STATUTORY INSTRUMENTS

1974 No. 1106

GOVERNMENT TRADING FUNDS

The Royal Ordnance Factories Trading Fund Order 1974

Laid before the House of Commons in draft

Made - - - *27th June* 1974

Coming into Operation *1st July* 1974

The Secretary of State, in exercise of the powers conferred upon him by sections 1 and 2(2) and (3) of the Government Trading Funds Act 1973(**a**) and of all other powers enabling him in that behalf, with the concurrence of the Treasury, hereby makes the following Order, a draft of which has been laid before the House of Commons and has been approved by a resolution of that House in accordance with section 6(2) of the said Act:—

Citation and Commencement

1. This Order may be cited as the Royal Ordnance Factories Trading Fund Order 1974, and shall come into operation on 1st July 1974.

Interpretation

2.—(1) In this Order—

"the Act" means the Government Trading Funds Act 1973;

"the appointed day" means 1st July 1974;

"the fund" means the trading fund established by this order;

"the originating debt" means the originating debt of the fund for the purposes of section 2 of the Act;

"article" includes any device material or matter; and

"supply" includes any work of manufacturing processing or equipping and any work of research or development in connection therewith.

(2) The Interpretation Act 1889(**b**) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

Establishment of the Fund

3. As from the appointed day such of the operations of the Crown service known as the Royal Ordnance Factories as are described in the Schedule to this Order shall be financed by means of a trading fund to be known as the Royal Ordnance Factories Trading Fund instead of by means of annual votes and appropriations.

(**a**) 1973 c.63. (**b**) 1889 c.63.

Public Dividend Capital

4. Part of the capital of the fund namely the sum of £35 million is hereby designated as public dividend capital ranking as an asset of the Consolidated Fund.

Limitation on Total Indebtedness

5. The total indebtedness of the fund to the National Loans Fund in respect of principal (whether indebtedness under section 2(2) or (3) of the Act) shall at no time exceed the originating debt by more than £50 million.

Roy Mason,
One of Her Majesty's
Principal Secretaries of State.

We concur.

Donald R. Coleman,
James A. Dunn,
Two of the Lords Commissioners
of Her Majesty's Treasury.

27th June 1974.

SCHEDULE

The operations of the service to be financed by means of the fund are—

(*a*) the supply of any article intended or adapted for use by the armed services of the Crown or the armed services of the government of any other country or of any international organisation; and

(*b*) any operation incidental or conducive to the conduct of the operations described in paragraph (*a*), including the supply to any person government or international organisation of any article which may conveniently be supplied in conjunction with those operations.

EXPLANATORY NOTE

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

This Order directs that the operations of the Crown service known as the Royal Ordnance Factories shall be financed by means of a trading fund established with public money, instead of by means of annual votes and appropriations. It designates part of the capital of the fund as public dividend capital, and imposes a limit on the sums which may be issued to the fund out of the National Loans Fund.

SI 1974/1106
ISBN 0-11-041106-4

