



AN BILLE IOMPAIR, 1949.
TRANSPORT BILL, 1949.

EXPLANATORY MEMORANDUM.

1. The main purpose of the bill is to bring under public ownership the undertakings of Córas Iompair Éireann and the Grand Canal Company. These companies will be dissolved and their undertakings united in a new transport board to be known by the existing name of Córas Iompair Éireann. The company incorporated on the 1st January, 1945, under the Transport Act, 1944, is for convenience referred to in the bill as Córas Iompair Éireann (1945).

Purpose of the Bill.

2. Part I comprises the short title, definitions, repeals and expenses sections. The Transport Act, 1944, empowered the Minister for Industry and Commerce to set up a Transport Advisory Committee to advise him on certain matters which he might refer to it under the Act. It was not found necessary to bring the Committee into use and it is now proposed to repeal the relevant sections of the 1944 Act.

Part I.
Preliminary and General.

3. The bill proposes that the 1st January, 1950, will be the establishment date, i.e., the date on which the new body will be established.

4. Part II provides that the new Board will consist of a Chairman and not more than five other members to be appointed by the Government. It is proposed that appointments will be for a period not exceeding five years but that members will be eligible for re-appointment.

Part II.
Establishment of the Board.

5. Section 7 provides that members will hold office on terms and conditions to be fixed by the Government. It is provided that the Government will fix the remuneration of members which will be payable by the Board.

6. Section 7 provides also that the Government may remove members from office on grounds of health, or absence from meetings, or in the public interest. In such cases a statement is required to be laid before each House of the Oireachtas giving the grounds for removal.

7. Provision is made whereby the Board may co-opt the general manager for the time being to be a member of the Board and may at any time remove him from membership. The consent of the Minister for Industry and Commerce is required for such appointment or removal.

8. It is proposed that members will be disqualified from being nominated for membership of either House of the Oireachtas.

9. The general powers and duties of the Board are set out in Part III. The Board is empowered to operate transport services and to carry on ancillary and supplementary businesses. Additional powers may be conferred on the Board by order of the Minister for Industry and Commerce subject to confirmation by resolution of each House of the Oireachtas. The Board is required to exercise its powers so as to provide an economical, efficient and properly integrated system of transport for passengers and merchandise.

Part III.
General powers and duties of the Board.

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10. The Minister for Industry and Commerce may, under section 15 of the bill, authorise compulsory acquisition of land for the purposes of the Board's undertaking. There is provision for compensation and for the settlement of disputes by arbitration.

11. Section 17 empowers the Board to settle its classification of merchandise and conditions of carriage and to fix its fares, rates and charges.

12. Provision is made in section 18 under which the Board can terminate a service of trains on any section of line. At least one month's prior public notice must be given by the Board. An adequate substitute road service must be provided. The Board is required to pay compensation consisting of a lump sum to an employee who suffers a worsening of conditions as a result of a transfer to alternative employment. Compensation calculated in the manner set out in the fourth schedule must be paid if, in any case, the Board is unable to offer alternative employment. Any dispute is to be settled by arbitration.

13. Section 19 provides machinery for the abandonment of a railway line on which train services have not been operated for a period of at least twelve months subsequent to the establishment date.

Part IV.
Transfer to the
Board of
transport under-
takings.

14. Part IV provides for the transfer of the undertakings of Córas Iompair Éireann (1945) and the Grand Canal Company to the new Board. Holders of securities of these companies will be compensated by the conversion of their holdings into State guaranteed transport stock on the following basis:—

Securities of Córas Iompair Éireann (1945)	Transport stock to be substituted for each £100 of securities of acquired company.
3% guaranteed debenture stock, 1955/1960	£ 100 3% transport stock, 1955/1960
2½% guaranteed debenture stock, 1965/1975	100 2½% transport stock, 1965/1975
common stock	80 3% transport stock, 1975/1985
Securities of the Grand Canal Company	Transport stock to be substituted for each £100 of securities of acquired company.
3% irredeemable debenture stock	£ 100 3% transport stock, 1975/1985
3% non-cumulative preference shares	100 3% transport stock, 1975/1985
ordinary shares	100 3% transport stock, 1975/1985

15. The aggregate amount of transport stock to be substituted for securities of the acquired companies will be £16,405,764, consisting of:—

- (i) £9,889,083 3% stock redeemable 1955-1960;
- (ii) £3,000,000 2½% stock redeemable 1965-1975;
- (iii) £3,516,681 3% stock redeemable 1975-1985.

16. Provision is made for the voluntary acquisition by the Board of other transport undertakings subject to confirmation by resolution of each House of the Oireachtas. As the new Board will be responsible for the operation of canal services it is considered desirable that power should be taken to transfer the River Shannon Navigation to the Board. This navigation is maintained by the Commissioners of Public Works and the Grand Canal Company has been the principal user. Section 25 accordingly empowers the Government by order to transfer the navigation to the Board.

17. Section 26 authorises the Board to issue transport stock for the purpose of providing money for— **Part V.
Finance.**

- (i) the carrying out of any permanent work the cost of which is properly chargeable to capital;
- (ii) the redemption of any transport stock;
- (iii) the acquisition of any other transport undertaking;
- (iv) any other purpose for which capital moneys are properly applicable.

The aggregate stock to be issued for the purposes at (i) and (iv) may not exceed £7,000,000.

18. All issues of transport stock are guaranteed by the State as to principal and interest. Issues for purposes other than the conversion of stocks of the acquired companies are subject to the consent of the Minister for Industry and Commerce given with the approval of the Minister for Finance. The terms and conditions as regards interest and redemption of such issues are subject to the approval of the Minister for Finance. The bill requires an annual statement to be laid before each House of the Oireachtas, giving particulars of transport stock issued, the extent, if any, to which the State guarantee has been called on, and the amount of stock outstanding.

19. Section 31 requires the Board, after payment of interest on transport stock and other fixed charges and obligations, to allocate such sums as it thinks proper to a fund for the redemption of transport stock.

20. Under section 32 the Board is required to keep all proper and usual accounts. The consent of the Minister for Industry and Commerce is required to the appointment of the auditors. A copy of the audited accounts and of the auditors' report is required to be laid on the tables of each House of the Oireachtas. The Board will be obliged to furnish any accounts, reports and statistics required by the Minister for Industry and Commerce.

21. Part VI provides for the transfer to the service of the Board of every person who was employed by either C oras Iompair  ireann (1945) or the Grand Canal Company immediately before the establishment date. **Part VI.
Staff.**

22. Section 36 prohibits the Board from dispensing with the services of any permanent employee on the grounds of redundancy existing on the establishment date or resulting from the transfer of the two companies to the Board. To meet the case of any employees with long service who may be classed as temporary this provision applies also to persons with a certain minimum period of continuous service with either company.

23. The Board will be free to transfer employees from one position in its service to another. Where, on the grounds of redundancy existing on the establishment date or resulting from the transfer of the two companies to the Board, an employee is transferred to alternative employment which results in a worsening of his conditions of service, he is entitled, under the bill, to compensation consisting of a lump sum. There is provision for the settlement of disputes by arbitration.

24. There may be some cases of employees of the dissolved companies for whom no alternative employment can be found. The bill provides that the services of such persons may be dispensed with subject to the payment of compensation calculated in the manner set out in the fourth schedule. Any dispute is to be settled by arbitration.

25. Provision is made for the continuance of existing superannuation schemes and for the establishment of new schemes where necessary. Appointment to clerical grades will be by means of open competitive examination with Irish as a compulsory subject. A certain proportion of vacancies may be reserved for competition limited to employees or ex-employees or their children.

Part VII.
Application of
enactments to
the Board.

26. Under this Part certain existing acts relating to railways, canals and road transport are made applicable to the Board. The application of section 2 of the Railway and Canal Traffic Act, 1854, requires the Board to provide reasonable facilities for traffic and prohibits any undue preference for any person or class of traffic.

Part VIII.
Miscellaneous
Provisions.

27. This Part contains miscellaneous provisions relating to the service of documents on the Board, agreements with the Minister for Posts and Telegraphs, carriage of dangerous goods and other matters.

28. An Act of 1818 established a Board of Control for the Royal Canal. At present the main function of this body is to report to the Minister for Industry and Commerce on the condition of the canal whenever required. This body is no longer necessary and section 57 provides for its abolition.

Part IX.
Dissolution of
C6ras Iompair
Eireann (1945) &
the Grand Canal
Company;
supplemental and
transitional
provisions.

29. This Part deals with the dissolution of C6ras Iompair Eireann (1945) and the Grand Canal Company and with various supplemental and transitional matters.

Department of Industry and Commerce.
October, 1949.