

FINANCIAL STATEMENT (1920-21).

THE PROPER
J. MENKE
10, THURLOW
HAMPSTEAD, N.W.

RETURN to an Order of the Honourable The House of Commons,
dated 19th April 1920 ;—for,

COPY "of STATEMENT of REVENUE and EXPENDITURE as laid before The House
by the CHANCELLOR OF THE EXCHEQUER when opening the BUDGET."

Treasury Chambers,
19th April 1920.

}

MR. BALDWIN.

*Ordered, by The House of Commons, to be Printed,
19th April 1920.*

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TABLE 1. showing how the Amount issued from the Exchequer to meet the EXPENDITURE in 1919-20 compares with the Estimated Expenditure.

	1919-20.			
	Total Expenditure provided for in the Budget.	Additional Expenditure for which Supplementary Estimates were presented.	Total Estimated Expenditure.	Amount issued to meet Total Expenditure.
CONSOLIDATED FUND SERVICES.				
	£	£	£	£
National Debt Services :				
Inside the Fixed Debt Charge - -	29,800,000	—	29,800,000	23,773,000
Outside the Fixed Debt Charge - -	330,200,000	—	330,200,000	308,261,000
	360,000,000	—	360,000,000	332,034,000
Payments to Local Taxation Accounts, &c.	9,763,000	—	9,763,000	10,746,000
Land Settlement - - - - -	5,000,000	—	5,000,000	3,477,000
Other Consolidated Fund Services - -	1,832,000	—	1,832,000	1,948,000
Total Consolidated Fund Services -	376,595,000	—	376,595,000	348,205,000
SUPPLY SERVICES.				
Army - - - - -	287,000,000	118,000,000	405,000,000	395,000,000
Navy - - - - -	149,200,000	8,328,000	157,528,000	156,528,000
Air Force - - - - -	66,500,000	*12,469,000	54,031,000	52,500,000
Civil Services - - - - -	505,804,000	†116,255,000	622,059,000	569,054,000
Customs and Excise and Inland Revenue -	8,537,000	1,115,000	9,652,000	9,422,000
Post Office Services - - - - -	41,274,000	6,920,000	48,194,000	48,064,000
Total Supply Services - - - - -	1,058,315,000	238,149,000	1,296,464,000	1,230,568,000
Votes of Credit 1918-19 - - - - -	—	—	—	87,000,000
GRAND TOTAL - - - - -	1,434,910,000	238,149,000	1,673,059,000	1,665,773,000

In order to show the entire expenditure for which the State was responsible in 1919-20, there has to be added the expenditure chargeable to Capital Account as given in the following statement :—

I. Expenditure chargeable against Revenue, as in above table	£
	1,665,773,000
II. Expenditure chargeable against Capital, viz. :—	£
Telegraph (Money) Act, 1913	2,565,000
Post Office (London) Railway Act, 1913	152,000
Housing Act, 1914	56,000
Anglo-Persian Oil Co. (Acquisition of Capital) Amend- ment Act, 1919	2,050,000
	4,823,000
Total - - - - -	£1,670,596,000

* The Air Force Estimates as finally presented were less by £12,469,000 than the provision for them in the Budget Estimate.

† Net addition, after allowing for £105,000, reductions by Committee of Supply, and £6,559,000, balances of Estimates not proceeded with on establishment of Ministry of Health.

TABLE II. showing how the REVENUE in 1919-20 compares with the Budget Estimate, and with the Revenue of the previous year, 1918-19.

Receipts in 1918-19.		Budget Estimate for 1919-20.	Receipts in 1919-20.	Receipts, more (+) or less (—) than Budget Estimate.
£		£	£	£
102,780,000	Customs - - - - -	119,000,000	149,360,000	+ 30,360,000
59,440,000	Excise - - - - -	118,500,000	133,663,000	+ 15,163,000
162,220,000		237,500,000	283,023,000	+ 45,523,000
30,262,000	Estate, &c. Duties - - - - -	33,500,000	40,904,000	+ 7,404,000
12,438,000	Stamps - - - - -	12,000,000	22,586,000	+ 10,586,000
2,480,000	Land Tax and House Duty - - - - -	2,500,000	2,640,000	+ 140,000
291,186,000	Income Tax (including Super-Tax) - - - - -	354,000,000	359,099,000	+ 5,099,000
285,028,000	Excess Profits Duty, &c. - - - - -	300,000,000	290,045,000	- 9,955,000
664,000	Land Value Duties - - - - -	500,000	663,000	+ 163,000
622,058,000		702,500,000	715,937,000	+ 13,437,000
784,278,000	TOTAL RECEIPTS FROM TAXES - £	940,000,000	998,960,000	+ 58,960,000
29,400,000	Postal Service - - - - -	30,000,000	31,000,000	+ 1,000,000
3,800,000	Telegraph Service - - - - -	4,000,000	4,850,000	+ 850,000
6,800,000	Telephone Service - - - - -	7,000,000	8,300,000	+ 1,300,000
40,000,000		41,000,000	44,150,000	+ 3,150,000
760,000	Crown Lands - - - - -	650,000	680,000	+ 30,000
11,680,000	Receipts from Sundry Loans, &c. - - - - -	9,750,000	{ 1,004,000 } 13,948,000	+ 5,202,000
52,303,000	Ordinary Receipts (a) - - - - -	209,700,000	{ 16,050,000 } 264,779,000	+ 71,129,000
	Special Receipts (b) - - - - -			
	Miscellaneous - - - - -			
	Ordinary Receipts (c) - - - - -			
	Special Receipts (d) - - - - -			
104,743,000	TOTAL RECEIPTS FROM NON-TAX REVENUE - - - - -	261,100,000	340,611,000	+ 79,511,000
889,021,000	TOTAL - - - £	1,201,100,000	1,339,571,000	+ 138,471,000

TABLE III. giving the EXCHEQUER BALANCE SHEET OF 1919-20.

Receipts.	Payments.
Exchequer Balance on 31st March 1919 - - - - - £ 12,800,000	Expenditure - - - - - £ 1,665,773,000
Revenue - - - - - 1,339,571,000	Depreciation Fund under the Finance Act, 1917 - - - - - 26,600,000
Money raised under the War Loan Acts, 1914 to 1919 :—	War Loans, Exchequer Bonds, &c., paid off under s. 34 of the Finance Act, 1917 - - - - - 66,361,000
Treasury Bills (net) - - - - - 150,938,000	Exchequer Bonds paid off :— £
4 per cent. Funding Loan, 1960-90 - - - - - 230,875,000	5 per cent. 1919 - 16,214,865
4 per cent. Victory Bonds - 243,927,000	5 per cent. 1922 - 19,754,001
5½ per cent. Exchequer Bonds, 1925 - - - - - 66,957,000	6 per cent. 1920 - 62,110,000
4½ per cent. War Loan, 1925-45 - 134,000	3 per cent. 1920 - 8,366,100
War Savings Certificates (net) - 48,110,000	106,445,000
National War Bonds - - - - - 52,165,000	Ways and Means Advances repaid (net) - - - - - 250,105,000
Other Debt (net) - - - - - 12,826,000	Old Sinking Fund, 1907-8 :—
Repayments for Bullion, &c., in excess of Advances - - - - - 991,000	Issued under Section 9 of the Finance Act, 1908 - - - - - 8,000
	Old Sinking Fund, 1910-11 :—
	Issued under Section 16 of the Finance Act, 1911 - - - - - 143,000
	Issues under Civil Contingencies Fund Act, 1919, less repayment - - - 34,490,000
	Exchequer Balance on 31st March 1920 - - - - - 9,369,000
	£2,159,294,000
£2,159,294,000	

(a) Includes receipts from Suez Canal Shares and from other investments.

(b) " interests and repayments of War Loans to Dominions, Allies, &c.

(c) " Mint receipts, Fee and Patent Stamps, &c., and Currency Notes Account Excess Interest.

(d) " War contributions and receipts from sales of War property and from trading undertakings.

RETURN RELATING TO

TABLE IV. showing how the REVENUE in 1919-20 compares with the Revised Estimate presented in October 1919.

	As Estimated in October 1919.	Receipts in 1919-20.	Receipts, more (+) or less (-) than October Estimate.
	£	£	£
Customs - - - - -	139,500,000	149,360,000	+ 9,860,000
Excise - - - - -	136,500,000	133,663,000	- 2,837,000
	276,000,000	283,023,000	+ 7,023,000
Income Tax (including Super Tax) - -	354,000,000	359,099,000	+ 5,099,000
Excess Profits Duty, &c. - - -	280,000,000	290,045,000	+ 10,045,000
Other Inland Revenue Duties - - -	53,500,000	66,793,000	+ 13,293,000
	687,500,000	715,937,000	+ 28,437,000
TOTAL RECEIPTS FROM TAXES - £	963,500,000	998,960,000	+ 35,460,000
Post Office - - - - -	43,000,000	44,150,000	+ 1,150,000
Crown Lands - - - - -	650,000	680,000	+ 30,000
Receipts from Sundry Loans, &c. - -	11,500,000	14,952,000	+ 3,452,000
Miscellaneous - - - - -	150,000,000	280,829,000	+ 130,829,000
TOTAL RECEIPTS FROM NON-TAX REVENUE - - - - - } £	205,150,000	340,611,000	+ 135,461,000
TOTAL - - - - - £	1,168,650,000	1,339,571,000	+ 170,921,000

TABLE V. showing how the EXPENDITURE compares with the Revised Estimates presented in October 1919.

Service.	Estimate, October 1919.	Exchequer Issues, 1919-20.	October Estimate more (+) or less (-) than Exchequer Issues.
	£	£	£
CONSOLIDATED FUND SERVICES.			
National Debt Services - - -	345,000,000	332,034,000	- 12,966,000
Payments to Local Taxation Accounts, &c. -	9,763,000	10,746,000	+ 983,000
Land Settlement - - - - -	5,000,000	3,477,000	- 1,523,000
Other Consolidated Fund Services - - -	1,832,000	1,948,000	+ 116,000
TOTAL CONSOLIDATED FUND SERVICES -	361,595,000	348,205,000	- 13,390,000
SUPPLY SERVICES.			
Army - - - - -	405,000,000	395,000,000	- 10,000,000
Navy - - - - -	160,000,000	156,528,000	- 3,472,000
Air Force - - - - -	57,500,000	52,500,000	- 5,000,000
Civil Services - - - - -	602,000,000	569,054,000	- 32,946,000
Customs and Excise, and Inland Revenue De- partments - - - - - } Post Office Services - - - - - }	56,200,000	57,486,000	+ 1,286,000
TOTAL SUPPLY SERVICES - - -	1,280,700,000	1,230,568,000	- 50,132,000
Votes of Credit - - - - -	—	87,000,000	+ 87,000,000
TOTAL - - - - -	1,642,295,000	1,665,773,000	+ 23,478,000

TABLE VI. showing how the EXPENDITURE to be provided for in 1920-21 compares with the Expenditure in 1919-20 as estimated in April 1919.

Service.	Estimate, 1919-20.	Estimate, 1920-21.	Estimate for 1920-21 more (+) or less (-) than 1919-20.
CONSOLIDATED FUND SERVICES.			
	£	£	£
National Debt Services :			
Interest, &c., inside the Fixed Debt Charge - -	29,800,000	24,500,000	- 5,300,000
" outside the Fixed Debt charge - -	330,200,000	320,500,000	- 9,700,000
	360,000,000	345,000,000	- 15,000,000
Payments to Local Taxation Accounts, &c. - -	9,763,000	10,818,000	+ 1,055,000
Land Settlement - - - - -	5,000,000	12,000,000	+ 7,000,000
Other Consolidated Fund Services - - - -	1,832,000	1,730,000	- 102,000
TOTAL CONSOLIDATED FUND SERVICES - -	376,595,000	369,548,000	- 7,047,000
SUPPLY SERVICES.			
Army - - - - -	287,000,000	125,000,000	- 162,000,000
Navy - - - - -	149,200,000	84,372,000	- 64,828,000
Air Force - - - - -	66,500,000	21,057,000	- 45,443,000
Civil Services* - - - - -	505,804,000	497,318,000	- 8,486,000
Customs and Excise, and Inland Revenue Departments -	8,537,000	10,468,000	+ 1,931,000
Post Office Services - - - - -	41,274,000	49,689,000	+ 8,415,000
TOTAL SUPPLY SERVICES - - - - -	1,058,315,000	787,904,000	- 270,411,000
TOTAL - - - - -	1,434,910,000	1,157,452,000	- 277,458,000
†Estimated Expenditure chargeable against Capital -	3,484,000	10,366,000	+ 6,882,000

*Civil Services :—

	1919-20.	1920-21.
	£	£
Public Education - - -	38,841,000	56,081,000
Old Age Pensions - - -	17,892,000	25,969,000
Ministry of Pensions - -	72,855,000	123,235,000
Ministry of Health, &c. In- surance, &c. - - -	12,228,000	34,265,000
Ministry of Labour. Civil De- mobilisation and Resettlement, &c. - - -	46,251,000	25,369,000
Loans to Dominions and Allies -	115,500,000	36,000,000
Railway Agreements, Trans- port, &c. - - -	60,000,000	26,932,000
Bread Subsidy - - -	50,000,000	45,000,000
Ministry of Munitions - -	—	27,323,000
Ministry of Shipping - -	1,497,000	16,279,000
Coal Mines Deficiency - -	20,000,000	15,000,000
Other Civil Services - -	70,740,000	65,865,000
	505,804,000	497,318,000

†Expenditure chargeable against Capital :—

	1919-20.	1920-21.
	£	£
Telegraph (Money) Act, 1913 -	3,230,000	6,884,000
Post Office (London) Railway Act, 1913 - - -	200,000	350,000
Housing Act, 1914 - - -	54,000	132,000
Electricity Supply Act, 1919 -	—	3,000,000
	3,484,000	10,366,000

TABLE VII. showing how the Estimated RECEIPTS in 1920-21 from Revenue and from Borrowings to meet Capital Expenditure compare with the corresponding Receipts in 1919-20.

On basis of EXISTING TAXATION.

	Receipts in 1919-20.	Estimate for 1920-21 on Basis of existing Taxation.	Estimate for 1920-21, more (+) or less (-) than Receipts in 1919-20.
	£	£	£
Customs - - - - -	149,360,000	140,490,000	- 8,870,000
Excise - - - - -	133,663,000	159,510,000	+ 25,847,000
	283,023,000	300,000,000	+ 16,977,000
Estate, &c. Duties - - - - -	40,904,000	45,000,000	+ 4,096,000
Stamps - - - - -	22,586,000	20,000,000	- 2,586,000
Land Tax and House Duty - - - - -	2,640,000	2,500,000	- 140,000
Income Tax (including Super-Tax) - - - - -	359,099,000	387,000,000	+ 27,901,000
Excess Profits Duty, &c. - - - - -	290,045,000	210,000,000	- 80,045,000
Land Value Duties - - - - -	663,000	500,000	- 163,000
	715,937,000	665,000,000	- 50,937,000
TOTAL RECEIPTS FROM TAXES - £	998,960,000	965,000,000	- 33,960,000
Postal Service - - - - -	31,000,000	32,000,000	+ 1,000,000
Telegraph Service - - - - -	4,850,000	5,000,000	+ 150,000
Telephone Service - - - - -	8,300,000	9,500,000	+ 1,200,000
	44,150,000	46,500,000	+ 2,350,000
Crown Lands - - - - -	680,000	650,000	- 30,000
Receipts from Sundry Loans, &c. :—			
* Ordinary Receipts - - - - -	1,004,000	744,000	- 260,000
* Special Receipts - - - - -	13,948,000	8,756,000	- 5,192,000
Miscellaneous :—			
* Ordinary Receipts - - - - -	16,050,000	18,000,000	+ 1,950,000
* Special Receipts - - - - -	264,779,000	302,000,000	+ 37,221,000
TOTAL RECEIPTS FROM NON-TAX REVENUE - - - - - } £	340,611,000	376,650,000	+ 36,039,000
TOTAL REVENUE - - - - - £	1,339,571,000	1,341,650,000	+ 2,079,000
Borrowings to meet Expenditure chargeable against Capital - - - } £	4,823,000	10,366,000	+ 5,543,000

* See notes on page 3.

TABLE VIII. showing the PROPOSED CHANGES in TAXATION AND IN POSTAGE, &c. RATES.

A.—CUSTOMS AND EXCISE.

	Existing Duties.		Proposed Duties.	
	Full.	Preferential.	Full.	Preferential.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
CUSTOMS :				
Spirits :				
*Brandy or Rum, proof gallon - - -	2 12 10	2 10 4	3 15 4	3 12 10
*Imitation Rum or Geneva, proof gallon - -	2 12 11	2 10 5	3 15 5	3 12 11
Unsweetened spirits other than the above, proof gallon.	2 12 11	2 10 5	3 15 5	3 12 11
*Perfumed spirits, liquid gallon - - -	4 4 2	4 0 2	6 0 0	5 16 0
Liqueurs, cordials, mixtures and other preparations in bottle entered in such a manner as to indicate that the strength is not to be tested, liquid gallon.	3 12 2	3 8 10	5 2 5	4 19 1
*Other spirits, including naphtha and methylic alcohol purified so as to be potable, and mixtures and preparations containing spirits, proof gallon	2 12 11	2 10 5	3 15 5	3 12 11
* If imported in bottle, extra per gallon	0 1 0	0 1 0	0 1 0	0 1 0
Additional duties are charged on immature spirits.				
Beer :				
Mum, Spruce, or Black Beer :				
Of a specific gravity—				
Not exceeding 1,215°, for every 36 gallons -	14 2 0	—	20 2 0	—
Exceeding 1,215°, for every 36 gallons -	16 10 5	—	23 11 0	—
Other Sorts—				
At gravity of 1,055°, for every 36 gallons -	3 10 6	—	5 0 6	—
And so on in proportion for any difference of gravity.				
Wine :				
Not exceeding 30° of proof spirit, per gallon -	0 1 3	60 per cent. of full rate.	0 2 6	60 per cent. of full rate.
Exceeding 30°, but not exceeding 42° of proof spirit, per gallon.	0 3 0	66⅔ per cent. of full rate.	0 6 0	66⅔ per cent. of full rate.
For every degree or part of a degree beyond 42°, per gallon.	0 0 3		0 0 6	
Additional duty :				
On still wine imported in bottle, per gallon -	0 1 0	50 per cent. of full rate.	0 2 0	50 per cent. of full rate.
On sparkling wine imported in bottle, per gallon	0 2 6	70 per cent. of full rate.	0 5 0 plus 50 per cent. ad valorem.	70 per cent. of 5s., plus two-thirds of the ad valorem surtax.
Tobacco :				
Cigars, per lb. - - - - -	0 15 7	Five-sixths of full rate.	0 15 7 plus 50 per cent. ad valorem.	Five-sixths of 15s. 7d., plus two-thirds of the ad valorem surtax.
Motor Spirit : per gallon - - - - -	0 0 6	Five-sixths of full rate.	To be repealed as from 1st January 1921.	

TABLE VIII.—*continued.*

	Existing Duties.	Proposed Duties.
EXCISE :— Spirits, British, proof gallon - (Additional duties are charged on immature spirits). Beer, standard barrel of 1055°	£ s. d. 2 10 0 3 10 0	£ s. d. 3 12 6 5 0 0
Motor-Car and Motor-Bicycle Licence Duties	Existing duties to be abolished as from 1st January 1921, <i>see below.</i>	

MOTOR VEHICLE TAXATION.

Proposed scale of duties.

The following duties will take the place, as from 1st January 1921 of (a) the existing duty of 6*d.* a gallon on motor spirit, and (b) the existing Licence Duties on Motor Cars and Motor Cycles.

Description of Motor Vehicle.	Rate of Annual Licence Duty.	
1. Cycles (including motor scooters) not exceeding 7 cwt. in weight unladen :—		
Bicycles not exceeding 200 lbs. in weight unladen	1 <i>l.</i>	10 <i>s.</i>
Exceeding 200 lbs. in weight unladen	3 <i>l.</i>	—
Bicycles if used for drawing a trailer or side-car, and motor tricycles	4 <i>l.</i>	—
2. Vehicles not exceeding 5 cwt. in weight unladen adapted and used for invalids	5 <i>s.</i>	
3. Vehicles being hackney carriages.	In the Metropolitan Police area and such other districts as Minister of Transport may fix.	In all other districts.
Tramcars	15 <i>s.</i>	15 <i>s.</i>
Other vehicles :		
Seating not more than 5 persons	15 <i>l.</i>	12 <i>l.</i>
Seating more than 5 but not more than 14 persons	30 <i>l.</i>	24 <i>l.</i>
Seating more than 14 but not more than 20 persons	45 <i>l.</i>	36 <i>l.</i>
Seating more than 20 but not more than 26 persons	60 <i>l.</i>	48 <i>l.</i>
Seating more than 26 but not more than 32 persons	72 <i>l.</i>	60 <i>l.</i>
Seating more than 32	84 <i>l.</i>	70 <i>l.</i>

4. Vehicles of the following descriptions used in course of trade, otherwise than for the conveyance of goods and in agriculture :—

Road locomotives and agricultural engines—	
Not exceeding 8 tons in weight unladen	25l.
Exceeding 8 tons, but not exceeding 12 tons in weight unladen	28l.
Exceeding 12 tons in weight unladen	30l.
Agriculture tractors used for haulage solely in connection with agriculture—	
Exceeding 2½ tons but not exceeding 5 tons in weight unladen	6l.
Exceeding 5 tons in weight unladen	10l.
Locomotive ploughing engines, agricultural tractors, or other agricultural engines if not used on roads for hauling any objects other than their own necessary gear, threshing appliances, farming implements, or supplies of fuel or water	
	5s.
Tractors of any other description	21l.

• 5. Vehicles (including tricycles weighing more than 7 cwt. unladen) used for the conveyance of goods in the course of trade—

Not exceeding 12 cwt. in weight unladen	10l.
Exceeding 12 cwt. but not exceeding 1 ton in weight unladen	16l.
Exceeding 1 ton but not exceeding 2 tons in weight unladen	21l.
Exceeding 2 tons but not exceeding 3 tons in weight unladen	25l.
Exceeding 3 tons but not exceeding 4 tons in weight unladen	28l.
Exceeding 4 tons in weight unladen	30l.
With an additional duty in any case if used for drawing a trailer of	2l.

6. Any vehicles other than those charged with duty under the foregoing provisions—

Not exceeding 6 horse power or electrically propelled	6l.
Exceeding 6 horse power	1l. for each unit or part of a unit of horse power.

On licences for vehicles (other than cycles, tramcars, and vehicles in respect of which an annual duty of 5s. is chargeable) taken out for one quarter of the year only duty will be charged at the rate of thirty per centum of the full duty.

The abatement of duty granted in the case of motor cars used by medical practitioners or veterinary surgeons will cease.

For fuller details and comparison with existing changes, see Command Paper 660.

B.—INLAND REVENUE.

INCOME TAX.

I.—RATE.

It is proposed to retain the standard rate of Income Tax at 6s. in the £.

II.—DIFFERENTIATION IN FAVOUR OF "EARNED" INCOME.

Relief to "earned" income is at present granted by means of differential rates of tax applicable to that income where the total income does not exceed 2,500l.

It is proposed to maintain the differentiation in favour of "earned" income, but to give it not by separate rates of tax but by making a deduction of one-tenth of the "earned" income (subject to a maximum deduction of 200l.) for the purpose of arriving at the "assessable" income.

It is further proposed that the relief shall be given in all cases irrespective of the amount of the total income.

The "assessable" income will be, in the case of "earned" income, the amount of such income after deducting the amount of the differentiation relief above-mentioned and in the case of other income (hitherto known as "unearned" income, but now proposed to be described as "investment" income), the actual amount of such income.

III.—GRADUATION.

(i) *Existing System*.—The graduation of the tax is at present effected (a) by means of reduced rates applicable to total incomes which do not exceed 2,500*l.* in the case of “earned” income, and 2,000*l.* in the case of “investment” income, and (b) by the allowance of specific abatements and reliefs *e.g.* for wife, children and dependent relatives, in cases where the total income does not exceed 700*l.* (or for the purpose of certain reliefs 800*l.* and 1,000*l.*)

Incomes not exceeding 130*l.* a year are wholly exempt from tax.

(ii) *Proposed System*.—The new scheme of graduation proposed proceeds on the following lines:—

(a) *Exemption Limit*.

Exemption from tax will be allowed where the total assessable income does not exceed 135*l.* (or, in the case of an individual whose wife is living with him, 225*l.*). (Where the income is wholly earned, these limits are equivalent to 150*l.* and 250*l.* respectively.)

(b) *Abatement*.

Where the total assessable income exceeds 135*l.* or, in the case of a married couple, 225*l.*, abatement allowances of these amounts will be made.

The existing wife allowance of 50*l.* (or, in terms of assessable income, 45*l.*) is now merged in the increased exemption limit and abatement allowance. Thus, in effect, the wife allowance is increased, in terms of earned income, from 50*l.* to 100*l.*

Where in the case of a married couple the wife has an earned income, the abatement allowance of 225*l.* will be increased by a sum equal to nine-tenths of the amount of such earned income, subject to a maximum increase of 45*l.* In these cases the maximum abatement allowance will be 270*l.* in terms of assessable income, which is equal to 300*l.* in terms of earned income.

This relief, which will be granted irrespective of the amount of the total joint income, will take the place of the relief in respect of the separate earnings of a married woman, hitherto restricted to cases where the total joint income of a husband and wife does not exceed 500*l.*

(c) *Children Allowance*.

The allowances from assessable income will now be 36*l.* for one child and 27*l.* for each subsequent child. These amounts are equivalent to 40*l.* and 30*l.* in terms of earned income, as compared with the existing allowances of 40*l.* and 25*l.* respectively.

The allowance will no longer be claimable in respect of any child who has, in its own right, an income exceeding 40*l.* a year.

(d) *Dependent Relative Allowance*.

The allowance from assessable income will be 25*l.* In the case of earned income this is equivalent to a small increase as compared with the present allowance of 25*l.*, which in terms of assessable income would be 22*l.* 10*s.*

Relief will be granted as hitherto in respect of each dependent relative who is incapacitated by old age or infirmity from maintaining himself and whose income from all sources does not exceed 25*l.* a year. Where the dependent relative is a widowed mother the condition of incapacity will be waived.

(e) *Housekeeper Allowance*.

The existing allowance to a widower in respect of a female relative resident with him, for the purpose of having the charge and care of his children, is maintained at 50*l.*, which is equivalent to a deduction of 45*l.* from the assessable income. This allowance will be extended to widows in like case.

It is also proposed to maintain the allowance of 50*l.* (in terms of assessable income, 45*l.*) to an unmarried person who has living with him his widowed mother or some other female relative maintained by him to look after his younger brothers and sisters.

It is not proposed to give a “housekeeper” allowance in any cases other than those above mentioned.

The above-mentioned allowances (b), (c), (d) and (e) will be deductions from “assessable” income in all cases, irrespective of the amount of the total income, and the sum remaining will represent the “taxable” income, that is, the amount upon which Income Tax will be charged.

Reduction of the Standard Rate of Tax.

As a further step in the graduation—and this relief applies to all individual taxpayers whether they have family responsibilities or not—it is proposed that, whatever the amount of the “taxable” income, the first 225*l.* of that income shall be charged at half the standard rate, and that only the excess of the “taxable” income over 225*l.* shall be charged at the standard rate.

Life Assurance Premiums.

As a consequence of this new method of graduation, it is necessary to determine specifically the rates at which allowance of tax shall be made in respect of Life Assurance premiums.

Under the existing law, different provisions apply according as the insurances were made on or before, or were made after, the 22nd June 1916.

As regards the former class, the rates proposed are as follows:—

- (i) Where the total income does not exceed 1,000*l.*, half the standard rate.
- (ii) Where the total income exceeds 1,000*l.* but does not exceed 2,000*l.*—three fourths of the standard rate.
- (iii) Where the total income exceeds 2,000*l.*—the standard rate.

With regard to insurances made after the 22nd June 1916 (as respects which the allowance under existing law is limited to a maximum of 3*s.* in the £), the allowance of tax will be at half the standard rate in all cases irrespective of the amount of the total income.

The Life Assurance allowance will be extended to premiums paid by a wife out of her separate income in respect of an insurance on the life of her husband.

British Subjects Resident Abroad.

It is proposed to allow to British subjects resident abroad the benefit of the various reliefs mentioned in the foregoing paragraphs. In these cases the relief will be calculated by reference to the real total income, wherever arising, and the tax to be borne in respect of that portion of the income which is subject to United Kingdom Income Tax will be calculated at the effective rate that would be charged if the total income were assessable to United Kingdom Income Tax.

As a consequence of the new graduation scheme, it will be necessary to revise the basis of the existing relief afforded to certain classes of persons resident abroad (*e.g.*, persons who are or have been employed in the service of the Crown, residents in the Isle of Man or the Channel Islands), and it is proposed to apply in these cases the measure of relief above indicated.

IV.—SUPER-TAX.

The final step in the proposed graduation is effected by a revision of the Super-tax charge.

It is proposed to lower the limit of Super-tax exemption from 2,500*l.* to 2,000*l.*, and to increase up to a maximum of 6*s.* the rates of Super-tax payable under the graduated scale.

Details of the present and proposed scales of charge are shown in the following table:—

				Existing Rates. Incomes exceeding 2,500 <i>l.</i> chargeable.	Proposed Rates. Incomes exceeding 2,000 <i>l.</i> chargeable.
				<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>
On the first 2,000 <i>l.</i> of the income				Nil	Nil
“	next 500 <i>l.</i> * (to 2,500 <i>l.</i>)	-	-	1 0	1 6
“	“ 500 <i>l.</i> (to 3,000 <i>l.</i>)	-	-	1 6	2 0
“	“ 1,000 <i>l.</i> (to 4,000 <i>l.</i>)	-	-	2 0	2 6
“	“ 1,000 <i>l.</i> (to 5,000 <i>l.</i>)	-	-	2 6	3 0
“	“ 1,000 <i>l.</i> (to 6,000 <i>l.</i>)	-	-	3 0	3 6
“	“ 1,000 <i>l.</i> (to 7,000 <i>l.</i>)	-	-	3 6	4 0
“	“ 1,000 <i>l.</i> (to 8,000 <i>l.</i>)	-	-	3 6	4 6
“	“ 1,000 <i>l.</i> (to 9,000 <i>l.</i>)	-	-	4 0	5 0
“	“ 1,000 <i>l.</i> (to 10,000 <i>l.</i>)	-	-	4 0	5 0
“	“ 10,000 <i>l.</i> (to 20,000 <i>l.</i>)	-	-	4 6	5 0
“	“ 10,000 <i>l.</i> (to 30,000 <i>l.</i>)	-	-	4 6	5 6
“	remainder (above 30,000 <i>l.</i>)	-	-	4 6	6 0

* Under the existing scheme no tax is charged on this 500*l.* unless the total income exceeds 2,500

Super-tax will, as heretofore, be chargeable by reference to the total income of the individual from all sources for the previous year, and no deduction will be made in respect of the differentiation and graduation reliefs allowed for Income Tax purposes.

The accompanying White Paper (H.C. 71) contains tables showing the amount of Income Tax and Super-tax on certain incomes, and the effective rates payable in the £, and reproductions of illustrations, in the form of graphs, which appear in the Report of the Royal Commission on the Income Tax.

V.—DOUBLE INCOME-TAX WITHIN THE EMPIRE.

Under the temporary arrangement which has been in existence since 1916 in regard to income chargeable to a *Dominion Income Tax as well as to United Kingdom Income Tax, relief from double taxation is allowed, at the expense of the British Exchequer, subject to the retention of United Kingdom Income Tax at a rate not less than 3s. 6d. in the £.

It is now proposed to substitute a scheme of relief which is designed to be permanent in character and which, given complementary action on the part of the Dominions, will afford complete relief by the elimination of the lower of the two taxes charged upon the same income.

Under the proposed scheme relief will be afforded so far as the British Exchequer is concerned, by a deduction from the rate of the United Kingdom Income Tax (including Super-tax) up to one-half the rate of tax charged upon the individual taxpayer. If, therefore, the rate of the Dominion tax does not exceed one-half the rate of the United Kingdom tax, the whole remission will be made from the United Kingdom tax.

A necessary corollary to the proposed scheme of relief is the repeal of the provision that, in respect of income arising in a Dominion, liability to United Kingdom Income Tax is to be computed on the balance of income remaining after payment or deduction of the Dominion tax.

VI.—SPECIAL RELIEFS FROM INCOME TAX (INCLUDING SUPER-TAX) INTRODUCED TO MEET WAR CONDITIONS.

It is proposed to discontinue the following temporary reliefs which have been introduced from time to time to meet special circumstances arising out of the war :—

(a) Reduced rates of tax and other reliefs applicable to the service pay of sailors, soldiers and others.

(b) Relief in respect of diminution of profits due to the war and relief where the income of the year falls short of the assessed income by more than 10 per cent.

(c) Postponement of payment of Super-tax where the income has diminished, and relief from Super-tax to persons serving in the war.

(d) Computation of total income, for the purpose of determining the limit of one-sixth of that income in connection with the allowance in respect of Life Assurance premiums, on the basis of the income for the year 1913-14 (the last pre-war year) where the income of the year of assessment is less than that income.

EXCESS PROFITS DUTY.

It is proposed to renew the charge so as to cover accounting periods ending on or after 5th August, 1920, the date fixed by the last Act. The rate will be increased from 40 per cent. to 60 per cent. as from 1st January 1920, but in the event of a War Levy being imposed later in the Session, this increase of 20 per cent. in the rate of Excess Profits Duty will be cancelled. The like course will be taken as respects the rate of the Excess Mineral Rights Duty.

* The expression "Dominion" is here used to include the self-governing Dominions, India, British possessions generally and any territory under His Majesty's protection.

CORPORATION PROFITS TAX.

It is proposed to impose a tax of 1s. in the £ on the profits of concerns with limited liability engaged in trade or transactions of a similar character. No tax will be charged upon the first 500l. of such profits, and any Excess Profits Duty payable will be treated as a working expense in arriving at the profits chargeable to this new tax.

To meet certain hard cases it is proposed further that if in any case the duty exceeds a sum equivalent to 2s. in the £ on the profits which remain after payment of interest and dividends payable at a fixed rate on existing issues of debentures and preference shares, the excess of the charge over that sum shall be remitted.

STAMPS.

(1) *Duty on Share Capital of Companies.*

It is proposed to increase the duty from the present rate of 5s. per 100l. to 1l. per 100l.

(2) *Conveyances.*

The Finance (1909-10) Act, 1910, doubled the duty on conveyances of property except in the case of transfers of stocks and marketable securities, and conveyances of other property of small value.

It is proposed to remove the exception in favour of transfers of stocks and marketable securities and to charge the duty on conveyances whether by gift or sale (except the small conveyances referred to above) of all kinds of property according to the higher scale, which is as follows:—

Where the amount or value of the consideration				£	s.	d.
for the sale does not exceed				£ 5	-	0 1 0
Exceeds £ 5 and does not exceed				10	-	0 2 0
"	10	"	"	15	-	0 3 0
"	15	"	"	20	-	0 4 0
"	20	"	"	25	-	0 5 0
"	25	"	"	50	-	0 10 0
"	50	"	"	75	-	0 15 0
"	75	"	"	100	-	1 0 0
"	100	"	"	125	-	1 5 0
"	125	"	"	150	-	1 10 0
"	150	"	"	175	-	1 15 0
"	175	"	"	200	-	2 0 0
"	200	"	"	225	-	2 5 0
"	225	"	"	250	-	2 10 0
"	250	"	"	275	-	2 15 0
"	275	"	"	300	-	3 0 0
"	300 for every 50l. and also for every fractional part of					
"	50l. of such amount or value			-	-	0 10 0

The special rates for Bank of England and Colonial Stocks will be 15s. 6d. fixed and 5s. per 100l. respectively.

As a consequence, it is proposed to double the rates of composition for the Stamp Duty on transfers of stock.

(3) *Marketable Securities to Bearer.*

It is proposed to double the duty on Marketable Securities to bearer, which will then be as follows:—

Colonial Government.					Colonial Municipality.	Bearer Securities, other than Colonial Government or Municipalities.
				s. d.		
Where the money thereby secured does not exceed £10				6	For every £10	For every £10,
					and also for any	and also for any
Exceeds 10 but does not exceed 25				1 4	fractional part of	fractional part of
"	25	"	"	2 6	£10 of the money	£10 of the money
"	50	"	"	5 0	thereby secured, 2s.	thereby secured, 4s.
"	100	"	"	7 6		
"	150	"	"	10 0		
"	200	"	"	12 6		
"	250	"	"	15 0		
"	300	"	"	5 0		
300, for every £100 and also for any fractional part of £100.						

The reduced duty applicable to substituted bearer securities and to securities to bearer issued for short terms (Section 13, Finance Act, 1911) will also be doubled.

(4) *Share Warrants and Stock Certificates to Bearer.*

It is proposed to double the duty on these instruments, which will then be as follows :—

Colonial Government.	Foreign.	British.
For every 100 <i>l.</i> and fraction of 100 <i>l.</i> of the nominal value of stock, 5 <i>s.</i>	For every 10 <i>l.</i> and also for any fractional part of 10 <i>l.</i> of the nominal value of the share or stock, 4 <i>s.</i>	Three times the transfer duty, see paragraph (2) above.

(5) *Policies of Sea Insurance.*

It is proposed to revise the *ad valorem* duties according to the following scale :—

Existing scale.	Proposed scale.
Where the premium or consideration exceeds the rate of 2 <i>s.</i> 6 <i>d.</i> per cent. of the sum insured :—	Where the premium or consideration exceeds the rate of 2 <i>s.</i> 6 <i>d.</i> per cent. of the sum insured :—
(a) For or upon any voyage in respect of every 100 <i>l.</i> and any fractional part of 100 <i>l.</i> insured - - - 1 <i>d.</i>	(a) For or upon any voyage Where the sum insured does not exceed 250 <i>l.</i> - - - 3 <i>s.</i> Where the sum exceeds 250 <i>l.</i> but does not exceed 500 <i>l.</i> - - - 6 Where the sum exceeds 500 <i>l.</i> but does not exceed 750 <i>l.</i> - - - 9 Where the sum exceeds 750 <i>l.</i> but does not exceed 1,000 <i>l.</i> - - - 1 0 Where the sum exceeds 1,000 <i>l.</i> for every 500 <i>l.</i> , also any fractional part of 500 <i>l.</i> - - - 6
(b) For time In respect of every 100 <i>l.</i> and any fractional part of 100 <i>l.</i> insured where the insurance is for any time not exceeding six months - - - 3	(b) For time Where the insurance shall be made for any time not exceeding six months a duty equivalent to three times the above amounts.
Where the insurance is for any time exceeding six months and not exceeding twelve months - - - 6	Where the insurance shall be made for any time exceeding six months but not exceeding twelve months a duty equivalent to six times the above amounts.

(6) *Accident, Sickness, Indemnity, Fire Insurance, &c. Policies.*

It is proposed to increase the duty from 1*d.* to 6*d.* and in cases where the duty is compounded for to increase the rate of composition from 5 per cent. to 25 per cent. on the amount of the premiums.

(7) *Receipts and Scrip Certificates.*

It is proposed to increase the duty from 1*d.* to 2*d.*

LAND VALUES DUTIES.

It is proposed to repeal the Increment Value Duty, Reversion Duty and Undeveloped Land Duty, imposed by Part I of the Finance (1909-10) Act, 1910, and to take no action towards the collection of the outstanding arrears of those duties. Provision will be made for repayment of the duty already paid on application by the taxpayer.

No further steps will be taken to bring to completion the general valuation of land prescribed by that Act. The valuation has reference to values as at 30th April 1909, and with the repeal of the duties will cease to have any fiscal significance, but the Valuation Department of the Inland Revenue will be kept in being, and the existing provisions for the presentation of deeds relating to the transfer on sale and lease of land will be continued, so that the Department will have a record of such transactions and keep its information up to date.

C.—POSTAGE, &c., RATES.

	Present Rates.	Proposed Rates.
Inland letters - - -	Not exceeding 4 oz. - - - 1½d. For every additional 2 oz. - - - ½d.	Not exceeding 3 oz. - - - 2d. For every additional oz. - - - ½d.
Letters to the British Possessions generally, the United States of America and British Postal Agencies in Morocco.	Not exceeding 1 oz. - - - 1½d. For every additional oz. - - - 1d.	Not exceeding 1 oz. - - - 2d. For every additional oz. - - - 1d.
Registered Newspapers (Inland).	For every copy not exceeding 6 oz. - - - ½d. For every additional 6 oz. - - - ½d.	For every copy not exceeding 6 oz. - - - 1d. For every additional 6 oz. - - - ½d.
Inland Parcels - - -	Not exceeding 3 lbs. - - - 6d. " " 7 lbs. - - - 9d. " " 11 lbs. - - - 1s.	Not exceeding 2 lbs. - - - 9d. " " 5 lbs. - - - 1s. " " 8 lbs. - - - 1s. 3d. " " 11 lbs. - - - 1s. 6d.
Inland Telegrams - - -	For 12 words - - - 9d. For every additional word - - - ½d.	For 12 words - - - 1s. For every additional word - - - 1d.
Sunday telegrams - - -		Additional charge of 6d. per inland telegram handed in between midnight Saturday and midnight Sunday.
Porterage on telegrams - - -	3d. a mile calculated from the limit of free delivery.	6d. a mile calculated from the limit of free delivery.
Inland Money Orders - - -	Not exceeding 1l. - - - 2d. } " " 3l. - - - 3d. } " " 10l. - - - 4d. } " " 20l. - - - 6d. } " " 30l. - - - 8d. } " " 40l. - - - 10d. }	Not exceeding 3l. - - - 4d. " " 10l. - - - 6d. " " 20l. - - - 8d. " " 30l. - - - 10d. " " 40l. - - - 1s.
Postal Orders - - -	6d. to 15s. - - - 1d. 15s. 6d. to 21s. - - - 1½d.	6d. to 2s. 6d. - - - 1d. 3s. to 15s. - - - 1½d. 15s. 6d. to 21s. - - - 2d.

In addition, proposals will be laid before a Select Committee for the increase of Telephone Rates, and power will be taken to increase the rates for Inland Postcards (to 1½d.) and Printed Papers as soon as the international rate can be raised.

TABLE IX. showing the effect of the PROPOSED ALTERATIONS in TAXATION and POSTAGE, &c., RATES.

	Estimate 1920-21. Increase + or Decrease —.	In a Full Year. Increase + or Decrease —.
CUSTOMS.	£.	£
Spirits - - - - -	+ 6,000,000	+ 6,400,000
Beer - - - - -	+ 10,000	+ 20,000
Wine - - - - -	+ 3,800,000	+ 4,100,000
Tobacco (Cigars) - - - - -	+ 500,000	+ 530,000
Motor Spirit - - - - -	— 800,000	— 3,200,000
Total Customs - - - - -	+ 9,510,000	+ 7,850,000
EXCISE :		
Spirits - - - - -	+ 17,500,000	+ 18,100,000
Beer - - - - -	+ 22,490,000	+ 29,980,000
Motor Car and Motor Cycle Licences - - - - -	— 850,000	— 1,200,000
Total Excise - - - - -	+ 39,140,000	+ 46,880,000
TOTAL CUSTOMS AND EXCISE - - - - -	+ 48,650,000	+ 54,730,000
MOTOR VEHICLE DUTIES - - - - -	+ 4,500,000	+ 9,000,000
INLAND REVENUE :		
<i>Stamps :</i>		
Transfers of Stocks and Shares - - - - -	+ 1,500,000	+ 2,000,000
Marketable Securities and Share Warrants to Bearer - - - - -	+ 300,000	+ 500,000
Composition for Transfer Duty - - - - -	+ 3,000,000	+ 3,000,000
Companies' Share Capital Duty - - - - -	+ 275,000	+ 550,000
Receipts and Scrip Certificates - - - - -	+ 50,000	+ 100,000
Fire, Accident, &c. Policies - - - - -	+ 75,000	+ 150,000
Sea Policies - - - - -		
Total Stamps - - - - -	+ 5,200,000	+ 6,300,000
<i>Income Tax :</i>		
Graduation, differentiation, abatements, allowances, &c. - - - - -	— 11,500,000	— 29,200,000
Abolition of temporary war reliefs, including reduced rates of tax on pay of sailors, soldiers, &c. - - - - -	+ 2,000,000	+ 3,900,000
Relief for double income tax within the Empire - - - - -	— 500,000	— 2,000,000
<i>Super Tax :</i>		
Increase and extension of scale of rates of duty - - - - -	+ 8,800,000	+ 11,000,000
Total Income Tax (including Super-tax) - - - - -	— 1,200,000	— 16,300,000
<i>Excess Profits Duty :</i>		
Increase from 40 per cent. to 60 per cent., on profits accruing from 1 January, 1920 - - - - -	+ 10,000,000	+ 100,000,000
<i>Corporation Profits Tax :</i>		
Duty on the income of limited liability concerns engaged in trade, &c., on profits accruing from 1 January, 1920 - - - - -	+ 3,000,000	+ 35,000,000
TOTAL INLAND REVENUE - - - - -	+ 17,000,000	+ 125,000,000
POSTAGE RATES (excluding Postcards and Printed Papers) - - - - -	+ 6,500,000	+ 9,500,000
GRAND TOTAL - - - - -	+ 76,650,000	+ 198,230,000

TABLE X., showing, under the several Heads of Duty, the ESTIMATED REVENUE from CUSTOMS and EXCISE in 1920-21, as compared with the Approximate Receipts in 1919-20.

						1919-20 (Approximate Receipts).	1920-21 (Estimated Receipts).
						£	£
CUSTOMS :						16,169,000	22,000,000
Spirits	-	-	-	-	-	2,000	60,000
Beer	-	-	-	-	-	2,236,000	5,900,000
Wine	-	-	-	-	-	11,000	10,000
Table Waters	-	-	-	-	-	17,748,000	17,000,000
Tea	-	-	-	-	-	2,475,000	2,450,000
Cocoa	-	-	-	-	-	678,000	650,000
Coffee and Chicory	-	-	-	-	-	40,887,000	31,000,000
Sugar, &c.	-	-	-	-	-	1,054,000	1,000,000
Dried Fruits	-	-	-	-	-	60,862,000	62,470,000
Tobacco	-	-	-	-	-	1,086,000	1,250,000
Matches and Mechanical Lighters	-	-	-	-	-	2,991,000	2,400,000
Motor Spirit	-	-	-	-	-	209,000	250,000
Cinema Films	-	-	-	-	-	919,000	1,000,000
Clocks and Watches	-	-	-	-	-	1,956,000	2,200,000
Motor Cars and Cycles	-	-	-	-	-	237,000	300,000
Musical Instruments	-	-	-	-	-	— 200,000*	60,000
Other Items	-	-	-	-	-		
TOTAL CUSTOMS						£ 149,360,000	150,000,000
EXCISE :						42,562,000	64,500,000
Spirits	-	-	-	-	-	71,273,000	112,440,000
Beer	-	-	-	-	-	1,421,000	1,390,000
Table Waters and Cider	-	-	-	-	-	1,150,000	1,200,000
Sugar, &c.	-	-	-	-	-	13,000	30,000
Tobacco	-	-	-	-	-	2,310,000	2,350,000
Matches and Mechanical Lighters	-	-	-	-	-	6,000	—
Motor Spirit	-	-	-	-	-	10,485,000	11,000,000
Entertainments	-	-	-	-	-	1,467,000	3,570,000
Liquor Licences	-	-	-	-	-	31,000	30,000
Monopoly Values	-	-	-	-	-	1,152,000	350,000
Motor Car, &c. Licences	-	-	-	-	-	— 47,000†	—
Motor Spirit Licence Duty	-	-	-	-	-	475,000	500,000
Other Licences	-	-	-	-	-	7,000	—
Railway Passenger Duty	-	-	-	-	-	1,269,000	1,280,000
Medicines, Playing Cards, Coffee Mixtures	-	-	-	-	-	89,000*	10,000
Other Items	-	-	-	-	-		
TOTAL EXCISE						£ 133,663,000	198,650,000
TOTAL CUSTOMS AND EXCISE						£ 283,023,000	348,650,000

* Including adjustment to make actual receipts agree with the amount paid into the Exchequer.
† Repayments.

TABLE XI.

LOANS TO DOMINIONS AND ALLIES.

The obligations of the Dominions and Allies as on 31st March 1920 are :—
Obligations of Dominions :—

	£
Australia - - - - -	51,600,000
New Zealand - - - - -	29,600,000
Canada - - - - -	19,400,000
South Africa - - - - -	15,800,000
Other Dominions and Colonies - - - - -	3,100,000

£119,500,000*

Obligations of Allies :—

Russia - - - - -	568,000,000
France - - - - -	514,800,000
Italy - - - - -	455,500,000
Belgium (a) War - - - - -	92,000,000
(b) Reconstruction - - - - -	5,300,000
Serbia - - - - -	20,900,000
Portugal, Roumania, Greece and other Allies - - - - -	66,600,000
Relief Loans - - - - -	8,000,000

£1,731,100,000

£1,850,600,000

The further advances of 36,000,000*l.* provided for in the Estimates 1920-21 (Unclassified Services, Vote 11), will raise this total by 31 March 1921 to approximately 1,886,000,000*l.*

* During 1919-20 Canadian Debt amounting to 82,600,000*l.* has been cancelled as a set off to the cancellation of a corresponding amount of Debt due to Canada (Command Papers 583, 616, and 651 of 1920).

TABLE XII. giving FINAL BALANCE SHEET, 1920-21.

ESTIMATED REVENUE, 1920-21.		ESTIMATED EXPENDITURE, 1920-21	
	£		£
Customs - - - - -	150,000,000	CONSOLIDATED FUND SERVICES.	
Excise - - - - -	198,650,000	National Debt Services :	
Total Customs and Excise - -	348,650,000	Inside the Fixed Debt Charge - - 24,500,000	
Motor Vehicle Duties - - - -	4,500,000	Outside the Fixed Debt Charge - - 320,500,000	
Estate, &c. Duties - - - - -	45,000,000	345,000,000	
Stamps - - - - -	25,200,000	Road Improvement Fund - - - - 6,650,000	
Land Tax and House Duty - - -	2,500,000	Payments to Local Taxation Accounts, &c. 10,818,000	
Income Tax (including Super-Tax) - -	385,800,000	Land Settlement - - - - -	
Excess Profits Duty, &c. - - - -	220,000,000	Other Consolidated Fund	
Corporation Profits Tax - - - -	3,000,000	HILTON YOUNG.	
Land Value Duties - - - - -	500,000	TOTAL CONSOLIDATED	
Total Inland Revenue - - - -	682,000,000	SUPPLY SERVICES.	
TOTAL RECEIPTS FROM TAXES - £	1,035,150,000	Army - - - - - 125,000,000	
		Navy - - - - - 84,372,000	
Postal Service - - - - -	37,000,000	Air Force - - - - - 21,057,000	
Telegraph Service - - - - -	5,750,000	Civil Services - - - - - 497,318,000	
Telephone Service - - - - -	10,250,000	Customs and Excise, and Inland Revenue } 10,468,000	
Total Post Office - - - - -	53,000,000	Departments - - - - - }	
Crown Lands - - - - -	650,000	Post Office Services - - - - - 49,689,000	
Receipts from sundry Loans, &c. :—		Add, Supplementary Estimates to be presented - - - - - 20,000,000	
Ordinary Receipts - - - - -	744,000	TOTAL SUPPLY SERVICES - - - £807,904,000	
Special Receipts - - - - -	8,756,000	TOTAL EXPENDITURE - £1,184,102,000	
Miscellaneous :—		BALANCE AVAILABLE FOR DEBT } 234,198,000	
Ordinary Receipts - - - - -	18,000,000	REDUCTION - - - - - }	
Special Receipts - - - - -	302,000,000	TOTAL - - - 1,418,300,000	
TOTAL RECEIPTS FROM NON-TAX } REVENUE - - - - - }	£383,150,000	Borrowings to meet Expenditure } chargeable against Capital - - }	
TOTAL REVENUE -	1,418,300,000	£10,366,000	
		Expenditure chargeable against } Capital - - - - - }	
		£10,366,000	