

CHAPTER 15.

An Act to provide for the establishment of a Colonial Development Corporation charged with duties for securing development in colonial territories, and for the establishment of an Overseas Food Corporation charged with duties for securing the production or processing of foodstuffs or other products in places outside the United Kingdom, and the marketing thereof, and for matters connected therewith.

[11th February 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 :—

Colonial Development Corporation.

Establishment of Colonial Development Corporation, and functions thereof.

1.—(1) There shall be established in accordance with this Act a body, to be called the Colonial Development Corporation, charged with the duty of securing the investigation, formulation and carrying out of projects for developing resources of colonial territories with a view to the expansion of production therein of foodstuffs and raw materials, or for other agricultural, industrial or trade development therein.

(2) The said Corporation shall have power, for the purpose of the discharge of their duty under the preceding subsection,—

(*a*) to carry on all activities the carrying on whereof appears to them to be requisite, advantageous or convenient for or in connection with the discharge of their said duty, including the processing and marketing of products ;

(*b*) to promote the carrying on of any such activities by other bodies or persons, and for that purpose to establish or expand, or promote the establishment or expansion

of, other bodies to carry on any such activities either under the control or partial control of the Corporation or independently, and to give assistance to such bodies or to other bodies or persons appearing to the Corporation to have facilities for the carrying on of any such activities, including financial assistance by the taking up of share or loan capital or by grant, loan or otherwise;

(*c*) to carry on any such activities in association with other bodies or persons (including Government authorities), or as managing agents or otherwise on their behalf.

Constitution of Colonial Development Corporation.

2.—(1) The Colonial Development Corporation shall consist of a chairman, a deputy chairman and such number of other members, not being less than four or more than ten, as the Secretary of State may from time to time determine.

(2) The chairman, the deputy chairman and the other members of the said Corporation shall be appointed by the Secretary of State from amongst persons appearing to him to be qualified as having had experience of, and having shown capacity in, matters relating to primary production, industry or trade, finance, science, administration, organisation of workers or welfare, and in making such appointments the Secretary of State shall have particular regard to the need for securing that adequate experience of those matters obtained in colonial territories is at the disposal of the Corporation.

(3) The provisions of the Schedule to this Act shall have effect with respect to the said Corporation.

Overseas Food Corporation.

Establishment of Overseas Food Corporation, and functions thereof.

3.—(1) There shall be established in accordance with this Act a body, to be called the Overseas Food Corporation, charged with the duty of—

(*a*) securing the investigation, formulation and carrying out of projects for production or processing in places outside the United Kingdom of foodstuffs or agricultural products other than foodstuffs, and for the marketing of foodstuffs or such products; and

(*b*) as the first project to be carried out by them, securing the large-scale production of groundnuts, together with crops rotational therewith or ancillary thereto, in colonial territories in East and Central Africa, and the marketing thereof:

Provided that the Corporation shall not take in hand for the purpose of the discharge of their duty under paragraph (*a*) of this subsection the investigation, formulation or carrying out of a project to be carried out in a colonial territory unless the Secretary of State has invited them so to do.

(2) The said Corporation shall, for the purpose of the discharge of their duty under the preceding subsection, have power to carry on all activities the carrying on whereof appears to them to be requisite, advantageous or convenient for or in connection with the discharge of their said duty, and the like powers as are conferred on the Colonial Development Corporation by paragraphs (*b*) and (*c*) of subsection (2) of section one of this Act for the purpose of the discharge of the duty of that Corporation under subsection (1) of that section.

Constitution of Overseas Food Corporation.

4.—(1) The Overseas Food Corporation shall consist of a chairman, a deputy chairman and such number of other members, not being less than four or more than ten, as the Minister of Food may from time to time determine.

(2) The chairman, the deputy chairman and the other members of the said Corporation shall be appointed by the said Minister from amongst persons appearing to him to be qualified as having had experience of, and having shown capacity in, such matters as are referred to in subsection (2) of section two of this Act in relation to the appointment of members of the Colonial Development Corporation.

(3) The provisions of the Schedule to this Act shall have effect with respect to the Overseas Food Corporation.

Transfer to the Overseas Food Corporation of assets and liabilities of the Minister of Food relating to groundnuts production.

5.—(1) On a day to be appointed by the Minister of Food (in this section referred to as " the transfer date ") there shall vest in the Overseas Food Corporation, by virtue of this section and without further assurance,—

(*a*) all property vested in the said Minister immediately before the transfer date for the purposes only of arrangements which have been made by him for starting the production of groundnuts as mentioned in subsection (1) of section three of this Act or other activities such as are to fall within the functions of the Corporation ; and

(*b*) all rights and liabilities of the said Minister then subsisting under contracts entered into by him or on his behalf for such purposes only ;

and on and after the transfer date any such contract shall have effect as if the Corporation had been a party thereto instead of the said Minister, or, in the case of a contract entered into by another person as agent for him, instead of that other person, and any proceeding or cause of action pending immediately before the transfer date by or against the said Minister in respect of any such property or contract may be continued and enforced by or against the Corporation.

(2) If, by reason of the situation outside the United Kingdom of any such property or of the application to any such contract, as the proper law thereof, of the law of any country outside the United Kingdom or for any other cause, a vesting provided for by this section is not fully effectual or the Corporation are not in a position to enforce rights under such a contract, the said Minister shall give to the Corporation such assistance in that behalf, whether by executing an assurance of the property or an assignment of the contract or himself taking steps to enforce it or otherwise, as it appears to him to be in his power to give.

(3) The Corporation shall pay to the said Minister at such time or times as he may direct a sum or sums equal in the aggregate to the aggregate of all expenses incurred by him in making or giving effect to the arrangements aforesaid less the aggregate of any receipts of his attributable to giving effect thereto, and shall indemnify him against any expense which he may incur by virtue of the last preceding subsection or in discharging any liability of his in respect of any such property or contract as aforesaid.

(4) As between the said Minister and the Corporation the said Minister shall have power to determine any question arising in giving effect to the provisions of this section—

(*a*) as to any property vested in him or contract entered into by him or on his behalf, whether it was so vested or entered into for purposes mentioned in subsection (1) of this section only, or

(*b*) as to any expenses or receipts of his, whether they were incurred or attributable as mentioned in the last preceding subsection or what was the amount thereof.

(5) Sums received by the said Minister under this section shall be paid into the Exchequer.

Application of subsequent provisions to each of the said Corporations.

Application of subsequent provisions to each of the said Corporations.

6.—(1) The provisions of the subsequent sections of this Act and of the Schedule thereto shall apply, subject as therein expressly mentioned, to each of the said Corporations.

(2) In the said provisions of this Act the expression "the responsible Minister" means, in relation to the Colonial Development Corporation, the Secretary of State, and, in relation to the Overseas Food Corporation, the Minister of Food.

Provisions as to exercise of functions.

Local interests to be consulted.

7.—(1) In determining their policy as to the activities to be carried on by them in any territory and the manner in which they are to be carried on, and as to assisting or participating in

the carrying on by others of activities in any territory, the Corporation shall have particular regard to the interests of the inhabitants of the territory, and shall appoint committees charged with the duty of studying and keeping the Corporation informed as to the circumstances and requirements of the inhabitants in cases in which the appointment of such a committee appears to the Corporation to be needed for the proper discharge of the duty imposed on them by this subsection.

A committee appointed for the purposes of this subsection shall, unless it appears to the Corporation to be impracticable, include persons having knowledge of the circumstances and requirements of the inhabitants of the territory obtained by their being or having been themselves inhabitants thereof or residents therein.

(2) The Corporation shall not establish, or assist or participate in the establishment of, a new undertaking in any territory until such measures for consultation with the Government of the territory as appear to the responsible Minister to be appropriate have been taken.

Interests of employees to be consulted.

8.—(1) The Corporation shall take all practicable steps to secure—

(*a*) the safety, health and welfare of persons in their employment or in the employment of others in activities carried on with the assistance of the Corporation or in association with them; and

(*b*) the benefit of practical knowledge and experience of such persons in the organisation and conduct of the activities in which they are employed.

(2) In the performance of their duty under the preceding subsection, and in dealing with matters affecting terms or conditions of employment, the Corporation shall seek consultation—

(*a*) with persons or bodies appearing to them to represent, or to have qualifications to speak on behalf of, substantial numbers of the employees affected;

(*b*) where the matter in question arises in connection with the carrying on of activities in a colonial territory, with the Government of the territory.

Powers of the responsible Minister.

9.—(1) The responsible Minister may, after consultation with the Corporation, give to them directions of a general character as to the exercise and performance of their functions in relation to matters appearing to him to concern the public interest, and the Corporation shall give effect to any such directions.

(2) The Corporation shall as soon as possible after the end of each financial year of the Corporation make a full report to the responsible Minister on the exercise and performance by them of their functions during that year, and he shall lay a copy thereof before each House of Parliament.

(3) The report for any year shall set out any direction given to the Corporation under subsection (1) of this section during that year, unless the responsible Minister has notified to the Corporation his opinion that it is against the interests of national security so to do.

(4) The Corporation shall furnish to the responsible Minister such information and returns relating to the property or activities or proposed activities of the Corporation or of others by whom activities are carried on or are proposed to be carried on with their assistance or in association with them (being information which is in the possession of the Corporation or can be obtained by them with reasonable facility or being returns giving such information) as the responsible Minister may from time to time require, and shall afford to him facilities for the verification of information furnished by them in such manner and at such times as he may require.

Disposal of capital assets.

10. The power of the responsible Minister to give directions to the Corporation shall extend to the giving to them of directions—

(*a*) as to the disposal of capital assets, or

(*b*) as to the application of proceeds of such disposals,

notwithstanding that the directions may be of a specific character:

Provided that directions as to the application of proceeds of disposal shall be given by the responsible Minister with the approval of the Treasury.

Financial provisions.

Borrowing powers.

11.—(1) Subject to the provisions of this section, the Corporation may borrow sums required by them for meeting any of their obligations or discharging any of their functions.

(2) The power of the Corporation to borrow shall be exercisable only with the approval of the responsible Minister, given with the consent of the Treasury, as to amount (within the maximum specified in the next succeeding subsection), as to the sources of the borrowing and as to the terms on which the borrowing may be effected.

An approval given in any respect for the purposes of this subsection may be either general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

(3) The Corporation shall not borrow so as to have outstanding at any time—

(*a*) in respect of sums borrowed temporarily, by way of overdraft or otherwise, an aggregate amount exceeding ten million pounds in the case of the Colonial Development Corporation or five million pounds in the case of the Overseas Food Corporation; or

(*b*) in respect of sums borrowed otherwise (whether by way of advance from the responsible Minister under the next succeeding section or from other sources) an aggregate amount exceeding one hundred million pounds in the case of the Colonial Development Corporation or fifty million pounds in the case of the Overseas Food Corporation.

(4) A person lending money to the Corporation shall not be bound to inquire whether the borrowing of money is within the power of the Corporation.

Advances, and guarantee of borrowings, by the Government of the U.K.

12.—(1) For the purpose of enabling the Corporation to defray expenditure properly chargeable to capital account, including defraying initial expenses and provision of working capital, the responsible Minister may, with the consent of the Treasury, make advances to the Corporation up to amounts such that the aggregate outstanding at any time in respect of the advances shall not exceed one hundred million pounds in the case of the Colonial Development Corporation or fifty million pounds in the case of the Overseas Food Corporation.

(2) The Treasury may guarantee, in such manner and on such conditions as they think fit, the payment of the principal of and interest on any authorised borrowings of the Corporation made otherwise than by way of advance under the preceding subsection.

(3) Immediately after any guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament.

(4) Where any sum is issued for fulfilling such a guarantee, the Treasury shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.

Repayment of, and interest on, advances and sums issued to meet guarantees.

13.—(1) The Corporation shall make to the responsible Minister, at such times and in such manner as he may with the approval of the Treasury direct, payments of such amounts as he may so direct in or towards repayment of advances made to the Corporation under the last preceding section, and of any sums issued in fulfilment of any guarantee given thereunder, and payments of interest on what is outstanding for the time being in respect of such advances and of any sums so issued at such rate as he may so direct, and different rates of interest may be directed as respects different advances or sums and as respects interest for different periods.

(2) The responsible Minister shall lay before each House of Parliament a statement of any payment due from the Corporation under this section which is not duly paid to him as required thereunder.

Reserve fund.

14.—(1) The Corporation shall establish a reserve fund.

(2) The management of the said fund, the sums to be carried from time to time to the credit thereof, and the application thereof, shall be as the Corporation may determine:

Provided that—

(*a*) no part of the said fund shall be applied otherwise than for the purposes of the Corporation; and

(*b*) the power of the responsible Minister to give directions to the Corporation shall extend to the giving to them, with the approval of the Treasury, of directions as to any matter relating to the establishment or management of the said fund, the carrying of sums to the credit thereof, or the application thereof, notwithstanding that the directions may be of a specific character.

Balancing of revenue account, and surplus revenue.

15.—(1) It shall be the duty of the Corporation so to exercise and perform their functions as to secure that their revenues are not less than sufficient to meet all sums properly chargeable to their revenue account (including, without prejudice to the generality of that expression, provisions in respect of their obligations under the two last preceding sections), taking one year with another.

(2) Any excess of the revenues of the Corporation for any financial year thereof over the sums properly chargeable to their revenue account for that year (including as aforesaid) shall be applied by the Corporation for such purposes as they may determine with the approval of the responsible Minister given with the consent of the Treasury.

Accounts and audit.

16.—(1) The Corporation shall keep proper accounts and other records in relation thereto, and shall prepare in respect of each financial year of the Corporation a statement of accounts in such form as the responsible Minister may with the approval of the Treasury direct, being a form which shall conform with the best commercial standards.

(2) The form of the accounts and of the statement shall be such as to secure the provision of separate information as respects each of the main activities of the Corporation.

(3) The accounts of the Corporation shall be audited by auditors to be appointed annually by the responsible Minister:

Provided that no person shall be qualified to be so appointed unless he is a member of one or more of the following bodies:—

The Institute of Chartered Accountants in England and Wales;

The Society of Incorporated Accountants and Auditors;

The Society of Accountants in Edinburgh;
The Institute of Accountants and Actuaries in Glasgow;
The Society of Accountants in Aberdeen;
The Association of Certified and Corporate Accountants, Limited;
The Institute of Chartered Accountants in Ireland.

(4) So soon as the accounts of the Corporation for any financial year thereof have been audited, they shall send a copy of the statement of accounts prepared in respect of that year to the responsible Minister together with a copy of any report made by the auditors on the statement or on the accounts.

(5) The responsible Minister shall lay a copy of every such statement and report before each House of Parliament.

Issues out of the Consolidated Fund

17.—(1) The Treasury may issue out of the Consolidated Fund or the growing produce thereof to the responsible Minister such sums as are necessary to enable him to make advances to the Corporation under this Act.

(2) Any sums required by the Treasury for fulfilling any guarantee under this Act of borrowings of the Corporation shall be charged on and issued out of the Consolidated Fund or the growing produce thereof.

(3) For the purpose of providing sums or any part of sums, to be issued under this section, or of providing for the replacement of all or any part of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to be created and issued under that Act.

2 & 3 Geo. 6. c. 117.

Accounting for receipts of the responsible Minister.

18.—(1) Sums received by the responsible Minister under section thirteen of this Act shall be paid into the Exchequer, and shall be issued out of the Consolidated Fund or the growing produce thereof at such times as the Treasury may direct and be applied by the Treasury as follows, that is to say,—

(*a*) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit;

(*b*) so much thereof as represents interest shall be applied to the payment of interest which would, apart from this provision, have fallen to be paid out of the permanent annual charge for the National Debt.

(2) The responsible Minister shall, as respects each financial year, prepare in such form and manner as the Treasury may direct an account of sums issued to him under subsection (1)

of the last preceding section and of sums received by him under section thirteen of this Act, and of the disposal by him of those sums respectively.

(3) Any account prepared under this section 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 each House of Parliament.

Interpretation and Short Title.

Interpretation.

19. In this Act—

(*a*) the expression " colonial territory " means a territory to which section one of the Colonial Development and Welfare Act, 1940, applies at the commencement of this Act; and

3 & 4 Geo. 6. c. 40.

(*b*) references to agriculture include references to fisheries and to the livestock industry.

Short title.

20. This Act may be cited as the Overseas Resources Development Act, 1948.

SCHEDULE.

PROVISIONS RELATING TO THE CONSTITUTION, ETC. OF EACH OF THE CORPORATIONS. Sections 2, 4, and 6.

1. The Corporation shall be a body corporate with perpetual succession and a common seal and power to hold land without licence in mortmain.

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

3.—(1) The responsible Minister shall have power, exercisable by statutory instrument, to make regulations with respect to—

(*a*) the appointment of the members of the Corporation, and their tenure and vacation of office;

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

and, subject to the provisions of any such regulations as aforesaid, the Corporation shall have power to regulate their own procedure (including the manner in which matters subject to the determination of the Corporation are to be determined by or on behalf of the Corporation).

(2) Regulations made under this paragraph shall be subject to annulment in pursuance of a resolution by either House of Parliament.

4. The validity of any proceeding of the Corporation shall not be affected by any vacancy amongst the members thereof, or by any defect in the appointment of a member thereof.

5. The Corporation shall—

(*a*) pay to each member of the Corporation, in respect of his office as such, such remuneration and allowances as may be determined by the responsible Minister with the consent of the Treasury, and to the chairman and to the deputy chairman, in respect of his office as such, such remuneration and allowances (in addition to any remuneration or allowances to which he may be entitled in respect of his office as a member) as may be so determined; and

(*b*) as regards any member in whose case it may be determined by the responsible Minister with the consent of the Treasury to make provision for the payment on his death or retirement of a pension, gratuity, or other like benefit, pay, or provide for the payment of, such pension, gratuity or other like benefit to him or to others by reference to his service as may be so determined.

6. If any member of the Corporation, other than the chairman or the deputy chairman, is employed about the affairs of the Corporation otherwise than as a member thereof, the Corporation may pay to that member such remuneration and allowances (in addition to any remuneration or allowances to which he may be entitled in respect of his office as a member) as the Corporation may determine.

7. The Corporation shall—

(*a*) pay to their officers, servants and agents such remuneration as the Corporation may determine; and

(*b*) as regards any officers, servants or agents in whose case it may be determined by the Corporation with the approval of the responsible Minister to make provision for the payment on their death, injury or retirement of pensions, gratuities or other like benefits, pay, or provide for the payment of, such pensions, gratuities or other like benefits to them or to others by reference to their service as may be so determined.

8. Provision for pensions, gratuities or other like benefits under this Schedule may be made either by contributory or by non-contributory arrangements or partly by the one and partly by the other.

9. The Corporation shall have power to do any thing and to enter into any transaction (whether or not involving expenditure, borrowing in accordance with the provisions of this Act in that behalf, lending or investment of money, the acquisition of any property or rights, or, subject to the provisions of section ten of this Act, the disposal of any property or rights) which in their opinion is calculated to facilitate the proper discharge of their functions or is incidental or conducive thereto.

10. It is hereby declared that nothing in this Act exempts the Corporation from liability for any tax, duty, rate, levy or other charge whatsoever, whether general or local.

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