STATUTORY INSTRUMENTS

1973 No. 784

COUNTER-INFLATION

The Counter-Inflation (Approval of Increases in Prices and Charges) Order 1973

Made - - - -	18*th April* 1973
Laid before Parliament	28*th April* 1973
Coming into Operation	29*th April* 1973

The Secretary of State, in exercise of powers conferred on him by section 15 of and paragraphs 1(1) and (2) of Schedule 2 to the Counter-Inflation Act 1973(**a**), and of all other powers enabling him in that behalf, hereby makes the following Order :—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Counter-Inflation (Approval of Increases in Prices and Charges) Order 1973 and shall come into operation on 29th April 1973.

(2) In this Order—

" the Act " means the Counter-Inflation Act 1973 ;

" the code " means the code for the time being contained in an order (**b**) under section 2 of the Act ;

" the Commission " means the Price Commission established by section 1(1) of the Act ;

" Increase " shall be construed in accordance with the provisions of article 3 of the notification order ;

" the notification order " means the Counter-Inflation (Notification of Increases in Prices and Charges) Order 1973(**c**) ;

" reference level " has the same meaning as it has in and for the purposes of the code.

(3) The Interpretation Act 1889(**d**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

Proposal for approval of increased price or charge

2. A person, not being a person referred to in article 4(2) of the notification order (in this Order called " the applicant "), may make a proposal to the Commission for approval of an increase in any price for the sale of goods or in any charges for the performance of services to be implemented by him in the course of business where that increase would not be in accordance with the provisions of the code unless the Commission exercised their discretion under paragraph 60 (which relates to modification of the reference level) or under paragraph 63 (which relates to encouraging or ensuring investment).

3.—(1) A proposal under article 2—

(*a*) shall contain particulars of the matters specified in the Schedule to this Order ; and

(**a**) 1973 c. 9.
(**b**) See S.I. 1973/658 (1973 I, p. 2106).
(**c**) S.I. 1973/664 (1973 I, p. 2151).
(**d**) 1889 c. 63.

(*b*) shall be accompanied by true copies of documents (other than published documents generally available) which the applicant wishes to be taken into account by the Commission when considering whether the increase conforms with the relevant provisions of the code.

(2) The Commission may, at any time before they have given or are deemed to have given their approval to an increase, require the applicant to furnish to them any further particulars or documents (being particulars of a description required by paragraph (1)(*a*) above to be contained in the proposal or documents of a description authorised by paragraph (1)(*b*) above to be furnished) which appear to them to be necessary to enable them to consider whether the increase conforms with the provisions of the code ; and, in calculating either the period of 28 days or the period of 56 days referred to in article 4, there shall be disregarded the period beginning on the date of service of the notice requiring those particulars or documents and ending on the date of the receipt by the Commission of those particulars or documents.

Approval of increased price or charge

4.—(1) The Commission shall entertain the proposal and shall, within the period of 56 days beginning when the proposal is received by them, give notice to the applicant either—

(*a*) that they approve the proposed increase ; or

(*b*) that they approve the proposed increase subject to the conditions, limitations or qualifications (if any) specified in the notice ; or

(*c*) that they do not approve the proposed increase:

provided that, where the Commission have, pursuant to article 3(2), required the applicant to furnish to them any particulars or documents, no notice shall be given under this paragraph after the end of the period of 10 weeks beginning on the date when the proposal is served on them and accordingly the proposal shall not be treated as approved by the Commission.

(2) Where they have not within the period of 28 days beginning on the date when the proposal is served on them, served on the applicant—

(*a*) a notice under paragraph (1) above ; or

(*b*) a notice that they are still considering the proposed increase ;

the Commission shall be deemed for the purpose of any provision of Schedule 2 to the Act to have given their approval to the proposed increase.

5. Any approval which is deemed to have been given by virtue of article 4(2) shall be subject to the conditions that :

(*a*) if it appears to the Commission that the investment specified in the proposal is not made ; or

(*b*) if it appears to the Commission that the costs specified in the proposal as costs which should be treated as allowable cost increases are reduced or are not incurred ;

the Commission may at any time exercise their powers under Part II of the Act.

Geoffrey Howe,
Minister for Trade and Consumer Affairs,
Department of Trade and Industry.

18th April 1973.

SCHEDULE

(Article 3(1) (*a*))

Matters of which particulars are to be contained in a proposal to the Price Commission for approval of an increased price or charge

1. The name of the applicant, his address or, in the case of a company, the address of its registered office, and the address for service of notices by the Commission, if different.

2.—(1) The activity in the course of which an increased price or charge is proposed to be made.

(2) The goods or services to which the proposal relates.

3. The price or charge for the sale of goods or the performance of services to which the proposal relates ascertained in accordance with article 3 of the notification order and particulars of the manner in which that price or charge is calculated or made up.

4. The increase in the price or charge specified pursuant to paragraph 3 above, ascertained in accordance with article 3 of the notification order and, having regard to the provisions of the code, particulars of the manner in which the increased price or charge is calculated or made up.

5.—(1) In a case where the applicant wishes the Commission to exercise its discretion—

(*a*) under paragraph 60 of the code, particulars of any matters which are relevant for determining whether the reference level should be modified ; or

(*b*) under paragraph 63 of the code, particulars of any matters which are relevant to the criteria set out in that paragraph.

(2) Any other grounds upon which the applicant proposes that the increase specified pursuant to paragraph 4 above should be approved, specifying the provisions of the code on which he relies.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

Paragraph 60 of the Price and Pay Code provides that, where the Commission are satisfied that the profit reference level requires modification, for example because of a substantial reconstruction of the enterprise during the base period or a substantial change in the character of its business, they may agree or stipulate a modified reference level. Paragraph 63 of the Code provides that where the Commission are satisfied that in a particular case it is necessary in order to encourage or ensure investment to modify the application of the limits on allowable cost increases or on profit margins they may permit some departure from those limits. This Order makes provision for those persons not required to notify the Price Commission to seek a proposed increase in such cases.

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