



# Prices Act 1974

## 1974 CHAPTER 24

An Act to authorise the payment of food subsidies; to confer on the Secretary of State power to regulate the price of food and certain other goods and on the Price Commission additional powers for preventing or restricting increases in prices and charges; to make provision for requiring prices to be indicated on or in relation to goods offered or exposed for sale by retail and for requiring information as to the range within which food and certain other goods are commonly being sold by retail within the United Kingdom to be displayed by retailers dealing in those goods; to confer power to abolish the Pay Board; and for purposes connected with those matters. [9th July 1974]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### **1 Food subsidies**

- (1) Subject to the provisions of this section, the Secretary of State may make payments out of moneys provided by Parliament for the purpose of reducing, or preventing or limiting increases in, food prices in the United Kingdom.
- (2) Payments under this section may be made in respect of—
  - (a) milk, butter, cheese, flour for the manufacture of bread for sale and household flour, that is to say, flour not for the manufacture of any product for sale; and
  - (b) food of any other description specified by an order made by the Secretary of State.
- (3) The power to make payments under this section in respect of milk shall, in the case of milk produced in a marketing area as denned in Article 2(1) of the Milk (Guaranteed Prices) Order 1956, be exercised by making good to the appropriate Ministers the whole or any part of the sums paid by them in the year ending with 31st March 1975 under Article 5 of that Order.
- (4) The power to make payments under this section in respect of butter—

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- (a) shall be exercised by making good to the Intervention Board for Agricultural Produce the sums paid by them out of moneys provided by Parliament in respect of the year ending with 31st March 1975 in pursuance of the EEC butter subsidy regulations; and
  - (b) may, in addition, be exercised in accordance with subsection (5) below.
- (5) The power to make payments under this section in respect of food of any description, other than payments required to be made in accordance with subsection (3) or (4) (a) above, shall be exercisable by making payments, in accordance with a scheme or schemes prepared by the Secretary of State with the approval of the Treasury, to persons carrying on business in the United Kingdom who are concerned (whether as producers, manufacturers, importers, distributors or otherwise) with the supply of food of that description or of products in which such food is an ingredient.
- (6) The total payments made by the Secretary of State under this section shall not exceed £700 million.
- (7) For the purpose of securing that payments under this section do not confer any benefit in relation to goods exported from the United Kingdom, the Secretary of State may by order make provision for requiring payments to be made to him in respect of goods so exported which consist of or contain food in respect of which payments have been made by him under this section; and any such order—
- (a) may impose obligations on persons who have not themselves received payments under this section; and
  - (b) may make different provision in relation to different circumstances and may contain such supplementary provisions as the Secretary of State thinks necessary or expedient.
- (8) The power to make an order under this section shall be exercisable by statutory instrument and includes power to vary or revoke a previous order ; and—
- (a) a statutory instrument containing an order under subsection (2)(b) above shall be laid before Parliament after being made, and the order shall cease to have effect at the end of the period of twenty-eight days beginning with the day on which it was made (but without prejudice to anything previously done by virtue of the order or to the making of a new order) unless during that period it is approved by resolution of each House of Parliament;
  - (b) a statutory instrument containing an order under subsection (7) above shall be subject to annulment in pursuance of a resolution of either House of Parliament ;
- In reckoning the period mentioned in paragraph (a) above no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.
- (9) The Secretary of State may make arrangements with any other government department (including a Northern Ireland department), with the Intervention Board for Agricultural Produce or with any other authority or body for the discharge by it or by its officers of functions relating to the administration of any scheme under this section or any order under subsection (7) above; and any such authority or body shall (if it would not otherwise do so) have power to enter into and give effect to any such arrangements.
- (10) In subsection (4) above "the EEC butter subsidy regulations" means Council Regulation (EEC) No. 1191/73 laying down general rules for the grant of a consumer

subsidy for butter, Council Regulation (EEC) No. 711/74 authorising the United Kingdom to grant a national supplementary consumer subsidy for butter and any Regulation amending, replacing or supplementing either of those Regulations.

## **2 Power of Secretary of State to regulate price of food and certain other goods**

- (1) The Secretary of State may by order—
- (a) regulate the prices to be charged for the sale of such subsidised food or fresh food as may be specified in the order and for the sale by retail of such other food or of such other goods to which this section applies as may be so specified;
  - (b) require persons selling by retail food or other goods in relation to which an order under paragraph (a) above is in force to display such information with respect to the effect of the order as may be so specified.
- (2) In subsection (1) above—
- " subsidised food " means food specified in or under subsection (2) of section 1 above, including bread and, if an order under paragraph (b) of that subsection describes the food to which it applies by reference to its use for the manufacture of any product, that product;
  - " fresh food " means food produced in the course of agriculture, horticulture or fishing which has not been incorporated in any processed product and to which no process has been applied except—
    - (a) cleaning, sterilising, breaking down of bulk supplies or packaging; and
    - (b) 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 and, in the case only of bacon and ham, cooking.
- (3) The goods, other than food, to which this section applies are articles which appear to the Secretary of State to be necessities normally the subject of recurrent expenditure by, and significantly affecting the cost of living for, persons with small incomes.
- (4) Without prejudice to the generality of subsection (1) above—
- (a) an order under paragraph (a) of that subsection may make provision whereby the price to be charged by a person is not to exceed his buying price as determined in accordance with the order by more than a margin so determined;
  - (b) an order under paragraph (b) of that subsection may make provision as to the place and manner in which any information is to be displayed;
  - (c) an order under either paragraph of that subsection may make different provision in relation to different circumstances and may contain such supplementary provisions as the Secretary of State thinks necessary or expedient.
- (5) No order under this section shall apply to any sale after 31st March 1975; but the Secretary of State may by order direct that the foregoing provision shall have effect with the substitution of a subsequent date not being later than 31st March 1976.
- (6) Before making an order under subsection (1)(a) above the Secretary of State shall consult, in such manner as appears to him to be appropriate having regard to the subject-matter and urgency of the order, with such organisations representative of interests substantially affected by the order as appear to him, having regard to those matters, to be appropriate.

- (7) In determining whether and in what manner to exercise the powers conferred by subsection (1)(a) above the Secretary of State shall have regard to the circumstances of the food trade and and the trade in other goods to which this section applies and to the effect of the exercise of those powers on the profitability of those trades.
- (8) The power to make an order under this section shall be exercisable by statutory instrument and, in the case of an order under subsection (1) above, includes power to vary or revoke a previous order; and—
  - (a) a statutory instrument containing an order under subsection (1) above shall be subject to annulment in pursuance of a resolution of either House of Parliament;
  - (b) no order shall be made under subsection (5) above unless a draft of it has been laid before, and approved by resolution of, each House of Parliament.
- (9) Nothing in this section applies to the sale of food for consumption on the premises where it is sold.

### **3 Additional powers of Price Commission to prevent or restrict price increases**

- (1) If, in the case of any increase in a price or charge which is in accordance with the code for the time being contained in an order under section 2 of the Counter-Inflation Act 1973, the Price Commission satisfies the Secretary of State that there are exceptional circumstances justifying intervention under this section, the Secretary of State may direct that the powers conferred on the Commission by section 6 of that Act shall be exercisable as if the increase were not in accordance with the code or were in accordance with it only to such extent as is specified in the direction.
- (2) The Secretary of State shall not give a direction under this section except after consultation—
  - (a) with the person or persons selling the goods or providing the services to which the price or charge relates; and
  - (b) with such other persons, if any, as appear to the Secretary of State to be concerned ;and the Secretary of State shall, for the purposes of any consultation under paragraph (a) above, furnish to the person or persons there mentioned particulars of the grounds submitted to him by the Commission as justifying intervention under this section.
- (3) The power to give a direction under this section shall be exercisable by statutory instrument, and a statutory instrument containing a direction under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (4) This section does not apply to any increase implemented before the passing of this Act but, subject to that, applies both to a proposed increase and to an increase that has already been implemented; and in this section any expression which is also used in the said Act of 1973 has the same meaning as in that Act.

### **4 Price marking**

- (1) The Secretary of State may by order make provision for securing that prices are indicated on or in relation to goods offered or exposed for sale by retail, being goods of a description to which the order applies.

- (2) Without prejudice to the generality of subsection (1) above, an order under this section—
  - (a) may make provision as to the manner in which any price is to be indicated ;
  - (b) may require that the price to be indicated on or in relation to any goods shall be, or shall include, a price expressed by reference to such unit or units of measurement as may be specified in the order;
  - (c) may, in relation to goods subject to value added tax, make provision as to the circumstances in which the price to be indicated may or may not be exclusive of the tax and as to the indication to be given of the tax included in, or payable in addition to, the price;
  - (d) may make different provision in relation to different circumstances and may contain such supplementary provisions as the Secretary of State thinks necessary or expedient.
- (3) Subsection (6) of section 2 above shall apply to an order under this section as it applies to an order under subsection (1)(a) of that section.
- (4) The power to make an order under this section shall be exercisable by statutory instrument and includes power to vary or revoke a previous order; and a statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) In the application of this section to Northern Ireland for any reference to the Secretary of State there shall be substituted a reference to the Department of Commerce for Northern Ireland and any order made by the Department under this section shall be subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 as if it were a statutory instrument within the meaning of that Act; and subsection (4) above shall not apply to any such order except in so far as that subsection confers a power to vary or revoke a previous order.

## **5 Price range notices**

- (1) The Secretary of State may by order make provision for requiring persons selling by retail such goods to which this section applies as may be specified in the order to display such information as may be so specified with respect to the range of prices within which it appears to the Secretary of State that such goods are being commonly sold by retail in the United Kingdom, or in a particular part thereof, at a particular date or during a particular period.
- (2) The goods to which this section applies are food and any such goods as are mentioned in section 2(3) above.
- (3) Without prejudice to the generality of subsection (1) above, an order under this section—
  - (a) may make provision as to the place and manner in which any information is to be displayed ;
  - (b) may make different provision in relation to different circumstances and may contain such supplementary provisions as the Secretary of State thinks necessary or expedient.
- (4) Subsection (6) of section 2 above shall apply to an order under this section as it applies to an order under subsection (1)(a) of that section except that consultation shall not be

required as to the prices to be included in any order as constituting a range of prices applicable to goods of any description.

- (5) The power to make an order under this section shall be exercisable by statutory instrument and includes power to vary or revoke a previous order; and a statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **6 Power to abolish Pay Board**

- (1) The Secretary of State may by order abolish the Pay Board established by the Counter-Inflation Act 1973 and that order may contain such repeals and amendments in that Act, and such supplementary and transitional provisions, as he thinks necessary or expedient in connection with or in consequence of the abolition of the Board.
- (2) The power to make an order under this section shall be exercisable by statutory instrument and no such order shall be made unless a draft of it has been laid before, and approved by resolution of, each House of Parliament.
- (3) On the abolition of the Pay Board the references to that Board in Schedules 1 and 3 to the House of Commons Disqualification Act 1957 shall be omitted.

## **7 Enforcement**

The Schedule to this Act shall have effect for preventing abuse in connection with payments under section 1 above and for the enforcement of orders under sections 2, 4 and 5 above.

## **8 Financial provisions**

- (1) There shall be paid out of moneys provided by Parliament—
  - (a) the expenses of any government department in respect of the administration of this Act;
  - (b) any increase attributable to this Act in the sums so payable under any other Act.
- (2) Any sums received by the Secretary of State or the Minister of Agriculture, Fisheries and Food by virtue of an order under section 1(7) above or paragraph 2 of the Schedule to this Act shall be paid into the Consolidated Fund.

## **9 Short title and interpretation**

- (1) This Act may be cited as the Prices Act 1974.
- (2) In this Act " food " means food and drink for human consumption.
- (3) In this Act any reference to any enactment is a reference to that enactment as amended by or under any subsequent enactment.
- (4) No provision of this Act requiring consultation by the Secretary of State for any purpose shall be construed as requiring further consultation where the Secretary of State is satisfied that there has been sufficient consultation for that purpose before the passing of this Act.

SCHEDULE

Section 7.

ENFORCEMENT

*Food subsidies*

- 1 If any person, for the purpose of obtaining for himself or any other person any payment under a scheme under section 1 of this Act, knowingly or recklessly makes a false statement, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.
- 2 (1) The Secretary of State or the Minister of Agriculture, Fisheries and Food may, by an order made for the purposes of this paragraph in respect of subsidy payments of any description, prescribe conditions to be observed by any person—
- (a) who claims or receives subsidy payments of that description ; or
  - (b) to whom any food is sold otherwise than by retail, being food in respect of which subsidy payments of that description have been or can be made, and to whom notice of the conditions has been given under this paragraph.
- (2) A person who has sold food otherwise than by retail shall not be entitled in respect of that food to any subsidy payments of a description to which an order under this paragraph applies unless he has given the purchaser notice of the conditions required to be observed by him under this paragraph ; and if a person sells otherwise than by retail food in respect of which he has claimed or received subsidy payments of any such description, or in relation to which he has himself received a notice under this paragraph, he shall give a like notice to the purchaser.
- (3) Any notice under sub-paragraph (2) above shall be in writing and given not later than the time when the goods are delivered pursuant to the sale.
- (4) If any person knowingly contravenes a condition required to be observed by him under this paragraph or fails to give any notice which he is required to give under sub-paragraph (2) above he shall be—
- (a) guilty of an offence and liable on summary conviction to a fine not exceeding £400 ; and
  - (b) liable to pay to the Secretary of State or the Minister of Agriculture, Fisheries and Food, on demand, a sum not exceeding the subsidy payments made in respect of the food to which the contravention relates.
- (5) The power to make an order under this paragraph shall be exercisable by statutory instrument and includes power to vary or revoke a previous order; and a statutory instrument containing an order under this paragraph shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) This paragraph is without prejudice to the matters that may be included in a scheme under section 1 of this Act and to the imposition of any condition, as a matter of contract, on persons who claim or receive subsidy payments.
- (7) In this paragraph " subsidy payments " means any payment under a scheme under section 1 of this Act and any allowance made by a Board as defined in Article 2(1) of the Order mentioned in subsection (3) of that section in respect of milk supplied by it in the year there mentioned.
- 3 (1) A duly authorised officer of the Secretary of State or of the Minister of Agriculture, Fisheries and Food may, at all reasonable hours and on production, if required, of his

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credentials, exercise the powers specified in sub-paragraph (2) below for the purpose of determining—

- (a) whether any payment is to be, or has been, properly made under any scheme under section 1 of this Act or falls to be repaid in accordance with any conditions subject to which it was made or falls to be made to the Secretary of State by virtue of any order under subsection (7) of that section ; or
- (b) whether any condition required to be observed under paragraph 2 above has been contravened.

(2) The said powers are—

- (a) a power to inspect and take samples of any goods and to enter any land or any premises other than premises used only as a dwelling ; and
- (b) a power to require any person carrying on a business, or employed in connection with a business, to produce any documents relating to the business, and a power of making extracts from, or making copies of, the documents.

(3) Any person who—

- (a) wilfully obstructs an officer acting under this paragraph ; or
  - (b) wilfully fails to comply with a requirement imposed under this paragraph,
- shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.

(4) Any person who, with intent to deceive, produces, in compliance with a requirement under this paragraph, a document which to his knowledge is or may be misleading, false or deceptive in a material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.

(5) Nothing in this paragraph shall be construed as compelling the production by a barrister, advocate or solicitor of a document containing a privileged communication made by or to him in that capacity.

(6) In this paragraph " premises " include any stall, vehicle or vessel.

4 The powers conferred by paragraph 3 above shall also be exercisable by any officer of a department, board, authority or body with which the Secretary of State has made arrangements under section 1(9) of this Act and who is designated for the purposes of this paragraph by the Secretary of State.

*Price regulation, price marking and price range notices*

5 (1) Any person who contravenes an order under section 2, 4 or 5 of this Act shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine ;
- (b) on summary conviction, to a fine not exceeding £400.

(2) A transaction shall not be invalid because it involves a price in excess of that permitted by an order under section 2 of this Act; but the person paying the price shall be entitled to recover the excess over the permitted price unless he is himself liable to punishment by reason of his having aided, abetted, counselled or procured the contravention of the order by the other party to the transaction.

(3) Section 23 of the Trade Descriptions Act 1968 (offences due to fault of other person) and section 24(1) and (2) of that Act (defence of mistake, accident etc.) shall have



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effect in relation to an offence in respect of an order under section 4 of this Act as they have effect in relation to an offence under that Act.

- 6 It shall be the duty of every local weights and measures authority to enforce within their area any such order as is mentioned in paragraph 5(1) above.
- 7 A local weights and measures authority may make, or may authorise any of their officers to make, any purchases of goods for the purpose of determining whether any such order is being complied with.
- 8 (1) Proceedings for an offence under paragraph 5 above shall not be instituted except by or on behalf of a local weights and measures authority.
- (2) Proceedings for any such offence shall not be instituted—
- (a) unless there has been served on the person charged a notice in writing of the date and nature of the offence alleged, being (except where he is a street trader) a notice served before the expiration of the period of thirty days beginning with that date ; or
  - (b) after the expiration of the period of three months beginning with that date.
- (3) Such a notice as is mentioned in sub-paragraph (2)(a) above may be served on any person either by serving it on him personally or by sending it to him by post at his usual or last known residence or place of business in the United Kingdom or, in the case of a company, at the company's registered office.
- (4) Sub-paragraph (1) above does not apply to Scotland.
- 9 (1) A duly authorised officer of a local weights and measures authority may, at all reasonable hours and on production, if required, of his credentials, exercise any of the powers specified in paragraph 3(2) above and any of the powers specified in sub-paragraph (2) below for the purpose of determining whether an offence under paragraph 5 above has been committed.
- (2) The said powers are—
- (a) a power to seize and detain any document or goods which the officer has reason to believe may be required as evidence in proceedings for such an offence ; and
  - (b) a power to seize and detain any goods if the officer has reason to believe that their examination is likely to produce evidence of the commission of any such offence.
- (3) Any person who—
- (a) wilfully obstructs an officer acting under this paragraph ; or
  - (b) wilfully fails to comply with a requirement imposed under this paragraph; or
  - (c) without reasonable cause fails to give to any officer acting under this paragraph any other assistance or information which the officer may reasonably require for the performance by the officer of his functions under this Schedule,
- shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.
- (4) Any person who, with intent to deceive, produces or gives, in compliance with a requirement under this paragraph, a document or information which to his knowledge is or may be misleading, false or deceptive in a material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.

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- (5) Nothing in this paragraph shall be construed as requiring a person to answer any question or give any information if to do so might incriminate him or as authorising the taking of possession of any such document as is mentioned in paragraph 3(5) above which is in the possession of a barrister, advocate or solicitor.
- 10 Where a local weights and measures authority have made arrangements for the discharge of any of their functions as such by another local authority, the powers conferred by paragraph 9 above shall also be exercisable by a duly authorised officer of that other local authority.
- 11 In relation to any offence in respect of an order under section 2(1)(a) of this Act, the powers conferred by paragraph 9 above shall also be exercisable by any officer designated for the purposes of this paragraph by the Secretary of State, being an officer of a government department, of any such board, authority or body as is mentioned in paragraph 4 above or of the Price Commission.

*Restriction on disclosure of information*

- 12 (1) This paragraph applies to information given or supplied in pursuance of any scheme under section 1 of this Act or obtained in the course of exercising the powers conferred by paragraph 3 or 9 above.
- (2) No such information shall be disclosed except—
- (a) with the consent of the person by whom or on whose behalf the information was given or supplied or, as the case may be, the owner of the goods or the occupier of the land or premises ; or
  - (b) to any Minister of the Crown, or an officer or servant appointed by, or person exercising functions on behalf of, a Minister of the Crown; or
  - (c) in the case of information obtained for the purpose of determining any such matter as is mentioned in paragraph 3(1)(b) above, to any member, officer or servant of any such Board as is mentioned in paragraph 2(7) above; or
  - (d) to, or to any officer of, a local weights and measures authority or any such other local authority as is mentioned in paragraph 10 above ; or
  - (e) in the case of information obtained by an officer designated under paragraph 11 above, to any member, officer or servant of any board, authority or other body whose officer he is; or
  - (f) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings pursuant to or arising out of this Act.
- (3) Any person who contravenes this paragraph shall be guilty of an offence and liable—
- (a) on conviction on indictment, to a fine,
  - (b) on summary conviction, to a fine not exceeding £400.

*Offences by bodies corporate*

- 13 Where an offence under this Schedule committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

*Northern Ireland*

- 14 (1) In the application of this Schedule to Northern Ireland for any reference to a local weights and measures authority there shall be substituted a reference to the Department of Commerce for Northern Ireland and paragraph 10 above shall be omitted.
- (2) In paragraph 11 above the reference to a government department includes a reference to a Northern Ireland department and in paragraph 12(2)(b) above references to a Minister of the Crown include references to a Northern Ireland department and the head of a Northern Ireland department.