



# Coal Industry Act 1965

## 1965 CHAPTER 82

### 1 Borrowing by, and loans by Minister to, National Coal Board.

- [<sup>F1</sup>(1) Subject to subsections (3) and (4) of this section, [<sup>F2</sup>the British Coal Corporation (hereafter in this Act referred to as “the Corporation”)] may borrow temporarily, by way of overdraft or otherwise, either from the Secretary of State or, with the consent of the Secretary of State, from any other person, such sums in sterling as the Board may require for meeting their obligations and discharging their functions.
- (2) Subject to subsection (3) of this section, [<sup>F3</sup>Corporation] may borrow (otherwise than by way of temporary loan) from the Secretary of State such sums in sterling as the [<sup>F3</sup>Corporation] may require in connection with their functions for all or any of the following purposes, that is to say—
- (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets;
  - (b) for the provision of working capital;
  - (c) for acquiring an undertaking or part of an undertaking;
  - (d) for lending money to, or meeting a guarantee given for the benefit of, any person for the purpose of an undertaking carried on by him or, where that person is a body corporate, an undertaking carried on by a subsidiary of that body corporate within the meaning of [<sup>F4</sup>section 736 of the Companies Act 1985]
  - (e) for subscribing for or acquiring shares, stock, debentures, debenture stock, or other securities of a like nature, of a body corporate, otherwise than by way of investment;
  - (f) to pay off any money borrowed by the [<sup>F3</sup>Corporation];
  - (g) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs of this subsection).
- (2A) The [<sup>F3</sup>Corporation] with the consent of the Secretary of State (which shall require the approval of the Treasury) may borrow in a currency other than sterling any sum which they have power to borrow in sterling from the Secretary of State.
- (3) Without prejudice to subsection (4) of this section, the aggregate amount outstanding in respect of the principal of—

*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Coal Industry Act 1965, Section 1. (See end of Document for details)*

- (a) sums borrowed by the [F3Corporation] otherwise than from any of their wholly owned subsidiaries (including any sum which under section 1(4) of the M1Coal Industry Act 1973 is deemed to have been so borrowed), and
- (b) sums borrowed by any wholly owned subsidiary of the [F3Corporation] otherwise than from the [F3Corporation] or from another such subsidiary,
- shall not exceed the limit of [F5£5,500 million], but the Secretary of State may with the approval of the Treasury by order made by statutory instrument increase that limit up to [F5£6,000 million].
- (4) The aggregate of the amounts outstanding in respect of sums borrowed temporarily by the [F3Corporation] under subsection (1) and subsection (2A) of this section—
- (a) shall not at any time exceed such limit as the Secretary of State may from time to time direct, [F6with the approval of the Treasury].
- (5) The [F3Corporation] shall not have power to borrow money except in accordance with this section or with section 2(3) of the M2Coal Industry Act 1973.
- (6) The Secretary of State may lend to the [F3Corporation] any sums which the [F3Corporation] have power to borrow under subsection (1) or (2) of this section.
- (7) The foregoing provisions of this section (other than subsections (3) and (4) thereof) shall be deemed to have come into force on 28th March 1965 and—
- (a) the provisions of the Coal Industry Nationalisation Act 1946 M3 (hereafter in this Act referred to as “the Act of 1946”) specified in Schedule 1 to this Act shall have effect subject to the amendments respectfully specified in that Schedule, being amendments designed to cause those provisions to apply to sums lent to the Board by the Minister, or borrowed by the Board, under this section as they applied to advances by the Minister to the Board, or sums borrowed by the Board, under that Act;
- (b) any advances made to the Board by the Minister under section 26 or 27 of the Act of 1946, and any sums borrowed from the Minister by the Board under the said section 27, being advances made or sums borrowed on or after 28th March 1965, shall be treated as loans made to the Board by the Minister, or, as the case may be, sums borrowed by the Board, under this section; and any directions with respect to any such advances given under paragraph (b) of section 28(1) of the Act of 1946 before the passing of this Act shall be deemed to have been given under the said paragraph (b) as amended by the said Schedule 1;
- (c) any amounts outstanding at the passing of this Act in respect of sums borrowed temporarily under the said section 27 from any person other than the Minister shall be treated as having been borrowed under subsection (1) of this section; and accordingly any guarantee in respect thereof given by the Treasury under subsection (4) of the said section 27 shall continue to have effect.
- [F7(8) An order shall not be made under subsection (3) of this section unless a draft of the order has been laid before the Commons House of Parliament and approved by a resolution of that House.]

#### Textual Amendments

- F1** S. 1(1)-(6) substituted by virtue of Coal Industry Act 1977 (c. 39), s. 1(2), **Sch. 1 Pt. 1 para. 1**
- F2** Words substituted by Coal Industry Act 1987 (c. 3, SIF 86), s. 1(1)(2), **Sch. 1 para. 11(1)**
- F3** Word substituted by Coal Industry Act 1987 (c. 3, SIF 86), s. 1(1)(2), **Sch. 1 para. 11(2)**

---

*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects  
for the Coal Industry Act 1965, Section 1. (See end of Document for details)*

---

- F4** Words substituted by Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, Sch. 2
- F5** Words substituted by Coal Industry Act 1983 (c. 60, SIF 86) s. 1
- F6** Words substituted by Coal Industry Act 1980 (c. 50, SIF 86), s. 1(2)
- F7** Words substituted by Coal Industry Act 1980 (c. 50, SIF 86), s. 1(3)

---

**Modifications etc. (not altering text)**

- C1** S. 1 explained by Coal Industry Act 1973 (c. 8) s. 2(4)
- C2** S. 1(1)(2A) and (2)(6) extended by Coal Industry Act 1973 (c. 8) s. 2(2) and 1(5) respectively
- C3** S. 1(3) amended by Coal Industry Act 1980 (c. 50), s. 2(1), 2(3)
- C4** S. 1(6) amended by Coal Industry Act 1980 (c. 50), s. 2(1), 2(1)
- C5** The text of S. 1(7), Sch 1 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

---

**Marginal Citations**

- M1** 1973 c. 8.
- M2** 1973 c. 8.
- M3** 1946 c.59

**Status:**

Point in time view as at 01/02/1991. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Coal Industry Act 1965, Section 1.