

Finance Bill.

ARRANGEMENT OF CLAUSES.

PART I.

CUSTOMS AND EXCISE.

Clause.

1. Increased duties and drawbacks on tobacco.
2. Increased duties and drawbacks on sugar, molasses, glucose and saccharin.
3. Duties on photographic plates and film.
4. Amendment of s. 7 of Finance Act, 1935.
5. Beer (priming and colouring solutions).
6. Reduction of entertainments duty on stage plays, &c.
7. Repeal of medicine duties.
8. Provisions consequential on trade agreement with U.S.A.
9. Provisions for fulfilling agreement with India.
10. Increased excise duties on mechanically propelled vehicles.

PART II.

INCOME TAX.

11. Income tax for 1939-40.
12. Higher rates of income tax for 1938-39.
13. Amendments, in relation to inter-connected companies, of enactments referring to apportionments of income.
14. Apportionment of income under s. 21 of Finance Act, 1922, to be automatic in the case of certain investment companies.
15. Extended powers as to apportionment of income of investment companies.
16. Additional powers of Special Commissioners to obtain information for purposes of s. 21 of Finance Act, 1922.
17. Explanation and amendment of paragraph 6 of Second Schedule to the Finance Act, 1936.
18. Power to obtain information as to income from securities.
19. Information as to payments to employees and others.

[Bill 126]

A

PART III.

ESTATE DUTY.

Clause.

20. Increased rates of Estate duty.
21. Estate duty on certain interests arising on death.
22. Exclusion of certain debts, &c., from deduction in valuing for estate duty.

PART IV.

NATIONAL DEBT.

23. Provisions as to permanent annual charge for the National Debt.
24. Amendment as to deficit for 1938-39.
25. Payment into Exchequer out of unclaimed dividends account.
26. Provisions as to Government stock.

PART V.

MISCELLANEOUS.

27. Amendment of paragraph 2 (1) of Fourth Schedule to Finance Act, 1937.
28. Composition for stamp duties in the case of colonial stock, &c.
29. Short title, construction and extent.

SCHEDULES :

First Schedule—Tobacco.

Part I.—Customs duties.

Part II.—Excise duties.

Part III.—Drawback.

Second Schedule—Sugar, &c.

Part I.—Full rates of Customs duty and amounts of general preferential reductions.

Part II.—Rates of Customs duty on certified Colonial sugar.

Part III.—Rates of Excise duty on sugar, molasses, &c.

Part IV.—Rates of drawback.

Third Schedule—Provision as to duties, drawbacks and rebates on photographic plates and film.

Fourth Schedule—Duty on licences for premises used for the addition of priming and colouring solutions to beer.

Fifth Schedule—Reduced rates of entertainments duty in case of certain entertainments.

Sixth Schedule—Repeal of enactments relating to Medicine Stamp duties.

Seventh Schedule—Duties on certain preserved fruits.

Eighth Schedule—United Kingdom—India trade agreement.

Ninth Schedule—Amended rates of duty in the case of certain mechanically propelled vehicles.

Part I.—Paragraph to be substituted for paragraph 1 of the Second Schedule to the Finance Act, 1920.

Part II.—Paragraph to be substituted for paragraph 6 of the Second Schedule to the Finance Act, 1920.

A

B I L L

TO

Grant certain duties of Customs and Inland Revenue (including Excise), to alter other duties, and to amend the law relating to Customs and Inland Revenue (including Excise) and the National Debt, and to make further provision in connection with finance. A.D. 1939.

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and grant unto Your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

15

PART I.

CUSTOMS AND EXCISE.

1.—(1) As from the commencement of this section, in lieu of the customs duties theretofore payable on tobacco there shall, subject to the provisions of section eight of the Finance Act, 1919, be charged on tobacco imported into the United Kingdom the duties specified in Part I of the First Schedule to this Act.

Increased duties and drawbacks on tobacco. 9 & 10 Geo. 5. c. 32.

[Bill 126]

A 3

- A.D. 1939. (2) As from the commencement of this section
 there shall, in lieu of the excise duties theretofore payable
 on tobacco, be charged on tobacco grown in the United
 Kingdom the duties specified in Part II of the First
 Schedule to this Act. 5
- PART I.
 —cont.
- 26 & 27 Vict.
 c. 7. (3) The drawback allowed under section one of the
 Manufactured Tobacco Act, 1863, on tobacco exported
 from the United Kingdom or deposited in a bonded or
 King's warehouse shall, in cases where it is shown that
 the duties charged by this section have been paid, be 10
 allowed at the rates set out in Part III of the First
 Schedule to this Act instead of at the rates set out in
 Part III of the First Schedule to the Finance (No. 2)
 Act, 1931, but subject to the provisions affecting allow-
 ance of drawback contained in the Schedule to the Finance 15
 Act, 1904.
- 21 & 22
 Geo. 5. c. 49.
 4 Edw. 7.
 c. 7. (4) This section shall be deemed to have had effect
 as from the twenty-sixth day of April, nineteen hundred
 and thirty-nine.
- Increased
 duties and
 drawbacks
 on sugar,
 molasses,
 glucose and
 saccharin. 2.—(1) As from the commencement of this section 20
 the duties of customs and excise on sugar, molasses,
 glucose and saccharin shall be charged in accordance
 with the following provisions—
- (a) Part I of the Second Schedule to this Act shall
 be substituted for Part I of the Second Schedule 25
 to the Finance Act, 1928 (which specifies the
 full rates of customs duty and the amounts of
 the general preferential reductions on sugar,
 molasses, glucose and saccharin);
- (b) Part II of the Second Schedule to this Act shall 30
 be substituted for Part I of the First Schedule
 to the Finance Act, 1934 (which specifies the
 rates of customs duty on certificated colonial
 sugar), and any certificates issued under section
 one of that Act (whether before or after the com- 35
 mencement of this section) shall have effect
 accordingly;
- (c) Part III of the Second Schedule to this Act
 shall be substituted for the Second Schedule 40
 to the Finance Act, 1932 (which specifies the
 rates of excise duty on sugar, molasses, glucose
 and saccharin).
- 18 & 19
 Geo. 5. c. 17.
- 24 & 25
 Geo. 5. c. 32.
- 22 & 23
 Geo. 5. c. 25.

(2) As from the commencement of this section where a duty of customs or excise has been paid in respect of sugar, molasses, glucose or saccharin at the higher rates for which provision is made by the preceding provisions of this section, drawbacks shall be paid and allowances shall be made as if the Tables set out in Part IV of the Second Schedule to this Act were substituted for Table 1 and Table 2 in Part II of the Second Schedule to the Finance Act, 1928, and the scales of drawback set out in Part II of the First Schedule to the Finance Act, 1934, shall not apply.

A.D. 1939.

PART I.
—cont.

(3) This section shall be deemed to have had effect as from five o'clock in the evening on the twenty-fifth day of April, nineteen hundred and thirty-nine.

3.—(1) Subject to the provisions of this section, the rate of additional duty chargeable under section three of the Import Duties Act, 1932, on goods of any class or description specified in the first column of the Table in paragraph 1 of the Third Schedule to this Act shall, as from the twenty-sixth day of April, nineteen hundred and thirty-nine, be such as will, with the rate of the general ad valorem duty, amount to the rate specified in the second column of that Table in relation to goods of that class or description, and accordingly the Treasury orders mentioned in the said Schedule shall, as from that date, be amended in the manner there specified.

Duties on
photo-
graphic
plates and
film.
22 & 23
Geo. 5. c. 8.

(2) There shall be charged on all sensitised photographic plates and film manufactured in the United Kingdom on or after the first day of May, nineteen hundred and thirty-nine, other than X-ray plates and film, a duty of excise at the rate of fourpence halfpenny per square foot, and, subject to the provisions of this section, the provisions of the Second Schedule to the Import Duties Act, 1932, and of section nine of the Finance Act, 1932 (which relate to customs drawbacks of duties chargeable under Part I of the Import Duties Act, 1932, and of any enactment relating to the variation or revocation of orders and schemes under the said Schedule and the said section, shall apply in relation to the duty of excise imposed by this subsection as they apply in relation to the said duties.

(3) Any orders made within three months from the passing of this Act under the said Second Schedule in

A.D. 1939

PART I.
—cont.

relation to the duties of customs and the duties of excise respectively chargeable by virtue of this section, and any schemes approved under the said section nine within the said three months in relation to those duties respectively, may be made or approved so as to have effect as from such date before the passing of this Act, but not earlier than—

(a) in relation to customs duties, the twenty-sixth day of April, nineteen hundred and thirty-nine, and

(b) in relation to excise duties, the first day of May, nineteen hundred and thirty-nine,

as may be specified therein.

(4) There shall, as from the first day of May, nineteen hundred and thirty-nine, be charged in respect of every licence to be taken out annually by a manufacturer of sensitised photographic plates or film in the United Kingdom an excise duty of one pound.

(5) The provisions of the Third Schedule to this Act shall have effect in relation to the duties and drawbacks mentioned in the preceding provisions of this section and for the purpose of providing for the allowance of rebates of those duties in respect of wasted film, and any reference, in relation to duties of excise, in the preceding provisions of this section to the Second Schedule to the Import Duties Act, 1932, shall be construed as references to that Schedule as adapted by the provisions of the said Schedule to this Act.

Amendment
of s. 7 of
Finance
Act, 1935.
25 & 26
Geo. 5. c. 24.

4. Section seven of the Finance Act, 1935 (which provides for the exemption from customs duty of cinematograph films entitled to such exemption under the Convention for facilitating the international circulation of films of an educational character signed on behalf of His Majesty at Geneva on the eleventh day of October, nineteen hundred and thirty-three) shall have effect as if the functions conferred by that Convention on the International Educational Cinematographic Institute had been conferred on the Committee of the League of Nations known as the International Committee on Intellectual Co-operation.

5.—(1) Regulations made under section five of the Finance Act, 1935 (which relates to priming and colouring solutions) may, notwithstanding anything in any enactment, but subject to the provisions of this section and to
 5 such conditions as may be prescribed in the regulations, authorise a brewer for sale to add any such solutions to beer at premises other than premises entered by him for the brewing of beer or a bonded warehouse.

A.D. 1939.

PART I.

—cont.

Beer
(priming
and colour-
ing
solutions).

(2) No premises, other than premises so entered or
 10 a bonded warehouse, shall be used for the addition of such solutions as aforesaid in any licence year or part thereof, unless they are licensed for the purpose for that year or that part thereof in accordance with the regulations, and on the grant of any such licence in respect of
 15 any premises for any such year or part thereof, there shall be chargeable an excise duty in accordance with the Fourth Schedule to this Act.

(3) In this section and the said Schedule, the expression "licence year" means the twelve months
 20 ending on the thirtieth day of September.

6.—(1) As respects payments for admission to entertainments held on or after the third day of September, nineteen hundred and thirty-nine, entertainments duty within the meaning of the Finance (New Duties) Act,
 25 1916, shall be charged as if for the First Schedule to the Finance Act, 1935 (which specifies reduced rates for stage plays, &c.), there were substituted the Fifth Schedule to this Act.

Reduction
of entertain-
ments duty
on stage
plays, &c.
6 & 7 Geo. 5.
c. 11.

(2) Where duty has been charged on any payment
 30 for admission to an entertainment held on or after the said third day of September at the rate applicable to payments for admission to entertainments held before the said day, the person by whom the duty was paid shall be entitled to repayment of the difference, if any,
 35 between the amount of duty actually paid and the amount of duty chargeable on the payment by virtue of the provisions of this section.

7. As from the second day of September, nineteen hundred and thirty-nine, the duties of excise chargeable
 40 under the Medicines Stamp Act, 1802, the Stamp Act, 1804, and the Medicines Stamp Act, 1812, and any enactment amending those Acts upon—

Repeal of
of medicine
duties.
42 Geo. 3.
c. 56.
44 Geo. 3.
c. 73.
52 Geo. 3.
c. 150.

(a) the medicines liable to duty thereunder; and

A.D. 1939. (b) the licences to be taken out yearly by owners,
 — proprietors, makers and compounders of, and
 PART I. persons uttering, vending or exposing for sale or
 —cont. keeping ready for sale any such medicines;

shall cease to be charged, and accordingly the enactments 5
 specified in the Sixth Schedule to this Act shall, as
 from the said date, be repealed to the extent specified in
 the third column of that Schedule :

54 & 55 Vict. section nine of the Stamp Duties Management Act, 1891 10
 c. 38. (which contains provisions as to allowances for spoiled
 stamps) shall not come into operation until the second
 day of September, nineteen hundred and forty-one, and
 the said section shall have effect in relation to stamps 15
 rendered useless by the provisions of this section as if they
 had been inadvertently and undesignedly spoiled.

Provisions con- sequential on trade agreement with U.S.A. 22 & 23 Geo. 5. c. 53. **8.**—(1) So long as the trade agreement between the United Kingdom and the United States of America signed in Washington on the seventeenth day of November, nineteen hundred and thirty-eight, is in 20 operation, the Ottawa Agreements Act, 1932, shall have effect as if, in the table of duties in Part I of the Second Schedule thereto, there were inserted, after the entry relating to apples preserved in syrup, the entries con- 25 tained in the Seventh Schedule to this Act.

(2) So long as the said trade agreement is in operation, subsection (1) of section six of the Finance Act, 1934, (which imposes a fifteen per cent. ad valorem customs duty on patent leather) shall have effect as if—

(a) for the words “fifteen per cent.” where they 30 first occur, there were substituted the words “seven and a half per cent.”; and

(b) in the proviso (which excepts from the operation of the section goods which would apart from the operation thereof be chargeable with an addi- 35 tional duty which with the general ad valorem duty exceeds fifteen per cent. of the value of the goods) the words “if the aggregate amount of “the additional duty and the general ad 40 “valorem duty exceeds fifteen per cent. of “the value of the goods” were omitted.

(3) So much of the Ottawa Agreements Order, 1938, as relates to goods of the classes or descriptions specified in the Seventh Schedule to this Act shall cease to have effect.

A.D. 1939.

PART I.
—cont.

5 (4) This section shall be deemed to have had effect as from the twenty-sixth day of April, nineteen hundred and thirty-nine.

10 9.—(1) The following provisions of this section shall have effect with a view to the fulfilment of the agreement made on the twentieth day of March, nineteen hundred and thirty-nine, between His Majesty's Government in the United Kingdom and the Government of India, being the agreement set out in the Eighth Schedule to this Act. Provisions for fulfilling agreement with India.

15 (2) As from such date as the Treasury may by order declare to be the date on which it has been mutually agreed under Article 16 of the said Agreement that that Agreement should come into force the Ottawa Agreements Act, 1932, and any other enactment relating to customs 20 which amends or relates to that Act shall have effect as if the said Agreement were substituted for the Agreement set out in Part VI of the First Schedule to that Act.

25 (3) As from the said date or the fifteenth day of August, nineteen hundred and thirty-nine, whichever is the later—

30 (a) no drawback of duty shall be allowed under any scheme made before the said date under section nine of the Finance Act, 1932, in the case of goods manufactured in the United Kingdom and exported or shipped as stores therefrom, in respect of linseed used in the manufacture of the goods, unless the goods consist of linseed oil, unmixed;

35 (b) no drawback shall be allowed under any such scheme in the case of ground-nut oil (whether hydrogenated or not) manufactured in the United Kingdom and exported or shipped as stores therefrom, in respect of ground-nuts used in the manufacture of the oil.

40 (4) The Treasury may by order make such amendments in any such scheme as aforesaid as are necessary

A.D. 1939. to give effect to the provisions of this section, or, if it is necessary for that purpose, may revoke any such scheme.

PART I.
—cont.

(5) In this section the expression “linseed oil” includes linseed oil refined or heat-treated, or both refined and heat-treated, and the expression “unmixed,” 5 in relation to linseed oil, means not mixed with any substance other than driers.

Increased excise duties on mechanically propelled vehicles.
10 & 11
Geo. 5. c. 18.

10. As from the first day of January, nineteen hundred and forty, section thirteen of the Finance Act, 1920 (which imposes duties of excise in respect of 10 mechanically propelled vehicles) shall have effect as if the paragraphs set out in Parts I and II of the Ninth Schedule to this Act were respectively substituted for paragraphs 1 and 6 of the Second Schedule to that Act.

PART II.

15

INCOME TAX.

Income tax for 1939–40.

11.—(1) Income tax for the year 1939–40 shall be charged at the standard rate of five shillings and sixpence in the pound, and, in the case of an individual whose total income exceeds two thousand pounds, at 20 such higher rates in respect of the excess over two thousand pounds as Parliament may hereafter determine.

(2) All such enactments as had effect with respect to the income tax charged for the year 1938–39 shall have effect with respect to the income tax charged for the 25 year 1939–40.

Higher rates of income tax for 1938–39.

21 & 22
Geo. 5. c. 28.

12. Income tax for the year 1938–39 in respect of the excess of the total income of an individual over two thousand pounds shall be charged at rates in the pound which respectively exceed the standard rate by 30 the amounts specified in the second column of the Table in section six of the Finance Act, 1931 (as originally enacted) increased—

(a) in the case of an amount relating to any part of the first six thousand pounds of the excess, 35 by fifteen per cent. of that amount;

(b) in the case of any of the remaining amounts, by twenty per cent. of that amount.

- 13.—(1) For paragraph (c) of subsection (1) of section
 nineteen of the Finance Act, 1936 (which relates to the
 circumstances in which a company shall be deemed to
 be under the control of not more than five persons for
 5 the purposes of section twenty-one of the Finance Act,
 1922) there shall be substituted the following paragraph—
- “ (c) if,—
- (i) on the assumption that the company is a
 company to which the said section twenty-
 10 one applies; or
- (ii) on the assumption that the company and any
 other company or companies are companies
 to which the said section twenty-one applies,
 15 more than half of the income of the company
 (including any income which has been appor-
 tioned to it, or could on either of those assump-
 tions be apportioned to it, for the purposes of
 the said section twenty-one) could be appor-
 20 tioned for those purposes among not more than
 five persons.”
- (2) Subsection (3) of section fourteen of the Finance
 Act, 1937 (which enables apportionments under para-
 graph 8 of the First Schedule to the Finance Act, 1922,
 to be made in the case of investment companies, by
 25 reference to rights on winding up) shall apply to sub-
 apportionments of income apportioned to investment
 companies as well as to original apportionments under
 the said paragraph 8 and shall so apply to sub-appor-
 tionments notwithstanding that no direction has been given
 30 under subsection (1) of section twenty-one of the Finance
 Act, 1922.
- (3) Subject to the last preceding subsection and
 to any other express provision of this Act, any reference
 in any enactment to apportioning income under or for
 35 the purposes of the provisions, or any specified pro-
 visions, of the said section twenty-one or of the
 said First Schedule shall be construed as a reference
 not only to apportioning by means of an original appor-
 tionment but also to apportioning by means of an
 40 original apportionment together with one or more sub-
 apportionments or series of sub-apportionments, and in
 ascertaining under paragraph (c) of subsection (1) of

A.D. 1939.

PART II.

—cont.

Amend-
 ments, in
 relation to
 inter-
 connected
 companies,
 of enact-
 ments
 referring to
 apportion-
 ments of
 income.
 26 Geo. 5 &
 1 Edw. 8.
 c. 34.
 12 & 13
 Geo. 5. c. 17.

1 Edw. 8 &
 1. Geo. 6.
 c. 54.

A.D. 1939. section nineteen of the Finance Act, 1936, whether or not
 — income could be apportioned among not more than five
 PART II. persons, account shall, in cases where an original appor-
 —cont. tionment and any sub-apportionment are involved, be
 taken only of persons to whom income could be finally 5
 apportioned as the result of the whole process of original
 apportionment and sub-apportionment.

(4) In this section the expression “sub-apportion-
 ment” means such an apportionment of income as is
 17 & 18 provided for by section thirty-two of the Finance Act, 10
 Geo. 5. c. 10. 1927 (which applies the said section twenty-one to inter-
 connected companies) and the expression “original
 apportionment” has the same meaning as in the said
 section thirty-two.

(5) The provisions of this section shall have effect 15
 for the purposes of assessments for the year 1936–37 and
 subsequent years, and shall so have effect in the case of all
 persons notwithstanding that the liabilities of those
 persons to tax have been finally determined in whole or in
 part before the passing of this Act, and notwithstanding 20
 that all or any of the relevant powers of the Special
 Commissioners have, by virtue of something done or
 omitted to be done before the passing of this Act,
 ceased to be exercisable; and for the purpose of
 ensuring that all assessments are made in accordance 25
 with the said provisions, the Special Commissioners
 shall have power to give such directions, make and
 amend such apportionments, issue such notices, and
 make and amend such assessments and make such
 additional assessments, as they think proper, notwith- 30
 standing any such determination or cessation as aforesaid.

Apportion-
 ment of
 income
 under s. 21
 of Finance
 Act, 1922,
 to be
 automatic
 in the case
 of certain
 investment
 companies.

14.—(1) Subject to the provisions of this section
 with respect to companies with estate or trading income,
 the whole of the actual income from all sources, for every 35
 year of assessment, of every investment company to
 which section twenty-one of the Finance Act, 1922, applies
 shall, however much or however little thereof has
 been distributed to its members, be deemed for the pur-
 poses of assessment to surtax to be the income of the
 members of the company, and accordingly the Special 40
 Commissioners shall give a direction under subsection (1)
 of the said section twenty-one, in respect of each

year of assessment in relation to every such company without considering whether or not the company has distributed a reasonable part of its said income.

A.D. 1939.

—
PART II.
—cont.

(2) The said section twenty-one and any provisions of this or any other Act relating thereto shall apply, with the necessary modifications, in cases in which directions are given by virtue of subsection (1) of this section as they apply in cases in which directions are given by virtue of section fourteen of the Finance Act, 1937, with respect to a year of assessment :

Provided that—

(a) no deduction shall be allowed in computing the actual income from all sources of the company which would not be allowable in computing the total income of an individual for the purposes of the Income Tax Acts ;

(b) paragraph 5 of the First Schedule to the Finance Act, 1922, and section eighteen of the Finance Act, 1928 (which restrict the powers of the Special Commissioners where statutory declarations or accounts are furnished to the Commissioners) shall not apply in cases in which directions may be given by virtue of subsection (1) of this section.

(3) The preceding provisions of this section shall not apply to an investment company the whole of the actual income whereof from all sources is estate or trading income.

(4) Where part only of the actual income from all sources of an investment company to which section twenty-one of the Finance Act, 1922, applies is estate or trading income, the provisions of the said section twenty-one and any provisions of this or any other Act relating thereto shall have effect as follows :—

(a) in the first place, they shall have effect as if such part of the actual income from all sources of the company as is not estate or trading income were the whole of the income of the company, and directions shall be given by virtue of subsection (1) of this section accordingly as respects that part ;

A.D. 1939.

PART II.

—*cont.*

(b) in the second place and separately (but without prejudice to the treatment of the company as an investment company for the purposes of the said provisions), they shall have effect as if such part of the actual income from all sources of the company as consists of estate or trading income were the whole of the income of the company, and, if the circumstances warrant that course, directions may be given accordingly as respects that part otherwise than by virtue of the said subsection (1) :

Provided that—

(i) any income distributed by such a company to its members in such manner that the amount distributed falls to be included in the statements to be made by the members of their total income for the purposes of surtax shall, to the extent of the actual income from all sources of the company other than estate or trading income, be deemed for all purposes to have been distributed out of that other income and not out of the estate or trading income, and be left out of account accordingly in considering whether a reasonable part of the estate or trading income has been so distributed ;

(ii) subject as aforesaid, any outgoings of the company of such a nature as to be capable of being taken into account in computing the amount of the actual estate or trading income of the company, in considering whether the company has so distributed a reasonable part of its estate or trading income, or in computing the amount of the actual income from all sources of the company other than estate or trading income, shall be treated as attributable to the estate or trading income or to the income other than estate or trading income, as the case may be, only to the extent that the Special Commissioners consider appropriate.

(5) The preceding provisions of this section shall not, in the case of any company, apply in relation to any period after an order has been made or a resolution

passed for the winding-up thereof, and the period elapsing between the end of the last year of assessment and the making of the order or passing of the resolution shall, for the purposes of subsection (1) of this section, be
5 treated as if it were a year of assessment.

A.D. 1939,

PART II.
—cont.

(6) In this section the expression “ estate or trading income ” means income chargeable to income tax under Schedule A or Schedule B, and income which is not investment income within the meaning of section twenty
10 of the Finance Act, 1936.

(7) The preceding provisions of this section shall apply for the purposes of assessment to surtax for the year 1938–39 and subsequent years, and where a direction has been given in relation to a company by virtue of
15 subsection (1) of this section in respect of the whole or any part of the year 1938–39, the Special Commissioners may, for the purposes of assessment to surtax for the year 1937–38, treat the period—

(a) beginning with the end of the last year or other
20 period ending before the fifth day of April, nineteen hundred and thirty-eight, for which accounts of the company have been made up; and

(b) ending with the said fifth day of April, nineteen
25 hundred and thirty-eight;

as if it were a period for which accounts of the company have been made up, or, if they think fit, as if it were a year of assessment for the purposes of subsection (2) of section fourteen of the Finance Act, 1937.

30 **15.**—(1) If in the case of any investment company the Special Commissioners are of opinion that any person who is not a member of the company for the purposes of section twenty-one of the Finance Act, 1922, and the enactments relating thereto is, or is likely to be, able
35 to secure that income or assets, whether present or future, of the company will be applied either directly or indirectly for his benefit, they may, if they think fit, treat him as a member of the company for the said purposes.

Extended powers as to apportionment of income of investment companies.

A.D. 1939.
 PART II.
 —cont.

(2) In apportioning for the purposes of the said section twenty-one the income of an investment company—

- (a) to any person who is treated as a member of the company by virtue of the preceding subsection; 5
or
- (b) to any person who is a member of the company but has no relevant interests in the company, and in their opinion is, or is likely to be, able to secure that income or assets, whether present 10
or future, of the company will be applied either directly or indirectly for his benefit; or
- (c) to any person who is a member of the company and in their opinion is, or is likely to be, able to secure that income or assets, whether present 15
or future, of the company will be applied either directly or indirectly for his benefit to a greater extent than is represented in the value for apportionment purposes of his relevant interests in the company, considered in relation to the 20
value for those purposes of the relevant interests of other persons therein;

the Special Commissioners may apportion to him such part of the income of the company as appears to them to be appropriate and may adjust the apportionment of 25
the remainder of the company's income as they may consider necessary.

(3) For the purposes of this section, a person shall be deemed to be able to secure that income or assets will be applied for his benefit if he is in fact able so to do 30
by any means whatsoever, whether he has any rights at law or in equity in that behalf or not, and in particular (but without prejudice to the generality of the foregoing words), in considering whether or not a person is, or is likely to be, able to secure that income or assets will 35
be applied for his benefit, regard shall be had—

- (a) to the question whether or not the persons who, whether as directors or shareholders or in any other capacity have, or will at any material time have, powers or rights affecting the disposal 40

or application of the income or assets, are likely to act in accordance with his wishes; and

(b) to the question whether he is able to secure that persons who at the material times will have such powers or rights will be persons likely to act in accordance with his wishes;

5

and the Special Commissioners may, if they are satisfied that he has, directly or indirectly, transferred assets to the company the value of which is not represented, or is not adequately represented, in the value for apportionment purposes of any relevant interests which he has in the company, draw the inference that he is likely to be able to secure that the assets or income of the company will be applied for his benefit, or, as the case may be, will be so applied to a greater extent than is represented in the value for apportionment purposes of any relevant interests which he has in the company.

(4) Where the Special Commissioners have, under the provisions of this section, apportioned income of a company for any year or period, and the amount apportioned to any member is less than the amount of income distributed to that member by the company in respect of the said year or period in such manner that the amount distributed would, apart from this subsection, fall to be included in the statement of total income to be made by that member for the purposes of surtax, the excess of the amount so distributed over the amount apportioned to that member shall be deemed not to form part of the member's total income from all sources for tax purposes :

Provided that where notice of appeal is given against the apportionment, the reference in this subsection to the amount apportioned to the member shall be construed as a reference to the amount apportioned to him on the final determination of the appeal.

(5) The provisions of paragraphs 1 to 3 of the First Schedule to the Finance Act, 1922 (which relate to appeals), shall apply in relation to an apportionment made by the Special Commissioners under the provisions of this section as they apply in relation to a direction given by those Commissioners under section twenty-one of the said Act, and so much of paragraph 10 of the First Schedule to the said Act as relates to appeals shall not apply.

[126]

B 2

A.D. 1939.

—
PART II.
—cont.

A.D. 1939.

PART II.
—cont.

(6) For the purposes of this section—

- (a) references to a person shall, in the case of an individual, be deemed to include the wife or husband of the individual;
- (b) the expression “ assets ” includes property or rights of any kind, and the expression “ transfer,” in relation to rights, includes the creation of those rights;
- (c) the expression “ relevant interests ” means, in relation to a person connected in any way with a company, interests by reference to which income of the company could be apportioned to him for the purposes of section twenty-one of the Finance Act, 1922, apart from the provisions of this section, and the expression “ value for apportionment purposes ” means, in relation to any relevant interests in any company, the value falling to be put thereon in apportioning income of the company for the purposes of the said section twenty-one;
- (d) references to apportioning income shall be construed as including references both to apportioning by means of original apportionments within the meaning of section thirty-two of the Finance Act, 1927 (which applies the said section twenty-one to interconnected companies) and to apportioning by means of any such apportionment as is provided for by the said section thirty-two.

(7) This section shall apply for the purpose of assessment to surtax for the year 1938-39 and subsequent years.

Additional powers of Special Commissioners to obtain information for purposes of s. 21 of Finance Act, 1922.

16.—(1) The Special Commissioners may by notice in writing require any investment company to which section twenty-one of the Finance Act, 1922, applies to furnish them within such time as may be specified in the notice with such particulars as they think necessary for the purposes of the said section twenty-one, or of any provisions of this or any other Act relating thereto.

(2) If any company to whom a notice is issued either under the foregoing subsection or under paragraph 4 of

the First Schedule to the Finance Act, 1922, fails, without reasonable excuse, to comply with the notice within the time specified therein, it shall be liable to a penalty not exceeding fifty pounds, and, after judgment has been
5 given for that penalty, to a further penalty of the like amount for every day during which the failure continues.

A.D. 1939.

—
PART II.
—cont.

17.—(1) It is hereby declared that the particulars which a person must furnish to the Special Commissioners under paragraph 6 of the Second Schedule to the Finance
10 Act, 1936 (which Schedule contains supplementary provisions as to the prevention of avoidance of income tax by transactions resulting in the transfer of income to persons abroad), if he is required by a notice from those
Commissioners so to do, include particulars—

Explanation and amendment of paragraph 6 of Second Schedule to the Finance Act, 1936.

15 (a) as to transactions with respect to which he is or was acting on behalf of others;

(b) as to transactions which in the opinion of the Commissioners it is proper that they should investigate for the purposes of section eighteen of the Finance Act, 1936, notwithstanding that in
20 the opinion of the person to whom the notice is given no liability to tax arises under the said section;

(c) as to whether the person to whom the notice is given has taken or is taking any, and, if so what, part in any, and if so what, transactions of a description specified in the notice.
25

(2) Notwithstanding anything in subsection (1) of this section a solicitor shall not, in relation to anything
30 done by him on behalf of a client, be compellable under the said paragraph 6, except with the consent of his client, to do more than state that he is or was acting on behalf of a client and give the name and address of his client and also,

(a) in the case of anything done in connection with the transfer of any asset by or to an individual ordinarily resident in the United Kingdom to or by any such body corporate as is hereinafter mentioned, or in connection with any associated
35 operation in relation to any such transfer, the
40

A.D. 1939.

PART II.
—cont.

- names and addresses of the transferor and the transferee, or of the persons concerned in the associated operations as the case may be;
- (b) in the case of anything done in connection with the formation or management of any such body corporate as is hereinafter mentioned, the name and address of the body corporate; 5
- (c) in the case of anything done in connection with the creation, or with the execution of the trusts, of any settlement by virtue or in consequence whereof income becomes payable to a person resident or domiciled out of the United Kingdom, the names and addresses of the settlor and of that person. 10

The bodies corporate mentioned in the preceding provisions of this subsection are bodies corporate resident or incorporated outside the United Kingdom which are, or, if they were incorporated in the United Kingdom, would be investment companies to which section twenty-one of the Finance Act, 1922, applies. 15 20

(3) For the purposes of this section—

- (a) the expressions “settlement” and “settlor” have the meanings assigned to them respectively by paragraph (b) of subsection (4) of section forty-one of the Finance Act, 1938; 25
- (b) the expression “investment company” has the same meaning as in section twenty of the Finance Act, 1936.

1 & 2 Geo. 6.
c. 46.Power to
obtain
information
as to income
from
securities.

18.—(1) The Special Commissioners may by notice in writing require— 30

- (a) any person being a registered or inscribed holder of any United Kingdom securities who, in the year 1939–40 or any subsequent year of assessment, has received on behalf of any other person any income arising from any such securities; or 35
- (b) any person by or through whom, in any such year of assessment, any income in respect of

United Kingdom securities has been paid in any case where— A.D. 1939.

PART II.
—cont.

5 (i) the registered or inscribed holder of the securities is not the person to whom the income was paid, or

(ii) the securities are bearer securities;

to furnish them within such time as may be specified in the notice (not being less than twenty-eight days) with particulars of the amounts so received or, as the case
10 may be, paid in that year (other than amounts received or paid in that year on behalf of or to any one person which do not exceed in the aggregate the sum of fifteen pounds), the securities to which those amounts respectively relate, and the names and addresses of the persons on
15 whose behalf or to whom those amounts were respectively received or paid.

(2) The Special Commissioners may similarly require any person who acts or has acted, directly or indirectly, as an intermediary or as one of a series of intermediaries
20 between any such person as is specified in paragraphs (a) or (b) of the preceding subsection and the person or persons beneficially entitled to the income in question to furnish such information as the Commissioners may require for the purpose of enabling them to ascertain the
25 names and addresses of the person or persons beneficially entitled to the income and the respective amounts to which those persons were beneficially entitled.

(3) The Special Commissioners may similarly require—

30 (a) any company which appears to them to be a company to which section twenty-one of the Finance Act, 1922, applies to furnish them with particulars of any bearer securities issued, whether before or after the passing of this Act,
35 by the company, and the names and addresses of the persons to whom the securities were issued and the respective amounts issued to each person;

40 (b) any person to whom securities were issued as aforesaid or to or through whom such securities were subsequently sold or transferred to furnish

[126]

B 4

A.D. 1939.

PART II.

—cont.

them with such further information as they may require with a view to enabling them to ascertain the names and addresses of the persons beneficially interested in the securities.

(4) If any person to whom the Special Commissioners 5
have given notice as aforesaid fails to comply with the notice within the time specified therein or such further time, if any, as those Commissioners may allow, he shall be liable to a penalty not exceeding fifty pounds and, after judgment has been given for that penalty, to a 10
further penalty of the like amount for every day during which the failure continues.

(5) Nothing in this section shall impose on any bank the obligation to disclose any particulars relating to income from securities in cases where the person beneficially entitled to the income is not resident in the United Kingdom. 15

(6) In this section—

(a) the expression “ securities ” includes shares, stocks, bonds, debentures and debenture 20
stock, and, in relation to a company to which subsection (3) of this section applies, also any promissory note or other instrument evidencing indebtedness issued to a person who is a loan creditor thereof; 25

(b) the expression “ United Kingdom securities ” means any securities issued by or on behalf of His Majesty’s Government in the United Kingdom or the Government of Northern Ireland and any securities of a body corporate incorporated in any part of the United Kingdom; 30

(c) the expression “ loan creditor ” has the same meaning as in section twenty of the Finance Act, 1936.

Information
as to pay-
ments to
employees
and others.
8 & 9 Geo. 5.
c. 40.

19.—(1) In section one hundred and five of the 35
Income Tax Act, 1918, (which requires employers to give particulars of payments made to certain employees) the references to payments made to persons in respect of their employment and to the remuneration of persons in their employment, shall be deemed to include references : 40

(a) to any payments made after the fifth day of April, nineteen hundred and thirty-eight, to employed persons in respect of expenses;

- (b) to any payments made after the said date on behalf of employed persons; and
- (c) to any payments made after the said date to the employees in a trade or business for services rendered in connection with the trade or business, whether the services were rendered in the course of their employment or not.

A.D. 1939.

PART II.
—cont.

(2) Every person carrying on a trade or a business, if required to do so by notice from a surveyor, shall within the time specified in the notice make and deliver to the surveyor a return of payments to which this subsection applies, made in the course of that trade or business or in connection with its formation, acquisition, development or disposal, during a year specified in the notice, giving the names and addresses of the individuals to whom the payments were made and the amounts of the respective payments; and the provisions of the Income Tax Acts with respect to the failure to deliver lists, declarations and statements in accordance with a particular or general notice shall apply to any such return:

Provided that no payments made to any individual shall be required to be included in any such return if the total amount of the payments to that individual in the year covered by the return does not exceed fifteen pounds.

The payments to which this subsection applies are payments made after the fifth day of April, nineteen hundred and thirty-eight, to any individual who is not an employee of the person making the return, being payments in the nature of a commission for services rendered.

PART III.

ESTATE DUTY.

20. In the case of persons dying after the twenty-fifth day of April, nineteen hundred and thirty-nine, the rates of Estate duty set out in the Second Schedule to the Finance Act, 1930, shall, so far as they relate to estates the principal value of which exceeds fifty thousand pounds, be increased, in the case of each rate, by one-tenth of the amount thereof:

Increased rates of Estate duty.
20 & 21
Geo. 5. c. 28.

A.D. 1939. —
 PART III.
 —cont.
 57 & 58 Vict.
 c. 30.

Provided that, where an interest in expectancy within the meaning of Part I of the Finance Act, 1894, in any property (other than property deemed to pass on a death by virtue of section thirty-five of the Finance Act, 1930) has, before the twenty-sixth day of April, 5 nineteen hundred and thirty-nine, been bona fide sold or mortgaged for full consideration in money or money's worth, then no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would have been payable if 10 this section had not passed, and in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

Estate
 duty on
 certain
 interests
 arising
 on death.

21.—(1) Paragraph (*d*) of subsection (1) of section two of the Finance Act, 1894, (which provides that 15 property passing on the death of a deceased person shall be deemed to include any annuity or other interest purchased or provided by the deceased) shall have effect in relation to an annuity or other interest that was purchased or provided wholly or in part by any person who 20 was at any time entitled to, or amongst whose resources there was at any time included, any property derived from the deceased, as if that annuity or other interest had been provided by the deceased, or, if it is proved to the satisfaction of the Commissioners that the application of all 25 the property derived from the deceased would have been insufficient to provide the whole of that annuity or other interest, as if a similar annuity or interest of an amount reduced to an extent proportionate to the insufficiency proved had been provided by the deceased: . 30

Provided that for the purpose of determining whether there would have been any such insufficiency as aforesaid, and the extent thereof, there shall be excluded from the property derived from the deceased any part thereof as to which it is proved to the satisfaction of 35 the Commissioners that the person aforesaid was not entitled thereto, and that it was not included amongst his resources, at the time of the purchase or provision of the annuity or other interest, and that the disposition of which it, or the property which it represented, was 40 the subject matter was not made with reference to, or with a view to enabling or facilitating, the purchase or

provision of the annuity or other interest, or the recoupment in any manner of the cost thereof.

A.D. 1939.

PART III.

—cont.

(2) For the purpose of section four of the Finance Act, 1894, the deceased shall be deemed to have had an interest in any property included by virtue of this section in the property passing on the death of the deceased.

(3) In this section the following expressions have the meanings hereby assigned to them respectively, that is to say—

- 10 (a) “property derived from the deceased” means
any property which was the subject matter
of a disposition made by the deceased, either
by himself alone or in concert or by arrangement
with any other person, otherwise than for full
15 consideration in money or money’s worth paid
to him for his own use or benefit, or which
represented any of the subject matter of such a
disposition whether directly or indirectly and
whether by virtue of one or more intermediate
20 dispositions and whether any such intermediate
disposition was or was not for full or partial
consideration;
- (b) “disposition” includes any trust, covenant,
agreement or arrangement; and
- 25 (c) “subject matter” includes, in relation to any
disposition, any annual or periodical payment
made or payable under or by virtue of the dis-
position.

(4) This section shall have effect only in the case
30 of a person dying after the twenty-fifth day of April,
nineteen hundred and thirty-nine.

22.—(1) Any allowance which, but for this provision, would be made under subsection (1) of section seven of the Finance Act, 1894, for a debt incurred by the deceased as mentioned in paragraph (a) of that subsection, or for an incumbrance created by a disposition made by the deceased as therein mentioned, shall be subject to abatement to an extent proportionate to the value of

Exclusion of certain debts, &c. from deduction in valuing for estate duty.

A.D. 1939. any of the consideration given therefor which consisted
of or included—

PART III.
—cont.

- (a) property derived from the deceased; or
(b) consideration not being such property as afore-
said, but given by any person who was at any 5
time entitled to, or amongst whose resources
there was at any time included, any property
derived from the deceased :

Provided that if, where the consideration given
consisted of or included such consideration as is mentioned 10
in paragraph (b) of this subsection, it is proved to the satis-
faction of the Commissioners that the value of that
consideration exceeded that which could have been
rendered available by application of all the property
derived from the deceased, other than such (if any) of that 15
property as is included in the consideration given or as
to which the like facts are proved in relation to the giving
of the consideration as are mentioned in the proviso to
subsection (1) of the last preceding section in relation to
the purchase or provision of an annuity or other interest, 20
no abatement shall be made in respect of the excess.

(2) Money or money's worth paid or applied by the
deceased in satisfaction or discharge of a debt or incum-
brance in the case of which subsection (1) of this section 25
would have had effect on his death if the debt or incum-
brance had not been satisfied or discharged, or in reduc-
tion of a debt or incumbrance in the case of which that
subsection has effect on his death, shall, unless so paid
or applied three years before the death, be treated as
property deemed to be included in the property passing 30
on the death by virtue of paragraph (c) of subsection (1)
of section two of the Finance Act, 1894, and Estate duty
shall, notwithstanding anything in section three of that
Act, be payable in respect thereof accordingly.

(3) The provisions of subsection (3) of the last pre- 35
ceding section shall have effect for the purpose of this
section as they have effect for the purpose of that section.

(4) This section shall have effect only in the case of a
person dying after the twenty-fifth day of April, nineteen 40
hundred and thirty-nine.

PART IV.

A.D. 1939.

NATIONAL DEBT.

23.—(1) The permanent annual charge for the National Debt for the financial year ending on the thirty-first day of March, nineteen hundred and forty, shall be the sum of two hundred and thirty million pounds instead of the sum of three hundred and fifty-five million pounds.

Provisions as to permanent annual charge for the National Debt.

(2) The Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under and for the purposes of subsection (1) of section one of the War Loan Act, 1919, for providing any sums required during the said financial year for the purposes mentioned in paragraph (a) or paragraph (b) of subsection (4) of section twenty-three of the Finance Act, 1928, and the amount required by the said subsection (4) to be issued from the permanent annual charge for the National Debt for the purposes aforesaid in that year shall be decreased by the amount raised under this subsection.

9 & 10 Geo. 5. c. 37.

(3) Any securities created and issued to raise money under the last preceding subsection shall be deemed for all purposes to have been created and issued under subsection (1) of section one of the War Loan Act, 1919.

24. No issue shall be made out of the Consolidated Fund under section forty-eight of the Finance Act, 1930 (which provides in the case of a deficit in any year for the redemption in the next year of a corresponding amount of debt) in respect of the deficit for the financial year ending with the thirty-first day of March, nineteen hundred and thirty-nine.

Amendment as to deficit for 1938-39.

25. The National Debt Commissioners shall, as and when the Treasury request, pay into the Exchequer out of their account of unclaimed dividends under Part VII of the National Debt Act, 1870, sums not exceeding in the whole one million five hundred thousand pounds, and may for that purpose sell any stock standing to the credit of that account.

Payment into Exchequer out of unclaimed dividends account. 33 & 34 Vict. c. 71.

26.—(1) At the end of subsection (1) of section thirty-seven of the Finance Act, 1917 (which enables regulations to be made for facilitating dealings with

Provisions as to Government stock. 7 & 8 Geo. 5. c. 31.

A.D. 1939. Government stock) there shall be inserted the following paragraph—

—
PART IV.
—cont.

“(j) for enabling, in the case of Government stock shown in the prescribed manner to be subject to a trust to which the law of Scotland applies, 5 anything required to be done in connection with the transference of the stock or the payment or accumulation of dividends thereon or the receipt or reinvestment of money payable on the redemption thereof to be done in accordance 10 with the law of Scotland, and appointments, resignations and removals of trustees to be evidenced in any manner which would be sufficient under the law of Scotland”.

(2) A warrant given by the Bank for the payment 15 of any cash bonus payable on behalf of His Majesty's Government in consideration of any offer made for the exchange of any Government stock shall be deemed to be a cheque within the meaning of the Bills of Exchange Act, 1882, and shall be exempt from stamp duty. 20

45 & 46 Vict.
c. 61.

(3) In the event of the redemption of any Government stock the books and the transfer by deed register of the Bank and the Post Office register may be closed for transfers of the stock for not more than one month immediately preceding the redemption date. 25

(4) In this section the expressions “Government stock” and “the Bank” have the same meaning as they have for the purposes of Part V of the Finance Act, 1921. 30

11 & 12
Geo. 5. c. 32.

PART V.

30

MISCELLANEOUS.

Amendment of paragraph 2 (1) of Fourth Schedule to Finance Act, 1937. 27.—(1) In considering for the purposes of sub-paragraph (1) of paragraph 2 of the Fourth Schedule to the Finance Act, 1937 (which allows losses sustained before the first of the relevant accounting periods to be 35 deducted in certain cases from profits which would otherwise be chargeable to national defence contribution) whether a person carrying on any such business as is

mentioned in sub-paragraph (a) of paragraph 7 of that Schedule has sustained any, and if so what, loss in the business before the beginning of the first of the relevant accounting periods (over and above any loss in respect of which relief has been given under any of the enactments referred to in subsection (1) of section thirty-three of the Finance Act, 1926) income received from investments or other property shall be taken into account notwithstanding that it has been separately charged to income tax by deduction or otherwise.

A.D. 1939.

PART V.
—cont.16 & 17
Geo. 5. c. 22.

(2) In this section the expression “relevant accounting period” has the same meaning as in paragraph 2. of the Fourth Schedule to the Finance Act, 1937, that is to say, an accounting period (as defined for the purposes of Part III of that Act) falling wholly or partly within the five years beginning on the sixth day of April, nineteen hundred and thirty-seven.

(3) The enactments relating to the national defence contribution shall be deemed always to have had effect as amended by this section.

28.—(1) Any Government which has issued stock to which this section applies may enter into an agreement with the Commissioners, if the Commissioners in their discretion think proper, providing—

Composition
for stamp
duties in
the case of
colonial
stock, &c.

(a) for the delivery by that Government to the Commissioners, immediately after the coming into effect of the agreement, and thereafter on each half-yearly date of an account showing, in relation to either all such stock as aforesaid, or such stock as may be specified in the agreement, the nominal amount of stock existing at the time of the delivery of the account;

(b) for the payment by the Government to the Commissioners on the occasion of the delivery of each such account, of the sum hereinafter mentioned by way of composition for the stamp duty which would otherwise be payable on transfers of the stock.

(2) The sum so payable shall, in the case of each account, be threepence for every one hundred pounds,

A.D. 1939. and any fraction of one hundred pounds, of the aggregate
nominal amount of stock included in the account :

—
PART V.
—cont.

Provided that in the case of the first account, the sum payable shall, unless the account is delivered on a half-yearly date, be reduced so as to bear to the sum 5 computed as aforesaid the same proportion as the number of days in the period beginning with the date of the delivery of the account and ending with the then current half year bears to the total number of days in that half year. 10

(3) Where such an account as aforesaid has been duly delivered and the composition paid, transfers of the stock included in the account, made on or after the date of the payment of the composition and before the end of the half year current when the account is delivered, shall 15 be exempt from stamp duty.

54 & 55 Vict.
c. 39.

(4) Section one hundred and fourteen of the Stamp Act, 1891 (which provides for the composition for stamp duty on stock), shall not apply in relation to any stock in respect of which an agreement under this section is 20 in force.

(5) This section applies to—

(a) any dominion or colonial stock transfers of which are chargeable with stamp duty under the heading in the First Schedule to the 25 Stamp Act, 1891, “Conveyance or Transfer, whether on sale or otherwise”;

(b) any other stock to which the Colonial Stock Acts, 1877 to 1900, as extended by any subsequent enactment, apply; and 30

(c) any guaranteed stock issued by the Government of any part of His Majesty’s dominions outside the United Kingdom, of any British protectorate or British protected state or of any territory in respect of which a mandate 35 on behalf of the League of Nations has been accepted by His Majesty.

(6) In this section, the following expressions have the meanings hereby assigned to them, that is to say :—

“the Commissioners” means the Commissioners of 40
Inland Revenue;

- “ half-yearly date ” means the first day of February or the first day of August in any year ;
- “ half year ” means a period of six months beginning with a half-yearly date ;
- 5 “ stock ” has the same meaning as in the Stamp Act, 1891 ;
- “ guaranteed stock ” means stock the principal of which, or the interest on which, is guaranteed by any Act of the Parliament of the United Kingdom or by the Treasury in pursuance of any such Act.
- 10

A.D. 1939.

PART V.
—cont.

29.—(1) This Act may be cited as the Finance Act, 1939.

(2) Part I of this Act, so far as it relates to duties of customs, shall be construed as one with the Customs Consolidation Act, 1876, and so far as it relates to duties of excise shall be construed as one with the Acts which relate to the duties of excise and to the management of those duties, and the expression “ the Commissioners ” in the said Part I means the Commissioners of Customs and Excise.

15

20

Short title, construction and extent.
39 & 40 Vict. c. 36.

(3) Part II of this Act shall be construed as one with the Income Tax Acts.

(4) Part III of this Act shall be construed as one with Part I of the Finance Act, 1894.

25

(5) Any reference in this Act to any other enactment shall, unless the contrary is expressly provided or the context otherwise requires, be construed as a reference to that enactment as amended by any subsequent enactment, including this Act.

30

(6) In this Act the expression “ the United Kingdom ” does not include the Isle of Man.

(7) Such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.

35

A.D. 1939.

SCHEDULES.

Section 1.

FIRST SCHEDULE.

TOBACCO.

PART I.

CUSTOMS DUTIES.

	<i>s.</i>	<i>d.</i>	
Upon tobacco unmanufactured, viz.—			5
containing 10 lbs. or more of moisture in every 100 lbs. weight thereof—			
unstripped - - - - - the lb.	11	6	
stripped - - - - - „	11	6½	10
containing less than 10 lbs. of moisture in every 100 lbs. weight thereof—			
unstripped - - - - - the lb.	12	6	
stripped - - - - - „	12	6½	
Upon tobacco manufactured, viz.—			15
Cigars - - - - - the lb.	20	1	
Cigarettes - - - - - „	16	7	
Cavendish or Negrohead - - - - - „	15	9	
Cavendish or Negrohead manufactured in bond „	14	0	
Other manufactured tobacco - - - - - „	14	0	20
Upon snuff—			
containing more than 13 lbs. of moisture in every 100 lbs. weight thereof - - - - - the lb.	13	4	
containing not more than 13 lbs. of moisture in every 100 lbs. weight thereof - - - - - the lb.	15	9	25
and so in proportion for any less quantity.			

PART II.

EXCISE DUTIES.

Upon tobacco unmanufactured, viz.—	<i>s.</i>	<i>d.</i>	
containing 10 lbs. or more of moisture in every 100 lbs. weight thereof - - - - - the lb.	9	3½	30
containing less than 10 lbs. of moisture in every 100 lbs. weight thereof - - - - - the lb.	10	0½	
Upon tobacco manufactured, viz.—			
Cavendish or Negrohead manufactured in bond - the lb.	11	4¼	35
and so in proportion for any less quantity.			

PART III.
DRAWBACK.

A.D. 1939.

1st Ser.
—cont.

5 10	Description of Tobacco.	Rate per pound.	
		In respect of tobacco on which full customs duty has been paid.	In respect of tobacco on which customs duty at a preferential rate or excise duty has been paid.
		<i>s. d.</i>	<i>s. d.</i>
	Cigars - - - - -	12 9	10 6
	Cigarettes - - - - -	12 6	10 4
15	Cut, roll, cake or other manufactured tobacco - - - - -	12 3	10 1
	Snuff (not being offal snuff) - - - - -	12 0	9 11
	Stalks, shorts, or other refuse of tobacco including offal snuff - - - - -	11 9	9 8

SECOND SCHEDULE.

Section 2.

20

SUGAR, &C.

PART I.

FULL RATES OF CUSTOMS DUTY AND AMOUNTS OF
GENERAL PREFERENTIAL REDUCTIONS.

25	Article.	Full rate of Customs duty.	Amount of General Preferential Reduction.
		<i>s. d.</i>	<i>s. d.</i>
30	Sugar of a polarisation exceeding 99 -the cwt.	14 0	5 10
	Sugar of a polarisation exceeding :—		
	98° but not exceeding 99° - - the cwt.	14 0	6 10·8
	97° " " " 98° - - " "	10 8·8	3 11·3
	96° " " " 97° - - " "	10 5·4	3 10·0
35	95° " " " 96° - - " "	10 2·0	3 8·8
	94° " " " 95° - - " "	9 10·7	3 7·6

[126]

C 2

A.D. 1939.

2ND SCH.
—cont.

Article.	Full rate of Customs duty.	Amount of General Preferential Reduction. 5	
		s. d.	s. d.
Sugar of a polarisation exceeding :—			
93° but not exceeding 94° - - - the cwt.	9 7·3	3 6·3	
92° " " " 93° - - - " "	9 4·0	3 5·1	
91° " " " 92° - - - " "	9 0·6	3 3·9	10
90° " " " 91° - - - " "	8 9·2	3 2·6	
89° " " " 90° - - - " "	8 5·9	3 1·4	
88° " " " 89° - - - " "	8 2·5	3 0·2	
87° " " " 88° - - - " "	7 11·7	2 11·1	
86° " " " 87° - - - " "	7 8·9	2 10·1	15
85° " " " 86° - - - " "	7 6·4	2 9·2	
84° " " " 85° - - - " "	7 3·9	2 8·3	
83° " " " 84° - - - " "	7 1·4	2 7·3	
82° " " " 83° - - - " "	6 10·8	2 6·4	
81° " " " 82° - - - " "	6 8·6	2 5·6	20
80° " " " 81° - - - " "	6 6·4	2 4·8	
79° " " " 80° - - - " "	6 4·1	2 4·0	
78° " " " 79° - - - " "	6 1·9	2 3·1	
77° " " " 78° - - - " "	5 11·6	2 2·3	
76° " " " 77° - - - " "	5 9·4	2 1·5	25
Sugar of a polarisation not exceeding 76°— the cwt.	5 7·2	2 0·6	
Molasses (except when delivered to a licensed distiller for use in the manufacture of spirits or yeast, or to a person for use in the manufacture of yeast in premises used solely for that purpose) :— if containing			30
70 per cent. or more of sweetening matter - - the cwt.	8 10½	3 8½	35
less than 70 per cent. and more than 50 per cent. of sweetening matter - - the cwt.	6 4½	2 8	
not more than 50 per cent. of sweetening matter - - the cwt.	3 1½	1 3½	40
Glucose :			
Solid - - - - - the cwt.	8 10½	3 8½	
Liquid - - - - - the cwt.	6 4½	2 8	
Saccharin (including substances of a like nature or use) - - - the oz.	4 6	1 10½	45

PART II.

A.D. 1939.

RATES OF CUSTOMS DUTY ON CERTIFICATED COLONIAL
SUGAR.2ND SCH.
—cont.

5	Article.				Rate of Duty.	
					s.	d.
	Sugar of a polarisation exceeding 99° - the cwt.				4	8·7
	Sugar of a polarisation exceeding :—					
	98° but not exceeding 99° - - - - the cwt.				3	10·3
10	97°	„	„	98° - - - - „	3	7·6
	96°	„	„	97° - - - - „	3	6·4
	95°	„	„	96° - - - - „	3	5·2
	94°	„	„	95° - - - - „	3	4·2
	93°	„	„	94° - - - - „	3	3·0
15	92°	„	„	93° - - - - „	3	1·9
	91°	„	„	92° - - - - „	3	0·7
	90°	„	„	91° - - - - „	2	11·6
	89°	„	„	90° - - - - „	2	10·5
	88°	„	„	89° - - - - „	2	9·3
20	87°	„	„	88° - - - - „	2	8·4
	86°	„	„	87° - - - - „	2	7·4
	85°	„	„	86° - - - - „	2	6·6
	84°	„	„	85° - - - - „	2	5·8
	83°	„	„	84° - - - - „	2	4·9
25	82°	„	„	83° - - - - „	2	4·0
	81°	„	„	82° - - - - „	2	3·3
	80°	„	„	81° - - - - „	2	2·6
	79°	„	„	80° - - - - „	2	1·7
	78°	„	„	79° - - - - „	2	1·0
30	77°	„	„	78° - - - - „	2	0·2
	76°	„	„	77° - - - - „	1	11·5
	Sugar of a polarisation not exceeding 76° - the cwt.				1	10·8

A.D. 1939.

PART III.

2ND SCH.
—cont.

RATES OF EXCISE DUTY ON SUGAR, MOLASSES, &C.

1. SUGAR.

<i>Article.</i>		<i>Rate of Duty.</i>	
		<i>s.</i>	<i>d.</i>
Sugar of a polarisation exceeding 99°	- - the cwt.	6	11
Sugar of a polarisation exceeding :—			
98° but not exceeding 99°	- - - the cwt.	5	11·1
97°	„ „ 98° - - - „	5	7·8 10
96°	„ „ 97° - - - „	5	6·0
95°	„ „ 96° - - - „	5	4·2
94°	„ „ 95° - - - „	5	2·4
93°	„ „ 94° - - - „	5	0·7
92°	„ „ 93° - - - „	4	10·9 15
91°	„ „ 92° - - - „	4	9·1
90°	„ „ 91° - - - „	4	7·4
89°	„ „ 90° - - - „	4	5·6
88°	„ „ 89° - - - „	4	3·8
87°	„ „ 88° - - - „	4	2·4 20
86°	„ „ 87° - - - „	4	0·9
85°	„ „ 86° - - - „	3	11·6
84°	„ „ 85° - - - „	3	10·2
83°	„ „ 84° - - - „	3	8·9
82°	„ „ 83° - - - „	3	7·6 25
81°	„ „ 82° - - - „	3	6·4
80°	„ „ 81° - - - „	3	5·2
79°	„ „ 80° - - - „	3	4·0
78°	„ „ 79° - - - „	3	2·9
77°	„ „ 78° - - - „	3	1·7 30
76°	„ „ 77° - - - „	3	0·5
Sugar of a polarisation not exceeding 76°	- „	2	11·3

2. MOLASSES, &c.		A.D. 1939.	
<i>Article.</i>		<i>Rate of Duty.</i>	— 2ND SCH. —cont.
		<i>s.</i>	<i>d.</i>
5	Molasses (including all sugar and extracts from sugar which cannot be completely tested by the polariscope), if containing—		
	70 per cent. or more of sweetening matter - the cwt.	4	4½
	less than 70 per cent. and more than 50 per cent. of sweetening matter - - - the cwt.	3	2
10	not more than 50 per cent. of sweetening matter the cwt.	1	7
	Glucose—		
	Solid - - - - - the cwt.	4	4½
	Liquid - - - - - „	3	2
15	Saccharin (including substances of a like nature or use) - - - - - the oz.	2	3

A.D. 1939.

—
2ND SCH.
—cont.PART IV.
RATES OF DRAWBACK.

TABLE 1.

Scale applicable in the case of Sugar produced in the United Kingdom from material on which duty has been paid.

5

Nature of Sugar.	Rate of Duty Paid.	Rate or amount of Drawback.	
Sugar of a polarisation exceeding 98° produced from material on which the full duties of customs have been paid.	14s. 0d. per cwt. less than 14s. 0d. ,,	14s. 0d. per cwt. 11s. 8d. ,,	10
Sugar of a polarisation exceeding 99° produced from material on which customs duty at the general preferential rates has been paid.	8s. 2d. ,, less than 8s. 2d. ,,	8s. 2d. ,, 7s. 4·7d. ,,	15
Sugar of a polarisation exceeding 99° produced from material on which customs duty at the certificated colonial rates has been paid.	4s. 8·7d. ,, less than 4s. 8·7d. ,,	4s. 8·7d. ,, 3s. 11·4d. ,,	20
Sugar of a polarisation exceeding 99° produced from material on which excise duty has been paid.	6s. 11d. ,, less than 6s. 11d. ,,	6s. 11d. ,, 6s. 1·7d. ,,	25
Sugar of a polarisation not exceeding 98° produced from material on which the full duties of customs have been paid and sugar of a polarisation not exceeding 99° produced from material on which customs duty at the general preferential rates or the certificated colonial rates, or excise duty has been paid.	Any rate of duty.	A drawback equal to the duty chargeable on sugar of the like polarisation.	30
			35
			40
			45
			50

TABLE 2.

Scale applicable in the case of Molasses produced in the United Kingdom from material on which duty has been paid.

A.D. 1939.

—
2ND SCHEDULE.
—cont.

5 10 Nature of Molasses.	Amount of Drawback.			
	Produced from material on which full customs duty has been paid.	Produced from material on which customs duty at the general preferential rates has been paid.	Produced from material on which customs duty at the certificated colonial rates has been paid.	Produced from material on which excise duty has been paid.
15 Containing more than 80 per cent. of sweetening matter the cwt.	8s. 9d.	5s. 6½d.	2s. 11½d.	4s. 7d.
20 Containing more than 70 per cent. but not more than 80 per cent. of sweetening matter - the cwt.	7s. 8½d.	4s. 10½d.	2s. 7d.	4s. 0½d.
25 Containing more than 60 per cent. but not more than 70 per cent. of sweetening matter - the cwt.	5s. 7½d.	3s. 6½d.	1s. 10½d.	2s. 11½d.
30 Containing more than 50 per cent. but not more than 60 per cent. of sweetening matter - the cwt.	4s. 2½d.	2s. 7½d.	1s. 5d.	2s. 2½d.
35 Containing not more than 50 per cent. of sweetening matter and weighing not less than fourteen pounds to the gallon				
40 the cwt.	2s. 9½d.	1s. 9d.	11d.	1s. 5½d.

In this Part of this Schedule—

- (a) the expression “ the general preferential rates ” means the full rates of duty reduced by the amounts of the general preferential reductions specified in Part I of this Schedule;
- 45 (b) the expression “ the certificated colonial rates ” means the rates of duty specified in Part II of this Schedule.

A.D. 1939.

THIRD SCHEDULE.

Section 3.

PROVISION AS TO DUTIES
DRAWBACKS AND REBATES ON PHOTOGRAPHIC PLATES
AND FILM.

1. In the Schedule to the Import Duties (General) Order, 1935 (as amended by any subsequent order) there shall be substituted for paragraph (20) of Group XVIII the paragraph set out in the Table below.

TABLE.

(20) (i)	Unexposed sensitised photographic plates and film, including paper negative film, but excluding cinematograph film and X-ray plates and film - - - - -	9 <i>d.</i> per square foot.	10
(ii)	Unexposed sensitised X-ray plates and film - - - - -	25 per cent.	15
(iii)	Unexposed sensitised photographic paper and cloth, excluding paper negative film - - - - -	25 per cent.	
(iv)	Spools for goods described in subparagraphs (i), (ii) and (iii) above and parts of such spools - - -	25 per cent.	20
(v)	Unexposed sensitised cinematograph film - - - - -	9 <i>d.</i> per square foot.	
(vi)	Exposed cinematograph film—		25
	(a) of a width not exceeding one inch; or - - - - -	2 <i>d.</i> per linear foot.	
	(b) containing only a single sound track; or - - - - -	2 <i>d.</i> per linear foot.	
	(c) shown to the satisfaction of the Commissioners to be a duplicate of film on which customs duty has been paid at the rate of sixpence per linear foot and not refunded - - -	2 <i>d.</i> per linear foot.	30
	(d) other film - - - - -	6 <i>d.</i> per linear foot.	35

2. In the case of film of a greater width than the standard width of one and three-eighths inches, the customs duty chargeable on goods of any class or description specified in sub-paragraph (vi) of the said Table shall be increased in proportion to the extent to which the width is greater than the standard width.

A.D. 1939.

—
3RD SCH.
—cont.

3. The Additional Import Duties (No. 8) Order, 1938, so far as it relates to cinematograph film, shall cease to have effect.

4. Notwithstanding anything in paragraph (2) of Article 2 of the Import Duties (General) Order, 1935, goods of any of the classes or descriptions specified in sub-paragraphs (i), (v) and (vi) of the said Table shall not be deemed for the purposes of paragraph (1) of Article 2 of that Order to be goods of any other class or description, and accordingly there shall be inserted in the appropriate place in the first column of Part I of the Second Annex to that Order a reference to Group XVIII (20) (i), (v) and (vi), and in the second column thereof opposite to that reference the definitions of the classes or descriptions of goods specified in the said sub-paragraphs of the said Table.

5. Subsection (4) of section six of the Finance Act, 1938 (which relates to preferential rates of duty on Empire goods), shall apply to all goods of the classes and descriptions specified in sub-paragraphs (i) and (v) of the said Table, subject to the modification that in the case of goods of the classes and descriptions specified in the said sub-paragraph (i), the preferential rate shall be five-pence per square foot instead of two-thirds of the aggregate full rate of the duties applicable to the goods; and the said subsection (4) and section five of the Import Duties Act, 1932, and section two of the Ottawa Agreements Act, 1932, (which exempt Empire goods from the general ad valorem duty and any additional duty) shall not apply to any goods of the classes and descriptions specified in sub-paragraph (vi) of the said Table.

6.—(1) If, in the case of any exposed cinematograph film, it is shown to the satisfaction of the Commissioners either—

(a) that the production of the film was organised by persons whose chief or only place of business was in the United Kingdom and the producer of the film and all the principal actors and artists employed for the production thereof, except five, or, if the total number of principal actors and artists is less than twenty, not less than three-quarters of the number of actors and artists, were British subjects and domiciled in the United Kingdom, or

A.D. 1939.

—
3RD SCH,
—cont.

(b) that the Board of Trade have certified that the requirements of subsection (3) of section twenty-seven of the Cinematograph Films Act, 1927 (which prescribes what films shall be deemed to be British films for the purposes of that Act) or of subsection (1) of section twenty-five of the Cinematograph Films Act, 1938 (which prescribes what films shall be deemed to be British films for the purpose of registration thereof under Part III of that Act) have been complied with in relation to the film or in relation to any film of which the film forms part;

the duty of customs chargeable on the film shall be the duty, if any, with which it would have been chargeable if it were still unexposed.

In this paragraph the expression "artist" includes the person working the photographic camera or other photographic apparatus by means of which the film is made.

(2) The goods specified in the Schedule to the Import Duties (Exemptions) (No. 4) Order, 1938, shall cease to be included in the First Schedule to the Import Duties Act, 1932, and subsection (3) of section ten of the Finance Act, 1934 (which enables the Treasury to make amendments consequential on a direction that goods shall be added to or cease to be included in the said First Schedule) shall have effect as if this sub-paragraph were contained in such a direction.

7. Where it is shown to the satisfaction of the Commissioners that any of the duties chargeable by virtue of section three of this Act and this Schedule have been paid on any unexposed sensitised cinematograph film of the standard width of one and three-eighths inches, and that that film has been wasted in the United Kingdom in making (within the meaning of the Cinematograph Films Act, 1938) a film, there shall, if such conditions are fulfilled as the Commissioners may consider necessary for the security of the revenue, be allowed a rebate at the rate of fourpence half-penny per square foot of the wasted film.

8. No drawback of duty paid at the rate of sixpence per linear foot on any piece of exposed cinematograph film shall be allowed under the Second Schedule to the Import Duties Act, 1932, if a duplicate thereof, or of any part thereof, has been imported into the United Kingdom, but the Commissioners may waive or modify this provision in any particular case, subject to such conditions as they may consider necessary for the security of the revenue.

9. No unexposed sensitised photographic plates or film manufactured or produced in the United Kingdom shall be admitted free of duty on re-importation into the United Kingdom

under section fourteen of the Import Duties Act, 1932, unless it is shown to the satisfaction of the Commissioners that any duty of excise chargeable in respect of the plates or film has been paid and either that no drawback was allowed on exportation or
5 that any drawback so allowed has been repaid.

A.D. 1939.

—
3RD SCH.
—cont.

10 10. In relation to the duties of excise on sensitised photographic plates and film manufactured in the United Kingdom, the Second Schedule to the Import Duties Act, 1932, shall have effect as if, in paragraph 3 thereof, for the references to the importer there were substituted references to the manufacturer and for the reference to the state in which the goods were when they were imported there were substituted a reference to the state in which the goods were when the excise duty became chargeable thereon.

15 11. The Commissioners may make regulations prohibiting the manufacture in the United Kingdom of sensitised photographic plates and film except by persons holding a licence and having made entry for the purpose, and for fixing the date of the expiration of the licence, and for regulating, with a view to
20 securing and collecting the excise duty on any such plates or film, the manufacture, delivery or removal thereof from the manufactory, and for providing for any exemption necessary in respect of any such plates or film as are exported or shipped as stores or wasted in manufacture or found to be defective,
25 and for applying to the excise duty and drawback on any such plates or film and to manufacturers thereof any enactments relating to any duty or drawback of excise or customs and for requiring manufacturers of any such plates or film to give security for the payment of any duty which may become payable by them in respect thereof; and if any person contravenes
30 or fails to comply with any regulation so made, he shall be liable to an excise penalty of fifty pounds and the article in respect of which the offence is committed shall be forfeited.

35 12. For the purposes of this Schedule, and of section three of this Act—

- (a) references to photographic film include, except where the context otherwise requires, references to cinematograph film and paper negative film;
- 40 (b) the area of any perforations in any piece of photographic film shall be treated as part of the area of the film;
- (c) all sheets or strips of unexposed sensitised film which are of a length not less than twelve feet shall, whatever their width, be treated as cinematograph film;
- 45 (d) references to exposed cinematograph film shall include references to all such film whether it is positive or negative, whether it is developed or undeveloped and whether or not it contains or consists of sound track;

A.D. 1939.

—
3RD SCH.
—cont.

(e) two lengths of exposed cinematograph film shall not be deemed not to be duplicates of each other by reason that one is positive and the other is negative, or where both lengths represent the same objects and are intended for use in the production of a coloured picture, by reason of any differences ascribable to the nature of the processes involved in producing such a picture. 5

13.—(1) The provisions of paragraphs 1, 2, 4 and 8 of this Schedule and the provisions inserted by this Schedule in the Import Duties (General) Order, 1935, may be revoked or varied as if they were contained in an order of the Treasury made under the Import Duties Act, 1932, on the recommendation of the Import Duties Advisory Committee. 10

(2) The provisions of paragraphs 6 and 7 of this Schedule may be varied by an order of the Treasury made on the recommendation of the said Committee, and section nineteen of the Import Duties Act, 1932, except the proviso to subsection (5) thereof, shall apply to any such order as it applies to an order made by the Treasury under that Act. 15

(3) The powers conferred by this paragraph to revoke or vary certain provisions of this Schedule shall be construed as including a power to revoke or vary any provision of paragraph 12 of this Schedule in so far as it relates to those provisions. 20

FOURTH SCHEDULE.

A.D. 1939.

DUTY ON LICENCES FOR PREMISES USED FOR THE
ADDITION OF PRIMING AND COLOURING SOLUTIONS
TO BEER.

Section 5.

5 1. The duty payable on the grant of a licence in respect
of premises which have not been licensed for the addition of
solutions to beer for the preceding licence year or any part thereof
shall be twenty-five pounds, or, in a case where the licence is
granted for part of a licence year, a sum which bears the same
10 proportion to twenty-five pounds as the length of that part of
the year bears to twelve months.

2. The duty payable on the grant of a licence in respect of
premises which have been so licensed for the preceding licence
year or any part thereof, shall be in accordance with the following
15 scale :—

Where the number of bulk barrels of solutions received
for use at the premises in the preceding licence year
did not exceed twenty-five - - - - - £25

20 Where the number of bulk barrels of solutions so
received exceeded twenty-five—
For the first twenty-five barrels - - - - - £25
For every further twenty-five barrels or fraction of
twenty-five barrels - - - - - £5

25 Provided that where the premises have been so licensed
for part only of the preceding licence year, the number of bulk
barrels of solutions received for use at the premises in that year
shall, for the purpose of the foregoing scale, be taken to be a
number which bears the same proportion to the number so received
30 in the period for which the licence was in force as twelve months
bears to the length of that period.

3. Section three of the Finance Act, 1915 (which provides
for the repayment of duty where a business is discontinued)
shall apply to any such licence as aforesaid as it applies to the
licences mentioned in that section.

35 4. For the purpose of this Schedule the following expressions
have the meanings hereby respectively assigned to them—
“ bulk barrel ” means a quantity of thirty-six gallons;
“ solutions ” means priming and colouring solutions.

A.D. 1939.

FIFTH SCHEDULE.

Section 6. REDUCED RATES OF ENTERTAINMENTS DUTY IN CASE OF CERTAIN ENTERTAINMENTS.

Amount of Payment.	Duty.
Where the amount of the payment, excluding the amount of duty—	5
Exceeds 6 <i>d.</i> and does not exceed 1 <i>s.</i> 2½ <i>d.</i>	One halfpenny.
Exceeds 1 <i>s.</i> 2½ <i>d.</i> and does not exceed 1 <i>s.</i> 5 <i>d.</i> - - - - -	One penny.
Exceeds 1 <i>s.</i> 5 <i>d.</i> and does not exceed 1 <i>s.</i> 7½ <i>d.</i> - - - - -	10
Exceeds 1 <i>s.</i> 7½ <i>d.</i> and does not exceed 1 <i>s.</i> 10 <i>d.</i> - - - - -	Two pence.
Exceeds 1 <i>s.</i> 10 <i>d.</i> - - - - -	Two pence for the first 1 <i>s.</i> 10 <i>d.</i> and one penny for every 5 <i>d.</i> or part of 5 <i>d.</i> over 1 <i>s.</i> 10 <i>d.</i> 15

SIXTH SCHEDULE.

A.D. 1939.

REPEAL OF ENACTMENTS RELATING TO MEDICINE
STAMP DUTIES.

Section 7.

5	Session and Chapter.	Short Title.	Extent of Repeal.
	42 Geo. 3. c. 56.	The Medicines Stamp Act, 1802.	The whole Act.
	43 Geo. 3. c. 73.	The Medicines Stamp Act, 1803.	The whole Act.
10	44 Geo. 3. c. 98.	The Stamp Act, 1804 -	The whole Act.
	52 Geo. 3. c. 150.	The Medicines Stamp Act, 1812.	The whole Act.
15	55 Geo. 3. c. 184.	The Stamp Act, 1815 -	Section fifty-four.
	8 & 9 Vict. c. 15.	The Auctioneers Act, 1845.	In section six, the words " or patent medicines ".
	27 & 28 Vict. c. 56.	The Revenue (No. 2) Act, 1864.	In section six, the words from " owners " to " stamp duty ".
20	38 & 39 Vict. c. 23.	The Customs and Inland Revenue Act, 1875.	Section eight.
	54 & 55 Vict. c. 38.	The Stamp Duties Management Act, 1891	In sections nine and twenty-six, the words " medicines or ", wherever they occur.
25	8 Ed. 7. c. 16	The Finance Act, 1908 -	In subsection (4) of section four, the words " medicines and "
	5 & 6 Geo. 5. c. 89.	The Finance (No. 2) Act, 1915.	Section eleven.
30	17 & 18 Geo. 5. c. 10.	The Finance Act, 1927	Section two.

A.D. 1939,

SEVENTH SCHEDULE.

Section 8.

DUTIES ON CERTAIN PRESERVED FRUITS.

<i>Class or description of goods.</i>	<i>Rate of duty.</i>
The following fruit salad preserved in syrup, that is to say, mixtures of fruit (but not including mixed fruit pulp) containing not less than four separate descriptions of fruit, in which each of at least four descriptions constitutes at least eight per cent., and no one description represents more than fifty per cent., by weight, of all the fruit in the mixture (excluding syrup) - - - - -	5 10
Loganberries preserved in syrup - - - - -	5s. 6d. per cwt. 4s. per cwt.
Pineapples preserved in syrup - - - - -	5s. per cwt.

EIGHTH SCHEDULE.

15

Section 9.

UNITED KINGDOM—INDIA TRADE AGREEMENT.

His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and the Government of India, having resolved, so far as the relations between them are concerned, to replace by the present Agreement the Agreement concluded between them at Ottawa on the 20th August, 1932, have agreed upon the following provisions :—

ARTICLE 1.

His Majesty's Government in the United Kingdom undertake that goods grown, produced or manufactured in India and consigned from any part of the British Empire which are now free of duty shall continue to enjoy entry free of customs duty into the United Kingdom. 25

ARTICLE 2.

His Majesty's Government in the United Kingdom undertake in respect of the goods the growth, produce or manufacture of India enumerated in Schedule I to this Agreement, that the difference between the rates of the duties of customs on such goods on importation into the United Kingdom when consigned from any part of the British Empire and the rates upon similar goods 30 35

the growth, produce or manufacture of any foreign country shall not be less than the rates set out in that schedule.

A.D. 1939.

8TH SCH.
—cont.

ARTICLE 3.

His Majesty's Government in the United Kingdom undertake
5 that, in the event of any greater preference than the preference
accorded by this Agreement being accorded in respect of goods of
the kinds specified in Schedule I the growth, produce or manu-
10 manufacture of any other part of the British Empire, such greater
preference will be extended to similar goods grown, produced or
manufactured in India and consigned from any part of the British
Empire.

ARTICLE 4.

His Majesty's Government in the United Kingdom undertake
to maintain until the 19th August, 1942, for tobacco grown,
15 produced or manufactured in India and consigned from any
part of the British Empire the existing margin of preference over
foreign tobacco; so long, however, as the duty on foreign un-
manufactured tobacco does not fall below 2s. 0½d. per pound, in
20 which event the margin of preference shall be equivalent to the
full duty.

ARTICLE 5.

His Majesty's Government in the United Kingdom recognise
the importance attached by the Government of India to the
development of the use of unmanufactured Indian tobacco by
25 tobacco manufacturers in the United Kingdom, and undertake
that they will co-operate in any further measures that may appear
necessary and practicable in order to facilitate the marketing of
such tobacco in the United Kingdom.

ARTICLE 6.

1. His Majesty's Government in the United Kingdom under-
30 take that on and after the 15th August, 1939, drawback of duty
shall not be allowed in the case of goods other than linseed oil,
unmixed, manufactured in the United Kingdom and exported or
shipped as stores therefrom in respect of linseed used in the
35 manufacture of such goods. For the purposes of this Article
"linseed oil" includes linseed oil refined or heat-treated or both
refined and heat-treated, and "unmixed" means not mixed with
any substances other than driers.

2. His Majesty's Government in the United Kingdom under-
40 take that on and after the 15th August, 1939, drawback shall
not be allowed in the case of ground-nut oil (hydrogenated or
not) manufactured in the United Kingdom and exported or shipped
as stores therefrom in respect of ground-nuts used in the
manufacture of such oil.

A.D. 1939.

8TH SCH.
—cont.

ARTICLE 7.

His Majesty's Government in the United Kingdom undertake that the goods specified in Schedule II to this Agreement, of whatever origin and from whatever place arriving, shall be admitted into the United Kingdom free of customs duty. 5

ARTICLE 8.

The Governments of the non-self-governing Colonies, the Protectorates and Protected States will accord to India any preference which may for the time being be accorded to any other part of the British Empire, and the Governments of the Colonies and Protected States shown in Schedule III to this Agreement will accord to India preferences on the commodities and at the rates shown therein. 10

Provided that the operation of the first paragraph of this Article shall not extend to any preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia and the High Commission Territories in South Africa. 15

Provided also that in the case of Ceylon the first paragraph of this Article shall apply only so far as is consistent with the terms of Article 13 of this Agreement. 20

ARTICLE 9.

The Government of India undertake, in respect of goods the growth, produce or manufacture of the United Kingdom of the kinds specified in Schedule IV to this Agreement which comply with the laws and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties, that the difference between the rates of customs duties on such goods on importation into India and the rates upon similar goods the growth, produce or manufacture of any foreign country shall not be less than the margins set out in that schedule. 25 30

ARTICLE 10.

1. In this Article :—

The expression " cotton year " means a year beginning on the 1st January.

The expression " cotton piece goods year " means a year beginning on the 1st April. 35

A cotton piece goods year and the cotton year in which that cotton piece goods year begins are referred to as " corresponding " ; and the expression " the following cotton piece goods year " means in relation to a cotton year the cotton piece goods year beginning on the 1st April next after the end of that cotton year. 40

The word " yard " means a linear yard.

The word "bale" means the weight of lint cotton contained in the standard Indian bale of gross weight 400 lb. and nett weight 392 lb.

A.D. 1939.

—
8TH SCH.
—cont.

The expression "United Kingdom cotton piece goods" means fabrics manufactured in the United Kingdom of the kinds which, at the date of the signature of this Agreement, were assessable to duty on import into British India under item 48 (3) or item 48 (9) of the First Schedule to the Indian Tariff Act, 1934, at the rates applicable to fabrics of British manufacture.

The expression "Indian raw cotton" means raw cotton grown in India.

2. His Majesty's Government in the United Kingdom undertake that they will continue to use all possible efforts in co-operation with commercial interests to stimulate the consumption of Indian cotton in all possible ways, including technical research, commercial investigation, market liaison and industrial propaganda. They have taken note that it is the desire of cotton growers in India that as much as possible of their production of short and fair staple varieties of cotton should be absorbed in the United Kingdom. They have also taken note, and invite the Government of India to take note, that the Lancashire Indian Cotton Committee, set up by His Majesty's Government in the United Kingdom to stimulate the consumption of Indian cotton, have expressed their sympathy with that desire and their intention to take all practicable steps to assist in its fulfilment. It is recognised that the fulfilment of the foregoing objectives largely depends on the continued pursuit by all interests concerned in India of the policy of improving the quality and staple of Indian cotton exported to the United Kingdom by all practicable means.

3. From the entry into force of this Agreement the customs duties charged on imports into India of United Kingdom cotton piece goods shall not, save as provided in paragraphs 5 and 7, exceed the following rates, hereinafter referred to as the basic rates, namely :—

- (a) Printed goods— $17\frac{1}{2}$ per cent. *ad valorem* ;
 (b) Grey goods—15 per cent. *ad valorem*, or 2 annas $7\frac{1}{2}$ pies per lb., whichever is the higher ;
 (c) Other goods—15 per cent. *ad valorem*.

4. If in any cotton piece goods year the total quantity of United Kingdom cotton piece goods imported into India does not exceed 350 million yards, the duties charged on imports of such goods into India after the end of that year, and until the end of any cotton piece goods year in which the total quantity of such goods imported into India exceeds 425 million yards, shall not exceed the basic rates reduced by $2\frac{1}{2}$ per cent. *ad valorem*, and a

A.D. 1939.

8TH SCH.

—cont.

proportionate reduction shall apply to the alternative specific duty on United Kingdom grey cotton piece goods.

5. If in any cotton piece goods year the total quantity of United Kingdom cotton piece goods imported into India exceeds 500 million yards, the duties charged on imports of such goods into India in the following cotton piece goods year may be increased above the basic rates to such rates as may be deemed necessary for the purpose of restricting imports of such goods during the year to the maximum yardage figure for the preceding cotton piece goods year, but shall be reduced to the basic rates (or, where the provisions of paragraph 4 are applicable, in accordance with those provisions) after the end of any cotton piece goods year in which the total quantity of such imports into India has not exceeded 425 million yards.

The expression "maximum yardage figure" for any cotton piece goods year means 500 million yards, or, for a year corresponding to a cotton year in which there is a deficiency, as defined in paragraph 6, 500 million yards reduced by the appropriate figure in accordance with the provisions of paragraph 6.

6. For the purpose of determining the appropriate rates of duty to be charged on United Kingdom cotton piece goods under this Article, the quantity of United Kingdom cotton piece goods actually imported into India in any cotton piece goods year corresponding to a cotton year in which there is a deficiency shall be deemed to have been increased by 25 million yards for every 50,000 bales of the deficiency or for any part thereof, provided that the deficiency does not exceed 100,000 bales in the cotton year ending 31st December, 1939, and 150,000 bales in any subsequent cotton year.

The word "deficiency" means the amount by which imports of Indian raw cotton into the United Kingdom fall below the following quantities:—

	<i>Bales.</i>	
For the cotton year ending 31st December, 1939	500,000	35
For the cotton year ending 31st December, 1940	550,000	
For every subsequent cotton year	600,000	

7. Notwithstanding anything contained in the preceding paragraphs, if the imports of Indian raw cotton into the United Kingdom fall below 400,000 bales in the cotton year ending 31st December, 1939, or in the cotton year ending 31st December, 1940, and 450,000 bales in any other cotton year, the duties charged on imports of United Kingdom cotton piece goods into India in the following cotton piece goods year may be increased above the basic rates to such extent as the Government of India

may, after consultation with His Majesty's Government in the United Kingdom, determine. A.D. 1939.

—
8TH SCH.
—cont.

8. (1) If in any cotton year the quantity of Indian raw cotton imported into the United Kingdom exceeds 750,000 bales, the rate of duty charged on United Kingdom printed cotton piece goods imported into India in the following cotton piece goods year shall not exceed the duty charged in that year on other United Kingdom cotton piece goods imported into India.

10 (2) If in any cotton piece goods year in which a reduction in the duty on United Kingdom printed cotton piece goods takes effect under the provisions of this paragraph, or in any following cotton piece goods year in which the same reduction remains in force, the quantity of United Kingdom printed cotton piece goods imported into India is in excess of the quantity of such goods so imported in the cotton piece goods year immediately preceding that in which the said reduction first took effect, such excess up to a maximum quantity of 25 million yards shall not be taken into account for the purposes of determining whether or not the figure of 425 million yards specified in paragraph 4 of this Article or the figure of 500 million yards specified in paragraph 5 of this Article has been exceeded.

9. For the purpose of calculating imports in any cotton year or cotton piece goods year under this Article there shall be deducted the amount of re-exports from the United Kingdom of Indian raw cotton in that year and the amount of re-exports from India of United Kingdom cotton piece goods in that year.

10. Any alteration of the duties charged on United Kingdom cotton piece goods imported into India which falls due to be made under the provisions of this Article shall come into effect not later than the 17th April of the cotton piece goods year to which it relates, and the relative provisions of this Article shall be deemed to have been duly fulfilled if such alteration takes effect on or before that date.

35 ARTICLE 11.

The Government of India undertake to accord to the non-self-governing Colonies, the Protectorates and Protected States, and the Mandated Territories of Tanganyika, the Cameroons under British Mandate and Togoland under British Mandate, 40 preferences on the commodities which comply with the laws and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties and at the rates shown in Schedule V to this Agreement, and also any preferences for the time being accorded to any part of the British Empire other than 45 Burma if His Majesty's Government in the United Kingdom so request.

A.D. 1939. Provided that the Government of India shall not be bound
 — to accord any preference to Ceylon except as provided in Article 13
 8TH SCH. of this Agreement.

—cont.

Provided further that the Government of India shall not
 be bound to continue to accord any preferences to any Colony, 5
 Protectorate or Protected State, which, not being precluded by
 international obligations or, in the case of Nigeria, by the declared
 policy of His Majesty's Government in the United Kingdom from
 according preferences, either (i) accords to India no preferences
 or (ii) accords to some other part of the British Empire (in the 10
 case of Northern Rhodesia, excepting the Union of South Africa,
 Southern Rhodesia and the High Commission Territories in South
 Africa) preferences not accorded to India.

ARTICLE 12.

The Government of India undertake to accord to goods the 15
 growth, produce or manufacture of any of the non-self-governing
 Colonies, the Protectorates and Protected States, and the Man-
 dated Territories of Tanganyika, the Cameroons under British
 Mandate, Togoland under British Mandate and Palestine, treat-
 ment not less favourable than that accorded to similar goods the 20
 growth, produce or manufacture of any foreign country.

ARTICLE 13.

1. The Government of India will, as soon as may be after the
 conclusion of this Agreement, enter into negotiations with the
 Government of Ceylon regarding the trade relations between India 25
 and Ceylon.

2. The Government of Ceylon will continue in force during the
 interim period the preferences at present accorded to India as set
 out in Schedule III to this Agreement, and the Government of
 India will continue to accord during the interim period :— 30

(a) to Ceylon the preferences to be accorded under Article 11 ;
 and

(b) to Ceylon and to the Colonies, Protectorates, Protected
 States and Mandated Territories to which preferences 35
 are to be accorded under Article 11, preferences at the
 rates shown in Schedule VI to this Agreement on the
 commodities named in that schedule which comply
 with the laws and statutory regulations for the time
 being in force defining Empire goods for the purpose
 of customs duties. 40

3. In this Article the expression " the interim period " means
 a period ending on the date on which any Agreement between the
 Government of India and the Government of Ceylon resulting from
 the negotiations heretofore mentioned comes into effect, or a period

of six months from the date on which the present Agreement comes into effect, whichever is the shorter. Provided that, if it appears likely that the said negotiations will be protracted beyond the said period of six months, His Majesty's Government
 5 in the United Kingdom and the Government of India shall consider in consultation whether the interim period should be extended.

A.D. 1939.

—
8TH SCH.
—cont.

ARTICLE 14.

His Majesty's Government in the United Kingdom undertake
 10 to extend to India any tariff preferences which are, or may be, accorded to Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, Eire, Newfoundland, Southern Rhodesia or Burma, and the Government of India undertake to
 15 extend to the United Kingdom any tariff preferences which are, or may be, accorded to Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, Eire, Newfoundland or Southern Rhodesia.

ARTICLE 15.

In the event of circumstances arising which, in the judgment
 20 of His Majesty's Government in the United Kingdom or of the Government of India, as the case may be, necessitate a variation in the terms of this Agreement, the proposal to vary its terms shall be the subject of consultation between the two Governments.

ARTICLE 16.

This Agreement shall come into force on a date to be mutually
 25 agreed between the two Governments. On the coming into force of the present Agreement, the Agreement concluded between His Majesty's Government in the United Kingdom and the
 30 Government of India at Ottawa on the 20th August, 1932, shall cease to have effect between the United Kingdom and India. Pending the coming into force of the present Agreement, the two Governments will apply its provisions as far as may be possible. The present Agreement shall continue in force until the 31st
 35 March, 1942. Unless six months before the 31st March, 1942, notice of termination shall have been given by either Government to the other, the Agreement shall remain in force until the expiry of six months from the date on which a notice of termination is given.

Done in duplicate, at London, this twentieth day of March,
 40 1939.

Signed on behalf of His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland :

OLIVER STANLEY.

Signed on behalf of the Government of India :

45

FIROZ KHAN NOON.

A.D. 1939.

8TH SCH.
—cont.

SCHEDULE I.

(See Articles 2 and 3.)

(a) Preferences at a rate of 10 per cent. <i>ad valorem</i> —	
Bones.	
Castor seed.	5
Coir yarn.	
Cotton yarns, unbleached, up to No. 40 count.	
Goatskins, raw, dried, salted or pickled, but not further treated, of varieties supplied by India to the United Kingdom.	10
Gram or chick pea.	
Ground-nuts.	
Hardwoods, hewn or sawn, the following—	
Indian hardwoods—	
<i>Tectona grandis</i> (teak).	15
<i>Dipterocarpus</i> species (gurjun).	
<i>Terminalia crenulata</i> (also known as <i>Terminalia tomentosa</i>) (laurel).	
<i>Terminalia bialata</i> (silver greywood and white chuglam).	
<i>Dalbergia latifolia</i> (rosewood or Bombay blackwood).	20
<i>Diospyros</i> species (ebony, including Andaman marblewood).	
<i>Pterocarpus dalbergioides</i> (Andaman padauk).	
<i>Chloroxylon swietenia</i> (satinwood).	
<i>Canarium euphyllum</i> (white dhup).	25
<i>Santalum album</i> (sandalwood).	
<i>Albizia lebbek</i> (kokko).	
Similar foreign hardwoods—	
<i>Tectona grandis</i> (teak).	
<i>Chlorophora excelsa</i> (iroko or “ African teak ”).	30
<i>Hopea</i> , <i>Shorea</i> , <i>Parashorea</i> and <i>Pentacme</i> species (yakal, bangkirai and lauan).	
<i>Dipterocarpus</i> species (apitong, bagac, keruing, yang and dau).	
<i>Dryobalanops</i> species (kapur, kamfer or Borneo camphorwood).	35
<i>Terminalia crenulata</i> (also known as <i>Terminalia tomentosa</i>) (laurel).	
<i>Terminalia superba</i> (fraké, limba, limbo or noyer du Mayombe).	40
<i>Dalbergia nigra</i> (Brazilian rosewood).	
<i>Diospyros</i> species (ebony).	
<i>Pterocarpus</i> species (padauk).	

- A.D. 1939.
—
8TH SCH.
—cont.
- Zanthoxylum flavum* (satinwood).
Canarium species.
Santalum species (sandalwood).
- 5 Leather, undressed—hides, other than sole leather.
 Leather, undressed—skins.
- Linseed.
 Magnesite.
 Oil-seed cake and meal.
 Paraffin wax.
- 10 Sandalwood oil.
 Soya beans.
 Spices, the following—
 Pepper, ginger and cardamoms.
- (b) Preferences at a rate of 15 per cent. *ad valorem*—
- 15 Castor oil, linseed oil, coconut oil, ground-nut oil, rape oil and
 sesamum oil.
 Granite setts and curbs.
 Leather, dressed—
- 20 (i) Box and willow calf, box and willow sides, and other
 chrome tanned calf, kip and hide leather, but not
 patent leather or machinery belting.
 (ii) Reptile leather of the following descriptions—
 Snake, lizard, crocodile and alligator skins, not
 shaped or subjected to any process other than
25 dressing or dressing and colouring.
- Manufactures wholly of jute, the following—
 Cordage, cables, ropes and twine (including polished,
 starched or glazed singles, and all multiples).
- (c) Preferences at a rate of 20 per cent. *ad valorem*—
- 30 Coir mats and matting.
 Manufactures wholly of cotton, the following—
 Tissues and like materials.
 Household goods and similar articles for non-domestic use.
 Blankets, shawls, coverlets and travelling rugs.
- 35 Handkerchiefs.
 Manufactures wholly of jute, the following—
 (i) Tissues not made up (not including rags).
 (ii) Sacks and bags of a shape similar to sacks.
- (d) Preference at a specific rate of 1s. per cwt.—
- 40 Magnesium chloride.

A.D. 1939.	(e) Preference at a specific rate of 9s. 4d. per cwt.— Coffee.	
8TH SCH., —cont.	(f) Preference at a specific rate of 2d. per lb.— Tea.	
	(g) Preferences at a specific rate of 3d. per lb.— Rice, husked, including cargo rice and cleaned rice whole, but not including broken rice. Rice in the husk.	5
	(h) Preferences at the undermentioned rates— Carpets, carpeting and floor rugs, wholly or partly of wool, and not containing any silk or artificial silk—	10
	(i) Hand made, knotted - 4s. 6d. per sq. yard, exclusive of fringes.	
	(ii) Other kinds - - - 20 per cent. <i>ad</i> <i>valorem.</i>	15

SCHEDULE II.

(See Article 7.)

Shellac, seed lac, stick lac, and other varieties of these lacs.	
Jute, raw.	
Myrabolams.	20
Mica slabs and splittings.	
Hemp of the variety <i>crotalaria juncea</i> , not further dressed after scutching or decorticating; tow of such variety of hemp.	

SCHEDULE III.

(See Articles 8 and 13.)

25

(1) CEYLON.

(a) At a rate of not less than 5 per cent. <i>ad valorem</i> — Cotton piece goods.	
Fruit, dried or otherwise preserved without sugar (except canned fruit and currants, dates and raisins).	30
Tanks and drums of iron and steel, black painted or galvanised.	

(b) At a rate of not less than 10 per cent. *ad valorem*—

A.D. 1939.

Cotton yarn.

8TH SCH.
—cont.

5 Fruit, fresh, dried or otherwise preserved, except currants and except those fruits to which a preference of not less than 5 per cent. *ad valorem* applies under Section (1) (a) of this schedule.

Iron and steel, including machinery other than oil pressing and refining, but excluding the following :—

10 Tea chest fittings.
Sheets and circles declared to be imported for the purpose of manufacturing drums for the export of Ceylon produce.

15 Plain plates and sheets, flat or corrugated, not fabricated.
Expanded metal and other materials for reinforcement, not fabricated.

20 Rolled angles, bulbs, channels, shapes and sections, H iron, girders, tees, beams, joists, pillars and rails, not fabricated.

20 Bars, rods and slabs, including blister, jumper and tool steel, not fabricated.

Staples and wire nails.

Unwrought metal (including pig iron).

Tanks and drums, black painted or galvanised.

Vegetables, preserved or tinned, but not dried.

25 Pig lead, except lead sheets, tea lead or foil.

Teak and other hardwoods (excluding manufactures thereof).

Perfumery, cosmetics, powder and toilet preparations (except perfumed spirits).

Apparel of woollen, silk and artificial silk and mixed material.

30 Boots and shoes (other than canvas, rubber-soled).

Woollen carpets and rugs.

(c) At specific rates—

35 Vegetables, fresh or dried (including fresh chillies, but excluding onions, potatoes and garlic) - - - at the rate of 1 rupee per cwt.

Beans - - - - - at the rate of 50 cents. per cwt.

Tea - - - - - at the rate of 12½ cents. per lb.

40 Beedies - - - - - at the rate of 50 cents. per lb. gross weight.

Cigars - - - - - at the rate of 75 cents. per lb.

Snuff - - - - - at the rate of 50 cents. per lb.

Hooka and beedy tobacco - at the rate of 30 cents. per lb.

A.D. 1939. — 8TH SCH. —cont.	Cigarettes - - - - at the rates per lb. specified below as against cigarettes manufactured in foreign countries :—	
	(i) Manufactured in the British Empire from Empire- grown tobacco—	5
	(a) Sold wholesale at not more than Rs. 11 per lb. nett - - - - Rs. 2	
	(b) Sold wholesale at more than Rs. 11 per lb. nett - - - - Re. 1	10
	(ii) Manufactured in the British Empire from foreign tobacco—	
	(a) Sold wholesale at not more than Rs. 11 per lb. nett - - - - Re. 1-50	
	(b) Sold wholesale at more than Rs. 11 per lb. nett - - - - 50 cents.	15
	(iii) Manufactured in the British Empire from Empire- grown and foreign tobacco at rates intermediate between (i) and (ii) above according to the certified proportion of Empire and foreign leaf content.	20
	Other manufactured tobacco - at the rate of 75 cents. per lb.	
	(2) THE GOVERNMENTS OF MALAYA OTHER THAN THE STRAITS SETTLEMENTS.	
	(a) At a rate of not less than 10 per cent. <i>ad valorem</i> —	25
	Ground-nuts.	
	Cotton piece goods.	
	And, so long as it is consistent with the tariff policies of the Governments to impose a customs duty on the commodity in question—	30
	Perfumery.	
	(b) At 2 cents. per lb.—	
	So long as it is consistent with the tariff policies of the Governments to impose customs duties on the commodities in question—	35
	Ground-nut oil (Kachang oil).	
	Gingelly oil.	
	(3) THE GOVERNMENTS OF MALAY INCLUDING THE STRAITS SETTLEMENTS.	
	At 10 cents. per lb.—	40
	Unmanufactured tobacco.	

SCHEDULE IV.

(See Article 9.)

A.D. 1939.

8TH SER.
—cont.

Tariff Item.	Article.	Margin of preference.	
5	22 (5) (b)	Drugs and medicines containing spirit— (i) entered in such a manner as to indicate that the strength is not to be tested. (ii) not so entered	Rs. 4 per Imperial gallon. Rs. 3 per Imperial gallon of the strength of London proof.
10			
15	25 (4) Ex 28	Cement not otherwise specified - - - Chemicals, drugs and medicines, all sorts not otherwise specified (except hydrochloric, nitric, sulphuric, tartaric and other acids, anhydrous ammonia, potassium bichromate and other potassium compounds, sodium bichromate, sodium cyanide and sodium carbonate).	10 per cent. 10 per cent.
20			
	30	Paints, colours and painters' materials, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	10 per cent.
25			
	30 (2)	Paints, colours and painters' materials, the following, namely:— (a) Red lead, genuine dry, genuine moist and reduced moist. (b) White lead, genuine dry. (c) Zinc white, genuine dry. (d) Paints, other sorts, coloured, moist	10 per cent.
30			
	49 (1)	Felts, being bona fide remnants of piece goods or other fabrics.	10 per cent.
	Ex 49 (4)	Woollen carpets, floor rugs, shawls and other manufactures of wool, not otherwise specified, including felt but excluding woollen waste and rags.	10 per cent.
40			
	63 (14)	Iron or steel hoops and strips - - -	10 per cent.
	63 (24)	Iron or steel barbed or stranded wire and wire rope.	10 per cent.
45	64	Copper, wrought, and manufactures of copper, all sorts not otherwise specified.	10 per cent.
	72 (5)	Domestic refrigerators - - - - -	10 per cent.
	Ex 72 (6)	Sewing and knitting machines and parts thereof.	10 per cent.
50	Ex 73	Electrical instruments, apparatus and appliances, not otherwise specified, excluding telegraphic and telephonic (except batteries, accumulators and electro-medical apparatus).	10 per cent.

A.D. 1939.
—
8TH SCH.
—cont.

Tariff Item.	Article.	Margin of preference.
73 (1)	The following electrical instruments, apparatus and appliances, namely :— Electrical control gear and transmission gear, namely, switches (excluding switchboards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with transmission of power for other than industrial purposes, and the fittings thereof but excluding electrical earthenware and porcelain otherwise specified.	10 per cent. 5 10 15 20 25
73 (4)	Wireless reception instruments and apparatus and component parts thereof, including all electric valves, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.	10 per cent. 30 35
75 (1)	Motor cars including taxi cabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof.	7½ per cent. 40
75 (2)	Motor cycles and motor scooters and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof.	7½ per cent. 45
75 (3)	Motor omnibuses; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes.	7½ per cent. 50
Ex 75 (4)	Cycles (other than motor cycles) imported entire or in sections and parts and accessories thereof, excluding rubber tyres and tubes.	10 per cent. 55
Ex 77	Instruments, apparatus and appliances other than electrical, all sorts not otherwise specified, including photographic, but excluding scientific, philosophical and surgical.	10 per cent. 60

SCHEDULE V.

A.D. 1939.

(See Article 11.)

8TH SCH.
--cont.

- (a) Preferences at a rate of not less than 10 per cent. *ad valorem*—
- Asphalt.
- 5 Soda ash, including calcined, natural soda, and manufactured sesquicarbonates.
- Gum arabic.
- Gum benjamin, ras and cowrie.
- Gum dammer.
- 10 Dammer batu, unrefined.
- Rosin.
- Cutch.
- Gambier, all sorts.
- Coconut oil.
- 15 Fresh vegetables.
- Vegetables, dried, salted or preserved.
- Fruit and vegetables, canned and bottled.
- Fruit juices.
- Sisal and aloe fibre.
- 20 Ivory, unmanufactured.
- Sago (but not sago flour).
- Tapioca and tapioca flour.
- Artificial teeth.
- And so long as it is consistent with India's tariff policy to impose customs duties on the commodities in question—
- 25 Fresh fruits (other than coconuts).
- Dried, salted or preserved fruits.
- (b) Preferences at a rate of $7\frac{1}{2}$ per cent. *ad valorem*—
- Betelnuts.
- 30 Unground spices (other than cardamoms).
- Cardomoms, cassia, cinnamon, cloves, nutmegs and pepper—ground.
- And, so far as preferences are granted to the United Kingdom, drugs and medicines and apparel of all kinds.
- 35 (c) Preferences at specific rates—
- Bitters - - - - at the rate of Rs. 3-12 per gallon.
- Coffee - - - - at the rate of 1 anna per lb.
- Rum - - - - at the rate of Rs. 3-12 per proof gallon.
- 40 Unmanufactured tobacco at the rate of 8 annas per lb.

[126]

E

A.D. 1939.

SCHEDULE VI.

8TH SCH.
—cont.

(See Article 13.)

- (a) Preferences at a rate of not less than 10 per cent. *ad valorem*—
- | | |
|--|----|
| Citronella oil. | |
| Cinnamon oil. | 5 |
| Cinnamon-leaf oil. | |
| Coconuts, husked, unhusked and other kinds, copra or coconut kernel, coir fibre, coir yarn, coir mats and matting. | |
| Fish, dry, unsalted. | |
| Oil seeds (other than essential). | 10 |
| Vegetable oils (other than essential). | |
| Plumbago. | |
- (b) Preference at a rate of $7\frac{1}{2}$ per cent. *ad valorem*—
Cardomoms, unground.
- (c) Preference at specific rate— 15
- | | | |
|-----|---------|--------------------------------|
| Tea | - - - - | at the rate of 2 annas per lb. |
|-----|---------|--------------------------------|

LETTER NO. 1.

LETTER FROM THE INDIAN SIGNATORY ON THE SUBJECT
OF ZINC.

London, 20

March 20, 1939.

SIR,

With reference to Article 15 of the Trade Agreement signed this day, I have the honour to inform you that the Government of India, having taken note of the statements of His Majesty's Government in the United Kingdom in the course of the recent discussions (1) that it is essential to the national security that the production of the zinc smelting industry in the United Kingdom should be maintained at a satisfactory level; and (2) that His Majesty's Government in the United Kingdom will consult the Government of India before taking any decision to impose a customs duty on imports of zinc from India into the United Kingdom; agree that it will be open to His Majesty's Government in the United Kingdom, after consultation with the Government of India, and notwithstanding the provisions of Article 1 of the Trade Agreement, to impose a customs duty on imports of zinc produced or manufactured in India.

It is understood that no customs duty will be imposed on zinc from India which is not equally applicable to zinc from other oversea Empire sources.

I have, etc., 40

FIROZ KHAN NOON.

THE RIGHT HON. OLIVER STANLEY, M.C., M.P.,

President of the Board of Trade.

A.D. 1939.

8TH SCH.
—cont.

LETTER No. 2.

LETTER FROM THE INDIAN SIGNATORY ON THE SUBJECT OF
PIG IRON.London,
March 20, 1939.

5

SIR,

With reference to Article 15 of the Trade Agreement signed this day, I have the honour to inform you that the Government of India having taken note of the statements of His Majesty's Government in the United Kingdom in the course of the recent discussions (1) that, bearing in mind the provisions of Article 6 of the Agreement supplementary to the Ottawa Trade Agreement concluded between the two Governments on the 9th January, 1935, His Majesty's Government in the United Kingdom desire to reserve the right to impose a customs duty on imports of pig iron from India if after the expiry on the 31st March, 1941, of the Iron and Steel Protection Act, 1934, duties are applied to articles of iron and steel imported into India substantially less favourable to the United Kingdom than those for which that Act provides; and (2) that His Majesty's Government in the United Kingdom will consult the Government of India before taking any decision to impose such a customs duty; agree that it will be open to His Majesty's Government in the United Kingdom, after consultation with the Government of India, and notwithstanding the provisions of Article 1 of the Trade Agreement, to impose after the 31st March, 1941, a customs duty on imports of pig iron produced or manufactured in India if duties are applied to articles of iron and steel imported into India substantially less favourable to the United Kingdom than those for which the above mentioned Act provides, without prejudice, however, to the provisions of Section 4 (1) of the Indian Tariff Act, 1934.

It is understood that no customs duty will be imposed on pig iron from India which is not equally applicable to pig iron from other oversea Empire sources.

35

I have, etc.,

FIROZ KHAN NOON.

THE RIGHT HON. OLIVER STANLEY, M.C., M.P.,
President of the Board of Trade.

A.D. 1939.

LETTER No. 3.

8TH SCH.
—cont.

LETTER FROM THE INDIAN SIGNATORY ON THE QUESTION OF THE
EXTENSION TO OTHER COLONIAL DEPENDENCIES OF PREFERENCES
PRIMARILY OF INTEREST TO CEYLON.

London, 5
March 20, 1939.

SIR,

With reference to Article 13 of the Trade Agreement signed
this day, I have the honour to inform you that the Government
of India have taken note of the statement of His Majesty's
Government in the United Kingdom in the course of the recent
discussions that, in agreeing that the preferences included in
Schedule VI to the Agreement are principally of interest to Ceylon,
they are nevertheless anxious that the claims of other Colonial
dependencies to receive any of these preferences should be
sympathetically considered by the Government of India if the
proposed negotiations between that Government and the Govern-
ment of Ceylon do not result in the extension of such preferences
to those dependencies for the duration of the Agreement concluded
this day. I am authorised to state that the Government of India
will give sympathetic consideration to any requests which His
Majesty's Government in the United Kingdom may make in
regard to such preferences on behalf of Colonial dependencies
other than Ceylon.

I have, etc., 25
FIROZ KHAN NOON.

THE RIGHT HON. OLIVER STANLEY, M.C., M.P.,
President of the Board of Trade.

A.D. 1939.

NINTH SCHEDULE.

AMENDED RATES OF DUTY IN THE CASE OF CERTAIN MECHANICALLY PROPELLED VEHICLES. Section 10.

PART I.

5 P. PARAGRAPH TO BE SUBSTITUTED FOR PARAGRAPH 1 OF THE SECOND SCHEDULE TO THE FINANCE ACT, 1920.

	Description of vehicle.	Rate of duty.		
		£	s.	d.
10	1. Cycles (including motor scooters and cycles with an attachment for propelling them by mechanical power) not exceeding 8 cwt. in weight unladen—			
	(a) Bicycles—			
	Where the cylinder capacity of the engine thereof—			
15	(i) does not exceed 150 cubic centimetres - - - - -	17	6	
	(ii) exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres - - - - -	1	17	6
20	(iii) exceeds 250 cubic centimetres—			
	In a case where the bicycle is one in respect of which a licence was taken out before the first day of January, nineteen hundred and			
25	thirty-three, and does not exceed 224 lbs. in weight unladen - - - - -	1	17	6
	In any other case - - - - -	3	15	0
30	(b) Bicycles, if used for drawing a trailer or sidecar - - - - -	1	5	0
	(c) Tricycles—			
	Neither constructed nor adapted for use nor used for the carriage of a driver or a passenger - - - - -	2	0	0
35	Other tricycles - - - - -	5	0	0

The duty chargeable under sub-paragraph (b) of this paragraph in respect of any bicycle shall be chargeable in addition to the duty chargeable on the bicycle under sub-paragraph (a) of this paragraph.

A.D. 1939.

PART II.

9TH SCH.
—cont.PARAGRAPH TO BE SUBSTITUTED FOR PARAGRAPH 6 OF THE
SECOND SCHEDULE TO THE FINANCE ACT, 1920.

Description of vehicle.	Rate of duty.			
—	£	s.	d.	
6. Any vehicles other than those charged with duty under the foregoing provisions of this Schedule :—				5
Electrically propelled vehicles - - - -	7	10	0	
Other vehicles—				
Not exceeding 6 horse-power - - - -	7	10	0	10
Exceeding 6 horse-power—				
For each unit or part of a unit of horse- power - - - - -	1	5	0	

Finance.

A

B I L L

To grant certain duties of Customs and Inland Revenue (including Excise), to alter other duties, and to amend the law relating to Customs and Inland Revenue (including Excise) and the National Debt, and to make further provision in connection with finance.

*Ordered to be brought in by
The Chairman of Ways and Means,
Mr. Chancellor of the Exchequer, and
Captain Crookshank.*

*Ordered, by The House of Commons, to be Printed,
3 May 1939.*

LONDON
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE
To be purchased directly from
H.M. STATIONERY OFFICE at the following addresses :
York House, Kingsway, London, W.C. 2;
120 George Street, Edinburgh 2; 26 York Street, Manchester 1;
1 St. Andrew's Crescent, Cardiff; 80 Chichester Street, Belfast;
or through any bookseller

Printed by Eyre and Spottiswoode Limited, London

Price 1s. 0d. net

[Bill 126]