

FINANCIAL STATEMENT (1927-28).

THE PROPERTY OF  
J. MENKEN,  
10, THURLOW RD.,  
HAMPSTEAD, N.W.3.

RETURN to an Order of the Honourable The House of Commons,  
dated 11 April 1927 :—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,  
11 April 1927. }

RONALD McNEILL.

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1926-27.

TABLE I showing how the Amount issued from the Exchequer to meet the EXPENDITURE in 1926-27 compares with the Estimated Expenditure.

	1926-27.			
	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.
	£	£	£	£
<b>CONSOLIDATED FUND SERVICES.</b>				
National Debt Services :				
Interest, &c. ...	304,000,000	—	304,000,000	318,584,000
Sinking Funds, &c. ...	60,000,000	—	60,000,000	60,000,000
Total National Debt Services ...	364,000,000	—	364,000,000	378,584,000
Road Fund ...	17,500,000	—	17,500,000	17,373,000
Payments to Local Taxation Accounts, &c. ...	14,100,000	—	14,100,000	14,172,000
Payments to Northern Ireland Exchequer ...	5,200,000	—	5,200,000	5,767,000
Other Consolidated Fund Services ...	2,600,000	—	2,600,000	2,869,000
Total Consolidated Fund Services ...	403,400,000	—	403,400,000	418,765,000
<b>SUPPLY SERVICES.</b>				
Army Votes, including Ordnance Factories ...	42,500,000	950,000	43,450,000	43,600,000
Navy Votes ...	58,100,000	—	58,100,000	57,600,000
Air Votes ...	16,000,000	—	16,000,000	15,530,000
Civil Votes ...	234,257,000	10,511,000	244,768,000	240,486,000
Customs and Excise and Inland Revenue Votes ...	11,784,000	—	11,784,000	11,514,000
Post Office Vote ...	54,600,000	376,000	54,976,000	54,900,000
Total Supply Services ...	417,241,000	11,837,000	429,078,000	423,630,000
<b>GRAND TOTAL ...</b>	<b>820,641,000</b>	<b>11,837,000</b>	<b>832,478,000</b>	<b>842,395,000</b>

In order to show the entire expenditure for which the State was responsible in 1926-27, 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	£ 842,395,000
II. Expenditure chargeable against Capital, viz. :—	£
Telegraph (Money) Act, 1925 ...	11,000,000
West Indian Islands (Telegraph) Act, 1924 ...	4,000
	11,004,000
	<u>853,399,000</u>

## 1926-27.

TABLE II showing how the REVENUE in 1926-27 compares with the Budget Estimate, and with the Revenue of the previous year, 1925-26.

Receipts in 1925-26		Budget Estimate for 1926-27.	Receipts in 1926-27.	Receipts more (+) or less (—) than Budget Estimate.
£		£	£	£
103,487,000	Customs ... ..	108,450,000	107,515,000	— 935,000
134,560,000	Excise ... ..	141,300,000	132,978,000	— 8,322,000
238,047,000		249,750,000	240,493,000	— 9,257,000
18,056,000	Motor Vehicle Duties ...	21,600,000	21,393,000	— 207,000
61,200,000	Estate, &c. Duties ...	66,000,000	67,320,000	+ 1,320,000
24,700,000	Stamps ... ..	25,000,000	24,750,000	— 250,000
950,000	Land Tax and House Duty and Mineral Rights Duty	1,000,000	880,000	— 120,000
259,411,000	Income Tax ... ..	254,800,000	234,717,000	— 20,083,000
68,510,000	Super Tax ... ..	64,500,000	65,910,000	+ 1,410,000
2,000,000	Excess Profits Duty, &c.	2,000,000	4,500,000	+ 2,500,000
11,670,000	Corporation Profits Tax ...	6,500,000	3,970,000	— 2,530,000
428,441,000		419,800,000	402,047,000	— 17,753,000
684,544,000	TOTAL RECEIPTS FROM TAXES ... £	691,150,000	663,933,000	— 27,217,000
35,750,000	Postal Service ... ..	36,500,000	35,600,000	— 900,000
5,650,000	Telegraph Service ... ..	5,600,000	5,900,000	+ 300,000
15,950,000	Telephone Service ... ..	17,300,000	17,350,000	+ 50,000
57,350,000		59,400,000	58,850,000	— 550,000
950,000	Crown Lands ... ..	950,000	1,010,000	+ 60,000
14,944,000	Receipts from Sundry Loans, &c. ... ..	21,650,000	22,854,000	+ 1,204,000
17,349,000	Miscellaneous :—			
36,925,000	Ordinary Receipts ... ..	25,600,000	28,214,000	+ 2,614,000
	Special Receipts ... ..	26,000,000	30,840,000	+ 4,840,000
127,518,000	TOTAL RECEIPTS FROM NON-TAX REVENUE	133,600,000	141,768,000	+ 8,168,000
812,062,000	TOTAL £	824,750,000	805,701,000	— 19,049,000

842395  
 36,694  
 23,306  
 60,000

1926-27.

TABLE III giving the EXCHEQUER BALANCE SHEET of 1926-27.

Receipts.				Payments.			
Exchequer Balance on 31st							
March 1926 ...	...	...	£ 6,557,000				
Revenue ...	...	...	805,701,000	Expenditure ...	...	...	£ 842,395,000
Money raised by Creation of Debt :—				Issues for Purchase or Redemption of Deadweight Debt as follows :—			
			£	National Saving Certificates			£
National Savings Certificates	31,650,000			(principal repaid)	—	35,450,000	
Treasury Bonds	3,512,000			Treasury Bonds	1,752,000		
Treasury Bills (net)	36,517,000			Central Argentine Railway Loan	3,093,000		
4 per cent. Consolidated Loan	27,712,000			Ways and Means Advances repaid (net)	22,840,000		
		99,391,000		Suez Canal Drawn Shares, &c., Receipts issued to National Debt Commissioners	135,000		
Repayments, &c. :—						63,270,000	
Bullion ...	...	100,000		Old Sinking Fund, 1907-8 ...	1,000		
Under Land Settlement Facilities Acts, 1919 and 1921 ...	...	241,000		Exchequer Balance 31st March 1927 ...	6,459,000		
Suez Canal Drawn Shares and other Receipts ...	...	135,000					
			£912,125,000				£912,125,000

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 ...	1,044,000	
Funding Loan Sinking Fund ...	2,762,000	
Victory Bonds Sinking Fund ...	2,320,000	
Conversion Loan Sinking Fund ...	15,099,000	
Issues to National Debt Commissioners for Bonds, &c., for Death Duties under s. 3 of War Loan Act, 1919 ...	8,405,000	
Repayment of War Loan, &c., surrendered for Duties under s. 34 of Finance Act, 1917 ...	191,000	
United States Government—Repayment under Funding Agreement ...	5,141,000	
Depreciation Fund under the Finance Act, 1917 ...	2,720,000	
Balance of New Sinking Fund, 1923, issued to National Debt Commissioners to redeem Debt ...	22,318,000	
		60,000,000

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, included in the provision for New Sinking Fund.

Year.	Security.	Internal.	External.	Total.
		£	£	£
1927-28	5 % National War Bonds ... ..	69,917,000	—	177,942,000
	4 % National War Bonds ... ..	41,908,000	—	
	3½ % War Loan ... ..	62,714,000	—	
	4½ % Treasury Bonds ... ..	3,403,000	—	
1928-29	4 % and 5 % National War Bonds ... ..	443,447,000	—	446,788,000
	5½ % Straits Settlements Dollar Loan ...	—	3,341,000	
1929-30	5½ % Treasury Bonds and 3 % Exchequer Bonds ... ..	46,277,000	—	53,498,000
	5½ % 10-year Bonds, \$14,140,800 ... ..	—	2,906,000	
	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 ... ..	164,192,000	—	165,945,000
	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 ... ..	65,968,000	—	65,968,000
1944-45	4½ % Conversion Loan ... ..	211,107,000	—	211,107,000
1945-46	4½ % War Loan, 1925-45 ... ..	12,804,000	—	12,804,000
1947-48	5 % War Loan, 1929-47 ... ..	2,088,174,000	—	2,088,174,000
	4 % Victory Bonds* ... ..	345,335,000	—	345,335,000
	4 % Funding Loan* ... ..	388,778,000	—	388,778,000
	3½ % Conversion Loan* ... ..	739,936,000	—	739,936,000
	4 % Consolidated Loan* ... ..	166,300,000	—	166,300,000
	Consols, &c. ... ..	313,463,000	—	313,463,000
	Terminable Annuities ... ..	12,242,000	—	12,242,000
	Treasury Bills ... ..	599,175,000	—	599,175,000
	Ways and Means Advances ... ..	116,601,000	—	116,601,000
	National Savings Certificates ... ..	372,000,000	—	372,000,000
	4 % National Savings Bonds ... ..	84,000	—	84,000
	Loans from certain Allied Governments ...	—	135,700,000	135,700,000
	U.S.A. Government Loan—* \$4,505,000,000 ... ..	—	925,685,000	925,685,000
	Total outstanding on 31 March, 1927 ...	6,521,585,000	1,101,454,000	7,623,039,000
	<i>Deduct:</i> Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled ... ..	68,328,000	—	68,328,000
	Totals ...	6,453,257,000	1,101,454,000	7,554,711,000

TABLE V.  
WAR LOANS TO DOMINIONS AND COLONIES.

CAPITAL SUMS OUTSTANDING ON 31 MARCH, 1927 :—

*Interest is being paid on all these loans, and in the case of Australia, New Zealand and Trinidad, an annual Sinking Fund :—*

	£	£
Australia ... ..	85,573,000	
New Zealand ... ..	27,998,000	
South Africa ... ..	11,884,000	
Newfoundland... ..	400,000	
Trinidad ... ..	458,000	
Jamaica ... ..	66,000	
Fiji ... ..	210,000	
		<u>126,589,000</u>

### LOANS TO ALLIES, &c.

#### I. FUNDED—

AGGREGATE OF AGREED ANNUITY PAYMENTS DUE UNDER FUNDING AGREEMENTS AND OUTSTANDING ON 31 MARCH, 1927 :—

*Allied War Debts :—*

	£	£
Italy ... ..	270,750,000	
Roumania ... ..	31,200,000	
Portugal ... ..	23,850,000	
		<u>325,800,000</u>

CAPITAL SUMS OUTSTANDING ON 31 MARCH, 1927 :—

*Relief and Reconstruction Loans :—*

*Repayable by instalments of principal and interest :—*

	£	£
Belgium ... ..	9,000,000	
Belgian Congo ... ..	3,600,000	
Poland ... ..	4,698,000	
Roumania ... ..	2,200,000	
Estonia ... ..	246,000	
Hungary ... ..	65,000	
Czecho-Slovakia ... ..	356,000	
		<u>20,165,000</u>

*Other Debts :—*

*Repayable by instalments of principal or of principal and interest :—*

	£	£
Latvia ... ..	1,292,000	
Greece ... ..	98,000	
Poland ... ..	139,000	
Czecho-Slovakia ... ..	761,000	
Roumania ... ..	32,000	
Estonia ... ..	877,000	
		<u>3,199,000</u>

#### II. NOT FUNDED—

CAPITAL SUMS OWING ON 31 MARCH, 1927 :—

*Allied War Debts :—*

	£	£
Russia ... ..	842,969,000	
France* ... ..	676,160,000	
Serb-Croat-Slovene Kingdom ... ..	29,492,000	
Greece* ... ..	22,262,000	
		<u>1,570,883,000</u>

*Relief and Reconstruction Loans :—*

Austria† ... ..	12,727,000
Serb-Croat-Slovene Kingdom ... ..	2,687,000
Armenia ... ..	125,000
	<u>15,539,000</u>

*Other Debts :—*

Armenia ... ..	1,001,000
Lithuania ... ..	348,000
Serb-Croat-Slovene Kingdom ... ..	187,000
	<u>1,536,000</u>

\* Funding agreement awaiting ratification.

† Payment postponed until 1 January 1943.

TABLE VI comparing the ESTIMATED EXPENDITURE of 1927-28 with that of 1926-27 and 1914-15, classified as in Cmd. 2613.

	Original Estimates of Expenditure.						
	1914-15.		1926-27.		1927-28 (on existing basis).		
	£000.	£000.	£000.	£000.	£000.	£000.	Increase or Decrease compared with 1926-27. £000.
1. OBLIGATORY SERVICES—							
Debt Services ...	23,500		364,000*		355,000		
Pensions Services of all kinds (excluded under heads below). (For details see Table B) ...	20,631		127,459		129,246		
Interest on Loans to Unemployment Fund	—		300		1,375		
		44,131		491,759		485,621	— 6,138
2. GRANT SERVICES (except Road Fund)							
Coal Mining Industry Subvention ...	—		4,100		80		
Unemployment Grants and Loans ...	—		2,691		3,166		
Other Grants (For details see Table C) ...	38,447		94,474		98,889		
		38,447		101,265		102,135	+ 870
3. SELF-SUPPORTING SERVICES—							
Post Office ...	24,182		52,236		54,852		
Road Fund ...	1,545		17,500		19,500		
		25,727		69,736		74,352	+ 4,616
4. NATIONAL ADMINISTRATIVE SERVICES— (For details see Table D.)							
Imperial Defence ...	73,429		100,212		98,451		
Tax Collection ...	3,978		10,765		11,028		
Grants to Insurance Schemes ...	6,407		18,132		18,902		
New Services ...	—		9,621		8,881		
All other Civil Estimates ...	12,826		19,151		19,020		
		96,640		157,881		156,282	— 1,599
GRAND TOTAL		204,945		820,641		818,390	— 2,251

\* This includes a provision for Sinking Fund of 60,000,000/.

TABLE (B)—PENSION SERVICES OF ALL KINDS.

	Original Estimates for			
	1914-15.	1926-27.	1927-28.	Increase or Decrease compared with 1926-27. £000.
	£000.	£000.	£000.	
Pensions charged on Defence Votes...	6,966	16,388	16,664	+ 276
Pensions charged on Revenue Votes	1,635	3,770	4,187	+ 417
Civil Service Pensions (including Consolidated Fund Pensions) ...	887	1,677	1,803	+ 126
Irish Police Pensions ...	448	704	700	— 4
Total for State employees ...	9,936	22,539	23,354	+ 815
State payments in respect of—				
(i) School Teachers' Pensions ...	244	4,888	4,915	
(ii) Police Pensions ...	340	2,280	2,354	
	584	7,168	7,269	+ 101
Total for State employees, Teachers and Police ...	10,520	29,707	30,623	+ 916
Old Age Pensions ...	10,111	29,795	32,746	+ 2,951
War Pensions (including Merchant Sea- men's Pensions and administration)	—	63,957	61,877	— 2,080
Payment to Widows' Orphans' and Old Age Contributory Pensions' Ac- count ...	—	4,000	4,000	—
GRAND TOTAL ...	20,631	127,459	129,246	+ 1,787

TABLE (C)—GRANT SERVICES, &C.  
(Excluding Pensions).

	Original Estimates for			
	1914-15.	1926-27.	1927-28.	Increase or Decrease compared with 1926-27. £000.
	£000.	£000.	£000.	
Grants for Local Services, &c., in Great Britain—				
Payments to Local Taxation Accounts ...	7,915	13,560	13,927	+ 367
Education ...	16,614	46,291	46,450	+ 159
Agriculture (including Land Settlement Grants and Loans and the Development Fund) ...	371	4,841	6,459	+ 1,618
Health Services ...	522	3,606	4,094	+ 488
Housing ...	—	9,982	10,999	+ 1,017
Reformatories and Mental Deficiency ...	539	1,087	1,109	+ 22
Police (voted grants additional to payments through Local Taxation Accounts) ...	100	5,786	5,907	+ 121
Payment in respect of rates on Tithe Rent Charge	174	550	733	+ 183
Miscellaneous ...	127	284	281	— 3
All Irish Services ...	12,085	8,487	8,930	+ 443
TOTAL ...	38,447	94,474	98,889	+ 4,415

TABLE (D).—NATIONAL ADMINISTRATIVE SERVICES.  
(Excluding Pensions and Irish Services.)

	Original Estimates for			
	1914-15.	1926-27.	1927-28.	
	£000.	£000.	£000.	Increase or Decrease compared with 1926-27. £000.
(a) IMPERIAL DEFENCE—				
Navy ... ..	48,541	49,880	49,523	— 357
Army ... ..	24,888	34,577	33,568	— 1,009
Air Force ... ..	—	15,755	15,360	— 395
	73,429	100,212	98,451	— 1,761
(b) TAX COLLECTION (including cost of accommodation)— ... ..				
Customs ... ..	1,840	4,155	4,258	+ 103
Inland Revenue ... ..	2,138	6,610	6,770	+ 160
	3,978	10,765	11,028	+ 263
(c) GRANTS TO INSURANCE SCHEMES—				
Health ... ..	5,807	5,972	6,490	+ 518
Unemployment ... ..	600	12,160	12,412	+ 252
	6,407	18,132	18,902	+ 770
(d) NEW SERVICES—				
Middle East ... ..	—	4,444	3,395	— 1,049
Imperial War Graves Commission	—	1,008	546	— 462
Oversea Settlement ... ..	—	935	1,540	+ 605
Liquidation of War Commitments	—	729	800	+ 71
Preparation of Electoral Registers	—	458	330	— 128
Forestry ... ..	—	335	595	+ 260
Training, &c. of ex-Service men	—	400	86	— 314
Currency Note Services ... ..	—	369	349	— 20
Empire Marketing ... ..	—	500	1,000	+ 500
Export Credits ... ..	—	—	52	+ 52
Miscellaneous ... ..	—	443	188	— 255
	—	9,621	8,881	— 740
(e) ALL OTHER CIVIL ESTIMATES—				
Works, Buildings, &c. ... ..	2,348	4,605	4,674	+ 69
All other expenditure, including Judicial, Financial, Trade, Fo- reign and Empire Departments, Stationery, Museums, and ad- ministration of all Grant Services in Great Britain ... ..	10,478	14,546	14,346	— 200
	12,826	19,151	19,020	— 131
GRAND TOTAL ... ..	96,640	157,881	156,282	— 1,599

1927-28.

TABLE VII comparing the EXPENDITURE for 1927-28, on existing basis, classified as in the Estimates presented to Parliament, with the Expenditure in 1926-27 as estimated in April 1926.

Service.	Estimate, 1926-27.	Estimate, 1927-28.	Estimate for 1927-28 more (+) or less (—) than 1926-27.
	£	£	£
CONSOLIDATED FUND SERVICES.			
National Debt Services, Interest, &c. ...	304,000,000	305,000,000	+ 1,000,000
Sinking Funds ...	60,000,000	50,000,000	— 10,000,000
TOTAL NATIONAL DEBT SERVICES	364,000,000	355,000,000	— 9,000,000
Road Fund ... ..	17,500,000	19,500,000	+ 2,000,000
Payments to Local Taxation Accounts, &c.	14,100,000	14,300,000	+ 200,000
Payments to Northern Ireland Exchequer	5,200,000	5,400,000	+ 200,000
Other Consolidated Fund Services ...	2,600,000	3,700,000	+ 1,100,000
TOTAL CONSOLIDATED FUND SERVICES	403,400,000	397,900,000	— 5,500,000
SUPPLY SERVICES.			
Army Votes (including Ordnance Factories)	42,500,000	41,565,000	— 935,000
Navy Votes ... ..	58,100,000	58,000,000	— 100,000
Air Votes ... ..	16,000,000	15,550,000	— 450,000
Civil Votes ... ..	234,257,000	235,725,000	+ 1,468,000
Customs and Excise and Inland Revenue Votes ... ..	11,784,000	12,007,000	+ 223,000
Post Office Vote ... ..	54,600,000	57,643,000	+ 3,043,000
TOTAL SUPPLY SERVICES ...	417,241,000	420,490,000	+ 3,249,000
<b>TOTAL ... .. £</b>	<b>820,641,000</b>	<b>818,390,000</b>	<b>— 2,251,000</b>

1926-27.

TABLE VIII. giving the estimated RATES COLLECTED by LOCAL AUTHORITIES in 1926-27.

	£
England and Wales .....	159,500,000
Scotland ... ..	20,448,000

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

	England and Wales. £	Scotland. £
On Relief of the Poor ... ..	37,500,000	4,704,000
„ Education ... ..	33,000,000	4,969,000
„ Police ... ..	10,000,000	1,090,000
„ other services ... ..	79,000,000	9,685,000
	<u>159,500,000</u>	<u>20,448,000</u>

1927-28.

TABLE IX showing how the Estimated RECEIPTS from Revenue in 1927-28 compare with the corresponding Receipts in 1926-27.

On basis of EXISTING TAXATION.

	Receipts in 1926-27.	Estimate for 1927-28 on Basis of existing Taxation.	Estimate for 1927-28 more (+) or less (—) than Receipts in 1926-27.
	£	£	£
Customs ... ..	107,515,000	106,550,000	— 965,000
Excise ... ..	132,978,000	140,450,000	+ 7,472,000
	240,493,000	247,000,000	+ 6,507,000
Motor Vehicle Duties ... ..	21,393,000	24,100,000	+ 2,707,000
Estate, &c. Duties ... ..	67,320,000	67,500,000	+ 180,000
Stamps ... ..	24,750,000	25,700,000	+ 950,000
Land Tax, House Duty and Mineral Rights Duty ... ..	880,000	800,000	— 80,000
Income Tax ... ..	234,717,000	232,000,000	— 2,717,000
Super Tax ... ..	65,910,000	62,000,000	— 3,910,000
Excess Profits Duty, &c. ... ..	4,500,000	3,000,000	— 1,500,000
Corporation Profits Tax ... ..	3,970,000	2,700,000	— 1,270,000
	402,047,000	393,700,000	— 8,347,000
<b>TOTAL RECEIPTS FROM TAXES</b> £	<b>663,933,000</b>	<b>664,800,000</b>	<b>+ 867,000</b>
Postal Service ... ..	35,600,000	37,300,000	+ 1,700,000
Telegraph Service ... ..	5,900,000	5,700,000	— 200,000
Telephone Service ... ..	17,350,000	19,000,000	+ 1,650,000
	58,850,000	62,000,000	+ 3,150,000
Crown Lands ... ..	1,010,000	1,050,000	+ 40,000
Receipts from Sundry Loans ... ..	22,854,000	23,500,000	+ 646,000
Miscellaneous :—			
Ordinary Receipts ... ..	28,214,000	18,500,000	— 9,714,000
Special Receipts ... ..	30,840,000	27,000,000	— 3,840,000
<b>TOTAL RECEIPTS FROM NON- TAX REVENUE</b> ... .. } £	<b>141,768,000</b>	<b>132,050,000</b>	<b>— 9,718,000</b>
<b>TOTAL REVENUE</b> ... .. £	<b>805,701,000</b>	<b>796,850,000</b>	<b>— 8,851,000</b>

TABLE X.—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 :				
Wine—				
Not exceeding 30° of proof spirit ... .. per gallon	2 6	1 6		
Exceeding 30° but not exceeding 42° ... .. „	6 0	2 0		
Not exceeding 25° of proof spirit ... .. „			3 0	
Exceeding 25° but not exceeding 42° ... .. „			8 0	
Not exceeding 27° of proof spirit ... .. „				2 0
Exceeding 27° but not exceeding 42° ... .. „				4 0
For every degree or part of a degree above 42°, an additional duty ... .. „	0 6	0 2	0 8	0 4
Sparkling wine, an additional duty ... .. „	12 6	6 3	no change.	
Still wine in bottle, an additional duty ... .. „	2 0	1 0		
Tobacco—				
Unmanufactured—				
Containing 10% or more of moisture—				
Unstripped ... .. per lb.	8 2	6 1½	8 10	6 9½
Stripped ... .. „	8 2½	6 1¾	8 10½	6 9¾
Containing less than 10% of moisture—				
Unstripped ... .. „	9 0½	6 9¾	9 9½	7 6¾
Stripped ... .. „	9 1	6 9¾	9 10	7 6¾
Manufactured—				
Cigars ... .. „	15 7	11 8¼	16 10	12 11¼
Cigarettes ... .. „	12 7	9 5¼	13 7	10 5¼
Cavendish or Negrohead ... .. „	11 10½	8 10¾	12 10	9 10¾
Cavendish or Negrohead manufactured in bond ... .. „	10 4½	7 9¾	11 2½	8 7¾
Other manufactured tobacco ... .. „	10 4½	7 9¾	11 2½	8 7¾
Snuff—				
Containing 13% or more of moisture ... .. „	9 9½	7 4½	10 7	8 1½
Containing less than 13% of moisture ... .. „	11 10½	8 10¾	12 10	9 10¾

TABLE X. (continued).—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.
<i>Matches.</i>	s. d.	s. d.	s. d.	s. d.
On any number in a box not exceeding 80 per standard gross of 10,000 matches	5 2	—	—	—
On any number in a box in excess of 80 per standard gross of 10,000 matches	3 5	—	—	—
<i>Containers—</i>				
Containing not more than 10 matches	—	—	6 2	—
Containing more than 10 but not more than 20 matches per 1,000 containers	—	—	12 4	—
Containing more than 20 matches—				
Up to 50 matches ... per 144 containers	—	—	4 4	—
Additional for every 25 matches or part of 25 matches over 50 matches ... per 144 containers	—	—	2 2	—
<b>EXCISE.</b>	<b>Existing Duties.</b>		<b>Proposed Duties.</b>	
<i>Tobacco.</i>	s. d.		s. d.	
<i>Unmanufactured—</i>				
Containing 10 per cent. or more of moisture ... per lb.	6 0		6 7½	
Containing less than 10 per cent. of moisture ... per lb.	6 7½		7 4½	
<i>Manufactured—</i>				
Cavendish or Negrohead manufactured in bond ... per lb.	7 9½		8 7½	
<i>Matches.</i>				
On any number in a box not exceeding 80 per standard gross of 10,000 matches	5 0		—	
On any number in a box in excess of 80 per standard gross of 10,000 matches	3 4		—	
<i>Containers—</i>				
Containing not more than 10 matches per 1,000 containers	—		6 0	
Containing more than 10 but not more than 20 matches per 1,000 containers	—		12 0	
Containing more than 20 matches—				
Up to 50 matches ... per 144 containers	—		4 2	
Additional for every 25 matches or part of 25 matches over 50 matches ... per 144 containers	—		2 1	

NOTE.—All the above changes to take effect from 12th April, 1927, except the increased duties on wine which will be operative from 25th April, 1927.

## CUSTOMS.

*Motor Car and Motor Cycle Tyres.*

It is proposed to repeal the exemption in favour of tyres from the duty of 33½ per cent. ad valorem on the component parts and accessories of motor cars and motor cycles, with effect from 12th April, 1927.

*Blank Cinematograph Film.*

It is proposed to bring all photographic sensitised sheets or strips of celluloid or other similar material which are not less than 12 feet in length, whatever their width, within the duty of ½d. per linear foot of standard width on blank cinematograph film as from 12th April, 1927.

## EXCISE.

*Beer.*

It is proposed to reduce the period of credit allowed to brewers for payment of the duty on home-made beer from two months to one month.

II.—*New Duties.*

## CUSTOMS.

*Translucent Pottery.*

It is proposed to levy a duty on and after 19th April, 1927, for a period of five years, on imports of tableware, or component parts thereof, of translucent or vitrified pottery at the rate of 28s. per cwt., with a preferential rebate of one-third in favour of Empire goods.

## EXCISE.

*British Wines.*

It is proposed to impose a duty of 1s. per gallon on British wines sent out by makers for sale on and after 25th April, 1927.

## B.—INLAND REVENUE.

*Estate Duty.*

It is proposed to terminate the relief granted in connection with estate duty to certain settled property by section 16 of the Finance Act, 1907.

*Stamps.*

Relief is to be allowed from Companies Capital Duty and Transfer Duty in certain cases of reconstruction and amalgamation of Public Companies.

*Income Tax.*(a) *Literary and Dramatic Royalties.*

It is proposed to strengthen the law so as to secure collection of tax on Literary and Dramatic Royalties paid to non-residents.

(b) *Charities.*

It is proposed to relieve from Income Tax, Schedule D, any profits earned by a charity in carrying out the primary object of the trust.

(c) *Taxation of Interest.*

It is proposed to alter the law relating to the payment to the Exchequer of tax deducted from certain interest with consequential effects in cases of liquidations and bankruptcies.

(d) *Payment of Income Tax, Schedule A.*

It is proposed that the Income Tax, Schedule A, which is at present payable in two equal instalments, one on 1st January and the other on 1st July, should be payable in one sum on 1st January.

*Super-Tax.*

It is proposed to strengthen the law in regard to income from certain companies and other matters.

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

	Estimate, 1927-28. Increase + or Decrease —.	In a Full Year. Increase + or Decrease —.
	£	£
<b>CUSTOMS :—</b>		
Wine ... ..	+ 1,250,000	+ 1,500,000
Tobacco ... ..	+ 3,100,000	+ 3,400,000
Matches ... ..	+ 370,000	+ 440,000
Motor Car and Motor Cycle Tyres ... ..	+ 700,000	+ 750,000
Blank Cinematograph Film ... ..	*	*
Translucent Pottery ... ..	+ 150,000	+ 200,000
Total Customs ... ..	+ 5,570,000	+ 6,290,000
<b>EXCISE :—</b>		
Beer—Reduction of Credit Period ... ..	+ 5,000,000	†
Tobacco ... ..	Gain estimated	to be negligible.
Matches ... ..	+ 230,000	+ 260,000
British Wines ... ..	+ 80,000	+ 90,000
Total Excise ... ..	+ 5,310,000	+ 350,000
Total Customs and Excise ... ..	+ 10,880,000	+ 6,640,000
<b>INLAND REVENUE :—</b>		
Estate Duty.—Termination of relief under Section 16 of the Finance Act, 1907 ... ..	+ 300,000	+ 800,000
Stamps. Alteration in respect of amalgamations and reconstructions of Companies ... ..	— 200,000	— 300,000
Income Tax. Collection of Schedule A in one instalment ... ..	+ 14,800,000	—
Do. Taxation of literary and dramatic royalties ... ..	+ 60,000	+ 100,000
Do. Charities. Relief from tax in respect of certain profits ... ..	— 60,000	— 100,000
Do. Amendment of law regarding assessment of tax on interest ... ..	+ 200,000	+ 350,000
Total Inland Revenue ... ..	+ 15,100,000	+ 850,000
<b>Grand Total</b> ... ..	<b>+ 25,980,000</b>	<b>+ 7,490,000</b>

\* The object of this change is to amend the wording of the existing law in order to prevent a leakage in revenue and no additional revenue is expected.

† The gain from the reduction of the credit period is limited to 1927-28.

TABLE XII.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty, including additions proposed by the Chancellor of the Exchequer.

Head of Duty.						1926-27.		1927-28
						Budget Estimate.	Receipts (approx.).	Estimated Receipts.
						£	£	£
Spirits	...	...	...	...	C	7,500,000	6,495,000	6,800,000
					E	40,700,000	37,036,000	40,200,000
Total Spirits	...	...	...	...	...	48,200,000	43,531,000	47,000,000
Beer	...	...	...	...	C	6,100,000	5,432,000	6,000,000
					E	82,200,000	78,755,000	82,200,000
Total Beer	...	...	...	...	...	88,300,000	84,187,000	88,200,000
Wine	...	...	...	...	C	3,750,000	4,331,000	4,850,000
British Wine	...	...	...	...	E	—	—	80,000
Table Waters	...	...	...	...	C	30,000	32,000	30,000
					E	370,000	369,000	370,000
Total Table Waters	...	...	...	...	...	400,000	401,000	400,000
Tea	...	...	...	...	C	5,850,000	5,954,000	5,750,000
Cocoa	...	...	...	...	C	750,000	751,000	750,000
Coffee	...	...	...	...	C	210,000	206,000	210,000
Chicory	...	...	...	...	C	40,000	42,000	40,000
Sugar	...	...	...	...	C	17,950,000	17,429,000	16,900,000
					E	1,350,000	1,351,000	1,900,000
Total Sugar	...	...	...	...	...	19,300,000	18,780,000	18,800,000
Dried Fruits	...	...	...	...	C	520,000	589,000	550,000
Tobacco	...	...	...	...	C	53,595,000	53,841,000	56,498,000
					E	5,000	2,000	2,000
Total Tobacco	...	...	...	...	...	53,600,000	53,843,000	56,500,000
Matches	...	...	...	...	C	1,760,000	2,124,000	2,520,000
					E	1,600,000	1,455,000	1,630,000
Total Matches	...	...	...	...	...	3,360,000	3,579,000	4,150,000

TABLE XII (*continued*).—CUSTOMS AND EXCISE REVENUE under the several heads of Duty, including additions proposed by the Chancellor of the Exchequer.

Head of Duty.						1926-27.		1927-28
						Budget Estimate.	Receipts (approx.).	Estimated Receipts.
						£	£	£
Cinematograph Films	...	...	...	C	200,000	221,000	240,000	
Clocks and Watches	...	...	...	C	500,000	417,000	460,000	
Motor Cars and Motor Cycles	...	...	...	C	1,800,000	1,848,000	2,700,000	
Musical Instruments	...	...	...	C	300,000	238,000	300,000	
Total "New Import Duties"					...	2,800,000	2,724,000	3,700,000
Silk and Artificial Silk	...	...	...	C	5,500,000	4,973,000	5,200,000	
Artificial Silk	...	...	...	E	1,000,000	693,000	800,000	
Total Silk					...	6,500,000	5,666,000	6,000,000
Hops	...	...	...	C	250,000	173,000	200,000	
Entertainments	...	...	...	E	5,800,000	5,714,000	5,800,000	
Liquor Licences :—								
Duties	...	...	...	E	4,420,000	4,409,000	4,420,000	
Monopoly Values					...	70,000	84,000	80,000
Other Licences	...	...	...	E	470,000	459,000	470,000	
Railway Duty	...	...	...	E	410,000	388,000	400,000	
Medicines, etc.	...	...	...	E	1,400,000	1,425,000	1,400,000	
Key Industry Duty	...	...	...	C	500,000	505,000	500,000	
Lace and Embroidery	...	...	...	C	300,000	220,000	230,000	
Cutlery	...	...	...	C	100,000	77,000	100,000	
Gloves	...	...	...	C	500,000	607,000	600,000	
Gas Mantles	...	...	...	C	10,000	11,000	10,000	
Betting	...	...	...	E	1,500,000	835,000	6,000,000	
Packing and Wrapping Paper	...	...	...	C	400,000	495,000	500,000	
Translucent Pottery	...	...	...	C	—	—	150,000	
Other Articles and Deposits					C	35,000	504,000	32,000
					E	5,000	3,000	8,000
Total Other Articles, etc.					...	40,000	507,000	40,000
Total Revenue					Customs	108,450,000	107,515,000	112,120,000
					Excise	141,300,000	132,978,000	145,760,000
<b>TOTAL</b>					...	<b>249,750,000</b>	<b>240,493,000</b>	<b>257,880,000</b>

1927-28.

TABLE XIII., giving BALANCE SHEET, 1927-28.

ESTIMATED REVENUE, 1927-28.			
			£
Customs	...	...	112,120,000
Excise	...	...	145,760,000
Total Customs and Excise			257,880,000
Motor Vehicles Duties	...		24,100,000
Estate, &c. Duties	...	...	67,800,000
Stamps	...	...	25,500,000
Land Tax, House Duty			
and Mineral Rights Duty			800,000
Income Tax	...	...	247,000,000
Super Tax	...	...	62,000,000
Excess Profits Duty, &c.	...		3,000,000
Corporation Profits Tax	...		2,700,000
Total Inland Revenue			408,800,000
TOTAL RECEIPTS FROM TAXES			£690,780,000
Postal Service	...	...	37,300,000
Telegraph Service	...	...	5,700,000
Telephone Service	...	...	19,000,000
Total Post Office			62,000,000
Crown Lands	...	...	1,050,000
Receipts from Sundry Loans			23,500,000
Miscellaneous :—			
Ordinary Receipts	...	...	30,500,000
Special Receipts	...	...	27,000,000
TOTAL RECEIPTS FROM NON-TAX REVENUE			£144,050,000
TOTAL REVENUE			£ 834,830,000

ESTIMATED EXPENDITURE, 1927-28.			
CONSOLIDATED FUND SERVICES.			
			£
National Debt Services	...	...	370,000,000
Road Fund	...	...	19,500,000
Payments to Local Taxation			
Accounts, &c.	...	...	14,300,000
Payments to Northern			
Ireland Exchequer	...		5,400,000
Other Consolidated Fund Ser-			
vices	...	...	3,700,000
TOTAL CONSOLIDATED FUND SERVICES			£412,900,000
SUPPLY SERVICES.			
Army Votes	...	...	41,565,000
Navy Votes	...	...	58,000,000
Air Votes	...	...	15,550,000
Civil Votes	...	...	235,725,000
Customs and Excise and			
Inland Revenue Votes			12,007,000
Post Office Vote	...	...	57,643,000
TOTAL SUPPLY SERVICES			£ 420,490,000
TOTAL EXPENDITURE			£ 833,390,000
SURPLUS			1,440,000
TOTAL EXPENDITURE			£ 834,830,000