

FINANCIAL STATEMENT (1925-26).

THE PROPERTY OF
J. MENKEN.

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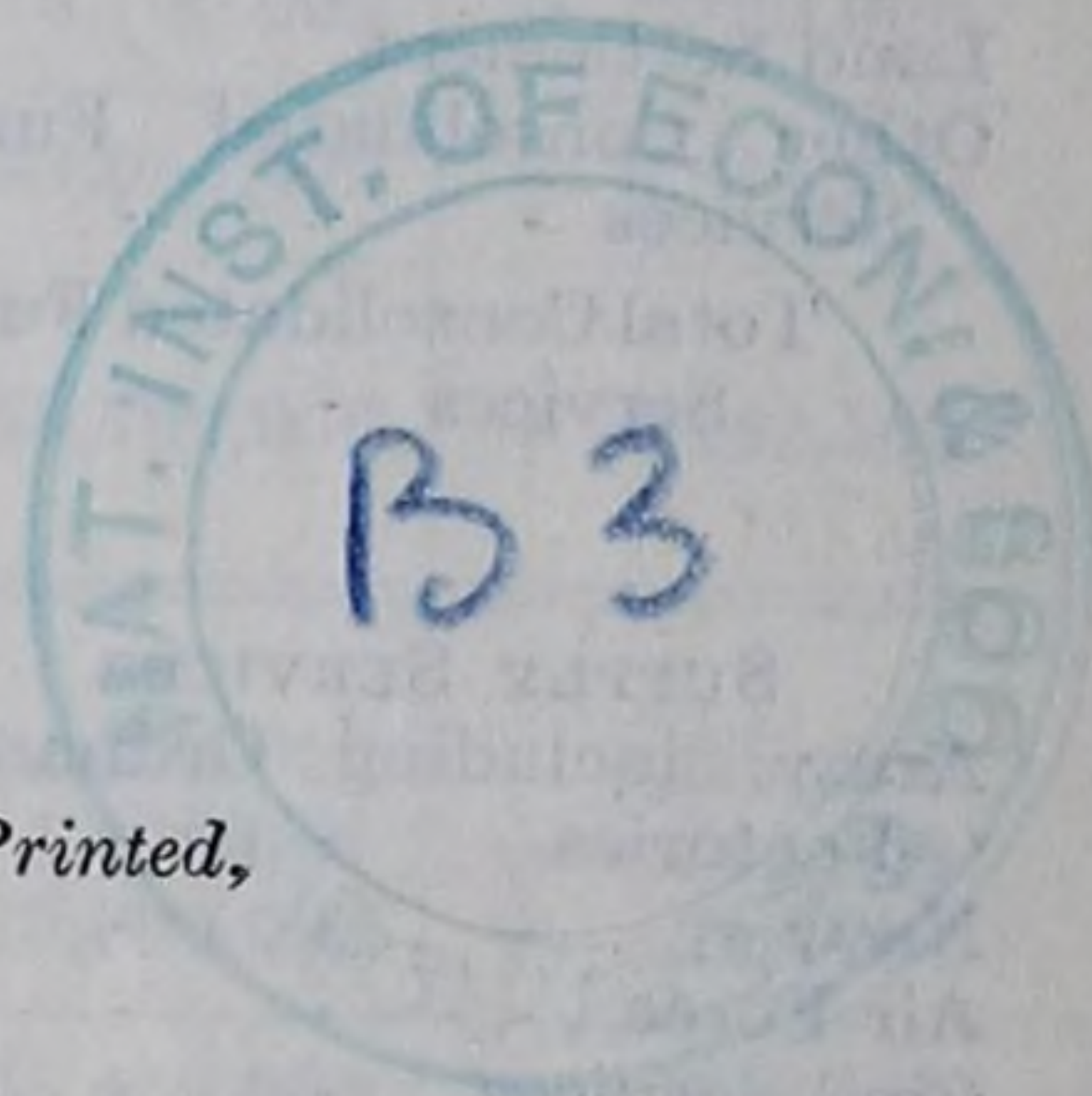
RETURN to an Order of the Honourable The House of Commons,
dated 28 April 1925 ;—for

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

Treasury Chambers,
28th April 1925. }

WALTER GUINNESS.

Ordered, by The House of Commons, to be Printed,
28 April 1925.



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1925.

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1924-25.

TABLE I. showing how the Amount issued from the Exchequer to meet the EXPENDITURE in 1924-25 compares with the Estimated Expenditure.

	1924-25.			
	Total Expenditure provided for in the Budget.	Additional Expenditure for which Supplementary Estimates were presented and Excess Votes.	Total Estimated Expenditure.	Amount issued to meet Total Expenditure.
	£	£	£	£
CONSOLIDATED FUND SERVICES.				
National Debt Services:				
Interest, &c. - - -	305,000,000	—	305,000,000	312,161,000
Sinking Funds, &c. - -	45,000,000	—	45,000,000	45,000,000
Total National Debt Services - - -	350,000,000	—	350,000,000	357,161,000
Road Fund - - -	15,000,000	—	15,000,000	15,563,000
Payments to Local Taxation Accounts, &c. - - -	13,150,000	—	13,150,000	13,967,000
Payments to Northern Ireland Exchequer - - -	3,500,000	—	3,500,000	3,822,000
Land Settlement - - -	750,000	—	750,000	664,000
Other Consolidated Fund Services - - -	2,440,000	—	2,440,000	2,430,000
Total Consolidated Fund Services - - -	384,840,000	—	384,840,000	393,607,000
SUPPLY SERVICES.				
Army, including Ordnance Factories - - -	45,000,000	—	45,000,000	44,765,000
Navy - - -	55,800,000	220,000	56,020,000	55,625,000
Air Force - - -	14,511,000	350,000	14,861,000	14,310,000
Civil Services - - -	227,573,000	11,300,000	238,873,000	226,134,000
Customs and Excise and Inland Revenue - - -	11,221,000	—	11,221,000	10,956,000
Post Office Services - - -	51,081,000	—	51,081,000	50,380,000
Total Supply Services -	405,186,000	11,870,000	417,056,000	402,170,000
GRAND TOTAL -	790,026,000	11,870,000	801,896,000	795,777,000

In order to show the entire expenditure for which the State was responsible in 1924-25, 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	£ 795,777,000
II. Expenditure chargeable against Capital, viz.:—	£
Telegraph (Money) Acts, 1922 and 1924 - - -	9,650,000
Housing Act, 1914 - - -	6,000
West Indian Islands (Telegraph) Act, 1924 - -	343,000
	<u>9,999,000</u>
	<u>£ 805,776,000</u>

1924-25.

TABLE II. showing how the REVENUE in 1924-25 compares with the Budget Estimate, and with the Revenue of the previous year, 1923-24.

Receipts in 1923-24.		Budget Estimate for 1924-25.	Receipts in 1924-25.	Receipts more (+) or less (-) than Budget Estimate.
£		£	£	£
119,958,000	Customs - - - -	101,800,000	99,344,000	- 2,456,000
147,970,000	Excise - - - -	135,900,000	135,128,000	- 772,000
267,928,000		237,700,000	234,472,000	- 3,228,000
14,691,000	Motor Vehicle Duties -	15,600,000	16,164,000	+ 564,000
57,800,000	Estate, &c. Duties - -	56,000,000	59,450,000	+ 3,450,000
21,570,000	Stamps - - - -	21,000,000	22,850,000	+ 1,850,000
2,760,000	Land Tax and House Duty and Mineral Rights Duty	1,250,000	1,450,000	+ 200,000
269,331,000	Income Tax - - - -	265,000,000	273,836,000	+ 8,836,000
60,640,000	Super Tax - - - -	61,000,000	62,680,000	+ 1,680,000
—	Excess Profits Duty, &c. -	8,000,000	700,000	- 7,300,000
23,340,000	Corporation Profits Tax -	20,000,000	18,100,000	- 1,900,000
435,441,000		432,250,000	439,066,000	+ 6,816,000
718,060,000	TOTAL RECEIPTS FROM TAXES - - - £	685,550,000	689,702,000	+ 4,152,000
32,840,000	Postal Service - - -	33,250,000	34,850,000	+ 1,600,000
5,570,000	Telegraph Service - -	5,500,000	5,600,000	+ 100,000
14,390,000	Telephone Service - -	14,750,000	15,000,000	+ 250,000
52,800,000		53,500,000	55,450,000	+ 1,950,000
920,000	Crown Lands - - - -	900,000	960,000	+ 60,000
12,607,000	Interest on Sundry Loans, &c. - - - -	12,250,000	11,941,000	- 309,000
15,981,000	Miscellaneous :—			
36,801,000	Ordinary Receipts - -	11,850,000	14,420,000	+ 2,570,000
	Special Receipts - -	30,000,000	26,963,000	- 3,037,000
119,109,000	TOTAL RECEIPTS FROM NON-TAX REVENUE	108,500,000	109,734,000	+ 1,234,000
837,169,000	TOTAL - £	794,050,000	799,436,000	+ 5,386,000

1924-25.

TABLE III. giving the EXCHEQUER BALANCE SHEET of 1924-25.

Receipts.		Payments.	
Exchequer Balance on 31st	£	Expenditure	£
March 1924 - - -	6,632,000	- - - - -	795,777,000
Revenue - - -	799,436,000	Issues for Purchase or Redemption	
Money raised by		of Deadweight Debt as follows:—	
Creation of		National Saving	£
Debt:—	£	Certificates (prin-	
National Savings		cipal repaid) -	29,300,000
Certificates -	32,200,000	5 per cent. National	
Treasury Bonds	16,876,000	War Bonds -	6,630,000
3½ per cent. Con-		5½ per cent. Exche-	
version Loan -	46,303,000	quer Bonds -	40,280,000
Other Debt -	3,700,000	Treasury Bills re-	
	99,079,000	paid (net) -	12,748,000
Repayments, &c.:—		Ways and Means	
Under Land Settlement		Advances repaid	
Facilities Acts, 1919 and		(net) -	19,570,000
1921 - - -	737,000	Suez Canal Drawn	
Suez Canal Drawn Shares and		Shares, &c., Re-	
other Receipts -	136,000	ceipts issued to	
Interest under sec. 59 (5) of		National Debt	
the Finance Act, 1920 -	24,000	Commissioners -	136,000
Repayments from the Na-			108,664,000
tional Saving Certificates		Met as follows—	
Investment Account -	4,954,000	Out of Surplus	
		Revenue -	3,659,000*
		Out of Repay-	
		ments -	5,851,000
		Out of Borrowed	
		Money:—	
		National Savings	
		Certificates -	32,200,000
		Treasury Bonds	16,876,000
		3½ per cent. Con-	
		version Loan -	46,303,000
		Other Debt -	3,700,000
		Out of Exche-	
		quer Balance -	75,000
			£108,664,000
		Exchequer Balance 31st March, 1925	6,557,000
	£ 910,998,000		£910,998,000

* In addition to this sum of - - - - - £ 3,659,000

The following issues out of Revenue to purchase or redeem Debt are included under the head of Expenditure, New Sinking Fund, 1923:—

	£
Capital of Terminable Annuities -	1,813,000
Funding Loan Sinking Fund -	2,528,000
Victory Bonds Sinking Fund -	2,145,000
Conversion Loan Sinking Fund -	13,239,000
Issues to National Debt Commissioners for Bonds, &c., for Death	
Duties under s. 3 of War Loan Act, 1919 -	7,816,000
Repayment of War Loan, &c., surrendered for Duties under s. 34	
of Finance Act, 1917 -	30,000
United States Government—Repayment under Funding Agree-	
ment -	5,202,000
Balance of New Sinking Fund, 1923, issued to National Debt	
Commissioners to redeem Debt -	12,227,000
	45,000,000

Making a Total issued out of Revenue for Redemption of Deadweight Debt in 1924-25 of - - - - - £ 48,659,000

TABLE IV.

Debt Maturing Year by Year (approximate Totals).

N.B.—The amounts shown for National War Bonds are the Nominal totals, and do not include premiums. National Savings Certificates are shown at issue price, exclusive of accrued interest. External debt is shown at par of exchange. Loans marked * are being repaid by specific statutory Sinking Funds.

Year.	Security.	Internal.	External.	Total.
		£	£	£
1925-26	5 % National War Bonds, 1 April, 1925	3,575,000	—	} 36,089,000
	5 % Treasury Bonds, 1 May, 1925	23,646,000	—	
	5 % National War Bonds, 1 Sept., 1925	8,868,000	—	
1926-27	5 % Treasury Bonds, 1 February, 1927	110,132,000	—	} 113,214,000
	Central Argentine Rly. Co., \$15,000,000	—	3,082,000	
1927-28	4 % and 5 % National War Bonds, and 3½ % War Loan 1925-8	335,915,000	—	335,915,000
1928-29	4 % and 5 % National War Bonds	492,174,000	—	} 495,515,000
	5½ % Straits Settlements Dollar Loan	—	3,341,000	
1929-30	5½ % Treasury Bonds and 3 % Ex- chequer Bonds	46,277,000	—	} 60,512,000
	5½ % 10-year Bonds, \$48,276,700	—	9,920,000	
	5 % Straits Settlements Dollar Loan	—	4,315,000	
1930-31	5½ % Treasury Bonds	134,741,000	—	134,741,000
1932-33	4½ % Treasury Bonds	121,266,000	—	121,266,000
1933-34	4 % and 4½ % Treasury Bonds	78,733,000	—	} 80,486,000
	5 % Straits Settlements Sterling Loan	1,753,000	—	
1936-37	5½ % 20-year Bonds, \$143,587,000	—	29,504,000	29,504,000
1940-41	Anglo-French Loan 4½ % Bonds, \$13,850	—	3,000	3,000
1942-43	4 % War Loan, 1929-42	65,861,000	—	65,861,000
1944-45	4½ % Conversion Loan	210,587,000	—	210,587,000
1945-46	4½ % War Loan, 1925-45	12,804,000	—	12,804,000
1947-48	5 % War Loan, 1929-47	1,986,986,000	—	1,986,986,000
	4 % Victory Bonds*	349,796,000	—	349,796,000
	4 % Funding Loan*	394,874,000	—	394,874,000
	3½ % Conversion Loan*	708,931,000	—	708,931,000
	Funded Debt (Consols, &c.)	313,759,000	—	313,759,000
	Terminable Annuities	13,053,000	—	13,053,000
	Treasury Bills	575,610,000	—	575,610,000
	Ways and Means Advances	166,585,000	—	166,585,000
	National Savings Certificates	368,850,000	—	368,850,000
	Loans from certain Allied Governments	—	135,700,000	135,700,000
	U.S.A. Government Loan—*	—	935,753,000	935,753,000
	\$4,554,000,000	—	935,753,000	935,753,000
	Total outstanding on 31 March, 1925	6,524,776,000	1,121,618,000	7,646,394,000

1924-25.

TABLE V. giving the estimated RATES COLLECTED by LOCAL AUTHORITIES in 1924-25.

	£
England and Wales - - - - -	142,000,000
Scotland - - - - -	17,887,000

It is estimated that this total was divisible as follows, viz. :—

	England and Wales.	Scotland.
	£	£
On Relief of the Poor - - -	30,400,000	3,559,000
„ Education - - -	30,400,000	4,359,000
„ Police - - -	8,900,000	965,000
„ other services - - -	72,300,000	9,004,000
	<u>£142,000,000</u>	<u>£17,887,000</u>

TABLE VI.—LOANS TO ALLIES AND DOMINIONS.

The amounts owing by the Dominions and Allies as on 31st March 1925 are :—

*War Loans :—**Dominions—*

	£
Australia - - - - -	88,098,000
New Zealand - - - - -	28,681,000
South Africa - - - - -	11,884,000
Other Dominions and Colonies - - -	1,146,000

Allies—

Russia - - - - -	756,705,000
France - - - - -	620,224,000
Italy - - - - -	582,510,000
Serb-Croat-Slovene Kingdom - - -	29,905,000
Portugal, Roumania, Greece and other Allies - - - - -	73,107,000

129,809,000

Relief and Reconstruction Loans :—

Austria - - - - -	11,340,000
Poland - - - - -	4,770,000
Roumania - - - - -	2,235,000
Serb-Croat-Slovene Kingdom - - -	2,388,000
Other States - - - - -	944,000
Belgian Reconstruction Loan - - -	9,000,000
Belgian Congo Reconstruction Loan - - -	3,550,000

2,062,451,000

*Other Loans :—**Stores, &c.—*

France - - - - -	6,726,000
Greece - - - - -	395,000
Armenia - - - - -	908,000

34,227,000

Repatriation—

Poland - - - - -	168,000
Czecho Slovakia - - - - -	826,000
Roumania - - - - -	138,000
Serb-Croat-Slovene Kingdom - - -	187,000
Latvia - - - - -	130,000

9,478,000

£2,235,965,000

1925-26.

TABLE VII. showing how the EXPENDITURE to be provided for in 1925-26 compares with the Expenditure in 1924-25 as estimated in April 1924.

Service.	Estimate, 1924-25.	Estimate, 1925-26.	Estimate for 1925-26 more (+) or less (-) than 1924-25.
CONSOLIDATED FUND SERVICES.	£	£	£
National Debt Services, Interest, &c. -	305,000,000	305,000,000	—
Sinking Funds -	45,000,000	50,000,000	+ 5,000,000
TOTAL NATIONAL DEBT SERVICES	350,000,000	355,000,000	+ 5,000,000
Road Fund - - - - -	15,000,000	16,900,000	+ 1,900,000
Payments to Local Taxation Accounts, &c.	13,150,000	13,329,000	+ 179,000
Payments for Northern Ireland Residuary Share, &c. - - - - -	3,500,000	4,000,000	+ 500,000
Land Settlement - - - - -	750,000	700,000	— 50,000
Other Consolidated Fund Services -	2,440,000	2,000,000	— 440,000
TOTAL CONSOLIDATED FUND SERVICES	384,840,000	391,929,000	+ 7,089,000
SUPPLY SERVICES.			
Army (including Ordnance Factories) -	45,000,000	44,500,000	— 500,000
Navy - - - - -	55,800,000	60,500,000	+ 4,700,000
Air Force - - - - -	14,511,000	15,513,000	+ 1,002,000
Civil Services* - - - - -	227,573,000	222,609,000	— 4,964,000
Customs and Excise, and Inland Revenue Departments - - - - -	11,221,000	11,391,000	+ 170,000
Post Office Services - - - - -	51,081,000	52,958,000	+ 1,877,000
TOTAL SUPPLY SERVICES -	405,186,000	407,471,000	+ 2,285,000
TOTAL - - - - -	790,026,000	799,400,000	+ 9,374,000

*Civil Services:—

	1924-25 Budget Estimate.	1925-26.
	£	£
Public Education - -	47,673,000	46,498,000
Old Age Pensions - -	24,201,000	26,856,000
Ministry of Pensions -	66,948,000	66,026,000
Ministry of Health, &c. Insurance, &c. - -	22,162,000	22,254,000
Ministry of Labour, Re- settlement of Ex- Service Men, &c. - -	14,060,000	13,859,000
Police, Prisons, &c. - -	8,664,000	8,790,000
Middle East - - - - -	5,719,000	4,770,000
Criminal Injuries Com- pensation, Ireland - -	3,388,000	441,000
Relief of Unemployment -	3,230,000	2,296,000
Other Civil Services -	31,528,000	30,819,000
	227,573,000	222,609,000

1925-26.

TABLE VIII. showing how the Estimated RECEIPTS from Revenue in 1925-26 compare with the corresponding Receipts in 1924-25.

On basis of EXISTING TAXATION.

	Receipts in 1924-25.	Estimate for 1925-26 on Basis of existing Taxation.	Estimate for 1925-26 more (+) or less (-) than Receipts in 1924-25.
	£	£	£
Customs - - - - -	99,344,000	98,500,000	- 844,000
Excise - - - - -	135,128,000	136,500,000	+ 1,372,000
	234,472,000	235,000,000	+ 528,000
Motor Vehicle Duties - - - - -	16,164,000	17,500,000	+ 1,336,000
Estate, &c. Duties - - - - -	59,450,000	62,000,000	+ 2,550,000
Stamps - - - - -	22,850,000	24,000,000	+ 1,150,000
Land Tax, House Duty and Mineral Rights Duty - - - - -	1,450,000	1,000,000	- 450,000
Income Tax - - - - -	273,836,000	289,000,000	+ 15,164,000
Super Tax - - - - -	62,680,000	70,000,000	+ 7,320,000
Excess Profits Duty, &c. - - - - -	700,000	4,000,000	+ 3,300,000
Corporation Profits Tax - - - - -	18,100,000	9,000,000	- 9,100,000
	439,066,000	459,000,000	+ 19,934,000
TOTAL RECEIPTS FROM TAXES £	689,702,000	711,500,000	+ 21,798,000
Postal Service - - - - -	34,850,000	35,600,000	+ 750,000
Telegraph Service - - - - -	5,600,000	5,400,000	- 200,000
Telephone Service - - - - -	15,000,000	16,000,000	+ 1,000,000
	55,450,000	57,000,000	+ 1,550,000
Crown Lands - - - - -	960,000	900,000	- 60,000
Interest on Sundry Loans - - - - -	11,941,000	12,600,000	+ 659,000
Miscellaneous:—			
Ordinary Receipts - - - - -	14,420,000	14,000,000	- 420,000
Special Receipts - - - - -	26,963,000	30,000,000	+ 3,037,000
TOTAL RECEIPTS FROM NON- TAX REVENUE } £	109,734,000	114,500,000	+ 4,766,000
TOTAL REVENUE - - - - - £	799,436,000	826,000,000	+ 26,564,000

TABLE IX. showing the PROPOSED CHANGES in TAXATION.

A.—CUSTOMS AND EXCISE.

(I.) *Changes in existing Duties.*

	Existing Duties.		Proposed Duties.	
	Full Rate.	Preferential Rate.	Full Rate.	Preferential Rate.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
CUSTOMS :—				
Fruit, dried or otherwise preserved, viz. :				
Currants - - - - - per cwt.	0 2 0	}	0 2 0	} Free.
Figs, Plums and Raisins - - - - - „	0 7 0		0 7 0	
Sugar exceeding 98° polarisation per cwt. (Other degrees at proportionate rates.)	0 11 8		0 11 8	0 7 4½
Molasses, etc. :				
Containing 70 per cent. or more sweetening matter - - - - - per cwt.	0 7 5	} Five-sixths of Full Rate.	0 7 5	0 4 8½
Containing 50 per cent. to 70 cent. sweetening matter - - - - - „	0 5 4		0 5 4	0 3 4½
Containing 50 per cent. or less sweetening matter - - - - - „	0 2 7		0 2 7	0 1 7½
Glucose : Solid - - - - - „	0 7 5		0 7 5	0 4 8½
Liquid - - - - - „	0 5 4		0 5 4	0 3 4½
Saccharin - - - - - per oz.	0 3 9		0 3 9	0 2 4½
Tobacco : Unmanufactured un- stemmed, containing 10 per cent. or more of moisture - - - - - per lb. (Other kinds at proportionate rates.)	0 8 2		0 8 2	Three-fourths of Full Rate.
Wine : Exceeding 30° but not ex- ceeding 42° of proof spirit - - - per gall.	0 6 0	} 66⅔ per cent. of Full Rate. 70 per cent. of Full Rate.	0 6 0	} 33⅓ per cent. of Full Rate. 50 per cent. of Full Rate.
Additional per degree above 42° „	0 0 6		0 0 6	
Additional on Sparkling Wine - „	0 12 6		0 12 6	
Beer, per standard barrel (36 gallons at 1055° original gravity). (Other gravities in proportion.)	5 0 6 Less re- bate 1l. per bulk barrel.		5 1 4 Less re- bate 1l. per bulk barrel.	
EXCISE :—	£ s. d.		£ s. d.	
Sugar exceeding 98° polarisation - per cwt. (Other degrees at proportionate rates.)			0 7 4½	
Molasses, etc. :				
Containing 70 per cent. or more sweetening matter - - - - - per cwt.	} Five-sixths of Full Customs Duty.		0 4 8½	
Containing 50 per cent. to 70 per cent. sweetening matter - - - - - „			0 3 4½	
Containing 50 per cent. or less sweetening matter - - - - - „			0 1 7½	
Glucose : Solid - - - - - „			0 4 8½	
Liquid - - - - - „			0 3 4½	
Saccharin - - - - - per oz.			0 2 4½	
Tobacco :				
Unmanufactured, containing 10 per cent. or more of moisture - per lb. (Other kinds at proportionate rates.)	Five-sixths of 0 8 0		Three-fourths of 0 8 0	

NOTES.—(a) It is proposed that the above changes in duties shall take effect from 1st July 1925, except that in the case of the additional duty on beer the date will be 16th August.

(b) The increased preference on sugar, molasses, glucose and saccharin is proposed for a period of ten years or for such time within that period as the full rates of duty on those articles do not fall below the proposed amounts of the preferential rebate.

(II.) *New Duties.*

	Proposed Duties.	
	Full Rate.	Preferential Rate.
	£ s. d.	£ s. d.
CUSTOMS :—		
Silk and Artificial Silk—		
Silk Cocoons and Silk Waste of all kinds :		
Undischarged - - - - - per lb.	0 1 6	Five-sixths of full rate.
Wholly or partly discharged - - - - - „	0 3 0	
Silk, Raw :		
Undischarged - - - - - „	0 4 0	
Wholly or partly discharged - - - - - „	0 5 9	
Silk, Thrown or Spun, including silk yarns and threads of all kinds :		
Undischarged - - - - - „	0 4 8	
Wholly or partly discharged - - - - - „	0 6 8	
Tissue containing Silk :		
Undischarged - - - - - „	0 5 3	
Wholly or partly discharged - - - - - „	0 7 9	
Artificial Silk yarn, thread, straw and waste - - - - - „	0 3 0	Two-thirds of full rate.
Tissue containing Artificial Silk - - - - - „	0 3 6	
Articles not heretofore specified, made up wholly or in part of Silk or Artificial Silk.	33½ per cent. of total value of the article.	
Cinematograph Films—		
Blank - - - - - } per linear foot	0 0 0½	Two-thirds of full rate.
Positives - - - - - } (standard width	0 0 1	
Negatives - - - - - } 1½ inches.)	0 0 5	
Clocks and Watches (including component parts)	33½ per cent. ad valorem.	Two-thirds of full rate.
Motor Cars, Motor Bicycles and Tricycles (including component parts and accessories, other than tyres, but excluding trade vehicles, ambulances, fire engines and motor omnibuses.)		
Musical instruments (including component parts and accessories and records and other means of repro- ducing music).		
Hops - - - - - per cwt.	4 0 0	Do.
Extracts, essences and other similar preparations made from hops.	According to quantity of hops used.	Do.
		Proposed Duty.
		£ s. d.
EXCISE :—		
Artificial silk yarn, straw and waste - - - - - per lb.		0 2 6
Manufacturers of artificial silk yarn, straw or waste		
Annual licence duty		1 0 0

NOTES.—(a) It is proposed that the new duties shall take effect as from 1st July, 1925, except that in the case of hops and hop extracts the date will be 16th August.

(b) The duty on yarns and tissues made partly of Silk or Artificial Silk and partly of other materials will be charged in respect of the Silk or Artificial Silk component only.

(c) The duty on hops and hop extracts is proposed for a period of four years.

B.—INLAND REVENUE.

*Death Duties.**Estate Duty.*

It is proposed to increase the rates of Estate Duty payable in respect of estates exceeding a net principal value of 12,500*l.* and not exceeding a net principal value of 1,000,000*l.*, as shown in the following tables. The first table shows the increase in the rates of duty, and the second table sets out the scale of rates of duty proposed.

Estate Duty.—Alteration of Scale.

Principal Value of Estate.					Rate per cent. for each range.		Increase in in rate per cent.
					Present Rates.	Proposed Rates.	
Exceeding £	Not Exceeding £						
100	500	-	-	-	1	1	} No change.
500	1,000	-	-	-	2	2	
1,000	5,000	-	-	-	3	3	
5,000	10,000	-	-	-	4	4	
10,000	12,500	-	-	-	5	5	
12,500	15,000	-	-	-	5	6	1
15,000	18,000	-	-	-	6	7	1
18,000	21,000	-	-	-	6 and 7	8	1 or 2
21,000	25,000	-	-	-	7	9	2
25,000	30,000	-	-	-	8	10	2
30,000	35,000	-	-	-	9	11	2
35,000	40,000	-	-	-	9	12	3
40,000	45,000	-	-	-	10	13	3
45,000	50,000	-	-	-	10	14	4
50,000	55,000	-	-	-	11	15	4
55,000	65,000	-	-	-	11 and 12	16	4 or 5
65,000	75,000	-	-	-	12 and 13	17	4 or 5
75,000	85,000	-	-	-	13	18	5
85,000	100,000	-	-	-	13 and 14	19	5 or 6
100,000	120,000	-	-	-	14 and 15	20	5 or 6
120,000	140,000	-	-	-	15 and 16	21	5 or 6
140,000	170,000	-	-	-	16 and 17	22	5 or 6
170,000	200,000	-	-	-	17 and 18	23	5 or 6
200,000	250,000	-	-	-	19 and 20	24	4 or 5
250,000	325,000	-	-	-	21 and 22	25	3 or 4
325,000	400,000	-	-	-	22 and 23	26	3 or 4
400,000	500,000	-	-	-	24 and 25	27	2 or 3
500,000	750,000	-	-	-	26 and 27	28	1 or 2
750,000	1,000,000	-	-	-	27 and 28	29	1 or 2
1,000,000	1,250,000	-	-	-	30	30	} No change.
1,250,000	1,500,000	-	-	-	32	32	
1,500,000	2,000,000	-	-	-	35	35	
2,000,000	-	-	-	-	40	40	

INCOME TAX.

I.—Rate.

It is proposed to reduce the Standard Rate of Income Tax from 4s. 6d. to 4s. 0d. in the £.

II.—Differentiation in favour of "Earned" Income.

It is proposed to increase the relief to "earned" income from a deduction of one-tenth of the earned income, subject to a maximum deduction of 200l., to a deduction of one-sixth of the earned income, subject to a maximum deduction of 250l.

It is proposed to regard as earned income the investment income of taxpayers whose age is 65 years or more, and whose total income does not exceed 500l. In the case of married persons, this relief will be granted when either spouse is of the age stated.

III.—Super-tax.

It is proposed to reduce the rates of Super-tax. Details of the present and proposed scales are shown in the following table:—

						Existing Rates in the £.	Proposed Rates in the £.
						s. d.	s. d.
On the first 2,000l. of the income	-	-	-	-	-	Nil	Nil
On the next 500l. (to 2,500l.)	-	-	-	-	-	1 6	0 9
„ 500l. (to 3,000l.)	-	-	-	-	-	2 0	1 0
„ 1,000l. (to 4,000l.)	-	-	-	-	-	2 6	1 6
„ 1,000l. (to 5,000l.)	-	-	-	-	-	3 0	2 3
„ 1,000l. (to 6,000l.)	-	-	-	-	-	3 6	3 0
„ 1,000l. (to 7,000l.)	-	-	-	-	-	4 0	3 6
„ 1,000l. (to 8,000l.)	-	-	-	-	-	4 6	3 6
„ 2,000l. (to 10,000l.)	-	-	-	-	-	5 0	4 0
„ 5,000l. (to 15,000l.)	-	-	-	-	-	5 0	4 6
„ 5,000l. (to 20,000l.)	-	-	-	-	-	5 0	5 0
„ 10,000l. (to 30,000l.)	-	-	-	-	-	5 6	5 6
On the remainder (above 30,000l.)	-	-	-	-	-	6 0	6 0
						} No change.	

TABLE X., INCOME TAX and SUPER-TAX. Amount of tax, and effective rate of tax per pound of income, on specimen incomes. 1924-25 and 1925-26.

Married Couples without Children.

Total In- come.	Charge for 1924-25.				Proposed Charge for 1925-26.			
	If Income all "Earned" Income.		If Income all "In- vestment" Income.		If Income all "Earned" Income.		If Income all "In- vestment" Income.	
	Income Tax (including Super-tax, if any).	Effective Rate.	Income Tax (including Super-tax, if any).	Effective Rate.	Income Tax (including Super-tax, if any).	Effective Rate.	Income Tax (including Super-tax, if any).	Effective Rate.
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
250	—	—	2 16 3	2½	—	—	2 10 0	2½
300	5 1 3	4	8 8 9	6½	2 10 0	2	7 10 0	6
350	10 2 6	7	14 1 3	9½	6 13 4	4½	12 10 0	8½
400	15 3 9	9	19 13 9	1 0	10 16 8	6½	17 10 0	10½
500	25 6 3	1 0	36 11 3	1 5½	19 3 4	9	32 10 0	1 3½
600	45 11 3	1 6	59 1 3	1 11½	32 10 0	1 1	52 10 0	1 9
700	65 16 3	1 10½	81 11 3	2 4	49 3 4	1 5	72 10 0	2 1
800	86 1 3	2 2	104 1 3	2 7	65 16 8	1 7½	92 10 0	2 4
900	106 6 3	2 4½	126 11 3	2 10	82 10 0	1 10	112 10 0	2 6
1,000	126 11 3	2 6½	149 1 3	3 0	99 3 4	2 0	132 10 0	2 8
1,250	177 3 9	2 10	205 6 3	3 3½	140 16 8	2 3	182 10 0	2 11
1,500	227 16 3	3 0½	261 11 3	3 6	182 10 0	2 5	232 10 0	3 1
2,000	329 1 3	3 3½	374 1 3	3 9	282 10 0	2 10	332 10 0	3 4
2,500	479 1 3	3 10	524 1 3	4 2½	401 5 0	3 2½	451 5 0	3 7½
3,000	641 11 3	4 3½	686 11 3	4 7	526 5 0	3 6	576 5 0	3 10
4,000	991 11 3	4 11½	1,036 11 3	5 2	801 5 0	4 0	851 5 0	4 3
5,000	1,366 11 3	5 5½	1,411 11 3	5 8	1,113 15 0	4 5½	1,163 15 0	4 8
6,000	1,766 11 3	5 10½	1,811 11 3	6 0½	1,463 15 0	4 10½	1,513 15 0	5 0½
7,000	2,191 11 3	6 3	2,236 11 3	6 4½	1,838 15 0	5 3	1,888 15 0	5 5
8,000	2,641 11 3	6 7½	2,686 11 3	6 8½	2,213 15 0	5 6½	2,263 15 0	5 8
9,000	3,116 11 3	6 11	3,161 11 3	7 0½	2,613 15 0	5 9½	2,663 15 0	5 11
10,000	3,591 11 3	7 2	3,636 11 3	7 3½	3,013 15 0	6 0½	3,063 15 0	6 1½
15,000	5,966 11 3	7 11½	6,011 11 3	8 0	5,138 15 0	6 10	5,188 15 0	6 11
20,000	8,341 11 3	8 4	8,386 11 3	8 4½	7,388 15 0	7 4½	7,438 15 0	7 5½
25,000	10,841 11 3	8 8	10,886 11 3	8 8½	9,763 15 0	7 9½	9,813 15 0	7 10
30,000	13,341 11 3	8 10½	13,386 11 3	8 11	12,138 15 0	8 1	12,188 15 0	8 1½
40,000	18,591 11 3	9 3½	18,636 11 3	9 4	17,138 15 0	8 7	17,188 15 0	8 7
50,000	23,841 11 3	9 6½	23,886 11 3	9 6½	22,138 15 0	8 10½	22,188 15 0	8 10½
100,000	50,091 11 3	10 0	50,136 11 3	10 0½	47,138 15 0	9 5	47,188 15 0	9 5½
150,000	76,341 11 3	10 2	76,386 11 3	10 2	72,138 15 0	9 7½	72,188 15 0	9 7½

TABLE XI.—Showing the Estimated Effect of the Proposed Alterations in Taxation.

	Estimate, 1925-26. Increase + or Decrease —.	In a Full Year. Increase + or Decrease —.
	£	£
CUSTOMS :—		
Increased Preferences on :—		
Dried Fruits - - - - -	— 70,000	— 120,000
Sugar - - - - -	— 870,000	— 990,000
Tobacco - - - - -	— 350,000	— 400,000
Wine - - - - -	(negligible)	(negligible)
Total - - - - -	— 1,290,000	— 1,510,000
Silk and Artificial Silk - - - - -	+ 3,100,000	+ 5,500,000
Cinematograph Films - - - - -	+ 170,000	+ 300,000
Clocks and Watches - - - - -	+ 315,000	+ 550,000
Motor Cars - - - - -	+ 915,000	+ 1,600,000
Musical Instruments - - - - -	+ 200,000	+ 350,000
Hops - - - - -	+ 130,000	+ 250,000
Beer - - - - -	*	*
Total Customs - - - - -	+ 3,540,000	+ 7,040,000
EXCISE :—		
Sugar, &c. - - - - -	— 180,000	— 210,000
Tobacco - - - - -	(negligible)	(negligible)
Artificial Silk - - - - -	+ 900,000	+ 1,500,000
Total Excise - - - - -	+ 720,000	+ 1,290,000
TOTAL CUSTOMS AND EXCISE - - -	+ 4,260,000	+ 8,330,000
INLAND REVENUE :—		
Estate Duty.—Increase of certain rates of duty	+ 4,500,000	+ 10,000,000
Income Tax :—		
Reduction of 6d. in the Standard Rate - - -	— 24,000,000	— 32,000,000
Increase of allowance in respect of earned income, including an allowance to certain taxpayers aged 65 or more in respect of investment income - - - - -	— 3,000,000	— 7,500,000
Super-tax.—Reduction of certain rates of tax -	— 6,700,000	— 10,000,000
TOTAL INLAND REVENUE - - -	— 29,200,000	— 39,500,000
GRAND TOTAL - - - - -	— 24,940,000	— 31,170,000

* The net yield from the additional duty on imported beer is not expected to exceed 54,000l. in a full year and 33,000l. in 1925-26, but it is not proposed to alter the estimate of beer revenue (84,000,000l.) on this account.

1925-26.

TABLE XII., giving FINAL BALANCE SHEET, 1925-26 after alterations proposed by the Chancellor of the Exchequer.

ESTIMATED REVENUE, 1925-26.		ESTIMATED EXPENDITURE, 1925-26.	
	£		£
Customs - - - -	102,040,000	CONSOLIDATED FUND SERVICES.	
Excise - - - -	137,220,000		
<i>Total Customs and Excise</i>	<i>239,260,000</i>	National Debt Services -	355,000,000
Motor Vehicle Duties - -	17,500,000	Road Fund - - - -	16,900,000
Estate, &c. Duties - -	66,500,000	Payments to Local Taxation	
Stamps - - - -	24,000,000	Accounts, &c. - - -	13,329,000
Land Tax, House Duty		Payments for Northern	
and Mineral Rights Duty -	1,000,000	Ireland Residuary Share,	
Income Tax - - - -	262,000,000	&c. - - - -	4,000,000
Super-tax - - - -	63,300,000	Land Settlement - - -	700,000
Excess Profits Duty, &c. -	4,000,000	Other Consolidated Fund Ser-	
Corporation Profits Tax -	9,000,000	vices - - - -	2,000,000
<i>Total Inland Revenue</i>	<i>429,800,000</i>		
TOTAL RECEIPTS FROM } TAXES - - - -	£686,560,000	TOTAL CONSOLIDATED } FUND SERVICES -	£391,929,000
Post Office - - - -	57,000,000		
Crown Lands - - - -	900,000	SUPPLY SERVICES.	
Interest on Sundry Loans -	12,600,000	Army - - - -	44,500,000
Miscellaneous :—		Navy - - - -	60,500,000
Ordinary Receipts - -	14,000,000	Air Force - - - -	15,513,000
Special Receipts - -	30,000,000	Civil Services - - -	222,609,000
TOTAL RECEIPTS FROM } NON-TAX REVENUE -	£114,500,000	Customs and Excise, and	
		Inland Revenue Depart-	
		ments - - - -	11,391,000
		Post Office Services -	52,958,000
		TOTAL SUPPLY SERVICES	£407,471,000
TOTAL REVENUE	£801,060,000	TOTAL EXPENDITURE -	799,400,000
		Surplus - - - -	1,660,000
		TOTAL	£801,060,000