(35) YARN AND CLOTH (WOOL AND ANIMAL FIBRE)

The Yarn and Cloth (Wool and Animal Fibre) (Maximum Prices and Charges) Order, 1948

1948 No. 304

Made - - - -	*19th February*, 1948
Laid before Parliament	*19th February*, 1948
Coming into Operation	*1st March*, 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), and all other powers in that behalf enabling them, hereby order as follows:—

Scope of Order.

1.—(1) The maximum price to be charged and the maximum charge to be made by a manufacturer in respect of the sale of, or the carrying out of a process in the manufacture of, yarn and cloth to which this Order applies, shall be computed in accordance with the following provisions of this Order.

(2) The yarn to which this Order applies (in this Order called "yarn") is yarn containing more than 15 per cent. by weight of fibre (whether or not subjected to any process of manufacture or recovery) from the coat or fleece of alpaca, camel, goat, hare, lamb, llama, rabbit, sheep, vicuna or yak or of horsehair, but does not include:—

(i) yarn suitable for making rugs by hand otherwise than on looms;

(ii) hand knitting yarn or mending yarn;

(iii) yarn being purchased by or on behalf of 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; or

(iv) yarn being purchased by or on behalf of a manufacturer of cloth or a maker-up of other goods for the purpose of being manufactured or made-up by him into goods intended for export in respect of which the supplier shall have notice in writing before or at the time of supply that it is being so purchased.

*(3) The cloth to which this Order applies (in this Order called "cloth") is cloth, whether or not subjected to any process of finishing, woven on looms and of which the textile content comprises more than 15 per cent. by weight of fibre (whether or not subjected to any process of manufacture or recovery) from the coat or fleece of alpaca, camel, goat, hare, lamb, llama, rabbit, sheep, vicuna or yak or of horsehair, but does not include:—

(i) cloth being purchased by or on behalf of 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.

* For new Sub-paragraph added by S.I. 1948 No. 2491, *See* p. 1543 below.

(ii) cloth of a width not exceeding 18 inches woven with two self-edges; *or*

(iii) cloth being purchased by a maker-up for the purpose of being made-up by him into goods intended for export in respect of which the supplier shall have notice in writing before or at the time of supply that it is being so purchased.

Maximum price. Worsted yarn.

2. The maximum price to be charged in the course of the business of a manufacturer in respect of worsted yarn described in Related Price Schedule No. 1A shall be the appropriate amount specified in that Related Schedule.

Maximum price. Woollen yarn and cloth.

3. Except in the cases specified in Articles 4, 5 and 6, the maximum price to be charged in the course of the business of a manufacturer in respect of woollen yarn and of cloth described in column 1 of the First Schedule hereto shall be the manufacturer's costs of production and sale together with the amount equal to the appropriate percentage of those costs specified in column 2 of that Schedule.

Exception 1. Woollen yarn spun in the County of Yorkshire or Lancashire or on commission.

4.—(1) The maximum price to be charged in respect of woollen yarn spun in premises situated in the geographical county of York or of Lancaster upon a sale in the course of the business of—

(*a*) a manufacturer in whose premises the yarn was spun and in relation to whom the Woollen Yarn Related Price and Charge Schedule No. 1 applies by virtue of a notice served by him in accordance with the provisions of the Second Schedule hereto, and

(*b*) a manufacturer who has procured the spinning of the yarn on commission for a charge computed in accordance with that Related Schedule,

shall be the appropriate amount provided in that Related Schedule.

(2) Subject to the provisions of the preceding paragraph, the maximum price to be charged in respect of the sale of woollen yarn by a manufacturer who has procured the spinning of that yarn on commission shall be that manufacturer's costs of production and sale together with a sum equal to 4½ per cent. of those costs other than such part thereof as represents the charges paid by him in respect of spinning performed for him on commission.

Exception 2. Cloth woven on commission.

5. The maximum price to be charged in respect of the sale of cloth by a manufacturer who has procured the weaving of cloth on commission from yarn belonging to him shall be the manufacturer's costs of production and sale together with a sum equal to 5 per cent. of those costs other than such part thereof as represents the charges paid by him in respect of weaving and mending performed for him on commission.

Exception 3. Purchased cloth finished on commission.

6. The maximum price to be charged in respect of the sale of cloth by a manufacturer who has procured undyed or partly finished cloth purchased by him to be subjected to any process of dyeing or finishing on commission shall be the manufacturer's costs of production and sale together with a sum equal to 5 per cent. of those costs.

Composite business.

7. Where in relation to cloth a business consists of a manufacturing branch and a wholesale branch or a manufacturing branch and a retail branch or a manufacturing branch, a wholesale branch and a retail branch and the conditions mentioned in Article 4 of the General Apparel, Furnishings and Textiles (Wholesalers' and Retailers' Maximum Prices

and Charges) Order, 1946(a), as amended(b), are complied with and accordingly those branches are for the purposes of that Order treated as wholly separate businesses, the maximum price at which cloth may be transferred from the manufacturing branch shall be computed in accordance with the preceding provisions of this Order as if such transfer were a sale.

Discount.

8. On a sale by a manufacturer (otherwise than by retail) of cloth, the appropriate 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 therefor is made or tendered before the fifteenth day of the month next following that in which the cloth was consigned by the seller to or to the order of the buyer.

Maximum charges. Spinning woollen yarn on commission.

9. The maximum charge to be made in the course of the business of a manufacturer in respect of the spinning of woollen yarn on commission shall be:—

(1) in the case of yarn spun in premises situated in the geographical county of York or of Lancaster by a manufacturer to whom the Woollen Yarn Related Price and Charge Schedule No. 1 applies by virtue of a notice served by him in accordance with the provisions of the Second Schedule hereto, the appropriate amount specified in that Related Schedule;

(2) in any other case, the manufacturer's costs of production and sale together with a sum equal to 4½ per cent. of those costs.

Spinning worsted yarn on commission.

10. The maximum charge to be made in the course of the business of a manufacturer in respect of the spinning on commission of worsted yarn described in Related Charge Schedule No. 1A shall be the appropriate amount provided in that Related Schedule.

Weaving cloth on commission.

11. The maximum charge to be made in the course of the business of a manufacturer in respect of the weaving of cloth on commission shall be the manufacturer's costs of production and sale together with a sum equal to 5 per cent. of those costs.

Dyeing or finishing cloth on commission.

12. The maximum charge to be made in the course of the business of a manufacturer in respect of the dyeing or finishing of cloth on commission shall be:—

(*a*) if cloth was being dyed or finished on commission in the ordinary course of that business on June 30th, 1942, the charge (increased by 34 per cent. thereof) being made therefor in the ordinary course of that business on that date; or

(*b*) in any other case, the charge (increased by 34 per cent. thereof) for which, in the ordinary course of a substantially similar business, cloth was being dyed or, as the case may be, finished on commission on that date.

Performance on commission of any other service in relation to cloth or yarn.

13. The maximum charge to be made in the course of the business of a manufacturer in respect of the performance by him on commission of any service in relation to yarn or cloth not described in the foregoing provisions of this Order shall be:—

(*a*) if such service was being performed on commission in relation to yarn or cloth in the ordinary course of that business on June 30th, 1942, the charge (increased by 26 per cent. thereof) being made therefor in the ordinary course of that business on that date; or

(a) S.R. & O. 1946 (No. 1747) I, p. 666.

(b) S.R. & O. 1947 (Nos. 1168 and 2637) I, pp. 830–37.

(*b*) in any other case, the charge (increased by 26 per cent. thereof) for which, in the ordinary course of a substantially similar business, such service was being performed on commission in relation to yarn or, as the case may be, cloth on that date.

Computation of manufacturer's costs of production and sale.

14.—(1) Subject to the following provisions of this Article, for the purposes of this Order the manufacturer's costs of production and sale in relation to any goods shall be such amount as is reasonably justified in relation to those goods by reference to the matters set out in the Third Schedule hereto (or such of them as are appropriate to that case) taken as a whole.

*(2) In calculating the amount of any such costs 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, 5 and 6 of the Third Schedule hereto due to—

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

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

(3) A manufacturer of cloth containing worsted yarn or woollen yarn described in a Related Price Schedule or a Related Price and Charge Schedule and spun by him may calculate the amount to be taken into account under paragraph 1 of the Third Schedule hereto in respect of the provision of that yarn by reference to the maximum price specified in respect thereof in that Related Schedule instead of by reference to the actual cost incurred by him in the production thereof.

(4) Where any woollen yarn or any cloth described in the First Schedule hereto is spun or woven, as the case may be, at premises from which the output of yarn or cloth, as the case may be, during the three calendar months last preceding the spinning or weaving of that yarn or cloth was less than the appropriate percentage specified in column 3 of that Schedule of the full capacity output of those premises (being the maximum output that might reasonably be expected to be produced from the machinery and apparatus in the premises during normal working hours without overtime), the manufacturer shall not take into account under paragraphs 4 and 5 in the Third Schedule amounts exceeding those which he could have taken into account if such output had been equal to the appropriate percentage of the full capacity output of those premises.

(5) Where any woollen yarn or any cloth described in column 1 of the First Schedule hereto is spun or woven on commission, as the case may be, at premises from which the output of woollen yarn or cloth, as the case may be, during the three calendar months last preceding the spinning or weaving of that yarn or cloth was less than 72½ per cent. in the case of yarn, or 52½ per cent. in the case of cloth, of the full capacity output of those premises (as described in the last preceding paragraph) the spinner or weaver shall not take into account under paragraphs 4 and 5 of the Third Schedule amounts exceeding those which could have been taken into account if such output had been equal to that percentage of the full capacity output of those premises.

---

* For proviso and new Fourth Schedule added by S.I. 1948 No. 2491, *see* p. 1543 below.

15.—(1) The provisions of this Order shall not apply to a business in the course of which the process of spinning or weaving is carried out, but no such process is carried out by means of machinery or apparatus which is power operated. **Exclusion of small businesses.**

(2) The provisions of this Order, other than those relating to the cases provided for in head (*b*) of paragraph (1) and in paragraph (2) of Article 4, in Article 5 and in Article 6, shall not apply to a business in which no persons are engaged except the proprietor and members of his household.

16.—(1) In this Order— **Interpretation and revocation.**

(*a*) " Manufacturer " means a person who, in the course of his business, carries out any process in the production of yarn or cloth or in the course of his business procures the carrying out of such a process in pursuance of a contract of work and labour (with or without the provision of materials);

(*b*) " Related Price Schedule ", " Related Price and Charge Schedule " and " Related Charge Schedule " means schedules so entitled issued by the Board of Trade for the purposes of this Order or of an Order revoked hereby;

(*c*) " Woollen yarn " means yarn carded and spun on the woollen principle;

(*d*) " Worsted yarn " means yarn spun on the worsted principle.

(2) The Wool Yarn and Wool Cloth (Maximum Prices and Charges) Order, 1944(**a**), the Wool Yarn and Wool Cloth (Maximum Prices and Charges) Order, 1945(**b**), the Wool Yarn and Wool Cloth (Maximum Prices and Charges) (No. 3) Order, 1945(**c**), the Wool Yarn and Wool Cloth (Maximum Prices and Charges) Order, 1946(**d**), the Wool Yarn and Wool Cloth (Maximum Prices and Charges) (No. 2) Order, 1946(**e**), the Wool Yarn and Wool Cloth (Maximum Prices and Charges) Order, 1947(**f**), and the Wool Yarn and Wool Cloth (Maximum Prices and Charges) (No. 2) Order, 1947(**g**), are hereby revoked; but Related Price Schedule No. 1A and Related Charge Schedule No. 1A (which were issued for the purposes of the Orders hereby revoked) shall continue to have effect for the purposes of this Order.

17. This Order may be cited as the Yarn and Cloth (Wool and Animal Fibre) (Maximum Prices and Charges) Order, 1948, and shall come into operation on the 1st day of March, 1948. **Citation and commencement.**

Dated this 19th day of February, 1948.

Harold Wilson,
President of the Board of Trade.

(**a**) S.R. & O. 1944 (No. 1307) I, p. 303. (**b**) S.R. & O. 1945 (No. 264) I, p. 667.
(**c**) S.R. & O. 1945 (No. 1686) I, p. 669. (**d**) S.R. & O. 1946 (No. 1995) I, p. 838.
(**e**) S.R. & O. 1946 (No. 2255) I, p. 840. (**f**) S.R. & O. 1947 (No. 614) I, p. 1013.
(**g**) S.R. & O. 1947 (No. 2403) I, p. 1014.

FIRST SCHEDULE

Column 1 *Description of Goods.*	*Column 2* *Percentage Addition to Manufacturer's Costs of Production and Sale.*	*Column 3* *Percentage of Full Capacity Output.*
1. Woollen yarn spun in premises situated in the County of Cumberland, Durham, Northumberland or Westmorland or in Scotland	6	66⅔
2. Woollen yarn not spun in premises described in paragraph 1	4½	72½
3. Cloth woven in premises situated in the County of Cumberland, Durham, Northumberland or Westmorland or in Scotland	6	66⅔
4. Cloth woven in premises situated in the County of Devon, Dorset, Gloucester, Oxford, Somerset, Wiltshire or Worcester	6½	62½
5. Fine worsted cloth woven in premises not described in paragraph 3 or 4	6½	52½
6. Woollen cloth woven in premises not described in paragraph 3 or 4 of a manufacturer who also carries on the business of a spinner of woollen yarn	4½	72½
7. Cloth not described in any preceding paragraph	5	52½

In this Schedule—

" Fine worsted cloth " means cloth made entirely from worsted yarn spun from wool or animal fibre tops, of not less than 66's Bradford quality (save only for the inclusion of rayon or other similar material used for decoration and comprising not more than 5 per cent. by weight of the total material used);

" Woollen cloth " means cloth which contains woollen yarn.

SECOND SCHEDULE

Manufacturers to whom the Woollen Yarn Related Price and Charge Schedule No. 1 applies

1. A manufacturer to whom the Woollen Yarn Related Price and Charge Schedule No. 1 applies is one in relation to whom the following conditions are fulfilled, that is to say, that:—

(*a*) he has served upon the Secretary of the Central Price Regulation Committee a notice in writing signed by him or on his behalf requesting that the maximum price to be charged by him on a sale of woollen yarn and the maximum charge to be made by him in respect of the spinning of such yarn on commission should be computed in accordance with the provisions of that Related Schedule; and

(*b*) in the case of a notice served after 1st April, 1948, four months have elapsed since that date or (if the Related Price and Charge Schedule has already applied to him) since the date when the latest such notice served by him ceased to have effect; and

(*c*) such notice has not ceased to have effect.

2. A notice referred to in the preceding paragraph shall cease to have effect when a notice in writing signed by or on behalf of the manufacturer and purporting to revoke the first-mentioned notice as from a future date specified therein, not being a date earlier than four months from the date when the said Related Price and Charge Schedule began to apply to him by virtue of the said first-mentioned notice, has been served by him on the Secretary of the Control Price Regulation Committee and has taken effect.

3. A notice referred to in the preceding paragraphs shall be deemed to have been served on the Secretary of the Central Price Regulation Committee if it was delivered to him or left at the address of that Committee or sent to that address by registered post.

THIRD SCHEDULE

Matters to be regarded in ascertaining manufacturer's costs of production and sale

1. Costs of the provision of materials being the net cost of the materials (other than consumables but including blend oil and after allowance for waste) which enter into the manufacture of the particular yarn and cloth calculated on the basis of a weighted average of:—

(*a*) stocks in hand, and

(*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 yarn or cloth.

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

4. Factory or Workshop overheads:—

(*a*) Rent 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.

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

(*a*) Rent of premises, other than factory premises, and rates.

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

(*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.

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 Wool Yarn and Wool Cloth (Maximum Prices and Charges) Order, 1944 (S.R. & O. 1944 No. 1307) as amended. The following are the principal changes:—

(1) The Order does not apply to yarn or cloth being purchased for making up by the purchaser into goods intended for export.

(2) A manufacturer of woollen yarn to whom the Woollen Yarn Related Price and Charge Schedule No. 1 applies is to compute his maximum price on a sale of yarn spun in Yorkshire or Lancashire or his maximum charge for spinning such yarn on commission in accordance with that Schedule. The Related Schedule applies to a manufacturer who fulfils the conditions as to giving notice etc. specified in the Second Schedule to the Order and to a manufacturer who procures woollen yarn to be spun for him on commission in Yorkshire or Lancashire by a spinner who computes his charges for that spinning in accordance with that Related Schedule.

(3) The manufacturer's maximum price of cloth to which the Order applies and, except in the cases mentioned in (2) above, of woollen yarn, is to be computed by reference to his costs of production and sale without any reference to his conversion cost on June 30th, 1942. He may not, however, in computing those costs, include amounts in respect of Factory and General Overheads based on a percentage of full capacity output less than the appropriate minimum percentage of that output capacity specified in the First Schedule. Nor may he take into account direct or indirect increases in wages, salaries and commission taking effect after 4th February, 1948, if and in so far as they result in a rise in the cost of the cloth or yarn or if they are offset by a reduction in the prices paid for materials.

(4) The maximum charge for dyeing and finishing cloth on commission is fixed at the June, 1942, charge and 34 per cent. thereof; and the maximum charge for commission mending is fixed at the June, 1942, charge increased by 26 per cent. thereof.

(5) Provisions are included (Article 6) specifically fixing merchant converters' maximum prices for cloth which they procure to be dyed or finished on commission and in relation to composite businesses (Article 7). Related Price Schedule No. 1A and Related Charge Schedule No. 1A (both relating to worsted yarn) issued under Orders that are revoked by this Order, are kept in operation.