

FINANCIAL STATEMENT (1945-46)

RETURN to an Order of the Honourable The House of Commons
dated 24 April, 1945:—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,
24 April, 1945 } OSBERT PEAKE

(*Mr. Peake*)

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1944-45.

TABLE I.—Comparison of Exchequer Issues with Estimated Expenditure.

	1944-45.			Exchequer Issues.
	Total Expenditure provided for in the Budget.	Supplementary and Excess Votes subsequently granted.	Total Estimated Expenditure.	
Ordinary Expenditure.				
CONSOLIDATED FUND SERVICES.	£	£	£	£
Interest and Management of National Debt	420,000,000	—	420,000,000	414,936,000*†
Payments to Northern Ireland Exchequer‡	9,000,000	—	9,000,000	10,010,000
Other Consolidated Fund Services	7,000,000	—	7,000,000	7,277,000
Total	436,000,000	—	436,000,000	432,223,000
SUPPLY SERVICES				
Defence Token Votes	4,000	—	4,000	4,000
Civil Votes	469,912,000	11,925,000	481,837,000	474,406,000
Customs and Excise, Inland Revenue and balance of Post Office Votes	31,483,000	—	31,483,000	26,208,000
Votes of Credit	5,000,000,000	250,000,000	5,250,000,000	5,125,000,000
Total Supply Services	5,501,399,000	261,925,000	5,763,324,000	5,625,618,000
Total Ordinary Expenditure	5,937,399,000	261,925,000	6,199,324,000	6,057,841,000
Sinking Funds	—	—	—	5,064,000†
	5,937,399,000	261,925,000	6,199,324,000	6,062,905,000
Self-Balancing Expenditure.				
Post Office Expenditure corresponding to Revenue	112,370,000	—	112,370,000	116,600,000§

* In addition £19,948,000 for Interest of the National Debt was met from receipts under Section 1 (5) (b) of the Defence Loans Act, 1937, and Section 4 (5) (a) of the Overseas Trade Guarantees Act, 1939. (See page 5.)

† These two items together make up the total of the Permanent Debt Charge (£420,000,000) as fixed by Section 47 (1) of the Finance Act, 1944. In addition Sinking Fund payments amounting to £10,881,000 were made outside the Permanent Debt Charge (see page 5).

‡ Proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland.

§ In addition, £7,400,000 was issued to the Post Office from Votes of Credit.

1944-45.

TABLE II.—Comparison of Exchequer Receipts with Budget Estimate.

1943-44 Exchequer Receipts.		1944-45.		
		Budget Estimate.	Exchequer Receipts.	+ Increase or - Decrease.
	Ordinary Revenue.			
£	INLAND REVENUE.	£	£	£
1,183,583,000	Income Tax	1,300,000,000	1,316,839,000	+ 16,839,000
76,042,000	Sur-tax	80,000,000	73,535,000	- 6,465,000
99,466,000	Estate Duties	100,000,000	110,888,000	+ 10,888,000
17,740,000	Stamps	19,000,000	17,010,000	- 1,990,000
33,446,000	National Defence Con- tribution	500,000,000	33,304,000	} + 10,438,000
466,668,000	Excess Profits Tax		477,134,000	
968,000	Other Inland Revenue Duties	1,000,000	779,000	- 221,000
1,877,913,000		2,000,000,000	2,029,489,000	+ 29,489,000
	CUSTOMS AND EXCISE.			
560,832,000	Customs	564,900,000	579,352,000	+ 14,452,000
482,200,000	Excise	472,900,000	496,900,000	+ 24,000,000
1,043,032,000		1,037,800,000	1,076,252,000	+ 38,452,000
27,294,000	MOTOR VEHICLE DUTIES ...	27,000,000	28,965,000	+ 1,965,000
2,948,239,000	TOTAL RECEIPTS FROM TAXES	3,064,800,000	3,134,706,000	+ 69,906,000
368,000	Post Office net Receipt ...	—	—	—
4,750,000	Wireless Licences	4,850,000	4,820,000	- 30,000
1,060,000	Crown Lands	800,000	980,000	+ 180,000
6,455,000	Receipts from Sundry Loans	7,350,000	7,520,000	+ 170,000
77,676,000	Miscellaneous	24,000,000	90,037,000	+ 66,037,000
3,038,548,000	Total Ordinary Revenue	3,101,800,000	3,238,063,000	+ 136,263,000
	Self-Balancing Revenue.			
110,632,000	Post Office Revenue ...	112,370,000	116,600,000	+ 4,230,000

NOTE: *Post-war Credits.* The total amount of the post-war credits in respect of Income Tax accrued up to 31st March, 1945, is about £575,000,000.

The total amount of the post-war credits in respect of Excess Profits Tax is not available as it depends upon the final amount of Excess Profits Tax paid at the 100 per cent. rate for the whole period during which the tax is in force at that rate and after taking into account any repayments due to deficiencies.

1944-45.

TABLE III.—EXCHEQUER BALANCE SHEET of 1944-45.

Receipts.	£	Payments.	£
Ordinary Revenue ...	3,238,063,000	Ordinary Expenditure ...	6,057,841,000
		Sinking Funds ...	*5,064,000
			6,062,905,000
Self-Balancing Revenue ...	116,600,000	Self-Balancing Expenditure	116,600,000
	<u>3,354,663,000</u>		<u>6,179,505,000</u>
Receipts under Section 1 (4) of the Defence Loans Act, 1937	19,664,000	Issues under Section 1 (5) (b) of the Defence Loans Act, 1937	19,664,000
Receipts under Section 4 (4) (b) of the Overseas Trade Guarantees Act, 1939 ...	284,000	Issues under Section 4 (5) (a) of the Overseas Trade Guarantees Act, 1939 ...	284,000
Money raised by creation of Debt (Total £3,254,258,000):—		Issues for Redemption of Debt (Total £434,084,000):—	
National Savings Certificates...	287,350,000	National Savings Certificates...	66,500,000
3 per cent. Defence Bonds ...	124,905,000	3 per cent. Defence Bonds ...	13,719,000
2½ per cent. National War Bonds, 1952-54... ..	460,824,000	5 per cent. Conversion Loan, 1944	317,348,000
3 per cent. Savings Bonds, 1960-70	200,316,000	2½ per cent. National Defence Bonds, 1944	20,033,000
3 per cent. Savings Bonds 1965-75	193,985,000	3 per cent. Terminable Annuities (National Debt Commis- sioners)	11,547,000
1¾ per cent. Exchequer Bonds, 1950	202,400,000	Other Debt under the National Loans Acts, 1939-44 (net) ...	4,937,000
3 per cent. Terminable Annuities (National Debt Commis- sioners)	480,000,000	Sinking Funds	*10,881,000
Tax Reserve Certificates (net)...	120,835,000	Issues under the following Acts:—	
Treasury Bills (net)	532,158,000	Overseas Trade Guarantees Act, 1939 (S.4 (1))	772,000
Ways and Means Advances (net)	181,985,000	Tithe Act, 1936 (S.26 (1)) ...	2,070,000
Treasury Deposits by Banks (net)	469,500,000	Housing (Temporary Accommo- dation) Act, 1944 (S.8 (1)) ...	1,100,000
Repayments, &c. :—		Housing (Scotland) Act, 1944 (S.4 (2))	6,000
Under Defence Loans Acts, 1937 and 1939	15,268,000		
Under Land Settlement (Facilities) Acts, 1919 and 1921	190,000		
Under Section 26 of the Tithe Act, 1936	2,709,000		
Under Section 4 of the Overseas Trade Guarantees Act, 1939	1,338,000		
Exchequer Balance on 31st March, 1944	2,493,000	Exchequer Balance on 31st March, 1945	2,501,000
	<u>£6,650,867,000</u>		<u>£6,650,867,000</u>

* These two items provided the amounts required for the Statutory Sinking Funds as follows:—

	£
Capital of Terminable Annuities	1,057,000
4 per cent. Funding Loan Sinking Fund	5,498,000
3 per cent. Funding Loan Sinking Fund	4,690,000
Victory Bonds Sinking Fund	4,700,000
Total	<u>£15,945,000</u>

TABLE IV.

NATIONAL DEBT (approximate Totals) on 31st March, 1945.

	£
2½% Consols, &c.	313,155,000
Terminable Annuities	13,673,000
3½% Conversion Loan	739,309,000
4% Consolidated Loan	400,699,000
3½% War Loan	1,910,955,000
2½% Funding Loan, 1956-61	200,211,000
2¾% Funding Loan, 1952-57	100,562,000
3% Funding Loan, 1959-69	362,961,000
4% Funding Loan, 1960-90	318,949,000
3% Terminable Annuities	825,536,000
2% Conversion Loan, 1943-45	245,343,000
2½% Conversion Loan, 1944-49	206,522,000
3% Conversion Loan, 1948-53	301,834,000
5% Conversion Loan, 1944	150,000*
2½% National Defence Bonds, 1944-48	80,132,000
3% National Defence Loan, 1954-58... ..	321,219,000
3% War Loan, 1955-59	302,519,000
2½% National War Bonds, 1945-47	444,404,000
2½% National War Bonds, 1946-48	493,326,000
2½% National War Bonds, 1949-51	714,184,000
2½% National War Bonds, 1951-53	522,303,000
2½% National War Bonds, 1952-54	809,519,000
3% Savings Bonds, 1955-65	712,716,000
3% Savings Bonds, 1960-70	1,009,330,000
3% Savings Bonds, 1965-75	193,985,000
1¾% Exchequer Bonds, 1950	202,400,000
4% Victory Bonds	284,670,000
National Savings Certificates†	1,510,634,000
3% Defence Bonds	762,513,000
Tax Reserve Certificates	682,512,000
Other Debt under the War Loan Acts, 1914-19 and National Loans Acts, 1939-44	133,627,000
Treasury Deposits by Banks	1,859,000,000
Treasury Bills	3,680,665,000
Ways and Means Advances	576,460,000
<i>Deduct:</i>	21,235,977,000
Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled	107,214,000
	21,128,763,000
EXTERNAL DEBT:	
Debt arising out of the War of 1914-18	1,032,427,000
Debt created under the National Loans Acts, 1939-44	236,910,000
<i>Net Total of the National Debt on 31st March, 1945</i>	<u>22,398,100,000</u>

Note.—On the 31st March, 1945, the following amounts were outstanding in respect of Inter-Governmental Loans by the United Kingdom which arose out of the War of 1914-18:—

	£
Loans funded (aggregate annuity payments)	1,148,595,000
Other Loans	2,184,590,000

Payments in respect of these loans have been suspended since 1st July, 1931.

* Balance of redemption moneys unissued at 31st March, 1945.

† National Savings Certificates are shown at issue price, exclusive of accrued interest.

TABLE V.—Classified Statement of Estimated EXPENDITURE.

	1944-45.		1945-46.		Increase + or Decrease — £000.
	£000.	£000.	£000.	£000.	
1. GRANTS FOR LOCAL AND OTHER SERVICES ... (For details see Table V (a))	...	184,166	...	221,249	+ 37,083
2. IRISH SERVICES ...	...	16,004	...	18,153	+ 2,149
3. NATIONALLY ADMINISTERED SERVICES—					
National Debt Interest and Management ...	...	420,000	...	465,000	+ 45,000
National Pensions and Insurance, and Unemployment Assistance ... (For details see Table V (b))	...	210,861	...	220,341	+ 9,480
Defence Token Votes* ...	...	4	...	4	—
Tax Collection—					
(a) Customs and Excise	6,041		6,171		
(b) Inland Revenue ...	13,871		14,438		
		19,912		20,609	+ 697
Post Office (excess over Revenue) ...	...	11,000	...	10,160	— 840
Other Services ... (For details see Table V (c))	...	75,452	...	109,765	+ 34,313
Votes of Credit† ...	...	5,000,000	...	4,500,000	— 500,000
Total Ordinary Expenditure ...		5,937,399		5,565,281	— 372,118
4. SELF-BALANCING SERVICE—					
Post Office Expenditure corresponding to Revenue ...	...	112,370	...	114,100‡	+ 1,730

* Substantive cost met from Votes of Credit.

† Excluding value of supplies in kind under Lend-Lease and similar arrangements.

‡ In addition, £11,500,000 is estimated to be required from Votes of Credit.

TABLE V (a).—GRANTS FOR LOCAL AND OTHER SERVICES.*

	1944-45.		1945-46.	
	£000.	£000.	£000.	Increase + or Decrease - £000.
(a) General Grant for Local Services— Exchequer Contributions to Local Revenues	52,773	52,773		—
(b) Specific Grants for Local Services (in addition to provision included in the first item above)—				
Education (excluding Teachers' Pensions) ...	70,673	96,605	+	25,932
Health Services	1,167	1,264	+	97
Housing	18,101	17,639	-	462
Physical Training and Recreation	—	114	+	114
Police	13,401	14,753	+	1,352
Roads (including Trunk Roads), &c.	7,802	8,670	+	868
Special Areas Fund	675	1,075	+	400
Unemployment Grants and Loans (including Development Grants)	2,254	2,105	-	149
Miscellaneous	1,035	1,095	+	60
(c) Other Grants—				
Agriculture (including Grants for Land Settlement and Development Fund)	2,832	3,478	+	646
Colonial Development and Welfare	1,954	5,265	+	3,311
Foreign and Imperial	10,690	14,968	+	4,278
Scientific and Industrial Research	353	430	+	77
Miscellaneous	456	1,015	+	559
TOTAL	184,166	221,249	+	37,083

TABLE V (b).—NATIONAL PENSIONS AND INSURANCE, AND UNEMPLOYMENT ASSISTANCE.*

	1944-45.		1945-46.	
	£000.	£000.	£000.	Increase + or Decrease - £000.
Grants to Insurance Schemes, &c.—				
(i) Health... ..	10,521	10,518	-	3
(ii) Unemployment Insurance	25,500	25,000	-	500
Unemployment Assistance†	5,380	5,655	+	275
Old Age Pensions†	56,240	57,992	+	1,752
Supplementary Pensions	54,930	61,920	+	6,990
Payment to Widows', Orphans' and Old Age Contributory Pensions Accounts	22,525	22,525		—
War Pensions (including Merchant Seamen's Pensions)††	35,765	36,731	+	966
TOTAL	210,861	220,341	+	9,480

* Excluding expenditure from Votes of Credit.

† These items include cost of administration.

‡ Pensions in respect of the present war are borne on Votes of Credit.

TABLE V (c).—OTHER SERVICES.*

	1944-45.	1945-46.	
	£000.	£000.	Increase + or Decrease - £000.
Agriculture and Forestry†	3,612	4,202	+ 590
Broadcasting	9,000	9,000	—
Civil Superannuation (other than Revenue Departments)	3,075	4,151	+ 1,076
Employment and Training	163	12,559	+ 12,396
Financial Assistance in Special and Other Areas†	26	101	+ 75
Foreign and Imperial Services†... ..	6,526	9,194	+ 2,668
Payments under Trade Facilities Acts	400	400	—
Prisons and State Asylums, &c.† ...	2,405	2,616	+ 211
Scientific Investigation and Museums†	1,645	2,313	+ 668
Teachers' Pensions	4,940	4,730	- 210
Works, Buildings and Stationery, &c.†... ..	16,455	26,889	+ 10,434
Miscellaneous (including General Administration)	27,205	33,610	+ 6,405
TOTAL	75,452	109,765	+ 34,313

* Excluding expenditure from Votes of Credit.

† These items include cost of administration.

TABLE VI.—National Expenditure and Rates collected by Local Authorities over a series of years.

Year.	National Expenditure.				Rates collected by Local Authorities. **
	Ordinary Expenditure. *	Issues under Defence Loans Acts, 1937 and 1939.	Expenditure out of the Road Fund.	Total of Columns 2, 3 and 4.	
(1)	(2)	(3)	(4)	(5)	(6)
	£000.	£000.	£000.	£000.	£000.
1913-14 ...	169,453†	—	952	170,405	78,971
1935-36 ...	749,806	—	20,934	770,740	184,164
1936-37 ...	802,305	—	22,931	825,236	193,238
1937-38 ...	841,258‡	64,867	5,607‡	911,732	197,952
1938-39 ...	941,381	128,050	—	1,069,431	212,578
1939-40 ...	1,275,756	491,750	—	1,767,506	223,536
1940-41 ...	3,818,719	—	—	3,818,719	226,267
1941-42 ...	4,839,849	—	—	4,839,849	221,131§
1942-43 ...	5,433,296	—	—	5,433,296	222,246§
1943-44 ...	5,798,687¶	—	—	5,798,687	221,396§
1944-45 ...	6,062,905¶	—	—	6,062,905	††226,285§

* Including Sinking Fund payments when met from the Permanent Debt Charge.

† Adjusted to conform to certain changes made subsequently in the form of the accounts.

‡ The figure of expenditure charged to revenue includes in 1937-38, for the first time, issues to the Road Fund, which was previously fed from self-balancing revenue. The charge on Votes to meet Road Fund expenditure was diminished exceptionally in the year 1937-38 by the balance of £5,607,000 standing in the Fund at 1st April, 1937, which is shown in Column (4) in order to build up to the total figure of expenditure.

§ Estimated.

¶ Exchequer Issues.

** Since a large portion of local authorities' expenditure is met out of Exchequer grants, already included in Column (2), the simplest approximate index to the actual burden of local expenditure is afforded by the figures of rates collected, which over a series of years represent very closely the expenditure falling on rates.

†† viz., England and Wales £202,000,000, Scotland £24,285,000.

1945-46.

TABLE VII.—Comparison of Estimated EXPENDITURE under Budget heads.

Service.	Budget Estimate, 1944-45.	Estimate, 1945-46.	+ Increase or - Decrease.
	£	£	£
Ordinary Expenditure.			
CONSOLIDATED FUND SERVICES.			
Interest and Management of National Debt	420,000,000	465,000,000	+ 45,000,000
Payments to Northern Ireland Exchequer*	9,000,000	11,000,000	+ 2,000,000
Other Consolidated Fund Services	7,000,000	8,000,000	+ 1,000,000
TOTAL	436,000,000	484,000,000	+ 48,000,000
SUPPLY SERVICES			
Defence Token Votes†	4,000	4,000	—
Civil Votes	469,912,000	549,905,000	+ 79,993,000
Customs and Excise, Inland Revenue and balance of Post Office Votes	31,483,000	31,372,000	- 111,000
Votes of Credit‡	5,000,000,000	4,500,000,000	- 500,000,000
TOTAL SUPPLY SERVICES	5,501,399,000	5,081,281,000	- 420,118,000
Total Ordinary Expenditure	5,937,399,000	5,565,281,000	- 372,118,000
Self-Balancing Expenditure.			
Post Office Expenditure corresponding to Revenue... ..	112,370,000	114,100,000§	+ 1,730,000

* Proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland.

† Substantive cost met from Votes of Credit.

‡ Excluding value of supplies in kind under Lend-Lease and similar arrangements.

§ In addition, £11,500,000 is estimated to be required from Votes of Credit.

1945-46.

TABLE VIII.—Comparison of Estimated RECEIPTS from Revenue in 1945-46 with corresponding Receipts in 1944-45.

On the basis of existing Taxation.

	Receipts in 1944-45.	Estimate for 1945-46 on basis of existing Taxation.	+ Increase or - Decrease.
Ordinary Revenue :	£	£	£
INLAND REVENUE.			
Income Tax	1,316,839,000	1,350,000,000	+ 33,161,000
Sur-tax	73,535,000	80,000,000	+ 6,465,000
Estate Duties	110,888,000	115,000,000	+ 4,112,000
Stamps	17,010,000	19,000,000	+ 1,990,000
National Defence Contribution	33,304,000	} 500,000,000	- 10,438,000
Excess Profits Tax	477,134,000		
Other Inland Revenue Duties	779,000	1,000,000	+ 221,000
	2,029,489,000	2,065,000,000	+ 35,511,000
CUSTOMS AND EXCISE.			
Customs	579,352,000	589,000,000	+ 9,648,000
Excise	496,900,000	541,000,000	+ 44,100,000
	1,076,252,000	1,130,000,000	+ 53,748,000
MOTOR VEHICLE DUTIES	28,965,000	30,000,000	+ 1,035,000
TOTAL RECEIPTS FROM TAXES	3,134,706,000	3,225,000,000	+ 90,294,000
Wireless Licences	4,820,000	4,850,000	+ 30,000
Crown Lands	980,000	1,000,000	+ 20,000
Receipts from Sundry Loans	7,520,000	11,150,000	+ 3,630,000
Miscellaneous	90,037,000	23,000,000	- 67,037,000
Total Ordinary Revenue	3,238,063,000	3,265,000,000	+ 26,937,000
Self-Balancing Revenue :			
Post Office Revenue	116,600,000	114,100,000	- 2,500,000

TABLE IX.—PROPOSED CHANGES IN TAXATION, &c., IN 1945-46.

INLAND REVENUE.

INCOME TAX, EXCESS PROFITS TAX, NATIONAL DEFENCE CONTRIBUTION AND ESTATE DUTY.

It is proposed to make provision for carrying out the double taxation agreements recently concluded with the United States and for authorising the conclusion of double taxation agreements with the Dominions and other countries.

EXCESS PROFITS TAX.

It is proposed to increase all standards, including profits standards, by one-tenth of the amount by which they fall short of £12,000.

It is proposed that these increases shall operate as from the 1st April, 1945, and that deficiencies, in so far as due to the increase, shall rank for set-off only against excess profits for periods subsequent to that date.

CUSTOMS AND EXCISE.

CUSTOMS.—

Hydrocarbon oils.—It is proposed to modify the existing provisions regarding the liability to duty of oil used in premises which are classified as “refineries,” so as to relieve from duty hydrocarbon oils used as materials for processes of chemical synthesis. It is also proposed that an allowance should be paid in respect of indigenous hydrocarbon oils in the like circumstances, equal to the net amount of the Customs duty on similar imported oils.

EXCISE.—

Spirits.—It is proposed to repeal the allowances at present payable in respect of alcohol for industrial use and certain other classes of spirits, as from the 1st January, 1946. Further information with regard to this matter is given in a separate White Paper (Cmd. 6622).

Entertainments.—It is proposed to modify the statutory conditions governing the exemption from duty of certain entertainments provided for partly educational purposes.

Distillers' licences.—It is proposed to reduce the licence duty in respect of the distillation of spirits for industrial purposes, as from the 1st October, 1945.

MOTOR VEHICLE DUTIES.

I.—Vehicles charged to duty by reference to horsepower.

It is proposed that as from a date to be fixed by the Treasury vehicles first registered after that date which under existing law would be charged to duty by reference to their horsepower should be charged by reference to their cylinder capacity. The unit of capacity will be 100 cubic centimetres and it is proposed that the rate for each unit shall be four-fifths of the rate in force at the time for

TABLE IX.—PROPOSED CHANGES IN TAXATION, &C., IN 1945-46—*continued.*CUSTOMS AND EXCISE—*continued.*MOTOR VEHICLE DUTIES—*continued.*

each unit of horsepower. The minimum duty payable under the cylinder capacity scale will be the same as that payable under the horsepower scale, at present £7 10s.

II.—*Hackney motor vehicles.*

The present scale of duties for hackney motor vehicles proceeds by steps of 4 seats up to 8 seats, thence by steps of 6 seats to 32 seats, by steps of 8 seats to 64 seats with an additional duty for each seat in excess of 64. For vehicles with more than 8 seats it is proposed to insert steps of one seat in the existing scale while keeping the duty payable at existing steps the same. It is also proposed to abolish the higher scale of duty payable on vehicles with solid tyres. It is proposed that this change shall take effect on the 1st January, 1946.

III.—*Goods Vehicles.*

It is proposed to insert steps of $\frac{1}{4}$ -ton in the existing scales for all goods vehicles weighing more than 1-ton. The existing scales in general progress by $\frac{1}{2}$ -ton steps between 1 and 3 tons and thence by 1 ton steps, and the rates of duty at these points will not be altered. It is also proposed to abolish the higher scale of duty payable on vehicles with solid tyres. It is proposed that this change shall take effect on the 1st January, 1946.

TABLE X.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty.

Head of Duty.	1944-45.		1945-46. Estimated Receipts.
	Budget Estimate.	Receipts (provisional).	
	£	£	£
Spirits C	14,200,000	13,524,000	16,900,000
E	56,800,000	50,184,000	53,100,000
Total Spirits	71,000,000	63,708,000	70,000,000
Beer C	7,100,000	8,808,000	11,500,000
E	260,700,000	278,876,000	288,500,000
Total Beer	267,800,000	287,684,000	300,000,000
Wine C	2,000,000	2,491,000	6,000,000
British Wine E	2,100,000	2,025,000	2,500,000
Table Waters C	—	—	—
E	150,000	136,000	150,000
Total Table Waters	150,000	136,000	150,000
Tea C	10,000,000	10,844,000	10,500,000
Cocoa C	2,100,000	1,532,000	1,300,000
Coffee and Chicory C	450,000	586,000	400,000
Sugar, Molasses, Glucose and Saccharin C	19,400,000	17,630,000	24,600,000
E	10,600,000	9,866,000	10,900,000
Total Sugar, &c.	30,000,000	27,496,000	35,500,000
Dried Fruits C	1,200,000	1,558,000	1,300,000
Tobacco C	390,000,000	382,697,000	400,000,000
E	—	3,000	—
Total Tobacco	390,000,000	382,700,000	400,000,000
Matches and Mechanical Lighters ... C	150,000	163,000	1,000,000
E	5,350,000	5,557,000	6,500,000
Total Matches, &c.	5,500,000	5,720,000	7,500,000
Silk and Artificial Silk C	650,000	1,599,000	1,250,000
E	1,150,000	1,039,000	1,750,000
Total Silk, &c....	1,800,000	2,638,000	3,000,000
Oil C	90,000,000	111,044,000	72,000,000
Power Alcohol E	—	—	—
Total Oil, &c.	90,000,000	111,044,000	72,000,000

TABLE X.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty—*continued.*

Head of Duty.	1944-45.		1945-46. Estimated Receipts.
	Budget Estimate.	Receipts (provisional).	
	£	£	£
Entertainments E	43,000,000	45,923,000	47,500,000
Liquor Licences:—			
Duties... .. E	4,480,000	4,653,000	4,500,000
Monopoly Values E	120,000	138,000	150,000
Other Licences... .. E	360,000	356,000	350,000
Playing Cards; Coffee Substitutes ... E	40,000	28,000	40,000
Hops C	10,000	4,000	10,000
Key Industry Duty C	500,000	524,000	1,500,000
Duties under the Import Duties Act, 1932 C	18,000,000	15,893,000	32,000,000
Ottawa Duties C	3,700,000	3,516,000	4,000,000
Beef and Veal C	5,300,000	4,960,000	4,700,000
Purchase Tax E	88,000,000	98,363,000	125,000,000
Other Articles and Deposits { C	140,000	253,000	40,000
... .. { E	50,000	— 1,000	60,000
Total Other Articles, &c.... ..	190,000	252,000	100,000
Difference between Payments into Ex- { C	—	+ 1,726,000	—
chequer and Actual Receipts { E	—	— 246,000	—
Total Difference	—	+ 1,480,000	—
Total Revenue Customs ...	564,900,000	579,352,000	589,000,000
... .. Excise ...	472,900,000	496,900,000	541,000,000
TOTAL	1,037,800,000	1,076,252,000	1,130,000,000

TABLE XI.—ESTIMATED EFFECT OF CHANGES IN TAXATION, &C.

	Estimate 1945-46.	Estimate for a full year:
INLAND REVENUE—		
<i>Excess Profits Tax—</i>		
Increase of standards below £12,000 ...	£ *	£ — 12,000,000†
Total Inland Revenue ...	—	— 12,000,000
CUSTOMS AND EXCISE—		
<i>Customs—</i>		
Hydrocarbon Oils ...	*	— 400,000§
Total Customs ...	—	— 400,000
<i>Excise—</i>		
Spirits (Repeal of certain allowances)	*	+ 1,000,000
Entertainments... ..	Negligible.	
Distillers' licences ...	*	— 20,000
Total Excise ...	—	+ 980,000
TOTAL CUSTOMS AND EXCISE ...	—	+ 580,000
MOTOR VEHICLE DUTIES ...	Negligible.	
TOTAL... ..	—	— 11,420,000

* The effects of these changes and of minor changes in the law relating to Income Tax and Excess Profits Tax have been taken into account in computing the yield on the existing basis.

† After taking into account the effect on Income Tax.

§ Of which the proposed relief from duty on imported oils used as materials for processes of chemical synthesis accounts for £25,000 and the proposed allowance to indigenous oils so used accounts for £375,000.

BUDGET ESTIMATES, 1945-46.

TABLE XII.

A.—ORDINARY REVENUE AND EXPENDITURE.

Estimated Revenue.				Estimated Expenditure.			
				£			
<i>Inland Revenue—</i>				<i>Interest and Management of National Debt</i>			
Income Tax	...	...	1,350,000,000	Payments to Northern Ireland Exchequer*	...	...	11,000,000
Sur-tax	...	...	80,000,000	Miscellaneous Consolidated Fund Services...	...	...	8,000,000
Estate Duties	...	...	115,000,000				
Stamps	...	...	19,000,000				
National Defence Contribution	...	}	500,000,000				
Excess Profits Tax	...						
Other Inland Revenue Duties	...		1,000,000				
				Total	...	...	484,000,000
Total Inland Revenue	...	...	2,065,000,000				
<i>Customs and Excise—</i>				<i>Supply Services—</i>			
Customs	...	...	589,000,000	<i>Defence—</i>			
Excise	...	...	541,000,000	Token Votes†	...	...	4,000
				<i>Civil—</i>			
Total Customs and Excise	...	...	1,130,000,000	I. Central Government and Finance	...	...	4,656,000
				II. Foreign and Imperial...	...	...	29,085,000
Motor Vehicle Duties	...	...	30,000,000	III. Home Department, Law and Justice	...	...	21,731,000
				IV. Education and Broadcasting	...	...	112,955,000
TOTAL RECEIPTS FROM TAXES	...	..	3,225,000,000	V. Health, Labour, Insurance (including Old Age and Widows Pensions)	...	...	232,863,000
				VI. Trade, Industry and Transport	...	...	28,385,000
Wireless Licences	...	...	4,850,000	VII. Common Services (Works, Stationery, &c.)	...	...	25,824,000
Crown Lands	...	...	1,000,000	VIII. Non-Effective Charges (Pensions)	...	...	41,631,000
Receipts from Sundry Loans	...	...	11,150,000	IX. Exchequer Contributions to Local Revenues	...	...	52,773,000
Miscellaneous	...	...	23,000,000	X.—War Services (Token Votes)...	...	...	2,000
							549,905,000
TOTAL REVENUE	...	...	3,265,000,000	Votes of Credit‡	...	...	4,500,000,000
EXCESS OF EXPENDITURE OVER REVENUE	...	...	2,300,281,000	Post Office Vote (Excess over Revenue)	...	...	10,160,000
				<i>Tax Collection—</i>			
				Customs and Excise and Inland Revenue	...	...	21,212,000
				Votes (including Pensions, £1,675,000)	...	...	5,081,281,000
				TOTAL EXPENDITURE	...	...	5,565,281,000
			<u>5,565,281,000</u>				

* See note on Page 11.

† Excluding value of supplies in kind under Lend-Lease and similar arrangements.

‡ Substantive cost in 1945 to be met from Votes of Credit.

B.—SELF-BALANCING REVENUE AND EXPENDITURE.

* Post Office expenditure corresponding to Revenue (including Pensions £8,500,000) 114,100,000

* Excluding £11,500,000 estimated to be required from Votes of Credit.