

NATIONAL INSTITUTE OF ECONOMIC
AND SOCIAL RESEARCH

ECONOMIC AND SOCIAL STUDIES. III

TRADE REGULATIONS &
COMMERCIAL POLICY OF
THE UNITED KINGDOM

BY
THE RESEARCH STAFF
OF
THE NATIONAL INSTITUTE OF
ECONOMIC AND SOCIAL RESEARCH



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Late in 1938 the Geneva Research Centre initiated a study of International Trade Regulations and Commercial Policy, and the National Institute of Economic and Social Research undertook the British section of this work. The special Committee appointed consisted of Professors J. B. Condliffe and A. G. B. Fisher, the late Mr G. I. H. Lloyd, Professor N. F. Hall, and Mr J. F. Cahan. By September 1939 the descriptive material had been largely assembled. It was subsequently revised and re-arranged by Mr J. M. Sebag-Montefiore and is now published as a technical descriptive study, providing a convenient and more detailed picture than has hitherto been available of the development of British commercial policy, and particularly of protectionism in all its forms, up to the end of 1938. It thus appears as a contribution to the economic history of this country between the two wars.

**THE NATIONAL INSTITUTE OF
ECONOMIC AND SOCIAL RESEARCH**

Economic and Social Studies

III

**TRADE REGULATIONS
&
COMMERCIAL POLICY OF THE
UNITED KINGDOM**

**THE NATIONAL INSTITUTE OF
ECONOMIC AND SOCIAL RESEARCH**

Economic and Social Studies

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A number of copies of this edition had been sold when the attention of the National Institute of Economic and Social Research was drawn to certain errors on pages 86 and 87. These pages were therefore revised and it has been possible to reprint the pages and to bind them in the remaining copies of this edition, of which this copy is one. A limited number of off-prints of the two corrected pages is available and if an off-print is desired by those possessing copies of the earlier state of this edition, application may be made to THE SECRETARY, NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH, 2 DEAN TRENCH STREET, SMITH SQUARE, S.W. 1.

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P R E F A C E

Late in 1938 the Geneva Research Centre initiated a study of International Trade Regulations and Commercial Policy. Professor J. B. Condliffe acted as General Rapporteur of the study, in which the staffs of some fifteen national research institutes agreed to collaborate. The National Institute of Economic and Social Research undertook the responsibility for the British section of the work. A Special Committee was appointed early in 1939 to advise and direct the work, consisting of Professor Condliffe, Professor A. G. B. Fisher, the late Mr G. I. H. Lloyd, the Director, Professor N. F. Hall, and the Secretary, Mr J. F. Cahan. The work was carried out by the Institute Research staff, under the supervision of the Director and the Secretary.

The essential purpose of the project was to obtain a detailed and realistic picture of the new methods of trade regulation which had been adopted in recent years, of the degree to which these methods had become an integral part of the national system of trade regulation, of the connection between them, the control of internal economic activities and the economic consequences of such methods. By September 1939 the descriptive material had been largely assembled, but a start had not been made on the further programme of work, which included certain experimental statistical studies, a consideration of the economic issues arising out of the technical study and of the changing international economic position of the United Kingdom. The descriptive material was revised and arranged during 1940 by Mr J. M. Sebag-Montefiore, Honorary Research Assistant at the Institute, who had assisted in the enquiry from the beginning. After consultation with Professor Condliffe, who warmly approved the proposal that it should be published, the Executive Committee of the Institute decided that it would be desirable to publish 'Trade Regulations and

Commercial Policy of the United Kingdom' as it now stands as a technical descriptive study. Its purpose is to provide a convenient and more detailed picture than has hitherto been available of the development of British commercial policy and particularly of protectionism in all its forms, up to the end of 1938. It thus appears as a contribution to the economic history of this country between the two wars.

In addition to the Director and the Secretary, Miss O. S. Wells and Miss K. Elliott assisted in the preparation of the material. The greatest share of the work fell, however, to Mr Sebag-Montefiore, who completed the manuscript for the Press. The Institute wishes to express its thanks to him, as well as to its other research workers who co-operated in the work, and to Dr F. C. Benham, who kindly read and advised on the manuscript in its final stages.

HENRY CLAY

*Chairman of the Council
of Management*

APPENDICES TO PART I

APPENDIX A. SUMMARY OF THE TARIFF

This Appendix is intended to give a summary of the volume called *The Customs and Excise Tariff of the United Kingdom and Northern Ireland in operation on 1st January, 1939* published by the Stationery Office.¹

This volume is the official authority on which all customs duties, drawbacks, prohibitions, etc. were based at that date. Much of the contents of this volume have been incorporated in the text of one or other of the chapters of this study, and where no useful addition can be given in this Appendix to facts set out elsewhere a reference will be made to the appropriate chapter of this study.

The Customs and Excise Tariff is arranged in Parts according to the statutes under which the duties are imposed. In general if duty is imposed under one Part it is not chargeable under any other on the same article, but there are exceptions to this rule which will be noted below.

PART I. GENERAL INFORMATION

Most of the information included in this part is given in other parts of this study.

It is stated that more detailed information as to the definition of goods liable to duty or eligible for drawback and allowances, and explanatory notes, will be found in the relevant Public Notices which can be obtained on application to the Secretary, Custom House, London, E.C. 3.

The general provisions in respect to Composite Goods are that any goods which contain as a part or ingredient any articles liable to duty are chargeable on the quantity of such articles as was used in their manufacture or preparation.

The basis of valuation of imported goods is stated.² Provisions regarding the re-importation of exported goods, temporary importations and the repayment of duty on goods returned by the importer are given.³ Certain classes of goods exempted from duty are described.⁴ Regulations concerning postal importations and passengers' baggage are mentioned, and special formalities in respect to the importation of flour required by the Wheat Act 1932 are described. After mentioning two minor matters concerned with Drawback⁵ the remainder of Part I is devoted to a discussion of the conditions governing the admission of imported goods to Imperial Preference.⁶

1 Customs Sale Form, No. 34.

2 See Chapter IV, p. 41 and Appendix D.

3 See Part IV, section 2.

5 See Appendix C.

4 See Appendix B.

6 See Appendix B.

**PART 2. PROHIBITIONS AND RESTRICTIONS ON IMPORTATION
AND EXPORTATION**

All the information included in this Part of the tariff is given in Chapter XIII, section 8 and Appendices P to R.

PART 3. IMPORT DUTIES ACT 1932

A general *ad valorem* duty of 10 % of the value of the goods is charged on all goods imported into the United Kingdom except those specifically exempted.¹ In certain cases, however, specific duties or reduced duties are substituted for the *ad valorem* duties. Particulars of these are included in the list of additional duties summarized below.

On certain goods 'Additional Duties' are charged as well as the general *ad valorem* duty. The list of additional duties is divided into eighteen groups, and a summary of it is given below. The list is so long, however, that only the most important items in each class can be given in the summary.²

Additional duties may be either specific or *ad valorem*. Where a specific duty is imposed it is 'deemed to include both the additional and the general *ad valorem* duty notwithstanding that the amount of duty paid may be less than 10 % of the value of the goods'. Goods which fall within more than one of the classes or descriptions specified are chargeable at the *highest* of the rates applicable. (There are, however, exceptions to this rule, including those goods which were formerly subject to McKenna duties.) Where there are alternative specific and *ad valorem* duties the one which yields the greater amount is chargeable.

The Schedule of Duties is as follows:

GROUP I. Grain, Fruit and Vegetables

This group consists almost entirely of specific duties. The duties on grain include 3s. per cwt. on oats, 5s. per cwt. on oatmeal, and 3s. 6d. per cwt. or 20s. *ad valorem* on pearled barley. The duties on fresh fruit are notable mainly because they apply for part of the year only, viz. during the summer months when imported fruit competes with United Kingdom produce. The duties vary from ½d. per lb. on gooseberries to 1s. per lb. on hothouse peaches and nectarines. There is a considerable list of dutiable fresh vegetables, upon which the duties vary from 2s. 4d. per cwt. in the case of carrots and turnips to 8d. per lb. in the case of mushrooms. Many of these duties also vary according to the time of the year, and there are a particularly large number of rates of duty in the case of potatoes, which are divided into (a) new and (b) other descriptions. The remaining duties in Group I are on various kinds of preserved fruit and confectionery. Some varieties are subjected to an *ad valorem* duty of 15 to 25 % in addition to duty under other enactments, such as the sugar duty.

GROUP II. Plants and Flowers

In general a duty of 6d. per lb. is charged on flowering plants, £1 per cwt. on trees and shrubs not in flower and 9d. per lb. when in flower. Duties on other flowers vary from 2d. to 9d. per lb., except that flowers grown from bulbs are charged 1s. 3d. per lb. from 1 December to the end of February.

¹ See Appendix B.

² The list takes up 77 pages of the Customs and Excise Tariff.

GROUP III. *Livestock Products and Fish*

Dead domestic poultry are liable to a duty of 3*d.* per lb. There is a duty of 10 % *ad valorem* on condensed milk in addition to any tax charged under other enactments, and duties varying from ½*d.* to 2½*d.* per lb. are charged on eggs not in shell. There are duties of 30 % *ad valorem* on most fresh shell fish, caviare and poultry, and meat pastes and sausages.

GROUP IV. *Pottery and Glassware*

There are duties on glazed tiles of 2*s.* 3*d.* per sq. yard if white and 3*s.* if coloured. Roofing and paving tiles are subject to a 15 % and drain pipes to a 20 % *ad valorem* duty. There is a specific duty of 25*s.* per cwt. on most pottery articles for domestic purposes.

Glassware is liable to *ad valorem* duties varying from 15 to 30 %. For example, the duty on unfinished plate glass is 15 %, on many finished plate glass goods it is 20 %, on bottles and jars it is 25 % and on some articles such as stationery glassware the duty is 30 %.

GROUP V. *Iron and Steel*

Duties of 33½ % *ad valorem* are charged on spiegeleisen and most types of pig iron.

There are two different rates of duty applied to nearly all iron and steel products according to whether the goods are or are not imported from a Cartel country and covered by a quota certificate. All products from Cartel countries eligible for the preferential rate are subject to an *ad valorem* duty of 10 %. Products imported from other countries are subject to duties as follows:

On ingots, blooms, billets and slabs of iron and steel there are specific duties varying, according to quality, from £2 to £2. 10*s.* per ton, but where the value exceeds £25 per ton there is an *ad valorem* duty of 25 %. On girders, beams, joists, pillars, rails and barbed wire there is an *ad valorem* duty of 33½ %, with, in most cases, an alternative specific duty. On angles, shapes, sections, plâtes, sheets and hoop and strip iron and steel the duties vary according to quality. On the cheapest grades, having a value less than £7 per ton, there is a specific duty of £3 per ton, on the medium qualities there is an *ad valorem* duty of 33½ %, and on the most expensive grades the duty is 20 % and in some cases 25 %. There is a specific duty on bars and rods of £2 or £3 per ton on the lower qualities and *ad valorem* duties of 20 and 25 % on the higher.

All forgings and castings are divided into three grades according to whether their value is less than £24 per ton, between £24 and £40 per ton or greater than £40 per ton. The duties imposed on these grades are respectively 33½ % *ad valorem*, £8 per ton or 20 % *ad valorem*, and 25 % *ad valorem*. On cast tubes and pipes, and such goods as rivets, screws and bolts the rates are all approximately 20 % *ad valorem*. There are several exemptions from duty in this group.

GROUP VI. *Metal Furniture*

Most complete metal articles, including safes, cabinets, stoves for domestic heating with solid fuel, doors and window-frames are liable to a duty of 15 % *ad valorem*. On parts of the above articles, and on bedsteads, wire mattresses, wrought enamelled hollow-ware and other stoves, the duty is 20 %, and on enamelled iron and steel products it is 25 % *ad valorem*.

GROUP VII. *Metals, other than Iron and Steel*

On unwrought lead there is a duty of 7s. 6d. per ton or 10 %, whichever is the *less*, and on unwrought zinc or spelter there is a duty of 12s. 6d. per ton or 10 %, whichever is the *less*. On articles made wholly or partly of aluminium, copper, lead, nickel, tin and zinc there is a duty of 20 % *ad valorem*, but there are many exemptions, including machinery and tools, scientific instruments, leather faced with metal, etc. Certain articles containing more than 50 % of aluminium, copper or zinc are, however, only liable to a duty of 15 % *ad valorem*.

GROUP VIII. *Tools, Clocks and Watches*

A duty of 20 % *ad valorem* is generally charged on knives, razors, blades, clippers, scissors and medical instruments. In many cases there are alternative specific duties, and in the case of razor blades and blanks there is a specific duty in addition to the *ad valorem* duty. Most kinds of tools are subject to an *ad valorem* duty of 15 %, but some of the cheaper varieties have to pay 20 % or even 33½ %. Clocks and watches have scales of *ad valorem* duties, varying from 20 to 33½ % on the more expensive types. Empire goods are not totally exempt from these duties, but are allowed a preference of one-third of the full rate.

GROUP IX. *Electrical Goods*

The duty on accumulators and heating and cooking apparatus is 15 % *ad valorem*, but on all other electrical goods it is 20 %.

GROUP X. *Machinery*

There is a general rate of 20 % *ad valorem* on machinery, but there are many exceptions to it. For example a duty of only 15 % is imposed on machines for domestic and household purposes, cash registers, dry cleaning and laundering machines, office machinery, petrol pumps, electric refrigerators, agricultural machinery, milking machines and other dairy machinery. There are high specific duties on typewriters varying from £1. 5s. to £3. 10s. per machine. Ball bearings are subject to a duty of 33½ % *ad valorem*. There are several exemptions in this group, including iron and steel for rolling mills and dictating machines.

GROUP XI. *Wooden Manufactures*

The general level of duties on articles manufactured wholly or partly from wood or timber is: for builders' woodwork 15 % *ad valorem*, and for other sorts 20 %. Hardwood flooring is, however, taxed at the rate of 17½ %, and wood and timber of coniferous species are subject to elaborate specific duties. There are a large number of articles exempted from duty in this group.

GROUP XII. *Textiles*

This group comprises manufactures made wholly or partly of cotton, wool, hemp, flax or jute. Tissue, household goods, sacking, mats, netting, felt and blankets are subject to a duty of 20 % *ad valorem*. There is a specific duty on handmade carpets of 4s. 6d. per square yard, and other carpets are charged 20 % *ad valorem* or 1s. per square yard. Alternative duties of 20 % or 1s. 6d.

per square yard are imposed on handkerchiefs, and there is a duty of 30 % *ad valorem* on goods that are made wholly or partly of material that is, or resembles, lace, net or embroidery.

GROUP XIII. *Apparel*

This group consists of all articles of apparel and footwear, and a duty of 20 % is charged on all articles not separately listed. There are several rates of specific duties on rubber footwear varying from 8d. to 4s. per pair. On other women's footwear there are alternative duties of 2s. per pair or 15 % *ad valorem*. On gloves there is an *ad valorem* duty of 30 % and on hats and hat shapes the duties vary from 20 to 30 % *ad valorem* (or 3s. per dozen).

GROUP XIV. *Chemicals, Paints, Soap, etc.*

This group includes a short list of chemicals many of which are used for domestic or agricultural purposes. Most of them are dutiable at the rate of 20 % *ad valorem*, but in a few cases duties as low as 15 % and as high as 33½ % are imposed. Fertilizers are mainly subject to specific duties, the most common rate being £4 per ton. The duties on paint vary from 15 to 20 % *ad valorem* and there is a 20 % duty on candles. On most types of soap the duty is 15 %, but on toilet soap it is 30 % *ad valorem*. There are alternative duties on glue etc. of 10s. 6d. per cwt. or 25 % *ad valorem*, and a specific duty of 7s. 6d. per cwt. on several articles containing starches.

GROUP XV. *Leather, Fur and Rubber Goods*

The duty on calf (excluding scrap) is 30 % *ad valorem* and on other leather, with the exception of patent leather and glacé kid, the duty is 15 %. There is a 20 % duty on saddlery and harness and on trunks, bags, wallets, etc., but in the case of women's handbags there is an alternative duty of 1s. each. Other leather goods are charged 25 % *ad valorem*. Fur skins are subject to a duty of 15 %, but on other fur goods the duty is 30 % *ad valorem*. On most manufactured rubber goods the duty is 20 %, but there are some alternative specific duties. There are also a few exemptions in this group.

GROUP XVI. *Paper and Board*

The general duty on paper and board is 20 % *ad valorem*, but the duty on tissue paper, writing paper and a few other varieties is 16½ %. Some types of imitation paper and parchment are liable to a 25 % *ad valorem* duty. Paper dress patterns, craft board and a few other items are charged 15 % *ad valorem*.

GROUP XVII. *Motor Vehicles and Bicycles*

A duty of 33½ % *ad valorem* is imposed on railway wagons, motor cars, motor bicycles and cycles. Empire imports of the above goods (except cycles) are not exempted from duty but are entitled to a preference of one-third. Cycle accessories are liable to an *ad valorem* duty of 33½ % or alternative specific duties. The duty on agricultural tractors and on some electrical accessories is 15 % and on axle boxes for railway wagons it is 20 % *ad valorem*.

GROUP XVIII. *Other Goods*

The last group comprises a heterogeneous collection of goods. Arms and ammunition are liable to a duty of 25 % *ad valorem*. Duties varying from 20 to 30 % are imposed on toilet preparations and requisites. There is a 33½ %

ad valorem duty on spectacles and buttons, and most jewellery is liable to a duty of 30 %. On sports apparatus the usual duty is 20 %, but on fishing tackle it is 15 % and on rackets and racket frames it is 25 % with alternative specific duties. Toys are generally liable to 15 % *ad valorem*, but certain kinds are charged 25 %. The duties on musical instruments vary from 15 % to 33½ %, Empire goods being allowed a preference of one-third. Brooms and brushes, sticks and umbrellas, covers, manufactures of cork and most stationery articles are liable to an *ad valorem* duty of 20 %, in some cases with alternative specific duties.

There are complicated regulations regarding cinematograph films, on which Empire countries are entitled to a preference of one-third. Specific duties per linear foot of standard width are: on blank film, ¼*d.*; on positive film, 1*d.*; on negative film, 5*d.* On certain conditions negative film taken by British subjects may be treated as blank film.

List of Exemptions

The remainder of this Part of the Customs and Excise Tariff enumerates classes and groups of goods exempted from duty under the Import Duties Act. These are summarized in Appendix B.

PART 4. OTTAWA AGREEMENTS ACT 1932

'General *ad valorem* duty is not chargeable under Part 3 on goods (except composite goods) chargeable under this Part. Goods chargeable under this Part may, however, be liable to an additional duty under Part 3 (e.g. linseed oil). In cases where goods liable under this Part are liable under Part 5 or 6; both duties are chargeable.'¹

The duties under this Act refer mainly to food products. There is a 10 % *ad valorem* duty on maize and a specific duty of ¾*d.* per lb. on rice. On butter there is a specific duty of 15*s.* per cwt. and on cheese an *ad valorem* rate of 15 %. There are three rates of specific duty on eggs, which vary according to weight. The rates per 120 eggs are 1*s.* under 14 lb., 1*s.* 6*d.* between 14 and 17 lb. and 1*s.* 9*d.* over 17 lb. There are specific duties on condensed milk, milk powder, honey and various fresh and raw fruit. Some of the fruit duties are only imposed for part of the year. There are also specific duties on preserved fruits. There is a specific duty of ¾*d.* per lb. on chilled or frozen salmon, and *ad valorem* duties of 15 % on various types of oil, and on patent leather.

PART 5. KEY INDUSTRY DUTY

Under the Safeguarding of Industries Act 1921 the Board of Trade are empowered to issue lists defining the articles falling within certain general dutiable descriptions. The lists are extremely long so that only the general descriptions can be given in this appendix.²

Where goods chargeable under this Part are also chargeable under Parts 3 or 6, the duty under this Part is only chargeable in so far as its amount exceeds the amount chargeable under Parts 3 or 6.

¹ Customs and Excise Tariff 1939, p. 109.

² The list of chemicals alone covers 66 pages of the Customs and Excise Tariff.

Certain articles which would otherwise be dutiable under this Part have been exempted. Details are given in Appendix B below.

Ad valorem duties of 50 % are imposed on optical glass and optical elements and component parts of optical instruments. Specific duties of 5s. or 7s. 6d. per lb. are charged on arc-lamp carbons and their parts.

All other goods liable to key industry duty are subject to a 33½ % *ad valorem* duty. The general descriptions of these goods include: scientific glassware, lampblown ware and other laboratory porcelain; scientific instruments and their component parts; precision instruments of types used in engineering machine shops and viewing rooms; wireless valves and similar rectifiers, and vacuum tubes, and their component parts; ignition magnetos and permanent magnets; activated and decolorizing carbons; amorphous carbon electrodes; hosiery latch needles; rare earth metals and compounds; molybdenum, vanadium and their compounds; ferro-titanium containing not more than 2 % of carbon; manganese metal containing not more than 1 % of carbon; chromium metal, all synthetic organic chemicals (other than synthetic organic dyestuffs and intermediate products), analytic reagents, all other fine chemicals (except sulphate of quinine of vegetable origin) and chemicals manufactured by fermentation processes.

PART 6. CUSTOMS DUTIES CHARGEABLE UNDER OTHER ENACTMENTS

This Part consists of various duties which have been imposed at different times under special enactments. Many of them were originally for revenue purposes under Finance Acts.

Beef and Veal. There are specific duties of ½d. per lb. on chilled meat and ¾d. per lb. on other kinds. There is an *ad valorem* duty of 20 % on boned and boneless beef and veal and edible offals, and of 10 % on beef and veal contained in any airtight container, and on extracts and essences. These duties are chargeable in addition to any duties chargeable on the goods under other Parts.

Beer. The duties on beer are specific, and vary according to the specific gravity of the worts before fermentation.

Cards. On playing cards there is a duty of 3s. 9d. per dozen packs.

Chicory, Cocoa and Coffee. The duty on roasted or ground chicory and kiln-dried coffee and mixtures of the two is 2d. per lb. Coffee not kiln dried roasted or ground and cocoa are charged 14s. per cwt. and raw or kiln dried chicory 13s. 3d. per cwt.

Hops. There is a duty of £4 per cwt. on hops and £1 per oz. on hop oil.

Preserved Fruits. On dried currants without sugar, there is a duty of 2s. per cwt., and on such dried or preserved fruits as figs, plums, greengages, prunes and raisins, without sugar, the duty is 7s. per cwt. If the fruit is preserved with sugar it becomes liable to sugar duty.

Hydrocarbon Oils. Light hydrocarbon oils and heavy oils for road fuel are liable to a duty of 9d. per gallon, and on other heavy oils the duty is 1d. per gallon. Repayment of duty is allowed on hydrocarbon oils used in certain British vessels in home waters.

Matches. There is a specific duty of 6s. 8d. per 1,000 containers holding less than 10 matches, and 13s. 4d. per 1,000 containers in which there are between 10 and 20 matches. Boxes holding between 20 and 50 matches are liable to

a duty of 4s. 9d. per 144 boxes, and there is an additional duty of 2s. 5d. for every extra 25 or part of 25 matches in each box. *Mechanical Lighters* are liable to a specific duty of 1s. 6d. each.

Silk and Artificial Silk. Raw silk is liable to a duty of 1s. 6d. per lb. when undischarged and of 2s. 2d. per lb. if wholly or partly discharged.¹ The specific duties on undischarged yarn, discharged yarn and noil yarn are 2s. 2d., 2s. 9d., and 9d. per lb. but, in addition, there is in each case an *ad valorem* duty of 25 %. When there is both silk and artificial silk in any tissue the duty by weight on the artificial silk is levied at the artificial silk tissue rate.

Artificial silk yarn is rated at 1s. 3d. per lb. plus 25 % of the value. On tissues there is a duty of 1s. 5d. per lb. plus an *ad valorem* duty of either 20 or 25 %. In certain cases an alternative duty on yardage is given and the higher of these and the *ad valorem* duty is charged.

Stockings and socks containing silk, the value of which exceeds 20 % of the aggregate of the values of the components, are liable to a duty of 43½ % *ad valorem* or 12s. per lb., providing that the duty does not exceed 10s. per dozen pairs. The preferential duty on these is equal to two-thirds of the full rate. All other articles (except hosiery) composed partly or wholly of silk or artificial silk are subject to *ad valorem* duties varying from 12 to 43½ % according to the proportion of the total value of the goods that is represented by the silk and artificial silk components. On articles of apparel and furnishing drapery there are alternative specific duties dependent upon the weight of the articles. These specific duties also vary according to whether silk is or is not a component part. The preferential duties are in all cases equal to five-sixths of the full rates. There are many special regulations and exemptions regarding these duties which are too long to include in this summary.

Spirits. There are specific duties of approximately £3. 15s. 0d. per proof gallon on the following spirits when imported in cask after having been warehoused for three years or more: brandy and rum, sweetened and unsweetened liqueurs, cordials and mixtures, imitation rum, Geneva, naphtha and methyl alcohol (if purified so as to be potable). The duties on immature spirits (concerning the importation of which there are special regulations) are 1s. or 1s. 6d. higher, as also are the duties on spirits imported in bottles. Liqueurs, cordials and mixtures must be tested for strength, but if they are imported in bottles and the strength is not to be tested they are liable to duties of approximately £5. 3s. 6d. On perfumed spirits the duties vary from £6. 0s. 0d. to £6. 2s. 5d. per gallon.

Sugar. The duties on sugar are dependent upon the degree of polarization. On foreign imports they vary from 4s. 6d. to 11s. 8d. per cwt.

Molasses are dutiable at rates varying from 2s. 7d. to 7s. 5d. per cwt. according to their content of sweetening matter. There is a duty of 3s. 9d. per oz. on saccharine and articles containing more than 1 % of saccharine. Duties on preparations made with added sugar or sweetening matter, such as confectionery and crystallized, tinned or bottled fruit are subject to duties varying from 1s. 6½d. to 11s. 8d. per cwt. and some of these articles are also liable to duty under Part 3. There are many regulations concerning the rates of duty on the various articles.

¹ From which the gum has been removed.

Tea. There is a duty of 8*d.* per lb. on tea.

Tobacco. On unmanufactured tobacco the duties are 9*s.* 6*d.* or 10*s.* 6*d.* when unstripped, and an extra $\frac{1}{2}$ *d.* when stripped. The higher duties are charged when the tobacco contains less than 10 % of moisture. The duty on cigars is 18*s.* 1*d.* per lb., on cigarettes 14*s.* 7*d.* per lb. and on other tobaccos and snuff the rates vary from 11*s.* 4*d.* to 13*s.* 9*d.* per lb.

Wine. The rate of duty on wine depends upon the degrees proof spirit. It is 4*s.* per gallon under 25°, 8*s.* between 25° and 42° and 8*d.* per gallon for each additional degree. There are additional duties of 12*s.* 6*d.* per gallon on sparkling wine and of 2*s.* per gallon on still wine in bottle.

Other Duties. There are also duties on chloral hydrate, chloroform, collodion, and several varieties of ether and ethyl. Most of these articles are chargeable with duty under Part 5 in so far as it exceeds duty under this Part.

PART 7. CUSTOMS DRAWBACKS AND ALLOWANCES

See Appendix C.

PART 8. EXCISE DUTIES

Excise duties are not of direct concern to this study, but when there are both import and excise duties on similar goods the extent to which the former is protective depends to some extent on the rate of the latter.

In view of the predominantly revenue character of the import duties concerned, it is not necessary to make a detailed comparison of the import and excise duties on the articles which are subject to them both. It may be said, however, that in almost all cases the excise duty is somewhat lower than the equivalent customs duty. Where there are alternative rates of full or preferential customs duty the excise duty is lower than the preferential rate and therefore considerably lower than the full rate. The case of sugar is interesting: it will be remembered that there are three separate rates of import duty, a Colonial preferential rate being lower than the Empire preferential rate. The excise duty is in this case between the Empire and the Colonial rates.

The goods which are subject to both customs and excise duties are as follows: artificial silk, beer, playing cards, coffee or chicory and their substitutes, matches, mechanical lighters, power alcohol, spirits, sugar, table waters and tobacco.

PART 9. EXCISE DRAWBACKS AND ALLOWANCES

See Appendix C.

APPENDIX B. TARIFF EXEMPTIONS AND PREFERENCES

The object of this Appendix is to show to what extent the duties described in Appendix A are modified by exemptions and preferences.

(a) *Exemptions.* Certain classes of goods are exempted from all duties and others are exempted from duty under particular Acts, but remain liable to duty under other Acts.

The goods exempted from *all* duties are as follows:

(1) *Re-imported goods*. British goods may be re-imported within five years of the date of exportation without payment of duty if it can be shown that no drawback was paid on exportation, or that such drawback has been repaid.

(2) *Temporary importations*. Goods in course of transit through the United Kingdom, or for transshipment, may be admitted without payment of duty.

(3) *Returned goods*. The importer of goods on which duty has been paid may obtain repayment of such duty if the goods are returned on account of not being in accordance with the contract of sale, have not been used, and are returned with the consent of the foreign seller.

(4) *Antique articles* (except wines and spirits) proved to have been manufactured or produced more than one hundred years before the date of importation are exempted from duty.

(5) *Awards for distinction*. Articles which are shown to have been awarded abroad to any person for distinction in art, literature, science or sport, or for public service, or for other meritorious achievement or conduct and to be imported by or on behalf of that person, are not charged with customs duty.

(6) *Educational cinematograph films* certified as such by the Board of Education are exempt from duty.

(7) *Molasses* when delivered to a licensed distiller for use in the manufacture of spirits and yeast, or if it is to be used solely for the purpose of food for live-stock, is exempt.

(8) Goods imported as trade samples, goods in transit, and goods destined for bonded warehouses, may be imported without payment of duty if certain conditions are observed. These conditions and the procedure for obtaining exemption are described in Part IV, sections (2) and (3) of this study.

The goods exempted from duty under particular Acts are as follows:

Under the *Import Duties Act* the following classes of goods are exempted from duty under Part 3 of the tariff:

(1) Goods consigned direct to a shipbuilding yard and which will be used for the building, repairing or refitting of ships in that yard.

(2) Goods of certain classes when imported for use in the construction or repair of the boilers or propelling machinery of ships, or of their accessories.

(3) Machinery of certain classes which is not for the time being procurable in the United Kingdom, if imported under licence issued by the Treasury.

(4) Goods intended to be used in scientific research, or for the advancement of learning or art or the promotion of sport, provided they are not to be sold or used for a commercial purpose, if imported under licence issued by the Treasury.

(5) Goods consigned to any gallery or museum and imported solely for use as exhibits.

(6) Goods which form part of a ship or other vessel which is being imported for the purpose of being broken up, or any equipment or machinery of such a ship.

(7) Goods specifically exempted under the Act. The list of these goods covers ten pages of the Customs and Excise Tariff, and includes: wheat, maize, rice, hay, straw, tea, certain vegetable fibres, cork, seaweed, animals, meat, fish of British taking, whale oil, lard, hides and skins, pig bristles, animal ivory, natural silkworm gut, coal and coke, emery, flint, mica, quartz, sulphur,

metallic ores, scrap metals, used railway rails, iron ore briquettes, various descriptions of iron and steel including pig iron, and products made from pig iron with charcoal, ferro-chromium, silicon and alloys thereof, radium ores, copper, mercury, unwrought nickel, platinum, tin, gold and silver bullion and coin; roundwood logs, pit props, telegraph poles, esparto, wood pulp; raw cotton, wool and animal hair, flax, hemp, jute, waste of cotton, wool, flax, hemp and jute, raffia, cotton seed, linseed, shellac, certain essential oils, raw rubber and gutta percha; certain organic intermediate products, synthetic organic dyestuffs, certain natural raw materials, iodine, glycol ethers, nitrate of lime, phosphates of lime, radium compounds, insulin, newsprint, printed trade catalogues and lists, manuscripts and typescripts, paintings, works of art, maps, certain varieties of sound track negatives and exposed photographic films and gramophone records, unset precious and semi-precious stones and pearls.

(8) Goods which are entitled to Colonial or Dominion preference are exempt from the general *ad valorem* duty. The conditions with which goods must comply in order to be eligible for preference are described later in this Appendix.

(9) Composite goods chargeable with duty under another Part are chargeable with duty under Part 3 only in respect of the amount, if any, by which it exceeds the other duty.

(10) Goods, other than composite goods, chargeable under Parts 4, 5 and 6, are not chargeable under Part 3 except that an additional duty may be superimposed on a duty under Part 4, and goods chargeable with the duties on beef and veal are also chargeable under Part 3.

Under the *Ottawa Agreements Act* goods entitled to Empire preference are exempt from duty under Part 4.

Under the *Safeguarding of Industries Act* 1921, and the *Finance Acts* of 1922, 1926 and 1936, the following classes of goods are exempt from duty under Part 5:

(1) Goods entitled to Empire preference.

(2) Compound articles of such a nature that the article liable to duty which forms an ingredient of the compound loses its identity.

(3) Compound articles where the Treasury, after consultation with the Board of Trade, having regard to the nature of the ingredient which is liable to duty, and to the smallness of its value in comparison with the total value of the article, is satisfied that it is inexpedient that duty should be charged. Articles exempted under this section include certain varieties of toys, induction coils, ornamental articles containing lamp-blown ware, unmedicated toilet oils, cadmium mass, and scrap accumulator plates. The following articles are also exempted if they are dutiable only by reason of containing dutiable chemicals as an ingredient: fireworks, aluminium torches, sporting cartridges, bath salts, grease paints, toilet soaps and other toilet preparations.

(4) Where it appears to the Treasury, after consultation with the Board of Trade, to be inexpedient, having regard to the nature or small value of the articles that duty should be charged. Under this section very cheap varieties of the following articles are exempted: complete binoculars, optical lanterns, cinematographs, telescopes, microscopes, set squares, mathematical drawing instruments, toys and ornaments made wholly of lampblown ware or glass wool.

(5) If an article is not made in any part of the Dominions in any substantial quantity, and there is no reasonable probability thereof within a reasonable period, the Treasury may exempt the article from duty after a representation has been made by a consumer. Certain specifications of the following articles have been exempted under this provision: amorphous carbon electrodes, cellulose ethers, magnifiers incorporating microscopic pictures, dolls' eyes, fermentographs, integrators, vacuum tubes, vanadium compounds, compounds of rare earth metals, a list of synthetic organic chemicals, analytic reagents, other fine chemicals and chemicals manufactured by fermentation processes, and radium compounds.

(6) Instruments and apparatus which are not made in the Dominions and which are required for the importer's own use may be exempted from duty by licence from the Treasury on the recommendation of the Board of Trade, provided that application is made before the importation of the goods.

Under *other enactments*, beef and veal, currants, figs and fig cake, without sugar are exempt from duty under Part 6 when entitled to imperial preference.

(b) *Imperial Preference*. In addition to the goods which are entirely exempted from duty when entitled to imperial preference, there are other goods which are admitted at reduced rates under Parts 3 and 6 of the Customs and Excise Tariff.

Empire goods subject to preferential rates under Part 3 are motor vehicles and their accessories and component parts, clocks, watches and their component parts, musical instruments and cinematograph films. In all these cases the preferential rate is two-thirds of the full rate.

Under Part 6 the goods admitted at preferential rates are beer, chicory, cocoa, coffee, hops, silk and artificial silk, spirits, sugar, tea, tobacco and wine. The margin of preference on types of beer other than mum, spruce, black and Berlin is £1 per 36 gallons, and on spirits the margin varies from 2s. 6d. to 4s. per proof gallon. In all other cases the preference is a proportion of the full rate and not an absolute margin. For example the Empire rate on silk and artificial silk, chicory, cocoa and kiln dried coffee is five-sixths of the full rate, on tobacco it is rather more than 75 %, on tea it is 75 %, on hops it is two-thirds, on wine it is one-half and on coffee it is one-third of the full rate. The preferential rates on sugar vary according to the degree of polarization, and no proportion or absolute margin can be given. In addition to the ordinary Empire preference there is a further preference on sugar which, in addition to fulfilling the normal preference conditions, is produced in and consigned from any of the Colonies, Protectorates or Mandated Territories, and is covered by a Colonial Sugar Certificate. Such Certificates are only granted on a limited quota of sugar, and mainly on sugar produced in the West Indies. The rates on Certified sugar are rather less than one-third of the Empire preferential rates. The preferential rates on molasses and articles manufactured with sugar are one-half of the full rates, and there is no special Colonial preference on these goods.

This concludes the list of goods entitled to imperial preference, but it remains to consider the conditions which must be fulfilled before such goods are admitted at reduced rates, or free of duty as the case may be.

The general conditions governing the admission of imported goods to imperial preference are that the goods must be shown to have been (1) consigned

from the British Empire and (2) grown, produced or manufactured in the British Empire. There is, however, a special provision enabling Rhodesian and Nyasaland goods consigned from the port of Beira to obtain imperial preference.

Manufactured articles are only entitled to preference if a prescribed proportion of their value is derived from expenditure in the British Empire or United Kingdom. This expenditure must be of a prescribed kind, and in respect of materials grown or produced or work done in the British Empire or United Kingdom. Different proportions of value have been prescribed for different classes of manufactured goods; the main headings of goods are as follows:

(i) 5 per cent:

Refined sugar, molasses, extracts from sugar and manufactured tobacco.¹

(ii) 50 per cent:

Aircraft, appliances for sports, arc lamp carbons, arms and ammunition, baths, beakers and other scientific glassware and lamp-blown ware, boots, shoes, etc. and laces, brooms and brushes, buttons, clocks, cutlery, cycles, distempers, electrical goods, evaporating dishes and other laboratory porcelain, metal furniture, glass and glassware, hair combs, hollow ware, hosiery latch needles, ignition magnetos, implements and tools, iron and steel products, locks, locomotives, machinery, metal door frames, motor cars, musical instruments, needles and pins, paints, pens and nibs, perambulators, pigments and extenders, pottery, saddlery and harness, scientific instruments, screws, stoves, textile manufactures, toilet preparations and requisites, toys, transparent cellulose wrapping, trunks and other leather goods, twine, unexposed sensitized cinematograph film and photographic paper, wireless valves, and certain articles such as sheets made of aluminium, copper, lead, nickel, tin or zinc.

(iii) 75 per cent:

Optical glass, optical elements and other optical instruments, and components thereof.

(iv) 25 per cent:

All other manufactured goods.

(c) *Other Preference.* Under Part 3 of the Customs and Excise Tariff preferential rates of duty are allowed on certain iron and steel products which are accompanied by a quota certificate issued by the International Steel Cartel. The goods concerned are ingots, blooms, billets and slabs, girders, beams, joists and pillars, angles, shapes and sections, bars and rods, plates and sheets, hoop and strip, railway and tramway construction material, barbed wire, wire netting and wire nails, tacks and staples. The preferential rate on all these goods is 10% *ad valorem* compared with full rates varying from 20% to 33½% *ad valorem* or high specific rates. The quota certificates are only made in respect of a limited quantity of imports in accordance with the provisions of the Finance Act 1936.²

¹ The preferential rate is charged only on the proportion of Empire material used.

² 26 Geo. and 1 Edw. 8, c. 34.

APPENDIX C. *DRAWBACKS*

In the economic system of the United Kingdom the entrepot trade was of great importance, as also was the group of industries which manufactured imported materials into goods for export. It was therefore essential that some system should exist by which the goods imported for these trades could escape the incidence of customs duties.

The systems designed for this purpose in the United Kingdom were those of transshipment in bond, warehousing in bond, and drawback. The first two enabled goods to be imported temporarily without payment of duty, and they are described in Chapter XIII, section 2, of this study. The drawback system required full payment of duty on goods when they were imported, but subject to certain conditions, it allowed a refund of the duty, in whole or in part, when the goods were re-exported. Goods brought into a registered shipbuilding yard for use in the building, repairing or refitting of ships, were under certain conditions eligible for these drawbacks as if they were exported.

Part 7 of the Customs and Excise Tariff, which deals with customs drawbacks and allowances, is divided into three sections. The first section gives a list of the drawbacks allowed under the second schedule to the Import Duties Act. These drawbacks are only allowed on goods which are exported in the same state as that in which they were imported and which have not been used. Drawbacks which can only be claimed by the importer of the goods, or some person who has taken delivery directly from the importer, is in all cases equal to the amount of duty which was paid on the goods.

The drawbacks in this section are administered by the I.D.A.C. in the same manner as the duties under the Import Duties Act. The I.D.A.C. must first recommend to the Treasury that drawback be allowed on any class of goods, and the Treasury then makes an Order to that effect. The I.D.A.C. are directed by the Act to have regard to the general interests of the industry concerned, including the export trade, and to the facilities available, either by warehousing in bond or otherwise, to deal with such goods without payment of duty. Recommendations for drawbacks are only made when customs duties impose a substantial burden on British exporters.

The goods included in the first section are as follows: apparel, ball bearings, beef and veal, boots and shoes, buttons, canes, cinematograph films, clocks and watches, eggs in shell, electric battery parts, fancy goods, fur skins, handles, leather, machinery, motor cars, musical instruments, paper tissue, partridges, seeds, suitcase parts, siphons, siphon vases, textiles, tools, trailer unit parts, wheat in grain, wheels, wood and timber.

The second section of Part 7 of the Customs and Excise Tariff gives a list of the drawbacks allowed under section 9 of the Finance Act 1932. These drawbacks are on goods manufactured in the United Kingdom from imported material. They are also imposed by Treasury Order following recommendations by the I.D.A.C. The recommendations must specify the material in respect of which drawback is allowed; the ratios of the quantities of material and

finished goods on which drawback is allowed; and the rate of drawback. The scheme recommended must not result in a drawback which exceeds the amount of duty paid on the raw material, but it may be less than this amount. The rate allowed on most of the goods in this section does in fact result in a drawback of a somewhat less amount than the duty paid, thereby giving protection to home produced materials even for the export trade.

An example of a drawback Order is that on perforated zinc sheets, the material for which is plain zinc sheets: drawback is allowed on $1\frac{1}{2}$ tons of material for each ton of finished goods, and the rate of drawback is £4. 10s. per ton. This is less than the import duty paid on plain zinc sheets, which is £5 per ton of 15 % *ad valorem*.

The goods included in this section are as follows: almonds, pickled beef, bobbins, boots and shoes, brazil nuts, bullets, cane seating, cartridges, cherries, chewing gum, cinematograph film, fish, flour, oils, paint and linoleum, photographic film, quebracho extract, sewing machine frames and woodwork, steel, suitcases and zinc sheets.

The third section of Part 7 of the Customs and Excise Tariff deals with 'Other Customs Drawbacks and Allowances'. On all goods subject to duty under Part 5 of the Tariff a drawback equal to the full amount of the duty paid is allowed. The remainder of the section deals with the goods dutiable under Part 6 of the Tariff.

A drawback equal to the full amount of the duty paid is allowed on hops, hydrocarbon oils, tea, and all grades of sugar except molasses, and on the quantity of dutiable goods used in the manufacture of cocoa and dried fruit. Drawbacks of amounts less than the full duty are allowed on coffee, chicory, and preparations containing roasted coffee or chicory. On beer (other than mum, spruce, etc.) the drawback is 3*d.* per 36 gallons less than the import duty, and on manufactured tobacco the drawbacks are approximately the same as the import duties on the same weight of unmanufactured tobacco, but considerably less than the duties on the equivalent varieties of imported manufactured tobacco.

The system of drawbacks on silk and artificial silk is very long and complicated, and in many cases it is not possible to make a direct comparison between the rate of drawback and the rate of duty, because the latter is always on a specific basis, whereas the former is often on a combination of specific and *ad valorem* duties. In some cases the drawback is equal to the amount of duty paid, but in general, and particularly among the more highly manufactured products, the rate of drawback is considerably less than the import duty on equivalent products.

On artificial silk waste and its products, however, drawback is payable whether or not duty has been paid in respect of the material from which the waste was made. The rates vary from $1\frac{1}{2}$ *d.* to 3*d.* per lb. and apply both to customs and excise drawback.

Excise Drawbacks. In addition to the drawbacks of customs duties given in Part 7 of the Tariff, there are also drawbacks of excise duty on certain classes of goods when exported. These are given in Part 9 of the Tariff. When these drawbacks exceed the amount of excise duty paid they act as a subsidy to exports, in other cases their effect on exports can only be considered in relation to the rates of customs drawbacks and the comparative rates of customs and

excise duties. For example, if the rates of the customs and excise drawbacks are the same, but the customs duties are higher than the excise duties, home produced goods will have an advantage over imported goods in the export trade. This is the case with artificial silk.

The following is a summary of the comparative rates of drawback and duty:

Artificial Silk. The excise drawback is the same as the customs drawback, but the customs duties are higher than the excise duties.

*Beer.*¹ The excise drawback is the same as the customs drawback. This is 1s. per 36 gallons *greater* than the excise duty, and 3d. per 36 gallons less than the preferential customs duty.

Matches. There is an excise drawback of 2d. per 10,000, but no corresponding customs drawback.

Power Methylated Spirit. There is an excise drawback equal to the full amount of the excise duty. There is no customs drawback.

*Spirits.*¹ There is a drawback equal to the excise duty paid, and, in addition, an allowance of 3d. or 5d. per proof gallon. There is no drawback of customs duty.

Sugar. In most cases the excise drawback is equal to the amount of excise duty paid, but on molasses it is slightly less. These rates are more than the rates of customs drawbacks on certificated colonial sugar, but less than the ordinary Empire preferential rates.

Tobacco. Excise drawback on manufactured tobacco is equal to corresponding rates of preferential customs drawbacks, although the excise duties are 2d. per lb. less than the preferential customs duties. There is also an allowance of 2d. per lb. on tobacco exported in a marketable condition and fully cured.

Note. Information on the formalities to be observed in the claiming of drawback is given in Chapter XIII, section 2, of this study, where the alternative systems of transshipment and warehousing are also described.

APPENDIX D. LEGAL DEFINITION OF VALUE

FINANCE ACT 1935, SECTION 10

(1) For the purposes of any enactment for the time being in force whereunder a duty of customs is chargeable on goods by reference to their value, the value of any imported goods shall be taken to be the price which they would fetch on a sale in the open market at the time of the importation, and duty shall be paid on that value as fixed by the Commissioners.

(2) For the purposes of computing the price aforesaid it shall be assumed:

(a) that the goods to be valued are to be delivered to the buyer at the port or place of importation, freight, insurance, commission and all other costs, charges and expenses incidental to the making of the contract of sale and the delivery of the goods at that port or place (except any duties of customs) having been paid by the seller; and

¹ The reason for the drawbacks on beer and spirits being greater than the excise duty paid is that the elaborate regulations and restrictions which are enforced in order to prevent possible evasion of excise duty raise the cost of production. An extra allowance is therefore given as compensation.

(b) that the price is the sole consideration for the sale of the said goods; and
(c) that neither the seller nor any person associated in business with him has any interest, direct or indirect, in the subsequent re-sale or disposal of the said goods; and

(d) that there has not been and will not be any commercial relationship between the seller and the buyer, whether created by contract or otherwise, other than that created by the sale of the said goods.

(3) Where the goods to be valued are manufactured in accordance with a patented invention or are goods to which a registered design has been applied, it shall also be assumed for the purpose of computing the price aforesaid that the buyer is not the patentee or the proprietor of the design and has not paid any sum or given any consideration by way of royalty or otherwise in respect of the patent or design and, on payment of the price, will be entitled to deal with the goods free from any restriction as regards the patent or design.

(4) Where a trade mark is used in the United Kingdom in relation to goods of the class or description to which the goods to be valued belong for the purpose of indicating that goods in relation to which it is used are goods of a foreign supplier of the goods to be valued or of a person to whom he has assigned the goodwill of the business in connexion with which the trade mark is so used, it shall also be assumed for the purpose of computing the price aforesaid that the goods to be valued are sold under that trade mark, unless it is shown to the satisfaction of the Commissioners that the goods to be valued have not at any time been, and security is given to the satisfaction of the Commissioners that they will not be, so sold by or on behalf of the foreign supplier or any such person as aforesaid.

(5) For the purposes of this section:

(a) two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them;

(b) the expression 'foreign supplier' in relation to any goods to be valued, means any person by whom those goods have been grown, produced, manufactured, selected, dealt with or offered for sale outside the United Kingdom, and includes any other person associated in business with such a person as aforesaid;

(c) the expression 'trade mark' includes a trade name and a get-up.

APPENDIX E

NET RECEIPTS FROM CUSTOMS DUTIES¹ (£ millions)

Year	1913-14 ²	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Drinks ³	6	16	15	15	13	14	15	15	14
Sugar	3	12	14	11	10	9	9	10	10
Tea	6	—	—	2	4	4	4	8	7
Tobacco	18	64	63	67	68	71	75	77	83
Hydrocarbon oils	—	16	29	35	40	42	45	48	50
Silk and artificial silk	—	5	5	4	4	3	4	4	4
Irish Free State goods ⁴	—	—	—	3	5	5	5	5	4
Goods liable to McKenna duty	—	3	2	1	1	2	2	3	3
Key-industry goods	—	1	1	—	1	1	1	1	1
Goods dutiable under Import Duties Act	—	—	2 ⁵	22 ⁵	23	24	25	28	30
Total receipts	36	122	135	167	180	185	197	210	222

¹ *Statistical Abstract for the United Kingdom*, Cmd. 5903.

² Inclusive of particulars for territory which is now Eire.

³ Spirits, beer, wine and table waters.

⁴ Dutiable under the Irish Free State (Special Duties) Act 1932 and the Import Duties Act 1932.

⁵ Inclusive of goods subject to Abnormal Importations Duty and Horticultural Products Duty.

APPENDICES TO PART II

APPENDIX F. STATE-AIDED RESEARCH

The State gave considerable assistance to agriculture and industry in Great Britain by making grants to private research workers and by undertaking research in Government Departments. Most State-aided agricultural and industrial research was controlled by two Committees of the Privy Council, but there were other channels through which it was financed, including the Forestry Commission, the Herring Fishery Board, the Ministry of Transport, the Mines Department, the Board of Trade and so forth. It is impossible to describe all these in detail, so this Appendix is confined to a discussion of the research work carried out under the general direction of the Agricultural Research and Scientific and Industrial Research Committees of the Privy Council.

(I) AGRICULTURAL RESEARCH

Agricultural research in Great Britain was organized by a complex group of departments and committees, and before considering the way in which financial assistance was given to research it is necessary to give the names and organizations of the responsible bodies.

Agricultural Research Committee of the Privy Council

The Committee of the Privy Council for the Organization and Development of Agricultural Research was created on 28 July 1930, and it was constitutionally the ultimate authority in the case of disputes between the Agricultural Research Council, the Development Commission and the Department of Agriculture. The Committee consisted of:

- The Lord President of the Council.
- The Secretary of State for Home Affairs.
- The Secretary of State for Scotland.
- The Minister of Agriculture and Fisheries.
- The President of the Board of Education.

Agricultural Research Council

The Agricultural Research Council was created in 1931 to direct and co-ordinate agricultural research in Great Britain, under the supervision of the Agricultural Research Committee of the Privy Council. Its main functions were to advise the Development Commission and the central Department of Agriculture about expenditure on agricultural research work. The Council consisted of fifteen members who were appointed by the Privy Council Committee. There are various

standing committees of the Council which covered the whole field of agricultural research. Co-ordination with the Medical Research Council and with the Advisory Council of the Department of Scientific and Industrial Research was maintained by means of conferences, joint committees, etc.

Development Commission

The Development Commissioners held office under the Development and Road Improvement Fund Acts 1909 and 1910.¹ Originally they were responsible for agricultural development, the encouragement of afforestation, land drainage, construction and improvement of harbours and inland navigation and fishery development. Many of the original powers of the Commission were delegated to other authorities and its main duty became to give grants from the Development Fund towards agricultural and fishery research, the development of rural industries and the improvement of fishery harbours.

Government Departments

The Ministry of Agriculture and Fisheries was the Government Department concerned with agricultural research in England and Wales. It was divided into various sections and the Education and Research Division was responsible for the administration of grants. In Scotland the corresponding functions were performed by the Department of Agriculture for Scotland.

Finance of Research

About 80 % of the Government's contribution to agricultural research was defrayed by the Development Fund. This was constituted by the Development and Road Improvement Fund Act 1909, which provided that a lump sum should be paid into the Development Fund from the Consolidated Fund and that the Development Fund should be replenished by annual grants from the Exchequer. The sum of £2,900,000² was paid out of the Consolidated Fund into the Development Fund, which also received £9,810,000 from Parliamentary votes.³

The Agricultural Departments gave annual grants to provincial advisory centres, local authorities and research institutes,⁴ special grants for particular investigations and capital grants towards the provision of new equipment in research institutions. They also directly maintained a few research centres such as the Veterinary Laboratory at Weybridge.

1 9 Edw. 7, c. 47 and 10 Edw. 7, c. 7.

2 *Report of the Development Commissioners, 1919-20.*

3 *Report on Agricultural Research in Great Britain, P.E.P.*

4 There were some twenty-eight institutions where research was the sole or primary consideration, but research was actually carried on in fifty institutions.

The contributions of the Development Fund to agricultural research in 1938-39 were divided up as follows:

	£
Agricultural Research Council	61,000
Ministry of Agriculture	399,715
Development Fund (estimated administration costs)	10,800
Department of Agriculture, Scotland	75,000
	<u>£546,515*</u>

Grants of about £470,000 were also made from the Development Fund towards Agricultural Education.

The United Kingdom's contribution to the Imperial Institutes of Entomology and Mycology and the nine Imperial Bureaux, whose function was to co-ordinate the results of agricultural research throughout the British Empire, was paid by the Dominions Office. In 1938-39 the contribution to Dominions Services was £9015.

A portion of the annual votes made by Parliament to the Departments of Agriculture was spent on agricultural research. In 1938-39, £69,670 was provided by the Ministry of Agriculture and £10,206 by the Department of Agriculture for Scotland in this way. There were also contributions from the Milk Marketing Board, Racehorse Betting Control Board, Land Fertility (Research) Fund and other sources which were appropriated in aid of the votes of the Agricultural Departments and total £10,560.¹

About 10 %² of the total expenditure on agricultural research was contributed by local authorities, marketing boards, private companies and societies. The Milk Marketing Board for England and Wales made grants of over £49,000 since 1935 and many of the other Marketing Boards made smaller contributions to research. The beet-sugar industry gave £49,508 towards research and education between 1927 and 1938 and money for particular purposes was also issued by such bodies as the Herring Industry Board and the Royal Agricultural Society.

(2) SCIENTIFIC AND INDUSTRIAL RESEARCH

Committee of the Privy Council for Scientific and Industrial Research

In July 1915 a Committee of the Privy Council for Scientific and Industrial Research was appointed to advise the Lord President on the expenditure of a sum of money, to be voted annually by Parliament, for the encouragement and organization of research.

The original constitution of the Committee was altered by Order

¹ *Report on Agricultural Research in Great Britain*, P.E.P. p. 43.

² *Report of the Select Committee on Estimates, 1934* (H.C. 101), Q. 1385.

in Council on 6 February 1928,¹ and it was then composed of the following members:

- The Lord President of the Council.
- The Secretary of State for the Home Department.
- The Secretary of State for Dominion Affairs.
- The Secretary of State for the Colonies.
- The Secretary of State for Scotland.
- The Chancellor of the Exchequer.
- The President of the Board of Trade.
- The President of the Board of Education.

The Advisory Council

The Advisory Council was appointed at the same time as the Privy Council Committee to advise the Committee about all proposals for expenditure on research. Unlike the Committee, which was composed of the holders, for the time being, of certain Government offices, the Council was a permanent body. It was composed of scientific experts, who were appointed by the Lord President of the Privy Council, after consultation with the President of the Royal Society. There are at present thirteen members, including the Chairman, Lord Riverdale. Under its terms of reference the Advisory Council was required to institute specific researches, to establish special institutions for research into industrial problems, and to finance research studentships and fellowships.

Department of Industrial and Scientific Research

The Department of Industrial and Scientific Research was formed to administer the decisions of the Advisory Council and to provide a permanent staff. In addition to its other functions the Department organized research stands at exhibitions and sent representatives abroad to attend international scientific conferences.

Research Boards

The Advisory Council established various Research Boards to study problems of research which were of national importance and could not be undertaken by other bodies. The Boards include the Food Investigation Board, the Building Research Board and so forth. They usually had about twelve members and each Board had one or more research stations or laboratories towards which the Department contributed money for administrative and general expenditure. Each Board published general reports and special reports on particular investigations.

The National Physical Laboratory, which was established some years

¹ *London Gazette*, 10 February 1928.

before the formation of the Advisory Council, was taken over as a Research Board in order that the Council might assume financial responsibility without altering the scientific direction.

Research Associations

Considerable Government assistance was given to groups of manufacturers, known as Research Associations, which undertook research for the benefit of industry. The first was formed in 1918 and by 1938 there were twenty-three¹ Associations in existence, of which the two largest, with total incomes of more than £80,000, were the British Cotton Industry Research Association and the British Non-ferrous Metals Research Association. Other Associations, with total incomes of over £20,000 per annum, included those of the electrical and allied industries, the iron and steel industry and the wool industry.

Finance of Research

When the Committee of the Privy Council was formed no provision for a capital grant as well as an annual vote from Parliament was made. In 1917 the Research Association scheme was inaugurated and on the recommendation of the Advisory Council a fund of £1 million was voted for this purpose. This capital sum was intended to indicate the limit of Government assistance in this field. Disbursements 'were made in the form of grants paid in proportion to the income subscribed by industry towards the new organizations, in the hope that in a short space of time—five years or so—the value of the Associations would have been so amply demonstrated that the industry then assume the whole burden'.² Originally the State grant was equivalent to the subscriptions from the industry, but it was later reduced to 10s. for every £1 subscribed. During the year 1932–33 the original £1 million was exhausted, but the Research Associations were still unable to support themselves and it was decided to continue State assistance with money obtained from annual votes.

The total annual expenditure of the Department of Scientific and Industrial Research amounted to about £900,000 in 1938. Over £200,000 was met by receipts for paid services and the rest of the expenditure was defrayed by the State grant. It was estimated that the Government contribution for 1938–39 would be £741,983.³ The subscriptions from industry to the Research Associations exceeded £250,000 a year.

1 A list of them is given in the Department's *Report for the year 1937–38*, Cmd. 5927.

2 Department of Scientific and Industrial Research, *Report for the Year 1932–33*, Cmd. 4483.

3 Civil Estimates: House of Commons Paper (1938–39), 70–VI.

APPENDIX G. STATISTICS RELATING TO THE HERRING INDUSTRY

STATE ASSISTANCE

The Parliamentary grants to the herring industry were as follows: -

	1934-35	1935-36	1936-37	1937-38 ¹
	£	£	£	£
Administration and services	12,140	47,440	47,477	—
Advances for loans and purchase of redundant boats	34,000	56,430	83,409	125,100
Herring Marketing Fund	—	—	150,000	150,000

(Loans to Herring Industry Board outstanding 31 March, 1939, £46,061)

Disposal of total catch (000 crans)

	1932	1933	1934	1935	1936	1937
Total export	1,048	891	865	1,081	1,060	1,009
Retained home consumption	396	402	459	491	474	503
Total	1,444	1,293	1,324	1,572	1,534	1,512 ²

Home consumption of herrings (000 crans)

	1932	1933	1934	1935	1936	1937
British caught	396	402	458	491	474	503
Imports	157	152	84	134	107	93
Total	553	554	542	625	581 ³	596 ³

Average earnings of English and Scottish steam drifter fleets at the two main herring fisheries³

	1934	1935	1936	1937
	£	£	£	£
English	915	1,305	1,685	1,588
Scottish	1,866	2,150	2,824	2,780

Loans granted by the Board and net expenditure on boats for scrapping

	Loans for nets and gear		Loans for reconditioning		Redundant ships bought	
	No.	Value £ (000)	No.	Value £ (000)	No.	Net amount spent £ (000)
1935	655	33	—	—	—	—
1936	— ⁴	34	11	3	116	7
1937	— ⁴	21	14	4	14	0.3
Jan.—March 1938	29	7	10	2	— ⁴	— ⁴

1 Estimates.

2 Decrease due to shortage of herrings on the Scottish fishing grounds.

3 Decrease partially due to lack of supplies.

4 Figures not published.

APPENDIX H. STATISTICS RELATING TO SPECIAL AREAS

TOTAL COMMITMENTS UP TO SEPTEMBER 30TH, 1938

<i>England and Wales</i> ¹		£ (000)
Industrial development		5,152
Health service and housing		7,274
Agriculture (drainage, etc.)		3,260
Social services		1,084
		16,770
<i>Scotland</i> ²		
Industrial development		1,138
Public works (including health services)		2,641
Agriculture		194
Social services		228
		4,201

SPECIAL AREAS FUND

In the last three years the following sums of money have been voted to the Special Areas Fund:³

1935-36	£2,000,000
1936-37	£3,000,000
1937-38	£3,500,000

UNEMPLOYMENT IN THE SPECIAL AREAS

The following table shows how the unemployed percentage in the Special Areas fell after the various schemes came into operation and gives figures of the unemployment percentage in the whole country, for comparative purposes:

*Percentage of the insured population unemployed (14 years and over)*⁴

	Insured population July 1937 (16-64) (000)	Unemployed percentages			
		Dec. 1935	Dec. 1936	Dec. 1937	March 1938
		Special Areas			
- England and Wales	962	32·7	27·9	23·1	22·9
Scotland	359 ⁵	23·8	23·8	18·9	17·8 ⁶
<i>England and Wales</i>	11,846	14·4	14·4	11·8	12·6
<i>Great Britain</i>	13,244	15·2	15·2	12·6	13·2

¹ Cmd. 5896.

³ Civil Appropriation Accounts.

⁵ December 1937: 14-64 years.

⁶ June 1938, as percentage of insured population in December 1937.

² Cmd. 5905.

⁴ Reports of the Commissioners.

APPENDIX I. STATISTICS RELATING TO FORESTRY.

STATE FINANCIAL ASSISTANCE

Receipts from Parliamentary votes were as follows:

	£ (000)		£ (000)
1920-29	4,000	1934	450
1930	937·8	1935	450
1931	490	1936	700
1932	399	1937	800
1933	450	1938	800

The following table¹ shows the main items of expenditure from the Forestry Fund since 1934, and includes payments covered by receipts from forestry operations:

	Forestry operations	Grants and advances	Education and research	Forest workers holdings, etc.	Total
	£ (00)				
1934	577	16	19	25	637
1935	566	17	22	28	633
1936	655	16	23	37	731
1937	833	12	27	76	948

Output of the Timber (Saw Milling) Trade

	1924 ²		1930 ²		1934 ³	
	Th.cu.ft.	£ (000)	Th.cu.ft.	£ (000)	Th.cu.ft.	£ (000)
Sawn hard wood	13,028	3,039	12,586	2,831	10,327	2,097
	Th. loads		Th. loads		Th. loads	
Sawn soft wood	543	3,848	601	3,508	672	3,573
Planed or dressed wood	501	3,997	720	5,280	919	5,744
Other sawmill products (pit props, sleepers, veneers, paving blocks, etc.)	—	3,183	—	3,233	—	1,799
Total	—	14,067	—	14,852	—	13,213

Imports of Timber £ (000)

	1930 ⁴	1934 ⁴	1935 ¹	1936 ¹	1937 ¹
Hewn hard wood	1,212	878	613	712	812
Hewn soft wood	1,423	623	535	585	836
Sawn hard wood	7,585	5,430	5,745	6,733	8,611
Sawn soft wood	20,663	21,716	17,380	22,537	30,921
Planed or dressed wood	2,865	—	4,074	5,209	6,453
Other sawmill products	9,027	6,395	7,169	7,742	14,212
Total	42,775	35,042	35,516	43,518	61,845

¹ Annual Reports of the Forestry Commissioners.

² Census of Production (4th) of the United Kingdom 1930. *Final Report*, Part IV. The 1924 figures include the production of small firms which is valued at £155,000.

³ *Report on Import Duties Act Inquiry 1934*, Part II.

⁴ *Annual Statement of Trade of the United Kingdom*, vol. II.

APPENDIX J. STATISTICS RELATING TO CIVIL AVIATION

STATE ASSISTANCE

In recent years the Government's subsidy to civil aviation was as follows:¹

	£ (000)		£ (000)
1934-35	509	1937-38	1,693
1935-36	419	1938-39	2,566 ²
1936-37	602	1939-40	4,787 ²

Subsidiary and earnings of Imperial Airways³

	Subsidy ⁴ £ (000)	Total receipts £ (000)	Subsidy as percentage of total receipts
1934	544	1,198	45·4
1935	562	1,425	39·4
1936	427	1,539	27·7
1937	382	1,604	23·8

BRITISH CIVIL AVIATION⁵

On internal, continental, England-Malay States and Hong Kong, England-Africa and Bermuda-New York Routes.

	Aircraft mileage (000)	Passengers carried (000)	Tons of cargo carried (000)
1932	1,793	48	0·7
1933	2,638	79	0·9
1934	4,557	135	1·4
1935	8,412	200	2·6
1936	9,584	236	3·1
1937	10,773	244	4·0

¹ Appropriation Accounts, Air Services. These votes included provision for the upkeep of State-owned airports at Croydon and Lympne, for grants towards ground services for Empire Air Routes and grants to light aeroplane clubs, but these grants were small in comparison with the subsidies to civil aviation companies.

² Estimates.

³ *Report of Committee of Enquiry into Civil Aviation*, Cmd. 5685.

⁴ These figures are not comparable with the Government's total subsidy payments given on the previous page, as the Air Ministry had certain moneys obtained from Appropriations in Aid, as well as the Civil Aviation vote, which were available for expenditure on civil aviation. The Appropriations in Aid included miscellaneous receipts from landing fees, contributions from Dominion and Colonial Governments towards imperial service and so forth.

⁵ *Statistical Abstract for the United Kingdom*, Cmd. 5903.

APPENDIX K. CINEMATOGRAPH FILMS

The Cinematograph Films Act 1938¹ fixed renters' and exhibitors' quotas for a further period of ten years, reducing the renters' quota from 20 to 15 % for the year 1938. The quotas fixed under the Act are as follows:

	Renters' quota		Exhibitors' quota	
	Long films	Short films	Long films	Short films
	%	%	%	%
1938	15	15	12½	12½
1939	20	15	15	12½
1940	22½	17½	17½	15
1941	22½	17½	17½	15
1942	25	20	20	17½
1943	25	20	20	17½
1944	27½	22½	22½	20
1945	27½	22½	22½	20
1946	30	25	25	22½
1947	30	25	25	22½

In order to be eligible to be included as a quota film a picture had to be proved to have cost a minimum of £3 a foot. Cost was reckoned as labour cost. If a film cost a minimum of £22,500 and £9 a foot it could count as 'double quota', i.e. it counted at double its length for quota purposes, and if it cost a minimum of £37,500 and £15 a foot it could count as a 'treble quota' film. Taking the average length of British films as just over 6,800 feet, this meant that a single quota film would cost at least £21,000, a double quota £62,000 and a treble quota film £105,000.

APPENDIX L. STATISTICS RELATING TO SHIPPING AND SHIPBUILDING

STATE ASSISTANCE TO SHIPPING

The total expenditure on shipping subsidies since 1934 was as follows:

	£ (000)		£ (000)
1934-35	—	1937-38	4 ²
1935-36	1,998	1938-39	—
1936-37	2,000		

Average of the Economist index numbers of shipping freights (1929=100)

1928	102.1	1934	76.2
1929	100.0	1935	76.7
1930	81.5	1936	87.2
1931	82.1	1937	132.3
1932	77.8	1938	98.7
1933	74.9		

¹ 19 and 20 Geo. 5, c. 17.

² Administrative costs.

UNEMPLOYMENT IN SHIPBUILDING AND SHIPPING¹

Figures for the beginning of July:

	Shipbuilding		Shipping	
	Insured workers (000)	Unemployed percentage	Insured workers (000)	Unemployed percentage
1931	195	56.6	161	29.6
1932	182	62.9	161	32.5
1933	169	61.1	156	34.7
1934	159	49.7	150	30.5
1935	157	43.6	146	28.9
1936	162	29.6	141	25.8
1937	173	22.3	134	19.7
1938	175	21.1	138	21.8

Ships built (other than war vessels) in the United Kingdom²

	Total		For foreign owners	
	No.	Tons (000)	No.	Tons (000)
1930	946	880	170	335
1931	428	298	41	81
1932	302	113	19	13
1933	403	84	8	1
1934	629	277	12	8
1935	760	312	14	7
1936	927	517	21	20
1937	793	543	26	24

¹ Ministry of Labour Gazette and Abstract of Labour Statistics.² Statistical Abstract for the United Kingdom, Cmd. 5903.

**APPENDIX M. UNITED KINGDOM: TRADE WITH CERTAIN COUNTRIES WITH WHICH
TRADE, CLEARING, PAYMENTS, ETC. AGREEMENTS HAVE BEEN MADE SINCE 1931**

(Special trade, merchandise only, Value in £ millions and as a percentage of total imports and exports)

Annual average:		Retained imports						Exports of domestic produce					
		1910- 12	1923- 25	1927- 29	1930- 32	1933- 35	1936- 37	1910- 12	1923- 25	1927- 29	1930- 32	1933- 35	1936- 37
Argentina	£	31.1	67.4	75.8	51.3	42.8	50.6	19.4	28.2	29.1	16.9	14.3	17.7
	%	5.2	6.2	6.9	6.4	6.4	5.8	4.2	3.6	4.0	3.8	3.6	3.7
Australia	£	25.2	41.1	42.4	40.2	45.9	60.6	31.1	59.5	57.0	22.1	25.6	34.9
	%	4.2	3.8	3.9	5.0	6.9	7.0	6.8	7.6	7.9	5.0	6.5	7.3
Brazil	£	4.4	3.9	4.8	5.5	6.4	8.8	13.7	13.6	14.6	5.6	5.6	5.9
	%	0.7	0.4	0.4	0.7	1.0	1.0	3.0	1.7	2.0	1.3	1.4	1.2
Canada	£	24.7	60.3	50.1	35.7	48.2	77.4	21.0	27.7	32.9	21.7	19.5	25.4
	%	4.1	5.5	4.6	4.5	7.2	8.9	4.6	3.5	4.6	4.9	4.9	5.3
Chile	£	4.0	8.2	7.4	4.1	3.5	6.0	5.9	6.0	6.5	2.2	1.4	1.8
	%	0.7	0.7	0.7	0.5	0.5	0.7	1.3	0.8	0.9	0.5	0.4	0.4
Denmark	£	20.6	47.7	52.7	46.7	33.2	34.8	5.6	12.4	10.2	9.6	13.0	15.9
	%	3.5	4.4	4.8	5.8	5.0	4.0	1.2	1.6	1.4	2.2	3.3	3.3
Eire	£	—	41.7	43.4	34.5	17.3	19.9	—	37.4	35.8	30.3	19.6	21.3
	%	—	3.8	4.0	4.3	2.6	2.3	—	4.8	5.0	6.8	4.9	4.4
Finland	£	—	13.2	14.5	11.9	14.2	20.2	—	4.2	3.4	2.1	3.5	5.1
	%	—	1.2	1.3	1.5	2.1	2.3	—	0.5	0.5	0.5	0.9	1.1
France	£	38.3	56.9	56.3	34.3	18.9	24.5	24.1	40.7	26.8	23.6	17.2	19.6
	%	6.4	5.2	5.1	4.3	2.8	2.8	5.3	5.2	3.7	5.3	4.3	4.1

Germany	£	61.7	38.7	61.8	51.7	29.2	33.3	38.9	43.1	39.9	19.9	15.9	20.3
	%	10.3	3.5	5.6	6.4	4.4	3.8	8.5	5.5	5.5	4.5	4.0	4.2
India	£	35.6	62.0	50.5	31.8	34.8	48.2	52.0	87.6	82.4	39.8	36.0	35.0
	%	6.0	5.7	4.6	4.0	5.2	5.5	11.4	11.2	11.4	9.0	9.1	7.3
Italy	£	6.4	16.2	15.5	12.9	8.1	4.7	13.3	18.6	14.6	10.6	8.7	2.7
	%	1.1	1.5	1.4	1.6	1.2	0.5	2.9	2.4	2.0	2.4	2.2	0.6
Netherlands	£	19.0	41.1	42.3	31.7	20.4	27.5	13.4	26.5	21.6	14.9	12.0	13.7
	%	3.2	3.8	3.9	3.9	3.0	3.2	2.9	3.4	3.0	3.4	3.0	2.8
New Zealand	£	15.9	40.4	39.7	35.7	33.7	41.0	9.6	21.4	20.1	13.1	11.4	18.8
	%	2.7	3.7	3.6	4.5	5.0	4.7	2.1	2.7	2.8	3.0	2.9	3.9
Norway	£	6.0	11.7	12.5	9.3	7.6	9.8	4.8	8.5	8.4	8.8	6.2	8.0
	%	1.0	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.2	2.0	1.6	1.7
Peru	£	2.8	8.5	6.6	3.8	4.2	4.6	1.4	2.5	2.0	0.9	1.0	1.1
	%	0.5	0.8	0.6	0.5	0.6	0.5	0.3	0.3	0.3	0.2	0.3	0.2
Roumania	£	4.3	2.2	2.3	3.8	3.5	5.2	2.5	2.9	2.7	1.7	2.1	1.5
	%	0.7	0.2	0.2	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.5	0.3
South Africa	£	4.9	10.5	12.7	10.2	9.3	11.8	20.4	29.5	31.5	22.1	29.1	39.5
	%	0.8	1.0	1.2	1.3	1.4	1.4	4.5	3.8	4.4	5.0	7.3	8.2
Spain	£	13.1	18.7	17.9	13.8	10.7	8.8	5.8	10.4	10.7	6.6	4.9	2.7
	%	2.2	1.7	1.6	1.7	1.6	1.0	1.3	1.3	1.5	1.5	1.2	0.6
Sweden	£	11.9	21.5	24.0	17.5	16.8	23.1	6.7	13.1	10.0	8.2	8.7	11.7
	%	2.0	2.0	2.2	2.2	2.5	2.7	1.5	1.7	1.4	1.9	2.2	2.4
United States of America	£	113.5	216.1	183.6	106.7	76.4	96.6	29.7	55.3	45.9	20.7	19.9	20.5
	%	19.0	20.0	16.8	13.3	11.4	11.1	6.5	7.1	6.4	4.7	5.0	6.1
U.S.S.R.	£	40.6	13.5	19.3	25.5	16.7	20.7	13.2	4.2	3.7	7.8	3.5	3.3
	%	6.8	1.2	1.8	3.2	2.5	2.4	2.9	0.5	0.5	1.8	0.9	0.7
Yugoslavia	£	—	0.5	0.6	0.6	0.9	2.1	—	1.1	1.4	1.1	0.8	0.9
	%	—	0.1	0.1	0.1	0.1	0.2	—	0.1	0.2	0.3	0.2	0.2

**APPENDIX N. UNITED KINGDOM: PAYMENTS, CLEARINGS, ETC.
AGREEMENTS IN FORCE 1931 TO 1938**

Country	Subject	Date of signature	Document
Argentina	Trade and Commerce: Convention	1. v. 33	Cmd. 4492
	Supplementary Agreement	26. ix. 33	Cmd. 4494
Brazil	Commercial Payments: Agreement	1. xii. 36	Cmd. 5324
	Commercial Payments: Agreement	27. iii. 35	Cmd. 4911
Germany	Commercial Relations: Exchange of Notes	13. iv. 33	Cmd. 4297
	Transfer Moratorium: Papers	15/20. vi. 34	Cmd. 4620
	Transfer Agreement	4. vii. 34	Cmd. 4640
	Commercial Payments: Exchange Agreement	10. viii. 34	Cmd. 4702
	Payments Agreement	1. xi. 34	Cmd. 4963
	Payments (Amendment) Agreement	1. vii. 38	Cmd. 5881
Hungary	Transfer Agreement	1. vii. 38	Cmd. 5880
	Transfer Agreement: Supplementary Agreement	13. viii. 38	Cmd. 5885
	Payments Agreement	1. ii. 36	S.O. No. 51-9999
Italy	Imports from the United Kingdom into Italy: Provisional Agreement	18. iii. 35	Cmd. 4883
	Trade and Payments: Exchanges of Notes	27. iv. 35	Cmd. 4960
	Clearing Office: Order	10. vii. 36	S.R.O. 1936, 696
	Commercial Agreement	6. xi. 36	Cmd. 5345
	Commercial Exchanges and Payments: Agreement	6. xi. 36	Cmd. 5346
	Clearing Office Amendment: Order	11. xi. 36	S.R.O. 1936, 1193
	Commercial Exchanges and Payments: Exchange of Notes	24. xii. 37	Cmd. 5669
	Commercial Agreement	18. iii. 38	Cmd. 5694
Commercial Exchanges and Payments: Agreement	18. iii. 38	Cmd. 5695	
	Clearing Office Amendment: Order	28. iii. 38	S.R.O. 1938, 234

Roumania	Payments Agreement	8. ii. 35	Cmd. 4802
	Payments Agreement	3. viii. 35	Cmd. 4976 (out of print)
	Commercial Payments: Agreement	2. v. 36	Cmd. 5587
	Payments (Supplementary) Agreement	28. v. 36	Cmd. 5187
	Clearing Office: Order	28. v. 36	S.R.O. 1936, 427
	Payments (Supplementary) Agreement	5. xii. 36	Cmd. 5470
	Clearing Office Amendment: Order	17. xii. 36	S.R.O. 1936, 1306
	Payments (Supplementary) Agreement	27. v. 36	Cmd. 5588
	Payments Technical (Amendment) Agreement	27. v. 36	Cmd. 5471
	Clearing Office Amendment: Order	1. vi. 37	S.R.O. 1937, 510
	Payments (Amendment) Agreement: Exchange of Notes	12. xi. 37	Cmd. 5613
	Payments (Supplementary) Agreement	25. ii. 38	Cmd. 5718
	Clearing Office Amendment: Order	28. iii. 38	S.R.O. 1938, 325
	Payments (Supplementary) Agreement	11. vi. 38	Cmd. 5797
	Commercial Payments: Agreement	2. ix. 38	Cmd. 5840
	Clearing Office Amendment: Order	9. ix. 38	S.R.O. 1938, 908
	Modification of Annex to Agreement of 2. ix. 38	23. xii. 38	—
Soviet Union	Temporary Commercial Agreement	16. ii. 34	Cmd. 4567
	Export Credits Guarantee Department: Agreement	28. vii. 36	Cmd. 5253
Spain	Payments Agreement	6. i. 36	Cmd. 5097
	Clearing Office: Order	9. i. 36	S.R.O. 1936, 2
	Payments (Amendment) Agreement	6. vi. 36	Cmd. 5250
	Clearing Office Amendment: Order	8. vi. 36	S.R.O. 1936, 557
	Clearing Office Amendment No. 2: Order	17. xii. 36	S.R.O. 1936, 1305
Turkey	Trade and Payments: Agreement	4. vi. 35	Cmd. 5037
	Trade and Clearing: Agreement	2. ix. 36	Cmd. 5274
	Clearing Office: Order	8. ix. 36	S.R.O. 1936, 1251
	Clearing Office No. 2: Order	27. xi. 36	S.R.O. 1936, 1251
	Guarantee Agreement	27. v. 38	Cmd. 5754
	Trade and Clearing: Agreement	27. v. 38	Cmd. 5756
	Armaments Credit: Agreement	27. v. 38	Cmd. 5755
	Clearing Office Amendment: Order	15. vi. 38	S.R.O. 1938, 580
	Trade and Payments: Agreement	26. vi. 35	Cmd. 5343
Yugoslavia	Trade and Payments: Agreement	27. xi. 36	Cmd. 5540

APPENDIX O. MULTILATERAL COMMERCIAL TREATIES, AGREEMENTS, ETC. IN FORCE BETWEEN THE UNITED KINGDOM AND FOREIGN COUNTRIES, 1 JANUARY 1939

Notes. (a) The countries named include those which adhere to the agreement only with reservations.

(b) References marked 'H.B.' are to pages in the Foreign Office *Handbook of Commercial Treaties*, 1931.

(c) Agreements between Government *departments* are not included, e.g. postal and broadcasting conventions, tripartite monetary agreements, etc.

I. Dealing with Navigation and Transport

1. 1888, October 29. Convention, Suez Canal Navigation. H.B. 751.

France	Hungary	Netherlands	Spain
Germany	Italy	Soviet Union	Turkey

- 2a. 1921, April 20. Convention, Navigable Waterways of International Concern. H.B. 837.

- 2b. 1921, April 20. Additional Protocol, Navigable Waterways of International Concern. H.B. 846.

Albania	Danzig	Hungary	Roumania
Bulgaria ¹	Finland	Italy ¹	Siam
Chile	France ¹	Luxemburg	Sweden
Cuba	Greece	Norway	Turkey

3. 1921, April 20. Convention, Freedom of Transit. H.B. 849.

Albania	Finland	Japan	Spain
Belgium	France	Latvia	Sweden
Bulgaria	Germany	Luxemburg	Switzerland
Chile	Greece	Netherlands	Turkey
Czecho-slovakia	Hungary	Norway	Yugoslavia
Danzig	Iran	Poland	
Denmark	Iraq	Roumania	
Estonia	Italy	Siam	

4. 1921, April 20. Declaration, Right to a flag of States having no sea coast. H.B. 854.

Same as (3) *except* Iran, Luxemburg and *plus* Mexico, Soviet Union.

¹ 2a only.

5. 1921, July 23. Convention, Definitive Statute of the Danube.
H.B. 856.

Belgium	France	Hungary	Yugoslavia
Bulgaria	Germany	Italy	
Czecho-slovakia	Greece	Roumania	

- 6a. 1922, February 22. Convention. Statute of Navigation of the Elbe. Cmd. 2091.

- 6b. 1923, January 27. Supplementary Convention. Statute of Navigation of the Elbe. Cmd. 2091.

Belgium	France	Germany	Italy
Czecho-slovakia			

- 7a. 1923, July 24. General Convention, Regime of the Straits.
H.B. 887.

Italy	Japan
-------	-------

- 7b. 1936, July 20. Convention and Protocol. Regime of the Straits. Cmd. 5551.

Bulgaria	Greece	Roumania	Turkey
France	Italy	Soviet Union	Yugoslavia

8. 1923, December 9. Convention International Regime of Railways. H.B. 913.

Argentina	Germany	Netherlands	Sweden
Danzig	Greece	Norway	Switzerland
Denmark	Hungary	Poland	Yugoslavia
Estonia	Italy	Roumania	
Finland	Japan	Siam	
France	Latvia	Spain	

9. 1923, December 9. Convention, International Regime of Maritime Ports. H.B. 926.

As in 8 *except* Danzig, Finland, Latvia, Spain and *plus* Czecho-slovakia, Iraq, Mexico.

10. 1929, May 31. Convention, Safety of Life at Sea. Cmd. 4198.

Argentina	Egypt	Iceland	Portugal
Belgium	Estonia	Italy	Roumania
Brazil	Finland	Japan	Soviet Union
Bulgaria	France	Netherlands	Spain
China	Germany	Norway	Sweden
Danzig	Greece	Panama	United States
Denmark	Hungary	Poland	

11a. 1930, July 5. Convention, Load Lines. Cmd. 4199.

11b. 1938, August 23rd. Declaration, Load Lines. Cmd. 5930.

Argentina	Egypt	Japan	Roumania
Belgium	Estonia	Latvia	Siam
Brazil	Finland	Mexico	Soviet Union
Bulgaria	France	Netherlands	Spain
Chile	Germany	Norway	Sweden
China	Greece	Panama	United States
Cuba	Hungary	Peru	Yugoslavia
Danzig	Iceland	Poland	
Denmark	Italy	Portugal	

II. Concerning Imports, Exports and Customs

12. 1890, July 5. Convention, Publication of Customs Tariffs.
H.B. 754.

Albania	Dominican Rep.	Italy	Portugal
Argentina	Écuador	Japan	Roumania
Belgium	Egypt	Latvia	Salvador
Bolivia	Estonia	Lithuania	Siam
Brazil	Finland	Luxemburg	Soviet Union
Bulgaria	France	Mexico	Spain
Chile	Germany	Netherlands	Sweden
China	Greece	Nicaragua	Switzerland
Colombia	Guatemala	Norway	Turkey
Costa Rica	Hayti	Panama	United States
Cuba	Honduras	Paraguay	Uruguay
Czecho-slovakia	Hungary	Peru	Venezuela
Denmark	Iran	Poland	Yugoslavia

13a. 1911, June 2. Agreement, False Indications of Origin on Goods. H.B. 808.

Cuba

13b. 1925, November 6. Agreement, False indications of Origin on goods. H.B. 963.

Brazil	Germany	Poland	Switzerland
Czecho-slovakia	Hungary	Roumania	Turkey
Danzig	Liechtenstein	Spain	
France	Mexico	Sweden	

13c. 1934, June 2. Agreement, False Indications of Origin on Goods. Cmd. 5832.

Germany

- 14a. 1911, June 2. Convention, Industrial Property. H.B. 800.
- | | | | |
|----------|----------------|---------|-----------|
| Bulgaria | Denmark | Finland | Luxemburg |
| Cuba | Dominican Rep. | Greece | Norway |
| Danzig | Estonia | Latvia | Roumania |
- 14b. 1925, November 6. Convention, Industrial Property. H.B. 952.
- | | | | |
|-----------------|---------------|-------------|---------------|
| Belgium | Hungary | Norway | Turkey |
| Brazil | Italy | Poland | United States |
| Czecho-slovakia | Japan | Portugal | Yugoslavia |
| Denmark | Liechtenstein | Spain | |
| France | Mexico | Sweden | |
| Germany | Netherlands | Switzerland | |
- 14c. 1934, June 2. Convention, Industrial Property. Cmd. 5833.
- | | | | |
|---------|-------|--------|---------------|
| Denmark | Japan | Norway | United States |
| Germany | | | |
15. 1923, November 3. Convention, Simplification of Customs Formalities. H.B. 897.
- | | | | |
|-----------------|---------|-------------|-------------|
| Belgium | Estonia | Iraq | Roumania |
| Brazil | Finland | Italy | Siam |
| Bulgaria | France | Latvia | Sweden |
| China | Germany | Luxemburg | Switzerland |
| Czecho-slovakia | Greece | Netherlands | Yugoslavia |
| Denmark | Hungary | Norway | |
| Egypt | Iran | Poland | |
16. 1924, August 25. Convention, Bills of Lading. Cmd. 3806.
- | | | | |
|---------|--------|----------|----------|
| Belgium | Italy | Poland | Roumania |
| France | Monaco | Portugal | Spain |
| Hungary | | | |
17. 1928, July 11. Agreement and Protocol, Exportation of Bones. H.B. 998.
- | | | | |
|-----------------|---------|-------------|-------------|
| Belgium | France | Luxemburg | Roumania |
| Czecho-slovakia | Germany | Netherlands | Sweden |
| Denmark | Hungary | Norway | Switzerland |
| Finland | Italy | Poland | Yugoslavia |
18. 1928, July 11. Agreement and Protocol, Exportation of Hides and Skins. H.B. 1004.
- Same signatories as 17
19. 1928, December 14. Convention, Economic Statistics. H.B. 1018.
- | | | | |
|-----------------|---------|-------------|-------------|
| Bulgaria | Egypt | Latvia | Portugal |
| Chile | Finland | Lithuania | Roumania |
| Cuba | France | Netherlands | Sweden |
| Czecho-slovakia | Greece | Norway | Switzerland |
| Denmark | Italy | Poland | |

- 20a. 1934, May 7. Agreement, Rubber Production and Export. Cmd. 4583.
 20b. 1935, June 27. Protocol, Amendment of 20a. Cmd. 5236.
 20c. 1936, May 22. Protocol, Amendment of 20a. Cmd. 5236.
 20d. 1937, February 5. Protocol, Amendment of 20a. Cmd. 5384.
 20e. 1938, October 6. Declaration, Rubber Production and Export. Cmd. 5901.

France, Netherlands, Siam. Signatories of all the above.

21. 1933, August 25. Final Act. -Wheat Conference. Cmd. 4449.

Argentina	Germany	Roumania	United States
Belgium	Greece	Soviet Union	Yugoslavia
Bulgaria	Hungary	Spain	
Czecho-slovakia	Italy	Sweden	
France	Poland	Switzerland	

- 22a. 1908, November 13. Convention, Copyright. H.B. 791.

Estonia	Hayti	Portugal	Siam
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- 22b. 1914, March 20. Additional Protocol, Copyright. H.B. 823.

Estonia	Siam
---------	------

- 22c. 1928, June 2. Convention, Copyright. H.B. 984.

Belgium	France	Liechtenstein	Roumania
Brazil	Germany	Luxemburg	Spain
Bulgaria	Greece	Monaco	Sweden
Czecho-slovakia	Hungary	Netherlands	Switzerland
Danzig	Italy	Norway	Vatican
Denmark	Japan	Poland	Yugoslavia
Finland	Latvia	Portugal	

- 23a. 1923, September 24. Protocol, Arbitration Clauses. H.B. 894.

Albania	Finland	Luxemburg	Siam
Belgium	France	Monaco	Spain
Brazil	Germany	Netherlands	Sweden
Czecho-slovakia	Greece	Norway	Switzerland
Danzig	Iraq	Poland	
Denmark	Italy	Portugal	
Estonia	Japan	Roumania	

- 23b. 1927, September 26. Convention, Execution of Foreign Arbitral Awards. H.B. 965.

Belgium	Finland	Luxemburg	Spain
Czecho-slovakia	France	Netherlands	Sweden
Danzig	Germany	Portugal	Switzerland
Denmark	Greece	Roumania	
Estonia	Italy	Siam	

III. *Concerning the Status of Certain Territories*

24. 1906, April 7. Act, Algeciras Conference, Affairs of Morocco.
H.B. 762.

Belgium	Hungary	Netherlands	Spain
France	Italy	Portugal	Sweden
Germany	Morocco	Soviet Union	United States

25. 1906, December 13. Agreement respecting Ethiopia. H.B. 787.
France Italy

26. 1919, September 10. Convention, Revision of General Act of Berlin, 1885 and General Act and Declaration of Brussels, 1890. Africa. H.B. 825.

Belgium	Italy	Portugal	United States
France	Japan		

27. 1920, February 9. Status of Spitsbergen. H.B. 830.

Afghanistan	Dominican Rep.	Japan	Spain
Albania	Ecuador	Monaco	Sweden
Argentina	Estonia	Netherlands	Switzerland
Belgium	Finland	Norway	United States
Bulgaria	France	Poland	Venezuela
Chile	Germany	Portugal	Yugoslavia
China	Greece	Roumania	
Czecho-slovakia	Hungary	Saudi Arabia	
Denmark	Italy	Soviet Union	

- 28a. 1922, February 6. Treaty, Principles and Policies in China.
H.B. 868.

- 28b. 1922, February 6. Treaty, Chinese Customs Tariff. H.B. 871.

Belgium	France	Netherlands	Sweden
Bolivia ¹	Italy	Norway	United States
China	Japan	Portugal	
Denmark	Mexico ¹	Spain ²	

- 29a. 1923, December 18. Convention. Statute of the Tangier Zone.
H.B. 936.

- 29b. 1928, July 25. Final Protocol, Agreements and Exchanges of Notes. Amendment of Tangier Statute, 1923. H.B. 1009.

Belgium	Italy	Portugal	Sweden
France	Netherlands	Spain	

¹ 28a only.

² 28b only.

APPENDIX P. PROHIBITIONS AND RESTRICTIONS ON IMPORTATION FOR REASONS OF HEALTH

1. PROTECTION OF HUMAN HEALTH

Dangerous Drugs. The principal act governing the importation of dangerous drugs was the Dangerous Drugs Act 1920,¹ as amended in 1932.² Under this Act:

- (1) The importation of prepared opium was absolutely prohibited.
- (2) The importation of raw opium, coco leaves, Indian hemp, and all resins obtainable therefrom, and all preparations of which such resins form the base, could only be imported under a licence obtained from the Home Office, and through approved ports.
- (3) Other specified drugs, including medicinal opium, cocaine and morphine, could only be imported under a Home Office licence, but were not confined to approved ports.

Food and Drink. The Acts controlling the importation of foods and drinks were the Public Health (Regulations as to Food) Act 1907³ and the Food and Drugs (Adulteration) Act 1928.⁴ The regulations in force under these Acts were the Public Health (Imported Food) Regulations 1925⁵ and amending regulations of 1933,⁶ and the special Milk Regulations, 1926.⁷

It was unlawful to import for sale for human consumption any article of food which had been examined by a competent authority and found to be unfit for human consumption, or food in the manufacture or preparation of which any such article had been used. Also any 'conditionally admissible' meat (which consisted of certain parts and products of the pig) could not be imported without an official certificate, nor could any prohibited meat be imported.

It was unlawful to land from a prohibited country any meat or offals which were packed or wrapped in cloths, bags, sacking or similar material which were not made of special materials.

The 1926 milk regulations required that all imported milk, including skimmed milk, should not contain more than 100,000 bacteria per c.c. and should be free of tubercle bacilli.

Imported food could not contain any preservatives or colouring matter except those specified in the regulations. Cream could not contain any thickening substance. Butter and margarine containing more than 16 % of water, margarine or milk-blended butter containing a prohibited preservative could not be imported. Certain milk products could only be imported in packages labelled in a prescribed manner.

1 10 and 11 Geo. 5, c. 46.

2 22 Geo. 5, c. 15.

3 7 Edw. 7, c. 32.

4 18 and 19 Geo. 5, c. 31.

5 S.R.O. 1925, 273.

6 S.R.O. 1933, 347.

7 S.R.O. 1926, 820.

The Medical Officer of Health of a sanitary authority could examine any article of food which had been landed or was about to be landed. He could take a sample of imported food and forbid the removal of food for a period up to forty-eight hours. He could seize any food found to be diseased or unwholesome and apply for a condemnation order. The Minister of Health had the power to determine differences referred to him by all the parties affected.

Hair and Wool. The importation of all goat hair produced in or exported from India, and all wool and animal hair produced in or exported from Egypt, including the Sudan, was restricted to the port of Liverpool and was subject to the conditions that they should be clearly marked as to their description and as to the country of origin, that they should be kept apart from other goods and delivered to the Government Wool Disinfecting Station and removed from there within two days of a Certificate of Disinfection being issued. The expenses of removal and disinfection were paid by the importer.

These provisions were made under the Anthrax Prevention Act 1919¹ by Orders issued in 1921.²

Matches. In order to give effect to an international agreement the importation of white phosphorus matches was prohibited by the White Phosphorus Matches Prohibition Act 1908.³ For the purposes of the Act white phosphorus was deemed to include yellow phosphorus.

Parrots. The importation of parrots was prohibited by an Order made in 1930⁴ under the Public Health Act 1875⁵ to prevent the spread of psittacosis. Parrots imported for the purpose of medical or veterinary research or consigned to the Zoological Society of London were exempted.

Shaving Brushes. The importation of shaving brushes manufactured in or exported from Japan was prohibited by an Order made in 1920⁶ under the Anthrax Prevention Act 1919.¹

Tea. Under the Sale of Food and Drugs Act 1875⁷ all tea imported was subject to examination, and a sample could be taken for analysis. If it was found that the tea was mixed with other substances, or was exhausted tea, or was unfit for human food, it could not be imported. ('Exhausted' tea is tea deprived of its proper quality, strength, or virtue, by steeping, infusion or other means.)

Therapeutic Substances. By the Therapeutic Substances Act 1925,⁸ which came into force in 1927, certain therapeutic substances could not be imported unless they were consigned to licensed persons. The licensing authority was the Ministry of Health. The main substances concerned included vaccines, sera, toxins, antitoxins and antigens, insulin and surgical catgut.

1 9 and 10 Geo. 5, c. 23.

2 S.R.O. 1921, 352.

3 8 Edw. 7, c. 42.

4 S.R.O. 1930, 299.

5 38 and 39 Vict. c. 55.

6 S.R.O. 1920, 253.

7 38 and 39 Vict. c. 63.

8 15 and 16 Geo. 5, c. 60.

Licences could be obtained for specified substances for purposes other than scientific research, and for all substances for purposes of scientific research, and were valid for two years.

Licences would otherwise be issued only if it was proved to the satisfaction of the Ministry that the substances complied with prescribed standards of strength, quality and purity.

The Act excluded substances which were intended solely for veterinary purposes, and were labelled with a full description of the nature of the substance and the place and country in which it was prepared.

2. PROTECTION OF ANIMAL HEALTH

The Diseases of Animals Act 1894¹ was the first and principal Act which was passed with the intention of improving the health of animals by restricting the importation of animals or goods likely to spread infection. This and subsequent acts resulted in the Ministry of Agriculture being empowered to prohibit the importation of animals, carcasses, fodder and fertilizers, or to make conditions as to their importation, to require the slaughter of imported animals at the place of landing, and to restrict importation to special ports. The regulations in force under this series of Acts at the outbreak of war in 1939 were as follows:

Cattle, etc. The importation of ruminating animals and swine was prohibited except at special ports. At these ports authorized markets and slaughter-houses were set up, and the animals had to be slaughtered without removal within ten days of landing. Orders issued in 1930² under the Importation of Animals Act 1922,³ and the Ottawa Agreements Act 1932,⁴ however, relaxed these restrictions in the case of certain countries, and, subject to a licence being obtained from a veterinary inspector, cattle could be retained alive if imported from a non-prohibited country. The list of non-prohibited countries was as follows: Ireland, Channel Islands, Isle of Man, Canada, Australia, New Zealand, the United States of America, Iceland and the Faroe Islands.

Carcasses, Fodder, etc. The following provisions were in force:

(1) The importation of carcasses from European countries was prohibited, with the exception of cured, preserved or treated articles. These provisions were instituted in 1926,⁵ 1927⁶ and 1928.⁷

(2) The importation of hay and straw was prohibited except from certain countries, the list of non-prohibited countries varied from time to time according to the prevalence of Foot and Mouth Disease. It normally included: the Channel Islands, Isle of Man, Australia, Canada, South Africa, New Zealand, and the United States of America. At the end of 1938 the whole of the continent of Europe was prohibited.

1 57 and 58 Vict. c. 57.

2 S.R.O. 1930, 922.

3 13 Geo. 5, c. 5.

4 22 Geo. 5, c. 53.

5 S.R.O. 1926, 1043.

6 S.R.O. 1927, 112.

7 S.R.O. 1928, 169.

(3) Containers in which raw tongues were imported from certain countries had to be destroyed. These provisions were instituted in 1913.¹

(4) Packing materials, meat wrappings and swill containing meat or bone were controlled and could be ordered to be destroyed.

Dogs and Cats. Under the Importation of Dogs and Cats Order 1928² all canines and felines might be imported only if authorized by a licence issued on application to the Ministry of Agriculture and Fisheries. The licence would normally only be issued on condition that the animals were kept in quarantine for six months under the control of a veterinary surgeon approved by the Ministry.

Horses, Asses and Mules. The importation of these animals was prohibited from all countries except Ireland, Channel Islands, and the Isle of Man unless they were accompanied by a veterinary certificate. The animals could also be tested on arrival and destroyed if necessary. These provisions were instituted in 1921³ and 1922.⁴

Pedigree Animals. Pedigree cattle, sheep and goats could be imported from the Dominions where reciprocal arrangements were in force, as provided by the Pedigree Animals Act 1925.⁵

Poultry. Orders made in 1936⁶ prohibited the importation of live poultry, other than day-old chicks, except under licence from the Ministry of Agriculture and Fisheries. The prohibition did not apply to poultry exported from Eire, the Channel Islands, or the Isle of Man, or to any consignment not exceeding twenty-one birds which was accompanied by a certificate signed by a veterinary officer of the Government of the country of origin. Day-old chicks and eggs for hatching were also prohibited unless accompanied by a certificate.

Freshwater Fish. The importation of live freshwater fish and live eggs of fish of the salmon family was prohibited by the Diseases of Fish Act 1937.⁷

3. PROTECTION OF PLANT LIFE

The Destructive Insects and Pests Acts were passed in 1877,⁸ 1907⁹ and 1927¹⁰ with the object of protecting plant life. The 1877 Act dealt purely with the Colorado beetle, which had caused great damage to the potato crops, and the later Acts extended the provision to other insects and to other crops. Under these Acts the Ministry of Agriculture and Fisheries had power to make orders to prevent the introduction of the insects and to prohibit and regulate the landing of potatoes or their stalks or leaves, and other vegetables.

The regulations in force under these Acts were the Importation of Plants Order 1933,¹¹ which prohibited the landing of plants, including

1 S.R.O. 1913, 449.

2 S.R.O. 1928, 922.

3 S.R.O. 1921, 1222.

4 S.R.O. 1922, 1073.

5 15 and 16 Geo. 5, c. 30.

6 S.R.O. 1936, 1298.

7 1 Edw. 8 and 1 Geo. 6, c. 33.

8 40 and 41 Vict. c. 68.

9 7 Edw. 7, c. 4.

10 17 and 18 Geo. 5, c. 32.

11 S.R.O. 1933, 558.

trees and shrubs, and parts thereof, potatoes grown in the United States of America, Canada, and European France, and raw vegetables grown in European France between 15 March and 14 October, unless they were accompanied by a prescribed certificate.

By another Order in 1933¹ the importation of elm trees and conifers was prohibited.

In the years immediately preceding 1932 a plague of musk rats did great damage to crops. The Destructive Imported Animals Act 1932² was therefore passed, and Orders issued under this Act by the Minister of Agriculture prohibited absolutely the importation of musk rats.

The Act could also be extended by Order to other destructive animals, and this was done in 1937, when an Order³ was made prohibiting the importation of grey squirrels.

APPENDIX Q. OTHER PROHIBITIONS AND RESTRICTIONS ON IMPORTATION

Importation of the following goods was prohibited absolutely.

Chicory, Coffee and Tobacco. Extracts, essences, or other concentrations of these commodities or any admixture thereof could not be imported except as transit goods, or if they were to be warehoused for exportation only. Tea was also included in the Customs Consolidation Act 1876,⁴ but was subsequently excluded.

Coins. The importation of coin or silver of the Realm, or any money purporting to be such, not of standard weight or fineness was prohibited by the Customs Consolidation Act 1876.⁴ Imitation coin, false money and counterfeit sterling, unless for the purpose of exhibition, or for knowledge or art, was prohibited in 1889,⁵ and by an Order made in 1919⁶ foreign coins, other than gold and silver, were prohibited. The object of these prohibitions was to ensure that the currency in circulation should be of standard quality.

Copyright. Although copyright works were included in the list of prohibitions in section 42 of the Customs Consolidation Act 1876⁴ the law was subsequently amended by the Copyright Act 1911⁷ which was passed in order to give effect to an International Agreement. The importation of any work on which copyright existed in the United Kingdom and which if made in the United Kingdom would be an infringement of such copyright was prohibited. Copyright endured for the life of the owner plus fifty years, or in the case of joint owners for the life of the owner who died first plus fifty years, or the life of the owner who died last, whichever was the longer period.

1 S.R.O. 1933, 1011.

3 S.R.O. 1937, 478.

5 52 and 53 Vict. c. 42.

7 1 and 2 Geo. 5, c. 46.

2 22 Geo. 5, c. 12.

4 39 and 40 Vict. c. 36.

6 S.R.O. 1919, 38.

In order to prevent the importation of copyright works the owner of the copyright had to give notice to the Commissioners of Customs and Excise that he was desirous that copies of the work should not be imported. The notice could either be general or refer to a particular consignment which was anticipated, but in the latter case the importer might be required to make a deposit to cover the cost of examination, and to enter into a bond to defray the cost of any prosecution which the Commissioners made as a result of his complaint.

Government Guarantees. Under the Customs and Inland Revenue Act 1897¹ any article bearing any stamp name or other device implying any sanction or guarantee by the Customs, or by any other Government Department, could not be imported.

Indecent or Obscene Articles. The importation of indecent or obscene prints, paintings, photographs, books, cards, lithographic or other engravings, or any other indecent or obscene articles, was prohibited by the Customs Consolidation Act 1876.²

Lottery Advertisements. The importation of any advertisement or other notice of, or relating to, the drawing of any lottery intended for publication in the United Kingdom was prohibited by the Revenue Act 1898.³ This prohibition was imposed in accordance with the Government's general attitude towards lotteries.

Merchandise Marks. Merchandise bearing a forged trade mark or false trade description could not be imported; foreign merchandise bearing a name or trade mark being, or purporting to be, that of a manufacturer, dealer, or trader in the United Kingdom could not be imported unless the name or trade mark was accompanied by an indication of the country in which the goods were made or produced.

Metal Articles. Under the Customs Consolidation Act 1876² the importation of metal articles, including clocks and watches, impressed with any mark or stamp representing, or in imitation of any legal British assay, mark or stamp, or purporting to be manufactured in the United Kingdom was prohibited.

Peat Moss. Peat moss litter won or cut in Europe could not be imported into Northern Ireland.

Plate. Plate of gold or silver not of standard quality could not be imported. The Revenue Act 1883⁴ provided that all imported gold and silver plate had to be taken to an assay office. If it was found to be not of standard quality it could be sent to a warehouse from which it had to be exported within one month, or it could be defaced by the Customs and returned to the importer. The reason for the restriction on plate, metal articles and falsely marked merchandise may be said to be the protection of commercial interests by preventing the sale of foreign goods under false pretences.

1 42 and 43 Vict. c. 21.

3 61 and 62 Vict. c. 46.

2 39 and 40 Vict. c. 36.

4 46 and 47 Vict. c. 10.

Prison-Made Goods. The Foreign Prison-Made Goods Act 1897¹ prohibited the importation of all goods partly or wholly produced in a foreign prison, except goods in transit, or goods not imported for the purposes of trade, or of a description not manufactured in the United Kingdom.

Seal Skins. The Seal Fisheries (North Pacific) Acts 1895² and 1912³ prohibited the importation of skins of certain kinds of seals belonging to the American, Russian, or Japanese herds, unless they had been taken under the authority of these powers. These Acts were passed to give effect to an international agreement for the preservation of the species.

Stamps. The importation of fictitious postage stamps and dies, plates, instruments and materials for making such stamps was prohibited by the Revenue Act 1898.⁴

Importation of the following goods was restricted in a variety of ways:

Matches. Matches in containers could only be imported when the minimum or the average contents of the containers was marked on them. This provision was included in the Customs Consolidation Act 1876.⁵

Merchandise Marks. The importation of certain foreign merchandise was subject to marking as provided by the Orders issued under the Merchandise Marks Act 1926.⁶ Further information on this subject was given above in section 1.

Quails. The Quails Protection Act 1938⁷ prohibited the importation of live quails of the variety *Coturnix* between 14 February and 1 July.

Saccharin. Regulations made under the Finance Act 1901⁸ prohibited the importation of saccharin except into special ports. It had to be packed in packages containing not less than 11 lb., and when imported had to be warehoused. It could not be packed with other goods.

Spirits. The Customs Consolidation Act 1876⁵ as amended in 1896⁹ prohibited the importation of spirits in ships (except yachts) of under 40 tons. Liqueurs and cordials, and perfumed or medicinal spirits, were not included in this prohibition. Spirits could not be imported in casks containing less than 9 gallons, but could be imported in bottles stored in cases.

Tobacco. Cigars, cigarettes, tobacco and snuff could not be imported in ships of less than 120 tons, except when specially licensed by the Customs. They could only be imported into special ports, and in packages of the gross weight of not less than 30 lb., and they could not be packed with other goods. Some of the provisions were laid down in the Customs Consolidation Act 1876,⁵ others were laid down in the Finance Act 1896⁹ and the Revenue Act 1906.¹⁰ Tobacco cut and

1 60 and 61 Vict. c. 63.

3 2 and 3 Geo. 5, c. 10.

5 39 and 40 Vict. c. 36.

7 1 and 2 Geo. 6, c. 5.

9 59 and 60 Vict. c. 28.

2 58 and 59 Vict. c. 21.

4 61 and 62 Vict. c. 46.

6 16 and 17 Geo. 5, c. 53.

8 1 Edw. 7, c. 7.

10 6 Edw. 7, c. 20.

compressed by mechanical and other means was prohibited from being imported by the Revenue Act 1889.¹ Extracts, etc. of tobacco have been dealt with above under the heading of Chicory, Coffee and Tobacco.

Tobacco Stalks, tobacco stalk flour and snuff work. The importation of these was prohibited by the Customs Consolidation Act 1876,² but this was modified in 1896³ and they could then be imported if the special permission of the Commissioners of Customs and Excise was obtained.

Wine in cask could only be imported into special ports.

The following articles could only be imported if a licence was obtained from the appropriate Department:

Arms and Ammunition. Section 43 of the Customs Consolidation Act 1876² gave power to the Government to prohibit the importation of arms and ammunition by Order. These powers were extensively used during the last war, and in 1921⁴ comprehensive regulations were issued prohibiting the importation, except under licence issued by the Board of Trade, of all arms and ammunition except smooth-bore shot guns, air guns, air rifles, and ammunition thereof. The prohibition did not apply to goods in transit, but transit through Ireland was not permitted.

Explosives. The importation of explosives was governed by the Explosives Act 1875⁵ and Orders issued under this Act. The terms 'explosive' and 'explosive substance' were carefully defined, and Orders were issued from time to time extending the definitions.

The importation of explosives, with the exception of gunpowder, safety cartridges, percussion caps, fog signals and safety fuses for blasting, was prohibited except under licence. The licence was issued by the Home Office, which could attach to it conditions as to the composition and quality of the substances, and their unloading, landing and conveyance. The conditions imposed usually included provisions requiring a consignment to be stored in one place and prohibiting its distribution until it had been examined and released by a Government inspector. The Home Office was empowered to refuse a licence for the importation of specially dangerous explosives.

Plumage. The Importation of Plumage (Prohibition) Act 1921⁶ prohibited the importation of the plumage (or skins or bodies) of birds except under licence issued by the Board of Trade; certain exceptions were made, and the plumage of live birds, birds commonly used as food, and plumage used in the wearing apparel of a passenger were not included in the prohibition.

Agricultural Marketing. The Agricultural Marketing Act 1933⁷ gave power to the Board of Trade to restrict the imports of any agricultural

1 52 and 53 Vict. c. 42.

3 59 and 60 Vict. c. 28.

5 38 and 39 Vict. c. 17.

7 23 and 24 Geo. 5, c. 31.

2 39 and 40 Vict. c. 36.

4 S.R.O. 1921, 374.

6 11 and 12 Geo. 5, c. 16.

products for which a marketing scheme was in force or in course of preparation. Under this Act the following regulations were made:

(i) The Bacon (Import Regulations) Order 1933¹ prohibited the importation, except under licence from the Board of Trade, of any bacon produced in a foreign country specifically named. The countries named were Argentine, Denmark, Estonia, Finland, Latvia, Lithuania, Netherlands, Poland, Danzig, Sweden, United States of America and the Union of Soviet Socialist Republics. These regulations did not apply to transit goods.

(ii) The Pork (Import Regulations) Order 1935² prohibited the importation of pork from any foreign country except under licence from the Board of Trade, or under a certificate issued by an association licensed by the Board of Trade. Pork was defined as the carcass of a pig or any part thereof other than the head, feet, rind or offals, but did not include pig products in air-tight containers, or bacon.

(iii) The Potato (Import Regulations) Order 1934³ prohibited the importation of potatoes grown in (a) all countries not under the sovereignty of His Majesty, or under His Majesty's sovereignty, protection or mandate, and (b) Eire, except under licence by the Board of Trade, or under a certificate issued by an Association licensed by the Board of Trade.

Dyestuffs. Under the Dyestuffs (Import Regulations) Act 1920⁴ as amended in 1934 synthetic organic dyestuffs, certain compound preparations and articles manufactured from any such dyestuffs, and organic intermediate products used in the manufacture of any such dyestuffs, could not be imported except under Board of Trade licence, which might be a general licence or for a particular consignment. The prohibition did not apply to transit goods.

The 1920 Act was to remain in force only for ten years, but was continued from time to time until 1934, when it was slightly amended and made permanent.

Fish. The Sea Fishing Act 1933⁵ was passed with the same object as the Agricultural Marketing Acts, i.e. the protection of home industry. Under regulations made under this Act the landing of sea fish, except certain kinds, taken by fishing boats, not registered in the United Kingdom, Isle of Man or Channel Islands, was prohibited except under licence issued by the Board of Trade or on their behalf by the Ministry of Agriculture.

The Trawling in Prohibited Areas Act 1909⁶ prohibited the landing of fish caught by beam or other trawling in prohibited areas, and in 1933⁷ regulations were made prohibiting the landing of certain kinds

1 S.R.O. 1933, 683.

3 S.R.O. 1934, 1160.

5 10 and 11 Geo. 5, c. 46.

7 S.R.O. 1933, 770.

2 S.R.O. 1936, 160.

4 23 and 24 Geo. 5, c. 45.

6 9 Edw. 7, c. 8.

of fish caught within certain areas of the North Sea during June, July and August.

Meat. By Order issued under the Ottawa Agreements Act 1932¹ frozen mutton, frozen lamb, frozen beef (carcasses and boned beef) and chilled beef not produced in any part of the British Empire could not be imported except under licence issued by the Board of Trade.

APPENDIX R. RESTRICTIONS ON TRADE WITH PARTICULAR COUNTRIES

Eire. The Irish Free State Special Duties Act 1932,² in addition to imposing extra duties on Irish goods, also limited by quota the number of cattle which might be imported into the United Kingdom from the Irish Free State, and prohibited the importation of beef and veal. The prohibition provisions were as follows:

Cattle. Fat cattle, store cattle, bulls showing permanent incisor teeth, and dry cows were prohibited except under Board of Trade licence.

Beef. Veal and edible beef and veal offals were prohibited. These prohibitions were removed by the treaty with Eire in 1937.³

Italy. In 1935, under the Peace Treaties Act 1919,⁴ all imports from Italy were prohibited except gold and silver, bullion, newspapers, books and maps.

The exportation to Italy of arms, ammunition and explosives, certain metals, and alloys, rubber and transport animals was also prohibited.

The reason for these restrictions, which were revoked in 1936, was the decision of the British Government to give effect to a policy of sanctions against Italy.

Russia. The Russian Goods (Import Prohibition) Act 1933⁵ gave power to prohibit by Proclamation the importation of any goods grown, produced or manufactured within the Union of Soviet Socialist Republics. These proclamations were to be effective for three months, but could be renewed by Parliament. The Board of Trade was also given power to license the importation of goods or classes of goods.

A Proclamation was made in April 1933⁶ prohibiting the importation of certain goods from Russia. The most important commodities affected were timber, petroleum, butter, wheat and barley. The prohibitions were only in force for two months, being revoked in July 1933.⁷ The reason for the passing of this Act and Proclamation was a political dispute with Russia over the imprisonment of certain British nationals, and the prohibitions were therefore economic sanctions imposed for political motives.

1 22 Geo. 5, c. 53.

2 22 Geo. 5, c. 22.

3 See Part III, p. 163.

4 9 and 10 Geo. 5, c. 33.

5 23 Geo. 5, c. 10.

6 S.R.O. 1933, 386.

7 S.R.O. 1933, 657.

APPENDIX S. EXPORT PROHIBITIONS AND RESTRICTIONS

Arms, Ammunition and Explosives. The exportation of arms, ammunition, gunpowder and military and naval stores was prohibited by the Customs and Inland Revenue Act 1879.¹ This was extended by the Finance Act 1921 to include weapons and munitions of war and firearms of every description and their ammunition. Power was also given to prohibit their shipment as ships' stores, and the Exportation of Arms Act 1900² gave power to the Board of Trade to prohibit by Proclamation the export of arms to particular countries.

An Order³ made in 1931 under these Acts prohibited exportation of explosives of every description, and many types of arms and ammunition, except under licence from the Board of Trade. The Merchant Shipping (Carriage of Munitions to Spain) Act 1936⁴ prohibited the carriage to Spain of any articles prohibited under the Arms and Ammunitions Acts, and also gave power for additional goods to be prohibited by Order.

Dangerous Drugs. The regulations for the exportation of dangerous drugs, imposed by the Dangerous Drugs Act 1920⁵ and 1932,⁶ were the same as those for their importation, but in addition conditions could be attached to a licence to export from the United Kingdom. If the importation of raw opium was prohibited or restricted by a foreign country conditions were attached to the United Kingdom export licence designed to prevent or restrict the exportation in accordance with the laws of the foreign country. This provision was imposed in order to give effect to the Hague International Opium Convention of 1912.⁷

Horses, Asses and Mules. These animals could only be exported if shipped from certain authorized ports and after veterinary inspection unless accompanied by a Jockey Club certificate or a permit issued by the Ministry of Agriculture and Fisheries. Under the Exportation of Horses Act 1937⁸ they could not be exported unless they were not more than eight years old and were capable of working without suffering. There were also provisions as to the minimum value of the various classes of animals. These prohibitions did not apply to horses exported for the purposes of breeding or exhibition if they were registered in recognized stud books, nor to their foals at foot.

Salmon and Trout. Under the Freshwater Fisheries Act 1923⁹ the export of unclean salmon and trout was forbidden at all times. Salmon

1 42 and 43 Vict. c. 21.

3 S.R.O. 1931.

5 10 and 11 Geo. 5, c. 46.

7 Cmd. 153.

9 13 and 14 Geo. 5, c. 16.

2 63 and 74 Vict. c. 44.

4 1 Edw. 8, c. 1.

6 22 Geo. 5, c. 15.

8 1 Edw. 8 and 1 Geo. 6, c. 42.

or trout caught during the time when their sale was prohibited in the district in which they were caught could not be exported. All salmon or trout intended for exportation between 31 August and 1 May following had to be entered with a Customs Officer at the place of exportation, and any package containing salmon or trout might be detained until it was proved that the fish could legally be exported.

Ships. Pending legislation the Government in April 1939 requested shipowners not to sell ships to foreign powers without previously offering them to the Government of the United Kingdom. No power existed to enforce this request, except the pressure of public opinion and the threat of withdrawal of subsidy in the future.

Spirits. British and Northern Irish spirits could not be exported in casks of less than 9 gallons capacity, as laid down by the Customs Consolidation Act 1876.¹

Tobacco. Tobacco could only be exported as merchandise from ports where importation was permitted, but it could be shipped as stores at any port. Minimum sizes of the packages in which tobacco could be exported were laid down; these were for merchandise: cigarettes 8 lb., cigars 12 lb., other tobacco 20 lb.; for stores: cigarettes, cigars and snuff 2 lb., other tobacco 7 lb. Regulations as to the export of tobacco were first introduced by the Tobacco Act 1863² and provisions in force in 1939 were made under the Customs Consolidation Act 1876¹ and the Finance Act 1906.³

1 39 and 40 Vict. c. 36.

2 26 and 27 Vict.

3 6 Edw. 7, c. 8.

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