CHAPTER 31.

An Act to provide for the payment of grants out of moneys provided by Parliament in respect of the re-equipment or modernisation of cotton spinning concerns and for purposes connected therewith.

[13th May 1948.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

Payment of grants to cotton spinning concerns and groups of concerns.

1.—(1) Subject to the following provisions of this section, the Board of Trade may make to any person carrying on a cotton spinning concern which is approved by the Board, or is included in any group so approved of cotton spinning concerns, grants out of moneys provided by Parliament in respect of expenditure incurred in re-equipping or modernising, in accordance with plans approved by the Board, cotton spinning mills comprised in that concern, such grants not to exceed one quarter of the expenditure in respect of which they are payable.

(2) The Board of Trade shall not approve any cotton spinning concern or group of such concerns for the purposes of this section unless the application for approval is made by the concern or group before the sixth day of April, nineteen hundred and fifty, and the Board are satisfied—

(*a*) that the cotton spinning mills comprised in the concern or group are not less than three in number and have a total spindle capacity of not less than four hundred thousand spindles or such smaller number of spindles as the Board may in any case allow ; and

(*b*) in the case of a group of concerns, that the group is so organised as effectively to secure the operation in the interests of the group as a whole of the cotton spinning mills comprised therein, with a view in particular to making the best use of the more efficient mills.

(3) The Board of Trade may, if they think fit, approve plans for the re-equipment or modernisation of one or some, but not all, of the cotton spinning mills comprised in a concern or group approved for the purposes of this section.

(4) Grants shall not be made under this section except in respect of expenditure incurred in the purchase and installation, or the modernisation, of machinery or equipment used for cotton spinning or for any purpose preparatory or ancillary to cotton spinning, or any such other class of machinery or equipment used in cotton spinning mills as may be approved by the Board of Trade :

Provided that, where expenditure is incurred in respect of any machinery or equipment used in a cotton spinning mill both for the purposes of cotton spinning and for other purposes, the expenditure shall be apportioned as between the different purposes in such proportions as may be determined by the Board after consultation with the persons to whom the grant is payable, and the grant shall be payable in respect of such part only of the expenditure as is apportioned to the purposes of cotton spinning.

(5) Grants shall not be made under this section in respect of any machinery or equipment unless the following conditions are complied with :—

(*a*) the purchase and installation of the machinery or equipment or, as the case may be, the modernisation thereof must have been completed before the grant is made ;

(*b*) any contracts relating to the purchase, installation or modernisation must have been entered into on or before the thirtieth day of April, nineteen hundred and forty-nine, or such later date as the Board of Trade with the approval of the Treasury may in special circumstances allow ; and

(*c*) the date of the completion of the purchase and installation or, as the case may be, the modernisation must have fallen within the period beginning with the sixteenth day of August, nineteen hundred and forty-five, and ending with the thirtieth day of April, nineteen hundred and fifty-two, or such later date as the Board of Trade with the approval of the Treasury may in special circumstances allow.

(6) Where two or more cotton spinning concerns have been unified or grouped and the resulting concern or group has been

approved by the Board of Trade for the purposes of this section, a grant may be made under this section in respect of expenditure incurred, before the unification or grouping was effected, by the person carrying on any of the concerns unified or grouped, if the expenditure is in accordance with a plan approved by the Board of Trade for the unified concern or group of concerns and otherwise satisfies the requirements of this section.

(7) Any plans submitted for approval under this section for the re-equipment or modernisation of any cotton spinning mill shall be accompanied by particulars indicating the arrangements being made or proposed to be made for promoting the safety, health and welfare of the persons employed in the mill.

(8) The Board of Trade may authorise the Cotton Board to perform such functions in connection with the approval of cotton spinning concerns or groups of such concerns for the purposes of this section, or the approval for those purposes of plans for re-equipping or modernising cotton spinning mills, or otherwise in connection with the consideration of applications for grants under this section, as the Board of Trade think fit.

Prohibition of sales of subsidised machinery.

2.—(1) No person shall, without the consent of the Board of Trade, sell any machinery or equipment in respect of which a grant has been paid under the preceding section or any part of any such machinery or equipment, unless the sale takes place more than ten years after the payment of the grant.

(2) The Board of Trade, in giving consent under this section, may impose such conditions as they think fit, which may include conditions as to the price to be charged or conditions requiring the repayment of the whole or any part of the grant made in respect of, or attributable to, the machinery or equipment to be sold.

(3) Any person who sells any machinery or equipment in contravention of subsection (1) of this section or fails to comply with any condition imposed under subsection (2) of this section shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, or to both such imprisonment and such fine, or, on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds, or to both such imprisonment and such fine.

(4) For the purposes of this section, any transaction whereby a right to use, or facilities for using, any machinery or equipment is or are granted for valuable consideration shall be deemed to be a sale of the machinery or equipment, and any reference to the price of the machinery or equipment shall be construed as referring to that consideration.

Powers of entry and inspection.

3.—(1) Any person authorised by the Board of Trade shall, for the purpose of ascertaining or verifying any matter arising in connection with an application for a grant under section one of this Act, have a right, on producing, if so required, some duly authenticated document showing his authority, to enter and inspect at all reasonable hours any premises comprised in a cotton spinning concern approved for the purposes of the said section one, or included in a group so approved, and to require any person in the premises who is for the time being in charge thereof or in control of the work carried on therein to produce to the person carrying out the inspection and to allow him to examine such books of account, records and other documents and to furnish such other information as he may reasonably require for the said purpose, and the person carrying out the inspection shall have a right to take copies of or extracts from any such documents.

(2) Any person who wilfully obstructs any person exercising a right conferred by the preceding subsection or who refuses to produce any books, records or other documents or to furnish any other information which he is required to produce or furnish under the preceding subsection, shall be liable on summary conviction to a fine not exceeding five pounds in the case of a first offence or twenty pounds in the case of a second or any subsequent offence.

Disclosure of information.

4.—(1) No information relating to a particular concern or particular concerns which is obtained under or by virtue of the provisions of this Act, shall, without the previous consent in writing of the persons carrying on the concern or concerns be disclosed except in connection with the execution of this Act or for the purposes of any proceedings pursuant thereto or any report of such proceedings.

(2) Any person contravening the provisions of this section shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding fifty pounds or to both such imprisonment and such fine, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding one hundred pounds, or to both such imprisonment and such fine.

False information.

5. If any person, in pursuance of any requirement under this Act to furnish information or in connection with any application for a grant under this Act, makes any statement which he knows to be false in a material particular, 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 one hundred

pounds, or to both such imprisonment and such fine, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds or to both such imprisonment and such fine.

Offences by Corporations.

6. Where an offence under this Act has been committed by a body corporate, every person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance or that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

Expenses and powers of Board of Trade.

7.—(1) Any administrative expenses incurred by the Board of Trade for the purposes of this Act shall be defrayed out of moneys provided by Parliament.

(2) Anything required or authorised by or under this Act to be done by the Board of Trade may be done by the President of the Board, any secretary, under-secretary or assistant secretary of the Board or any person authorised in that behalf by the President.

Interpretation.

8.—(1) In this Act, the following expressions have the meanings respectively assigned to them, that is to say :—

"cotton fibre" includes waste cotton fibre from whatever process arising;

"cotton spinning" means the production from fibre of single yarn containing not less than ninety-five per cent. by weight of cotton fibre, staple rayon fibre or a mixture of those fibres, except in so far as such yarn is produced by a person carrying on the business of manufacturing wool textiles for use by him in the course of that business, and includes the subjection of yarn so produced to any of the processes commonly known as gassing, reeling, warping, beaming and winding, and "cotton spinning mill" shall be construed accordingly;

"cotton spinning concern" means a concern the activities of which consist of or include cotton spinning;

"staple rayon fibre" means staple rayon fibre not exceeding three inches in length and includes waste rayon fibre from whatever process arising;

"the Cotton Board" means the development council established under the Industrial Organisation and Development Act, 1947, and known as the Cotton Board 1948.

10 & 11 Geo. 6. c. 40.

(2) For the purposes of this Act, the spindle capacity of any cotton spinning mill shall be taken to be the total spindle capacity of the machinery used in the mill for the purposes of cotton spinning, and the capacity of any such machinery shall be taken to be a number of spindles equal to the total number of mule spindles, or one and a half times the total number of ring spindles (used in spinning), as the case may be, which that machinery is capable of accommodating.

Short title and extent.

9.—(1) This Act may be cited as the Cotton Spinning (Re-equipment Subsidy) Act, 1948.

(2) This Act shall not extend to Northern Ireland.

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