(32) TOYS AND INDOOR GAMES

The Toys and Indoor Games (Maximum Prices and Records) Order, 1948

1948 No. 1734

Made - - - -	*26th July*, 1948
Laid before Parliament	*27th July*, 1948
Coming into Operation	*9th August*, 1948

The Board of Trade, in pursuance of the powers conferred upon them by Sections 1, 14 and 18 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:—

Scope of Order.

1. The maximum prices to be charged in the course of businesses of the following classes, namely, manufacturer, importer, factor, wholesaler and retailer, in respect of goods specified in the First Schedule hereto (hereinafter called "goods") shall be computed in such manner and by reference to such matters as are hereinafter provided.

Manufacturer.

2. The maximum price to be charged in the course of the business of a manufacturer in respect of goods, shall be:—

(1) on a sale to a factor, the manufacturer's costs of production and 6 per cent. thereof;

(2) on a sale to a wholesaler or to a retailer, the manufacturer's costs of production and sale and 6 per cent. thereof;

(3) on a sale to a retail customer the manufacturer's costs of production and sale, 6 per cent. thereof and the amount of purchase tax (if any) paid or payable in respect of such goods.

Aggregation of sales.

3.—(1) The aggregate of the maximum prices chargeable in the course of the business of a manufacturer in respect of all relevant goods sold by him during any period beginning after the 9th day of August, 1948, being a period of not less than 4 nor more than 12 months, shall be calculated as follows, that is to say shall be:—

(i) in the case of such goods sold to factors:—

(*a*) the manufacturer's costs of production, incurred during that period, of all relevant goods manufactured during that period, adjusted by adding his costs of production of his opening stocks of relevant goods, whether wholly or partly manufactured, and subtracting his costs of production of his closing stocks of such relevant goods; and

(*b*) an amount equal to 6 per cent. of the sum calculated under the above head;

(a) 4 & 5 Geo. 6. c. 31. (b) S.R. & O. 1945 (No. 1613) II. p. 81.

(ii) in any other case:—

(*a*) the manufacturer's costs of production, incurred during that period, of all relevant goods manufactured during that period, adjusted by adding his costs of production of his opening stocks of relevant goods, whether wholly or partly manufactured, and subtracting his costs of production of his closing stocks of such relevant goods, and

(*b*) the manufacturer's other costs of the relevant goods so sold by him during that period, and

(*c*) an amount equal to 6 per cent. of the sums calculated under the above heads.

(2) If the aggregate of the prices charged in the course of the business of a manufacturer for relevant goods during any such period exceeds the aggregate of the maximum prices calculated as aforesaid that manufacturer shall be guilty of a single contravention of subsection (1) of Section 1 of the Goods and Services (Price Control) Act, 1941, in respect of those goods.

Computation of Manufacturer's costs.

4. The manufacturer's costs of production and sale, the manufacturer's costs of production and the manufacturer's other costs, in relation to any goods, shall be such amount as is reasonably justified in relation to those goods by reference to:—

(i) in the case of the manufacturer's costs of production and sale, the matters set out in the Third Schedule hereto (taken as a whole);

(ii) in the case of the manufacturer's costs of production, the matters (taken as a whole) set out in paragraphs 1, 2, 3 and 4 of that Schedule;

(iii) in the case of the manufacturer's other costs, the matters (taken as a whole) set out in paragraphs 5 and 6 of that Schedule;

so, however, that in computing any such costs as aforesaid a manufacturer shall not take into account the amount of any increase in such costs (computed by reference to the relevant matters specified in the said Third Schedule other than the matters specified in paragraph 1 thereof) due to any increase in the rate or scale of wages, salaries or commission paid or payable by him agreed after February 4th, 1948 or to any change in the terms or conditions of employment of persons employed by him, agreed after that date.

Imported Goods. Importer and Wholesaler.

5. The maximum price to be charged in the course of the business of an importer, in respect of goods imported in the course of his business, or a wholesaler, in respect of imported goods purchased in the course of his business, shall be the landed cost and:—

(*a*) on a sale otherwise than to a retail customer, 35 per cent. thereof;

(*b*) on a sale to a retail customer 50 per cent. thereof and the amount of purchase tax (if any) paid or payable in respect of such goods.

Other Goods. Factor.

6. The maximum price to be charged in the course of the business of a factor in respect of goods, shall be the purchase price paid or agreed to be paid to the manufacturer by the first purchaser (being a factor) and:—

(1) on a sale to a wholesaler 17½ per cent. thereof;

*(2) on a sale to a retailer, 35 per cent. thereof;

* For amendment, *See* p. 1533 below.

(3) on a sale to a retail customer, 50 per cent. thereof and the amount of purchase tax (if any) paid or payable in respect of such goods.

Wholesaler.

7. Subject to the provisions of Article 5—

(1) the maximum price to be charged on a sale of goods in the course of the business of a wholesaler who, in respect of goods, conducts a regular selling organisation for supplying the retail trade and who carries, in a warehouse or other storage premises, stocks which are substantial in relation to his turnover, shall be the purchase price paid or agreed to be paid to the manufacturer or factor by the first purchaser (being a wholesaler) and:—

*(*a*) on a sale otherwise than to a retail customer 35 per cent. thereof;

(*b*) on a sale to a retail customer, 50 per cent. thereof and the amount of purchase tax (if any) paid or payable in respect of such goods;

(2) the maximum price to be charged in the course of the business of any other wholesaler in respect of goods shall be the purchase price paid or agreed to be paid to the manufacturer or factor by the first purchaser (being a wholesaler) and 5 per cent. thereof.

Retailer.

8. The maximum price to be charged in the course of the business of a retailer in respect of goods, shall be the purchase price paid or agreed to be paid to the manufacturer, importer, factor or wholesaler by the first purchaser (being a retailer), 50 per cent. thereof and the amount of purchase tax (if any) paid or payable in respect of such goods.

Rounding and Discounts.

9.—(1) On a sale of goods to a retail customer the maximum price computed in accordance with the appropriate foregoing provisions of this Order shall be rounded to the nearest halfpenny if that price does not exceed 5s., and to the nearest penny if that price exceeds 5s.

(2) On a sale of goods (otherwise than to a retail customer) the maximum price computed in accordance with the foregoing provisions of this Order shall be reduced by an amount not less than 2½ per cent. thereof in any case in which payment for those goods is made or tendered before the tenth day in the month immediately succeeding that in which they were consigned by the seller to or to the order of the buyer.

Books of Account.

10. A manufacturer of goods shall keep a book or books of account in relation to his business containing such particulars with respect to such matters as are specified in the Second Schedule hereto.

Modification of the Price-Controlled Goods (Invoices) Order, 1943.

11. In relation to imported goods sold in the course of the business of an importer or a wholesaler and bought in the course of the business of a wholesaler the Price-Controlled Goods (Invoices) Order, 1943(a), shall have effect as if, in the invoice to be furnished, the seller were required (in addition to the particulars referred to in Article 2 of that Order) to include statements that the goods were imported, and of the landed cost thereof.

(a) S.R. & O. 1943 (No. 604) I, p. 309.

* For amendment, *See* p. 1533 below.

Interpretation and Revocation.

12.—(1) In this Order—

(i) " factor " means a person who

(*a*) carries on the business of purchasing goods from the manufacturer or importer thereof and of selling such goods wholly or mainly to wholesalers; and

(*b*) carries stocks of goods which are substantial in relation to the turnover of his business; and

(*c*) maintains a regular selling organisation for supplying goods to the wholesale trade;

(ii) " landed cost " means, in relation to imported goods, an amount equivalent to the aggregate of:—

(*a*) the price (after all deductions by way of discount other than cash or settlement discounts not exceeding 2½ per cent.) paid or agreed to be paid by the importer, and

(*b*) all sums (in so far as they are not included under (*a*) above) paid or payable by the importer in respect of packing, insurance, freight to the port of entry, import duties and customs clearance charges;

(iii) " manufacturer " means a person who carries out any process whereby goods are produced; or a person (not being a factor) who procures any such process to be carried out;

(iv) " maximum price " means the price payable before any deduction by way of discount, inclusive of all delivery charges, and, on a sale to a retail customer but not otherwise, purchase tax; and

" purchase price " means the price, inclusive of all delivery charges (if any), payable after all deductions by way of discount (other than cash or settlement discounts not exceeding 5 per cent.) but exclusive of purchase tax;

so, however, that in relation to " maximum price " and " purchase price " no account shall be taken of delivery charges payable by the buyer—

(*a*) on a sale to a retail customer, or

(*b*) on a sale otherwise than to a retail customer of goods, whether or not such goods are included in a parcel comprising other articles, where the total price of such goods or, as the case may be, of such parcel (exclusive of purchase tax and delivery charges) does not exceed £2;

(v) " opening stocks " of a manufacturer in relation to any period means goods manufactured by him, but not sold before the beginning of the period, and " closing stocks " means goods manufactured by him, whether before or during the period, but not sold before the end of it;

(vi) " relevant goods " in relation to a manufacturer to whom this Order applies means goods manufactured by that manufacturer, whether before or after the 9th day of August, 1948, being goods generally or any class of such goods (defined by reference to description, type, size or any other matter whatsoever).

(2) The Toys and Indoor Games (Maximum Prices and Records) Order, 1946(a), is hereby revoked.

13. This Order may be cited as the Toys and Indoor Goods (Maximum Prices and Records) Order, 1948* and shall come into operation on the 9th day of August, 1948. Citation and Commencement.

Dated this 26th day of July, 1948.

Harold Wilson,
President of the Board of Trade.

FIRST SCHEDULE

Goods to which this Order applies

1. New toys whether educational or not including—

models; sets or kits of parts for the construction of models of every description; chalks, crayons and modelling materials put up for sale as toys; toy sewing, carpentering and other handcraft sets; toy painting sets and toy paint boxes; toy apparel; carnival novelties, Christmas crackers and musical toys; doll's heads; children's transfers, cut out sheets and cut out books; toy money boxes; skipping ropes not exceeding 9 feet in length.

2. New component parts of and accessories for toys.

3. New accessories, appliances, apparatus and requisites for indoor games, other than—

bagatelle; billiards; snooker; chess; darts; playing cards; shove-half-penny; table skittles; table tennis; roulette.

SECOND SCHEDULE

Particulars to be entered in Manufacturer's Books of Account

Particulars of all moneys received or expended in respect of:—

(*a*) materials;

(*b*) labour;

(*c*) expenses; and

(*d*) sales of goods and materials;

identifying the matters in respect of which such moneys are so received or expended.

THIRD SCHEDULE

Manufacturer's Costs

Matters to be regarded in ascertaining costs

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

3. Costs incurred by way of service charges paid to the manufacturer on commission in the case of goods manufactured wholly or partly on commission.

(a) S.R. & O. 1946 (No. 116) I, p. 830.

* For amendment, *See* p. 1533 below.

4. Factory 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 cost 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.

5. 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*).

(*c*) Heat, light and power.

(*d*) Salary 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.

6. Cash or settlement discounts customarily allowed.

EXPLANATORY NOTE

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

This Order replaces the Toys and Indoor Games (Maximum Prices and Records) Order, 1946 (S.R. & O. 1946 No. 116) with the following amendments:—

(*a*) Importers' and wholesalers' maximum prices for imported toys are fixed at the landed cost (as defined in Article 12 (1) (ii)) and 35 per cent. thereof (50 per cent. on a sale to a retail customer). Retailers' maximum prices for such toys are fixed at the price paid to the importer or wholesaler and 50 per cent. thereof.

(*b*) In the case of home-produced toys the maximum price which may be charged by a wholesaler who carries substantial stocks and maintains a regular selling organisation for supplying the retail trade is fixed at the purchase price paid to the manufacturer or factor by the first purchaser and 30 per cent. thereof. Hitherto the percentage margin was 33⅓ per cent.

(*c*) The definition of a factor has been amended by removing the requirement that he should have carried on business as a factor at all times since March, 1939.

(*d*) Article 3 provides that a single contravention of subsection (1) of Section 1 of the Goods and Services (Price Control) Act, 1941, will have been committed by a manufacturer if it be proved that the aggregate prices charged by him for goods over a period exceed the aggregate prices for those goods calculated under this Order.

(*e*) Direct and indirect increases in wages, salaries and commission agreed after February 4th, 1948, are not to be taken into account in calculating the manufacturer's costs of production and sale if and in so far as such increases result in a rise in the cost of goods, or if they are offset by a reduction in the prices paid for materials.

(*f*) Christmas crackers have been added to the list of toys to which the Order applies.

The Toys and Indoor Games (Maximum Prices and Records) (Amendment) Order, 1948

1948 No. 1804

Made - - - -	30*th July*, 1948
Laid before Parliament	31*st July*, 1948
Coming into Operation	9*th August*, 1948

The Board of Trade, in pursuance of the powers conferred upon them by Sections 1, 14 and 18 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:—

Amendment of the Toys and Indoor Goods (Maximum Prices and Records) Order, 1948.

1. The Toys and Indoor Goods (Maximum Prices and Records) Order, 1948(**c**), shall have effect as if:—

(1) in head (2) of Article 6 and in head (*a*) of paragraph (1) of Article 7, for the figures and words "35 per cent." there were substituted the figures and words "30 per cent.";

(2) in Article 13 for the word "Goods" there were substituted the word "Games".

Citation and commencement.

2. This Order may be cited as the Toys and Indoor Games (Maximum Prices and Records) (Amendment) Order, 1948, and shall come into operation on the 9th day of August, 1948.

Dated this 30th day of July, 1948.

Harold Wilson,
President of the Board of Trade.

(**a**) 4 & 5 Geo. 6. c. 31. (**b**) S.R. & O. 1945 (No. 1613) II, p. 81.
(**c**) S.I. 1948 No. 1734, p. 1527 above.