CHAPTER 40

An Act to provide for the establishment of development councils to exercise functions for improving or developing the service rendered to the community by industries and for other purposes in relation thereto, for making funds available for certain purposes in relation to industries for which there is no development council, for the disposal of any surplus of funds levied under emergency provision for encouragement of exports, for the making of grants to bodies established for the improvement of design, and for purposes connected therewith and consequential thereon. [31st July 1947.]

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 :—

Development Councils.

Power to establish development councils, and purposes thereof.

1.—(1) There may be established for any industry, by an order in that behalf made by an authority specified in subsection (2) of this section, a body, in this Act referred to as a development council, to whom there may be assigned by the order any functions of a kind specified in the First Schedule to this Act for whose exercise by the council it appears to that authority to be expedient to provide in order to increase efficiency or productivity in the industry, to improve or develop the service that it renders or could render to the community, or to enable it to render such service more economically.

(2) Orders under this Act establishing development councils (in this Act referred to as a " development council order ") may be made by the Board of Trade, the Minister of Agriculture and Fisheries, the Minister of Supply, the Minister of Food, the Minister of Works, the Admiralty, the Secretary of State, or the Minister of Fuel and Power (hereafter in this Act referred to, in relation to any such order made or proposed to be made by them or him, as " the Board or Minister concerned ") :

Provided that the power to make a development council order relating to agriculture within the meaning of the Ministry of Agriculture and Fisheries Act, 1919, or to fisheries, and extending (but not applying solely) to Scotland shall be vested in the Minister of Agriculture and Fisheries and the Secretary of State jointly, and references in this Act to the Board or Minister concerned shall be construed accordingly in relation to such an order.

9 & 10 Geo. 5. c. 91.

(3) Before making a development council order the Board or Minister concerned shall consult any organisation appearing to them or him to be representative of substantial numbers of persons carrying on business in the industry and such organisations representative of persons employed in the industry as appear to the Board or Minister concerned to be appropriate.

(4) A development council order shall not be made unless the Board or Minister concerned is satisfied that the establishment of a development council for the industry is desired by a substantial number of the persons engaged in the industry.

(5) A development council order may provide for any incidental or supplementary matters for which it appears to the Board or Minister concerned to be necessary or expedient to provide.

(6) A development council order shall not be made until a draft of the order has been approved by a resolution of each House of Parliament.

Constitution, etc., of development councils.

2.—(1) A development council shall be by virtue of this Act a body corporate, by such name as may be specified in the development council order.

(2) The members of a development council shall be appointed by the Board or Minister concerned.

(3) A development council shall consist of members of the following categories, that is to say, in the case of every development council,—

(*a*) persons capable of representing the interests of persons carrying on business in the industry,

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

(*c*) other persons, being persons as to whom the Board or Minister concerned is 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 council (in this Act referred to as "the independent members"),

and, in a case in which it appears to the Board or Minister concerned to be expedient that the members of the council should include persons having special knowledge of matters relating to the marketing or distribution of products of the industry, persons of that category.

(4) A development council order shall specify the number, or a maximum or minimum number, of persons of each of the said categories to be included and shall contain provision for securing that the persons who are included as being of the categories specified in paragraphs (*a*) and (*b*) of the last preceding subsection shall together be of a number constituting a majority of the members of the council.

(5) A development council order may specify requirements as to the appointment of, and the tenure and vacation of office by, the members of the council, and as to qualification or disqualification for membership.

(6) Before appointing persons to be members of a development council of the categories specified in paragraphs (*a*) and (*b*) respectively of subsection (3) of this section, the Board or Minister concerned shall consult such representative organisations as are mentioned, in relation to persons carrying on business in the industry and to persons employed therein respectively, in subsection (3) of section one of this Act.

(7) A development council shall have a chairman who shall be one of the independent members and shall be appointed by the Board or Minister concerned, who may also appoint one of the members of the council to act as deputy chairman.

(8) A development council order may provide for the payment to all or any of the members of the council of such remuneration and allowances as may be determined by the Board or Minister concerned, and for the payment, on the retirement or death of any of the members of the council as to whom it may be so determined to make such provision, of such pensions and gratuities to them or to others by reference to their service as may be so determined.

(9) The provisions of the Second Schedule to this Act shall apply as regards the subsidiary matters therein mentioned relating to development councils.

Provisions for furnishing development councils with information as to their industries.

3.—(1) A development council order may provide for securing that persons carrying on business in the industry shall be registered in a register of such persons to be kept by the development council, which shall be open to the inspection of the public at all convenient hours on payment to the council of such reasonable

fee, if any, and subject to such conditions, if any, as may be specified in the order, and in which any person for the time being claiming to be a person carrying on business in the industry shall be entitled as of right to be and remain registered, subject to any provisions of the order as to notification to the council of such claims.

(2) A development council order may provide for enabling the council to require persons carrying on business in the industry to furnish such returns and other information, including information with respect to the productive capacity, capital assets, staff, output, orders, sales, deliveries, stocks and costs of any such business, as appear to the council to be required for the exercise of any of their functions:

Provided that powers conferred on the council under this subsection shall be qualified, in relation to exercise thereof generally as regards the industry or any section thereof, by provision requiring the previous consent of the Board or Minister concerned to their being so exercised and approval by the Board or Minister concerned of the form in which the returns or other information will be required to be furnished.

Levies by development councils.

4.—(1) A development council order may provide for the imposition by the development council with the approval of the Board or Minister concerned, and for the recovery by the council, in such manner and through such channels, if any, as may be specified in the order, of charges for enabling the council to meet their expenses in the exercise of their functions and their administrative expenses, to be made on persons carrying on business in the industry, or on persons carrying on any business consisting wholly or partly in the production of, or dealing in, any of the materials of the industry.

(2) An order providing for such charges shall contain provision for limiting the amount of the charges that may be imposed, either by providing for their being computed so as not to yield more than a specified maximum amount during a specified period or by providing for their not being levied at more than specified maximum rates.

(3) Before making such an order the Board or Minister concerned shall satisfy themselves or himself that the incidence of the charges as between different classes of undertakings in the industry will be in accordance with a fair principle.

(4) A development council order may provide, so far as may appear to the Board or Minister concerned to be reasonably requisite for the purposes of the imposition or recovery of such

charges, for enabling the council to require persons carrying on such business as is mentioned in subsection (1) of this section—

(*a*) to furnish returns and other information, and to produce for examination on behalf of the council books and other documents in the custody or under the control of such persons; and

(*b*) to keep records and to produce them for examination as aforesaid.

Restriction on disclosure of information.

5.—(1) A development council order shall make provision for ensuring that, where under powers conferred by virtue of either of the two last preceding sections a requirement is imposed to furnish returns or other information relating to an individual business or to produce for examination books or other documents or records, the returns or other information shall be furnished to, or the examination done by, independent members of the council (or, if the order so provides, independent members of the council designated thereby, or by the Board or Minister concerned, to the exclusion of the others) or to or by officers of the council specially authorised in that behalf.

(2) Returns or other information furnished subject to provision made under the preceding subsection and information obtained on an examination so done shall not, without the consent of the person carrying on the business to which the returns or information or the books or other documents or records relate, be disclosed otherwise than—

(*a*) in the form of a summary of similar returns or information furnished by or obtained from a number of persons, being a summary so framed as not to enable particulars relating to any individual business to be ascertained therefrom;

(*b*) to independent members of the council (or, if independent members are designated under the preceding subsection, to those members) or to officers of the council authorised as aforesaid;

(*c*) to, or to an officer of, the Board or Minister concerned; or

(*d*) to, or to an officer of, the Board of Trade in connection with the execution or for the purposes of any enactment passed in the same session as this Act for enabling government departments to obtain more readily information necessary for the appreciation of economic trends and for the discharge of their functions:

Provided that the preceding provisions of this subsection shall not apply to any disclosure of information made for the purposes of any legal proceedings (whether civil or criminal, and including arbitrations) pursuant to this Act, or for the purposes of any report of any such proceedings as aforesaid.

(3) If any person discloses any information in contravention of the last preceding subsection, 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 a fine.

(4) A development council order shall make provision for ensuring that, where under powers conferred by virtue of either of the two last preceding sections a requirement is imposed to furnish returns or other information relating to an individual business or to produce for examination books or other documents or records, and the person on whom the requirement is made 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, he shall not be subject to any liability for withholding disclosure of any particulars relating to the process unless the form of the requirement and the making of it in that form have been approved by the Board or Minister concerned after consideration of his claim.

Enforcement of provisions for registration and furnishing of information etc.

6. A development council order may provide for the enforcement of provisions thereof as to the registration of persons carrying on business in the industry, the furnishing of returns or other information, the production or examination of books or other documents or records, or the keeping of records (and for that purpose, without prejudice to the generality of the power conferred by this section, for the imposition of limits of time within which obligations must be satisfied, with or without power to the development council or other specified authority to extend limits imposed):

Provided that no punishment provided for shall exceed that imposed by subsection (3) of the last preceding section, or, in the case of a fine for a continuing offence, five pounds in respect of each day.

Reports, and accounts, of development councils.

7.—(1) A development council shall prepare and transmit to the Board or Minister concerned annually a report setting out what has been done in the discharge of their functions during their financial year last completed.

(2) The report shall include a statement of the accounts of the council for that year, and shall be transmitted as soon as the accounts therefor have been audited, together with a copy of any report made by the auditors on the accounts.

(3) The statement of accounts shall be in such form as the Board or Minister concerned may direct, being a form which shall conform with the best commercial standards, and the statement shall show the total of remuneration and allowances paid during the year to members of the council.

(4) A copy of each such report of a council, or made by the auditors on their accounts, shall be laid before Parliament by the Board or Minister concerned.

Amendment or termination of provision for a development council.

8.—(1) An order may be made by the Board or Minister concerned, after consultation with the development council and subject to the like provisions as to consultation and approval by each House of Parliament as apply, by virtue of subsections (3) and (6) of section one of this Act, to the making of a development council order,—

(*a*) for the amendment of such an order, whether as originally made or as amended by a previous order under this paragraph; or

(*b*) for the dissolution of a development council.

(2) At the request of the development council provision may be made by an amending order under this section for assigning to the council functions for whose exercise by the council it appears to the Board or Minister concerned to be expedient to provide for any of the purposes mentioned in subsection (1) of section one of this Act, being functions of a kind similar to those specified in the First Schedule to this Act or such as appear to the Board or Minister concerned to be capable of being conveniently exercised in association with functions of a kind specified in that Schedule which have been assigned to the council or are to be assigned to them by the amending order:

Provided that the functions which may be assigned to a development council under this subsection shall not include any functions relating to remuneration or conditions of employment.

(3) At a date not later than the expiration of three years from the coming into effect of a development council order, and at five-yearly intervals during the period whilst the development council continues in being after that date, the Board or Minister concerned shall consult the council and such organisations as are mentioned in subsection (3) of section one of this Act on the question whether the council should continue in being, and if it is to continue in being, on the question whether the development council order should be amended in any respect.

(4) An order for the dissolution of a development council shall make provision—

(*a*) for the winding up of the council, for the imposition and recovery of charges as under section four of this Act for the purpose of raising any amount by which the assets of the council may be insufficient to meet their liabilities and the expenses of the winding up, and for the application of any amount by which those assets may exceed those liabilities and expenses for specified purposes connected with the industry; and

(*b*) for the revocation of the development council order either with or without savings.

Miscellaneous.

Levies for certain purposes for industries for which there is no development council.

9.—(1) If it appears to any of the authorities named in subsection (2) of section one of this Act that it is expedient that funds should be made available for any of the following purposes in connection with an industry for which there is not a development council, that is to say—

(*a*) scientific research,

(*b*) promotion of export trade, or

(*c*) the improvement of design,

and that there is, or is to be brought into being, a body capable of carrying out that purpose satisfactorily, the authority may, subject to the provisions of this section, make an order imposing on persons carrying on business in the industry, or on persons carrying on any business consisting wholly or partly in the production of, or dealing in, any of the materials of the industry, such charges as may be specified in the order, and providing for the recovery thereof by or on behalf of that authority in such manner and through such channels, if any, as may be specified in the order.

(2) Before making an order imposing charges under this section the authority making the order shall satisfy themselves or himself that the incidence of the charges as between different classes of undertakings in the industry will be in accordance with a fair principle.

(3) Sums recovered in respect of charges imposed by an order under this section shall be paid into such public fund or account as may be specified in the order, and shall be issued thereout to the body mentioned in subsection (1) of this section to meet expenses incurred by them for any of the purposes therein mentioned.

(4) The authority making an order under this section shall, as respects each financial year, prepare, in such form and manner as the Treasury may direct, an account of sums recovered under the order and of the disposal thereof by the authority, and any account prepared under this subsection shall, on or before the thirtieth day of November next following the expiration of the financial year in question, be transmitted to the Comptroller and Auditor General, who shall examine and certify the account and lay copies thereof, together with his report thereon, before Parliament.

(5) A body to whom sums are issued under this section shall prepare and transmit to the authority making the order annually a statement of their accounts for their financial year last completed, in such form as the authority may direct, as soon as their accounts for that year have been audited, together with a copy of any report made by the auditors on the accounts,

and a copy of each such statement, and of any such report, shall be laid before Parliament by the authority.

(6) An order under this section may make provision for such matters as are dealt with by subsection (4) of section four of this Act, and by section six of this Act so far as it relates to the matters dealt with by the said subsection (4).

(7) An order under this section may be amended or revoked by an order made by the authority making the original order.

(8) Before making an order under this section the authority shall consult any organisations, consultation with which would be required by virtue of subsection (3) of section one of this Act, before the making of a development council order in relation to the industry.

(9) An order under this section shall not be made until a draft thereof has been approved by a resolution of each House of Parliament.

(10) Where sums have been recovered under an order under this section, and it is ascertained after any revocation of the order that there is an excess of the sums recovered over the amount which has been issued as mentioned in subsection (3) of this section, sums not exceeding in the aggregate the amount of the excess may be paid, out of the public fund or account into which the sums recovered were paid,—

(*a*) if there is then a development council for an industry consisting of, or comprising the whole or a substantial part of, the industry in relation to which the order was made, to the council; or

(*b*) if there is not, but the authority making the order is satisfied that there is, or is to be brought into being, a body capable of carrying out satisfactorily purposes for which it appears to the authority to be expedient to make funds available in connection with the industry in relation to which the order was made, to that body subject to such provision for securing the disposal of the sums for those purposes as it appears to the authority to be practicable and expedient to make.

Disposal of sums levied for industries under certain emergency provision.

10. Where sums have been recovered under an order imposing charges made under the Defence (Encouragement of Exports) Regulations, 1940, or have been received by the Board of Trade under arrangements made pursuant to those Regulations, and it is ascertained after revocation or expiry of the order that there is an excess of such sums over the cost of the relevant services, sums not exceeding in the aggregate the amount of the excess may be paid, out of moneys provided by Parliament, as mentioned in paragraph (*a*) or (*b*) of subsection (10) of the last preceding section.

Grants to the Council of Industrial Design and to design centres.

11. The Board of Trade may, with the approval of the Treasury, make grants out of moneys provided by Parliament—

(*a*) to the Council of Industrial Design ;

(*b*) to any association or body, corporate or unincorporate, the objects of which include promoting the improvement of design in any industry or activities appearing to the Board to be conducive thereto, and as to which the Board is satisfied that it does not carry on any business for the purpose of making a profit.

General.

Administrative expenses.

12. Any administrative expenses incurred in the execution of this Act by any of the authorities named in subsection (2) of section one of this Act shall be defrayed out of moneys provided by Parliament.

Exercise of powers of Board of Trade.

13. Anything required or authorised by or under this Act to be done by, to or before the Board of Trade may be done by, to, or before 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.

Ascertainment of activities to be treated as comprised in an industry.

14.—(1) A development council order shall designate, in such manner as appears to the Board or Minister concerned to be requisite for preventing uncertainty, the activities that are to be treated as constituting the industry for which the development council is established (whether being such as are regarded for any other purpose as those of a single industry or such as are regarded for any other purpose as those of a group of industries or of a section or sections of an industry or industries).

(2) An order amending a development council order may provide that further activities, designated as aforesaid, are to be treated as included in the industry for which the council is established, or that activities, designated as aforesaid, which are for the time being so treated are no longer to be so treated.

(3) The preceding subsections shall apply also to an order under section nine of this Act and an order amending such an order, with the substitution of references to the industry in connection with which funds are to be made available under that section for references to the industry for which a development council is established and other requisite modifications.

(4) In accordance with the preceding provisions of this section, the expression " the industry," where used in this Act in relation to a development council or to an order under section nine of this Act, shall be construed as references to the industry that is for the time being, in accordance with those provisions, that for which the council is established or in connection with which funds are to be made available, as the case may be.

Application to Northern Ireland.

15.—(1) This Act, or any enactment therein, may be extended to Northern Ireland by an order of His Majesty in Council made after the passing by each House of the Parliament of Northern Ireland of a resolution praying that this Act, or that enactment, as the case may be, may be so extended, but otherwise it shall not extend to Northern Ireland.

(2) Development council orders applying solely to Northern Ireland, or an order under section nine of this Act so applying, may be made by the Ministry of Commerce, the Ministry of Finance, or the Ministry of Agriculture, for Northern Ireland, and, notwithstanding anything in subsection (2) of section one of this Act, shall not be made otherwise, and references in this Act to the Board or Minister concerned, and in section nine of this Act to the authorities named in the said subsection (2), shall be construed accordingly in relation to such an order.

(3) A development council order, an order amending such an order or an order under section nine of this Act, being an order which extends to Northern Ireland or applies solely to Northern Ireland, shall not be made until a draft of the order has been approved by a resolution of each House of the Parliament of Northern Ireland, and subsection (6) of section one of this Act, and subsection (9) of section nine thereof, shall not apply to an order which applies solely to Northern Ireland.

(4) The prohibition imposed by subsection (2) of section five of this Act on the disclosure of returns and information furnished or obtained as therein mentioned shall, in so far as any such returns or information relate to business carried on in Northern Ireland, have effect subject to the following exception in addition to the exceptions specified in paragraphs (*a*) to (*d*) of the said subsection (2), namely that such returns or information may, in so far as they relate to such business, be disclosed to, or to an officer of, the Ministry of Commerce for Northern Ireland in connection with the execution or for the purposes of any enactment of the Parliament of Northern Ireland corresponding to the enactment mentioned in paragraph (*d*) of the said subsection (2).

Repeal of Cotton Industry (Reorganisation) Act. 2 & 3 Geo. 6. c. 54. 2 & 3 Geo. 6. c. 116.

16. The Cotton Industry (Reorganisation) Act, 1939, and the Cotton Industry (Reorganisation) (Postponement) Act, 1939, are hereby repealed.

Short title.

17.—(1) This Act may be cited as the Industrial Organisation and Development Act, 1947.

(2) In this Act, except where the context otherwise requires, references to a development council order or to an order under section nine thereof shall, where such an order has been amended, be construed as references to the order as amended.

SCHEDULES.

Section 1.

FIRST SCHEDULE.

FUNCTIONS WHICH MAY BE ASSIGNED TO DEVELOPMENT COUNCILS.

1. Promoting or undertaking scientific research.

2. Promoting or undertaking inquiry as to materials and equipment and as to methods of production, management and labour utilisation, including the discovery and development of new materials, 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.

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

4. Promoting or undertaking measures for the improvement of design, including promoting or undertaking the establishment and operation of design centres.

5. Promoting the production and marketing of standard products.

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

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

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

9. 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.

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

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

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

13. Promoting or undertaking research into matters relating to the consumption or use of goods and services supplied by the industry.

1ST SCH. —*cont.*

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

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

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

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

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

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

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

SECOND SCHEDULE.

Section 2.

SUBSIDIARY MATTERS RELATING TO DEVELOPMENT COUNCILS.

1. A development council shall have a common seal, and power to hold land without licence in mortmain.

2. A development council order may make provision with respect to—

(*a*) the quorum, proceedings and meetings of the council, and determinations thereof;

(*b*) the accounts to be kept by the council and the audit of their accounts; and

(*c*) the execution of instruments and the mode of entering into contracts by and on behalf of the council and the proof of documents purporting to be executed, issued or signed by the council or a member, officer or servant thereof.

3. Subject to any provision made under the last preceding paragraph, a development council shall have power to regulate their own procedure.

4. A development council may appoint such officers, agents and servants on such terms as to remuneration and other matters as the council may determine, and there may be paid, on the retirement or death of any of them as to whom the council may determine to make such provision, such pensions and gratuities to them or to others by reference to their service as the council may determine.

2ND SCH. —*cont.*

5. Remuneration and allowances under subsection (8) of section two of this Act or under the last preceding paragraph shall be paid out of moneys of the council.

6. Any pensions or gratuities under subsection (8) of section two of this Act or under paragraph 4 of this Schedule shall be paid or provided for in such manner as may be determined—

(*a*) in the case of any to be paid under the said subsection (8), by the Board or Minister concerned, or

(*b*) in the case of any to be paid under the said paragraph 4, by the council,

either wholly out of moneys of the council, or partly thereout and partly by means of contributions.

PRINTED BY SIR NORMAN GIBB SCORGIE, C.V.O., C.B.E.
Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:
York House, Kingsway, London, W.C.2 ; 13a Castle Street, Edinburgh, 2 ;
39-41 King Street, Manchester, 2; 1 St. Andrew's Crescent, Cardiff ;
Tower Lane, Bristol, 1 ; 80 Chichester Street, Belfast
OR THROUGH ANY BOOKSELLER

Price 4*d*. net

(70756)