COTTON INDUSTRY

1960 No. 1264

The Cotton Finishing (Woven Cloth) Reorganisation Scheme (Confirmation) Order, 1960

Laid before Parliament in draft

Made - - - - 22*nd July*, 1960

Coming into Operation 1*st August*, 1960

Whereas by section 1 of the Cotton Industry Act, 1959(a) (hereinafter referred to as "the Act") the Cotton Board, with a view to promoting the efficiency of the cotton industry by the elimination of excess capacity, may prepare for any section of the industry a scheme (hereinafter referred to as a "reorganisation scheme") providing for the payment by the Cotton Board of compensation for the elimination of excess capacity in that section:

And Whereas, in consultation with such bodies as appeared to them to represent (so far as practicable) the interests of those carrying on business and of those employed in the finishing (woven cloth) section of the industry, the Cotton Board have prepared for that section a reorganisation scheme and have submitted it to the Board of Trade pursuant to subsection (2) of section 1 of the Act:

And Whereas the Board of Trade are satisfied—

(*a*) that the said reorganisation scheme makes adequate provision (in point of time as well as in point of quantity) to the end of eliminating excess capacity in the finishing (woven cloth) section of the industry;

(*b*) that arrangements have been made within that section for the payment of compensation in respect of loss of employment due to the elimination of the excess capacity; and

(*c*) that bodies representing the interests of a majority of the persons employed in that section have agreed to those arrangements so far as they relate to persons whose interests are represented by those bodies:

And Whereas a draft of this Order has, pursuant to subsection (9) of section 1 of the Act, been laid before Parliament and approved by resolution of each House.

Now, therefore, the Board of Trade, in pursuance of the powers conferred upon them by section 1 of the Act and all other powers in that behalf enabling them, hereby order as follows:—

Confirmation of the Reorganisation Scheme for the Finishing (Woven Cloth) Section of the Cotton Industry

1. The said reorganisation scheme prepared by the Cotton Board for the finishing (woven cloth) section of the cotton industry, being the scheme set out in the Schedule to this Order, is hereby confirmed.

Recovery of Charges imposed by the Scheme

2. Any sum due from any person in respect of any charge imposed under the said reorganisation scheme may be recovered by the Cotton Board as a simple contract debt in any court of competent jurisdiction.

(a) 7 & 8 Eliz. 2. c. 48.

Returns and Information and production of Books

3.—(1) The Cotton Board may for the purposes of the imposition of any charge under the said reorganisation scheme or the recovery of any such charge require by notice in writing any person carrying on business in the finishing (woven cloth) section of the industry to furnish returns or other information relating to activities comprised in that section of the industry or to produce for examination books or other documents or records relating to such activities, and any person who is so required shall furnish in such form and manner and within such time such returns or information relating to such activities, as may be specified in the notice or, as the case may be, produce at such time such books or other documents or records relating to such activities as may be so specified.

(2) When a requirement is imposed by the Cotton Board under the provisions of this Order to furnish returns or other information relating to an individual business or to produce for examination books or other documents or records, the Cotton Board shall ensure that the returns or information shall be furnished to, or the examination done by, officers of the Cotton Board specially authorised in that behalf by the Cotton Board.

Penalties

4.—(1) If any person required to furnish returns or information or to produce for examination books or other documents or records under this Order fails to furnish or produce them in accordance with the requirement he shall, unless he proves that he had reasonable excuse for the failure, be liable on summary conviction to a fine not exceeding fifty pounds.

(2) If the failure in respect of which a person is convicted under the last foregoing paragraph is continued after the conviction he shall be guilty of a further and continuing offence and liable on summary conviction to a fine not exceeding five pounds in respect of each day during which the failure continues.

(3) If any person in purporting to fulfil the requirement to furnish returns or information knowingly or recklessly makes any statement which is false in a material particular he shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding fifty pounds, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding one hundred pounds, or, in either case, to both such imprisonment and such fine.

Interpretation

5. In this Order—

(*a*) the "Cotton Board" and "the industry" have the meanings respectively assigned to those expressions in subsection (11) of section 1 of the Act;

(*b*) "the finishing (woven cloth) section" and "finishing" have the meanings respectively assigned to those expressions in Article 2 of the reorganisation scheme set out in the Schedule to this Order.

Citation and Commencement

6. This Order may be cited as the Cotton Finishing (Woven Cloth) Reorganisation Scheme (Confirmation) Order, 1960, and shall come into operation on the 1st day of August, 1960.

Dated this 22nd day of July, 1960.

John Rodgers,

Parliamentary Secretary to the Board of Trade.

THE SCHEDULE

THE COTTON FINISHING (WOVEN CLOTH) REORGANISATION SCHEME

A Reorganisation Scheme prepared by the Cotton Board providing for payment of compensation for the elimination of excess capacity in the Finishing (Woven Cloth) Section of the Cotton Industry

PART I

PRELIMINARY

Citation and Commencement

1. This Scheme may be cited as the Cotton Finishing (Woven Cloth) Reorganisation Scheme and shall come into operation on the date on which the Order by the Board of Trade confirming the Scheme comes into operation.

Interpretation

2.—(1) In this Scheme (except where the context otherwise requires) the following expressions have the meanings hereby respectively assigned to them:—

"the Act" means the Cotton Industry Act, 1959;

"the Board" means the Cotton Board as defined in subsection (11) of section 1 of the Act;

"the industry" means the activities included in that term in the development council orders relating to the Cotton Board, as those orders had effect at the commencement of the Act(a);

"registered or subject to registration with the Board" means registered or subject to registration with the Board under the Cotton Industry Development Council Order, 1948(b);

"the finishing (woven cloth) section" means the activities of finishing;

"finishing", except in the expression "finishing (only)", means—

(*a*) the subjection of fabrics (other than fabrics for surgical dressings) produced by weaving to any of the processes commonly known as scouring, bleaching, mercerising, tinting, dyeing, printing, embossing, schreinering, beetling, calendering, raising, stentering, shrinking, cropping, shearing, singeing, filling, pressing, and proofing, or (except in relation to printing) to any other similar process which effects a change in the appearance or characteristics of such fabrics; and

(*b*) the cutting of loops of pile fabrics produced by weaving;

Provided that finishing shall not include—

(i) the coating or impregnation of cloth for the production of oil baize, other oil cloth or leather cloth or

(ii) rubber proofing, or the proofing of articles by means of plant operated by workers subject to Wages Regulation Orders made under the Wages Councils Act, 1945(c), pursuant to proposals by the Made-up Textiles Wages Council;

"finishing (only)" means the subjection in a production unit of fabrics produced by weaving (other than fabrics bleached, dyed, tinted, printed, raised, desized or scoured in that production unit) to any of the processes of finishing, other than bleaching, dyeing, tinting, printing, raising, desizing and scouring;

"printing" means imparting a pattern with dyestuffs or chemicals (otherwise than by embossing) by any power operated machine to woven cloth;

"surgical dressings" means any articles designed to be worn on, or applied to, the body for curative, prophylactic or hygienic purposes only;

(a) S.I. 1948/629 (Rev. V, p. 87: 1948 I, p. 1623), 1951/2173, 1953/421, 1957/508 (1951 I, p. 1125; 1953 I, p. 862; 1957 I, p. 1174).
(b) S.I. 1948/629 (Rev. V, p. 87: 1948 I, p. 1623). (c) 8 & 9 Geo. 6. c. 17.

"woven cloth" means fabric produced by weaving; and "weaving" has the meaning assigned to it for the purposes of the Cotton Weaving Reorganisation Scheme (Confirmation) Order, 1959(a);

"realisation company" means, in relation to any subsection of the finishing (woven cloth) section of the industry, a company incorporated under the Companies Act, 1948(b), as a non-profit making body having among its principal objects the acquisition for the purposes of this Scheme of production units in that subsection (including acqusition by purchase of the capital of any bodies corporate to which they belong), the closing down of those units in pursuance of the Scheme and the scrapping or disposal of the plant, machinery and other assets thereof, being a company the incorporation and constitution of which for the purposes of this Scheme is approved by the Board.

(2) In this Scheme—

(*a*) any reference to a production unit is a reference to—

(i) any complete works as respects which a return has been made to the Board on Form F.C.2., or

(ii) where as respects any activities of a person in the finishing (woven cloth) section no such return has been made to the Board, all such activities or, if the Board has pursuant to Article 5 specified some of those activities to be a production unit for the purposes of this Scheme, the activities so specified;

(*b*) any reference to a return to the Board on Form F.C.2. in respect of any production unit or any activities is a reference to the return to the Board as respects that unit or those activities, as the case may be, on the Form numbered F.C.2. issued by the Board between 1st February and 1st June in 1960 in pursuance of the Cotton Industry Development Council Order, 1948;

(*c*) any reference to a subsection of the finishing (woven cloth) section is a reference to any one of the following, that is to say, the bleaching subsection; the dyeing, raising and finishing (only) subsection; and the printing subsection;

(*d*) any reference to the scrapping of any plant or machinery is a reference to the destruction thereof or to its being otherwise rendered unfit for further use as such.

(3) For the purposes of this Scheme, the Board shall determine the capacity of any production unit by reference to such information and records as they may specify; provided that—

(*a*) if a return has been made to the Board on Form F.C.2. in respect of that unit, they may rely on the particulars included in that return in relation to the capacity of that unit;

(*b*) if the unit has closed down prior to 31st January, 1960, the capacity of that unit shall be the quantity (measured in linear yards) of woven cloth processed by the finishing activities of the unit during the period of twelve months ended on that date, or on the date on which the unit last carried on any such activity, whichever is the earlier.

Object of Scheme

3.—(1) The object of this Scheme is to secure the elimination of excess capacity in the finishing (woven cloth) section of the industry by providing for the payment of compensation in relation to any production unit in the section closed down during the period beginning on 24th April, 1959 and ending on the last day of the sixth month next following the acceptance of the application for compensation relating to that unit or such later date as the Board may for special reasons allow (hereinafter referred to as "the closing down period").

(2) For the purposes of this Scheme, a production unit shall be treated as closed down if, but only if, all the activities of that unit in the finishing (woven cloth) section have ceased and the Board are satisfied that every such activity has been permanently discontinued.

(a) S.I. 1959/1326 (1959 I, p. 781). (b) 11 & 12 Geo. 6. c. 38.

Eligibility to Apply for Compensation

4.—(1) Subject to the provisions of paragraph (2) of this Article, a realisation company, or any person who at any time in the period beginning on 24th April, 1957, and ending on 24th June, 1960 was—

(*a*) carrying on business in the finishing (woven cloth) section of the industry, and

(*b*) registered or subject to registration with the Board as carrying on business in the finishing section of the industry (as defined for the purposes of the Cotton Industry Development Council Order, 1948),

is eligible to apply for compensation under this Scheme in relation to any production unit closed down or proposed to be closed down during the closing down period, being a unit in which activity in the finishing (woven cloth) section of the industry was being carried on during the first mentioned period by a person then registered or subject to registration with the Board as aforesaid; provided that a body corporate may apply for compensation, notwithstanding that it was not carrying on business and registered or subject to registration as aforesaid, if it is a subsidiary (within the meaning of section 154 of the Companies Act, 1948) of another body corporate which was.

(2) A realisation company shall not be eligible to apply for compensation under this Scheme unless and until it has bound itself by obligation to the Board, in such terms and secured in such manner as they may require, to pay to the Board the amount (if any) by which (in relation to any production unit acquired by the company for the purposes of this Scheme) the aggregate of—

(*a*) any compensation paid or payable to the company in relation to that unit, and

(*b*) the proceeds of the disposal of any plant and machinery of that unit for scrapping or as scrap, and

(*c*) the amount of any bank balances and cash in hand, and

(*d*) the proceeds of the collection of book and other debts and of the realisation of all other assets of the unit (including premises and goodwill),

exceeds the aggregate of—

(i) the cost to the company of acquiring that unit, and

(ii) the cost to the company of discharging any liabilities of the unit after the date of its acquisition by the realisation company or (in a case in which that company has acquired the unit by purchasing the capital of any body corporate to which it belongs) the cost to that body corporate of discharging after the date of such acquisition any liabilities in relation to that unit, and

(iii) that proportion of the costs and expenses of administering the realisation company which is attributable to its activities in dealing with that unit.

Preliminaries

5. Any person eligible to apply for compensation under this Scheme who has not made a return to the Board on Form F.C.2. in respect of his or any of his activities in the finishing (woven cloth) section may, not later than 31st August, 1960, apply in writing to the Board requiring them to specify which (if any) of such activities constitute a production unit for the purposes of this Scheme; and as soon as may be after the receipt of such information as they may have required in relation to those activities the Board, by notice in writing to the person concerned, will specify which of the said activities are to be treated as a production unit for the purposes of this Scheme.

6.—(1) The Board will give to every person by whom a return has been made to them on Form F.C.2. in relation to any production unit in the finishing (woven cloth) section and to every person to whom the Board has sent a notice pursuant to Article 5 specifying which of his activities constitute a production unit for the purposes of this Scheme, notice in writing specifying the subsection of the finishing (woven cloth) section in which such unit is placed for the purposes of this Scheme; and such notice shall be given:—

(*a*) in the case of a person by whom such a return has been made, not later than 31st August, 1960;

(*b*) in the case of a person to whom the Board has sent a notice pursuant to Article 5, within one month of the date on which such notice was sent.

(2) Each production unit shall be placed by the Board in one subsection only whether or not all the activities of that unit are or were carried on in that subsection; and where a production unit is or was carrying on activities in more than one subsection it shall be placed by the Board in that subsection for the activities of which it has or, as the case may be, had the largest capacity.

Application for Compensation

7.—(1) Any person eligible so to do may apply for compensation under this Scheme in relation to any production unit during the period beginning on the date on which the Scheme comes into operation and ending on 31st October, 1960, (hereinafter referred to as "the participation period") or during the supplementary participation period (if any) referred to in paragraph (2) of this Article, by making and delivering to the Board before the expiration of such period or periods, as the case may be, an application for payment of compensation in relation to that unit.

(2) If, after consideration of all applications for compensation received during the participation period, it appears to the Board to be desirable for further applications to be made with the object of eliminating further excess capacity in any subsection, they may, by notice published in such manner as they think best adapted for informing persons affected or likely to be affected, indicate that they will deal (in the order of their receipt by the Board) with applications relating to production units in that subsection received during the period (hereinafter referred to as "the supplementary participation period") beginning on 1st November, 1960, and ending on 31st January, 1961, or such earlier date as the Board may specify by a further notice published in like manner as aforesaid.

(3) A separate application shall be made in relation to each production unit; and every such application shall be in writing in such form as the Board may prescribe and shall contain such information as is provided for therein, together with—

(*a*) an undertaking by the applicant (conditional on the acceptance by the Board of his application) to close down during the closing down period the production unit to which the application relates and (not later than 31st December, 1961) to scrap or cause to be scrapped all plant and machinery required under the provisions of this Scheme to be scrapped before compensation can be paid in relation to that unit; and

(*b*) an acknowledgment (conditional as aforesaid) by the applicant and, where the application is made by a realisation company, by any other body corporate having possession or control of the plant or machinery concerned, that—

(i) if after the unit to which the application relates has been closed down any plant or machinery to which the said undertaking applies is used or is continued to be used in any manner or to any extent in or in connection with any activity of the finishing (woven cloth) section in disregard of a written notice from the Board prohibiting such use or continued use, as the case may be, or

(ii) if after such date (not being earlier than 7th January, 1962) as may be specified in a notice sent to the applicant by the Board any plant or machinery to which the said undertaking applies has not been scrapped,

the whole of any property or interest of the applicant (and of such body corporate as aforesaid) in that plant or machinery shall forthwith be transferred to and vest in the Board.

(4) The Board may prescribe the form to be used for any application for compensation under this Scheme by publishing, issuing, or making available a form or forms of application for use as such for the purposes of this Scheme by any person or class of persons eligible to apply for compensation thereunder.

Acceptance or Rejection of Applications

8.—(1) Subject to the provisions of this Article, every application for compensation duly made under this Scheme shall (unless it is withdrawn) be accepted or rejected by the Board, who will in general consult as they deem necessary with persons appearing to them to have special knowledge or experience of the industry, the finishing (woven cloth) section or any relevant subsection; and in accepting an application relating to a production unit not already placed in a particular subsection pursuant to Article 6 the Board shall, as if they were acting pursuant to that Article, place that production unit in its appropriate subsection.

(2) In dealing with applications for compensation under the Scheme in relation to production units in any subsection, the Board will be guided by the need to avoid reducing the capacity of that subsection or of any class of the activities of that subsection to a level insufficient to meet all reasonably foreseeable demands.

(3) The Board shall not accept more than one application for compensation in relation to any one production unit; and where more than one application is made in relation to any production unit the Board shall by written notice to all the applicants concerned require them before the date therein specified to elect which application is to prevail and to withdraw any other application or applications; and if by that date or such later date as the Board may further specify all applications save one in relation to that production unit have not been withdrawn every application in relation to that unit shall be rejected.

(4) The Board shall reject any application for compensation in relation to a production unit in which no finishing activity has been carried on since 23rd April, 1959, if they are satisfied that it was not practicable at that date for the unit to carry on any finishing activities without undue difficulty or expense.

(5) The Board shall notify each applicant in writing of the acceptance or rejection of every application for compensation made by him—

(*a*) in the case of an application made during the participation period, as soon as may be after the expiration of that period;

(*b*) in the case of an application made during the supplementary participation period (if any), as soon as may be after the application has been dealt with;

and an applicant shall become a participant in this Scheme as respects any production unit in relation to which an application by him has been accepted by the Board, but not otherwise.

PART II

COMPENSATION

Minimum Capacity : Liability of Industry to meet Compensation Payments

9.—(1) As soon as may be after the Board has dealt, by acceptance or rejection thereof, with every application for compensation made in the participation period or periods, as the case may be, they shall, by notice published in such manner as they think best adapted for informing persons affected or likely to be affected by the Scheme, specify—

(*a*) the aggregate capacity of all the relevant production units as respects which applications for compensation under the Scheme have been accepted by the Board; and

(*b*) separately in relation to each subsection, the aggregate capacity of all the relevant production units in that subsection as respects which applications for compensation under the Scheme have been accepted by the Board.

(2) Any production unit as respects which a return has been made to the Board on Form F.C.2. is a relevant production unit for the purposes of the preceding paragraph.

(3) If the aggregate capacity referred to in head (*a*) of paragraph (1) is less than 534,500,000 linear yards all the compensation payments provided for under

this Scheme shall, for the purposes of subsection (3) of section 1 of the Act, constitute payments to be wholly defrayed out of sums raised under this Scheme.

(4) If the aggregate capacity referred to in the said head (*a*) is not less than the said minimum of 534,500,000 linear yards, but the aggregate capacity referred to in head (*b*) of the said paragraph (1) in relation to any subsection is less than the minimum capacity hereinafter prescribed for that subsection all the compensation payments provided for under this Scheme in relation to production units in that subsection shall, for the purposes of subsection (3) of section 1 of the Act, constitute payments to be wholly defrayed out of sums raised under this Scheme.

(5) The minimum capacity prescribed for each of the subsections is—

(*a*) for the bleaching subsection, 68,200,000 linear yards ;

(*b*) for the dyeing, raising and finishing (only) subsection, 284,200,000 linear yards ;

(*c*) for the printing subsection, 88,800,000 linear yards.

Rate of Compensation

10.—(1) Subject to the provisions of this Part of this Scheme, compensation shall be paid by the Board in relation to any production unit closed down during the closing down period as respects which an application for compensation under the Scheme has been duly made by a participant and accepted by the Board.

(2) The rate of compensation payable in relation to any production unit shall be the aggregate of the following amounts, that is to say—

(*a*) an amount equal to ten shillings per pound sterling of the written-down value of all the plant and machinery of the unit being used or capable of being used at 24th April, 1959 in or in connection with the finishing activities of the unit (other than any plant or machinery the disposal or continued use of which has been approved by the Board in pursuance of Article 13), and

(*b*) an amount equal to three shillings per pound sterling of the turnover of that unit (insofar as it relates to finishing) during the last complete financial year thereof which ended not later than 31st October, 1959 ;

and for this purpose the written-down value of the plant or machinery of any unit shall be—

(i) in the case of plant or machinery held by that unit on 1st July, 1948, the net book value thereof at that date less depreciation to 24th April, 1959 at the rate of 12½ per cent. per annum on a reducing balance basis ;

(ii) in the case of plant or machinery acquired by the unit after 1st July, 1948, the first cost thereof to the owner at 24th April, 1959 less depreciation to that date at the rate aforesaid.

(3) In computing the amount of compensation payable in relation to any production unit:—

(*a*) the Board shall determine the turnover of any production unit by reference to such information and records as they may specify ; provided that in the case of a unit in respect of which a return has been made to them on Form F.C.2. they may rely on the particulars included in that return in relation to the turnover of that unit ;

(*b*) the Board shall treat any plant or machinery as not being capable of being used in or in connection with the finishing activities of the unit if they are satisfied that it was not practicable at 24th April, 1959 for that plant or machinery to be put into operation without undue difficulty or expense.

(4) In this Article, any reference to the turnover of any production unit is a reference to the turnover of that unit less the cost of direct materials consumed.

11.—(1) Subject to the provisions of this Part of this Scheme, there shall be paid to any realisation company by way of further compensation under this Scheme in relation to any production unit as respects which that company is a participant in the Scheme the amount (if any) by which the aggregate of :—

(*a*) the cost to the company of acquiring that unit, and

(*b*) the cost to the company of discharging any liabilities of the unit after the date of its acquisition by the realisation company or (in a case in which that company has acquired the unit by purchasing the capital of any body corporate to which it belongs) the cost to that body corporate of discharging after the date of such acquisition any liabilities in relation to that unit, and

(*c*) that proportion of the costs and expenses of administering the realisation company which is properly attributable to its activities in dealing with that unit,

exceeds the aggregate of:—

(i) the amount of compensation paid or payable to that company by the Board in relation to that unit under Article 10, and

(ii) the proceeds of the disposal of any plant and machinery for scrapping or as scrap, and

(iii) the amount of the bank balances and cash in hand, and

(iv) the proceeds of the collection of book and other debts and of the realisation of all other assets of the unit (including premises and goodwill).

(2) Any compensation payments made by the Board in pursuance of paragraph (1) of this Article shall, for the purposes of subsection (3) of section 1 of the Act, constitute payments to be wholly defrayed out of sums raised under this Scheme.

Payment of Compensation

12. The Board shall not pay any compensation under this Scheme to any participant in relation to any production unit—

(*a*) unless he has duly complied with every requirement of the Board to furnish information additional to that contained in or furnished with his application and to produce any books, vouchers or other documents, and the Board are satisfied that the unit concerned has been closed down in accordance with the requirements of the Scheme;

(*b*) unless they are satisfied that he has done everything required to be done by him under the arrangements referred to in section 1 (2) (*b*) of the Act for securing that persons employed in that unit are eligible to participate in, and to receive any benefits available to them under, those arrangements in respect of loss of employment with reference to the elimination of the capacity of that unit;

(*c*) unless all the plant and machinery used or capable of being used in or in connection with the finishing activities of the unit (other than any plant or machinery the disposal or continued use of which has been approved by the Board in pursuance of Article 13) has been scrapped not later than 31st December, 1961.

13. Notwithstanding the foregoing provisions of this Scheme, where a participant wishes to dispose of or use any of the plant or machinery of a production unit in relation to which he has applied for compensation under this Scheme and the Board are satisfied that:—

(*a*) it would be in the interests of the finishing (woven cloth) section of the industry and of that subsection in which the unit has been placed for the purposes of the Scheme not to scrap such plant or machinery, and

(*b*) the plant or machinery will not be used in the activities of that production unit or any other production unit closed down or to be closed down under this Scheme,

they may approve the use or disposal of that plant or machinery by the participant; and thereupon the participant shall be released from the undertaking to scrap the same given to the Board pursuant to Article 7 (3).

Part III
Levies and Allocation of Moneys Received

Levies

14. The Board shall raise by means of an annual charge imposed on all persons for the time being carrying on business in the finishing (woven cloth) section of the industry and registered with the Board as carrying on business in the finishing section of the industry (as that section is defined for the purposes of the Cotton Industry Development Council Order, 1948) the amounts required by the Board to defray—

(*a*) compensation payments provided for under Part II of this Scheme, so far as not defrayed out of sums (if any) paid by the Board of Trade under subsection (3) of section 1 of the Act and sums (if any) paid to the Board by the realisation companies pursuant to their obligation in that behalf referred to in Article 4 (2), and

(*b*) that proportion of the total expenses incurred by the Board in connection with the preparation and administration of all Schemes under the Act as in the opinion of the Board is attributable to this Scheme.

15. The Board shall raise by means of a further annual charge imposed on all persons carrying on business in the finishing (woven cloth) section of the industry and registered as aforesaid the amounts required under arrangements made within that section for compensating persons employed in that section for loss of employment with reference to the elimination of excess capacity under this Scheme or the re-equipment of businesses in that section, being arrangements made in connection with the passing or operation of the Act.

16.—(1) Each of the charges imposed under this Part of this Scheme shall be payable at such rate or rates per pound sterling of turnover as the Board may specify as being necessary to produce in the aggregate the amount or amounts required to be raised thereby; and, to the end that the amount of compensation (including the amounts referred to in Article 15) payable in relation to any subsection shall be raised from production units in that subsection, the Board may specify a different rate or rates in relation to different subsections.

(2) In relation to the imposition of any such charge, and notwithstanding the provisions of Article 2 (2) (*a*). such of the activities of any person in the finishing (woven cloth) section as are, in the opinion of the Board, being carried on for the time being in a complete works shall be treated as constituting a production unit; and any such unit shall be deemed, for the purposes of this Part of this Scheme, to be in that subsection in which it has, or has the capacity for, the largest activity.

(3) Each person upon whom a charge has been imposed under this Scheme shall pay to the Board his proper share of the charge in such manner and on such date or dates as they may direct.

(4) The periods during which such charges shall be payable shall be specified by the Board after consultation with representatives of persons carrying on business in the finishing (woven cloth) section of the industry and shall not exceed ten years in either case.

(5) As soon as may be after the expiration of the participation period or periods, as the case may be, the Board shall, by notice given in such manner as they think best adapted for informing the persons affected, specify separately in respect of each of the charges—

(*a*) the date on which the first payment of the charge is to be made;

(*b*) the rate or rates per pound sterling of turnover at which it is payable.

17.—(1) There shall be established by the Board an account to be called the "Woven Cloth Finishing Reorganisation (Compensation) Account" into which shall be paid—

(*a*) all moneys received by them by means of the charge imposed under Article 14 of this Scheme,

(*b*) all moneys received by them from realisation companies, pursuant to their obligation in that behalf referred to in paragraph (2) of Article 4,

(*c*) all moneys paid to them by the Board of Trade under subsection (3) of section 1 of the Act, and

(*d*) all moneys otherwise received by them in connection with this Scheme.

(2) Out of the said account there shall be paid by the Board—

(*a*) all amounts payable by them in respect of compensation under this Scheme, and

(*b*) all costs and expenses incurred by them in connection with the preparation and administration of this Scheme.

(3) The said account shall be kept in such form and manner as to show separately all receipts and payments relating to each subsection and, as respects any receipt or payment, so as to distinguish between items relating to compensation to be wholly defrayed out of sums raised under this Scheme and items relating to other compensation under the Scheme.

18. There shall be established by the Board an account to be called the "Woven Cloth Finishing Reorganisation (Special) Account" into which shall be paid all moneys received by the Board by means of the charge imposed under Article 15 of this Scheme, which moneys shall be paid to such persons as may be responsible for the distribution of the amounts referred to in that Article.

Disposal of Surplus Moneys

19. Any sums raised from persons in any subsection of the finishing (woven cloth) section of the industry by means of the charge imposed under Article 14 of this Scheme, which are not required for the purpose for which they were raised, shall be disposed of by the Board for such purpose or purposes (including the purpose of advancing research in the industry but excluding the purpose of paying compensation in relation to production units in any other subsection) as may be determined by the Board, in consultation with representatives of persons carrying on business in that subsection.

The foregoing Reorganisation Scheme has been prepared by the Cotton Board under powers conferred by the Cotton Industry Act, 1959, and is now submitted to the Board of Trade for confirmation in pursuance of subsection (2) of section 1 of that Act.

Dated this 27th day of June, 1960.

(Signed) ROCHDALE.
O. BERTOYA.
E. HALL.
J. C. ROBINSON.

(The Committee of the Cotton Board established to discharge the functions of the Board under the Cotton Industry Act, 1959.)

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport.)

By this Order the Board of Trade confirm a reorganisation Scheme prepared by the Cotton Board to secure the elimination of excess capacity in the finishing (woven cloth) section of the cotton industry. The scheme is set out in the Schedule to this Order.

The Order also provides for the recovery by the Cotton Board of certain charges imposed under the scheme, for returns and information to be furnished to, and books and other documents to be produced to, the Cotton Board by persons carrying on business in the finishing (woven cloth) section, and imposes penalties for failure so to do or for giving false information.