to be necessary to enable those persons to participate effectively in the discussion ".

(3) Section 40 of the 1949 Act shall be amended as follows:—

(*a*) in subsection (1), in paragraph (*a*), after the words " the Corporation " there shall be inserted the words " or the Iron and Steel Board ", and, in paragraph (*b*), after the word " purposes " (in the second place in which it occurs) there shall be inserted the words " (whatever the date on which they came into force) ";

(*b*) in subsection (2), in the proviso, for the words " provision made by this Act or in anticipation of the making of any such provision ", there shall be substituted the words " provision made by the Iron and Steel Act 1967 or this Act, or in anticipation of the making of any provision by the said Act of 1967 "; and

(*c*) in subsection (3), for the words from " referred to a referee " onwards, there shall be substituted the words " referred to and determined by a tribunal established under section twelve of the Industrial Training Act 1964 ";

1964 c. 16.

and for the purposes of paragraph (*e*) of section 46(1) of the Redundancy Payments Act 1965 (which includes amongst the proceedings with respect to which the Minister of Labour is required by that subsection to make regulations, proceedings to determine any question which, by or under any statutory provision passed or made after the passing of that Act, is directed to be referred to and determined by such a tribunal as aforesaid) the said subsection (3), as amended by this section, shall be deemed to have been so passed.

1965 c. 62.

(4) Section 41 of the 1949 Act shall be amended as follows:—

(*a*) at the end of subsection (1) there shall be added the following words " or of effect being given to conclusions reported under section four of the Iron and Steel Act 1967 to the Minister or a direction given by him by virtue of subsection (2) of section seven of that Act, and the payment by the Corporation, in such cases and to such extent as may be specified in the regulations, of compensation to officers of the Iron and Steel Board who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the dissolution of the Board "; and

(*b*) in subsection (3), for the words from "a referee" onwards, there shall be substituted the words "a tribunal established under section twelve of the Industrial Training Act 1964". PART VI 1964 c. 16.

(5) The Minister shall not make regulations under the said section 40 or the said section 41 except after consultation with the Corporation and such organisations as appear to him to be representative of persons concerned.

(6) Any increase attributable to this section in the sums which, under section 12(3) of the Industrial Training Act 1964, as amended by the Redundancy Payments Act 1965, are defrayed out of moneys provided by Parliament shall be defrayed out of moneys so provided. 1965 c. 62.

Re-establishment of the Iron and Steel Arbitration Tribunal.

32.—(1) For the purpose of determining any question or dispute which, under this Act or under any provision of the 1949 Act revived by this Act or any regulations made under any such provision, is expressly required to be determined by arbitration under the 1949 Act, or any matter in respect of which jurisdiction is given by any such provision to the tribunal that was established by section 43(1) of that Act by the name of the Iron and Steel Arbitration Tribunal, that tribunal shall, by virtue of this subsection, be re-established by that name on such day as the Lord Chancellor may by order appoint for the purposes of this section and shall, subject to the provisions of subsection (7) of that section with respect to the reference by the tribunal of proceedings to a person for inquiry and report, hear and determine every such question, dispute or matter as aforesaid.

(2) The following provisions of the 1949 Act shall, on the said day, be revived by virtue of this subsection and shall again have effect with respect to, and to proceedings before, the Iron and Steel Arbitration Tribunal and with respect to the members and officers thereof and any person to whom any proceedings are referred under the said subsection (7), namely, the provisions (other than subsection (1)) of the said section 43 and sections 44, 45, 46(1), (2) and (3) and 60(7).

(3) The Tribunals and Inquiries Act 1958 shall have effect as if the Iron and Steel Arbitration Tribunal were included amongst the tribunals specified in Schedule 1 thereto. 1958 c. 66.

(4) Any remuneration and allowances payable by virtue of section 46(2) or (3) of the 1949 Act to the members or officers of the Iron and Steel Arbitration Tribunal or to a person to whom proceedings are referred under section 43(7) of that Act for inquiry and report and any other expenses of the tribunal shall be defrayed in the first instance by the Minister out of

PART VI

moneys provided by Parliament, but the amounts from time to time so paid by the Minister shall be repaid on demand to the Minister by the Corporation and shall be paid by him into the Exchequer.

Consequential amendment of, and power of the Minister to repeal, section 7(1) of Restrictive Trade Practices Act 1956. 1956 c. 68.

33.—(1) As from the vesting date, section 7(1) of the Restrictive Trade Practices Act 1956 (which, in the case of agreements made by iron and steel producers and providing for exclusivity in regard to the supply of raw materials or other products, enables an agreement to be excepted from the application of Part I of that Act if the relevant term has been approved by the Iron and Steel Board and by the Minister) shall have effect with the omission of the words " by the Iron and Steel Board and ".

(2) If at any time after the vesting date it appears to the Minister that adequate arrangements for the importation of raw materials or other iron and steel products for use in the carrying on of iron and steel activities which are, or are to be, carried on by or under the ultimate control of the Corporation have been established under the direct or indirect control of the Corporation, the Minister may make an order directing that the said section 7(1) shall cease to have effect as from such date as may be specified in the order.

(3) If the Minister makes an order under the last foregoing subsection, the two following subsections shall have effect for the purpose of applying provisions in Part I of the said Act of 1956 to any agreement in force immediately before, and remaining in force on and after, the date on which the said section 7(1) ceases to have effect, being an agreement to which the said Part I applies on and after that date and would have applied before that date but for the said section 7(1).

(4) Any such agreement shall be treated, for the purposes of section 10 of the said Act of 1956 (which requires particulars of agreements to be furnished to the Registrar of Restrictive Trading Agreements), as having on the said date become subject to registration under the said Part I by virtue of an order made under section 9 of the said Act of 1956.

(5) The order of the Minister under subsection (2) above shall, for the purposes of section 10(1) and (2) of the said Act of 1956, specify the period or periods within which the particulars mentioned in those subsections are to be furnished to the said Registrar, and accordingly, in relation to such an agreement as aforesaid, those subsections shall have effect with the substitution, for references to the period specified in that section, of references to the period specified in the order.

PART VI

Reviver of provisions of 1949 Act as to carbonisation development and debts of publicly-owned companies.

34. Sections 47 (duty of Corporation, National Coal Board, Gas Council and Area Gas Boards to consult with respect to carbonisation development) and 49 (liability of Corporation for debts of publicly-owned companies) of the 1949 Act are hereby revived.

Reviver of section 15 of Mineral Workings Act 1951. 1951 c. 60.

35.—(1) Section 15 of the Mineral Workings Act 1951 (which empowered the Minister of Housing and Local Government to make regulations modifying sections 1 to 14 of that Act in their application to operators being publicly-owned companies and was repealed by the 1953 Act) is hereby revived, but with the substitution, for references to the Iron and Steel Corporation of Great Britain, of references to the National Steel Corporation.

(2) This section shall not extend to Scotland.

Exemption of the Corporation and publicly-owned companies from Building Control Act 1966. 1966 c. 27.

36. The Schedule to the Building Control Act 1966 (bodies in whose case work carried out at their expense is exempt from control under that Act by virtue of section 5(1)(*e*) thereof) shall have effect as if the Corporation and the publicly-owned companies were included amongst the bodies therein mentioned.

Location of the Corporation's offices.

37. In determining the location of its commercial and administrative offices, the Corporation shall have regard to the location of the manufacturing activities under the ultimate control of the Corporation and to the desirability of distributing major commercial and administrative offices throughout Great Britain.

Power of the Minister to change the Corporation's name.

38. The Minister may by order change the name of the authority established by section 1(1) of this Act, and an order under this section may make such provision as appears to the Minister to be requisite or expedient in consequence of the change of name effected thereby, including (without prejudice to the generality of the foregoing words) provision for amending enactments (whether contained in this or in any other Act).

Miscellaneous provisions as to publicly-owned companies.

39.—(1) Section 50 of the 1949 Act and Schedule 9 to that Act (which relate to the constitution and proceedings of publicly-owned companies and have remained in force by virtue of paragraph 15 of Schedule 1 to the 1953 Act) shall, as from the vesting date, have effect by virtue of this section instead of by virtue of the said paragraph 15, and on that date that paragraph shall cease to have effect.

(2) Any notice given or other thing done before the vesting date by the Iron and Steel Holding and Realisation Agency in relation to a company which was then in public ownership shall, if in force immediately before that date, continue to have

PART VI

effect and be deemed, as from that date, to have been given or done by the Corporation.

(3) A company which is publicly owned shall not, except with the consent of, or in accordance with the terms of any general authority given by, the Minister acquire interests in a company or form, or take part in forming, a company.

Exemption from stamp duty. 1930 c. 28.

40.—(1) For the purpose of section 42 of the Finance Act 1930 (which affords relief from transfer stamp duty in the case of the transfer of property between associated companies), the Corporation shall be deemed to be a company with limited liability.

(2) Where a company is to be formed by the Corporation or the amount of the nominal share capital of a subsidiary of the Corporation is to be increased, then if the Treasury are satisfied that the formation of the company or, as the case may be, the increase of capital is for the purpose of giving effect to conclusions reported under section 4 of this Act to the Minister or a direction given by him by virtue of section 7(2) of this Act or is for purposes that include that purpose, stamp duty shall not be chargeable on so much of the nominal share capital of the company or, as the case may be, of the increase of the nominal share capital of the subsidiary as, in the opinion of the Treasury, is necessary for achieving that purpose.

Furnishing of information to the Minister and the Corporation.

41.—(1) Subject to subsection (5) below, it shall be the duty of every company specified in Schedule 1 to this Act, every company which on 4th November 1964 was, or thereafter became (whether before or after the passing of this Act), a subsidiary of a company so specified, and every person in whom are vested any property or rights which on that day were, or thereafter (whether before or after the passing of this Act) became, property or rights of a company so specified or a subsidiary thereof or which are derived from any such property or rights—

(*a*) to produce to any person authorised by the Minister, on production by that person, if so required, of a duly authenticated document showing his authority, such books of account, records and documents, and to supply copies of, or extracts from, such books, records and documents, and to furnish such other information, as may reasonably be required by the Corporation or the Minister for the purposes of this Act or the provisions thereby revived of the 1949 Act; and

(*b*) to provide facilities for the examination of any such books, records and documents, and the taking of copies thereof and extracts therefrom, and facilities

for inspecting any property of the said company or other person for the purpose of verifying information furnished by him as aforesaid.

(2) The Minister may, for the purpose of obtaining forecasts reasonably required by him for the exercise and performance of his functions under this Act, by notice in writing served on an iron and steel producer (other than the Corporation or a publicly-owned company) require him to furnish to the Minister such forecasts with respect to his output of, and capacity to produce, such iron and steel products as may be specified in the notice; and any such notice may require any such forecasts to be furnished in such manner and within such time as may be specified in the notice, and either periodically or on one occasion or more.

(3) Subject to subsection (7) below, the Corporation may, by notice in writing (served as mentioned in subsection (6) below), require any organisation appearing to the Corporation to be representative of the interests of iron and steel producers (not being an organisation so appearing to be representative solely of the interests of those who are not publicly-owned companies) to furnish to the Corporation such information relating to the organisation as may reasonably be required by the Corporation for the exercise and performance of their functions under this Act; and any such notice may require any such information to be certified as correct by the auditors of the organisation.

(4) Subject to subsection (7) below, the Corporation may, by notice in writing served on a person engaged in doing, as a common service for iron and steel producers or any group thereof, any thing (not being a person doing it exclusively for producers who are not publicly-owned companies), require him to furnish to the Corporation information relating to the doing of that thing; and any such notice may require any such information to be certified as correct by that person's auditors.

(5) Subsection (1) above shall not apply to a company after it has come into public ownership, and shall cease to have effect on the expiration of the period of twelve months beginning with the vesting date.

(6) A notice under subsection (3) above shall, in the case of an organisation which is a body corporate, be served on the body and shall, in the case of an organisation which is not a body corporate, be served on, and take effect as a requirement on, such officer of the organisation as appears to the Corporation to be appropriate.

(7) No notice shall be served by the Corporation under subsection (3) or subsection (4) above after the expiration of the period of twenty-four months beginning with the vesting date.

PART VI

(8) A person who fails to satisfy an obligation to which he is subject by, or by virtue of, any of the foregoing provisions of this section shall, unless he proves that he had reasonable excuse for the failure, be guilty of an offence and liable, on summary conviction, to a fine not exceeding £50, or in the case of a second or subsequent conviction to a fine not exceeding £200.

Penalization of furnishing false information.

42. A person who—

(*a*) in purported compliance with a requirement imposed under this Act or a provision of the 1949 Act revived by this Act or under regulations under this Act or any such provision to furnish information, or in making any claim or giving any notice for the purposes of any such provision, furnishes any information which he knows to be false in a material particular or recklessly furnishes any information which is so false; or

(*b*) in purported compliance with a requirement so imposed to supply a copy of, or extract from, a book of account, record or document, supplies a document purporting to be such a copy or extract but which he knows to differ in a material particular from the book, record or document of which it purports to be a copy or, as the case may be, from the passage in which it purports to consist, or recklessly supplies a document purporting to be such a copy or extract but which so differs; or

(*c*) with intent to deceive, produces for the purposes of the last foregoing section or of section 29 of the 1953 Act any book, record or document which is false in a material particular;

shall be guilty of an offence and shall be liable—

(i) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £100 or to both;

(ii) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both.

Restriction of disclosure of information obtained under Iron and Steel Acts.

43.—(1) No information obtained under this Act, the 1953 Act or the 1949 Act shall be disclosed except—

(*a*) with the consent of the person by whom it was furnished or, as the case may be, carrying on the undertaking or business to which related the books, records or other documents from which it was obtained; or

(*b*) in the form of a summary of information furnished by, or obtained from documents relating to undertakings or businesses carried on by, a number of persons, being

a summary so framed as not to enable particulars relating to the business of individual persons to be ascertained therefrom; or

(*c*) for the purpose of enabling the Corporation or the Minister to discharge their or his functions under this Act or the provisions of the 1949 Act thereby revived or of enabling the Iron and Steel Board to discharge their functions under the 1953 Act or this Act; or

(*d*) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings pursuant to, or arising out of, this Act or the provisions of the 1949 Act thereby revived;

and nothing contained in a forecast obtained under this Act or the 1953 Act shall be disclosed except with the consent of the person by whom the forecast was furnished, in the form of a summary of forecasts furnished by a number of persons (being a summary framed as mentioned in paragraph (*b*) above), for such a purpose as is mentioned in paragraph (*c*) above or as mention in paragraph (*d*) above.

(2) If a disclosure is made by a person in contravention of the foregoing subsection he shall be guilty of an offence and liable—

(*a*) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £100, or to both;

(*b*) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both.

Service of notices, &c.

44. Section 56 (service of documents) of the 1949 Act is hereby revived and shall have effect as well in relation to a notice authorised by section 41 of this Act to be served as in relation to a document required or authorised by or under that Act or regulations made thereunder to be given, delivered or served.

Offences by corporations.

45.—(1) Where an offence under section 42 or 43 of this Act which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against accordingly.

(2) In the foregoing subsection, the expression "director" in relation to the Corporation or any other body corporate established by or under an enactment for the purpose of carrying on

PART VI

under national ownership an industry or part of an industry or undertaking, being a body corporate whose affairs are managed by the members thereof, means a member of, as the case may be, the Corporation or that other body corporate.

Regulations, orders and rules.

46.—(1) Any power conferred by this Act or by the provisions of the 1949 Act revived by this Act to make regulations, the power conferred by section 4 of the 1949 Act to make an order and any power conferred by this Act to make an order, and the power conferred by section 44(4) of the 1949 Act to make rules shall be exercisable by statutory instrument.

(2) A statutory instrument by which any such power as aforesaid is exercised (except one containing an order under any provision of this Act other than sections 5, 15, 28 and 30 thereof or regulations under section 41(4) of the 1949 Act) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(3) No order shall be made under section 33(2), 38 or 48(1) of this Act unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.

(4) The power conferred by each of the following provisions, namely, section 4 of the 1949 Act and sections 5, 15 and 30 of this Act to make an order shall include power exercisable in the like manner to vary or revoke an order.

Interpretation.

47.—(1) Section 59 (interpretation) of the 1949 Act is hereby revived and shall have effect as well for the purposes of, and for the interpretation of, this Act as for the purposes of, and for the interpretation of, that Act; but for the purposes of section 9 of this Act "company" shall not include any body other than a company as defined in the said section 59.

(2) In this Act—

1949 c. 72. "the 1949 Act" means the Iron and Steel Act 1949;

1953 c. 15. "the 1953 Act" means the Iron and Steel Act 1953;

"iron and steel producer" means a person carrying on in Great Britain a business comprising any iron and steel activities;

"iron and steel products" means products of any iron and steel activities;

and references to the provisions of the 1949 Act revived by this Act shall be construed as including references to section 50 of that Act and Schedule 9 thereto.

PART VI

(3) In the provisions of the 1949 Act revived by this Act—

(*a*) references to the date of transfer shall be construed as referring—

(i) in relation to a company whose securities vest in the Corporation by virtue of this Act or of the said provisions, to the date on which those securities so vest; and

(ii) in relation to any other company which comes into public ownership under Part II of this Act or the said provisions, to the date on which that company comes into public ownership;

(*b*) references to the general date of transfer shall be construed as referring to the vesting date;

(*c*) references to the Corporation shall be construed as referring to the National Steel Corporation;

(*d*) references to the Minister shall be construed as referring to the Minister of Power;

and those provisions, in their application to Scotland, shall have effect subject to subsections (2), (3), (4) and (6) of section 60 (application to Scotland) of the 1949 Act, which subsections are hereby revived.

(4) For the purposes of this Act and the provisions of the 1949 Act revived thereby,—

(*a*) "the Consolidated Fund" means the Consolidated Fund of the United Kingdom;

(*b*) "iron and steel activities" means the activities included in Schedule 3 to the 1953 Act; and

(*c*) the securities of a company to which the same rights attach shall be deemed to constitute a class of securities, and the date of issue of any securities shall be deemed to be the date on which a resolution allotting those securities is made.

(5) A company shall not, for the purposes of the provisions of the 1949 Act revived by this Act, be taken not to have come into public ownership by reason of the fact that, immediately before the vesting date, its securities were vested in the Iron and Steel Holding and Realisation Agency.

Power of the Minister to extend definition of iron and steel activities.

48.—(1) If it appears to the Minister that the processing of iron or steel by a process which, at the passing of this Act, was not being applied by persons carrying on business in Great Britain or was not, in his opinion, being so applied to a substantial extent ought to be treated as included in Schedule 3 to the 1953 Act, he may by order provide that the processing

PART VI

of iron or steel by that process shall be deemed, for the purposes of the 1949 Act and this Act, to be included in that Schedule.

(2) An order under the foregoing subsection with respect to a process shall not be made by the Minister except after consultation with—

(*a*) the Corporation;

(*b*) the Iron and Steel Consumers' Council;

(*c*) such organisations as appear to him to be representative of the interests of persons carrying on business in Great Britain who apply that process; and

(*d*) such organisations as appear to him to be representative of the interests of persons employed in Great Britain in applying that process.

Amendment of provisions of 1949 Act, and form in which they are to have effect.

49.—(1) The provisions of the 1949 Act revived by this Act specified in column 1 of Schedule 3 to this Act shall have effect subject to the amendments respectively specified in relation thereto in column 2 of that Schedule.

(2) In addition to the provisions of the 1949 Act revived by the foregoing provisions of this Act, there shall also be revived the following words and headings in the first-mentioned Act, namely,—

(*a*) the words "PART I" (where occurring before section 1);

(*b*) the words "PART II" (where occurring before section 11) and the headings that immediately follow those words;

(*c*) the headings immediately before sections 18 and 20;

(*d*) the words "PART V" (where occurring before section 39) and the headings that immediately follow those words;

(*e*) the headings before sections 43 and 47;

(*f*) the words "PART I" and "PART II" (where occurring in Schedule 4) and the headings that immediately follow those words;

(*g*) the headings to Schedules 5, 6 and 9;

and there shall be a heading to Part I consisting of the words "THE NATIONAL STEEL CORPORATION", a heading to Schedule 1 consisting of the words "PROVISIONS AS TO NATIONAL STEEL CORPORATION" and a heading to Schedule 4 consisting of the words "ISSUE OF GOVERNMENT STOCK IN SATISFACTION OF COMPENSATION".

(3) The provisions of the 1949 Act, to the extent to which they are revived by, or continue in operation by virtue of, this Act shall (with the additions provided for by the last foregoing

subsection) have effect in the form set out in Schedule 4 to this Act, being the form in which the said provisions (together with the said additions) have, to that extent, effect as revived or, as the case may be, continued in operation, and as amended by this Act. PART VI

The Minister's administrative expenses.

50. Any administrative expenses incurred for the purposes of this Act or the provisions thereby revived of the 1949 Act by the Minister shall be defrayed out of moneys provided by Parliament.

Short title, extent and repeal.

51.—(1) This Act may be cited as the Iron and Steel Act 1967.

(2) This Act (except section 1(8) thereof) shall not extend to Northern Ireland; but this provision shall not be taken to prejudice the capacity of the Corporation under section 2 of this Act.

(3) The provisions of the 1953 Act specified in column 1 of Schedule 5 to this Act are hereby repealed to the extents respectively specified in relation thereto in column 2 of that Schedule on the dates respectively so specified in column 3 of that Schedule.

SCHEDULES

Sections 9 11 & 41.

SCHEDULE 1

COMPANIES WHICH FULFIL CONDITIONS FOR VESTING OF THEIR SECURITIES

Colvilles Limited.
Consett Iron Company Limited.
Dorman, Long & Co., Limited.
English Steel Corporation Limited.
G.K.N. Steel Company Limited.
John Summers & Sons Limited.
The Lancashire Steel Corporation Limited.
The Park Gate Iron and Steel Company, Limited.
Richard Thomas & Baldwins Limited.
Round Oak Steel Works Limited.
South Durham Steel and Iron Company Limited.
The Steel Company of Wales Limited.
Stewarts and Lloyds, Limited.
The United Steel Companies Limited.

Section 27.

SCHEDULE 2

TRANSITIONAL PROVISIONS IN CONNECTION WITH DISSOLUTION OF THE IRON AND STEEL BOARD

PART I

TEMPORARY PROVISIONS RELATING TO THE IRON AND STEEL BOARD PENDING ITS DISSOLUTION

1. Section 2(8) of the 1953 Act (under which the Board may remunerate its members and provide for their pensions) shall not have effect in relation to any period beginning with, or after, the vesting date, but the Corporation shall in relation to any such period pay to members of the Board such remuneration (whether by way of salaries or fees) and such allowances as the Minister may, with the approval of the Treasury, determine.

2.—(1) The Board shall (if they have not already done so) comply with subsections (3) and (4) of section 16 of the 1953 Act (which relate to the preparation, audit and publication of the Board's accounts) in relation to their last complete financial year before the vesting date and shall also comply with those subsections in respect of the period (if any) between the end of the said financial year and the vesting date, which period shall be treated for the purposes of the said subsections as if it were a complete financial year; but save as aforesaid the said section 16 shall not have effect as from the vesting date.

(2) As from the vesting date, the Corporation shall make available to the Board such facilities, and the services of such persons, as the Board and their auditors may reasonably require for performing their duties under this paragraph on and after the vesting date, and the remuneration of the auditors shall be paid by the Corporation.

SCH. 2

3. The Board's capacity as a statutory corporation shall, as from the vesting date, instead of being as specified in paragraph 4 of Schedule 2 to the 1953 Act, extend only to doing such things and entering into such transactions as are incidental or conducive to the exercise and performance of functions which survive to the Board by virtue of this Part of this Schedule.

4.—(1) The Board shall, in accordance with directions of the Minister and before the vesting date, set aside all such documents, being property of theirs, as appear to the Board—

(*a*) to contain material concerning the affairs of any company as to which the Minister gives to the Board his opinion that it will not come into public ownership, or

(*b*) to belong to any class or description of documents which the Minister has, for the purposes of this paragraph, directed the Board to set aside,

and any documents so set aside by the Board shall be excluded from the property of the Board which vests in the Corporation by virtue of section 27(1)(*a*) of this Act.

(2) The Board shall dispose of any documents set aside by them pursuant to the foregoing sub-paragraph in such manner as the Minister may direct, but the Corporation shall be entitled to see and take copies of anything in those documents which, in the opinion of the Minister, ought reasonably to be made known to the Corporation for the purposes of their functions under the 1949 Act or this Act.

(3) The last foregoing sub-paragraph shall not entitle the Corporation to see or take copies of anything in a document being a thing which, in the opinion of the Minister, relates only to, or cannot conveniently be severed from a thing which relates only to, the affairs of a company referred to in sub-paragraph (1)(*a*) above, not being a company engaged in doing anything as a common service for iron and steel producers or any group thereof.

(4) The foregoing provisions of this paragraph shall not apply to a document which appears to the Board to be relevant for the purposes of any legal proceedings pending immediately before the vesting date by or against the Board.

(5) In this paragraph, "document" includes any device by means of which information is recorded or stored, and, in relation to information recorded or stored by means of a device, the reference in sub-paragraph (2) of this paragraph to the Corporation's being entitled to see it shall be construed as a reference to their being entitled to have it made available to them, and sub-paragraph (3) of this paragraph shall have effect accordingly.

(6) Before giving any directions to the Board for the purposes of this paragraph, the Minister shall consult with the Board and the Corporation, and also with such organisations as he thinks fit, being organisations appearing to him to be representative of companies not coming into public ownership.

SCH. 2

5. Subject to the last foregoing paragraph, and without prejudice to the generality of section 27(1)(*a*) of this Act,—

(*a*) it shall be the duty of the Board to give to the Minister and the Corporation all such information, to prepare all such documents and to do all such other things as appear to the Minister and the Corporation respectively to be necessary or expedient for facilitating the carrying into effect of this Act and for facilitating the exercise and performance by the Minister and the Corporation of their respective functions under the 1949 Act and this Act;

(*b*) the Board shall, in accordance with directions of the Corporation, make available to the Corporation all their records and information of whatsoever kind concerning the affairs of any company which is publicly-owned or is, in the Minister's opinion, likely to come into public ownership.

PART II

PROVISIONS SUPPLEMENTAL TO SECTION 27(1)(*a*)

6. Every agreement, whether in writing or not, including any agreement for the performance of personal services, to which the Board were a party immediately before the vesting date, shall have effect as from that date as if the Corporation had been a party to the agreement and for any reference to the Board there were substituted, as respects anything falling to be done or occurring on or after the vesting date, a reference to the Corporation; and any other agreement (whether in writing or not) or document referring to the Board shall be construed in accordance with the preceding provisions as far as applicable.

7. Any legal proceedings pending immediately before the vesting date by or against the Board shall be continued on and after that date with the substitution of the Corporation for the Board as a party to the proceedings.

Section 49.

SCHEDULE 3

AMENDMENTS OF REVIVED PROVISIONS OF 1949 ACT

Provision revived	*Amendment*
Section 1(7) ...	For the words from "disclose the nature of his interest" to the end of the subsection there shall be substituted the following words "declare the nature of his interest— (*a*) if he is not the chairman, to the chairman; (*b*) if he is the chairman, to the Minister; (*c*) in any case, at a meeting of the Corporation; and the member shall not take any part after making a declaration in pursuance of any of the foregoing paragraphs in any deliberation or

Provision revived	*Amendment*	SCH. 3
Section 1(7) —*cont.*	decision of the Corporation with respect to that contract; and a declaration made in pursuance of paragraph (*c*) above shall be recorded in the minutes of the Corporation ".	
Section 1(9) ...	For paragraph (*b*) there shall be substituted the following paragraph:— "(*b*) as regards any members in whose case the Minister may so determine with the approval of the Treasury, shall make provision for, or pay to or in respect of them, such pensions as may be so determined ".	
Section 1(10)...	For the words " the passing of this Act ", there shall be substituted the words " the passing of the Iron and Steel Act 1967 ", and for the words " provides for the payment " there shall be substituted the words " relates to the payment of, or to payment towards the provision ".	
Section 4 ...	In subsection (3), for the words " In making or securing provision for the training and education of persons employed by the Corporation or any publicly-owned company, and for research ", there shall be substituted the words " In discharging the duty imposed on the Corporation by paragraph (*d*) of subsection (1) of section three of the Iron and Steel Act 1967 ".	
	In subsection (4), in paragraph (*a*), after the word " activities ", there shall be inserted the words " (other than iron and steel activities carried on in Great Britain) " and after the word " assets ", there shall be inserted the words " (other than assets in Great Britain used or capable of use in the production of iron and steel products) "; in paragraph (*b*), after the word " company ", where first occurring, there shall be inserted the words " (other than iron and steel activities carried on in Great Britain) " and after the word " company ", where secondly occurring, there shall be inserted the words " (other than assets in Great Britain used as aforesaid or capable of use as aforesaid) "; and, in paragraph (i) of the proviso, for the words " this Act ", there shall be substituted the words " the Iron and Steel Act 1967 and this Act " and, in paragraph (ii), for the word " five " there shall be substituted the word " two ".	
	In subsection (6), for the words " the publicly-owned companies " there shall be substituted the words " their subsidiaries ".	

SCH. 3	*Provision revived*	*Amendment*
	Section 6(2) ...	For the words "The Council" there shall be substituted the words "The Iron and Steel Consumers' Council (hereafter in this section referred to as 'the Council')" and at the end of paragraph (*a*) there shall be inserted the word "and".
	Section 6(4) ...	Paragraph (*c*) shall be omitted.
	Section 6(6) ...	At the end, there shall be added the words "but, if he decides not to give directions on any such matter, he shall lay before each House of Parliament a statement of that matter and of his reason for not giving directions thereon".
	Section 6(8) ...	The words "with the approval of the Minister" shall be omitted.
	Section 6(10)...	The words "with the approval of the Minister" and the words from "and copies" onwards shall be omitted.
	Section 7(1) ...	The words "(except section two thereof)" shall be omitted, and at the end, there shall be added the words "In the above proviso, 'activity' does not include the working and getting of iron ore".
	Section 9 ...	For the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967 or this Act".
	Section 12 ...	For the words "this Act", where first occurring, there shall be inserted the words "the Iron and Steel Act 1967 or this Act"; and for the words "this Act", where last occurring, there shall be substituted the words "either of those Acts".
	Section 13 ...	In subsection (1), for the words "the twenty-first day of October, nineteen hundred and forty-seven", there shall be substituted the words "4th November 1964". In the proviso to subsection (2), for the words "provision made by this Act or with any anticipation of the making of any such provision" there shall be substituted the words "provision made by the Iron and Steel Act 1967 or this Act or with any anticipation of the making of any provision by the said Act of 1967".
	Section 14 ...	In subsection (1), for the words "this Act", where first occurring, there shall be substituted the

Provision revived	*Amendment*	SCH. 3
Section 14—*cont.*	words " the Iron and Steel Act 1967 "; for the words " the Third Schedule ", there shall be substituted the words " the First Schedule to that Act "; and for the words " this Act ", where last occurring, there shall be substituted the words " the Iron and Steel Act 1967 or this Act ".	
	In subsection (2), for the words " this Act ", there shall be substituted the words " the Iron and Steel Act 1967 ".	
	In subsection (4), after the words " this Act ", where first occurring, there shall be inserted the words " or by virtue of any provision of the Iron and Steel Act 1967 "; for the words from " the twenty-ninth day of October " to " the Minister " there shall be substituted the words " 4th November 1964 or made on or after the said day and having the approval in writing of the Minister "; paragraph (*a*) of the proviso shall be omitted, and, in paragraph (*b*) thereof, for the words " this Act " there shall be substituted the words " the Iron and Steel Act 1967 or this Act ".	
Section 17(1)...	For the words " this Act " (where first occurring) there shall be substituted the words " the Iron and Steel Act 1967 or this Act ".	
Section 18 ...	In subsection (1), for the words " the Third Schedule to this Act, not being a wholly-owned subsidiary of a company so specified ", there shall be substituted the words " the First Schedule to the Iron and Steel Act 1967 "; for the words " the twenty-ninth day of October, nineteen hundred and forty-eight " there shall be substituted the words " 30th April 1965 ", and after the word " dividend " (in the first place where it occurs), there shall be inserted the words " (other than payments by way of capital or special dividend) ".	
	In subsection (2)(*b*)(i), for the words from " at the rate " to the end of the sub-paragraph there shall be substituted the words " at the rate, calculated as an annual rate, paid (otherwise than as a capital or special dividend) on that class of securities in respect of the last financial year in respect of which a final dividend was paid before 30th April 1965 or, in the case of a class of securities on which a final dividend was never paid before the said day, at such rate as the Minister may approve for the purposes of this section ".	
	In subsection (3), paragraph (*a*) shall be omitted.	

SCH. 3

Provision revived		*Amendment*
Section 19	...	In subsection (1), for the words " the Third Schedule to this Act ", there shall be substituted the words " the First Schedule to the Iron and Steel Act 1967 "; for the words " this Part of this Act ", there shall be substituted the words " Part II of the Iron and Steel Act 1967 "; in paragraph (*a*), after the word " section " there shall be inserted, and at the end of paragraph (*b*) there shall be added, the words " or, if rates in excess of those rates have been approved for the purposes of subsection (1) of that section, at the highest rates so approved "; and for the proviso to subsection (3) there shall be substituted the following proviso:— " Provided that where, in the case of a company, the accounts thereof in respect of the last complete financial year before the date of transfer have not been laid before the company in general meeting before that date, the said expression means that year together with such part of the financial year during which the date of transfer occurs as precedes that date ".
Section 20	...	For subsection (1) there shall be substituted the following subsection:— " (1) Where it appears to the Minister that any company not specified in the First Schedule to the Iron and Steel Act 1967 operates or owns the whole, or a substantial or essential part, of works used for the carrying on of any iron and steel activities, being works which were, on or at any time after 4th November 1964, operated or owned, as the case may be, by a company specified in the said First Schedule or by a subsidiary of a company so specified, the Minister may, at any time before the general date of transfer or within the period of three months beginning with that date, serve on the first-mentioned company a notice (in this section referred to as a ' notice of acquisition ') stating that, subject to the following provisions of this section, the securities of the company will be transferred to the Corporation in like manner as the securities of the companies specified in the said First Schedule: Provided that this subsection shall not apply in a case where the Minister has approved in writing for the purposes of this subsection, either before or after they were effected, all transactions entered into after the said day resulting directly or indirectly in the transfer or grant to the first-mentioned company of

Provision revived	*Amendment*	SCH. 3
Section 20—*cont.*	rights of ownership in, or rights in respect of the user of, any of the said works which were operated or owned by the company specified in the said First Schedule or, as the case may be, by the subsidiary, and the Minister undertook that the powers conferred by this subsection would not be used in relation to those works ".	
	In subsection (2), for the words " the Third Schedule to this Act ", in both places where they occur, there shall be substituted the words " the First Schedule to the Iron and Steel Act 1967 "; for the words " the twenty-ninth day of October, nineteen hundred and forty-eight ", there shall be substituted the words " 4th November 1964 "; and for the words " this Part of this Act ", in both places where they occur, there shall be substituted the words " Part II of that Act ".	
	In subsection (3), the words " paragraphs (*a*) and (*b*) of ", where first occurring, shall be omitted.	
	For subsection (6) there shall be substituted the following subsection:—	
	" (6) Where a notice of acquisition is served on a company under this section and is not withdrawn or revoked, the securities of the company shall, on the date of transfer in relation to the company, vest in the Corporation (except any created as collateral security for a loan to it, which shall be cancelled as from that date), and the provisions (other than this section) of this Part of this Act revived by the Iron and Steel Act 1967, shall apply, and be deemed always to have applied, to the company as they apply to the companies specified in the First Schedule to that Act ".	
Section 21 ...	In subsection (1), for the words " the Third Schedule to this Act ", there shall be substituted the words " the First Schedule to the Iron and Steel Act 1967 ", and for the words from " that it operates " to the words " that activity " there shall be substituted the words " that it or a subsidiary of it operates or owns the whole, or a substantial or essential part, of works used for the carrying on of any iron and steel activities "; and for the words " this Act ", where last occurring, there shall be substituted the words " that Act ".	
	In subsection (4), for the words " this Act ", there shall be substituted the words " the Iron and Steel Act 1967 ".	

SCH. 3

Provision revived	*Amendment*
Section 21—*cont.*	For subsection (5) there shall be substituted the following subsection:— "(5) Where a notice is served on a company under this section and is not withdrawn or revoked, the Iron and Steel Act 1967 and this Act shall have effect, and be deemed always to have had effect, as if the company had never been specified in the First Schedule to the said Act of 1967, but without prejudice to the operation of the last preceding section or either of the next two following sections in relation to any works which were owned or operated by the company or its subsidiary, as the case may be, on or after 4th November 1964, and ceased to be so owned or operated before the service of the said notice".
Section 22 ...	In subsection (1), for the words "any company specified in the Third Schedule to this Act", there shall be substituted the words "any company specified in the First Schedule to the Iron and Steel Act 1967 or any subsidiary of a company so specified"; for the words "any of the activities specified in the first column of the Second Schedule to this Act", there shall be substituted the words "any iron and steel activities"; for the words "the twenty-ninth day of October, nineteen hundred and forty-eight", there shall be substituted the words "4th November 1964"; for the words "a company so specified and were used for the carrying on of any of the said activities", there shall be substituted the words "a company so specified or a subsidiary of a company so specified, and were used for the carrying on of any such activities"; and after the word "question", there shall be inserted the words "either to themselves or".
Section 23 ...	For subsection (1) there shall be substituted the following subsection:— "(1) Where it appears to the Minister— (*a*) that any company specified in the First Schedule to the Iron and Steel Act 1967 or any other company which comes into public ownership under this Part of this Act has, at any time after 4th November 1964, and before the date of transfer, entered into any transaction which—

Provision revived	*Amendment*	SCH. 3
Section 23—*cont.*	(i) transferred or granted to any person other than such a company as aforesaid any rights of ownership in any works or rights in respect of the user of any works; or (ii) transferred or granted to any such person any rights in respect of the user of any invention or registered design; or (iii) transferred or granted to any such person any relevant mineral rights; and (*b*) that it is in the public interest, for the purpose of securing the efficient carrying on of any business managed by or under the ultimate control of the Corporation, that the rights so transferred or granted, or any rights derived from those rights, should vest in or be surrendered to the Corporation or a publicly-owned company; he may authorise the Corporation to serve, at any time within three months after the date of transfer of the first-mentioned company, a notice (in this section and in the Sixth Schedule to this Act referred to as a 'notice of acquisition') on any person in whom any such rights are vested stating that those rights are to vest or be surrendered in accordance with the Sixth Schedule to this Act, together with such other property and rights as are mentioned in the said Schedule: Provided that, where any such transfer or grant has been approved in writing for the purposes of this section by the Minister (whether before or after the date of transfer or grant), this subsection shall not apply, but such approval may be given subject to conditions, including conditions enabling the Corporation to require the transfer, surrender or grant of rights in respect of the works, invention or registered design in question either to themselves or to a publicly-owned company or, in the case of relevant mineral rights, conditions enabling the Corporation or a publicly-owned company to exploit, or participate in the exploitation of, those rights".	
	In subsection (5) for the words "the Patents and Designs Act 1907", there shall be substituted the words "the Registered Designs Act 1949"; and	1907 c. 29. 1949 c. 88.

SCH. 3	*Provision revived*	*Amendment*
	Section 23—*cont.*	at the end of the subsection there shall be added the words " and ' relevant mineral rights ' means (without prejudice to the definition of ' works ' in section fifty-nine of this Act) any right or interest in respect of land in Great Britain, whether arising under contract or otherwise, which enables the proprietor of the right, or a person under his direction or authority, to search for, win, work, get, carry away, make merchantable or dispose of iron ore in the land ".
	Section 24 ...	In subsection (1), for the words " the twenty-ninth day of October, nineteen hundred and forty-eight ", there shall be substituted the words " 30th April 1965 ", the word " or ", at the end of paragraph (*c*) shall be omitted, after that paragraph there shall be inserted the following paragraph:— " (*ca*) made to the holders of any of its securities any payment by way of special dividend thereon "; and, at the end of paragraph (*d*), there shall be inserted the following:— " or (*e*) being the subsidiary of another company, effected (without consideration) a transfer to that other company or a subsidiary thereof of rights of ownership in any works ". In subsection (2), after the words " paragraph (*c*) " there shall be inserted the words " paragraph (*ca*) "; for the words " this Part of this Act ", where first occurring, there shall be substituted the words " Part II of the Iron and Steel Act 1967 "; after paragraph (*a*) there shall be inserted the following paragraph:— " (*aa*) in the case of any such transfer as is mentioned in paragraph (*e*), include a condition requiring the compensation so payable in respect of such securities of the company as may be so specified to be reduced to such extent as aforesaid "; for the words from " and the provisions " to " hereof " there shall be substituted the words " and the provisions of Part II of the Iron and Steel Act 1967 relating to the payment of compensation shall have effect subject to any such condition as is mentioned in paragraph (*a*) or (*aa*) hereof and those of this Part of this Act relating to the control of dividends shall have effect subject

Provision revived	*Amendment*	SCH. 3
Section 24—*cont.*	to any such condition as is mentioned in paragraph (*b*) hereof"; and after the words "paragraph (*a*)", where last occurring, there shall be inserted the words "or (*aa*)".	
	In subsection (4), for the words "the Third Schedule to this Act", there shall be substituted the words "the First Schedule to the Iron and Steel Act 1967"; and for the words "this Part of this Act", there shall be substituted the words "Part II of the Iron and Steel Act 1967 or this Part of this Act".	
Section 25 ...	In subsection (1), for the words "the twenty-ninth day of October, nineteen hundred and forty-eight", there shall be substituted the words "30th April 1965".	
	In subsection (3), for the words "provision made by this Act or with any anticipation of the making of any such provision" there shall be substituted the words "provision made by the Iron and Steel Act 1967 or this Act or with any anticipation of the making of any provision by the said Act of 1967"; for the words "the Third Schedule to this Act", there shall be substituted the words "the First Schedule to the Iron and Steel Act 1967"; and for the words "this Part of this Act" there shall be substituted the words "Part II of the Iron and Steel Act 1967 or this Part of this Act".	
	In subsection (4), for the words "the said twenty-ninth day of October, nineteen hundred and forty-eight", there shall be substituted the words "30th April 1965".	
Section 27 ...	In subsection (1), for the words "the passing of this Act", where first occurring, there shall be substituted the words "the passing of the Iron and Steel Act 1967", for the words "come into operation" there shall be substituted the word "revive", and for the words "the passing of this Act", where last occurring, there shall be substituted the words "the passing of that Act"; and in subsection (2), for the words "the passing of this Act", where first occurring, there shall be substituted the words "the passing of the Iron and Steel Act 1967", and for the words "the passing of this Act", where last occurring, there shall be substituted the words "the passing of that Act".	
Section 43 ...	In subsection (5), the words "or in connection with the licensing of any business" shall be omitted.	

SCH. 3	*Provision revived*	*Amendment*
	Section 44 ...	In subsection (2), for the words " the Arbitration Acts 1889 to 1934 ", there shall be substituted the words " the Arbitration Act 1950 "; and for the words " the said Acts ", there shall be substituted the words " that Act ".
1950 c. 27.		In subsection (4), for the words " rules to be made by the tribunal with the approval of the Lord Chancellor " there shall be substituted the words " rules to be made by the Lord Chancellor ".
	Section 59 ...	In subsection (1), for the definition of " arbitration tribunal " there shall be substituted the following definition:— " ' arbitration tribunal ' means the Iron and Steel Arbitration Tribunal "; the definitions of " date of transfer ", " general date of transfer " and " Minister " shall be omitted; in the definition of " financial year ", for the words " the passing of this Act ", there shall be substituted the words " the passing of the Iron and Steel Act 1967 ", and the words " under this Act " shall be omitted; paragraph (*b*) of the definition of " securities " and the word " or " immediately preceding that paragraph shall be omitted; and in the definition of " works " for the words " the Factories Act 1937 ", there shall be substituted the words " the Factories Act 1961 ".
1937 c. 67. 1961 c. 34.		
		In subsection (2), for the words " this Act " there shall be substituted the words " the Iron and Steel Act 1967 and this Act ".
		In subsection (3), for the words " this Act ", where last occurring, there shall be substituted the words " the Iron and Steel Act 1967 or this Act ".
	Schedule 1 ...	In paragraph 3, after the word " shall ", where first occurring, there shall be inserted the words " if the number of the members thereof exceeds ten, be such number, not being less than five, as the Corporation may from time to time determine and, if the number of the members thereof does not exceed ten ".
	Schedule 4 ...	In Part I, in paragraph 1, for the words " this Act " there shall be substituted the words " the Iron and Steel Act 1967 "; in paragraph 2, for the words " British Iron and Steel Stock ", there shall be substituted the words " government stock "; for the words " this Act ", where secondly occurring, there shall be substituted the words

Provision revived	*Amendment*	SCH. 3
Schedule 4—*cont.*	"the Iron and Steel Act 1967"; and the words from "and the transitional provisions" onwards shall be omitted; in paragraph 4, for the words "British Iron and Steel Stock", there shall be substituted the words "government stock", and for the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967 or this Act". In Part II, in paragraph 1, for the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967"; in paragraph 2, for the words "British Iron and Steel Stock", there shall be substituted the words "government stock", and for the words "this Act", there shall be substituted the words "Part II of the Iron and Steel Act 1967"; in paragraph 3, for the words "British Iron and Steel Stock", there shall be substituted the words "government stock", and the words from "and the transitional provisions" onwards shall be omitted; in paragraph 5, for the words "British Iron and Steel Stock", wherever occurring, there shall be substituted the words "government stock"; after the word, in sub-paragraph (2), "before" there shall be inserted the words "the day on which the last payment of interest fell to be made before" and for the words, in sub-paragraph (3), from "be added" onwards there shall be substituted the words "at the expense of the Corporation be distributed by them amongst the persons to whom payments were made under the foregoing provisions of this paragraph so that each of them receives in the aggregate the amount which he would have received had the amount paid as aforesaid been equal to the amount so found to have accrued"; in paragraph 6, for the words "British Iron and Steel Stock", there shall be substituted the words "government stock", and for the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967 and this Act".	
Schedule 5 ...	In paragraph 2, for the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967 and this Act". In paragraph 6(3)(*a*), for the words "the Act", there shall be substituted the words "the Iron and Steel Act 1967". In paragraph 9(2), for the words "this Act", there shall be substituted the words "the Iron and Steel Act 1967".	

SCH. 3	*Provision revived*	*Amendment*
	Schedule 5—*cont.*	In paragraph 13(1), for the words " the Seventh Schedule to this Act ", there shall be substituted the words " regulations made under or by virtue of section twenty-six of the Iron and Steel Act 1967 ".
		In paragraph 15(1)(*a*), for the words " this Act ", there shall be substituted the words " the Iron and Steel Act 1967 and this Act ".
		In paragraph 17(2) for the words " this Act ", there shall be substituted the words " the Iron and Steel Act 1967 or this Act ".
1949 c. 72.		In the Appendix, for the heading " Iron and Steel Act 1949 ", there shall be substituted the heading " Iron and Steel Act 1967 "; for the words " the above-mentioned Act ", in both places where they occur, there shall be substituted the words " the Iron and Steel Act 1949 ".
	Schedule 6 ...	In paragraph 1, for the words " such publicly-owned company as may be specified in the notice ", there shall be substituted the words " such body as may be specified in the notice (being either the Corporation or a publicly-owned company) ", for the words " the company ", there shall be substituted the words " the body so specified " and after the words " determined to be property " there shall be inserted the words " or rights ".
		In paragraph 2, for the words " the publicly-owned company ", where first occuring, there shall be substituted the words " the body specified in the notice ", for the words " the publicly-owned company ", where secondly occuring, and the words " the said company ", there shall be substituted the words " that body ", and for the words " by virtue of this Act " there shall be substituted the words " by virtue of the Iron and Steel Act 1967 or this Act ".
		In paragraph 3, the words " by the Corporation " shall be omitted, and for the words " this Act ", where first occurring there shall be substituted the words " the Iron and Steel Act 1967 ".
		For paragraph 5 there shall be substituted the following paragraph:—
		" 5. The compensation payable under the preceding provisions of this Schedule shall be satisfied by the issue to the transferor of such amount of government stock (that is to say,

Provision revived	*Amendment*	SCH. 3
Schedule 6—*cont.*	stock the principal whereof and the interest whereon shall be charged on the Consolidated Fund) as, in the opinion of the Treasury, is of a value equal on the date of the issue to the amount of the compensation, regard being had (in estimating the value of the stock so issued) to the market values of other government securities at or about that date; and the Treasury shall be liable to pay interest on that amount, at such rates as they may determine, in respect of the period from the said date (that is, the date referred to in paragraph 1 of this Schedule) until the date of payment".	

SCHEDULE 4

Section 49

FORM IN WHICH PROVISIONS OF 1949 ACT HAVE EFFECT BY VIRTUE OF THIS ACT

PART I

THE NATIONAL STEEL CORPORATION

1.—

(4) Every member of the Corporation shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for re-appointment:

Provided that any member may at any time by notice in writing to the Minister resign his office.

(6) Before appointing a person to be a member of the Corporation, the Minister shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him of his functions as a member of the Corporation and the Minister shall also satisfy himself from time to time with respect to every member of the Corporation that he has no such interest; and any person who is, or whom the Minister proposes to appoint and who has consented to be, a member of the Corporation shall, whenever requested by the Minister so to do, furnish to him such information as the Minister considers necessary for the performance by the Minister of his duties under this subsection.

(7) A member of the Corporation who is in any way directly or indirectly interested in a contract made or proposed to be made by the Corporation, or in any contract made or proposed to be made by a subsidiary of the Corporation which is brought up for consideration by the Corporation, shall, as soon as possible after the relevant circumstances have come to his knowledge, declare the nature of his interest—

(*a*) if he is not the chairman, to the chairman;

(*b*) if he is the chairman, to the Minister;

SCH. 4

(*c*) in any case, at a meeting of the Corporation;

and the member shall not take any part after making a declaration in pursuance of any of the foregoing paragraphs in any deliberation or decision of the Corporation with respect to that contract; and a declaration made in pursuance of paragraph (*c*) above shall be recorded in the minutes of the Corporation.

(8) The Minister may appoint one or more members of the Corporation to be deputy chairman or deputy chairmen of the Corporation.

(9) The Corporation—

(*a*) shall pay to their members such remuneration (whether by way of salaries or fees) and such allowances as the Minister may, with the approval of the Treasury, determine; and

(*b*) as regards any members in whose case the Minister may so determine with the approval of the Treasury, shall make provision for, or pay to or in respect of them, such pensions as may be so determined.

(10) The Minister shall, as soon as possible after the passing of the Iron and Steel Act 1967, lay before each House of Parliament a statement of the remuneration and allowances that are or will be payable under the last preceding subsection to the members of the Corporation, and, if any subsequent determination by him under the last preceding subsection involves any departure from the terms of the said statement, or if a determination by him under that subsection relates to the payment of, or to payment towards the provision of, a pension to or in respect of any member of the Corporation, the Minister shall as soon as possible after the determination lay a statement thereof before each House of Parliament.

4.—(1) The Minister may, after consultation with the Corporation, give to the Corporation directions of a general character as to the exercise and performance by the Corporation of their functions (including the exercise of rights conferred by the holding of interests in companies) in relation to matters which appear to him to affect the national interest, and the Corporation shall give effect to any such directions.

(2) In carrying out any such measure of reorganisation or any such work of development as involves substantial outlay on capital account, and in securing the carrying out by publicly-owned companies of any such measure or work, the Corporation shall act in accordance with a general programme settled from time to time with the approval of the Minister.

(3) In discharging the duty imposed on the Corporation by paragraph (*d*) of subsection (1) of section three of the Iron and Steel Act 1967, the Corporation shall act in accordance with a general programme settled as aforesaid.

(4) Without prejudice to the preceding provisions of this section, the Minister may, after consultation with the Corporation, direct the Corporation—

(*a*) to discontinue or restrict any of their activities (other than iron and steel activities carried on in Great Britain) or to

SCH. 4

dispose of any part of their assets (other than assets in Great Britain used or capable of use in the production of iron and steel products); or

(*b*) to secure the discontinuance or restriction of any of the activities of a publicly-owned company (other than iron and steel activities carried on in Great Britain), or the disposal of the whole or any part of the assets of any such company (other than assets in Great Britain used as aforesaid or capable of use as aforesaid), or the winding up of any such company;

and the Corporation shall give effect to any such direction:

Provided that—

(i) the Minister shall not give any direction under this subsection unless he is satisfied that it can be given effect to without prejudice to the proper discharge of the duties of the Corporation under the Iron and Steel Act 1967 and this Act; and

(ii) after the expiration of two years from the general date of transfer, a direction under this subsection shall only be given by order.

(5) The Corporation shall furnish the Minister with such returns, accounts and other information with respect to their property and activities, and the property and activities of the publicly-owned companies, as he may from time to time require.

(6) Without prejudice to the provisions of the last preceding subsection, the Corporation shall, as soon as possible after the end of each financial year of the Corporation, make to the Minister a report on the exercise and performance by the Corporation of their functions during that year and on their policy and programme, and the report shall include a general account of the activities of their subsidiaries, and the Minister shall lay a copy of every such report before each House of Parliament.

(7) The report made under the last preceding subsection for any year shall set out any direction given by the Minister to the Corporation during that year unless the Minister has notified to the Corporation his opinion that it is against the interests of national security to do so or the Minister accepts the contention of the Corporation that it is contrary to the commercial interests of the Corporation to do so.

6.—

(2) The Iron and Steel Consumers' Council (hereafter in this section referred to as "the Council") shall consist of—

(*a*) an independent chairman appointed by the Minister; and

(*b*) not less than fifteen nor more than thirty other persons appointed by the Minister, after consultation with such bodies (which may include organisations representing workers) as he thinks fit, to represent the interests of persons (hereafter in this section referred to as "the con-

SCH. 4

sumers") who are consumers of the products of any of the principal activities of the Corporation and the publicly-owned companies.

(4) The Council shall be charged with the duties—

(*a*) of considering any matter affecting the interests of the consumers (including prices), being a matter which is the subject of a representation made to them by any of the consumers or which appears to the Council to be a matter to which consideration ought to be given apart from any such representation, and, where action appears to them to be requisite as to any such matter, of notifying their conclusions to the Corporation;

(*b*) of considering and reporting to the Minister or the Corporation on any matter referred to the Council by the Minister or the Corporation;

(*d*) of making representations to the Minister on such matters affecting the interests of the consumers as the Council think necessary.

(5) The Council shall send to the Minister copies of any conclusion notified or report made to the Corporation, and shall send to the Corporation copies of any report or representation made to the Minister.

(6) The Minister may give directions to the Corporation on any matter arising out of any conclusion, report or representation made to him or to the Corporation by the Council, and shall inform the Council of any directions so given, and the Corporation shall give effect to any such directions; but, if he decides not to give directions on any such matter, he shall lay before each House of Parliament a statement of that matter and of his reason for not giving directions thereon.

(8) The Council may appoint committees, consisting wholly or partly of persons who are not members of the Council, to consider and report to the Council upon matters affecting the interests of particular classes of the consumers, whether defined by reference to locality, the products concerned or otherwise, and the Council shall, before appointing the members of any such committee, consult with such organisations representing the consumers concerned and their workers as the Minister may determine.

(9) The Council may appoint committees, consisting wholly of members of the Council, to consider and report to the Council on any matter referred to them by the Council.

(10) The Council shall make rules with respect to the quorum, proceedings, meetings and determinations of the Council and any committee appointed by the Council.

(13) Every member of the Council and of every committee appointed by the Council shall hold and vacate his office in accordance with the terms of his appointment.

(15) The Council shall, as respects each financial year of the Corporation, make to the Minister a report on the exercise and performance by the Council and the committees appointed by them of their functions during that year, and the Minister shall lay a copy of every such report before each House of Parliament. SCH. 4

7.—(1) The Minister may authorise the Corporation to purchase compulsorily any land required for the exercise and performance of their functions or the carrying on of any activity by a publicly-owned company, and the Acquisition of Land (Authorisation Procedure) Act 1946 shall apply as if the Corporation were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of that Act: 1946 c. 49.

Provided that the Minister shall not authorise under this section the acquisition by the Corporation for the purpose of the carrying on of any activity by them or any publicly-owned company of land which is being used wholly or mainly by any other person for the purpose of carrying on that activity or for purposes incidental to the carrying on of that activity.

In the above proviso, " activity " does not include the working and getting of iron ore.

8. The Corporation may, with the consent of the Minister, promote Bills in Parliament and may, without any such consent, oppose any Bill in Parliament.

9. Nothing in the Iron and Steel Act 1967 or this Act shall be deemed to exempt the Corporation from liability for any tax, duty, rate, levy or other charge whatsoever, whether general or local.

PART II

ACQUISITION OF SECURITIES OF CERTAIN IRON AND STEEL UNDERTAKINGS AND CERTAIN OTHER ASSETS

12. The Corporation shall, in respect of the securities of any company which vest in them by virtue of the Iron and Steel Act 1967 or this Act, be entitled or subject, as from the date of transfer to the exclusion of the previous holders thereof, to all the rights, privileges and advantages, and all the liabilities and obligations, arising from the holding of those securities, in all respects as if the securities had been duly transferred to the Corporation in accordance with the enactments and rules of law (other than either of those Acts) applicable thereto and everything necessary to make those rights, privileges, advantages, liabilities and obligations, fully effective had been duly done; and, without prejudice to the preceding provisions of this section, all persons concerned with the keeping of the register of the holders of any such securities shall forthwith register the Corporation therein and the company shall forthwith issue to the Corporation the appropriate documents of title relating to the securities of the company vested in them as aforesaid.

13.—(1) Where any company which comes into public ownership under this Part of this Act has made or varied an agreement or

SCH. 4

lease on or after 4th November 1964, and before the date of transfer, and the agreement or lease remains unperformed or unexpired, in whole or in part, on the date of transfer, and the Corporation are of the opinion that the making or variation of that agreement or lease was not reasonably necessary for the purposes of the activities of the company, or that the agreement or lease was made or varied with an unreasonable lack of prudence on the part of the company, regard being had in either case to the circumstances at the time, the company shall, if so directed by the Corporation, by notice in writing given to the other parties to the agreement or lease at any time within six months after the date of transfer, disclaim the agreement or lease:

Provided that any of the said other parties may, within two months after the date on which the notice is served, refer to arbitration under this Act the question whether or not the agreement or lease ought to be disclaimed under this section, and the Corporation (as well as the publicly-owned company) shall be made a party to the arbitration.

(2) If the arbitration tribunal are satisfied on any such reference that the making or variation of the agreement or lease was not reasonably necessary for the purposes of the activities of the company, or that the agreement or lease was made or varied with an unreasonable lack of prudence on the part of the company, regard being had in either case to the circumstances at the time, the tribunal shall confirm the notice and if not so satisfied shall revoke it:

Provided that, if the arbitration tribunal are satisfied of the matters aforesaid but are also satisfied that the making or variation of the agreement or lease was a proper transaction made in the ordinary course of business, regard being had to the circumstances at the time, and was in no way connected with any provision made by the Iron and Steel Act 1967 or this Act or with any anticipation of the making of any provision by the said Act of 1967, the tribunal shall revoke the notice.

(3) Where a notice is so given by a company with respect to any agreement or lease and is not revoked by the arbitration tribunal, the agreement shall be deemed to be frustrated or, as the case may be, the lease shall be deemed to be surrendered, on the date on which the notice of disclaimer becomes final, and the parties thereto for that reason to be discharged from the further performance of their obligations thereunder.

1943 c. 40.

(4) Where an agreement is deemed to be frustrated as aforesaid, section 2(3) of the Law Reform (Frustrated Contracts) Act 1943 (which requires the court to give effect to any provision of a contract intended to operate on or notwithstanding the frustration of the contract) shall not apply to that agreement.

(5) Where a reference to arbitration is made under this section with respect to a notice of disclaimer and the notice is confirmed, the arbitration tribunal shall have exclusive jurisdiction to determine claims arising under the agreement or lease in question with respect

to the period before the frustration or surrender and (in the case of an agreement) any claims arising under the Law Reform (Frustrated Contracts) Act 1943, and the tribunal may, in the case of a lease, on the application of either party thereto, make such modifications (if any) of the provisions of the lease relating to repairing obligations or any other provisions taking effect on or within a limited time before the determination of the lease as they think just. SCH. 4 1943 c. 40.

(6) For the purposes of this section, a notice of disclaimer which is not revoked shall be deemed to become final on the following date, that is to say—

(*a*) if no reference to arbitration is made under subsection (1) of this section, the date on which the period for making such a reference expires;

(*b*) in any other case, the date on which the notice is confirmed by the arbitration tribunal.

(7) This section shall not apply to any agreement or lease the making or variation of which has been approved in writing by the Minister for the purposes of this section, either generally or specially, and whether before or after the date of the making or variation of the agreement or lease.

14.—(1) Any agreement in force immediately before the passing of the Iron and Steel Act 1967 which—

(*a*) provides for the lending of money to any company specified in the First Schedule to that Act; and

(*b*) contains any provision conferring a right to require the issue of, or to subscribe for or purchase or otherwise acquire, any securities of the company, or a right to appoint any person to, or to hold, the office of director of the company, or contains any other provision which will or may be determined or become impossible of performance under or by virtue of any provision of the Iron and Steel Act 1967 or this Act;

shall, notwithstanding that it contains any such provision as is referred to in paragraph (*b*) hereof, continue in force and have full effect during the period before the date of transfer, and any such agreement is hereafter in this section referred to as a "loan agreement".

(2) Every loan agreement shall cease to have effect as from the date of transfer, and the following provisions shall, subject to any agreement made after the passing of the Iron and Steel Act 1967 by the parties to the loan agreement, have effect:—

(*a*) the amount outstanding in respect of the sums lent under the loan agreement shall be repayable by the company at the time and in the manner provided in the loan agreement:

Provided that either party to that agreement may, at any time not less than twelve months after the date of transfer, if the said amount has not been repaid and is not repayable within the next six months, give notice in writing

SCH. 4

to the other party to the effect that the said amount will be repaid six months after the service of the notice, and the said amount shall be repaid accordingly;

(*b*) interest shall be payable by the company on the said amount until repayment, at the rate and at the times provided in the loan agreement; and

(*c*) any amount outstanding in respect of sums payable under the loan agreement by the company by way of engagement fees shall be paid by the company at the times and in the manner provided in the loan agreement.

(3) Any agreement, other than a loan agreement, between a company which comes into public ownership under this Part of this Act and any other person shall, in so far as it confers a right to require the issue of, or to subscribe for or purchase or otherwise acquire, any securities of the company, or a right to appoint any person to, or to hold, the office of director of the company, cease to have effect as from the date of transfer.

(4) Where any person, other than a publicly-owned company, suffers loss by reason of the determination, by virtue of this section or any other provision of this Act or by virtue of any provision of the Iron and Steel Act 1967, of any such right as is referred to in subsection (1) or subsection (3) of this section, being a right conferred by an agreement made before 4th November 1964, or made on or after the said day and having the approval in writing of the Minister, he shall be entitled to claim compensation from the Corporation in respect of that loss; and any question whether any person has a right to claim such compensation or as to the amount thereof shall, in default of agreement, be determined by arbitration under this Act:

Provided that this subsection shall not apply—

(*b*) to any right arising from the holding of securities which vest by virtue of the Iron and Steel Act 1967 or this Act or any right which can only be exercised on the redemption of such securities;

and no claim for compensation under this subsection shall be made more than twelve months after the date of transfer.

17.—(1) In the case of every company any of whose securities are to vest by virtue of the Iron and Steel Act 1967 or this Act, there shall be appointed an individual, in this Act referred to as the "stockholders' representative", and it shall be his duty to represent the interests of holders of securities of that company in connection with the determination of the amount of compensation payable in respect of those securities.

(2) The provisions of the Fifth Schedule to this Act shall have effect with respect to the office of stockholders' representative and meetings of the holders of securities whose interests are represented by a stockholders' representative and matters incidental thereto.

(4) The company for which a stockholders' representative is appointed and any person to whom property or rights of the company have been disposed of after the date of transfer and any

person by whom any property or rights have been disposed of to the company shall make available to the stockholders' representative such facilities for the examination of and the making of extracts from or copies of books, accounts and documents of the company or person, and such services of officers of that company or person, as he may reasonably request for the purposes of his duties or, in the event of any question arising between the stockholders' representative and the company or person whether any request is reasonable, as may be directed by the Minister.

Payments of dividends and interest pending transfer

18.—(1) Where any company specified in the First Schedule to the Iron and Steel Act 1967 has without the approval of the Minister made, in pursuance of an authority or recommendation contained in a resolution of the directors of the company passed after 30th April 1965, and before the date of transfer, payments of interest or dividend (other than payments by way of capital or special dividend) on any of its securities in respect of the last complete financial year before the said day or any subsequent period before the date of transfer, being payments which, regard being had to any interest or interim dividend paid before the said day in respect of that year or period, are in excess of the payments of interest or dividend permitted under this section, all persons who were directors of the company at the time when the resolution of the directors was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the Corporation an amount equal to the total amount of the excess.

(2) The payments of interest or dividend permitted under this section are as follows:—

(*a*) in the case of securities forming part of the loan capital of the company, payments of interest at the minimum rate required to prevent the company from committing any default in respect of its obligations to the holders of the securities;

(*b*) in the case of securities forming part of the share capital of the company—

(i) if the securities fall in the class, or in one of the classes, which ranks or rank lowest in order of priority for payment of dividend (in this section referred to as "ordinary shares"), payments of dividend at the rate, calculated as an annual rate, paid (otherwise than as a capital or special dividend) on that class of securities in respect of the last financial year in respect of which a final dividend was paid before 30th April 1965 or, in the case of a class of securities on which a final dividend was never paid before the said day, at such rate as the Minister may approve for the purposes of this section;

(ii) if the securities fall in a class ranking for dividend in priority to the ordinary shares, payments of dividend at the minimum rate required to enable, in accordance with the constitution of the company and

SCH. 4

the rights attaching to the various classes of securities, the permitted payments of dividend to be made on the ordinary shares :

Provided that such payments of dividend shall only be made out of the net revenue of the company for the period in respect of which they are made, as certified by the auditor or one of the auditors of the company, or out of any funds or reserves applicable in accordance with the normal practice for the purpose of maintaining or equalising rates of dividend, and no payment of dividend made otherwise than out of that revenue or out of those funds or reserves shall be permitted under this section, so, however, that this proviso shall not be taken as preventing the payment out of the net revenue for any period (as so certified) of the permitted dividend on any securities mentioned in sub-paragraph (ii) hereof notwithstanding that the payment or a part thereof is attributable to an earlier period, if the payment is made by virtue of cumulative rights attaching to the securities.

(3) Notwithstanding anything in the last preceding subsection the Minister may—

(*b*) in the case of any securities which after the said day were issued at a price below the market value thereof or were issued free, direct that the payments of interest or dividend thereon permitted under this section shall be less than those which would otherwise be permitted or that no such payments shall be permitted.

(4) Where any such company as aforesaid has without the approval of the Minister made, in pursuance of a resolution passed after the said day and before the date of transfer, payments of dividend in respect of any period prior to the last complete financial year before the said day, other than such payments of dividend on securities mentioned in paragraph (ii) of subsection (2) of this section as are permitted to be made under that subsection, all persons who were directors of the company at the time when the resolution of the directors was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the Corporation an amount equal to the total amounts of the payments.

(5) For the purposes of this section references to the payment of a dividend shall include a reference to any payment by a company to its members in their capacity as members out of the net revenue of the company.

(6) Any claim under this section by the Corporation against the directors of any such company as aforesaid shall be made within twelve months after the date of transfer, and, if so made and not settled by agreement, shall be determined by arbitration under this Act, and, if the arbitration tribunal decide the claim in favour of the Corporation, they shall make such orders against all or any of the said directors in respect of their liability on the claim as the tribunal think just, having regard to all the circumstances.

(7) References in this and the next following section to any payments of interest or dividend made or permitted to be made by any

company shall be construed as references to the gross amounts of those payments, that is to say, to the amounts thereof before any deduction is made therefrom in respect of income tax, and, if any such payment has been made by a company without deduction of income tax, the amount paid shall be deemed for the purposes of this and the next following section to be a net amount paid after deduction of income tax, and the gross amount of that payment for the purposes of this section shall be calculated accordingly: SCH. 4

Provided that, in determining the amount recoverable under this section from the directors of any company in respect of payments of interest or dividend made by that company, there shall be deducted from the amount which would, but for this proviso, be so recoverable a sum equal to the income tax chargeable on that amount at the standard rate for the year in which the payments became due.

19.—(1) A company specified in the First Schedule to the Iron and Steel Act 1967 shall make the following payments as soon as possible after the date of transfer to the persons who immediately before that date were holders of securities of the company in respect of which compensation is payable under Part II of the Iron and Steel Act 1967:—

(*a*) interest payments on any securities forming part of the loan capital of the company, which have accrued up to the date of transfer and have not been paid, at the rates permitted under the last preceding section or, if rates in excess of those rates have been approved for the purposes of subsection (1) of that section, at the highest rates so approved; and

(*b*) subject to the next following subsection, payments of dividend for the final financial period on any other securities of the company at the maximum rates permitted under that section or, if rates in excess of those rates have been approved for the purposes of subsection (1) of that section, at the highest rates so approved;

and for the purpose of any such payments the statutory or other provisions relating to the company shall be deemed to permit payments of interest or dividend in respect of the final financial period.

(2) The payments required to be made by a company under paragraph (*b*) of the preceding subsection shall not exceed the aggregate of—

(*a*) the amount certified by the auditor or one of the auditors of the company to be the net revenue of the company for the final financial period, less the total amounts paid by the company before the date of transfer by way of interim dividend on any securities mentioned in that paragraph in respect of the final financial period, and less the total amounts of the payments mentioned in paragraph (*a*) of the preceding subsection, in so far as those amounts would not otherwise be deducted in calculating the said net revenue of the company for the final financial period; and

SCH. 4

(*b*) the amount of any funds or reserves possessed by the company at the date of transfer and applicable in accordance with the normal practice for the purpose of maintaining or equalising rates of dividend ;

and if the aggregate of those amounts is insufficient to enable all the said payments to be made in full, the payments shall be made in the proper order of priority and according to the respective rights attaching to the securities in question.

(3) In this section, the expression " final financial period " means such part of the financial year during which the date of transfer occurs as precedes that date :

Provided that where, in the case of a company, the accounts thereof in respect of the last complete financial year before the date of transfer have not been laid before the company in general meeting before that date, the said expression means that year together with such part of the financial year during which the date of transfer occurs as precedes that date.

Safeguarding of assets pending transfer

20.—(1) Where it appears to the Minister that any company not specified in the First Schedule to the Iron and Steel Act 1967 operates or owns the whole, or a substantial or essential part, of works used for the carrying on of any iron and steel activities, being works which were, on or at any time after 4th November 1964, operated or owned, as the case may be, by a company specified in the said First Schedule or by a subsidiary of a company so specified, the Minister may, at any time before the general date of transfer or within the period of three months beginning with that date, serve on the first-mentioned company a notice (in this section referred to as a " notice of acquisition ") stating that, subject to the following provisions of this section, the securities of the company will be transferred to the Corporation in like manner as the securities of the companies specified in the said First Schedule:

Provided that this subsection shall not apply in a case where the Minister has approved in writing for the purposes of this subsection, either before or after they were effected, all transactions entered into after the said day resulting directly or indirectly in the transfer or grant to the first-mentioned company of rights of ownership in, or rights in respect of the user of, any of the said works which were operated or owned by the company specified in the said First Schedule or, as the case may be, by the subsidiary, and the Minister undertook that the powers conferred by this subsection would not be used in relation to those works.

(2) Where it appears to the Minister—

(*a*) that the membership of any company not specified in the First Schedule to the Iron and Steel Act 1967 was, on 4th November 1964, such that, if it remained unchanged, the company would come or would have come into public ownership under Part II of that Act ; and

SCH. 4

(*b*) that since the said day the membership of the company has changed in such a way as to prevent (but for this provision) the company coming into public ownership under Part II of that Act;

the Minister may, at any time before the general date of transfer or within the period of three months beginning with that date, serve on the company a notice (in this section referred to as a "notice of acquisition") stating that, subject to the following provisions of this section, the securities of the company will be transferred to the Corporation in like manner as the securities of the companies specified in the First Schedule to the Iron and Steel Act 1967:

Provided that this subsection shall not apply in a case where the Minister has approved in writing for the purposes of this subsection, either generally or specially, the changes in the membership of the company since the said day.

For the purposes of this subsection, where any share in a company held by any person as a nominee of another company ceases to be held by him as the nominee of that company, there shall be deemed to have been a change in the membership of the first-mentioned company.

(3) A company on which a notice of acquisition has been served under this section may, within one month after the service of the notice of acquisition, serve a notice on the Minister contending that the company does not operate or own the whole, or a substantial or essential part, of works which fulfil the conditions specified in subsection (1) or, as the case may be, that the conditions specified in paragraphs (*a*) and (*b*) of subsection (2) of this section are not fulfilled with respect to the company, and the notice shall set out the grounds of that contention.

(4) Where a notice is served on the Minister under the last preceding subsection, and neither that notice nor the notice of acquisition is withdrawn, the question whether the contention of the company is correct shall be determined by arbitration under this Act, and on any such arbitration the arbitration tribunal shall, if they are satisfied that the contention of the company is correct, revoke the notice of acquisition but shall otherwise confirm it.

(5) Every notice of acquisition shall specify a date (not being earlier than the general date of transfer and not being earlier than the expiration of three months after the service of the notice) which, subject as hereinafter provided, shall be the date of transfer in relation to the company on which the notice is served:

Provided that—

(*a*) the Minister and the company may by agreement substitute another date for the date specified as aforesaid;

(*b*) where a reference to arbitration is made under the preceding provisions of this section and the arbitration tribunal confirm the notice, the date of transfer shall be the date specified as aforesaid or a date substituted by agreement

SCH. 4

as aforesaid or a date two months after the decision of the arbitration tribunal, whichever is the latest date.

(6) Where a notice of acquisition is served on a company under this section and is not withdrawn or revoked, the securities of the company shall, on the date of transfer in relation to the company, vest in the Corporation (except any created as collateral security for a loan to it, which shall be cancelled as from that date), and the provisions (other than this section) of this Part of this Act revived by the Iron and Steel Act 1967, shall apply, and be deemed always to have applied, to the company as they apply to the companies specified in the First Schedule to that Act.

(7) When a notice of acquisition has been served on a company under this section and either the period within which the company may serve a notice under subsection (3) of this section has expired without such a notice being served or the question whether or not the notice is to have effect has been finally settled in favour of the Minister, the company shall forthwith give notice to every holder of its securities of the fact that its securities are to be acquired by the Corporation; and the notice shall, in the case of security holders whose names are entered in any register kept by or on behalf of the company, be given in the same manner as the company gives notice to its members of its general meetings and shall, in any other case, be given by advertisement or in any way allowed by the company's articles of association for giving notice to its members.

21.—(1) Where it appears to the Minister that any company specified in the First Schedule to the Iron and Steel Act 1967 does not fulfil the following condition, namely, that it or a subsidiary of it operates or owns the whole, or a substantial or essential part, of works used for the carrying on of any iron and steel activities, he may, at any time before the general date of transfer, serve a notice on the company stating that, subject to the following provisions of this section, the securities of the company will not vest in the Corporation by virtue of that Act.

(2) A company on which a notice has been served under this section may, within one month after the service of the notice, serve a notice on the Minister contending that the condition specified in the preceding subsection was fulfilled with respect to the company on the date of the service of the notice by the Minister.

(3) Where a notice is served on the Minister under the last preceding subsection, and neither that notice nor the notice of the Minister is withdrawn, the question whether the said condition was fulfilled with respect to the company on the said date shall be determined by arbitration under this Act, and on any such arbitration the arbitration tribunal shall, if they are satisfied that the contention of the company is correct, revoke the notice of the Minister but shall otherwise confirm it.

(4) Where a notice has been served by the Minister as aforesaid on any company, no transfer of the securities of the company shall take place by virtue of the Iron and Steel Act 1967 during the

SCH. 4

period within which a notice may be served by the company under subsection (2) hereof or, if such a notice has been served by the company, pending the final settlement of the question whether or not the Minister's notice is to have effect, and, if the Minister withdraws his notice or the arbitration tribunal revoke the notice of the Minister, and, but for this subsection, the said transfer of securities would have already taken place or would take place less than two months after the date of the withdrawal or, as the case may be, the decision of the arbitration tribunal, the date of transfer shall be a date two months after the date of the withdrawal or decision.

(5) Where a notice is served on a company under this section and is not withdrawn or revoked, the Iron and Steel Act 1967 and this Act shall have effect, and be deemed always to have had effect, as if the company had never been specified in the First Schedule to the said Act of 1967, but without prejudice to the operation of the last preceding section or either of the next two following sections in relation to any works which were owned or operated by the company or its subsidiary, as the case may be, on or after 4th November 1964, and ceased to be so owned or operated before the service of the said notice.

(6) When a notice has been served on a company under this section by the Minister and either the period within which the company may serve a notice under subsection (2) of this section has expired without such a notice being served or the question whether or not the Minister's notice is to have effect has been finally settled in favour of the Minister, the effect of the latter notice shall be published in the London and Edinburgh Gazettes, and the company shall give the like notice thereof to the holders of its securities as in the case of a notice of acquisition under the last preceding section.

22.—(1) It shall not be lawful—

(*a*) for any company specified in the First Schedule to the Iron and Steel Act 1967 or any subsidiary of a company so specified, at any time before the date of transfer, to enter into any transaction transferring or granting to any person any rights of ownership in, or rights in respect of the user of, any works or part of any works used for the carrying on of any iron and steel activities;

(*b*) for any other company which has acquired any rights of ownership in, or any rights in respect of the user of, any works or part of any works which, on or at any time after 4th November 1964, were operated or owned by a company so specified or a subsidiary of a company so specified, and were used for the carrying on of any such activities, to enter into any transaction transferring or granting to any person any rights of ownership in those works or any part thereof, or any rights in respect of the user of those works or any part thereof, at any time before the general date of transfer or within the period of three months beginning with that date or, if a notice of acquisition is served under the last but one preceding section on the company, at any time

SCH. 4

before the date of transfer of that company or, if the notice is withdrawn or revoked, the date of such withdrawal or revocation;

and any transaction purporting to effect such a transfer or grant shall accordingly be void:

Provided that this section shall not apply to any transfer or grant approved in writing for the purposes of this section by the Minister, either generally or specially, and the Minister may approve such a transfer or grant after it has been made and in that case the transfer or grant shall be deemed always to have been valid, but such approval may be given subject to conditions including conditions enabling the Corporation to require the transfer, surrender or grant of rights in respect of the works or part of the works in question either to themselves or to a publicly-owned company.

(2) Any question whether any transaction is rendered void by the preceding subsection shall, unless settled by agreement between the Corporation and the parties to the transaction and the parties to any subsequent transaction relating to the same works, be determined by arbitration under this Act between the Corporation and those parties, and any proceedings for the determination thereof shall be commenced within twelve months after the date of transfer or (if the company concerned has no date of transfer) the general date of transfer, and, if such proceedings are not commenced within that period, the transaction shall, subject to any such agreement as aforesaid, be deemed to be a valid transaction so far as this section is concerned.

(3) If the Corporation suffer damage by reason of any transaction which is unlawful by virtue of subsection (1) of this section, the Corporation may, at any time within twelve months after the date of transfer or (if the company has no date of transfer) the general date of transfer, make an application to the arbitration tribunal, and all parties to the transaction and all persons who were directors of the company at the time when the transaction was entered into shall, unless the tribunal otherwise direct, be made parties to the application; and if the tribunal are satisfied that the Corporation has suffered such damage, they shall make such orders against any of the parties to the application as they think just, having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and to all the circumstances of the case, for the payment by them to the Corporation of sums sufficient to enable the loss, or such part thereof as the tribunal think just, to be made good:

Provided that, in the case of any transaction entered into in pursuance of a resolution of the directors, no person who was not a director at the time when the resolution authorising or recommending the transaction was passed, shall, by reason of his directorship, be made a party to the application.

(4) No person shall be liable to any criminal proceedings by reason only of a contravention of subsection (1) of this section.

SCH. 4

23.—(1) Where it appears to the Minister—

(*a*) that any company specified in the First Schedule to the Iron and Steel Act 1967 or any other company which comes into public ownership under this Part of this Act has, at any time after 4th November 1964, and before the date of transfer, entered into any transaction which—

(i) transferred or granted to any person other than such a company as aforesaid any rights of ownership in any works or rights in respect of the user of any works ; or

(ii) transferred or granted to any such person any rights in respect of the user of any invention or registered design ; or

(iii) transferred or granted to any such person any relevant mineral rights ; and

(*b*) that it is in the public interest, for the purpose of securing the efficient carrying on of any business managed by or under the ultimate control of the Corporation, that the rights so transferred or granted, or any rights derived from those rights, should vest in or be surrendered to the Corporation or a publicly-owned company ;

he may authorise the Corporation to serve, at any time within three months after the date of transfer of the first-mentioned company, a notice (in this section and in the Sixth Schedule to this Act referred to as a " notice of acquisition ") on any person in whom any such rights are vested stating that those rights are to vest or be surrendered in accordance with the Sixth Schedule to this Act, together with such other property and rights as are mentioned in the said Schedule:

Provided that, where any such transfer or grant has been approved in writing for the purposes of this section by the Minister (whether before or after the date of transfer or grant), this subsection shall not apply, but such approval may be given subject to conditions, including conditions enabling the Corporation to require the transfer, surrender or grant of rights in respect of the works, invention or registered design in question either to themselves or to a publicly-owned company or, in the case of relevant mineral rights, conditions enabling the Corporation or a publicly-owned company to exploit, or participate in the exploitation of, those rights.

(2) Any person on whom a notice of acquisition has been served may, within one month after the service thereof, serve a notice on the Corporation contending that the conditions specified in paragraph (*a*) of the preceding subsection are not fulfilled, and the notice shall set out the grounds of that contention.

(3) Where a notice is served on the Corporation under the last preceding subsection, and neither that notice nor the notice of acquisition is withdrawn, the question whether the said conditions are fulfilled shall be determined by arbitration under this Act,

SCH. 4

and on any such arbitration the arbitration tribunal shall, if they are satisfied that the contention of the said person is correct, revoke the notice of acquisition, but shall otherwise confirm it.

(4) Where a notice of acquisition is served and is not withdrawn or revoked, the provisions of the Sixth Schedule to this Act shall have effect in relation thereto.

(5) In this section the expression "user", in relation to an invention, means any making, use or vending of the invention and, in relation to a registered design, means any manufacture or sale of the articles to which the design has been applied; and the expression "registered design" means any design registered under the Registered Designs Act 1949 in which the copyright still exists and "relevant mineral rights" means (without prejudice to the definition of "works" in section fifty-nine of this Act) any right or interest in respect of land in Great Britain, whether arising under contract or otherwise, which enables the proprietor of the right, or a person under his direction or authority, to search for, win, work, get, carry away, make merchantable or dispose of iron ore in the land.

1949 c. 88.

24.—(1) This section shall apply where any company which comes into public ownership under this Part of this Act has, after 30th April 1965 and before the date of transfer—

(*a*) made any payments to its members for the purpose of reducing the share capital of the company otherwise than by the redemption of any redeemable securities;

(*b*) redeemed any securities which the company was not under any obligation to redeem before the date of transfer or made payments in respect of the redemption of any securities which exceed the minimum payments required to satisfy the rights existing on the said day of the holders of those securities;

(*c*) made any other payment to the holders of its securities (in their capacity as such) out of capital moneys, or distributed assets other than money to the holders of its securities (in their capacity as such);

(*ca*) made to the holders of any of its securities any payment by way of special dividend thereon;

(*d*) entered into any transaction the effect of which is that property or rights of the company are transferred or granted to any person, and the consideration for such transfer or grant is received by the holders of securities of the company or any of them (in their capacity as such); or

(*e*) being the subsidiary of another company, effected (without consideration) a transfer to that other company or a subsidiary thereof of rights of ownership in any works:

Provided that this section shall not apply to any payment or other transaction which has been approved in writing by the

Minister for the purposes of this section, either generally or specially, and whether before or after the date of the payment or transaction. SCH. 4

(2) An approval given by the Minister for the purposes of this section may be given on such conditions as may be specified in the approval, which may—

(*a*) in the case of any such payment or distribution to, or transaction involving the receipt of consideration by, members or holders of securities as is mentioned in paragraph (*a*), paragraph (*c*), paragraph (*ca*) or paragraph (*d*) of the preceding subsection, include a condition requiring the compensation payable under Part II of the Iron and Steel Act 1967 in respect of the securities of those members or holders to be reduced to such extent as may be specified in the approval or subsequently determined in a manner so specified;

(*aa*) in the case of any such transfer as is mentioned in paragraph (*e*), include a condition requiring the compensation so payable in respect of such securities of the company as may be so specified to be reduced to such extent as aforesaid;

(*b*) in the case of any such payment as is mentioned in the said paragraph (*a*) involving a reduction in the nominal value of any securities, include a condition reducing, as respects future dividends paid by the company on those securities before the date of transfer, the payments of dividend permitted under the provisions of this Part of this Act relating to the control of dividends;

and the provisions of Part II of the Iron and Steel Act 1967 relating to the payment of compensation shall have effect subject to any such condition as is mentioned in paragraph (*a*) or (*aa*) hereof and those of this Part of this Act relating to the control of dividends shall have effect subject to any such condition as is mentioned in paragraph (*b*) hereof:

Provided that the Minister shall not approve any transaction on such a condition as is mentioned in paragraph (*a*) or (*aa*) hereof unless he is satisfied that a meeting has been held of the holders for the time being of the securities affected, after not less than fourteen days' notice in writing, and that a majority in number representing three-fourths in value of the said holders present and voting either in person or by proxy at the meeting have agreed to that condition.

(3) The Corporation may, in the case of any such company, at any time within twelve months after the date of transfer, make an application to the arbitration tribunal in respect of any transaction to which in the opinion of the Corporation this section applies, and all persons who were directors of the company at the time when the transaction was entered into and, in the case of a transaction mentioned in paragraph (*d*) of subsection (1) of this section, or any transaction mentioned in paragraph (*c*) thereof where the payments made or assets distributed represent the consideration for the

SCH. 4 transfer or grant of property or rights by the company to any other person, the persons to whom the property or rights were transferred or granted shall, unless the tribunal otherwise direct, be made parties to the application:

Provided that, in the case of any transaction entered into in pursuance of a resolution of the directors, no person who was not a director at the time when the resolution authorising or recommending the transaction was passed shall, by reason of his directorship, be made a party to the application.

(4) Where the arbitration tribunal are satisfied that a transaction in respect of which such an application is made is a transaction to which this section applies, they shall determine the extent of the net loss resulting to the Corporation from the transaction, and shall make such orders against any of the parties to the application as the tribunal think just, having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and all the circumstances of the case, for the payment by them to the Corporation of sums sufficient to enable the net loss, or such part thereof as the tribunal think just, to be made good or met:

Provided that, in the case of a company other than a company specified in the First Schedule to the Iron and Steel Act 1967, the tribunal shall not make an order under this subsection against any director of the company or other person who satisfies the tribunal that he did not know and could not reasonably have expected that the company would come into public ownership under Part II of the Iron and Steel Act 1967 or this Part of this Act.

25.—(1) This section shall apply where any company which comes into public ownership under this Part of this Act has, after 30th April 1965 and before the date of transfer,—

(*a*) made any payment to any person without consideration or for an inadequate consideration;

(*b*) sold or disposed of any of its property or rights without consideration or for an inadequate consideration;

(*c*) acquired any property or rights for an excessive consideration;

(*d*) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the company; or

(*e*) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on the company substantially exceeding any benefit accruing to the company;

and the payment, sale, disposal, acquisition, agreement or variation thereof, or other transaction was not reasonably necessary for the purposes of the company or was made with an unreasonable lack of prudence on the part of the company, regard being had in either case to the circumstances at the time:

SCH. 4

Provided that this section shall not apply—

(i) to any payment or other transaction to which the last preceding section or section eighteen of this Act applies;

(ii) to any payment or other transaction made or entered into for any charitable purpose;

(iii) to any payment or other transaction made or entered into in connection with the determination of any question, dispute or matter falling to be determined under any provision of this Part of this Act or any regulations made thereunder; or

(iv) to any payment or other transaction which has been approved in writing for the purposes of this section or section thirteen of this Act by the Minister, either generally or specially, and whether before or after the date of the payment or transaction.

(2) The Corporation may, in the case of any such company, at any time within twelve months after the date of transfer, make an application to the arbitration tribunal in respect of any transaction to which in the opinion of the Corporation this section applies, and all parties to the transaction, and all persons who were directors of the company at the time when the transaction was entered into shall, unless the tribunal otherwise direct, be made parties to the application:

Provided that, in the case of any transaction entered into in pursuance of a resolution of the directors, no person who was not a director at the time when the resolution authorising or recommending the transaction was passed shall, by reason of his directorship, be made a party to the application.

(3) Where the arbitration tribunal are satisfied that a transaction in respect of which an application is made is a transaction to which this section applies, then, unless they are also satisfied that the transaction was a proper transaction made in the ordinary course of business, regard being had to the circumstances at the time, and was in no way connected with any provision made by the Iron and Steel Act 1967 or this Act, or with any anticipation of the making of any provision by the said Act of 1967, the tribunal shall determine the extent of the net loss resulting to the Corporation from the transaction, and shall make such orders against any of the parties to the application as the tribunal think just, having regard to the extent to which those parties were respectively responsible for the transaction or benefited from it and all the circumstances of the case, for the payment by them to the Corporation of sums sufficient to enable the net loss, or such part thereof as the tribunal think just, to be made good or met:

Provided that, in the case of a company other than a company specified in the First Schedule to the Iron and Steel Act 1967, the tribunal shall not make an order under this subsection against any director of the company or other person who satisfies the tribunal that he did not know and could not reasonably have expected that the company would come into public ownership under Part II of the Iron and Steel Act 1967 or this Part of this Act.

SCH. 4

(4) Where any such company has disclaimed an agreement or lease by a notice under this Part of this Act, being an agreement or lease entered into or varied after 30th April 1965, the Corporation may make an application to the arbitration tribunal under this section in respect of any loss resulting from the onerous nature of the agreement or lease before the date on which the agreement or lease is deemed to have been frustrated or surrendered.

(5) Where an application is made to the arbitration tribunal under this section in respect of any transaction and the application is determined in favour of the Corporation, the tribunal shall have exclusive jurisdiction to determine any claims outstanding in respect of the transaction.

26.—(1) Where it appears to the arbitration tribunal that a transaction in respect of which an application is made under either of the two last preceding sections is or may be one of a group of inter-connected transactions which ought to be treated for the purposes of that section as a single transaction, they may order such additional persons as they think fit, being parties to any transaction comprised in the group, to be made parties to the application, and, if the tribunal are satisfied that the whole or part of the group of transactions ought to be treated as a single transaction for the purposes of that section, they may give a direction to that effect, and the section shall have effect accordingly.

(2) The serving of a notice of acquisition under section twenty-three of this Act in relation to any property or rights shall not prejudice the taking of proceedings under either of the two last preceding sections with respect to any transaction relating to that property or those rights, and any such proceedings and any proceedings pursuant to the notice may, if the arbitration tribunal think fit, be heard together, and any sums ordered by the tribunal in the proceedings under either of the two last preceding sections to be paid by any person may, if the tribunal think fit, be set off against any compensation payable to that person in the proceedings pursuant to the notice.

27.—(1) Where the Minister has approved in writing any transaction before the passing of the Iron and Steel Act 1967, and the approval was expressed to be given for the purposes of any provision of this Part of this Act when that provision should revive, or to be subject to a condition affecting the operation of any provision of this Part of this Act, and the approval sufficiently identifies the provision in question, the approval shall have effect for the purposes of or in relation to that provision in like manner as if it had been given after the passing of that Act.

(2) Where the Minister has given an undertaking in writing before the passing of the Iron and Steel Act 1967 with respect to the use of any powers to be conferred by any provision of this Part of this Act, and the undertaking sufficiently identifies the provision in question, the undertaking shall have effect in relation to that provision in like manner as if it had been given after the passing of that Act.

PART V SCH. 4

MISCELLANEOUS AND GENERAL

Conditions of employment, pension rights and compensation of officers

39.—(1) Except so far as the Corporation are satisfied that adequate machinery exists for achieving the purposes of this section, being machinery for operation at national level or works level or a level falling between those levels and appearing to the Corporation to be appropriate, it shall be the duty of the Corporation, either directly, or indirectly by exercising control over publicly-owned companies, to seek consultation with any organisation appearing to them to be appropriate with a view to the conclusion between the Corporation and that organisation or, if the Corporation so decide, between publicly-owned companies and that organisation, of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance, for operation at any such level as aforesaid, of machinery for—

(*a*) the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation and by publicly-owned companies with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements; and

(*b*) the promotion and encouragement of measures affecting efficiency, in any respect, in the carrying on by the Corporation and by publicly-owned companies of their activities, and the promotion and enouragement of measures affecting the safety, health and welfare of persons employed by the Corporation and by publicly-owned companies.

(2) The Corporation shall send to the Minister and the Minister of Labour copies of any such agreement as aforesaid and of any instrument varying the terms of any such agreement.

(2A) Where it falls to the Corporation or a pubicly-owned company to participate in the operation of machinery established under this section, and the operation involves discussion of a subject by other persons participating therein, the Corporation or, as the case may be, the publicly-owned company shall make available to those persons, at a reasonable time before the discussion is to take place, such information in their possession relating to the subject as, after consultation with those persons, appears to the Corporation or, as the case may be, publicly-owned company to be necessary to enable those persons to participate effectively in the discussion.

(3) Nothing in this section shall be construed as prohibiting the Corporation or a publicly-owned company from taking part together with other employers or organisations of employers in the establishment and maintenance of machinery for the settlement of terms and conditions of employment and the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by them and the discussion of other matters of mutual interest to them and persons employed by them.

SCH. 4

40.—(1) The Minister may make regulations for all or any of the following purposes, that is to say—

(*a*) for providing pensions to or in respect of persons who are or have been officers of the Corporation or the Iron and Steel Board or a company which comes into public ownership ;

(*b*) for the establishment and administration of pension schemes and pension funds for the purposes of the preceding paragraph, for the continuance, amendment, repeal or revocation of existing pension schemes relating to the like purposes (whatever the date on which they came into force) and of enactments relating thereto and of trust deeds, rules or other instruments made for the purposes thereof, for the transfer in whole or in part, or for the extinguishment, of liabilities under any such existing pension schemes, and for the transfer in whole or in part, or winding up, of pension funds held for the purposes of any such existing pension schemes, so, however, that nothing in this paragraph shall be construed as authorising the diversion of any such funds to purposes other than those of the preceeding paragraph ;

(*c*) for making any provision consequential on any such provision as aforesaid including provision for the dissolution or winding up of bodies, whether incorporated or not, the continued existence whereof is unnecessary having regard to the regulations.

(2) Where provision is made by any such regulations for the amendment, repeal or revocation of any existing pension scheme or of any enactment relating thereto or any trust deed, rules or other instrument made for the purposes thereof, or for the transfer or extinguishment of any liability under any pension scheme or for the transfer or winding up of any pension fund held for the purposes of any such scheme, the regulations shall be so framed as to secure that persons having pension rights under the scheme, whether such persons as are mentioned in paragraph (*a*) of the preceding subsection or not, are not placed in any worse position by reason of the amendment, repeal, revocation, transfer, extinguishment or winding up :

Provided that this subsection shall have effect subject to such limitations as the Minister may by regulations prescribe for meeting cases in which, in connection with any provision made by the Iron and Steel Act 1967 or this Act, or in anticipation of the making of any provision by the said Act of 1967, pension rights have been created otherwise than in the ordinary course.

(3) Regulations made under this section shall not be invalid by reason that in fact they do not secure that persons having pension rights are not placed in any worse position by reason of any such amendment, repeal, revocation, transfer, extinguishment or winding up as is mentioned in the last preceding subsection, but if the Minister is satisfied or it is determined as hereinafter mentioned that any such regulations have failed to secure that result, the

Minister shall as soon as possible make the necessary amending regulations. SCH. 4

Any dispute arising as to whether or not the said result has been secured by any regulations made under this section shall be referred to and determined by a tribunal established under section twelve of the Industrial Training Act 1964. 1964 c. 16.

(4) Where, by reason of any such amendment, repeal, revocation, transfer, extinguishment or winding up as is mentioned in subsection (2) of this section, loss is suffered by any person (not being a publicly-owned company) liable as an employer to make contributions or to pay pensions under the existing pension scheme in question, the Corporation shall pay compensation to that person in respect of that loss, and the amount thereof shall, in default of agreement between the Corporation and that person, be determined by arbitration under this Act.

(5) Without prejudice to the generality of the preceding provisions of this section, regulations made under this section may contain provisions authorising any person who, being a participant in any pension scheme to which the regulations relate, becomes a member of the Corporation, being treated as if his service as a member of the Corporation were service as an officer of the Corporation, and the pension rights of any such person resulting from the operation of any such provision shall not be affected by any provision of this Act which requires that the pensions, if any, which are to be paid in the case of members of the Corporation are to be determined by the Minister with the approval of the Treasury.

(7) Regulations made under this section may contain such supplementary and consequential provisions as the Minister thinks necessary, including provisions as to the manner in which questions arising under the regulations are to be determined and provisions adapting, modifying or repealing enactments, whether of general or special application.

(8) Regulations made under this section may be made so as to have effect from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect from a date prior to the making thereof shall not place any person other than the Corporation or a publicly-owned company in a worse position than he would have been if the regulations had been made to have effect only as from the date of the making thereof.

41.—(1) The Minister shall by regulations require the payment either by the Corporation or the company, in such cases and to such extent as may be specified in the regulations, of compensation to officers of any company which comes into public ownership under Part II of this Act, being officers who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the company becoming a publicly-owned company or of effect being given to conclusions reported under section four of the Iron and Steel Act 1967 to the Minister or a direction given by

SCH. 4

him by virtue of subsection (2) of section seven of that Act, and the payment by the Corporation, in such cases and to such extent as may be specified in the regulations, of compensation to officers of the Iron and Steel Board who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the dissolution of the Board.

(2) Different regulations may be made under this section in relation to different classes of persons, and any such regulations may be so framed as to have effect as from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect as from a date earlier than the making thereof shall not place any person other than the Corporation or any such company in a worse position than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.

(3) Regulations made under this section—

(*a*) shall prescribe the procedure to be followed in making claims for compensation, and the manner in which and the person by whom the question whether any or what compensation is payable is to be determined; and

(*b*) shall in particular contain provisions enabling appeals from any determination as to whether any or what compensation is payable to be brought, in such cases and subject to such conditions as may be prescribed by the regulations, before a tribunal established under section twelve of the Industrial Training Act 1964.

1964 c. 16.

(4) No regulations shall be made under this section unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.

Iron and Steel Arbitration Tribunal

43.—

(2) The arbitration tribunal shall, as the Lord Chancellor may direct, either sit as a single tribunal or sit in two or more divisions, and shall, for the hearing of any proceedings, be constituted as follows:—

(*a*) one member shall be a barrister or solicitor and he shall be the president of the tribunal;

(*b*) there shall be two other members of whom one shall be a person of experience in business and the other shall be a person of experience in finance:

Provided that, in relation to any proceedings which, under the provisions of this Part of this Act, are to be treated as Scottish proceedings, this subsection shall have effect as if for the words "barrister or solicitor" there were substituted the words "advocate or solicitor who has practised in Scotland".

(3) The members of the tribunal shall be appointed by the Lord Chancellor, except that any member or members appointed by virtue of the proviso to the last preceding subsection shall be

appointed by the Lord President of the Court of Session, and any member appointed by the Lord President shall only act in relation to proceedings which are to be treated as Scottish proceedings. SCH. 4

(4) The members of the arbitration tribunal shall hold office for such period as may be determined at the time of their respective appointments and shall be eligible for reappointment:

Provided that—

(*a*) a member may at any time by not less than one month's notice in writing to the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, resign his office;

(*b*) the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, may declare the office of any member vacant on the ground that he is unfit to continue in his office;

(*c*) if any member becomes bankrupt or makes a composition with his creditors his office shall thereupon become vacant.

(5) Where any such question, dispute or matter as aforesaid arises out of or in connection with the transfer of the securities of any company, or in connection with the recovery of assets of any company, or in connection with any transaction of any company and the principal place of business of the company or the principal place at which the works comprised in the business are situated, as the case may be, is in Scotland, the proceedings before the tribunal in respect of the question, dispute or matter shall, subject to the provisions of this section, be treated as Scottish proceedings.

(6) If any member of the arbitration tribunal becomes, by reason of illness or other infirmity, temporarily incapable of performing the duties of his office, the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, shall appoint some other fit person to discharge his duties for any period not exceeding six months at one time, and the person so appointed shall, during that period, have the same powers as the person in whose place he was appointed.

(7) The arbitration tribunal may, at any stage in any proceedings before them, refer to a person or persons appointed by them for the purpose, any question arising in the proceedings, not being a question which in the opinion of the tribunal is primarily one of law, for inquiry and report, and the report of any such person or persons may be adopted wholly or partly by the tribunal and, if so adopted, may be incorporated in an order of the tribunal.

44.—(1) The arbitration tribunal shall be a court of record and have an official seal, which shall be judicially noticed, and any order of the tribunal shall be enforceable in England and Wales as if it were an order of the High Court.

(2) The provisions of the Arbitration Act 1950 with respect to— 1950 c. 27.

(*a*) the administration of oaths and the taking of affirmations; and

SCH 4

(*b*) the correction in awards of mistakes and errors; and

(*c*) the summoning, attendance and examination of witnesses and the production of documents; and

(*d*) the costs of the reference and award,

shall, with any necessary modifications, apply in respect of any proceedings before the arbitration tribunal, but, save as aforesaid, that Act shall not apply to any such proceedings.

(3) The arbitration tribunal may, and if so ordered by the Court of Appeal shall, state in the form of a special case for determination by the Court of Appeal any question of law which may arise before them, and an appeal shall lie to the Court of Appeal on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section eighteen of this Act against the directors of a company or on an application or claim under section twenty-two, section twenty-four or section twenty-five of this Act in respect of any transaction.

(4) Subject to the provisions of this section, the procedure in or in connection with any proceedings before the arbitration tribunal shall be such as may be determined by rules to be made by the Lord Chancellor.

(5) In relation to proceedings which, under the provisions of this Part of this Act, are to be treated as Scottish proceedings, this section shall have effect subject to the following modifications—

(*a*) for subsections (2) and (3) there shall be substituted the following subsections—

"(2) The arbitration tribunal shall have the like powers for securing the attendance of witnesses and the production of documents, and with regard to the examination of witnesses on oath and the awarding of expenses as if the arbitration tribunal were an arbiter under a submission.

(3) The arbitration tribunal may, and if so directed by the Court of Session shall, state a case for the opinion of that Court on any question of law arising in the proceedings, and an appeal shall lie to the Court of Session on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section eighteen of this Act against the directors of a company or on an application or claim under section twenty-two, section twenty-four or section twenty-five of this Act in respect of any transaction.

An appeal shall lie, with the leave of the Court of Session or of the House of Lords, from any decision of the Court of Session under this subsection, and such leave may be given on such terms as to costs or otherwise as the Court of Session or the House of Lords may determine";

(*b*) in subsection (4) for the reference to the Lord Chancellor there shall be substituted a reference to the Secretary of State,

and, in the case of any such proceedings, the tribunal shall, except in so far as for special reasons they think fit not to do so, sit in Scotland. SCH. 4

45.—(1) If, at any stage in any proceedings before the arbitration tribunal which would not otherwise fall to be treated as Scottish proceedings, the tribunal are satisfied that, by reason of the fact that questions of Scottish law arise or for any other reason, the proceedings ought thereafter to be treated as Scottish proceedings, the tribunal may order that they shall thereafter be so treated, and the provisions of this Part of this Act shall have effect accordingly.

(2) If, at any stage in any proceedings before the arbitration tribunal which would otherwise be treated as Scottish proceedings, the tribunal are satisfied that, by reason of the fact that questions of English law arise or for any other reason, the proceedings ought not to be treated as Scottish proceedings, they may make an order that the proceedings shall thereafter not be treated as Scottish proceedings and the provisions of this Part of this Act shall have effect accordingly.

46.—(1) The arbitration tribunal may, subject to the consent of the Treasury as to numbers, appoint such officers as they consider necessary for assisting them in the proper execution of their duties.

(2) There shall be paid to the members of the arbitration tribunal and to any such officer as aforesaid such remuneration (whether by way of salaries or fees) and such allowances as the Minister may, with the approval of the Treasury, determine.

(3) There shall be paid to any person to whom proceedings are referred by the arbitration tribunal under section forty-three of this Act for inquiry and report such remuneration (whether by way of salary or fees) and such allowances as the tribunal may, with the approval of the Treasury, determine.

Other miscellaneous and general provisions

47. In planning and carrying out or securing the planning and carrying out of any programme of capital development or reorganisation of activities relating to carbonisation, the Corporation shall consult with the National Coal Board, with the Gas Council and with any Area Gas Board in whose area those activities are or are to be carried on; and in planning and carrying out any such programme in respect of their activities relating to carbonisation the National Coal Board shall consult with the Corporation.

49. If any sum required by any judgment or order to be paid by a company which at the time of the judgment or order is a publicly-owned company, or has at any time since the cause of action arose been a publicly-owned company, is not paid by the company within fourteen days from the date on which execution

SCH. 4

becomes leviable to enforce the judgment or order, the Corporation shall be liable to pay that sum, and that judgment or order shall be enforceable against the Corporation accordingly.

Where any such sum as aforesaid is required to be paid in respect of a liability arising under a contract made by the company, the cause of action shall be deemed, for the purposes of this section, to have arisen at the time when the contract was made.

50.—(1) The provisions of the Ninth Schedule to this Act, which relate to the constitution and proceedings of publicly-owned companies, shall have effect in relation to any such company so long as it remains in public ownership, notwithstanding any enactment or other instrument applicable to the company, and when any company comes into public ownership or ceases to be in public ownership, the Corporation shall, as soon as possible thereafter, publish that fact in the London and Edinburgh Gazettes.

(2) The Corporation shall keep at their principal office a list, which shall be available for inspection during business hours, of the companies which are for the time being publicly-owned companies and of the other companies (to be shown separately) which are for the time being subsidiaries of the Corporation and shall furnish a copy of the list to any person on demand and on the payment of such reasonable charge as the Corporation may require.

56. Any notice or other document required or authorised by or under this Act or regulations made thereunder to be given, delivered or served may, without prejudice to any provisions in that behalf of any such regulations, be given, delivered or served either—

(*a*) by delivering it to the person to whom it is to be given or delivered or on whom it is to be served ; or

(*b*) by leaving it at the usual or last known address of that person ; or

(*c*) by sending it in a prepaid letter which shall, in the case of a notice required to be served under section thirteen, section twenty, section twenty-one or section twenty-three, be a registered letter, addressed to that person at his usual or last known address ; or

(*d*) in the case of an incorporated company or body or the arbitration tribunal, by delivering it to the secretary or clerk of the company, body or tribunal at their registered or principal office or sending it in a prepaid letter addressed to the secretary or clerk of the company, body or tribunal at that office ; or

(*e*) if it is not practicable after reasonable enquiry to ascertain the name or address of a person to whom it should be given or delivered, or on whom it should be served, as being a person having any interest in premises, by addressing it to him by the description of the person having that

interest in the premises (naming them) to which it relates, and delivering it to some responsible person on the premises, or affixing it, or a copy of it, to some conspicuous part of the premises. SCH. 4

59.—(1) In this Act the following expressions have the meanings hereby respectively assigned to them, that is to say :—

" arbitration tribunal " means the Iron and Steel Arbitration Tribunal ;

" company " means a company within the meaning of the Companies Act 1948 and a body incorporated by royal charter ; 1948 c. 38.

" consumer ", in relation to any products, means a person who uses those products for manufacturing purposes or is engaged in the merchanting of those products ;

" emoluments " includes any allowances, privileges or benefits, whether obtaining legally or by customary practice ;

" employed " means employed as an officer and " employment " shall be construed accordingly ;

" financial year "—

(*a*) in relation to the Corporation, means a period of twelve months ending with a day to be prescribed by regulation by the Minister so however that the first financial year shall be the period beginning with the passing of the Iron and Steel Act 1967 and ending—

(i) if the interval between the general date of transfer and the first occurrence after that date of the prescribed day is more than six months, with that first occurrence ; or

(ii) if the said interval is less than six months, with the second occurrence after the general date of transfer of the prescribed day ;

and, in the case of any alteration of the prescribed day, the duration of the financial year as to which the alteration is first to have effect shall be shortened or extended as may be prescribed, by not more than six months, so as to end on the new prescribed day ; and

(*b*) in relation to any publicly-owned company means the period for which the accounts of the company are made up for the purpose of being laid before the annual meeting, whether that period is a year or not ;

" functions " means duties and powers ;

" holding company " shall be construed in accordance with section one hundred and fifty-four of the Companies Act 1948 ;

" iron ore " means ore containing not less than one fifth part by weight of iron ;

SCH. 4

" lease " includes an agreement for a lease and any tenancy agreement ;

" loan capital ", in relation to any company, means the securities of the company which do not form part of the share capital ;

" manufacturing purposes " includes the carrying out of building operations and works of construction or civil engineering and the treatment of products by any process ;

" net revenue ", in relation to any company, means the revenue of that company, after deducting therefrom proper provision for the redemption of capital and all charges which are proper to be made to revenue account, including, in particular, proper provision for the depreciation of assets or for renewal of assets and provision for interest on the loan capital of the company ;

" officer " includes a managing director and a director whose functions are substantially those of a managing director or of an employee but not any other director, and also includes a servant ;

" operate ", in relation to any works, means to be actively engaged, whether alone or with others, in the management of the works, but a person shall not be deemed to operate works by reason only that he exercises an indirect control of the management thereof by means of the holding of shares in the operating company or otherwise ;

" own ", in relation to land, includes hold on lease, and " rights of ownership ", in relation to land, means an estate in fee simple or a lease, and, in the case of property owned by a member of a partnership and held by him for the purposes of the partnership, the property shall be deemed to be owned by each of the members of the partnership ;

" pension ", in relation to any person, means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of him, and includes a gratuity so payable and a return of contributions to a pension fund, with or without interest thereon or any other addition thereto ;

" pension fund " means a fund established for the purposes of paying pensions ;

" pension rights " includes, in relation to any person, all forms of right to or eligibility for the present or future payment of a pension to or in respect of that person, and any expectation of the accruer of a pension to or in respect of that person under any customary practice and includes a right of allocation in respect of the present or future payment of a pension ;

" pension scheme " includes any form of arrangements for the payment of pensions, whether subsisting by virtue of an

SCH. 4

Act, trust, contract, or otherwise and also includes any customary practice under which pensions are paid;

"products", in relation to any activities, means the direct products of those activities and does not include any by-products thereof;

"publicly-owned company" means a company which for the time being qualifies for inclusion in any group of bodies corporate as respects which the following conditions are for the time being fulfilled, that is to say—

(*a*) every body corporate of the group is either the Corporation or a subsidiary of the Corporation; and

(*b*) every member of every company in the group is either the Corporation or another company in the group or a nominee of the Corporation or of a company in the group;

and "public ownership", in relation to any company, shall be construed accordingly;

"securities", in relation to a company, means any shares, debentures, debenture stock, loan stock, mortgages, income notes, income stock, funding certificates and securities of a like nature, but does not include—

(*a*) any security forming part of the loan capital of the company, the terms of which enable it to be redeemed, either without notice or upon not more than one year's notice, at a price not exceeding the nominal amount of the security together with any outstanding interest, at any time after the creation of the security or the expiration of a period not exceeding one year after the creation of the security;

"share" includes stock resulting from the conversion of any share into stock;

"stockholders' representative" means, in relation to a company, the individual appointed under section seventeen of this Act to represent the holders of securities of that company;

"subsidiary" shall be construed in accordance with section one hundred and fifty-four of the Companies Act 1948 and "wholly owned subsidiary" shall be construed in accordance with subsection (4) of section one hundred and fifty of that Act; 1948 c. 38.

"works" means—

(*a*) any factory (within the meaning of the Factories Act 1961); 1961 c. 34.

(*b*) any mine or quarry; or

SCH. 4

(*c*) any premises used by way of trade or business for the purposes of the storage, transport or distribution of any articles or for the supply of electricity or other forms of power;

together with any machinery or equipment installed in any such factory, mine, quarry or premises as aforesaid and any land occupied for the purposes thereof:

Provided that the said expression does not include any factory, mine, quarry, premises or land outside Great Britain.

(2) For the purposes of the Iron and Steel Act 1967 and this Act, the extension, alteration or re-equipment of any works, or the replacement of any machinery or equipment therein, shall not be deemed to change the identity of the works, and, in determining whether a company is operating any works at a particular time, any temporary closing of the works at that time owing to holidays, repairs or for any other reason, shall be disregarded.

(3) For the purposes of this Act, any reference to a company which comes into public ownership under Part II of this Act shall be construed as referring to any company whose securities vest in the Corporation by virtue of the Iron and Steel Act 1967 or this Act and any company which comes into public ownership on the date of transfer of any such company as aforesaid and in consequence of the vesting of securities of any such company.

(4) References in this Act to any other enactment shall be construed as references to that enactment as amended by or under any other enactment, including this Act.

60.—

1946 c. 49. (2) For any reference to the Acquisition of Land (Authorisation Procedure) Act 1946, there shall be substituted a reference to the
1947 c. 42. Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947.

(3) The expression "mortgage" includes a heritable security, "disclaim" includes abandon, and the expression "disclaimer" shall be construed accordingly.

(4) Any reference to a Bill in Parliament shall include a reference
1936 c. 52. to an order under the Private Legislation Procedure (Scotland) Act 1936.

(6) Subsection (5) of section thirteen of this Act shall have effect as
1943 c. 40. if for any reference to the Law Reform (Frustrated Contracts) Act 1943, there were substituted a reference to the common law of Scotland with regard to the frustration of contracts.

(7) An order of the arbitration tribunal may be recorded for execution in the books of Council and Session and may be enforced accordingly.

SCHEDULES SCH. 4

FIRST SCHEDULE

PROVISIONS AS TO NATIONAL STEEL CORPORATION

2. The Corporation may act notwithstanding a vacancy among the members thereof.

3. The quorum of the Corporation shall, if the number of the members thereof exceeds ten, be such number, not being less than five, as the Corporation may from time to time determine, and, if the number of the members thereof does not exceed ten, be such number, not being less than three, as the Corporation may from time to time determine and, where any member is disqualified from taking part in any deliberation or decision of the Corporation with respect to any matter, he shall be disregarded for the purpose of constituting a quorum of the Corporation for deliberating on or deciding that matter; and, subject as aforesaid, the Corporation may regulate their own procedure.

4. The Corporation shall appoint a secretary and may appoint such other officers and such servants as they may determine.

5. The application of the seal of the Corporation shall be authenticated by the signatures of the chairman or some other member of the Corporation authorised by the Corporation to authenticate the application of the seal thereof, and of the secretary of the Corporation or some person authorised by the Corporation to act in his stead in that behalf.

6. Every document purporting to be an instrument issued by the Corporation and to be sealed as aforesaid or to be signed on behalf of the Corporation shall be received in evidence and be deemed to be such an instrument without further proof unless the contrary is shown.

FOURTH SCHEDULE

ISSUE OF GOVERNMENT STOCK IN SATISFACTION OF COMPENSATION

PART I

Provisions applicable to securities with values determined before the date of transfer

1. This Part of this Schedule shall apply to securities in respect of which compensation is payable under Part II of the Iron and Steel Act 1967 and the values of which are declared by order of the Minister to have been determined under the said Part II before the date of transfer.

SCH. 4

2. The persons who, immediately before the date of transfer, were the holders of any securities to which this Part of this Schedule applies shall, by virtue of this Act, become instead on that date the holders of the amount of government stock to which they are entitled under the Iron and Steel Act 1967 in satisfaction of compensation payable in respect of securities.

3. The interest on the said stock shall begin to accrue as from the date of transfer.

4. Where the holder of any securities becomes, under this Part of this Schedule, instead the holder of government stock, he shall hold that stock in the same right and on the same trusts and subject to the same powers, privileges, charges, restraints and liabilities as those in, on or subject to which he held those securities, and any provision of any deed, will, disposition or other instrument, and any statutory provision as to what is to be done by the holder of the securities or the redemption moneys thereof, shall, with any necessary modifications, have effect in relation to the said stock as it would have had effect in relation to the securities if they had not vested in the Corporation by virtue of the Iron and Steel Act 1967 or this Act.

5. Nothing in this Part of this Schedule affects the making of any payment or distribution, in accordance with the provisions of Part II of this Act relating to the final payment of dividends and interest, to the holders of securities to which this Part applies.

PART II

Provisions applicable to other securities

1.—(1) The provisions of this Part of this Schedule shall apply to such of the securities in respect of which compensation is payable under Part II of the Iron and Steel Act 1967 as are not securities to which Part I of this Schedule applies.

(2) In this Part of this Schedule, the expression " the conversion date " means, in relation to any securities, such date as may be specified in relation thereto by order of the Minister, being a date as soon as conveniently may be after the compensation payable in respect of those securities has been determined.

2. During the period beginning with the date of transfer and ending immediately before the conversion date, the persons who, immediately before the date of transfer, were the holders of securities to which this Part of this Schedule applies, shall have the following rights, namely,—

(*a*) the right to have the amount of government stock to which they are entitled under Part II of the Iron and Steel Act 1967 in satisfaction of compensation payable in respect of the securities; and

(*b*) the right to the payment of interest under paragraph 5 of this Part of this Schedule;

and those rights shall be transferable in like manner as the securities were transferable, and the Corporation shall make arrangements for recording the persons who are the holders thereof; and the documents of title which before the date of transfer related to those securities shall be treated as applicable to those rights.

3. The holders of any such rights shall, by virtue of this Act, become instead on the conversion date the holders of the amount of government stock to which they are entitled.

4. Interest on the said stock shall begin to accrue as from the date of transfer.

5.—(1) The Corporation shall, on such dates as the Minister may direct, make to the persons who are, at such times as may be specified in the direction, holders of any such rights as aforesaid, payments of interest not exceeding the amount which, in the opinion of the Corporation, will be found to have accrued on the government stock ultimately issued under paragraph 3 of this Part of this Schedule in satisfaction of compensation payable in respect of the securities.

(2) If the amounts paid by the Corporation under this paragraph in respect of any such rights are equal to or greater than the amount of interest which is found to have accrued, for the period beginning with the date of transfer and ending immediately before the day on which the last payment of interest fell to be made before the conversion date, on the government stock created and issued as aforesaid in satisfaction of compensation payable in respect of the securities, the interest so found to have accrued shall be treated as discharged.

(3) If the amount paid as aforesaid is less than the amount found to have accrued as aforesaid on the government stock created and issued as aforesaid in satisfaction of compensation payable in respect of the securities, the amount so found to have accrued shall be treated as discharged to the extent of the amount so paid and the balance shall at the expense of the Corporation be distributed by them amongst the persons to whom payments were made under the foregoing provisions of this paragraph so that each of them receives in the aggregate the amount which he would have received had the amount paid as aforesaid been equal to the amount so found to have accrued.

(4) Any amount payable under sub-paragraph (1) of this paragraph which has not been paid by reason that it has not been possible to discover the person entitled thereto or that the title thereto has not been established or that a cheque or warrant issued for the purpose of making payment thereof has not been encashed shall, for the purposes of sub-paragraphs (2) and (3) of this paragraph (but not for any other purposes) be treated as paid.

6. Where there are conferred on the holder of any securities the rights mentioned in paragraph 2 hereof, he shall hold those rights in the same right and on the same trusts and subject to the same powers, privileges, charges, restraints and liabilities as those in, on

SCH. 4

or subject to which he held those securities, and where the person entitled to those rights becomes under this Part of this Schedule instead the holder of government stock, he shall hold that stock in the same right and on the same trusts and subject to the same powers, privileges, charges, restraints and liabilities as those in, on or subject to which he held those rights; and any provision of any deed, will, disposition or other instrument and any statutory provision as to what is to be done by the holder of the securities or the redemption moneys thereof shall, with any necessary modifications, have effect in relation to the said rights and the said stock as it would have had effect in relation to the securities but for the provisions of the Iron and Steel Act 1967 and this Act.

7. Nothing in this Part of this Schedule affects the making of any payment or distribution in accordance with the provisions of Part II of this Act relating to the final payment of dividends and interest to the holders of securities to which this Part applies.

1948 c. 49.

8. The power conferred on the Treasury by section seventy-four of the Finance Act 1948 to direct, in connection with any statutory scheme for the carrying on of an industry under national ownership under which provision is made for the transfer of the undertaking of a body corporate, that as from the date of the transfer of the undertaking, transfers of the securities of the body corporate shall be exempt from all stamp duties, shall extend to a direction, as respects the rights referred to in paragraph 2 of this Part of this Schedule, that, as from the date of transfer, transfers of those rights shall be so exempt.

9. The Corporation shall have, in relation to any such rights, the like power as the company which issued the securities by virtue of which those rights are conferred has, in relation to those securities, under the Forged Transfers Acts 1891 and 1892.

FIFTH SCHEDULE

PROVISIONS AS TO OFFICE OF STOCKHOLDERS' REPRESENTATIVE, MEETINGS OF HOLDERS OF SECURITIES AND INCIDENTAL MATTERS

1. A stockholders' representative shall be appointed for each company by the holders of securities at a meeting of those holders called by the company, and shall be appointed not later than two months before the date of transfer:

Provided that, if the holders of securities fail to appoint a stockholders' representative within the required time, the Minister shall appoint such a representative.

2. Where the office of a stockholders' representative is about to become vacant or has become vacant, otherwise than in consequence of the completion of his duties under the Iron and Steel Act 1967 and this Act, a stockholders' representative to fill the vacancy shall be appointed at a meeting of the holders of securities called—

(*a*) if the office is not yet vacant, by the stockholders' representative;

(*b*) if the office is vacant and the meeting is called before the date of transfer, by the company ; or

(*c*) in any other case, by the Minister :

Provided that if the appointment has not been made within two months after the vacancy occurred, the appointment may be made by the Minister.

3. Every stockholders' representative shall, as soon as practicable after his appointment, give notice in writing thereof to the Minister (unless he was appointed by the Minister) and to the registrar of companies and shall, except in the case of a private company, insert an advertisement of his appointment in such one or more newspapers as in his opinion is or are best calculated to bring the appointment to the notice of the holders of securities ; and the advertisement shall state the name of the company, the full name and description of the stockholders' representative, the address to which communications for him are to be sent and any other matters which the stockholders' representative thinks fit to include.

4.—(1) Subject to the following provisions of this paragraph,—

(*a*) a stockholders' representative may resign his office by giving not less than one month's notice in writing to the Minister and, if he was appointed by the holders of securities, to every such holder, and his office shall become vacant on the date specified in the notice ;

(*b*) a stockholders' representative may be removed from his office by a resolution passed at a meeting of the holders of securities, and his office shall become vacant on the passing of the resolution ; and

(*c*) in the case of a stockholders' representative appointed by the Minister, who becomes, in the Minister's opinion, unfit to continue in his office or incapable of performing his duties, the Minister may, by notice in writing to the holders of securities and to the stockholders' representative, declare his office to be vacant and his office shall become vacant on the date specified in the notice.

(2) A resolution for the removal of a stockholders' representative shall not be moved unless fourteen days' notice of the intention to do so has been given to every holder of securities, and any such notice may be included in the notice calling the meeting and, if not so included, may be given in like manner as the notice calling the meeting.

(3) Where a stockholders' representative resigns his office,—

(*a*) he shall, before his resignation takes effect, call a meeting of the holders of securities for the appointment of his successor ;

(*b*) if a new stockholders' representative is appointed before the day preceding the taking effect of his resignation, he shall, before it takes effect, deliver all books kept by him in the

SCH. 4

performance of his duties to his successor, and in any other case he shall deliver them to the Minister on the day before his resignation takes effect; and

(*c*) he shall furnish such information with respect to any matters which have arisen in connection with the performance of his duties as his successor may reasonably require.

(4) When a stockholders' representative is removed from his office, he shall deliver to the Minister, or as the Minister may direct, all books kept by him in the performance of his duties and shall furnish to the Minister such information relating to any matters which have arisen in connection with the performance of those duties as the Minister may reasonably require.

5.—(1) Where a stockholders' representative dies not less than fourteen days before the date of transfer, the company shall forthwith give notice thereof to the Minister and to every holder of securities, and the aforesaid books shall as soon as practicable be delivered by his legal personal representative, or, so far as any of them are in the possession or control of any other person, by that other person, to the Minister or as the Minister may direct.

(2) Where a stockholders' representative dies less than fourteen days before, or on or after the date of transfer, the appropriate person specified in the preceding sub-paragraph shall forthwith give notice thereof to the Minister, and shall as soon as practicable deliver any such books as aforesaid to the Minister or as the Minister may direct.

6.—(1) A stockholders' representative may at any time call a meeting of holders of securities, and shall call such a meeting within twenty-one days of the service on him of such a requisition as is mentioned hereafter in this paragraph.

(2) A stockholders' representative may at any time call a meeting of such class or classes of holders of securities as are exclusively affected by any matter dealt with by him in the performance of his duties, so, however, that the business of any such meeting shall be confined to matters affecting exclusively the class or classes summoned to that meeting.

(3) A requisition to a stockholders' representative to call a meeting of holders of securities may be made by holders of securities representing not less than—

(*a*) one tenth of the aggregate nominal value of the securities of the company in respect of which compensation is payable under the Iron and Steel Act 1967; or

(*b*) one-fifth of the aggregate nominal value of any class of such securities;

and every requisition shall state the purpose of the meeting and shall be signed by the requisitionists and deposited with the stockholders' representative, and may consist of several documents in like form each signed by one or more of the requisitionists.

(4) If the stockholders' representative does not within twenty-one days after the deposit of the requisition proceed duly to call the meeting, the requisitionists, or any of them representing not less than one twentieth of the aggregate nominal value of the said securities or, as the case may be, one tenth of the aggregate nominal value of the said class of securities, may themselves call the meeting.

(5) Any expenses reasonably incurred by the requisitionists in calling a meeting under the last preceding sub-paragraph shall be repaid to them by the stockholders' representative and shall, except to the extent of any excess over the expenses which would have been incurred by the stockholders' representative if the meeting had been called by him, be deemed to be expenses incurred by him in the exercise of his functions.

7.—(1) A meeting of holders of securities shall be called by notice in writing served on every such holder not less than fourteen but not more than forty days before the date of the meeting.

(2) The said notice shall state that the meeting is to be held under this Schedule, shall state the purpose of the meeting and the place, date and time at which it is to be held, and shall draw attention to the provisions of this Schedule relating to proxies and specify the address at which proxies for the meeting are to be deposited, and, if the notice is served, a form of instrument for appointing a proxy, being the form set out in the Appendix to this Schedule, shall be served therewith.

(3) If a meeting is adjourned for more than two weeks this paragraph shall apply to the adjourned meeting as it applies to the original meeting, but save as aforesaid it shall not be necessary to give notice of an adjourned meeting.

(4) The accidental omission to give notice to, or the non-receipt of such notice by, any holder of securities shall not invalidate the proceedings at the meeting.

8.—(1) An instrument appointing a proxy shall be in the form set out in the Appendix to this Schedule or in a form as near thereto as circumstances admit, and shall be in writing under the hand of the appointer or of an attorney duly authorised by him in writing, or, if the appointer is a corporation, shall be either under seal or under the hand of an officer or attorney duly authorised by the corporation in writing.

(2) A proxy need not be a holder of securities.

(3) The appointment of a proxy shall not be valid unless the instrument of appointment, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, is deposited at the address specified for the purpose in the notice convening the meeting not less than forty-eight hours before the time for holding the meeting.

SCH. 4

(4) An appointment of a proxy may be made for one or more meetings, and any appointment for a meeting shall be deemed to apply to any adjournment thereof.

9.—(1) The holders of securities present in person at any meeting shall choose one of their number to be chairman, and for that purpose the persons present in person at any meeting shall be a quorum.

(2) Subject as aforesaid, holders of securities present in person or by proxy representing not less than one twentieth of the aggregate nominal value of the securities of the company in respect of which compensation is payable under the Iron and Steel Act 1967 shall be a quorum.

(3) If within half an hour of the time appointed for any meeting a quorum is not present, the chairman shall adjourn the meeting to a place, date and time determined by him (which shall if practicable be the same place and the same day and time in the following week), and if at that adjourned meeting a quorum is not present at the appointed time or within thirty minutes thereafter, the holders of securities present in person or by proxy shall be a quorum.

(4) At any meeting voting shall be by holders of securities present in person or by proxy, and a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by persons present in person or by proxy representing not less than one twentieth of the aggregate nominal value aforesaid.

(5) A poll, if so demanded, shall be taken in such manner as the chairman may direct, and on any such poll every holder voting shall be entitled to one vote for each pound by nominal value of the securities held by him.

(6) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

(7) An entry in any minutes or record kept with respect to any meeting by the stockholders' representative, or, before the appointment of stockholders' representative or during a vacancy in that office, by a person authorised in that behalf by the chairman of the meeting, shall, if signed by the chairman of the meeting or by the chairman of a meeting at which the minutes or record were or was read, be evidence of the matter so recorded.

(8) The proceedings at any meeting of holders of securities shall not be invalidated by any defect discovered after the meeting in the qualifications to vote of any person who voted at the meeting.

10.—(1) In the case of a joint holding of securities, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand or stood in the relevant register or, if there is no register, in the relevant document of title.

SCH. 4

(2) Any person who has been duly authorised to act on behalf of a holder of securities who is of unsound mind may vote on his behalf.

11. Where any class of securities is secured by a trust deed and any trustee thereof is not a holder of securities, notice of any meeting of holders of securities held under this Schedule shall be served on him, and any such trustee may attend and speak at any such meeting, but shall not be entitled to vote.

12. The provisions of paragraphs 7 to 11 inclusive of this Schedule shall with the requisite modifications apply in relation to a meeting of a class or classes of holders of securities as they apply in relation to a meeting of holders of securities of all classes.

13.—(1) In addition to the methods of serving documents under section 56 of this Act, any notice or statement required under this Schedule to be served on, or given or sent to, any holder of securities who is entered in a register kept by the company or any record kept by the Corporation under Part II of Schedule 4 to this Act or under regulations made under or by virtue of section twenty-six of the Iron and Steel Act 1967, may be so served, given or sent by sending it in a prepaid letter addressed to that holder at the address entered in the register or record and, in the case of a joint holding of securities, may be sent to the senior holder as determined for the purpose of paragraph 10 of this Schedule.

(2) In the case of holders of bearer securities, any notice required under this Schedule to be given or served may be given by advertisement in such one or more newspapers as in the opinion of the person required to give or serve the notice is or are best calculated to bring the matter in question to the notice of those holders.

14. Any corporation who are holders of securities may by resolution of their directors or other governing body authorise such person as they think fit to act as their representative at any meeting of holders of securities; and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if they were an individual holder of securities.

15.—(1) Every stockholders' representative shall keep proper books in which shall appear—

(*a*) a record of every matter dealt with by him in the performance of his duties under the Iron and Steel Act 1967 and this Act; and

(*b*) minutes of the proceedings of every meeting of holders of securities, which shall include a record of every resolution passed.

(2) All such books shall be open at any reasonable hour to inspection by any holder of securities, or by any person authorised in writing in that behalf by any such holder.

SCH. 4

16.—(1) As soon as practicable after he has completed his duties under this Schedule, each stockholders' representative shall—

(*a*) prepare a statement showing how he has carried out those duties;

(*b*) send to the Minister and to the Corporation and to every holder of securities copies of that statement; and

(*c*) call a meeting of the holders of securities.

(2) The stockholders' representative shall present the said statement at the said meeting and shall give any explanation thereof that may reasonably be required by any holder of securities present thereat.

17.—(1) In this Schedule the expression "holder of securities", in relation to a stockholders' representative or the appointment of a stockholders' representative, means any holder of securities of the company for which he is or is to be appointed, or any holder of rights in respect of those securities under Part II of the Fourth Schedule to this Act, or any persons to whom those securities or rights are transferred.

(2) Expressions to which meanings are assigned by any provision of the Iron and Steel Act 1967 or this Act shall bear the same meanings in any notice, minute or other document given, served or made under this Schedule.

APPENDIX

Iron and Steel Act 1967

Appointment of proxy for voting

[The]..... [Company] Limited.

I/We, ...

of ..... in the County of .....

as a holder of (*a*) ..... in the above named company HEREBY APPOINT .....

of ..... [or, failing him,

..... of .....]

as my/our proxy to vote for me/us on my/our behalf at the meeting of holders of securities to be held under the Fifth Schedule to the Iron and Steel Act 1949 on the ..... day of ..... 19..., and at any adjournment thereof, $\frac{\text{in favour of}}{\text{against}}$ (*b*) the resolution to be submitted.

1949 c. 72.

Dated this ..... day of ..... 19.....

.....(*c*)

(*a*) Name the class of the company's securities which are held or in respect of which rights under Part II of the Fourth Schedule to the Iron and Steel Act 1949 are held.

(*b*) Delete whichever is not desired; if neither is deleted, the proxy will vote as he thinks fit.

(*c*) Signature of appointer or attorney, or, in the case of a company, seal of the company or signature of authorised officer or attorney. SCH. 4

SIXTH SCHEDULE

ACQUISITION OF CERTAIN ASSETS

1. Where a notice of acquisition is served under section twenty-three of this Act and is not withdrawn or revoked, there shall vest, by virtue of this Act, in such body as may be specified in the notice (being either the Corporation or a publicly-owned company), on such date not earlier than the general date of transfer as may be agreed by the Corporation and the person on whom the notice is served (in this Schedule referred to as "the transferor") or, in default of agreement, as may be determined by arbitration under this Act—

(*a*) the rights to which the notice relates;

(*b*) in a case where the vesting of those rights involves the transfer of the operation of any works from the transferor to the body so specified, all such property and rights of the transferor as may be agreed or determined as aforesaid to be property and rights held by the transferor wholly or mainly for the purposes of the business carried on by him at the works; and

(*c*) such other property and rights, being property or rights held by the transferor for the purposes of the business carried on by him, as may be so agreed or determined to be property or rights which cannot reasonably be severed from property or rights referred to in sub-paragraph (*a*) or sub-paragraph (*b*) hereof and ought to be held in the same ownership.

2. All such agreements, whether in writing or not and whether or not of such a nature that the rights or liabilities thereunder could be assigned by the transferor, being agreements to which the transferor was a party and which are agreed by the Corporation and the transferor or, in default of agreement, determined by arbitration under this Act,—

(*a*) to have been entered into for the purposes of, or in connection with, the use or exercise of any property or rights which vest in pursuance of the notice of acquisition; and

(*b*) to be agreements which ought to be transferred with that property or those rights;

shall have effect as from the date aforesaid as if the body specified in the notice had been a party to the agreement, and for any reference (however worded and whether express or implied) to the transferor there were substituted, as respects anything falling to be done on or after the said date, a reference to that body, and with such other modifications as may be necessary to transfer rights, liabilities and obligations under the agreement, so far as unperformed, from the transferor to that body:

Provided that, if the arbitration tribunal are satisfied, on the application of the Corporation, that any such agreement could, if

SCH. 4 the transferor had been a company whose securities vested in the Corporation by virtue of the Iron and Steel Act 1967 or this Act, have been disclaimed under Part II of this Act, they shall exclude that agreement from transfer under this paragraph.

3. There shall be paid to the transferor, by way of compensation for the property and rights vested or transferred in pursuance of the notice of acquisition, such amount as they might have been expected to realise if—

(*a*) they had been sold on the said date in the open market by a willing seller to a willing buyer;

(*b*) in so far as they comprised a business capable of being sold as a going concern, they had been so sold; and

(*c*) the Iron and Steel Act 1967 had not been passed;

and any question as to the amount of compensation to be paid under this paragraph shall, in default of agreement between the Corporation and the transferor, be determined by arbitration under this Act.

4.—(1) All property and rights which vest under this Schedule shall vest free of any mortgage or other like encumbrance, but, where any such property or right was, immediately before the said date, subject to a mortgage or other like encumbrance (other than a floating charge which will attach to the compensation), so much of any compensation as is properly referable to that property or right shall be paid to the encumbrancer, and if the property or right was subject to two or more mortgages or other like encumbrances, the payment shall be made to the encumbrancer whose mortgage or other encumbrance has priority.

(2) Where a payment is made to an encumbrancer under this paragraph, the encumbrancer shall be liable to account therefor as if it had accrued to him as proceeds of sale of the property or right in question arising under a power of sale exercised by him immediately before the said date.

5. The compensation payable under the preceding provisions of this Schedule shall be satisfied by the issue to the transferor of such amount of government stock (that is to say, stock the principal whereof and the interest whereon shall be charged on the Consolidated Fund) as, in the opinion of the Treasury, is of a value equal on the date of the issue to the amount of the compensation, regard being had (in estimating the value of the stock so issued) to the market values of other government securities at or about that date; and the Treasury shall be liable to pay interest on that amount, at such rates as they may determine, in respect of the period from the said date (that is, the date referred to in paragraph 1 of this Schedule) until the date of payment.

6. References in this Schedule to the vesting of rights shall, in the case of rights which have been granted out of or derived from greater rights held by the publicly-owned company specified in the

notice of acquisition so that the surrender thereof results in their merger in those greater rights, be construed as references to the surrender of the rights so granted or derived. SCH. 4

NINTH SCHEDULE

MODIFICATIONS AS TO CONSTITUTION AND PROCEEDINGS OF PUBLICLY-OWNED COMPANIES

Private companies

1. A publicly-owned company shall, notwithstanding that it satisfies the conditions specified in section twenty-eight of the Companies Act 1948 not be deemed to be a private company for the purposes of that Act: 1948 c. 38.

Provided that where a company, on coming into public ownership, would be required in consequence of this paragraph to have an additional director, that requirement shall not take effect until three months after the company comes into public ownership.

Meetings

2. Notwithstanding anything in section one hundred and thirty-four of the Companies Act 1948 or the company's articles of association, the Corporation may call a meeting of a publicly-owned company, and there shall be deemed to be a quorum present at any meeting of such a company at which the Corporation is represented.

3. In the case of any publicly-owned company all of whose securities are held by the Corporation, the obligation of a company under the Companies Act 1948 or under the company's articles of association or otherwise to hold an annual meeting may be discharged by the holding of a meeting of the Corporation summoned and held in such manner, and after such notice, as may be determined by the Corporation in regulating their procedure, and any power of a company which is by the Companies Act 1948 or by the company's articles of association or otherwise required to be exercised by the company in general meeting (including a power required to be so exercised by special resolution, extraordinary resolution or a resolution requiring special notice), may be exercised by the Corporation at a meeting summoned and held as aforesaid:

Provided that—

(*a*) where any power is exercised by a publicly-owned company in a case where, apart from this paragraph, special notice would be required and a copy of the notice would have to be sent to any person, the publicly-owned company shall give notice in writing to that person not less than twenty-eight days before exercising that power;

(*b*) section one hundred and forty-three of the Companies Act 1948 (which provides for the registration of certain resolutions and agreements) shall apply to any resolution of a publicly-owned company which, but for this paragraph, would be a resolution to which that section applied;

SCH. 4

(*c*) subsection (4) of section one hundred and sixty-two of the said Act (which entitles auditors of a company to attend and be heard at general meetings of the company and to receive notice thereof) shall apply to meetings of the Corporation held for the purpose of exercising their powers under this paragraph with respect to the affairs of a publicly-owned company.

Directors

4. Any provision in the memorandum or articles of association of a publicly-owned company requiring a director to hold a specified share qualification shall not have effect in the case of a publicly-owned company.

5. The power conferred on a company by section one hundred and eighty-four of the Companies Act 1948 to remove a director before the expiration of his period of office notwithstanding anything in its articles of association or in any agreement between it and him, shall, in the case of a publicly-owned company, be extended so as to be exercisable notwithstanding anything in any agreement between the company and any person other than the director, and the proviso to subsection (1) of that section (which contains a saving for directors of private companies holding office for life on the eighteenth day of July, nineteen hundred and forty-five) shall not apply to directors of publicly-owned companies.

1948 c. 38.

Alteration of memorandum

6. A publicly-owned company shall not, without the consent in writing of the Minister, so alter the provisions of its memorandum of association or, as the case may be, charter of incorporation or other charter as to increase the activities which it is authorised to carry on.

7. The power conferred by subsection (1) of section twenty-three of the Companies Act 1948 (which provides that a company may alter by special resolution any conditions contained in its memorandum which could lawfully have been contained in articles of association instead of in the memorandum) shall, in the case of a publicly-owned company, not be subject to the provisions of subsection (2) of the said section twenty-three (which provides that that section shall not apply where the memorandum itself provides for or prohibits the alteration of all or any of the said conditions and shall not authorise any variation or abrogation of the special rights of any class of members).

Reduction of capital

8. The power conferred by section sixty-six of the Companies Act 1948 on a company to reduce its share capital may, in the case of a publicly-owned company, be exercised by ordinary resolution, and any reduction so made shall not be subject to confirmation by the court, and in any such case—

(*a*) section sixty-nine of the Companies Act 1948 shall apply with the modification that for any reference to an order of the

court confirming the reduction of the share capital of a company there shall be substituted a reference to a copy of the resolution of the company for reducing its share capital and for the reference to a minute approved by the court showing the particulars mentioned in that section there shall be substituted a reference to a minute showing those particulars to the satisfaction of the registrar of companies; SCH. 4

(*b*) subsections (3) and (4) of the said section sixty-nine shall not apply, but notice of the registration of the resolution by the registrar of companies shall be published in the London and Edinburgh Gazettes and the registrar shall certify under his hand the registration of the resolution, and his certificate shall be conclusive evidence that the share capital of the company is such as is stated in the resolution; and

(*c*) sections sixty-seven, sixty-eight, seventy and seventy-one of the Companies Act 1948 shall not apply. 1948 c. 38.

Number of members

9. No petition shall be presented for the winding up of a publicly-owned company on the ground that the number of its members is less than the number required by law, nor shall any person be liable on that ground as a member of the company for the payment of any of its debts.

10. In this Schedule the expressions "special resolution", "extraordinary resolution" and "special notice" have the same meanings as in the Companies Act 1948.

SCHEDULE 5

Section 51.

PROVISIONS OF 1953 ACT REPEALED

Provision	Extent of Repeal	Date of Repeal
Section 1	The whole section... ...	The date of the passing of this Act.
Section 2	The whole section... ...	The date of the Iron and Steel Board's ceasing to exist.
Sections 3 to 12 ...	The whole of the sections	The vesting date.
Sections 14, 15 and 17.	The whole of the sections	The vesting date.
Section 18... ...	In subsection (1), the words from "and it shall be the duty" onwards.	The date of the passing of this Act.
Section 19(1), (3), (4), (6) and (7).	All the subsections ...	The date of the passing of this Act.

SCH. 5

Provision	Extent of Repeal	Date of Repeal
Section 19(2), (5) and (8)	All the subsections ...	The vesting date.
Section 29... ...	In subsection (1), the words " or any breach of the duty imposed by section eight of this Act ", paragraph (*b*) and the word " or " immediately preceding that paragraph and the words " or duty ". Subsections (2) to (4). In subsection (5), the words " by the Board " where first occurring, and the words " or the enforcement by the Board or the Minister of any determination under section eight of this Act ".	The vesting date.
Section 30(1) ...	The whole subsection ...	The date of the passing of this Act.
Section 30(2) to (4)	All the subsections ...	In relation to the purposes of section 29 of the 1953 Act, the date of the passing of this Act; and in relation to other purposes, the vesting date.
Section 32... ...	The proviso	The date of the passing of this Act.
Section 35... ...	The whole section... ...	The date of the passing of this Act.
Schedule 1 ...	The whole Schedule, except paragraphs 14 and 15.	The date of the passing of this Act.
Schedule 2 ...	The whole Schedule ...	In relation to the Iron and Steel Board, the date of the Board's ceasing to exist; and in relation to the Iron and Steel Holding and Realisation Agency, the date of the Agency's dissolution.