

# FINANCIAL STATEMENT (1964-65)

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RETURN to an Order of the Honourable The House of Commons  
dated 14 April, 1964:—*for*

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

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Treasury Chambers,  
14 April, 1964 } ALAN GREEN

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*(Alan Green)*

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*Ordered by The House of Commons to be Printed  
14 April, 1964*

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LONDON  
HER MAJESTY'S STATIONERY OFFICE  
TWO SHILLINGS NET

FINANCIAL STATEMENT

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1963-64

## BUDGET ESTIMATES AND OUTTURN

TABLE I.—ABOVE THE LINE: REVENUE

£ million

	Budget Estimate	Exchequer Receipts	+ Increase or - Decrease
<b>INLAND REVENUE</b>			
Income Tax ... ..	2,789	2,745	-44
Surtax ... ..	190	178	-12
Death Duties ... ..	279	310	+31
Stamp Duties ... ..	73	88	+15
Profits Tax, Excess Profits Tax and Excess Profits Levy ... ..	398	391	-7
	<b>3,729</b>	<b>3,712</b>	<b>-17</b>
<b>CUSTOMS AND EXCISE</b>			
Tobacco ... ..	900	892	-8
Purchase Tax ... ..	545	565	+20
Oil ... ..	590	592	+2
Spirits, Beer and Wine ... ..	481	499	+18
Other Revenue Duties, &c. ... ..	63	55	-8
Import Duties Act, 1958 ... ..	153	163	+10
	<b>2,732</b>	<b>2,766</b>	<b>+34</b>
Motor Vehicle Duties ... ..	160	171	+11
<b>TOTAL RECEIPTS FROM TAXES</b> ... ..	<b>6,621</b>	<b>6,649</b>	<b>+28</b>
Broadcast Receiving Licences ... ..	43	50	+7
Miscellaneous ... ..	175	191	+16
<b>Total Revenue</b> ... ..	<b>6,839</b>	<b>6,890</b>	<b>+51</b>

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## BUDGET ESTIMATES AND OUTTURN

TABLE II.—ABOVE THE LINE: EXPENDITURE

		£ million		
		Budget Estimate	Exchequer Issues	+ Increase or - Decrease
CONSOLIDATED FUND SERVICES				
Interest on and management of the National Debt		625	648*	+ 23
Sinking Funds ... ..		42	42	—
Northern Ireland—share of reserved taxes, &c.		111	118	+ 7
Other Consolidated Fund Services ... ..		12	9	- 3
TOTAL CONSOLIDATED FUND SERVICES ... ..		790	817	+ 27
SUPPLY SERVICES				
Defence Budget				
Navy Votes ... ..		441	434	- 7
War Office Votes ... ..		491	489	- 2
Air Votes ... ..		503	499	- 4
Ministry of Aviation ... ..		231	208	- 23
Ministry of Defence ... ..		20	20	—
Ministry of Public Building and Works ... ..		147	137	- 10
Atomic Energy Authority ... ..		5	5	—
Total Defence Budget ... ..		1,838	1,792	- 46
Civil Votes ... ..		4,301	4,208	- 93
TOTAL SUPPLY SERVICES ... ..		6,139	6,000	- 139
Total Expenditure ... ..		6,929	6,817	- 112
Above the line		—	73	+ 163
{ Surplus ... ..		—	73	+ 163
{ Deficit ... ..		90	—	—

\* In addition £397 million for interest on the National Debt was met from receipts of interest on below the line advances, &c. (See Table III).

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## BUDGET ESTIMATES AND OUTTURN

TABLE III.—BELOW THE LINE

£ million

Receipts			Payments	
Budget Estimate	Outturn		Budget Estimate	Outturn
405	397	<i>Interest receipts applied to interest on the National Debt</i>	405	397
		<i>Loans to Nationalised Industries</i>		
—	—	Post Office ... ..	69	65
—	17	National Coal Board (net) ... ..	—	—
50	50	Electricity Council ... ..	321	300
4	4	North of Scotland Hydro-Electric Board ... ..	17	20
5	6	South of Scotland Electricity Board ... ..	43	42
7	7	Gas Council ... ..	29	76
26	26	British Overseas Airways Corporation ... ..	49	31
15	15	British European Airways Corporation ... ..	24	15
—	—	British Railways Board ... ..	39	—
—	—	London Transport Board ... ..	7	7
—	—	British Transport Docks Board ... ..	3	—
—	—	British Waterways Board ... ..	1	1
		<i>Loans to other Public Bodies</i>		
66	65	Local Authorities ... ..	10	35
—	—	Northern Ireland Exchequer ... ..	4	3
1	2	New Towns—Development Corporations and Commission ... ..	35	29
—	1	Scottish Special Housing Association ... ..	8	7
—	—	Sugar Board (net) ... ..	—	25
—	—	National Research Development Corporation ... ..	1	1
1	1	National Film Finance Corporation ... ..	—	1
		<i>Loans to Private Industry, &amp;c.</i>		
—	—	Iron and Steel: Colvilles Ltd. ... ..	3	3
3	6	Building Societies ... ..	—	—
—	—	Housing Associations ... ..	6	2
		<i>Loans for Overseas Assistance</i>		
1	1	Colonial Governments ... ..	20	16
2	2	Commonwealth Development Corporation ... ..	6	5
6	6	Export Guarantees Acts ... ..	60	50
		<i>Payments arising from war-time liabilities</i>		
—	—	Repayment of post-war credits* ... ..	17	20
—	—	War Damage payments ... ..	6	4
		<i>Other advances and repayments</i>		
—	—	Married quarters for Armed Forces ... ..	9	5
3	3	Town and Country Planning compensation ... ..	—	—
<b>595</b>	<b>609</b>		<b>1,192</b>	<b>1,160</b>
		<b>Net Payments ... ..</b>	<b>597</b>	<b>551</b>

Note.—Further details of these items are contained in the White Paper on Government Expenditure Below the Line (Cmd. 2295).

\* The total amount of post-war credits outstanding at 31st March, 1964, is estimated at about £249 million excluding accrued interest of £29 million.

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TABLE IV.—SUMMARISED EXCHEQUER ACCOUNT

£ million

	Receipts	Payments
<b>BUDGET:</b>		
Surplus above the line ... ..	73	—
Net payments below the line ... ..	—	551
<b>NATIONAL DEBT TRANSACTIONS:</b>		
<b>Marketable securities:</b>		
<b>New Issues:</b>		
4% Exchequer Loan, 1968 ... ..	490	—
5% Exchequer Loan, 1976-78 ... ..	384	—
5½% Funding Loan, 1978-80 ... ..	386	—
<b>Redemptions:</b>		
3% Exchequer Stock, 1962-63 ... ..	—	341
4½% Conversion Stock, 1963 ... ..	—	653
Terminable Annuities (National Debt Commissioners) ...	—	75
<b>National Savings Securities (net):</b>		
National Savings Certificates ... ..	—	24
Defence Bonds ... ..	17	—
Premium Savings Bonds ... ..	44	—
National Savings Stamps and Gift Tokens ... ..	2	—
Tax Reserve Certificates (net) ... ..	—	60
Floating Debt (net) ... ..	255	—
<b>Other Debt—payable in sterling:</b>		
Interest-free notes (net) ... ..	6	—
Other ... ..	—	5
Other Debt—payable in external currencies ... ..	—	40
<b>OTHER RECEIPTS AND PAYMENTS:</b>		
Decrease in sterling capital of Exchange Equalisation Account	100	—
Subscription to International Development Association ...	—	9
Receipts arising from transfer of British Transport Stock Redemption Fund ... ..	1	—
	<b>1,758</b>	<b>1,758</b>

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TABLE V.—NATIONAL DEBT AT BEGINNING AND END OF YEAR

£ million

	31st March, 1963	31st March, 1964 (provi- sional figures)
<b>Marketable securities:*</b>		
<i>Up to 5 years:</i>		
3% Exchequer Stock, 1962-63 ... ..	341	—
4 $\frac{3}{4}$ % Conversion Stock, 1963 ... ..	653	—
4 $\frac{1}{2}$ % Conversion Stock, 1964 ... ..	505	505
2 $\frac{1}{2}$ % Exchequer Stock, 1963-64 ... ..	274	274
4% Treasury Stock, 1965 ... ..	391	391
3% Savings Bonds, 1955-65 ... ..	709	709
5 $\frac{1}{2}$ % Exchequer Stock, 1966 ... ..	978	978
2 $\frac{1}{2}$ % Savings Bonds, 1964-67 ... ..	749	749
5% Exchequer Stock, 1967 ... ..	400	400
4% Exchequer Loan, 1968 ... ..	—	500
3% Funding Stock, 1966-68 ... ..	†	533
3 $\frac{1}{2}$ % Conversion Stock, 1969 ... ..	†	335
<i>Total up to 5 years</i> ... ..	<i>5,000</i>	<i>5,374</i>
<i>5 to 15 years:</i>		
3% Funding Stock, 1966-68 ... ..	533	†
3 $\frac{1}{2}$ % Conversion Stock, 1969 ... ..	335	†
3% Funding Loan, 1959-69 ... ..	231	222
4% Victory Bonds ... ..	76 $\ddagger$	66 $\ddagger$
3% Savings Bonds, 1960-70 ... ..	1,018	1,018
5% Conversion Stock, 1971 ... ..	409	409
6% Conversion Stock, 1972 ... ..	301	301
British Transport 3% Stock, 1967-72 ... ..	13	13
British Transport 3% Stock, 1968-73 ... ..	136	136
5 $\frac{1}{4}$ % Conversion Stock, 1974 ... ..	299	299
3% Savings Bonds, 1965-75 ... ..	1,073	1,073
British Transport 4% Stock, 1972-77 ... ..	242	242
5% Exchequer Loan, 1976-78 ... ..	—	400
<i>Total 5 to 15 years</i> ... ..	<i>4,666</i>	<i>4,179</i>
<i>Over 15 years:</i>		
3 $\frac{1}{2}$ % Treasury Stock, 1977-80 ... ..	262	262
5 $\frac{1}{4}$ % Funding Loan, 1978-80 ... ..	—	400
3 $\frac{1}{2}$ % Treasury Stock, 1979-81 ... ..	483	483
5 $\frac{1}{2}$ % Funding Stock, 1982-84 ... ..	500	500
British Transport 3% Stock, 1978-88 ... ..	1,052	1,052
5% Treasury Stock, 1986-89 ... ..	602	602
4% Funding Loan, 1960-90 ... ..	169 $\ddagger$	156 $\ddagger$
3 $\frac{1}{2}$ % Funding Stock, 1999-2004 ... ..	443	443
5 $\frac{1}{2}$ % Treasury Stock, 2008-12 ... ..	1,000	1,000
2 $\frac{1}{2}$ % Treasury Stock, 1986-2016 ... ..	79	79
<i>Total over 15 years</i> ... ..	<i>4,590</i>	<i>4,977</i>
<i>Undated:</i>		
4% Consolidated Loan ... ..	375	374
3 $\frac{1}{2}$ % War Loan ... ..	1,909	1,909
3 $\frac{1}{2}$ % Conversion Loan ... ..	527	510
3% Treasury Stock, 1966 or after ... ..	58	58
2 $\frac{3}{4}$ % Annuities ... ..	2	2
2 $\frac{1}{2}$ % Annuities ... ..	21	21
2 $\frac{1}{2}$ % Consols ... ..	276	276
2 $\frac{1}{2}$ % Treasury Stock, 1975 or after ... ..	482	482
<i>Total undated</i> ... ..	<i>3,650</i>	<i>3,632</i>
<b>Total marketable securities</b> ... .. Carried forward	<b>17,906</b>	<b>18,162</b>

\* Classified according to final redemption date.

† Change of maturity group during year.

‡ Excluding amounts held in the Death Duties Surrendered Securities Account.



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TABLE V.—NATIONAL DEBT AT BEGINNING AND END OF YEAR—*continued*

	£ million	
	31st March, 1963	31st March, 1964 (provi- sional figures)
Brought forward	17,906	18,162
Terminable Annuities due to National Debt Commissioners ...	952	877
Life Annuities ... ..	8	7
Debts to the Banks of England and Ireland ... ..	14	14
National Savings Securities:		
National Savings Certificates* ... ..	2,136	2,112
Defence Bonds ... ..	1,123	1,140
Premium Savings Bonds ... ..	394	438
National Savings Stamps and Gift Tokens ... ..	25	27
Tax Reserve Certificates ... ..	352	292
Floating Debt:		
Treasury Bills ... ..	4,237	4,418
Ways and Means advances ... ..	239	314
Other Debt (payable in sterling):		
Interest-free notes: International Monetary Fund and International Development Association ... ..	532	538
Government of Portugal ... ..	46	41
Miscellaneous ... ..	9	8
Other Debt (payable in external currencies):		
Government of United States of America ... ..	1,453	1,428
Government of Canada ... ..	335	329
Debts created on liquidation of European Payments Union	69	61
Switzerland ... ..	18	18
<b>Total National Debt</b> ... ..	<b>29,848</b>	<b>30,224</b>

\* Shown at issue price excluding accrued interest amounting approximately to £550 million at 31st March, 1963, and £590 million at 31st March, 1964.

## ESTIMATES, 1964-65

TABLE VI.—ABOVE THE LINE: REVENUE  
On the basis of existing taxation

							£ million		
							1963-64 Exchequer Receipts	1964-65 Estimate	+ Increase or - Decrease
INLAND REVENUE									
Income Tax	...	...	...	...	...	2,745	3,040	+295	
Surtax	...	...	...	...	...	178	195	+ 17	
Death Duties	...	...	...	...	...	310	310	—	
Stamp Duties	...	...	...	...	...	88	75	- 13	
Profits Tax, Excess Profits Tax and Excess Profits Levy	...	...	...	...	...	391	415	+ 24	
							3,712	4,035	+323
CUSTOMS AND EXCISE									
Tobacco	...	...	...	...	...	892	905	+ 13	
Purchase Tax	...	...	...	...	...	565	605	+ 40	
Oil	...	...	...	...	...	592	625	+ 33	
Spirits, Beer and Wine	...	...	...	...	...	499	507	+ 8	
Other Revenue Duties, &c.	...	...	...	...	...	55	53	- 2	
Import Duties Act, 1958	...	...	...	...	...	163	165	+ 2	
							2,766	2,860	+ 94
Motor Vehicle Duties	...	...	...	...	...	171	180	+ 9	
TOTAL RECEIPTS FROM TAXES	...	...	...	...	...	6,649	7,075	+426	
Broadcast Receiving Licences	...	...	...	...	...	50	57	+ 7	
Miscellaneous	...	...	...	...	...	191	220	+ 29	
<b>Total Revenue</b>	...	...	...	...	...	<b>6,890</b>	<b>7,352</b>	<b>+462</b>	

## ESTIMATES, 1964-65

TABLE VII.—ABOVE THE LINE: EXPENDITURE

	£ million		
	1963-64 Budget Estimate	1964-65 Estimate	+ Increase or - Decrease
<b>CONSOLIDATED FUND SERVICES</b>			
Interest on and management of the National Debt	625	660	+ 35
Sinking Funds ... ..	42	42	—
Northern Ireland—share of reserved taxes, &c.	111	126	+ 15
Other Consolidated Fund Services ... ..	12	11	- 1
<b>TOTAL CONSOLIDATED FUND SERVICES ...</b>	<b>790</b>	<b>839</b>	<b>+ 49</b>
<b>SUPPLY SERVICES</b>			
<b>Defence Budget—</b>			
Ministry of Defence—Central ... ..	20	26	
Navy ... ..	441	496	
Army ... ..	491	525	
Air ... ..	503	504	*
Ministry of Aviation ... ..	231	275	
Ministry of Public Building and Works ...	147	166	
Atomic Energy Authority ... ..	5	7	
<b>Total Defence Budget ... ..</b>	<b>1,838</b>	<b>1,999</b>	<b>+ 161</b>
<b>Civil—</b>			
I. Government and Exchequer ... ..	93	95	
II. Commonwealth and Foreign ... ..	173	180	
III. Home and Justice ... ..	148	158	
IV. Industry, Trade and Transport ... ..	483	496	
V. Agriculture ... ..	424	380	
VI. Local Government, Housing and Social Services ... ..	2,533	2,752	*
VII. Universities and Scientific Research ...	197	205	
VIII. Museums, Galleries and the Arts ...	8	9	
IX. Public Buildings and Common Govern- mental Services ... ..	154	177	
X. Smaller Public Departments ... ..	7	7	
XI. Miscellaneous ... ..	75	89	
Defence (Army) Purchasing (Repayment) Services ... ..	6	2	
<b>Total Civil Supply ... ..</b>	<b>4,301</b>	<b>4,550</b>	<b>+ 249</b>
<b>TOTAL SUPPLY SERVICES ... ..</b>	<b>6,139</b>	<b>6,549</b>	<b>+ 410</b>
<b>Total Expenditure ... ..</b>	<b>6,929</b>	<b>7,388</b>	<b>+ 459</b>

\* The Departmental estimates for the two years are not fully comparable for the reasons given in the Statement on Defence, 1964 (Cmd. 2270) and in the Memorandum on the Estimates, 1964-65 (Cmd. 2290).

## ESTIMATES, 1964-65

TABLE VIII.—BELOW THE LINE

£ million

Receipts			Payments	
1963-64	1964-65		1963-64	1964-65
Outturn	Estimate		Outturn	Estimate
397	425	<i>Interest receipts applied to interest on the National Debt</i>	397	425
		<i>Loans to Nationalised Industries</i>		
—	—	Post Office ... ..	65	100
17	13	National Coal Board (net) ... ..	—	—
50	62	Electricity Council ... ..	300	414
4	4	North of Scotland Hydro-Electric Board ... ..	20	20
6	7	South of Scotland Electricity Board ... ..	42	32
7	10	Gas Council ... ..	76	31
26	29	British Overseas Airways Corporation ... ..	31	48
15	16	British European Airways Corporation ... ..	15	22
—	—	British Railways Board ... ..	—	30
—	—	London Transport Board ... ..	7	12
—	—	British Transport Docks Board ... ..	—	4
—	—	British Waterways Board ... ..	1	1
		<i>Loans to other Public Bodies</i>		
65	73	Local Authorities ... ..	35	200
—	—	Northern Ireland Exchequer ... ..	3	10
2	2	New Towns—Development Corporations and Commission ... ..	29	42
1	1	Scottish Special Housing Association ... ..	7	7
—	—	Housing Corporation... ..	—	5
—	—	Harbour Authorities ... ..	—	16
—	30	Iron and Steel Holding and Realisation Agency: surplus receipts ... ..	—	—
—	9	Sugar Board (net) ... ..	25	—
—	—	National Research Development Corporation ... ..	1	1
1	2	National Film Finance Corporation ... ..	1	—
		<i>Loans to Private Industry, &amp;c.</i>		
—	—	Iron and Steel: Colvilles Ltd. ... ..	3	—
6	3	Building Societies ... ..	—	—
—	—	Housing Associations ... ..	2	5
—	—	Shipbuilding Credit Scheme... ..	—	29
		<i>Loans for Overseas Assistance</i>		
1	1	Colonial Governments ... ..	16	6
2	2	Commonwealth Development Corporation ... ..	5	5
6	10	Export Guarantees Acts ... ..	50	65
		<i>Payments arising from war-time liabilities</i>		
—	—	Repayment of post-war credits ... ..	20	17
—	—	War damage payments ... ..	4	4
		<i>Other advances and repayments</i>		
—	—	Married quarters for Armed Forces ... ..	5	9
3	3	Town and Country Planning compensation ... ..	—	—
<b>609</b>	<b>702</b>		<b>1,160</b>	<b>1,560</b>
		<b>Net payments ... ..</b>	<b>551</b>	<b>858</b>

Note.—Further details of these items are contained in the White Paper on Government Expenditure Below the Line (Cmd. 2295).

## ESTIMATES, 1964-65

## TABLE IX.—SUMMARY

On the basis of existing taxation

£ million

	1963-64		1964-65 Estimate		1963-64		1964-65 Estimate
	Budget Estimate	Outturn			Budget Estimate	Outturn	
<b>Revenue</b>				<b>Expenditure</b>			
Inland Revenue ...	3,729	3,712	4,035	Consolidated Fund Services	790	817	839
Customs and Excise ...	2,732	2,766	2,860	Supply: Defence Budget ...	1,838	1,789	1,999
Motor Duties ...	160	171	180	Civil ...	4,301	4,211	4,550
Total Tax Revenue ...	6,621	6,649	7,075	Total Supply ...	6,139	6,000	6,549
Other Revenue ...	218	241	277				
<b>Total Revenue ...</b>	<b>6,839</b>	<b>6,890</b>	<b>7,352</b>	<b>Total Expenditure ...</b>	<b>6,929</b>	<b>6,817</b>	<b>7,388</b>
Deficit ...	90	—	36	<b>Surplus ...</b>	—	73	—
	<b>6,929</b>	<b>6,890</b>	<b>7,388</b>		<b>6,929</b>	<b>6,890</b>	<b>7,388</b>
<b>BELOW THE LINE</b>				<b>BELOW THE LINE</b>			
<b>Total Receipts ...</b>	<b>595</b>	<b>609</b>	<b>702</b>	<b>Total Payments ...</b>	<b>1,192</b>	<b>1,160</b>	<b>1,560</b>
<b>Net Payments ...</b>	<b>597</b>	<b>551</b>	<b>858</b>				
	<b>1,192</b>	<b>1,160</b>	<b>1,560</b>				

	1963-64		1964-65 Estimate
	Budget Estimate	Outturn	
<b>Above the line:</b>			
<b>Surplus ...</b>	—	73	—
<b>Deficit ...</b>	90	—	36
<b>Below the line:</b>			
<b>Net Payments ...</b>	597	551	858
<b>Borrowing requirement ...</b>	687	478	894

TABLE X.—PROPOSED CHANGES IN TAXATION  
INLAND REVENUE

INCOME TAX AND PROFITS TAX

It is proposed that surpluses derived by companies from mutual trading shall be made liable to tax.

It is proposed to counter certain devices for the reduction of tax liabilities by the use of leasing arrangements for business assets.

It is proposed to extend double taxation relief to cover certain cases where a United Kingdom company receives a dividend from an overseas company in which it controls a substantial proportion of the voting power.

It is proposed to make special provision for cases where a company transfers part of its trade and three-quarters or more of the interest in it belongs to the same persons before and after the change.

STAMP DUTIES

It is proposed to exempt employees' service agreements from stamp duty.

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CUSTOMS AND EXCISE

*Surcharges or rebates in respect of revenue duties and purchase tax.*—It is proposed to extend for a further year the powers provided by Section 9 of the Finance Act, 1961, which enable the Treasury by Order to impose a surcharge or allow a rebate in respect of the main revenue duties of customs and excise (including the purchase tax) and the associated drawbacks and similar payments; the maximum rate of surcharge or rebate will remain at 10 per cent of the amount of duty or tax.

It is proposed to amend the powers to permit an Order made under these provisions to be applied to one or more of four groups of duties as follows:

- (a) Tobacco.
- (b) Spirits, beer, wine and British wine.
- (c) Hydrocarbon oils.
- (d) All other duties (including purchase tax).

*Hydrocarbon Oil.*—It is proposed to relieve from hydrocarbon oil duty oils which are used as ingredients, as solvents, or for similar purposes in industrial processes. This relief will extend also to hydrocarbon oils contained as ingredients in imported composite goods.

It is also proposed to reduce the rate of duty chargeable on certain light oils which are used as fuel in furnaces from 2s. 9d. a gallon or 1s. 6d. a gallon to 2d. a gallon.

These changes will take effect from 1st September, 1964.

*Beer.*—It is proposed to abolish, from 15th April, 1964, the duties on black beer of an original gravity of 1,200 degrees or more\*.

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\* This product will then become chargeable with purchase tax at the rate of 15 per cent of the wholesale value.

TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*  
 CUSTOMS AND EXCISE—*continued*

## CUSTOMS

*Tobacco, spirits, beer and wine.*—It is proposed to increase, from 15th April, 1964, the duties on imported tobacco, spirits (other than perfumed spirits), beer (other than black beer) and wine. It is also proposed, in the case of manufactured tobacco, spirits (other than perfumed spirits) and beer (other than black beer), imported from countries of the European Free Trade Association to modify the increased rates of duty in order to conform with the terms of the Convention of the Association; and to apply these modified rates, as appropriate, to imports of cigars, spirits (other than perfumed spirits) and beer (other than black beer) from other foreign countries and from the Commonwealth. The existing duties and the proposed duties are shown in the following table:

	Existing duties			Proposed duties		
	Full rate	Commonwealth Preference rate	E.F.T.A. rate	Full rate	Commonwealth Preference rate	E.F.T.A. rate
	£ s. d. per lb.	£ s. d. per lb.	£ s. d. per lb.	£ s. d. per lb.	£ s. d. per lb.	£ s. d. per lb.
<b>TOBACCO—</b>						
<b>Tobacco, unmanufactured—</b>						
Containing 10 per cent or more moisture ...	3 10 10½	3 9 4	} There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable	3 17 4½	3 15 10	} There are no separate E.F.T.A. rates; the full rates of duty are therefore chargeable
Containing less than 10 per cent moisture ...	3 11 10½	3 10 2		3 18 4½	3 16 8	
<b>Tobacco, manufactured—</b>						
Cigars ...	4 0 9½	3 17 10½	3 17 10½	4 6 3	4 3 3½	4 3 3½
Cigarettes ...	3 16 4½	3 14 0	3 14 0	4 2 10½	4 0 6	3 18 6
<b>Cavendish or Negrohead—</b>						
Manufactured in bond ...	3 13 4½	3 11 5	3 13 4½	3 19 10½	3 17 11	3 19 10½
Other ...	3 15 4½	3 13 1½	3 13 1½	4 1 10½	3 19 7½	3 19 7½
Other manufactured tobacco ...	3 13 7½	3 11 8	3 11 8	4 0 1½	3 18 2	3 17 4½
<b>Snuff and snuff work—</b>						
Containing more than 13 per cent moisture ...	3 12 10½	3 11 0¾	3 11 0¾	} 4 0 7½	3 18 7	3 18 4½
Containing not more than 13 per cent moisture ...	3 15 4½	3 13 1½	3 13 1½			

table continued overleaf

TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*CUSTOMS—*continued*

	Existing duties			Proposed duties		
	Full rate	Commonwealth Preference rate	E.F.T.A. rate	Full rate	Commonwealth Preference rate	E.F.T.A. rate
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<b>SPIRITS (other than perfumed spirits)—</b>						
(a) not being comprised below ...	per proof gallon			per proof gallon		
(b) liqueurs, cordials, mixtures and other preparations in bottle, entered in such manner as to indicate that the strength is not to be tested ...	11 14 9	11 12 3	11 12 3	13 0 0	12 17 6	12 17 6
	per liquid gallon			per liquid gallon		
	15 17 0	15 13 8	15 13 8	17 11 0	17 7 6	17 7 6
In the case of spirits warehoused for less than 3 years, the above rates of duty are increased respectively by 1s. 6d. a proof gallon and by 2s. 0d. a liquid gallon.						
(c) mixtures, compounds or preparations for medical purposes, containing spirits—						
(i) in bottle, entered in such manner as to indicate that the strength is not to be tested ...	per liquid gallon			per liquid gallon		
	1 0 4	1 0 4	1 0 4	1 0 0	1 0 0	1 0 0
	per proof gallon			per proof gallon		
(ii) other ...	15 1	15 1	15 1	14 9	14 9	14 9



TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*CUSTOMS—*continued*

	Existing duties			Proposed duties		
	Full rate	Commonwealth Preference rate	E.F.T.A. rate	Full rate	Commonwealth Preference rate	E.F.T.A. rate
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<b>BEER</b> (other than black beer of gravity of 1,200 degrees or more)—	per 36 gallons			per 36 gallons		
1,030 degrees or less	7 3 5*	6 3 5*	6 3 5*	8 7 2	7 7 2	7 7 2
Additional for each degree over 1,030 degrees ...	7 3½	7 3½	7 3½	7 3½	7 3½	7 3½
	* Subject in each case to an additional duty of 10d. per 36 gallons of any gravity, consequential on the hops duty.					
<b>WINE</b>	per gallon			per gallon		
Light wine†—	per gallon			per gallon		
Still—						
Not in bottle ...	14 0	12 0	} There are no separate E. F. T. A. rates; the full rates of duty are therefore chargeable	15 6	13 6	} There are no separate E. F. T. A. rates; the full rates of duty are therefore chargeable
In bottle ...	16 6	13 6		18 0	15 0	
Sparkling ...	1 6 6	1 4 6		1 8 0	1 6 0	
Heavy wine†—						
Still—			} There are no separate E. F. T. A. rates; the full rates of duty are therefore chargeable			} There are no separate E. F. T. A. rates; the full rates of duty are therefore chargeable
Not in bottle ...	1 7 6	17 6		1 10 6	1 0 6	
In bottle ...	1 10 0	19 0		1 13 0	1 2 0	
Sparkling ...	2 0 0	1 10 0	2 3 0	1 13 0		
For each degree or fraction of a degree above 42 degrees an additional ...	2 2	1 4	2 6	1 8		

† Light wine means wine not exceeding 27 degrees proof spirit in the case of wine entitled to Commonwealth preference rates of duty or 25 degrees in the case of other wine. Heavy wine means wine exceeding these limits.

*Ships' stores.*—It is proposed to provide for extension of the powers of the Commissioners of Customs and Excise in relation to duty-free stores for ships and aircraft so as to allow reasonable quantities of goods for sale to passengers.

TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*  
 CUSTOMS AND EXCISE—*continued*

## EXCISE

*Tobacco, spirits, beer and British wine.*—It is proposed to increase, from 15th April, 1964, the Excise duties on tobacco, spirits, beer (other than black beer) and British wine. The existing duties and the proposed duties are as follows:

	Existing duties			Proposed duties		
	£	s.	d.	£	s.	d.
<b>TOBACCO</b>						
Tobacco, unmanufactured—						
Containing 10 per cent or more moisture... ..	3	9	2	3	15	8
Containing less than 10 per cent moisture ... ..	3	10	0	3	16	6
Tobacco, manufactured—						
Cavendish or Negrohead manufactured in bond ... ..	3	11	5	3	17	11
			per proof gallon			per proof gallon
<b>SPIRITS</b> ... ..	11	11	11	12	17	6
<p>In the case of spirits warehoused for less than 3 years, the above rates of duty are increased by 1s. 6d. a proof gallon.</p>						
			per 36 gallons			per 36 gallons
<b>BEER</b> (other than black beer of a gravity of 1,200 degrees or more)						
1,030 degrees or less ... ..	6	3	0	7	7	0
Additional for each degree over 1,030 degrees ... ..		7	3½		7	3½
<b>BRITISH WINE</b>			per gallon			per gallon
Still ... ..			11 6			13 0
Sparkling ... ..			17 6			19 0

*Betting.*—It is proposed to reduce to 25 per cent the duty on football pool betting and other forms of pool betting which are at present subject to the rate of 33 per cent, and to extend the scope of the duty to coupon betting at fixed odds. It is also proposed to reduce the duty on pool betting at totalisators on dog tracks from 10 per cent to 5 per cent and to reduce by half the rates of licence duty payable by bookmakers operating at such tracks. It is also proposed to take powers to include as part of the stake money certain payments which at present escape duty. These changes will apply to transactions covering events taking place on or after 3rd August, 1964.

*Hydrocarbon Oil.*—It is proposed to abolish the Excise preference of 1s. 3d. a gallon for light oils and heavy oils used as road fuel and the related allowance for Excise oils used in a refinery. The Excise duty of 1s. 6d. a gallon will be increased to 2s. 9d. a gallon, the rate applicable to imported oils. It is also proposed to increase the duty on petrol substitutes from 1s. 6d. a gallon to 2s. 9d. a gallon.

These changes will take effect from 1st January, 1965.

*Television Advertisement Duty.*—It is proposed to repeal, from 30th July, 1964, the duty charged on television advertisements.\*

## MOTOR VEHICLE DUTIES

It is proposed to exempt from vehicle excise duty mechanically propelled vehicles which have been adapted at public expense for use by invalids.

\* From this date additional rental payments are due to be made by independent television programme contractors under Section 7 of the Television Act, 1963.

TABLE XI.—ESTIMATED EFFECT OF CHANGES IN TAXATION AND OTHER REVENUE  
£ million

	Estimate for 1964-65	Estimate for a full year
<b>INLAND REVENUE</b>		
<i>Income Tax and Profits Tax—</i>		
Taxation of surpluses from mutual trading ...	+ 3	+ 5*
<b>CUSTOMS AND EXCISE</b>		
<i>Customs and Excise</i>		
<i>Hydrocarbon oil—</i>		
Relief for certain industrial oils ... ..	- 5½	- 10
Light oils used as fuel in furnaces ... ..	Negligible	Negligible
Black beer ... ..	Negligible	Negligible
<b>TOTAL</b> ... ..	<b>- 5½</b>	<b>- 10</b>
<i>Customs†</i>		
Tobacco ... ..	+ 53	+ 55
Spirits ... ..	+ 3¾	+ 3¾
Beer ... ..	+ 1½	+ 1½
Wine ... ..	+ 2½	+ 2½
<b>TOTAL CUSTOMS</b> ... ..	<b>+ 60½</b>	<b>+ 62¾</b>
<i>Excise</i>		
Tobacco ... ..	Negligible	Negligible
Spirits ... ..	+ 12¾	+ 13¼
Beer ... ..	+ 24	+ 27½
British wine ... ..	+ ¼	+ ¼
Betting ... ..	+ 2½	+ 2½
Hydrocarbon oil ... ..	+ 1¾	+ 7½
Television advertisement ... ..	- 5	- 8
<b>TOTAL EXCISE</b> ... ..	<b>+ 36¼</b>	<b>+ 43</b>
<b>TOTAL CUSTOMS AND EXCISE</b> ... ..	<b>+ 91¼</b>	<b>+ 95¾</b>
<b>MOTOR VEHICLE DUTIES</b>		
Vehicles adapted for invalids ... ..	Negligible	Negligible
<b>MISCELLANEOUS REVENUE</b>		
Additional rental payments under Section 7 of the Television Act, 1963 ... ..	+ 9	+ 15
<b>Total</b> ... ..	<b>+ 103¼</b>	<b>+ 115¾</b>

\* Including £1 million for profits tax.

† The reductions in E.F.T.A. Convention rates of duty for tobacco, spirits and beer, and the consequential changes in certain full and Commonwealth preference rates, will reduce receipts of the duties concerned by about £200,000 a year in all. The reductions, which have been taken into account in the figures given in the above Table, are too small to be shown in detail for individual heads of duty.

## ESTIMATES, 1964-65

TABLE XII.—INLAND REVENUE

After Budget changes

£ million

Head of Revenue	1963-64		1964-65 Estimate
	Budget Estimate	Outturn	
Income Tax ... ..	2,789	2,745	3,043
Surtax ... ..	190	178	195
Death Duties ... ..	279	310	310
Stamp Duties ... ..	73	88	75
Profits Tax, Excess Profits Tax and Excess Profits Levy ... ..	398	391	415
<b>Total Inland Revenue ... ..</b>	<b>3,729</b>	<b>3,712</b>	<b>4,038</b>

## ESTIMATES, 1964-65

TABLE XIII.—CUSTOMS AND EXCISE REVENUE  
After Budget changes

							£ million		
Head of Duty							1963-64		1964-65 Estimate
							Budget Estimate	Receipts (provisional)	
Tobacco	...	...	...	...	...	C	900	892	958
Purchase Tax	...	...	...	...	...	E	545	565	605
Oil	...	...	...	...	...	C	580	582	610
Oil, &c.	...	...	...	...	...	E	10	10	11
Total Oil, &c.	...	...	...	...	...		590	592	621
Spirits	...	...	...	...	...	C	44	45	50
	...	...	...	...	...	E	146	161	176
Total Spirits	...	...	...	...	...		190	206	226
Beer	...	...	...	...	...	C	13	13	15
	...	...	...	...	...	E	249	250	276
Total Beer	...	...	...	...	...		262	263	291
Wine	...	...	...	...	...	C	24	25	29
British Wine	...	...	...	...	...	E	5	5	5
Betting	...	...	...	...	...	E	37	33	36
Television Licence	...	...	...	...	...	E	5	5	—
Television Advertisement	...	...	...	...	...	E	8	8	3
Matches and Mechanical Lighters	...	...	...	...	...	C	4	4	4
	...	...	...	...	...	E	8	7	7
Total Matches, &c.	...	...	...	...	...		12	11	11
Import Duties Act, 1958	...	...	...	...	...	C	153	163	165
Other duties, deposits and receipts	...	...	...	...	...	...C & E	1	— 2	1
Total Revenue	...	...	...	...	...	Customs Excise	1,718 1,014	1,723 1,043	1,831 1,120
TOTAL	...	...	...	...	...		2,732	2,766	2,951

## ESTIMATES, 1964-65

## TABLE XIV.—SUMMARY

After Budget changes

£ million

	1963-64		1964-65		1963-64		1964-65
	Budget Estimate	Outturn			Budget Estimate	Outturn	
<b>Revenue</b>				<b>Expenditure</b>			
Inland Revenue ...	3,729	3,712	4,038	Consolidated Fund Services	790	817	839
Customs and Excise ...	2,732	2,766	2,951	Supply: Defence Budget ...	1,838	1,789	1,999
Motor Duties ...	160	171	180	Civil ...	4,301	4,211	4,550
Total Tax Revenue...	6,621	6,649	7,169	Total Supply ...	6,139	6,000	6,549
Other Revenue ...	218	241	286	<b>Total Expenditure ...</b>	<b>6,929</b>	<b>6,817</b>	<b>7,388</b>
<b>Total Revenue ...</b>	<b>6,839</b>	<b>6,890</b>	<b>7,455</b>	<b>Surplus ...</b>	<b>—</b>	<b>73</b>	<b>67</b>
<b>Deficit ...</b>	<b>90</b>	<b>—</b>	<b>—</b>				
	<b>6,929</b>	<b>6,890</b>	<b>7,455</b>		<b>6,929</b>	<b>6,890</b>	<b>7,455</b>
<b>BELOW THE LINE</b>				<b>BELOW THE LINE</b>			
<b>Total Receipts ...</b>	<b>595</b>	<b>609</b>	<b>702</b>	<b>Total Payments... ...</b>	<b>1,192</b>	<b>1,160</b>	<b>1,560</b>
<b>Net Payments ...</b>	<b>597</b>	<b>551</b>	<b>858</b>				
	<b>1,192</b>	<b>1,160</b>	<b>1,560</b>				

	1963-64		1964-65
	Budget Estimate	Outturn	
<b>Above the line:</b>			
<b>Surplus ...</b>	<b>—</b>	<b>73</b>	<b>67</b>
<b>Deficit ...</b>	<b>90</b>	<b>—</b>	<b>—</b>
<b>Below the line:</b>			
<b>Net Payments ...</b>	<b>597</b>	<b>551</b>	<b>858</b>
<b>Borrowing requirement ...</b>	<b>687</b>	<b>478</b>	<b>791</b>



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