INDUSTRIAL ORGANISATION AND DEVELOPMENT

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1. DEVELOPMENT COUNCILS

The Cotton Industry Development Council Order, 1948

1948 No. 629

Made - - - - *25th March*, 1948
Coming into Operation *1st April*, 1948

The Board of Trade in pursuance of the powers conferred upon them by the Industrial Organisation and Development Act, 1947(a), hereby order as follows:—

Establishment of Development Council.

1.—(1) There is hereby established for the industry consisting of the activities specified in the First Schedule hereto (hereinafter referred to as " the industry ") a development council to be known as the Cotton Board 1948 (hereinafter referred to as " the Board ") to which are assigned—

(*a*) in relation to the industry as a whole, the functions specified in Part I of the Second Schedule hereto, and

(*b*) in relation to the cotton section of the industry as defined in paragraph two of the First Schedule, the functions specified in Part II of the Second Schedule hereto.

(2) The Board shall exercise their functions in such manner as appears to them to increase efficiency and productivity in the industry as much as possible, to improve and develop the service that it renders to the community and to enable it to render that service more economically and shall have regard to anything being done by any Government Department or other body with a view to avoiding a duplication of work.

(3) The Board may enter into such agreements, acquire such property and do such things, as may in the opinion of the Board be necessary or desirable for the exercise of any of their functions, and may dispose as they think fit of any property acquired by them.

Constitution of Cotton Board 1948.

2. The Board shall consist of the following members appointed by the Board of Trade that is to say:—

(1) four persons capable of representing the interests of persons carrying on business in the industry comprising—

(*a*) one person capable of representing the interests of persons carrying on the business of spinning and of persons carrying on the business of doubling,

(*b*) one person capable of representing the interests of persons carrying on the business of weaving,

(a) 10 & 11 Geo. 6. c. 40.

(*c*) one person capable of representing the interests of persons carrying on the business of finishing, and

(*d*) one person capable of representing the interests of persons carrying on the business of converting;

(2) four persons capable of representing the interests of persons employed in the industry, comprising:—

(*a*) two persons capable of representing the interests of persons employed in the industry in spinning and of persons employed in the industry in doubling;

(*b*) one person capable of representing the interests of persons employed in the industry in weaving, and

(*c*) one person capable of representing the interests of persons employed in the industry in finishing; and

(3) three persons as to whom the Board of Trade are satisfied that they have no such financial or industrial interest as is likely to affect them in the discharge of their functions as members of the Board (hereinafter referred to as "independent members").

Matters relating to membership and proceedings of the Board.

3. The provisions of the Third Schedule hereto shall have effect in relation to the membership and proceedings of the Board.

Registration of persons carrying on business in the industry.

4.—(1) Every person carrying on business in the industry on the first day of April, 1948, shall within one month thereof make an application in writing to the Board to be registered and every person who, after the first day of April, 1948, commences to carry on business in the industry shall so apply within one month of so commencing.

(2) The Board shall enter in a register to be kept by them the name of every person who has made an application to be registered as aforesaid, the business name (if any) under which he carries on business in the industry, the principal place of such business and the activities comprised in the industry carried on by him. No information relating to persons so carrying on business other than that mentioned in this paragraph shall be entered in the register.

(3) Any person required by paragraph (1) hereof to make an application to be registered shall, if so requested by the Board, within such time and in such form as they may specify, furnish such information as the Board may require to make or complete the entry in the register relating to him, as the case may be.

(4) Any person whose name is entered in the register shall notify the Board forthwith of any matter rendering the entry in the register relating to him inaccurate or incomplete.

(5) The Board shall, on receipt of any such notification as is referred to in paragraph (4) hereof, amend the register in accordance therewith.

(6) The Board may, if they have reasonable cause to believe that any person whose name is entered in the register no longer carries on business in the industry, by notice in writing inform that person of their intention to remove his name from the register unless within a period of one month from the date of the notice he gives notice in writing to the Board that he is a person so carrying on business, and if no such notice is received by the Board within the said period the Board may on the expiration of that period remove his name from the register.

(7) Any person who fails to comply with any of the requirements of paragraphs (1), (3) or (4) hereof shall, unless he proves that he had reasonable cause for the failure, be liable on summary conviction to a fine not exceeding fifty pounds.

(8) The register shall be kept at the office of the Board and any person shall, on payment of a fee of one shilling, be entitled to inspect the said register during normal business hours and to take, or be supplied with, a copy of any one entry therein.

Returns and information.

5. The Board may require any person carrying on business in the industry to furnish such returns and information relating to activities comprised in the industry carried on by him, including information with respect to the productive capacity, capital assets, staff, output, orders, sales, deliveries, stocks and costs, as appear to the Board to be required for the exercise of any of their functions: so, however, that the Board shall not exercise the powers conferred under this Article generally as regards the industry or any section thereof unless the Board of Trade have consented to such exercise and have approved the form in which the returns or other information will be required to be furnished.

Levies.

6.—(1) The Board may with the approval of the Board of Trade impose on all persons who are registered as carrying on business in the industry in pursuance of this Order an annual charge not exceeding one pound. As soon as may be after the determination of the amount of the charge in respect of any year the Board shall give notice thereof and of the date on which the debt accrues due in such manner as they think best adapted for informing the persons affected.

(2) In addition to any charge imposed under the foregoing paragraph the Board may with the approval of the Board of Trade impose on persons carrying on the business of spinning a charge in respect of the average number of spindles in use by them during such period as the Board may specify at a rate fixed in respect of each such spindle in accordance with paragraph (3) hereof:

Provided that any charge or charges imposed in respect of any such period or any number of such periods in any year shall be computed so as not to yield in the aggregate more than two hundred and fifty thousand pounds during that year.

(3) The Board shall fix the rate to be paid in respect of each such spindle so that the rate payable in respect of a ring spindle shall be one and a half times that payable in respect of a mule spindle and so that in the case of ring spindles or mule spindles used for waste spinning the rate payable in respect of a ring spindle or a mule spindle so used shall be one third of the rate payable in respect of a ring spindle or a mule spindle not so used, as the case may be.

(4) As soon as may be after the Board of Trade have approved the imposition of any charge under paragraph (2) hereof the Board shall by notice given in such manner as they think best adapted for informing the persons affected—

(*a*) specify the period in relation to which the charge is payable;

(*b*) prescribe for the purpose of paragraph (2) hereof the method by which the average number of spindles in use during that period by persons carrying on the business of spinning shall be calculated;

(*c*) specify the rate fixed in respect of each such spindle and the date on which the charge becomes payable.

(5) The Board may require any person carrying on the business of spinning to furnish such returns or other information, to produce for examination on behalf of the Board such books or other documents in his possession or under his control, and to keep and produce for examination as aforesaid such records, as appear to the Board necessary to show the amount from time to time payable by him under this Article.

(6) Any two or more persons jointly carrying on business in the industry shall, in so far as it is material for the purposes of this Article to ascertain the amount of any charge payable by them to the Board, be treated as constituting together a single person.

(7) In this Article the following expressions have the meanings hereby respectively assigned to them, that is to say:—

" mule spindles " means spindles designed to be used for spinning single yarn on the intermittent spinning machine commonly known in the industry as the mule;

" ring spindles " means spindles designed or adapted for use in spinning single yarn on a continuous spinning machine with the aid of the mechanism commonly known in the industry as a traveller and ring, or designed or adapted to be so used with the aid of the mechanism commonly known in the industry as a flyer, and includes the spindles commonly known in the industry as Chapon spindles;

" spindles " means mule spindles or ring spindles used on the production of single yarn containing fifty per cent. or more by weight of cotton fibre (including waste from whatever process arising);

" spinning " has the meaning assigned to it by sub-paragraph (2) of paragraph 1 of the First Schedule to this Order;

" waste spinning " means spinning without the use of the mechanical device commonly known in the industry as a draw-frame;

" year " means a period of twelve consecutive months beginning on the first day of April.

Borrowing Powers.

7.—(1) The Board may for the purpose of defraying any of their expenses borrow money temporarily from bankers or otherwise:

Provided that the aggregate of the amounts outstanding in respect of sums so borrowed shall not at any time, except after consultation with the prescribed organisations and with the approval of the Board of Trade, exceed twenty thousand pounds.

(2) In this Article the expression " prescribed organisations " means such organisations representative of persons carrying on business in the industry and such organisations representative of persons employed in the industry as the Board of Trade may prescribe.

Returns and information and production of books.

8.—(1) Any person carrying on business in the industry who is required by notice in writing by the Board to furnish returns or other information relating to activities comprised in the industry or to produce for examination books or other documents or records relating to such activities 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; so however that a person who uses in his business what

he claims to be a secret process that ought not to be disclosed on the ground of risk of prejudice to his business shall not be required by anything in this Article to disclose particulars relating to the process unless the requirement and the form thereof have been approved by the Board of Trade after consideration of his claim.

(2) Where a requirement is imposed by the 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 Board shall ensure that the returns or other information shall be furnished to, or the examination done by, independent members of the Board designated by the Board of Trade or to or by officers of the Board specially authorised in that behalf by the Board.

Penalties.

9.—(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, short title and commencement. 52 & 53 Vict. c. 63.

10.—(1) The Interpretation Act, 1889, shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

(2) This Order may be cited as the Cotton Industry Development Council Order, 1948, and shall come into operation on the first day of April, 1948.

Dated this 25th day of March, 1948.

Harold Wilson,
President of the Board of Trade.

FIRST SCHEDULE

Article 1.

Definition of the Industry and the Cotton Section thereof

1.—(1) The industry shall consist of the activities, so far as carried on in Great Britain, of spinning, doubling, weaving, finishing, making-up and packing and converting as hereinafter defined.

(2) " Spinning " means the production from fibre of single yarn containing not less than 95 per cent. by weight of cotton fibre (including waste from whatever process arising), staple rayon fibre or a mixture of those

fibres; and the subjection of yarn so produced to any of the processes commonly known as gassing, reeling, warping, beaming and winding, except in so far as the treatment of yarn by that process is performed on machinery which forms a subsidiary part of and is situated in the same mill as—

8 & 9 Geo. 6. c. 17.

(*a*) plant operated by workers subject to Wages Regulation Orders made under the Wages Council Act, 1945, pursuant to proposals by the Jute Wages Council, or

(*b*) plant used for the production of lace, lace net, lace curtains, embroidery, hosiery or narrow fabrics,

and such treatment is ancillary to the main operations conducted on such plant:

Provided that spinning shall not include the production of such yarn or the subjection of such yarn to any such process by a person carrying on the business of manufacturing wool textiles for use by him in the course of that business.

(3) "Doubling" means the subjection of yarn produced by spinning to the process of twisting together two or more threads or of inserting additional twist; and the further subjection of yarn produced by spinning and so processed to one or both of those processes; and the subjection of yarn produced by any of the foregoing processes to any of the processes commonly known as gassing, reeling, warping, beaming or winding, except in so far as the treatment of yarn by any of the last named processes is performed on machinery which forms a subsidiary part of, and is situated in the same mill as—

(*a*) plant operated by workers subject to Wages Regulation Orders made under the Wages Council Act, 1945, pursuant to proposals by the Rope, Twine and Net Wages Council, the Flax and Hemp Wages Council or the Jute Wages Council, or

(*b*) plant used for the production of lace, lace net, lace curtains, embroidery, hosiery or narrow fabrics,

and such treatment is ancillary to the main operations conducted on such plant:

Provided that doubling shall not include the subjection of yarn to any of the said processes—

(i) by a person carrying on the business of manufacturing wool textiles for use by him in the course of that business; or

(ii) for the purpose only of producing wicks for candles.

(4) "Weaving" means—

(*a*) the production on looms connected with mechanical power of fabrics containing not less than 85 per cent. by weight of yarn produced by spinning or doubling or continuous filament rayon thread of a mixture of such yarn and such thread; and

(*b*) the preparation of warp and weft for looms—

(i) from yarn produced by spinning or doubling; and

(ii) from continuous filament rayon thread by any person carrying on the business of weaving as defined in sub-paragraph (*a*) hereof for use by him in the course of that business:

Provided that weaving shall not include the production of lace, lace net, lace curtains, fishing net, embroidery or narrow fabrics or the preparation of warp and weft by a person carrying on the business of manufacturing narrow fabrics for use by him in the course of that business.

(5) "Finishing" means—

(*a*) the subjection of the following articles namely raw cotton, cotton waste, rovings, yarn produced by spinning or doubling or fabrics 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, sizing and proofing, or to any other similar process which effects a change in the appearance or characteristics of those articles; and

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

Provided that finishing shall not include—

(i) the subjection of cotton waste or yarn produced by spinning or doubling to any such process by a person carrying on the business of manufacturing wool textiles for use by him in the course of that business; or

(ii) the subjection to any such process of any raw cotton or cotton waste which is not subsequently subjected to spinning; or

(iii) the subjection of raw cotton or cotton waste to any such process by a person carrying on the business of manufacturing staple rayon fibre or continuous filament rayon thread for use by him in the course of that business; or

(iv) the subjection of yarn produced by spinning or doubling to any such process in the course of a business of manufacturing sewing thread; or

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

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

(6) " Making-up and packing " means doing on behalf of other persons being persons who carry on business in the industry by way of spinning, doubling, weaving, finishing or converting, or the doing by such persons of the following things—

(*a*) making-up, that is to say, the cutting, rolling or manipulation into different lengths, folds or shapes, of articles produced by spinning, doubling, weaving or finishing, or the ticketing, tying, parcelling, stamping or marking of such articles for dispatch to a wholesale or retail distributor or to a person carrying on business by way of spinning, doubling, weaving, finishing or converting, or for exportation, and

(*b*) packing, that is to say, the packing of any such articles as aforesaid, or any articles produced by making-up, into packages suitable for such dispatch as aforesaid or suitable for exportation;

Provided that making-up and packing shall not include the doing of any of the said things by a person carrying on the business of manufacturing surgical dressings in the course of that business.

(7) " Converting " means—

(*a*) procuring by the owner thereof the spinning, doubling, weaving or finishing of materials on commission; and

(*b*) procuring, in the course of a business of converting as defined in subparagraph (*a*) hereof, the making-up and packing of materials on commission.

2. The cotton section of the industry shall consist of the activities comprised in the industry other than—

(*a*) spinning, finishing or converting staple rayon fibre or a mixture of textile fibres containing not less than 60 per cent. by weight of staple rayon fibre,

(*b*) doubling, finishing, converting or making-up and packing rayon yarn or a mixture of yarns containing not less than 60 per cent. by weight of rayon yarn, and

(*c*) weaving, finishing, converting or making-up and packing fabrics containing not less than 60 per cent. by weight of rayon yarn.

3. In this Schedule—

(*a*) " narrow fabrics " means fabrics not exceeding eighteen inches in width with two self edges;

(*b*) " rayon yarn " means continuous filament rayon thread or yarn spun from staple rayon fibre;

(*c*) " staple rayon fibre " means staple rayon fibre not exceeding three inches in length and includes waste rayon fibre;

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

(*e*) any reference to rayon fibre, thread or yarn shall include a reference to any other manufactured textile fibre, that is to say fibre which is not the natural growth of a plant or the hair or fleece of an animal or to thread or yarn manufactured otherwise than from such natural fibre, as the case may be, but does not include a reference to asbestos or silk fibre, thread or yarn.

Article 1.

SECOND SCHEDULE

PART I

Functions of the Cotton Board 1948 *in relation to the Industry as a whole*

1. Promoting or undertaking inquiry as to equipment, methods of production, management and labour utilisation including the discovery and development of new equipment and methods and of improvements in those already in use, the assessment of the advantages of different alternatives and the conduct of experimental establishments and of tests on a commercial scale.

2. Promoting or undertaking research into matters affecting industrial psychology.

3. Promoting the training of persons engaged or proposing engagement in the industry and their education in technical or artistic subjects relevant thereto.

4. Promoting the adoption of measures for securing safer and better working conditions, and the provision and improvement of amenities for persons employed, and promoting or undertaking inquiry as to such measures.

5. Promoting or undertaking research into the incidence, prevention and cure of industrial diseases.

6. Promoting or undertaking arrangements for encouraging the entry of persons into the industry.

7. Promoting the improvement of accounting and costing practice and uniformity therein, including the formulation of standard costings.

8. Promoting or undertaking the collection and formulation of statistics.

9. Advising on any matters relating to the industry (other than remuneration or conditions of employment) as to which the Board of Trade may request the Board to advise and undertaking inquiry for the purpose of enabling the Board so to advise.

10. Undertaking arrangements for making available information obtained, and for advising, on matters with which the Board are concerned in the exercise of any of their functions.

PART II

Functions of the Cotton Board 1948 in relation to the Cotton Section of the Industry

1. Promoting or undertaking scientific research.

2. Promoting or undertaking inquiry as to materials including the discovery and development of new materials, and of improvements in those already in use, the assessment of the advantages of different alternatives and the conduct of experimental establishments and of tests on a commercial scale.

3. Promoting or undertaking measures for the improvement of design, including promoting or undertaking the establishment and operation of a design centre.

4. Promoting the production and marketing of standard products.

5. Promoting the better definition of trade descriptions and consistency in the use thereof.

6. Undertaking the certification of products, the registration of certification trade marks and the functions of the proprietors of such marks.

7. Promoting or undertaking research for improving arrangements for marketing and distributing products.

8. Promoting or undertaking research into matters relating to the consumption or use of goods supplied by the cotton section of the industry.

9. Promoting arrangements for co-operative organisations for supplying materials and equipment, for co-ordinating production, and for marketing and distributing products.

10. Promoting the development of export trade, including promoting or undertaking arrangements for publicity overseas.

11. Promoting or undertaking arrangements for better acquainting the public in the United Kingdom with the goods supplied by the cotton section of the industry and methods of using them.

THIRD SCHEDULE

Article 3.

Membership

1. The appointment of a member of the Board shall be for such term as may be determined by the Board of Trade, and, subject to the provisions of this Schedule, a member shall hold and vacate office in accordance with the terms of the instrument appointing him to be a member, as varied with his consent at any time thereafter.

2. A person shall be disqualified for being appointed or being a member of the Board so long as he is a member of the Commons House of Parliament.

3. If a member appointed as an independent member—

(*a*) commences or resumes carrying on business in the industry, or acts in the management of any undertaking the owner of which as such carries on business in the industry, or

(*b*) refuses to sell or dispose of any interest or security held directly or indirectly for his benefit and the retention of which he has been informed by the Board of Trade to be in their opinion likely to affect him in the discharge of his functions, or fails to sell or dispose of any such interest or security within one month after having been requested by the Board of Trade so to do,

the Board of Trade may declare the office of such member to be vacant.

4. There shall be paid by the Board to the independent members of the Board, or to any of them, such remuneration (whether by way of salaries or by way of fees) and to all the members of the Board such allowances for expenses as may be determined by the Board of Trade.

Proceedings

5. The Board may act notwithstanding a vacancy among the members thereof and at any meeting of the Board three or such greater number as the Board shall determine shall be the quorum.

6. If at any meeting of the Board the votes are equally divided on any question, the person acting as chairman of the meeting shall have a second or casting vote.

7. Minutes shall be kept of the proceedings of the Board and any such minutes shall, if signed by any person purporting to have acted as chairman of the meeting or at a meeting at which they were read be evidence of the proceedings at the first mentioned meeting, and a meeting to which any such minutes relate shall, unless the contrary is proved, be taken to have been regularly convened and constituted.

8. The Board shall have an office at which communications and notices will at all times be received and shall notify to the Board of Trade the address of that office and any change of that address.

Execution and Issue of Instruments

9. The seal of the Board shall be authenticated by the signature of the chairman of the Board or some other member of the Board authorised by the Board to act in that behalf and of the secretary or some other person authorised by the Board so to act.

10. Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Board by any person generally or specially authorised by them for the purpose.

11. Every document purporting to be a document duly executed or issued either under the seal of the Board authenticated in the manner provided by this Schedule or on behalf of the Board, or purporting to be signed by the secretary or any person authorised to act in that behalf, shall until the contrary be proved, be deemed to be a document so executed or issued or so signed as the case may be.

EXPLANATORY NOTE

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

This Order, which is made under the Industrial Organisation and Development Act, 1947, establishes a development council to be known as the Cotton Board 1948, which will replace the present Cotton Board set up under the Cotton Industry Act, 1940.

The Order specifies the constitution of the Board, sets out the functions which are assigned to it and contains a definition of the industry to which the Order relates. Provision is made for the maintenance of a register of persons carrying on business in the industry, for the collection of information, and for the imposition of a levy for enabling the Board to meet their expenses in the exercise of their functions.