

FINANCIAL STATEMENT (1928-29).

THE PROPERTY OF
J. MENKEN.

10, THURLLOW RD.,
HAMPSTEAD, N.W.3.

RETURN to an Order of the Honourable The House of Commons,
dated 24th April 1928 :—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,
24th April 1928. }

ARTHUR MICHAEL SAMUEL.

(Mr. Arthur Michael Samuel.)

Ordered, by The House of Commons, to be Printed.
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1927-28.

TABLE I showing how the Amount issued from the Exchequer to meet the EXPENDITURE in 1927-28 compares with the Estimated Expenditure.

	1927-28.			
	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	313,816,000
Sinking Funds, &c. ...	65,000,000	—	65,000,000	65,000,000
Total National Debt Services	370,000,000	—	370,000,000	378,816,000
Road Fund	19,500,000	—	19,500,000	19,666,000
Payments to Local Taxation Accounts	14,300,000	—	14,300,000	15,369,000
Payments to Northern Ireland Exchequer ...	5,400,000	—	5,400,000	5,277,000
Other Consolidated Fund Services	3,700,000	—	3,700,000	3,657,000
Total Consolidated Fund Services	412,900,000	—	412,900,000	422,785,000
SUPPLY SERVICES.				
Army Votes, including Ordnance Factories ...	41,565,000	3,090,000	44,655,000	44,150,000
Navy Votes	58,000,000	450,000	58,450,000	58,140,000
Air Votes	15,550,000	—	15,550,000	15,150,000
Civil Votes	235,725,000	2,274,000	237,999,000	229,815,000
Customs and Excise and Inland Revenue Votes ...	12,007,000	—	12,007,000	11,745,000
Post Office Vote	57,643,000	—	57,643,000	56,800,000
Total Supply Services ...	420,490,000	5,814,000	426,304,000	415,800,000
GRAND TOTAL ...	833,390,000	5,814,000	839,204,000	838,585,000

In order to show the entire expenditure for which the State was responsible in 1927-28, 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	838,585,000
II. Expenditure chargeable against Capital, viz. :—	
Telegraph (Money) Act, 1925... ..	9,900,000
	<u>848,485,000</u>

1927-28.

TABLE II showing how the REVENUE in 1927-28 compares with the Budget Estimate, and with the Revenue of the previous year, 1926-27.

Receipts in 1926-27.		Budget Estimate for 1927-28.	Receipts in 1927-28.	Receipts more (+) or less (—) than Budget Estimate.
£		£	£	£
107,515,000	Customs	112,120,000	111,620,000	— 500,000
132,978,000	Excise	145,760,000	139,200,000	— 6,560,000
240,493,000		257,880,000	250,820,000	— 7,060,000
21,393,000	Motor Vehicle Duties ...	24,100,000	24,518,000	+ 418,000
67,320,000	Estate, &c. Duties ...	67,800,000	77,310,000	+ 9,510,000
24,750,000	Stamps	25,500,000	27,030,000	+ 1,530,000
880,000	Land Tax House Duty and Mineral Rights Duty ...	800,000	780,000	— 20,000
234,717,000	Income Tax	247,000,000	250,583,000	+ 3,583,000
65,910,000	Super Tax	62,000,000	60,600,000	— 1,400,000
4,500,000	Excess Profits Duty, &c.	3,000,000	—	— 3,000,000
3,970,000	Corporation Profits Tax ...	2,700,000	1,780,000	— 920,000
402,047,000		408,800,000	418,083,000	+ 9,283,000
663,933,000	TOTAL RECEIPTS FROM TAXES ... £	690,780,000	693,421,000	+ 2,641,000
35,600,000	Postal Service	37,300,000	38,250,000	+ 950,000
5,900,000	Telegraph Service ...	5,700,000	6,100,000	+ 400,000
17,350,000	Telephone Service ...	19,000,000	18,650,000	— 350,000
58,850,000		62,000,000	63,000,000	+ 1,000,000
1,010,000	Crown Lands	1,050,000	1,070,000	+ 20,000
22,854,000	Receipts from Sundry Loans, &c.	23,500,000	23,952,000	+ 452,000
28,214,000	Miscellaneous :—			
30,840,000	Ordinary Receipts ...	30,500,000	30,893,000	+ 393,000
	Special Receipts ...	27,000,000	30,488,000	+ 3,488,000
141,768,000	TOTAL RECEIPTS FROM NON-TAX REVENUE	144,050,000	149,403,000	+ 5,353,000
805,701,000	TOTAL £	834,830,000	842,824,000	+ 7,994,000

1927-28.

TABLE III giving the EXCHEQUER BALANCE SHEET of 1927-28.

Receipts.				Payments.			
Exchequer Balance on 31st							
			£				£
March 1927 ...	...	...	6,459,000				
Revenue ...	...	...	842,824,000	Expenditure ...	...	...	838,585,000
Money raised by Creation of Debt :—				Issues for Purchase or Redemption of Deadweight Debt as follows :—			
			£				£
National Savings Certificates	36,000,000			National Saving Certificates (principal repaid) ...	39,500,000		
4½ per cent. Treasury Bonds	64,596,000			3½ per cent. War Loan ...	41,545,000		
5 per cent. Treasury Bonds	28,661,000			National War Bonds ...	67,057,000		
4 per cent. Consols ...	41,317,000			4½ per cent. Treasury Bonds ...	3,403,000		
Ways and Means Advances (net)	45,249,000			National Savings Bonds ...	2,000		
			215,823,000	Treasury Bills (net repayment)	68,876,000		
Repayments, &c. :—				Suez Canal Drawn Shares, &c., Receipts issued to National Debt Commissioners	134,000		
Under Land Settlement Facilities Acts, 1919 and 1921 ...	...	...	186,000				220,517,000
Suez Canal Drawn Shares and other Receipts ...	...	...	134,000	Old Sinking Fund, 1907-8 ...	2,000		
				Exchequer Balance 31st March 1928 ...	...	...	6,322,000
			£1,065,426,000				£1,065,426,000

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 ...	1,027,000
Funding Loan Sinking Fund ...	2,892,000
Victory Bonds Sinking Fund ...	2,413,000
3½ per cent. Conversion Loan Sinking Fund ...	14,701,000
4 per cent. Consolidated Loan Sinking Fund ...	9,210,000
Issues to National Debt Commissioners for Bonds, &c., for Death Duties under s. 3 (3) of War Loan Act, 1919 ...	12,340,000
Repayment of War Loan, &c., surrendered for Duties under s. 34 of Finance Act, 1917 ...	162,000
United States Government—Repayment under Funding Agreement ...	5,137,000
Depreciation Fund under the Finance Act, 1917 ...	1,666,000
Balance of New Sinking Fund, 1923, issued to National Debt Commissioners to redeem Debt ...	15,452,000
	65,000,000

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.
		£	£	£
1928-29	5 % National War Bonds	163,062,000	—	} 269,679,000
	4 % National War Bonds	30,442,000	—	
	4½ % Treasury Bonds	72,834,000	—	
	5½ % Straits Settlements Dollar Loan ...	—	3,341,000	
1929-30	5½ % Treasury Bonds	30,637,000	—	} 52,411,000
	3 % Exchequer Bonds	15,640,000	—	
	5½ % 10-year Bonds, \$8,853,000	—	1,819,000	
	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	156,358,000	—	156,358,000
1934-35	5 % Straits Settlements Sterling Loan ...	1,753,000	—	} 161,288,000
	5 % Treasury Bonds	159,535,000	—	
1936-37	5½ % 20-year Bonds, \$143,584,000	—	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	80,334,000	—	80,334,000
1944-45	4½ % Conversion Loan	221,122,000	—	221,122,000
1945-46	4½ % War Loan, 1925-45	12,804,000	—	12,804,000
1947-48	5 % War Loan, 1929-47	2,172,273,000	—	2,172,273,000
	4 % Victory Bonds*	342,969,000	—	342,969,000
	4 % Funding Loan*	385,388,000	—	385,388,000
	3½ % Conversion Loan*	832,258,000	—	832,258,000
	4 % Consolidated Loan*	204,297,000	—	204,297,000
	Consols, &c.	313,409,000	—	313,409,000
	Terminable Annuities	12,551,000	—	12,551,000
	Treasury Bills	526,940,000	—	526,940,000
	Ways and Means Advances	161,850,000	—	161,850,000
	National Savings Certificates	362,375,000	—	362,375,000
	4 % National Savings Bonds	614,000	—	614,000
	Loans from certain Allied Governments ...	—	135,700,000	135,700,000
	U.S.A. Government Loan—* \$4,480,000,000	—	920,548,000	920,548,000
	Total outstanding on 31 March, 1928 ...	6,515,452,000	1,095,230,000	7,610,682,000
	Deduct:			
	Victory Bonds, &c., purchased by National Debt Commissioners, but not yet can- celled	83,112,000	—	83,112,000
	Totals ...	6,432,340,000	1,095,230,000	7,527,570,000

TABLE V.
WAR LOANS TO DOMINIONS AND COLONIES.

CAPITAL SUMS OUTSTANDING ON 31 MARCH, 1928 :—

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

	£	£
Australia	84,216,000	
New Zealand	27,630,000	
South Africa	10,554,000	
Newfoundland... ..	400,000	
Trinidad	452,000	
Jamaica	66,000	
Fiji	210,000	
		<u>123,528,000</u>

LOANS TO ALLIES, &c.

I. FUNDED—

AGGREGATE OF AGREED ANNUITY PAYMENTS DUE UNDER FUNDING AGREEMENTS AND OUTSTANDING ON 31 MARCH, 1928 :—

Allied War Debts :—

	£	£
Italy	266,750,000	
Roumania	31,100,000	
Portugal	23,600,000	
Serb-Croat-Slovene Kingdom	32,650,000	
Greece	23,300,000	
		<u>377,400,000</u>

CAPITAL SUMS OUTSTANDING ON 31 MARCH, 1928 :—

Relief and Reconstruction Loans :—

Repayable by instalments of principal and interest :—

	£	£
Belgium	9,000,000	
Belgian Congo	3,600,000	
Poland	4,603,000	
Roumania	2,200,000	
Estonia	243,000	
Hungary	43,000	
Czecho-Slovakia	243,000	
Serb-Croat-Slovene Kingdom	2,069,000	
		<u>22,001,000</u>

Other Debts :—

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

	£	£
Latvia	1,281,000	
Greece	87,000	
Poland	123,000	
Czecho-Slovakia	692,000	
Roumania	29,000	
Estonia	917,000	
Lithuania	120,000	
		<u>3,249,000</u>

II. NOT FUNDED—

CAPITAL SUMS OWING ON 31 MARCH, 1928 :—

Allied War Debts :—

	£	£
Russia	887,335,000	
France*	705,588,000	
		<u>1,592,923,000</u>

Relief and Reconstruction Loans :—

	£	£
Austria†	13,364,000	
Armenia	132,000	
		<u>13,496,000</u>

Other Debts :—

	£	£
Armenia	1,051,000	
		<u>1,051,000</u>

*Funding agreement awaiting ratification.

† Payment postponed until January 1943.

TABLE VI comparing the ESTIMATED EXPENDITURE of 1928-29 with that of 1927-28 and 1914-15.

In this Table, the figures for the expenditure of the years 1914 and 1927 have been adjusted in respect of the accounting changes made in 1928.

	Original Estimates of Expenditure.						
	1914-15.		1927-28.		1928-29.		
	£000.	£000.	£000.	£000.	£000.	£000.	Increase or Decrease compared with 1927-28. £000.
1. GRANT SERVICES (except Road Fund) Services in Great Britain. (For details see Table B) ...	26,946		93,119		92,557		
Irish Services ...	10,349		8,034		8,476		
		37,295		101,153		101,033	— 120
2. NATIONALLY ADMINISTERED SERVICES—							
Interest on Savings Certificates ...	—		9,000		13,600		
Other Debt Interest and Management...	16,741		291,200		290,400		
		16,741		300,200		304,000	+ 3,800
National Pensions and Insurance (For details see Table C) ...	25,456		137,663		134,250		
		25,456		137,663		134,250	— 3,413
Defence							
(a) Navy ...	48,697		49,891		49,205		
(b) Army ...	25,113		34,018		33,372		
(c) Air Force ...	—		15,445		16,134		
(d) Middle East ...	—		2,698		296		
		73,810		102,052		99,007	— 3,045
Tax Collection							
(a) Customs ...	1,840		4,258		4,174		
(b) Inland Revenue	2,064		6,662		6,600		
		3,904		10,920		10,774	— 146
All other Services (For details see Table D) ...	12,452		29,045		27,517		
		12,452		29,045		27,517	— 1,528
Total ...		169,658		681,033		676,581	— 4,452
3. NATIONAL DEBT-SINKING FUND ...		6,759		65,000*		50,000†	— 15,000
4. SELF SUPPORTING SERVICES—							
Post Office ...		26,152		57,643		57,314	— 329
Road Fund ...		1,545		19,500		21,500	+ 2,000

* NOTE.—In addition, 3,150,000*l.* in respect of Interest on Victory Bonds held by the National Debt Commissioners was applied to Debt Redemption in 1927.

† Apart from any further changes announced in the Budget.

TABLE (B)—GRANT SERVICES.

	Original Estimates for			
	1914-15.	1927-28.	1928-29.	
	£000.	£000.	£000.	Increase or Decrease compared with 1927-28. £000.
Grants for Local Services, &c., in Great Britain—				
Payments to Local Taxation Accounts ...	7,915	13,927	13,860	— 67
Education ...	16,614	46,450	46,827	+ 377
Agriculture (including Land Settlement Grants and Loans and the Development Fund) ...	371	1,959	2,295	+ 336
Health Services ...	522	4,094	3,947	— 147
Housing ...	—	10,999	12,143	+ 1,144
Reformatories and Mental Deficiency ...	539	1,109	1,145	+ 36
Police (voted grants additional to payments through Local Taxation Accounts) ...	100	5,907	5,848	— 59
Payment in respect of rates on Tithe Rent Charge	174	733	700	— 33
State payments in respect of—				
(i) School Teachers' Pensions ...	244	2,140	1,007	— 1,133
(ii) Police Pensions ...	340	2,354	2,464	+ 110
Unemployment Grants and Loans ...	—	3,166	2,037	— 1,129
Miscellaneous ...	127	281	284	+ 3
TOTAL ...	26,946	93,119	92,557	— 562

TABLE (C)—NATIONAL PENSIONS AND INSURANCE.

	Original Estimates for			
	1914-15.	1927-28.	1928-29.	
	£000.	£000.	£000.	Increase or Decrease compared with 1927-28. £000.
Pensions charged on Defence Votes...	6,966	16,664	16,819	+ 155
Pensions charged on Revenue Votes (excluding Post Office) ...	637	971	925	— 46
Civil Service Pensions (including Consolidated Fund Pensions) ...	887	1,803	1,799	— 4
Irish Police Pensions ...	448	700	696	— 4
Old Age Pensions ...	10,111	32,746	33,647	+ 901
War Pensions (including Merchant Seamen's Pensions and administration)	—	61,877	57,627	— 4,250
Payment to Widows' Orphans' and Old Age Contributory Pensions' Account ...	—	4,000	4,000	—
Grants to Insurance Schemes—				
(i) Health ...	5,807	6,490	6,493	+ 3
(ii) Unemployment ...	600	12,412	12,244	— 168
TOTAL ...	25,456	137,663	134,250	— 3,413

TABLE (D).—ALL OTHER SERVICES.

	Original Estimates for			
	1914-15.	1927-28.	1928-29.	
	£000.	£000.	£000.	Increase or Decrease compared with 1927-28. £000.
Middle East (excluding Defence)	—	697	434	— 263
Imperial War Graves Commission	—	546	673	+ 127
Oversea Settlement	—	1,540	1,330	— 210
Liquidation of War Commitments	—	800	579	— 221
Preparation of Electoral Registers	—	330	332	+ 2
Forestry	—	595	486	— 109
Training, &c. of ex-Service men	—	86	39	— 47
Currency Note Services	—	349	397	+ 48
Empire Marketing	—	1,000	500	— 500
Export Credits	—	52	90	+ 38
Beet Sugar Subsidy	—	4,500	4,250	— 250
Works, Buildings, &c.	2,653	5,056	4,753	— 303
All other expenditure, including Judicial, Financial, Trade, Fo- reign and Empire Departments, Stationery, Museums, and ad- ministration of all Grant Services in Great Britain	9,799	13,494	13,654	+ 160
TOTAL	12,452	29,045	27,517	— 1,528

1928-29.

TABLE VII comparing the EXPENDITURE for 1928-29, on existing basis, classified as in the Estimates presented to Parliament, with the Expenditure in 1927-28 as estimated in April 1927.

Service.	Estimate, 1927-28.	Estimate, 1928-29.	Estimate for 1928-29 more (+) or less (—) than 1927-29.
	£	£	£
CONSOLIDATED FUND SERVICES.			
National Debt Services, Interest, &c. ...	305,000,000	304,000,000	— 1,000,000
Sinking Funds ...	65,000,000	50,000,000	— 15,000,000
TOTAL NATIONAL DEBT SERVICES	370,000,000	354,000,000	— 16,000,000
Road Fund ...	19,500,000	21,500,000	+ 2,000,000
Payments to Local Taxation Accounts ...	14,300,000	14,200,000	— 100,000
Payments to Northern Ireland Exchequer	5,400,000	5,400,000	—
Other Consolidated Fund Services ...	3,700,000	2,600,000	— 1,100,000
TOTAL CONSOLIDATED FUND SERVICES	412,900,000	397,700,000	— 15,200,000
SUPPLY SERVICES.			
Army Votes (including Ordnance Factories)	41,565,000	41,050,000	— 515,000
Navy Votes ...	58,000,000	57,300,000	— 700,000
Air Votes ...	15,550,000	16,250,000	+ 700,000
Civil Votes ...	235,725,000	223,804,000	— 11,921,000
Customs and Excise and Inland Revenue Votes ...	12,007,000	11,777,000	— 230,000
Post Office Vote ...	57,643,000	57,314,000	— 329,000
TOTAL SUPPLY SERVICES ...	420,490,000	407,495,000	— 12,995,000
TOTAL ...	£ 833,390,000	805,195,000	— 28,195,000

1927-28.

TABLE VIII. giving the estimated RATES COLLECTED by LOCAL AUTHORITIES in 1927-28.

	£
England and Wales ...	167,000,000
Scotland ...	21,400,000

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

	England and Wales. £	Scotland. £
On Relief of the Poor ...	38,000,000	4,845,000
„ Education ...	33,500,000	5,225,000
„ Police ...	10,000,000	1,056,000
„ other services ...	85,500,000	10,274,000
	<u>167,000,000</u>	<u>21,400,000</u>

1928-29.

TABLE IX showing how the Estimated RECEIPTS from Revenue in 1928-29 compare with the corresponding Receipts in 1927-28.

On basis of EXISTING TAXATION.

	Receipts in 1927-28.	Estimate for 1928-29 on Basis of existing Taxation.	Estimate for 1928-29 more (+) or less (—) than Receipts in 1927-28.
	£	£	£
Customs	111,620,000	113,500,000	+ 1,880,000
Excise	139,200,000	138,950,000	— 250,000
	250,820,000	252,450,000	+ 1,630,000
Motor Vehicle Duties	24,518,000	26,500,000	+ 1,982,000
Estate, &c. Duties	77,310,000	72,000,000	— 5,310,000
Stamps	27,030,000	28,000,000	+ 970,000
Land Tax, House Duty and Mineral Rights Duty	780,000	850,000	+ 70,000
Income Tax	250,583,000	235,000,000	— 15,583,000
Super Tax	60,600,000	60,000,000	— 600,000
Excess Profits Duty, &c.	—	1,000,000	+ 1,000,000
Corporation Profits Tax	1,780,000	1,500,000	— 280,000
	418,083,000	398,350,000	— 19,733,000
TOTAL RECEIPTS FROM TAXES £	693,421,000	677,300,000	— 16,121,000
Postal Service	38,250,000	39,300,000	+ 1,050,000
Telegraph Service	6,100,000	6,100,000	—
Telephone Service	18,650,000	20,100,000	+ 1,450,000
	63,000,000	65,500,000	+ 2,500,000
Crown Lands	1,070,000	1,100,000	+ 30,000
Receipts from Sundry Loans	23,952,000	27,650,000	+ 3,698,000
Miscellaneous :—			
Ordinary Receipts	30,893,000	13,550,000	— 17,343,000
Special Receipts	30,488,000	27,162,000	— 3,326,000
TOTAL RECEIPTS FROM NON- TAX REVENUE } £	149,403,000	134,962,000	— 14,441,000
TOTAL REVENUE £	842,824,000	812,262,000	— 30,562,000

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 :				
Sugar exceeding 99° polarisation per cwt.	11 8	7 4 $\frac{2}{3}$	11 8	5 10
Sugar exceeding 98° and not exceeding 99° „				4 9 $\frac{2}{10}$
Sugar exceeding 97° and not exceeding 98° „				4 7 $\frac{7}{10}$
(Other degrees at rates proportionate to the rate for sugar exceeding 97° and not exceeding 98°.)	10 8 $\frac{1}{2}$	6 9 $\frac{1}{2}$	8 7	
Molasses, etc. :—				
Containing 70 per cent. or more sweetening matter... per cwt.	7 5	4 8 $\frac{1}{2}$	7 5	3 8 $\frac{1}{2}$
Containing 50 per cent. to 70 per cent. sweetening matter „	5 4	3 4 $\frac{2}{3}$	5 4	2 8
Containing 50 per cent. or less sweetening matter „	2 7	1 7 $\frac{1}{2}$	2 7	1 3 $\frac{1}{2}$
Glucose :—				
Solid „	7 5	4 8 $\frac{1}{2}$	7 5	3 8 $\frac{1}{2}$
Liquid „	5 4	3 4 $\frac{2}{3}$	5 4	2 8
Saccharin per oz.	3 9	2 4 $\frac{1}{2}$	3 9	1 10 $\frac{1}{2}$
EXCISE :—				
British wine per gallon	1 0		1 6	
Sugar exceeding 99° polarisation per cwt.	7 4 $\frac{2}{3}$	6 9 $\frac{1}{2}$	5 10	
Sugar exceeding 98° and not exceeding 99° „				4 9 $\frac{2}{10}$
Sugar exceeding 97° and not exceeding 98° „				4 7 $\frac{7}{10}$
(Other degrees at rates proportionate to the rate for sugar exceeding 97° and not exceeding 98°)				
Molasses, etc. :—				
Containing 70 per cent. or more sweetening matter... per cwt.	4 8 $\frac{1}{2}$		3 8 $\frac{1}{2}$	
Containing 50 per cent. to 70 per cent. sweetening matter „	3 4 $\frac{2}{3}$		2 8	
Containing 50 per cent. or less sweetening matter „	1 7 $\frac{1}{2}$		1 3 $\frac{1}{2}$	

TABLE X. (continued).—SHOWING THE PROPOSED CHANGES IN TAXATION.

A.—CUSTOMS AND EXCISE.

I.—Changes in existing Duties.

							Existing Duties.	Proposed Duties.
							s. d.	s. d.
EXCISE (Continued)—								
Glucose :—								
Solid	...	...	...	...	...	per cwt.	4 8½	3 8½
Liquid	...	...	...	...	...	„	3 4½	2 8
Saccharin	...	...	...	...	...	per oz.	2 4½	1 10½

NOTE.—It is proposed that the preceding changes in duties shall take effect from 25th April, 1928.

CUSTOMS.

Cinematograph Films.—It is proposed to place British Empire films on the same basis as films produced abroad by British residents in this country. As from 28th April, 1928, British Empire negative films will be admitted at the rate of duty applicable to blank film, provided they comply with the definition of a British film given in the Cinematograph Films Act, 1927.

II.—NEW DUTIES.

CUSTOMS.

Mechanical Lighters.—It is proposed to levy a duty of 6d. each on imports of mechanical lighters and of component parts (other than flints) as from 28th April, 1928.

Buttons.—It is proposed to levy a duty on imports as from 28th April, 1928, for a period of five years at the rate of 33½ per cent. *ad valorem*, with a preferential rebate of one-third in favour of Empire goods.

Hydrocarbon oils.—It is proposed to levy a duty of 4d. per gallon on imports as from 25th April, 1928. A rebate will be provided in respect of the heavy oils, thus leaving the tax in effect payable only in respect of the light oils such as petrol, benzol, kerosene, white spirit, and turpentine.

EXCISE.

Mechanical Lighters.—It is proposed to impose a duty of 6d. each on mechanical lighters manufactured on and after the 28th April, 1928.

Petroleum Oils.—It is proposed to levy an Excise Duty of 4d. per gallon on stocks of petroleum oils where such stocks on the 25th April, 1928, exceed 10,000 gallons in the case of any one owner, but in the case of stocks for the owner's use no tax will be leviable if the stocks are used before 1st May. A rebate on the heavy oils will be provided, as in the case of the Customs duty.

B.—MOTOR VEHICLE DUTIES.

1.—HACKNEY MOTOR VEHICLES.

Seating Capacity.	Present Scale.	Proposed Scale.	
Not exceeding 4 persons ...	£ 15	£ 10	
Over 4 n. e. 8 persons ...	15	12	
„ 8 „ 14 „ ...	30	30	
„ 14 „ 20 „ ...	45	45	
„ 20 „ 26 „ ...	60	60	
„ 26 „ 32 „ ...	72	72	
„ 32 „ 40 „ ...	84	84	
„ 40 „ 48 „ ...	96	96	
„ 48 „ 56 „ ...	108	108	
„ 56 „ 64 „ ...	120	120	
„ 64.	With an addl. £1 10s. for each person in excess of 64	With an addl. £1 10s. for each person in excess of 64.	} With a rebate of 20 per cent. in the case of vehicles seating more than 8 persons and fitted entirely with pneumatic tyres.

2.—GOODS VEHICLES.

Unladen Weight.	Present Scale.	Proposed Scale.	
Not exceeding 12 cwts. ...	£ 10	£ 10	
Over 12 cwts. but n. e. 1 ton ...	16	15	
„ 1 ton „ 1½ „ ...	26	20	
„ 1½ „ „ 2 „ ...	26	25	
„ 2 „ „ 3 „ ...	40	40	
„ 3 „ „ 4 „ ...	48	48	
„ 4 „ „ 5 „ ...	54	54	
Over 5 tons. ...	60	60	

} With a rebate of 20 per cent. in the case of vehicles exceeding 2 tons in weight unladen fitted entirely with pneumatic tyres.

It is proposed that these changes shall take effect from 1st January 1929.

The rates for electrically propelled goods vehicles will remain unaltered.

The classes of agricultural and showmen's goods-carrying vehicles for which special rates were fixed in the Fourth Schedule to the Finance Act, 1927, will be liable to the appropriate rate as set out in that schedule or to the appropriate rate set out in column 3 above, whichever may be the less.

The rebate of 20 per cent. for vehicles over two tons in weight unladen, fitted entirely with pneumatic tyres, will apply to all vehicles of the goods-carrying class.

C.—INLAND REVENUE.

Income Tax.

It is proposed to alter the law relating to relief in respect of children and to increase the amount of the relief from the tax on £36 for the first child and £27 for each subsequent child, to the tax on £60 for the first child and £50 for each subsequent child. The increased relief will be allowed for the year of birth of the child.

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

								Estimate, 1928-29. Increase + or Decrease —.	In a Full Year, Increase + or Decrease —.
								£	£
CUSTOMS :—									
Sugar	...	...	...	...	...	...	— 1,800,000	— 2,380,000
Mechanical Lighters	...	...	...	...	...	...	+ 37,000	+ 42,000
Cinematograph Films	...	...	...	...	...	...	Loss estimated	to be negligible.
Buttons	...	...	...	...	...	...	+ 130,000	+ 200,000
Oils	...	...	...	...	...	...	+ 10,200,000	+ 16,300,000
Total Customs				...	...	...	+ 8,567,000	+ 14,162,000
EXCISE :—									
British Wines	...	...	...	...	...	...	+ 65,000	+ 70,000
Sugar	...	...	...	...	...	...	— 500,000	— 520,000
Mechanical Lighters	...	...	...	...	...	...	+ 3,000	+ 3,000
Oils	...	...	...	...	...	...	+ 4,000,000	*
Total Excise				...	...	...	+ 3,568,000	— 447,000
Total Customs and Excise				...	...	...	+ 12,135,000	+ 13,715,000
MOTOR VEHICLE DUTIES :—									
Hackney Vehicles	...	}		...	...	...	†— 600,000	— 600,000
Commercial Goods Vehicles	...			...	...	...
INLAND REVENUE :—									
Income Tax.	Increased Relief for Children				...	...	— 2,100,000	— 4,500,000
Grand Total				...	...	...	+ 9,435,000	+ 8,615,000

* The Excise duty is limited to stocks on 25th April, 1928, and is non-recurrent.

† This is the effect on the Exchequer share only. Including the Road Fund share the effect is estimated at a decrease of £800,000 in 1928-29 and £1,250,000 in a full year.

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

Head of Duty.						1927-28		1928-29
						Revised Budget Estimate.	Receipts (approx.).	Estimated Receipts.
						£	£	£
Spirits	...	...	...	...	C	6,800,000	6,799,000	6,500,000
					E	40,200,000	40,535,000	38,800,000
Total Spirits	...	...	...	...		47,000,000	47,334,000	45,300,000
Beer	...	...	...	...	C	6,000,000	5,518,000	6,000,000
					E	82,200,000	77,827,000	77,200,000
Total Beer	...	...	...	...		88,200,000	83,345,000	83,200,000
Wine	...	...	...	...	C	4,700,000	4,149,000	4,900,000
British Wine	...	...	...	...	E	80,000	118,000	225,000
Table Waters	...	...	...	...	C	30,000	34,000	40,000
					E	370,000	353,000	360,000
Total Table Waters	...	...	...	...		400,000	387,000	400,000
Tea	...	...	...	...	C	5,750,000	5,781,000	6,050,000
Cocoa	...	...	...	...	C	750,000	697,000	700,000
Coffee	...	...	...	...	C	210,000	204,000	205,000
Chicory	...	...	...	...	C	40,000	41,000	45,000
Sugar	...	...	...	...	C	16,900,000	17,039,000	14,500,000
					E	1,900,000	1,697,000	2,000,000
Total Sugar	...	...	...	...		18,800,000	18,736,000	16,500,000
Dried Fruits	...	...	...	...	C	550,000	615,000	600,000
Tobacco	...	...	...	...	C	56,498,000	58,103,000	59,298,000
					E	2,000	2,000	2,000
Total Tobacco	...	...	...	...		56,500,000	58,105,000	59,300,000
Matches and Mechanical Lighters	...	...	...	...	C	2,520,000	2,209,000	2,187,000
					E	1,630,000	1,745,000	1,953,000
Total Matches and Mechanical Lighters	...	...	...	...		4,150,000	3,954,000	4,140,000
Cinematograph Films	...	...	...	...	C	240,000	215,000	200,000
Clocks and Watches	...	...	...	...	C	460,000	559,000	560,000
Motor Cars and Motor Cycles	...	...	...	...	C	2,700,000	2,549,000	2,500,000
Musical Instruments	...	...	...	...	C	300,000	240,000	240,000
Total "New Import Duties"	...	...	...	...		3,700,000	3,563,000	3,500,000
Silk and Artificial Silk...	...	...	...	...	C	5,200,000	4,767,000	4,750,000
					E	800,000	1,208,000	1,650,000
Total Silk	...	...	...	...		6,000,000	5,975,000	6,400,000

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.							1927-28		1928-29 Estimated Receipts.
							Revised Budget Estimate.	Receipts (approx.).	
							£	£	£
Hops	...	...	...	...	...	C	200,000	317,000	250,000
Entertainments	...	...	...	...	...	E	5,800,000	6,114,000	6,200,000
Liquor Licences :—									
Duties	...	...	...	...	...	E	4,420,000	4,517,000	4,480,000
Monopoly Values	...	...	...	...	...	E	80,000	109,000	110,000
Other Licences	...	...	...	...	...	E	470,000	510,000	510,000
Railway Duty	...	...	...	...	...	E	400,000	376,000	400,000
Medicines, etc.	...	...	...	...	...	E	1,400,000	1,331,000	1,350,000
Key Industry Duty	...	...	...	...	...	C	500,000	633,000	650,000
Lace and Embroidery	...	...	...	...	...	C	230,000	215,000	210,000
Cutlery	...	...	...	...	...	C	100,000	110,000	110,000
Gloves	...	...	...	...	...	C	600,000	579,000	550,000
Gas Mantles	...	...	...	...	...	C	10,000	7,000	10,000
Packing and Wrapping Paper	...	...	...	...	...	C	497,000	525,000	550,000
Translucent Pottery	...	...	...	...	...	C	150,000	73,000	80,000
Buttons	...	...	...	...	...	C	—	—	130,000
Betting	...	...	...	...	...	E	6,000,000	2,669,000	3,250,000
Oil	...	...	...	...	...	C	—	—	10,200,000
						E	—	—	4,000,000
Total Oil	...	...	...	...	...	...	—	—	14,200,000
Other Articles and Deposits	...	...	...	...	...	C	32,000	— 358,000	52,000
						E	8,000	89,000	28,000
Total Other Articles, etc.	...	...	...	...	...	...	40,000	— 269,000	80,000
Total Revenue	...	...	...	...	...	...	111,967,000	111,620,000	122,067,000
						...	145,760,000	139,200,000	142,518,000
TOTAL	...	...	...	...	...	...	257,727,000	250,820,000	264,585,000

TABLE—XIII.

I.—ORDINARY REVENUE AND EXPENDITURE, 1928-29.

Estimated 1928 Revenue.						Estimated 1928 Expenditure.					