STATUTORY INSTRUMENTS

1975 No. 864

COUNTER-INFLATION

The Counter-Inflation (Price Code) (Amendment) Order 1975

Made - - -	20*th May* 1975
Laid before Parliament	23*rd May* 1975
Coming into Operation	27*th May* 1975

The Secretary of State in exercise of the powers conferred by section 2 of the Counter-Inflation Act 1973(**a**) as amended (**b**) and of all other powers enabling her in that behalf, and having consulted the Price Commission and representatives of consumers, persons experienced in the supply of goods or services, employers and employees and other persons in accordance with subsection (4) of the said section 2, hereby makes the following Order:—

1.—(1) This Order may be cited as the Counter-Inflation (Price Code) (Amendment) Order 1975 and shall come into operation on 27th May 1975.

(2) The Interpretation Act 1889(**c**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament, and as if for the purposes of section 38 of that Act this Order were an Act of Parliament and the Order hereby varied were an Act of Parliament thereby repealed.

2. The Schedule to the Counter-Inflation (Price Code) Order 1974(**d**) as amended(**e**) shall have effect subject to the amendments specified in the Schedule to this Order.

Shirley Williams,
Secretary of State
for Prices and Consumer Protection.

20th May 1975.

(**a**) 1973 c. 9.
(**b**) S.I. 1974/1218 (1974 II, p. 4631).
(**c**) 1889 c. 63.
(**d**) S.I. 1974/2113 (1974 III, p. 8253).
(**e**) The amending Order is not relevant to the subject matter of this Order.

(Article 2)

SCHEDULE

AMENDMENTS TO THE SCHEDULE TO THE COUNTER-INFLATION (PRICE CODE) ORDER 1974

1. In paragraph 32, in sub-paragraph (1)(*b*), at the end the word "and" shall be omitted and the following head shall be inserted—

"(ix) duty chargeable under the Vehicle (Excise) Act 1971(a) after 15th April 1975; and".

2. In paragraph 79, in sub-paragraph (1), after the word "investment", there shall be inserted the words "physically located (or, in the case of road vehicles, based)".

3. In paragraph 79, in sub-paragraph (2)—

(*a*) in the definition of "expenditure on investment"—

(i) there shall be omitted the words "(except road vehicles)" wherever they occur;

(ii) in paragraph (i) of the proviso, after the words "outside the control", there shall be inserted the words "(except by virtue only of paragraph 5)";

(*b*) at the end of the definition of "expenditure on investment", there shall be inserted the words "and in this definition, "plant and machinery" does not include mechanically propelled road vehicles other than—

(*a*) vehicles of a construction primarily suited for the conveyance of goods or burden of any description;

(*b*) vehicles of a type not commonly used as private vehicles and unsuitable to be so used; and

(*c*) vehicles provided wholly or mainly for hire to, or for the carriage of, members of the public in the ordinary course of a trade;"; and

(*c*) in the definition of "relevant expenditure", for the words "17½ per cent" there shall be substituted the words "20 per cent".

4. For paragraph 83 and its cross-heading, there shall be substituted—

"Special cases

83. Where—

(*a*) having regard to the need to alleviate the shortage or threatened shortage referred to below, the Secretary of State has certified in relation to any product or commodity that—

(i) there is a severe shortage of supplies in the domestic market or serious threat of such shortage; and

(ii) significant damage is being thereby caused or threatened to the interests of particular industries or of consumers in the United Kingdom; or

(*b*) having regard to the need to remove or reduce a significant adverse effect on the United Kingdom balance of payments or a serious threat thereof, the Secretary of State has certified, in relation to any product or commodity, that such an adverse effect or threat exists;

then, for so long as the certificate remains in force, such departures from the provisions of the Code relating to allowable cost increases, increases in total costs and net profit margins shall be permitted by the Commission as the Secretary of State may specify in the certificate."

(a) 1971 c. 10.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order amends the Price Code contained in the Schedule to the Counter-Inflation (Price Code) Order 1974.

The Order inserts a reference to vehicle excise duty in paragraph 32 of the Code (which specifies allowable cost increases which may be taken into account in arriving at a permitted price increase).

The Order modifies paragraph 79 (which provides for relief for investment) by including in the investment expenditure which qualifies for relief that on certain road vehicles and export operations. It increases from 17½ per cent to 20 per cent the percentage of investment expenditure which may be reflected in prices within the control of the Price Code.

The Order also adds to paragraph 83 (which enables the Secretary of State to certify that certain conditions exist and that consequently the Code shall be applied by the Price Commission subject to specified modifications) a provision enabling such a certificate to be made in relation to particular products or commodities with the object of removing or reducing an actual or threatened adverse effect on the balance of payments.

SI 1975/864
ISBN 0-11-050864-5

