STATUTORY INSTRUMENTS

1974 No. 2114

COUNTER-INFLATION

The Counter-Inflation (Notification of Increases in Prices and Charges) (No. 2) Order 1974

Made - - - - -	13*th December* 1974
Laid before Parliament	18*th December* 1974
Coming into Operation	20*th December* 1974

The Secretary of State, in exercise of powers conferred on her by sections 5 and 15 of, paragraphs 1(1) and (2)(a) and (b), 2(4) and 3 of Schedule 2 and paragraphs 1(1), (2), (4) and (6) and 2(2) of Schedule 3 to the Counter-Inflation Act 1973**(a)** as amended **(b)**, and of all other powers enabling her in that behalf, hereby makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Counter-Inflation (Notification of Increases in Prices and Charges) (No. 2) Order 1974 and shall come into operation on 20th December 1974.

(2) In this Order—

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

"base period" has the meaning assigned to it by article 3(6);

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

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

"manufacturer" means a person other than a local authority who carries on in the course of business activities falling within Orders II, III (other than the quick freezing of meat, poultry or fish, the curing of bacon or ham and the preparation of oven ready poultry), IV to XIX, XXI (other than minimum list heading 603) and XXII (other than a travel ticket agent) of the Standard Industrial Classification, bakers and processors of scrap iron, scrap steel and non-ferrous scrap metals;

"provider of services" means a person other than a local authority who carries on in the course of business activities falling within minimum list headings 864 and 865 of Order XXIV or within Order XXVI (other than minimum list heading 894) of the Standard Industrial Classification or the hiring of furniture, radio and television sets and other domestic appliances, or the hiring of contractors' plant and scaffolding or the leasing of industrial and office machinery or the repairing of motor vehicles or the activities of a travel ticket agent;

(a) 1973 c. 9. **(b)** S.I.1974/1218 (1974 II, p.4631).
(c) *See* S.I. 1974/2113 (1974 III, p. 8251).

"the Standard Industrial Classification" means the edition thereof together with the alphabetical list of industries published in 1968 by Her Majesty's Stationery Office as amended by Amendment List No. 1 published by Her Majesty's Stationery Office in 1970; and

"water authority" means, in England and Wales, a water authority, a statutory water company and, in the Isles of Scilly only, a local authority and, in Scotland, before 16th May 1975, a regional water board and, on and after 16th May 1975, a water authority, within the meaning of section 148 of the Local Government (Scotland) Act 1973(a), having, in any case, sales exceeding £5,000,000.

(3) Where a person satisfies both the definition of the expression "manufacturer" and the definition of the expression "provider of services" contained in paragraph (2) above, the provisions of this Order shall apply to him in relation to each of those expressions.

(4) The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament and as if this Order and the Orders hereby revoked were Acts of Parliament.

Revocation and saving

2.—(1) Subject to paragraphs (2) and (3) below the Orders set out in Schedule 1 to this Order are hereby revoked.

(2) Article 6 shall not impose any obligation on any person in respect of an increase in a price or charge of which notice has been given to the Commission under the Orders referred to in paragraph (1) above and has not been withdrawn.

(3) (*a*) Any certificate made by the Commission under article 6 or article 7;

(*b*) any notice given by the Commission under article 8;

(*c*) anything done or required to be done under article 11;

of the Counter-Inflation (Notification of Increases in Prices and Charges) (No. 3) Order 1973(c) (which is revoked by paragraph (1) above) shall, for the purposes of this Order, be treated as if it had been made, given, done or required to be done under the corresponding provision of this Order and this Order had then been in operation.

Application of Order

3.—(1) This article shall have effect only for the purpose of ascertaining whether any provision of this Order applies to a person by reason of sales exceeding a certain amount.

(2) Subject to paragraphs (3), (4) and (5) of this article, there shall be taken into account in determining sales, in relation to goods, the total amount (excluding excise duties) of prices charged for their sale in the course of business in the base period and, in relation to services, the total amount of charges made in the base period for their performance, there being left out of account in either case trade discounts, rebates and other allowances.

(a) 1973 c. 65. (b) 1889 c. 63. (c) S.I.1973/1786 (1973 III, p.5488).

(3) There shall be left out of account—

(*a*) any price or charge to which, by virtue of paragraph 1 of Schedule 3 this Order does not apply and, in the case of transport, charges for carriage between terminals of which one or both are outside the United Kingdom and charges for carriage between points in the United Kingdom where the tariff applicable to those charges is one for the whole of the first mentioned carriage; and in this subparagraph "United Kingdom" includes the Isle of Man and the Channel Islands;

(*b*) in the case of a person who is a manufacturer, the price for the sale of goods manufactured by another person and the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of "manufacturer" in article 1(2);

(*c*) in the case of a provider of services, the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of "provider of services" in article 1(2);

(*d*) in the case of a person who has ceased to carry on an activity in the course of business since the beginning of the base period, any price or charge in respect of that activity.

(4) There shall also be left out of account car tax payable by the person in question and value added tax which is, under Part I of the Finance Act 1972**(a)**, chargeable by the person in question on the supply by him of goods and services (including goods and services specified in an order under section 6 of that Act) other than on the supply of any goods of which the price, or any services for which the charge, is under paragraph (3) above to be left out of account.

(5) Where a person has not carried on any activity in the course of business throughout the whole of the base period—

(*a*) in the case of a person who commenced to carry on that activity in the course of business (not being an activity to which subparagraph (*b*) of this paragraph applies) during the base period, the amounts determined under this article apart from this paragraph shall be increased by the proportion which 12 months bears to the period falling within the base period during which the person carried on that activity;

(*b*) in the case of a person who commenced to carry on that activity in the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) the amounts determined under this article apart from this paragraph both in respect of the person and of that other person shall be aggregated and—

(i) if the aggregate of the periods during which the person and that other person carried on that activity during the base period exceeds 12 months, the aggregated amounts shall be reduced; or

(ii) if the aggregate of those periods is less than 12 months, the aggregated amounts shall be increased;

by the proportion which 12 months bears to the aggregate of those periods;

(a) 1972 c. 41.

(*c*) in the case of a person who commenced to carry on an activity after the end of the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) this article shall apply to the person as it would have applied to that other person had he carried on no other activity in the course of business in the base period.

(6) In this Order, "base period" in relation to any person means his latest completed year of account; and the amounts referred to in paragraph (2) above shall, where the accounting period is longer than 12 months, be reduced or, where the accounting period is shorter than 12 months, be increased by the proportion which 12 months bears to the length of the accounting period.

(7) In ascertaining the amount of sales in relation to any person, whether as a manufacturer or as a provider of services, account shall be taken of all transactions effected by the persons (of whom he is one) who are, under the provisions of paragraph 2(1) of Schedule 3 to the Act, to be treated as one, including any transaction between such persons except where both parties to the transaction are acting as manufacturers or as providers of services, as the case may be.

Meaning of increase

4.—(1) In ascertaining for the purposes of this Order whether a price or charge represents an increase, the following provisions of this article shall have effect.

(2) The price or charge shall be compared with those charged or made by a person in the course of business for comparable transactions as regards goods or services of the same description and, as between earlier and later transactions, account shall only be taken of the latest.

(3) If there are no prices or charges which can be taken for comparison under paragraph (2) above, the comparison may be with prices or charges charged or made by that person in the course of business for transactions which are not in all respects comparable and, as regards goods or services which are not of precisely the same description, with a fair adjustment to take account of the differences; and as between different transactions or different descriptions of goods or services, those taken for comparison under this paragraph shall be those which are most closely comparable.

(4) Where a person charges or makes different prices or charges for the same goods or services in relation to different persons or to persons of different descriptions or to the same persons or descriptions of persons in different circumstances, a price or charge shall be treated as an increased price or charge in relation to any person only if it exceeds the price or charge charged or made in relation to the same person, persons of the same description or persons of the same description in the same circumstances, as the case may be.

(5) A price or charge shall not be treated for the purposes of this Order as an increased price or charge only because it exceeds an earlier price or charge if the increase does not exceed the cash amount of any increase (including a change from a nil amount) in—

(*a*) excise duties, customs duties or car tax on, or on anything comprised in, the goods in question which, whether by virtue of a contract or otherwise, is, or is to be, borne in the particular case by the person intending to implement the increase; or

(*b*) value added tax chargeable by that person on the supply of the goods or services in question.

5.—(1) Subject to article 4, an increased price or charge shall be treated for the purposes of this Order as an increased price or charge because it exceeds an earlier price or charge unless the condition specified in paragraph (2) below is satisfied.

(2) The condition referred to in the preceding paragraph is a condition that the increased price or charge is made in accordance with any formula, which provides for the price or charge to be varied because of changes in costs specified in a provision of the contract under which the increased price or charge is proposed to be charged or made and that either—

(*a*) that provision was subsisting at 25th March 1974; or

(*b*) it was the established practice at that date of the person proposing to implement the increased price or charge to be party, as seller of the goods or as provider of the services, to contracts containing a provision specifying the same formula as, or a formula similar to, the above-mentioned formula whereby that person sold or agreed to sell goods or to perform services (being, in either case, of the same description as those to which the increased price or charge relates) to persons in the capacity of distributors or in the capacity of domestic consumers; or

(*c*) the contract provides for the goods to be sold to, or for the service to be performed for, any person except in the capacity of a distributor or in the capacity of a domestic consumer.

(3) For the purposes of this article paragraph 2(1)(*b*) of Schedule 3 to the Act shall not have effect.

Obligation to notify increased prices and charges

6.—(1) Subject to the provisions of articles 7 to 10 before a person specified in paragraph (2) below implements in the course of any business carried on by him in the United Kingdom—

(*a*) an increased price for the sale of goods or an increased charge for the performance of services previously sold or provided; or

(*b*) in respect of goods or services which are not identical with goods or services previously sold or performed, a price or charge in excess of that in respect of goods or services of substantially the same description as the goods or services in respect of which the price or charge is proposed to be implemented;

(not being, in either case, goods or services of a kind referred to in Schedule 3) he shall give notice of the proposed price or charge, as the case may be, to the Commission in accordance with article 11.

(2) The persons referred to in paragraph (1) above are—

(*a*) any person who is a manufacturer and has sales exceeding £5,000,000;

(*b*) any person who is a provider of services and has sales exceeding £5,000,000;

(*c*) any person specified in Schedule 2.

(3) This article applies—

(*a*) in the case of a manufacturer, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of "manufacturer" in article 1(2); and

(*b*) in the case of a provider of services, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of "provider of services" in article 1(2).

(4) Paragraph 2(1) (*b*) of Schedule 3 to the Act shall apply in relation to this article only so as to require a person to notify an increased price or charge which he himself intends to implement; but any one of several persons who are required by that paragraph to be treated as one may serve a notification under this article on behalf of himself and of any other such person.

(5) Subject to paragraphs (6) and (7) below, a price or charge in respect of which an increase is required to be notified to the Commission shall be restricted by the exclusion of the increase for the period of 28 days beginning with the date of service of the notification on the Commission; and a person shall contravene the Order if he implements the increase before the end of that period.

(6) Paragraph (5) shall have effect as if for the reference to 28 days there were substituted a reference to 56 days in a case where paragraph 39 (safeguard against erosion of profit margins on products) of the code is specified in the notification pursuant to paragraph 7(1) of Schedule 4 as the provision of the code relied upon for the whole or part of an increase proposed and the increase is to be implemented before 1st May 1975.

(7) In a case where paragraph 51 of the code (common pricing agreements) is specified in a notification as the provision of the code relied upon for the whole or part of the proposed increase, for the purposes of this Order, the notification shall be served on the Commission at the time when notifications by all of the parties to the common pricing agreement and relating to the same proposed common price or charge have been received at the offices of the Commission.

Provisions supplemental to article 6

7.—(1) Article 6 shall not apply, in relation to any person referred to in paragraph (2)(*a*) or (*b*) of that article, to the price or charge for any goods or services—

(*a*) manufactured or performed in the course of any activity falling within any of the minimum list headings of the Standard Industrial Classification; or

(*b*) manufactured or performed in the course of any one or more activities falling within one minimum list heading of the Standard Industrial Classification, which the Commission certify, having regard to the person's established practice of determining prices or charges, may be treated as an activity or activities separate from other activities falling within the minimum list heading:

Provided that the sales of the person in question in respect of all his activities within the minimum list heading in question or, in the case of (*b*) above, in respect of any of his activities treated as a separate activity, do not exceed 10 per cent of his sales or £5,000,000 whichever is the less.

(2) In ascertaining whether sales exceed the amounts referred to in paragraph (1) above the provisions of article 3 shall apply, but no account shall be taken of any goods or services referred to in Schedule 3.

8. Where the Commission, having regard to the nature of the activity in the course of which the goods are sold, to the turnover in respect of those goods of the person in question and to his net profit margin, so certify, article 6 shall not apply, in relation to a person referred to in paragraph 2(*b*) of that article, in respect of goods manufactured by another person (not being a person who, under paragraph 2(1) of Schedule 3 to the Act, is to be treated as one with that person) if the proposed increase in the price for the sale of those goods does not exceed the increase in the price for the sale of identical goods which may, in accordance

with this Order or the Orders hereby revoked or the Orders revoked by the Counter-Inflation (Notification of Increases in Prices and Charges) (No. 3) Order 1973(a), be implemented by the person who manufactured them.

9. Where—

(*a*) in a notification of an intended increase in the price of any goods, a person states that goods of that description may or will be comprised (with or without change) in other goods specified in the notification; and

(*b*) the price for the sale of the former goods may be charged in accordance with this Order and with the code or in accordance with the consent of the Commission or of the Minister; and

(*c*) the former goods are comprised (with or without change) in any other goods so specified and manufactured by that person;

article 6 shall not apply to the implementation of an increase in the price for the sale of those other goods if—

(i) that increase is no greater than is required to take account solely of the increase in the price for the sale of the former goods in the manner described in paragraph (*b*) above; and

(ii) before the implementation of the increase in the price for the sale of the former goods in that manner, the Commission have not given notice to that person that article 6 shall apply to the implementation of an increase in the price for sale of those other goods.

10. Where—

(*a*) a person or a company controlled by him sells goods to another company controlled by him or a company controlled by a person sells goods to him; and

(*b*) the seller sells and the purchaser purchases in the capacity of a manufacturer or of a provider of services;

then, notwithstanding the provisions of paragraph (4) of article 6, that article shall not have effect in relation to the price for that sale.

Method of notification

11. A notification required to be made under article 6—

(*a*) shall be in writing signed by the person or one of the persons required to make the notification or his authorised agent or, in the case of a body corporate, signed by an officer of the body corporate serving the notification, and shall be dated;

(*b*) shall contain particulars of the matters specified in Schedule 4 to this Order; and

(*c*) shall be accompanied by true copies—

(i) of all appropriate accounts containing particulars of sales ascertained under article 3 unless these have already been furnished; and

(ii) of such other documents (other than published documents generally available) which the person required to make the notification wishes to be taken into account by the Commission when considering whether the increase conforms with the relevant provisions of the code.

(a) S.I.1973/1786 (1973 III, p.5488).

Approval of increases in special cases

12.—(1) Where a notification of a proposed increased price or charge served on the Commission under article 11 relates to an increase which would not be in accordance with the provisions of the code unless the Commission exercised their powers under—

(*a*) paragraph 76 (which relates to modification of the reference level);

(*b*) paragraphs 77 and 78 (which relate to relief for low profits);

(*c*) paragraph 81 (which relates to encouraging or ensuring investment); or

(*d*) paragraph 82 (which relates to capital intensive enterprises);

and contains a request that the notification shall be treated as a request for approval of the proposed increase under any of those powers, the Commission shall entertain the proposal and shall, within the period of 56 days beginning when the notification is served on 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 the approval of an increase in a price or charge under this article shall not permit the increase to be implemented before the end of the period referred to in article 6(5).

(2) Except in the case of a proposed increase under paragraph 76 of the code, where the Commission have not, within the period of 56 days beginning with the date of service on them of the notification, served on the person giving the notification a notice under paragraph (1) above, they shall be deemed for the purposes of any provision of Schedule 2 to the Act to have given their approval to the proposed increase; and any approval which is deemed to have been given by virtue of this paragraph shall be subject to the condition that, if it appears to the Commission that the net profit margin relating to the price or charge to which the approval relates exceeds the appropriate reference level under the code, they may at any time exercise their powers under Part II of the Act.

Shirley Williams,

Secretary of State
for Prices and Consumer Protection.

13th December 1974.

SCHEDULE 1

(Article 2(1))

Orders revoked	References
The Counter-Inflation (Notification of Increases in Prices and Charges) (No. 3) Order 1973.	S.I.1973/1786 (1973 III, p.5488).
The Counter-Inflation (Notification of Increases in Prices and Charges) (Amendment) Order 1974.	S.I.1974/543 (1974 I, p.2235).
The Counter-Inflation (Notification of Increases in Prices and Charges) (Amendment) (No. 2) Order 1974.	S.I.1974/775 (1974 II, p.3021).
The Counter-Inflation (Notification of Increases in Prices and Charges) (Amendment) (No. 3) Order 1974.	S.I.1974/840 (1974 II, p.3265).
The Counter-Inflation (Notification of Increases in Prices and Charges) (Amendment) (No. 4) Order 1974.	S.I.1974/933 (1974 II, p.3562).
The Counter-Inflation (Notification of Increases in Prices and Charges) (Amendment) (No. 5) Order 1974.	S.I.1974/1500 (1974 III, p.5759).
The Counter-Inflation (Notification of Increases in Prices and Charges) Order 1974.	S.I.1974/1793 (1974 III, p.6313).

SCHEDULE 2

(Article 6(2) (*c*))

Persons required to notify increases in the price for the sale of goods or the charge for the performance of services.

Barclays Bank Limited.

Lloyds Bank Limited.

Midland Bank Limited.

National Westminster Bank Limited.

North of Scotland Hydro-Electric Board.

Northern Ireland Electricity Service, but not in relation to any increased price or charge made in accordance with any formula which provides for the price or charge to be varied at intervals not exceeding one month because of changes in costs, specified in a provision of the contract under which the increased price or charge is proposed to be charged or made.

The Milk Marketing Board, but in respect only of milk not referred to in paragraph 6 of Schedule 3.

A party to a common pricing agreement (whether or not otherwise required to make a notification to the Commission) in a case where paragraph 51 of the code (common pricing agreements) is the provision of the code relied upon for the whole or part of the proposed increase.

A water authority but in respect only of an increased price or charge to be implemented after 31st January 1975 and, in the case of a water authority in Scotland, only in respect of water supplied by meter.

SCHEDULE 3

(Article 3(3)(*a*) and 6(1))

Prices and charges in respect of which no notice of an intended increase is required to be made to the Price Commission

1. The price for the sale of goods or the charge for the performance of services which are supplied, whether by the person selling or performing them or another, outside the United Kingdom or to persons or in relation to property outside the United Kingdom.

2. The price for the sale of any goods—

(*a*) which have been produced or manufactured outside the United Kingdom; and

(*b*) which have not been subjected to any process in the United Kingdom other than packing or repacking, cleaning and sterilizing; and

(*c*) which have not been sold to any person in the United Kingdom;

and the charge for the performance of any services in the United Kingdom or in relation to any property in the United Kingdom which are performed for any person outside the United Kingdom.

3. The price for the sale, whether alive or dead, of any goods produced in the course of agriculture, horticulture or fishing including—

(*a*) (except in the case of the Milk Marketing Board) liquid milk not referred to in paragraph 6 below; and

(*b*) by-products for animal feeding which arise in the milling of grain, the processing of sugar beet or oilseeds or in the manufacture of alcoholic drinks;

which have not been incorporated in any processed product and to which no process has been applied except—

(i) cleaning, sterilizing, breaking down of bulk supplies or packaging; and

(ii) in the case of any carcasses or parts of carcasses of livestock or poultry or of any product of fishing, chilling, freezing, curing, cutting up or boning, in the case only of bacon and ham, cooking and, in the case only of whole hams, canning.

4. The price for the sale of blended butter.

5. The price for the sale of raw beet sugar for further refining.

6. The price for the sale of liquid milk of which the maximum price is for the time being controlled by an order **(a)** under section 6 of the Emergency Laws (Re-enactments and Repeals) Act 1964 **(b)**.

(a) S.I.1971/1037, 1038, 1972/366, 1974/506, 1549, 1706, 1707 (1971 II, p.3105, 3108; 1972 I, p.1438; 1974 I, p.2307; III, p.p.5869, 6133, 6135).

(b) 1964 c.60.

7. The price for the sale of—

(*a*) unseasoned timber in logs;

(*b*) raw wool which has not undergone any process of combing, spinning or felting and tops of wool and other fine animal hair;

(*c*) untanned hides.

8. The price for the sale of coal and steel (as defined in Annex 1 to the Treaty establishing the European Coal and Steel Community, signed at Paris on 18th April 1951, together with any additions to the lists in that Annex made by the Special Council of Ministers under article 81 of that Treaty) charged by an undertaking as defined in article 80 of that Treaty (otherwise than for the special purposes therein mentioned) except for sales to domestic consumers.

9. The charge for carriage by sea transport between terminals of which one or both are outside the United Kingdom, the Isle of Man or the Channel Islands including charges for carriage between points in the United Kingdom, the Isle of Man or the Channel Islands, where the tariff applicable to those charges is one for the whole of the first mentioned carriage.

10. The charge for carriage by air transport for which an air transport licence granted by the Civil Aviation Authority is by section 21 of the Civil Aviation Act 1971 (**a**) required to be held by the operator.

11. (*a*) Bus fares which are fixed by conditions attached to a road service licence granted under section 135 of the Road Traffic Act 1960 (**b**) or a permit granted under section 30 of the Transport Act 1968 (**c**);

(*b*) bus fares which are charged in pursuance of an agreement with the London Transport Executive under section 23 of the Transport (London) Act 1969 (**d**) or a consent continued in force or granted under Schedule 4 to that Act;

(*c*) taxi fares fixed by regulations made by, or by byelaws confirmed by, the Secretary of State.

12. (*a*) Charges or dues for the provision of aids for air navigation or for the provision of landing and related facilities for aircraft where that provision is made principally in connection with transport between terminals of which one or both are outside the United Kingdom (including the Isle of Man and the Channel Islands);

(*b*) pilotage dues within the meaning of the Pilotage Act 1913 (**e**);

(*c*) ship, passenger and goods dues within the meaning of the Harbours Act 1964 (**f**), charges exigible by virtue of section 29 of that Act (local light dues) and charges of harbour authorities which are liable to a direction given by the Ministry of Commerce under the Harbour Authorities Act (Northern Ireland) 1970 (**g**).

13. Charges made by the Post Office in accordance with any international agreement in respect of the carriage of postal packets or the provision of telecommunications, Giro or remittance services to or from any place in the United Kingdom (including the Isle of Man and the Channel Islands) to or from any other place.

(**a**) 1971 c. 75. (**b**) 1960 c. 16. (**c**) 1968 c. 73.
(**d**) 1969 c. 35. (**e**) 1913 (2 & 3 Geo. 5). c. 31.
(**f**) 1964 c. 40. (**g**) 1970 c. 1 (N.I.).

14. (*a*) The price of any goods on any sale by auction;

(*b*) the price of any goods determined on a commodity market in the United Kingdom (including any price to the extent to which it is determined by reference to a price determined on any such market);

(*c*) the price for the sale of any goods or the charge for the performance of any services under any contract formed by acceptance of a competitive tender.

15. The price for the sale of goods to or the charge for the performance of services for a government department which is in accordance with the profit formula for non-competitive contracts as recorded in the Interim Report by the Review Board for Government Contracts published by Her Majesty's Stationery Office in 1972.

16. The price for the sale of manufactured goods (other than the price for the sale of motor vehicles by a person who ordinarily sells motor vehicles in the course of business)—

(*a*) which have been used to a material extent otherwise than solely for the purpose of testing, examination or adjustment and, in the case of a ship, aircraft or hovercraft, in the course of its delivery to a person who ordinarily sells ships, aircraft or hovercraft in the course of business; and

(*b*) which have not been substantially changed after completion of their manufacture.

17. Insurance premiums.

18. Charges by way of interest (other than any sum payable under a hire purchase or conditional sale agreement).

19. Charges for services to the Post Office by sub-postmasters.

20. Charges being payments in respect of services provided under or pursuant to Part IV of the National Health Service Act 1946**(a)** to persons providing such services.

21. The price for the sale of any human pharmaceutical which may be prescribed under the National Health Service but is not advertised to the general public.

22. The price for the sale of goods or the charge for the performance of services to the extent that any increase made therein is required for the purpose of implementing, and only to the extent required for that purpose, any obligation created or arising by or under any international agreement or arrangement (being an agreement or arrangement between states or organisations of states and not any other) or is made as a direct consequence of any such increase already made.

SCHEDULE 4

(Article 11(b))

Matters relating to an increase in the price of goods or the charge for the performance of a service of which particulars are required to be notified to the Price Commission

Paragraphs 1(2), 5 to 8, 9, and 10 do not apply to water authorities.

1.—(1) The name of the person required to make the notification, his address

(a) 1946 c. 81.

or, in the case of a body corporate, its registered or principal office in the United Kingdom and the address for service of notices by the Commission, if different.

(2) Unless already notified to the Commission, the sales of the person required to make the notification as ascertained under article 3 and particulars of the manner in which they are calculated.

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

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

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

4.—(1) Except in a case to which paragraph 9 below applies, the increase in the price or charge specified pursuant to paragraph 3 above, ascertained in accordance with articles 4 and 5 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.

(2) Where the proposed increase includes retrospective recovery of allowable cost increases under paragraph 23 of the code, the period over which they are to be recovered.

5. Where the goods or services to which the notification relates—

(*a*) are identical with goods or services previously sold or performed, particulars of the amount of sales in respect of those goods or services; or

(*b*) are not identical with goods or services previously sold or performed, particulars of the amount of sales in respect of goods or services of substantially the same description;

during a period ending not more than 42 days before the date when the notification is made, being a period (which shall be specified) of not less than 12 months or, where the goods or services in question have been sold or performed for less than 12 months, during the actual period (which shall be specified) in which they have been sold or performed:

Provided that the particulars referred to in paragraphs (*a*) and (*b*) above may, where the Commission so inform the person required to make the notification, be furnished in the form of an estimate.

6.—(1) The reference level of the net profit margin of the unit for net profit margin control in relation to the price or charge specified pursuant to paragraph 3, ascertained in accordance with the code and, unless already notified to the Commission, particulars of the manner in which it is calculated.

(2) The net profit margin of the unit for net profit margin control in relation to the price or charge specified pursuant to paragraph 3, calculated in accordance with the code—

(*a*) on the assumption that only the increase to which the notification relates is made;

(*b*) (in a case to which paragraph 9 below applies) on the assumption that only the increase proposed in the common price is made; and

(*c*) on the assumption that the increase and other specified increases in prices and charges are made:

Provided that the particulars referred to in this paragraph may, where the Commission so inform the person in question, be furnished in the form of an estimate.

7.—(1) The grounds upon which the person required to make the notification considers the increase specified pursuant to paragraph 4 above to be justified, specifying the provisions of the code on which he relies.

(2) In a case where the person making the notification wishes the Commission to exercise their powers—

(*a*) under paragraph 76 of the code, particulars of any matters which are relevant for determining whether the reference level should be modified; or

(*b*) under paragraphs 77, 78, 81 or 82 of the code, particulars of any matters which are relevant to the criteria set out in the paragraph in question.

8. Where the goods to which the notification relates may or will be comprised (with or without change) in other goods manufactured by the person making the notification, particulars of those other goods.

Common pricing agreements

9. In a case where paragraph 51 of the code (common pricing agreements) is specified as the provision of the code relied upon for the whole or part of the proposed increase—

(*a*) the name and address of the other parties to the agreement;

(*b*) the name and address of the person (if any) authorised by all parties to the agreement to furnish to the Commission information relating to notifications to which this paragraph applies;

(*c*) the proposed common price and the manner in which it is calculated;

(*d*) the goods or services to which the agreement relates;

(*e*) the provisions of the agreement relevant to the calculation of the proposed increase specified pursuant to subparagraph (*c*) of this paragraph.

Investment relief

10. In a case where paragraph 79 of the code (investment relief) is so specified—

(*a*) the amount which the increase specified pursuant to paragraph 3 above may reasonably be expected to yield in the period of 12 months beginning with the date on which the increased price or charge is to be implemented; and

(*b*) the amount which all other increases in the same unit for profit margin control specified in any notification to the Commission relating to an increase under that paragraph and all increases which would have been required to be so specified apart from any provision of articles 7 to 10 may reasonably be expected to yield in total.

Water authorities

11. In the case of a water authority—

(*a*) estimates of its income and expenditure (or in the Isles of Scilly and in Scotland, its income and expenditure relating to the supply of water) during the accounting year in which the proposed increased price or charge is to be implemented;

(*b*) particulars, where available, of or estimates of such income and expenditure during the preceding accounting year;

(*c*) the provisions of any direction given to it by a Minister and, in the case of a statutory water company, of any arrangements between the company and any other water authority relevant to the calculation of any increase specified pursuant to paragraph 4 above;

(*d*) its proposals for restructuring of charges.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order consolidates with amendments the Counter-Inflation (Notification of Increases in Prices and Charges) (No. 3) Order 1973, as amended. The principal changes are—

(*a*) Metal scrap processors are to be treated as manufacturers instead of as distributors—article 1(2).

(*b*) A pre-notification period of 56 days (instead of the usual 28 days) is imposed in a case where paragraph 39 of the Counter-Inflation (Price Code) Order 1974 ("the Price Code"), a new provision affording a safeguard against erosion of profit margins on products, is invoked before 1st May 1975—article 6(6).

(*c*) Paragraph 51 of the Price Code makes new provision for common pricing agreements approved by the Restrictive Practices Court; appropriate information is to be given to the Price Commission before prices are increased under this paragraph—article 6(7) and Schedule 2 and Schedule 4, paragraph 9.

(*d*) Water authorities with turnovers exceeding £5,000,000 are required to give prior notice to the Price Commission, with appropriate information, of proposed increases in prices and charges where these are to be implemented after 31st January 1975—article 6(1) and Schedule 2.

(*e*) New provision is made relating to clauses providing for variation of prices and charges by the Northern Ireland Electricity Service on account of variations in costs—Schedule 2.

(*f*) The prices of canned whole hams and of wool tops are exempted from the requirements of the Order—Schedule 3, paragraphs 3(ii) and 7(*b*).

(*g*) Special particulars are required to be furnished to the Price Commission in relation to a proposed increase under paragraph 79 of the Price Code, which affords relief for investment—Schedule 4, paragraph 10.

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