(16) FURNITURE

The Furniture (Maximum Prices and Charges) Order, 1948

1948 No. 2624

Made - - - -	*3rd December,* 1948
Laid before Parliament	*3rd December,* 1948
Coming into Operation	*20th December,* 1948

The Board of Trade, in pursuance of the powers conferred upon them by Sections 1, 2 and 18 of the Goods and Services (Price Control) Act, 1941(a), as amended by the Defence (Price Control) Regulations, 1945(b), Regulation 4 of those Regulations and all other powers in that behalf enabling them, hereby order as follows:—

INTRODUCTORY

Scope of Order.

1.—(1) The maximum prices to be charged and the maximum charges to be made in respect of the sale of furniture to which this Order applies and in respect of the repair of such furniture shall be computed in accordance with the following provisions of this Order.

(2) The furniture to which this Order applies in relation to any class of business is—

(*a*) domestic furniture (including wire and spring mattresses),

(*b*) office furniture other than safes, plan cabinets and metal office equipment,

(*c*) canteen furniture, and

(*d*) parts of goods within the above heads,

other than—

(i) mirrors,

(ii) goods of the description defined in the Schedule to the Prices of Goods (Price Regulated Goods) Order, 1942, (as amended)(c) other than in item 19 or 21 thereof,

(iii) goods the maximum price of which in relation to that class of business is controlled by another Order made under Section 1 of the Goods and Services (Price Control) Act, 1941, or by an Order made under Regulation 55 or 55AB of the Defence (General) Regulations, 1939,

(iv) furniture which it is established was manufactured before the 1st day of January, 1847, and

(v) furniture being purchased by a Government Department in respect of which the supplier shall have notice in writing before or at the time of supply that it is being so purchased.

(a) 4 & 5 Geo. 6. c. 31.
(b) S.R. & O. 1945 (No. 1613) II, p. 81.
(c) S.R. & O. 1942 (No. 794) I, p. 227; 1945 (No. 68) I, p. 416; and 1947 (No. 1807), I, p. 810.

Maximum Prices for New Non-Utility Furniture

Manufacturers.

2.—(1) The maximum price to be charged in the course of the business of a manufacturer of furniture in respect of new furniture manufactured by him, not being utility furniture, shall be such amount as is reasonably justified in respect of the manufacturer's costs of production and sale by reference to the matters set out in the First Schedule hereto (taken as a whole) together with a sum equal to 6 per cent. thereof; provided that in calculating such costs of production and sale, the manufacturer shall not take into account the amount of any increase in such costs computed by reference to such of the matters specified in paragraphs 2, 3, 4 and 5 of the First Schedule hereto as are relevant, due to—

(i) any increase in the rate or scale of wages, salaries or commission paid or payable by him, agreed after the 4th day of February, 1948, or

(ii) any change in the terms or conditions of employment of persons employed by him, agreed after that date.

(2) The maximum price to be charged in the course of the business of a manufacturer of furniture in respect of new furniture not manufactured by him, and not being utility furniture, shall be the purchase price paid or agreed to be paid by him together with an amount equal to 2½ per cent. thereof.

Distributors.

3. The maximum price to be charged in the course of the business of a distributor in respect of new furniture not manufactured by him, and not being utility furniture, shall be the purchase price paid or agreed to be paid by the first purchaser (other than a manufacturer buying in the course of his business) together with an amount equal to 50 per cent. of that price.

Discount.

4. Notwithstanding anything contained in the preceding provisions of this Order, the appropriate maximum price (exclusive of purchase tax) in respect of new furniture (other than new utility furniture) sold otherwise than to a retail customer, shall be reduced by an amount equivalent to the cash or settlement discount (if any) which was being allowed by the seller during the three consecutive calendar months immediately preceding 30th April, 1942, if payment for such furniture is made during the same period as was granted by the seller, as a condition of allowing such discount during the said three months period.

Maximum Prices for New Utility Furniture

Manufacturers.

5. The maximum price to be charged in the course of the business of a manufacturer shall—

(*a*) in respect of new utility furniture manufactured by him in Great Britain and described in Related Schedule No. 2D, be the relevant price specified in that Schedule;

(*b*) in respect of new utility furniture manufactured by him in Northern Ireland and described in Related Schedule No. 3C, be the relevant price specified in that Schedule.

Distributors.

6. The maximum price to be charged in the course of a business of a distributor in respect of new utility furniture not manufactured by him shall—

(*a*) in the case of imported furniture which is described in Related Schedule No. 2D, be the relevant price specified in that Schedule;

(*b*) in any other case, be the purchase price paid or agreed to be paid by the first purchaser (other than a manufacturer buying in the course of his business) together with an amount equal to 33⅓ per cent. of that price; provided that in the case of furniture which is described in Part II of Related Schedule No. 2D or in Related Schedule No. 3C, the maximum price shall not exceed the relevant price therein specified.

MAXIMUM PRICES FOR SECOND-HAND FURNITURE

Distributors.

7.—(1) The maximum price to be charged in the course of the business of a distributor in respect of furniture (including Government surplus furniture) to which neither Article 3 nor Article 6 of this Order applies shall be the aggregate of—

(*a*) the purchase price paid or agreed to be paid for that furniture by the first purchaser thereof from a person not carrying on a business to which this Order applies (or, if more than one of such persons have owned that furniture, the last such person, not being a person who it is established was the owner for less than twelve months), being a price exclusive of any commission or other consideration payable to an agent in respect of that purchase,

(*b*) an amount equal to 50 per cent. of such price, and

(*c*) the cost of any repair carried out to that furniture after acquisition by that first purchaser.

(2) The maximum price to be charged in the course of the business of a distributor in respect of furniture which was comprised in a hire-purchase or credit sale agreement and which has been returned to him or which he has recovered shall be the maximum price at which he could lawfully have sold that furniture at the date of the agreement.

(3) The maximum price computed under the provisions of this Article shall not exceed—

(*a*) in the case of utility furniture which is described in Related Schedule No. 2D or in Related Schedule No. 3C (but not in both of them), the relevant price specified in that Schedule;

(*b*) in the case of utility furniture which is described both in Related Schedule No. 2D and in Related Schedule No. 3C the relevant price specified in Related Schedule No. 2D if the furniture is to be delivered by the distributor in Great Britain but otherwise the relevant price specified in Related Schedule No. 3C;

(*c*) in the case of any other furniture manufactured after the 1st day of January, 1900, the first-hand price.

(4) Notwithstanding anything in paragraph (1) of this Article, in the case of furniture to which that paragraph applies sold by a distributor as agent for a person not carrying on a business to which this Order applies the maximum price shall be the price specified in paragraph (3) hereof.

(5) For the purposes of this Article—

" the cost of any repair " means—

(*a*) in relation to a repair carried out by the seller of the furniture, the amount calculated in respect thereof in accordance with sub-paragraph (*b*) of paragraph (1) of Article 9 hereof,

(*b*) in relation to any repair the carrying out of which the seller has procured, the amount charged by the repairer before deduction of any discount except any part of the aggregate of any discounts exceeding 10 per cent., and

(*c*) in relation to furniture purchased by the seller from a distributor, any amount specified in writing by that distributor as the cost of any repair thereto in pursuance of Article 3 of the Furniture (Records and Miscellaneous Provisions) Order, 1948(a), or the corresponding provision of an Order revoked thereby.

" first-hand price " means—

(*a*) in the case of furniture which when new was sold by retail after the 17th day of August, 1942, the price at which it was so sold,

(*b*) if that price is not established or in any case in which the distributor having taken all reasonably practicable steps to ascertain the price referred to in (*a*) has been unable to do so, the price at which it would have been reasonable for that distributor to have offered for sale by retail that furniture when new on the 17th day of August, 1942.

MISCELLANEOUS PROVISIONS AND INTERPRETATION

Composite businesses.

8.—(1) In relation to a business which, in respect of new furniture, consists of a manufacturing branch and a distributing branch or distributing branches, and in relation to which the conditions contained in paragraph (2) of this Article are fulfilled, each such branch may, for the purposes of this Order, be treated as a wholly separate business and—

(i) the maximum price to be charged, in respect of such furniture transferred from the manufacturing branch to a distributing branch, shall be computed in accordance with the relevant provisions of this Order as though such transfer were a sale, that is to say, in the case of new furniture (other than new utility furniture) in accordance with Article 2, and in the case of new utility furniture in accordance with Article 5; provided that in calculating the manufacturer's costs of production and sale, no account shall be taken of the matters set out in paragraph 4 of the First Schedule to this Order;

(ii) the maximum price to be charged in respect of new furniture sold by a distributing branch shall be computed in the case of new furniture (other than new utility furniture) in accordance with Article 3, and in the case of new utility furniture in accordance with Article 6 of this Order.

(2) The conditions referred to in paragraph (1) of this Article are—

(i) that separate records and books of account are being kept in respect of the manufacturing branch and the distributing branches of the business including records showing the transfer of new furniture from one branch to another branch and the price at which such furniture was transferred; and

(ii) that a notice in writing, in duplicate, signed by a person competent to do so, stating that the conditions set out in sub-paragraph

(a) S.I. 1948 (No. 2625) II, p. 809.

(i) of this paragraph have been fulfilled, has been forwarded to, and the duplicate of such notice has been returned by, the Secretary of the Central Price Regulation Committee; provided that it shall be a compliance with this sub-paragraph if notice has already been given to the Central Price Regulation Committee under the provisions of a previous Order determining the maximum prices to be charged for furniture.

Repair charges.

9.—(1) The maximum charge to be made in the course of his business by a person who carries out repairs or any process other than a process of production, reconstruction or conversion to any furniture shall be—

(*a*) in the case of work carried out in pursuance of a contract with a distributor of furniture upon furniture not owned in the course of the business of a distributor, an amount which (before any deduction by way of discount) is equal to the aggregate of the cost of labour, 100 per cent. of such cost and the cost (including any purchase tax paid or payable) of additional material used in doing that work;

(*b*) in any other case, an amount which (before any deduction by way of discount) is equal to the aggregate of the cost of labour, 125 per cent. of such cost and the cost (including any purchase tax paid or payable) of additional material used in doing that work.

(2) The maximum charge to be made in the course of any business by a person who procures repairs or any process other than a process of production, reconstruction or conversion to be carried out to any furniture shall be—

(*a*) the amount charged by the repairer before deduction of any discount except any part of the aggregate of any discounts exceeding 10 per cent.,

(*b*) an amount equal to 25 per cent. of the amount so charged, and

(*c*) the delivery charges necessarily and properly incurred by the person who procured the carrying out of the work with respect to the collection and delivery of the furniture.

(3) In this Article the "cost of labour" means, in relation to the carrying out of any work, such amount as is reasonably justified, having regard to the time necessary for carrying out such work, by reference to the labour (including that (if any) of the proprietor of the business) directly employed in that work; so, however, that no account shall be taken of any increase in such amount which is due to:—

(i) any increase in the rate or scale of wages, salaries or commission agreed after the 4th day of February, 1948, or

(ii) any change in the terms and conditions of employment agreed after that date.

(4) The provisions of this Article shall not apply in relation to any repair or other process carried out for a Government Department.

Notice of maximum prices.

10. Any person carrying on a business to which this Order applies in the course of which any furniture described in a Related Schedule is offered for sale to retail customers, shall display in a prominent place in each of his establishments at which such furniture is so offered where it can be easily read by any such customer a notice in the form specified in the Second Schedule hereto and shall, if requested so to do by any such customer, show or cause to be shown to him a copy of any Related Schedule.

Revocation and saving.

11.—(1) The Orders specified in the Third Schedule hereto are hereby revoked.

(2) Nothing in this Order shall affect the execution of any agreement lawfully made under the Orders hereby revoked in a manner not prohibited by those Orders.

Meaning of maximum price and maximum charge and variations of maximum prices and charges in relation to delivery.

12.—(1) In this Order, unless the context otherwise requires, the maximum prices and maximum charges specified are prices and charges before any deduction by way of discount and inclusive of any charges in respect of delivery to the premises of or nominated by the customer, but exclusive of any purchase tax paid or payable.

(2) If on any sale of utility furniture the seller refuses to deliver the furniture at the premises of or nominated by the buyer within the United Kingdom (being in the case of a sale to a retail customer premises not more than 15 miles from the premises at which the contract was made) the maximum price computed in accordance with this Order shall be reduced by the amount of any delivery charges which would be reasonably incurred in the delivery of the furniture to the premises of or nominated by the buyer.

(3) If on the sale of furniture to a retail customer the furniture is under the contract delivered at the premises of or nominated by the customer more than 15 miles from the premises at which the contract was made, the maximum price computed in accordance with this Order shall be increased by the amount of any charges or costs reasonably incurred in the delivery thereof.

Other definitions.

13.—(1) In this Order—

" distributor " means a person carrying on a business of disposing of furniture whether as a principal or agent;

" imported furniture " means furniture manufactured outside Great Britain and Northern Ireland, and imported into Great Britain;

" manufacture " in relation to any person means the carrying out by him, or procuring the carrying out upon materials owned by him, of a process in the production, reconstruction or conversion of furniture; but in relation to a business comprising a manufacturing branch and a distributing branch, which are for the purposes of this Order or any other Order regulating the supply of furniture to be treated as separate businesses, furniture manufactured in the manufacturing branch when supplied from the distributing branch shall be deemed not to have been manufactured by the distributor;

" new furniture " and " new utility furniture " mean furniture and utility furniture, as the case may be, which have not subsequently to production, reconstruction or conversion, or the latest of them, been used but do not include any Government surplus furniture;

" purchase price " means—

(*a*) in the case of furniture other than new utility furniture, the price, exclusive of any purchase tax but inclusive of all delivery charges, payable after all deductions by way of discount other than cash or settlement discounts not exceeding 5 per cent.;

(*b*) in the case of new utility furniture, the price, inclusive of all delivery charges, payable after all deductions by way of discount;

"Related Schedule" means a Related Schedule issued by the Board of Trade for the purposes of this Order and includes any Supplement thereto;

"retail customer" means a person to whom furniture is offered for sale by retail;

"utility furniture" means furniture to which the utility mark (shown in the Second Schedule to the Furniture (Utility Mark) Order, 1948(a)), has been applied in pursuance of that or any other Order.

(2) Any reference to a price specified in Part II of Related Schedule No. 2D shall be deemed to be a reference to that price increased by the appropriate amount, where applicable, specified in the Table to that Schedule.

Citation and commencement.

14. This Order may be cited as the Furniture (Maximum Prices and Charges) Order, 1948 and shall come into operation on the 20th day of December, 1948.

Dated this 3rd day of December, 1948.

Harold Wilson,

President of the Board of Trade.

FIRST SCHEDULE

Manufacturer's Costs of Production and Sale

1. Costs of the provision of materials to be calculated on the basis of a weighted average of:—

(*a*) Stocks in hand.

(*b*) Materials which are the subject of contracts for purchase at fixed prices for delivery during the period for which prices are to be determined.

2. Costs of labour being all wages directly incurred in the production of the article.

3. Factory or Workshop overheads:—

(*a*) Rent or (where property is owned and occupied) a charge in lieu thereof not exceeding the net annual value for the purpose of assessment under Schedule A of the Income Tax Acts; and rates.

(*b*) Maintenance of premises, plant and machinery.

(*c*) Wear and tear of plant and machinery.

(*d*) Heat, light and power.

(*e*) Salaries and wages for supervision and indirect salaries and wages not comprised under 2 above.

(*f*) Cost of materials and services which indirectly enter into manufacture.

(*g*) Transport and packing, being the actual costs on account of the factory.

(*h*) Cost of Air Raid Precautions.

(*i*) Insurance.

(*j*) Liability for duties of Customs and Excise.

(*k*) Levies made and rebates granted for the purpose of raising sums to be used in the maintenance and extension of home and export trade under schemes approved by the Board of Trade.

4. General overheads (being overheads common to the whole business):—

(*a*) Rent of premises other than factory premises, or (where property is owned and occupied) a charge in lieu thereof not exceeding the net annual value for the purpose of assessment under Schedule A of the Income Tax Acts; and rates.

(*b*) Maintenance and repairs appropriate to the premises referred to in (*a*).

(a) S.I. 1948 (No. 2507) II, p. 816.

(*c*) Heat, light and power.
(*d*) Salaries and wages for executive, accountancy, clerical and general office staffs.
(*e*) Stationery, postage, telegrams and telephone, insurances, travelling expenses, and general office expenses.
(*f*) Salesmen's salaries and commission, and other appropriate selling expenses.
(*g*) Transport expenses (other than factory expenses), cost of operating or hiring vehicles, parcel post and carriage, warehouse packing materials, and packers' wages.
(*h*) Advertising expenses limited to such expenses only as will ensure adequate distribution of products in the home market.

5. Cash or settlement discounts customarily allowed.

SECOND SCHEDULE

FORM OF NOTICE

NOTICE

GOODS AND SERVICES (PRICE CONTROL) ACT, 1941

Overriding maximum prices or cash maximum prices have been fixed under the above mentioned Act for utility furniture which is offered for sale in this establishment.

Schedules containing such prices will on request be shown to any customer.

THIRD SCHEDULE

REVOKED ORDERS

Furniture (Maximum Prices and Charges) Order, 1947. S.R. & O. 1947 (No. 1190) I, p. 919.
Furniture (Maximum Prices and Charges) (Amendment No. 8) Order, 1948. S.I. 1948 No. 180.
Furniture (Maximum Prices and Charges) (Amendment No. 9) Order, 1948. S.I. 1948 No. 518.
Furniture (Maximum Prices and Charges) (Amendment No. 11) Order, 1948. S.I. 1948 No. 1072.
Furniture (Maximum Prices and Charges) (Amendment No. 12) Order, 1948. S.I. 1948 No. 1252.
Furniture (Maximum Prices and Charges) (Amendment No. 13) Order, 1948. S.I. 1948 No. 1772.

EXPLANATORY NOTE

(*This Note is not part of the Order, but is intended to indicate its general purport.*)

This Order consolidates with amendments the Furniture (Maximum Prices and Charges) Order, 1947, and five amending Orders. The principle changes are:—

(1) The maximum price chargeable by a manufacturer of new non-utility furniture is fixed in all cases by reference to his costs of production and sale and a cash maximum or overriding maximum price is no longer specified;
(2) The maximum price chargeable by a distributor of new non-utility furniture is in all cases the purchase price paid by the first purchaser plus 50 per cent. and a cash maximum or overriding maximum price is no longer specified;
(3) The overriding maximum price of second-hand non-utility furniture is, in every case, the first-hand price;

(4) Related Schedule No. 2D is substituted for Related Schedule No. 2C and Supplements Nos. 1 and 2 thereto;
(5) Related Schedule No. 3C is substituted for Related Schedule No. 3B and Supplements Nos. 1 and 2 thereto;
(6) The provisions relating to composite businesses apply both to non-utility and utility furniture.

Related Schedule No. 2D now specifies manufacturers' cash maximum prices and distributors' overriding maximum prices for utility furniture manufactured in Great Britain; distributors' cash maximum prices for imported utility furniture; and distributors' overriding maximum prices for second-hand utility furniture.

Related Schedule No. 3C specifies, as before, maximum prices for utility furniture manufactured in Northern Ireland.

(17) GLASS TUMBLERS

The Glass Tumblers (Maximum Prices) (Amendment) Order, 1948

1948 No. 356

Made - - - -	*24th February,* 1948
Laid before Parliament	*24th February,* 1948
Coming into Operation	*15th March,* 1948

The Board of Trade, in pursuance of the powers conferred upon them by Section 1 of the Goods and Services (Price Control) Act, 1941(**a**), as amended by the Defence (Price Control) Regulations, 1945(**b**), and all other powers in that behalf enabling them, hereby order as follows:—

1. The Glass Tumblers (Maximum Prices) Order, 1943(**c**), shall have effect as if after Article 2 thereof there were added the following article:—

"2A. In calculating any such costs in accordance with the preceding Article the manufacturer shall not take into account the amount of any increase in such costs computed by reference to the matters specified in paragraphs 2, 3, 4 and 5 of the Schedule hereto due—

(1) to any increase in the rate or scale of wages, salaries or commission paid or payable by him agreed after the 4th day of February, 1948, or
(2) to any change in the terms or conditions of employment of persons employed by him agreed after that date."

2. This Order may be cited as the Glass Tumblers (Maximum Prices) (Amendment) Order, 1948, and shall come into operation on the 15th day of March, 1948.

Dated this 24th day of February, 1948.

Harold Wilson,
President of the Board of Trade.

EXPLANATORY NOTE

(*This Note is not part of the Order, but is intended to indicate its general purport.*)

This Order amends the provisions of the Glass Tumblers (Maximum Prices) Order, 1943, relating to the method of calculation of a manufacturer's costs of production and sale. Direct and indirect increases in wages, salaries and commission, agreed after February 4th, 1948, are not to be taken into account if and in so far as they result in a rise in the cost of goods, or if they are offset by a reduction in the prices paid for materials.

(**a**) 4 & 5 Geo. 6. c. 31. (**b**) S.R. & O. 1945 (No. 1613) II, p. 81.
(**c**) S.R. & O. 1943 (No. 1469) I, p. 445.