

APPENDIX 1

(Referred to in paragraph (i) of the Introduction)

THE REFERENCES MADE BY THE BOARD OF TRADE THE MONOPOLIES AND RESTRICTIVE PRACTICES ACTS, 1948 AND 1953, AS AMENDED BY THE RESTRICTIVE TRADE PRACTICES ACT, 1956

REFERENCE TO THE MONOPOLIES COMMISSION

I. Cigarettes and Manufactured Cigarette and Pipe Tobacco

Whereas it appears to the Board of Trade that it is or may be the fact that conditions to which the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, (hereinafter called "the Act of 1948") as amended by the Restrictive Trade Practices Act, 1956, (hereinafter called "the Act of 1956") applies prevail as respects the supply of cigarettes and manufactured cigarette and pipe tobacco:

Now, therefore, the Board of Trade, in pursuance of Section 2(1) of the Act of 1948, as amended by the Act of 1956, hereby refer to the Monopolies Commission for investigation and report the matter of such supply.

The Commission shall as respects such supply investigate and report on:—

- (1) whether the conditions to which the Act of 1948, as amended by Section 29 of the Act of 1956, applies in fact prevail and, if so, in what manner and to what extent;
- (2) the things which are done by the parties concerned as a result of, or for the purpose of preserving, those conditions; and
- (3) whether the conditions in question or all or any of the things done as aforesaid operate or may be expected to operate against the public interest.

Dated this 29th day of November, 1956.

G. H. ANDREW
A Secretary of the Board of Trade.

II. Machinery for the Manufacture or Packaging of Cigarettes or of Cigarette or Pipe Tobacco

Whereas it appears to the Board of Trade that it is or may be the fact that conditions to which the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, (hereinafter called "the Act of 1948") as amended by the Restrictive Trade Practices Act, 1956, (hereinafter called "the Act of 1956") applies prevail as respects the supply of machinery for the manufacture or packaging of cigarettes or of cigarette or pipe tobacco:

Now, therefore, the Board of Trade, in pursuance of Section 2(1) of the Act of 1948, as amended by the Act of 1956, hereby refer to the Monopolies Commission for investigation and report the matter of such supply.

The Commission shall as respects such supply investigate and report on:—

- (1) whether the conditions to which the Act of 1948, as amended by Section 29 of the Act of 1956, applies in fact prevail and, if so, in what manner and to what extent;
- (2) the things which are done by the parties concerned as a result of, or for the purpose of preserving, those conditions; and
- (3) whether the conditions in question or all or any of the things done as aforesaid operate or may be expected to operate against the public interest.

Dated this 29th day of November, 1956.

G. H. ANDREW
A Secretary of the Board of Trade.

APPENDIX 2

(Referred to in paragraph (iii) of the Introduction)

PRINCIPAL SOURCES OF EVIDENCE

Ardath Tobacco Co. Ltd.
Board of Trade
Carreras Ltd.
Co-operative Wholesale Society Ltd.
H.M. Customs and Excise
Gallaher Ltd.
The Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.
Molins Machine Co. Ltd.
The National Union of Retail Tobacconists
Godfrey Phillips Ltd.
Rothmans Ltd.
Scottish Co-operative Wholesale Society Ltd.
The Wholesale Tobacco Trade Association
J. Wix & Sons Ltd.

We also obtained evidence from other manufacturers and former manufacturers of cigarettes and tobacco, from a number of leaf merchants, from a large number of wholesale and retail distributors of tobacco goods, from other trade associations representing distributors and from the Parliamentary Committee of the Co-operative Union Ltd. (on behalf of a number of Co-operative Societies), from other machinery manufacturers, and from the former Tobacco Controller.

APPENDIX 3
(Referred to in paragraph 106)

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND) LIMITED
AUTHORISED CAPITAL 1901-1960 AND ISSUED CAPITAL 1960

Year	Preference Shares	Preferred Ordinary Shares	Deferred Ordinary Shares		Total	Remarks (Based on Memorandum and Articles of Association of the Company)
AUTHORISED	£	£	£		£	
1901	5,000,000	5,000,000	5,000,000		15,000,000	At incorporation 10.12.1901.
1902	6,000,000	6,000,000	6,000,000		18,000,000	By resolution of 11.11.1902.
1909			'A' Deferred Ordinary Shares 3,000,000	'B' Deferred Ordinary Shares 3,000,000		Division of Deferred Ordinary shares into 'A' and 'B'
1914				'B' Deferred Ordinary Shares 3,000,000		"Certain of the 'B' Deferred Ordinary shares were converted into Restricted 'B' Deferred Ordinary shares."
1915	'A' 5½ per cent. Cumulative Preference Shares	'B' 6 per cent. Non-Cumulative Preference Shares	'C' 10 per cent. Non-Cumulative Preference Shares	Ordinary Shares		Change in the nomenclature of the shares.
1916				6,000,000	21,000,000	By resolution of 9.5.1916. The 3,000,000 new shares comprised 2,642,206 Ordinary shares and 357,794 Restricted Ordinary shares.
1918				9,000,000	24,000,000	By resolution of 6.3.1918. The 3,000,000 new shares comprised 2,646,693 Ordinary shares and 353,307 Restricted Ordinary shares. "Restrictions upon the transfer of Restricted Ordinary shares were removed [in 1918] and the Restricted Ordinary shares thereupon became Ordinary shares."
1919				18,000,000	33,000,000	By resolution of 7.8.1919.
1920				30,000,000	45,000,000	By resolution of 16.3.1920.
1923				35,000,000	50,000,000	By resolution of 19.6.1923.
1929				40,000,000	55,000,000	By resolution of 19.2.1929.
1932						By resolution of 16.2.1932. "The existing capital of the Company (whether Preference or Ordinary) which had been issued and fully paid up was converted into Stock."
1952				70,000,000	85,000,000	By resolution of 12.8.1952.
AUTHORISED 1960	6,000,000 'A' 5½ per cent. Cumulative Preference Stock	6,000,000 'B' 6 per cent. Non-Cumulative Preference Stock	3,000,000 'C' 10 per cent. Non-Cumulative Preference Stock	70,000,000 Ordinary Stock	85,000,000	
ISSUED	4,959,249	5,260,469	2,638,218	60,100,880	72,958,816	

APPENDIX 4

(Referred to in paragraphs 113 and 531)

THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND) LIMITED
 MERGERS BETWEEN BRANCHES IN THE UNITED KINGDOM SINCE THE FORMATION OF THE COMPANY IN 1901

Date of acquisition or formation by Imperial	Branch	Branches in													
			1923		1946		1957		1959		1961 (Projected)				
1901	W. D. & H. O. Wills		W. D. & H. O. Wills		W. D. & H. O. Wills										
1901	Stephen Mitchell & Son	} 1918	Stephen Mitchell & Son	} 1932	} 1957	} 1957	} 1959	} 1959	} 1961	} 1961	} 1961				
1901	F. & J. Smith		F. & J. Smith									Stephen Mitchell & Son	W. D. & H. O. Wills	W. D. & H. O. Wills	W. D. & H. O. Wills
1901	D. & J. Macdonald		John Player & Sons									John Player & Sons	John Player & Sons	John Player & Sons	John Player & Sons
1901	John Player & Sons		John Player & Sons		John Player & Sons						John Player & Sons				
1902	Ogden	} 1923	Ogden	} 1930	} 1954	} 1954	} 1959	} 1959	} 1961	} 1961	} 1961				
1901	William Clarke & Son		Hignett Bros. & Co.									Ogden	Ogden	Ogden	Ogden
1901	Hignett Bros. & Co.		Hignett Bros. & Co.									Ogden	Ogden	Ogden	Ogden
1901	Hignett's Tobacco Co.	} 1902	Hignett Bros. & Co.	} 1946	} 1954	} 1954	} 1959	} 1959	} 1961	} 1961	} 1961				
1901	The Richmond Cavendish Co.		W. & F. Faulkner									W. & F. Faulkner	W. & F. Faulkner	W. & F. Faulkner	W. & F. Faulkner
1902	W. & F. Faulkner		Adkin & Sons									Adkin & Sons	W. & F. Faulkner	W. & F. Faulkner	W. & F. Faulkner
1901	Adkin & Sons		Adkin & Sons		Adkin & Sons										
1902	W. T. Davies & Sons		W. T. Davies & Sons		W. T. Davies & Sons										
1902	W. A. & A. C. Churchman	} 1923	W. A. & A. C. Churchman	} 1946	} 1954	} 1954	} 1959	} 1959	} 1961	} 1961	} 1961				
1901	Lambert & Butler		Lambert & Butler									Lambert & Butler	Lambert & Butler	Lambert & Butler	Lambert & Butler
1911	Allan Ramsay		Lambert & Butler									Lambert & Butler	Lambert & Butler	Lambert & Butler	Lambert & Butler
1901	Edwards, Ringer & Bigg	} 1923	Edwards, Ringer & Bigg	} 1946	} 1954	} 1954	} 1959	} 1959	} 1961	} 1961	} 1961				
1901	Franklyn, Davey & Co.		Edwards, Ringer & Bigg									Edwards, Ringer & Bigg	Edwards, Ringer & Bigg	Edwards, Ringer & Bigg	Edwards, Ringer & Bigg
1901	Franklyn, Davey & Co.		Franklyn, Davey & Co.		Franklyn, Davey & Co.										

*All goods must be ordered in the **TRADING NAME**, otherwise they may not be entered in the Bonus List. If differing from name of proprietor(s), the trading name should be registered under the Registration of Business Names Act.

***TRADING NAME** (the name in which goods are ordered) } (5).....

FULL Postal Address including County } (6).....

Description of Business

Addresses of Branches (or furnish separate list)

TO THE ABOVE NAMED CUSTOMER.

IMPERIAL TOBACCO COMPANY'S UNDERTAKING.

IN pursuance of the foregoing Request and for the considerations therein set forth WE, **THE IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND), LIMITED**, hereby admit you to participate in our customers' bonus scheme as herein set forth upon condition of your observing all the stipulations on your part set forth in the said request, and henceforth during the continuance of this agreement forthwith after the declaration of a final Dividend for any financial year upon our Ordinary Stock (whether preferred or deferred) we will cause our Auditors to certify as accurately as may be practicable what proportion of the amount required for the Dividends declared on all the said stock in respect of such year has arisen from net profits on our sales in that year within the United Kingdom, and forthwith after receiving each such Certificate we will set apart a sum equal to two-fifths of the said proportion and will cause our Auditors to certify what percentage the said sum so set apart will provide upon the amount of all our sales during the said year (less goods returned) of bonus-bearing goods, that is to say goods so described or referred to in our Schedules or Price Lists from time to time in force, and within six months after the payment of such final dividend we will pay to you the certified percentage (less any such interim payment as hereinafter provided) upon all bonus-bearing goods bought by you from us (and not returned) during the same year and paid for before the expiration of the said six months. And we further undertake that we will within four months after the expiration of the first half of each financial year, cause our Auditors to certify what is a fair percentage to be paid on account of bonus upon our aforesaid sales of bonus-bearing goods during such half-year, and we will, in the next succeeding month of January, pay to you the percentage so certified upon all bonus-bearing goods bought by you from us (and not returned) during the same half-year, and paid for by you, and the amount so paid by us to you shall be taken as an interim payment on account of the bonus payable to you in respect of the entire financial year. This agreement with you shall continue in force until you or we shall by fourteen days' previous notice in writing determine it, unless we shall be of opinion that you have failed to perform the stipulations on your part contained in the said Request, and then and in such case we may, by notice in writing to you, wholly or partially annul your participation in the benefits of the said bonus scheme, and you will wholly or partially (as the case may be) lose your

right or interest in the bonus, whether accrued or accruing. Any customer while indebted to us becoming subject to a Receiving Order or offering a composition or suspending payment or committing any other act of bankruptcy, will thereupon forfeit all claim to bonus both accrued and accruing.

DATED this day of , 19

THE IMPERIAL TOBACCO COMPANY
(OF GREAT BRITAIN AND IRELAND) LIMITED

Secretary.

Owing to a change in the nomenclature of our stock the expression "our ordinary stock (whether preferred or deferred)" used above now includes in addition to our ordinary stock our B 6% and C 10% non-cumulative preference stock.

APPENDIX 6

(Referred to in paragraphs 377, 489, 536 and 603)

PROFIT AS YIELD ON AVERAGE CAPITAL EMPLOYED

1. In three earlier reports we have recorded our computations of the weighted average profit ratios in relation to capital employed of some 2,000 public companies in manufacturing and non-manufacturing industry, and have compared them with the profit ratios in the industries with which the reports were concerned.* These computations were prepared from statistics of Industrial Profits and Assets which appear quarterly in "The Economist". It was assumed that the profits shown in the accounts published in the first three quarters of any calendar year would have been earned mainly in the preceding calendar year; figures from accounts published in the fourth quarter, which were thought likely to relate approximately equally to the previous year and to the year in which they were published, were omitted from our calculations. Capital employed was calculated by taking the total assets, excluding outside investments and goodwill items but including cash balances, and deducting therefrom current liabilities and provisions. Profit yields were based on the published profits (i) before deduction of tax, (ii) before payment of interest (which was estimated in accordance with current interest rates) on loans and overdrafts, and (iii) after deducting one-half of the non-recurring profits to eliminate the tax element therein and other non-trading items. Thus capital employed was represented not only by share capital but by all forms of borrowing (including debentures and bank overdrafts) and by capital and revenue reserves (including provision for future taxation); and the profit ratios represented the yield, before tax, on that capital. Although we found it convenient to start from the data assembled by "The Economist" the method of computation was our own. The average profit ratios for manufacturing industry computed by this method (Method 1) are given in paragraph 7 below.

2. As we have mentioned in paragraph 377, Imperial has submitted a computation of the average rate of profit earned by manufacturing industry in general based on an alternative statistical source. The profit ratios calculated by this method (Method 2)

* See Report on the Supply of Certain Industrial and Medical Gases (H.M.S.O., 1956), Appendix 16 and paragraph 260; Report on the Supply and Exports of Electrical and Allied Machinery and Plant (H.M.S.O., 1957), Appendix 12 and paragraphs 644 and 762; Report on the Supply of Chemical Fertilisers (H.M.S.O., 1959), Appendix 9 and paragraphs 544 and 649.

are also given in paragraph 7 below. The company bases its calculations on data relating to manufacturing industry which have only recently become available as a continuous series, namely the analysis of the accounts of some 3,000 public companies quoted on the United Kingdom Stock Exchanges which was first published in a book entitled "Company Income and Finance 1949-53", issued for private circulation by the National Institute of Economic and Social Research, and is now being kept up to date by the Board of Trade, the results being published in "Economic Trends".

3. The principal differences between the two sources are the following:—

- (a) The figures in "Economic Trends" are assembled by grouping individual accounts whose financial years ended within each fiscal year and describing the aggregates so obtained as relating to the calendar year ended within the fiscal year. The figures given by "The Economist" on the other hand are grouped by taking individual accounts published within each quarter of a year and, as we have mentioned, we have based our calculations for a given calendar year on the accounts published in the next three succeeding quarters.
- (b) "The Economist" covers a smaller number of companies than "Economic Trends". The difference is further widened by our omission of accounts published in one quarter of the year.
- (c) The figures in "Economic Trends" are arrived at after excluding as far as possible companies which operate primarily overseas. The figures published in "The Economist" do not generally exclude such companies.
- (d) "Economic Trends" provides a more detailed analysis of the published figures than "The Economist".

The relevant data provided by "The Economist" have so far been available considerably earlier than those published in "Economic Trends".

4. Apart from the adoption of a different statistical source, Imperial's method of computation differs from that described in paragraph 1 above in one important and some minor particulars. The main divergence is that we have included cash balances and tax reserve certificates in our calculations of capital employed while Imperial excludes both of these items. The minor differences arise at least partly from (d) above. Imperial argues that the exclusion of cash from capital employed is justified as the greater part of it is "temporarily unemployed capital", much of it on call or short-term deposit. This may over-state the case. The cash balances of all businesses fluctuate, and some part of the aggregate will be necessary working capital. Moreover, there may be a tendency on the part of some companies at least to have an abnormally high degree of liquidity on the dates to which their balance sheets relate. We recognise, nevertheless, that the aggregate cash balances of industrial companies are liable to include some element of genuinely surplus cash. As Imperial has pointed out, we have from time to time excluded surplus cash balances when estimating the capital employed by certain individual companies with which our inquiries have been concerned; we have done so, for instance, in the case of Molins (see paragraph 391). In such cases, however, our purpose has been to arrive at a reasonable estimate of the capital employed by the company in producing and selling the particular goods with which our report was concerned; we have satisfied ourselves that the amounts of cash in question were not capital required by the company for that purpose at the relevant times.

5. In the period from 1949 to 1959, for which we have made an examination of profits, industry as a whole appears to have been carrying an unusually large amount of cash at least up to 1955, and a proportion of this was probably surplus to its requirements. Information is not available, however, on which to estimate the extent to which cash balances should be included in the capital employed either up to 1955 or more recently. In Imperial's computation (Method 2) the capital employed tends to be under-stated and profit ratios over-stated by wholly eliminating cash balances; in our own computation (Method 1) capital employed is over-stated, and profit ratios under-stated, to the extent that cash surplus to the requirements of the undertakings concerned may be included. We have made a further series of calculations based on the statistical source used by Imperial but applying thereto the method of computation we have hitherto used. The profit ratios for manufacturing industry computed by this method (Method 3) are given in paragraph 7 below. The differences between the figures arrived

at by Methods 1 and 3 can be attributed to the different statistical sources used, and between those arrived at by Methods 2 and 3 to the different treatment of cash balances.

6. All three series of profit ratios are arrived at by averaging figures derived from the published accounts of a number of companies whose accounting methods differ. In particular, while most companies continue to value their fixed assets on the basis of historical cost, the number of those which have revalued their assets on a replacement cost basis is growing, especially among larger companies. Such information as we have leads us to believe that the average figures are likely still to be heavily weighted on the side of historical cost; nevertheless, it must be presumed that all three sets of profit ratios would be somewhat higher if it were possible to readjust to a uniform historical cost basis. Our information is not sufficient to enable us to make the adjustment. The three methods can only be regarded as providing a broad indication of the level of profit in manufacturing industry.

7. The weighted average profit ratios for manufacturing industry in general arrived at by the three methods described above are as follows:—

			Method 1	Method 2	Method 3
			%	%	%
1949	..	..	N/A	22.4	18.7
1950	..	..	N/A	24.8	20.9
1951	..	..	19.4	25.7	22.2
1952	..	..	15.4	19.4	17.1
1953	..	..	16.6	20.2	17.6
1954	..	..	17.2	20.9	18.2
1955	..	..	17.3	20.4	18.0
1956	..	..	16.5	18.0	16.4
1957	..	..	15.4	16.7	15.5
1958	..	..	14.1	N/A	N/A

N/A = not available (see Note below).

Note: For the purpose of Method 1, "manufacturing industry in general" means the seventeen industry groups comprised under the heading "Manufacturing" in the tables given in previous reports (e.g. Appendix 9 of the Report on the Supply of Chemical Fertilisers). Methods 2 and 3 cover approximately the same field, subject to differences in selection of companies which we have described. We have not thought it worth while to make separate calculations for non-manufacturing industry, or to make the calculations by Method 1 for manufacturing industry for 1949 and 1950. The relevant data for making the calculation for 1958 by Methods 2 and 3 only became available shortly before the signature of this report.

APPENDIX 7

Table 1
(Referred to in paragraph 7)

UNITED KINGDOM IMPORTS OF UNMANUFACTURED TOBACCO
1900-1959

Year	Country of Consignment										Total lb.'000
	U.S.A.		Canada		Rhodesia and Nyasaland		India		Other		
	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	
1900	88,805	90.3	29	neg.	...	...	0	neg.	9,515	9.7	98,349
1901	76,467	90.4	6	neg.	...	...	1	neg.	8,147	9.6	84,621
1902	116,129	92.0	0	neg.	...	...	9	neg.	10,083	8.0	126,221
1903	73,626	87.6	—	—	...	...	19	neg.	10,407	12.4	84,052
1904	94,643	88.7	6	neg.	...	...	3	neg.	12,018	11.3	106,670
1905	73,226	88.0	15	neg.	...	...	3	neg.	9,933	12.0	83,177
1906	104,408	90.4	—	—	...	...	20	neg.	11,098	9.6	115,526
1907	86,632	87.7	0	neg.	176	0.2	3	neg.	11,969	12.1	98,780
1908	107,020	89.9	27	neg.	79	0.1	7	neg.	11,903	10.0	119,036
1909	114,007	89.8	0	neg.	899	0.7	15	neg.	11,991	9.5	126,912
1910	98,951	88.9	1	neg.	1,426	1.3	1	neg.	10,879	9.8	111,258
1911	104,608	88.0	1	neg.	1,827	1.5	40	neg.	12,331	10.5	118,807
1912	121,830	88.5	8	neg.	1,558	1.1	43	neg.	14,297	10.4	137,736
1913	142,043	87.5	0	neg.	2,065	1.3	7	neg.	18,251	11.2	162,366
1914	138,985	87.6	1	neg.	2,372	1.5	457	0.3	16,878	10.6	158,693
1915	184,237	90.9	24	neg.	3,178	1.6	495	0.2	14,717	7.3	202,651
1916	152,581	92.9	21	neg.	5,151	3.1	750	0.5	5,763	3.5	164,266
1917	40,789	87.6	51	0.1	1,103	2.4	699	1.5	3,901	8.4	46,543
1918	162,928	94.9	124	0.1	4,485	2.6	631	0.4	3,471	2.0	171,639
1919	315,933	90.5	140	neg.	6,018	1.7	3,844	1.1	22,972	6.7	348,907
1920	177,508	81.0	215	0.1	5,662	2.6	9,590	4.4	26,068	11.9	219,043
1921	214,757	94.3	174	0.1	4,952	2.2	1,415	0.6	6,539	2.8	227,837
1922	166,822	90.2	855	0.5	7,095	3.8	3,935	2.1	6,150	3.4	184,857
1923	154,859	89.5	956	0.6	6,258	3.6	4,575	2.6	6,390	3.7	173,038
1924	156,938	86.0	1,787	1.0	7,609	4.2	8,412	4.6	7,677	4.2	182,423
1925	162,719	86.1	1,859	1.0	8,102	4.3	7,785	4.1	8,516	4.5	188,981
1926	161,410	81.8	4,914	2.5	11,389	5.8	11,854	6.0	7,637	3.9	197,204
1927	177,442	79.8	5,813	2.6	24,870	11.2	8,433	3.8	5,707	2.6	222,265
1928	171,839	78.9	6,029	2.8	24,453	11.2	10,339	4.7	5,125	2.4	217,785
1929	205,376	85.6	5,025	2.1	15,858	6.6	9,181	3.8	4,586	1.9	240,026
1930	197,765	83.4	4,041	1.7	17,124	7.2	13,041	5.5	5,057	2.2	237,028
1931	157,218	81.0	6,273	3.2	17,438	9.0	9,347	4.8	3,770	2.0	194,046
1932	125,176	71.6	10,672	6.1	26,215	15.0	9,208	5.3	3,641	2.0	174,912
1933	159,896	75.7	13,961	6.6	20,807	9.9	12,968	6.1	3,476	1.7	211,108
1934	188,945	79.1	8,055	3.4	28,798	12.1	9,798	4.1	3,279	1.3	238,875
1935	202,550	80.5	7,076	2.8	25,637	10.2	11,587	4.6	4,770	1.9	251,620
1936	213,525	78.8	9,289	3.4	28,436	10.5	13,695	5.1	5,954	2.2	270,899
1937	203,349	76.0	8,649	3.2	28,353	10.6	19,150	7.2	7,959	3.0	267,460
1938	256,716	74.4	16,093	4.7	32,737	9.5	32,552	9.4	6,760	2.0	344,858
1939	128,041	60.5	30,232	14.3	27,338	12.9	21,149	10.0	4,712	2.3	211,472
1940	59,060	41.8	8,471	6.0	34,742	24.6	18,747	13.3	20,410	14.3	141,430
1941	129,441	60.6	2,470	1.2	33,009	15.4	26,077	12.2	22,740	10.6	213,737
1942	180,335	68.1	10,685	4.0	39,512	14.9	22,697	8.6	11,678	4.4	264,907
1943	291,054	82.2	9,122	2.6	34,496	9.7	16,961	4.8	2,427	0.7	354,060
1944	180,285	78.4	8,895	3.9	28,141	12.2	4,715	2.1	7,889	3.4	229,925
1945	309,812	84.0	12,097	3.3	33,030	9.0	10,122	2.7	3,750	1.0	368,811
1946	365,798	84.5	9,227	2.1	34,369	7.9	17,614	4.1	5,724	1.4	432,732
1947	201,235	68.1	22,224	7.5	35,635	12.1	22,942	7.8	13,585	4.5	295,621
1948	172,383	61.4	12,686	4.5	59,181	21.1	22,815	8.1	13,710	4.9	280,775

Table 1—contd.

Year	Country of Consignment										Total lb.'000
	U.S.A.		Canada		Rhodesia and Nyasaland		India		Other		
	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	lb.'000	% of Total	
1949	154,117	51·2	12,983	4·3	65,520	21·8	38,361	12·7	30,182	10·0	301,163
1950	143,699	47·0	15,834	5·2	80,033	26·2	48,139	15·7	18,099	5·9	305,804
1951	212,005	59·7	21,664	6·1	67,674	19·1	40,120	11·3	13,415	3·8	354,878
1952	66,798	29·9	32,709	14·6	70,620	31·6	38,319	17·1	15,272	6·8	223,718
1953	174,110	55·1	24,087	7·7	68,723	21·8	31,435	10·0	17,380	5·4	315,735
1954	159,552	51·2	24,879	8·0	76,013	24·4	36,250	11·6	14,960	4·8	311,654
1955	178,496	51·9	40,007	11·6	72,058	21·0	36,404	10·6	16,740	4·9	343,705
1956	160,267	50·3	21,677	6·8	84,384	26·5	40,017	12·6	12,026	3·8	318,371
1957	168,056	52·7	25,647	8·0	79,932	25·1	35,601	11·2	9,595	3·0	318,831
1958	163,902	51·9	23,434	7·4	74,607	23·6	44,696	14·1	9,333	3·0	315,972
1959	N/A		N/A		N/A		N/A		N/A		300,658

0 = less than 500 lb.
 neg. = negligible.
 — = nil.
 ... = not separately specified.
 N/A = not available.

Source: Annual Statements of the Trade of the United Kingdom.

Notes: (1) Imports for 1900 to 1903 inclusive were accredited to the country of final shipment, subsequently to country of consignment.

(2) Figures for India in 1936 and earlier years include imports from Burma.

(3) Since 1900 United Kingdom exports of imported unmanufactured tobacco have never been more than 20 million lb. in any year. In recent years they have been substantially less.

APPENDIX 7

Table 2
(Referred to in paragraph 36)

UNITED KINGDOM IMPORTS OF CIGARETTES AND MANUFACTURED TOBACCO (OTHER THAN CIGARS AND SNUFF)

1900-1959

Year	lb. '000	Year	lb. '000	Year	lb. '000	Year	lb. '000	Year	lb. '000
1900	3,632	1912	1,817	1924	960	1936	818	1948	240
1901	4,471	1913	1,807	1925	927	1937	902	1949	248
1902	2,826	1914	1,342	1926	590	1938	808	1950	185
1903	2,628	1915	1,848	1927	609	1939	720	1951	209
1904	2,201	1916	2,091	1928	638	1940	325	1952	244
1905	1,640	1917	2,264	1929	720	1941	172	1953	277
1906	1,630	1918	4,639	1930	697	1942	184	1954	283
1907	1,702	1919	6,215	1931	636	1943	183	1955	325
1908	1,740	1920	2,436	1932	570	1944	229	1956	414
1909	1,820	1921	906	1933	648	1945	178	1957	459
1910	1,669	1922	827	1934	750	1946	409	1958	415
1911	2,120	1923	863	1935	736	1947	308	1959	564

Source: Annual Statements of the Trade of the United Kingdom.

Notes: (1) The figure for 1959 includes snuff.

(2) United Kingdom exports of imported cigarettes and manufactured tobacco (other than cigars and snuff) since 1950 have been as follows:

	lb. '000		lb. '000		lb. '000
1950	54	1953	10	1956	27
1951	34	1954	16	1957	26
1952	18	1955	18	1958	37

APPENDIX 7

Table 3
(Referred to in paragraph 29)

CUSTOMS DUTY ON TOBACCO LEAF

BASIC DUTY: 1900-1960

Period	Basic duty per lb.	
	Full	Preferential
to 5.3.1900	s. d. 2 8	s. d. —
6.3.1900 to 12.4.1909	3 0	—
13.4.1909 to 21.9.1915	3 8	—
22.9.1915 to 2.5.1917	5 6	—
3.5.1917 to 15.7.1917	7 4	—
16.7.1917 to 22.4.1918	6 5	—
23.4.1918 to 31.8.1919	8 2	—
1.9.1919 to 30.6.1925	8 2	5/6ths of full rate
1.7.1925 to 30.6.1926	8 2	1/2 of full rate
1.7.1926 to 11.4.1927	8 2	6 1 1/2
12.4.1927 to 10.9.1931	8 10	6 9 1/2
11.9.1931 to 25.4.1939	9 6	7 5 1/2
26.4.1939 to 27.9.1939	11 6	9 5 1/2
28.9.1939 to 23.4.1940	13 6	11 5 1/2
24.4.1940 to 23.7.1940	17 6	15 5 1/2
24.7.1940 to 14.4.1942	19 6	17 5 1/2
15.4.1942 to 12.4.1943	29 6	27 5 1/2
13.4.1943 to 15.4.1947	35 6	33 11 1/2
16.4.1947 to 6.4.1948	54 10	53 3 1/2
7.4.1948 to 17.4.1956	58 2	56 7 1/2
18.4.1956 to 4.4.1960	61 2	59 7 1/2
5.4.1960 to	64 6	62 11 1/2

Source: H.M. Customs and Excise.

Note: The rates given above are those applicable to unstripped leaf tobacco containing not less than 10 per cent. of moisture. For current rates applicable to other tariff headings see Table 4.

APPENDIX 7

Table 4

(Referred to in paragraphs 29 and 35)

**CUSTOMS AND EXCISE DUTIES, DRAWBACKS AND ALLOWANCES ON TOBACCO GOODS
EFFECTIVE FROM 5TH APRIL, 1960**

CUSTOMS DUTY

Tariff Heading	Rate of Duty	
	Full	Preferential
	per lb. £ s. d.	per lb. £ s. d.
Unmanufactured tobacco; tobacco refuse:		
(A) Unmanufactured tobacco:		
(1) Unstripped:		
(a) Containing 10 per cent. or more by weight of moisture	3 4 6	3 2 11½
(b) Other	3 5 6	3 3 9½
(2) Stripped:		
(a) Containing 10 per cent. or more by weight of moisture	3 4 6½	3 2 11½
(b) Other	3 5 6½	3 3 9½
(B) Tobacco refuse	Prohibited	
Manufactured tobacco; tobacco extracts and essences:		
(A) Manufactured tobacco:		
(1) Cigars	3 14 5	3 11 5½
(2) Cigarettes	3 10 0	3 7 7½
(3) Cavendish or negrohead:		
(a) Manufactured in bond	3 7 0	3 5 0½
(b) Other	3 9 0	3 6 9
(4) Snuff:		
(a) Containing more than 13 per cent. by weight of moisture	3 6 6	3 4 7½
(b) Other	3 9 0	3 6 9
(5) Other	3 7 3	3 5 3½
(B) Extracts and essences	Prohibited	

EXCISE DUTY

Class or description of goods	Rate of Duty
	per lb. £ s. d.
TOBACCO:	
Unmanufactured:	
Containing 10 lb. or more of moisture in every 100 lb. weight thereof	3 2 9½
Containing less than 10 lb. of moisture in every 100 lb. weight thereof	3 3 7½
Manufactured:	
Cavendish or negrohead manufactured in bond and so in proportion for any less quantity	3 5 0½

CUSTOMS REVENUE DUTY DRAWBACKS AND ALLOWANCES

Class or description of goods	Rate of Drawback (where duty was paid at rate appropriate on and after 5th April, 1960)	
	Full	Preferential
	per lb.* £ s. d.	per lb.* £ s. d.
TOBACCO:		
(1) Tobacco manufactured in the United Kingdom—upon being, by any licensed manufacturer, exported as merchandise, shipped as stores, exported by post or warehoused for use as stores or for exportation by post:		
Cigars	3 8 10	3 7 3½
Cigarettes	3 5 6	3 3 11½
Cut, roll, cake or other manufactured Tobacco ..	3 5 3	3 3 8½
Snuff (not being offal snuff)	3 5 0	3 3 5½
(2) Stalks, shorts or other refuse of tobacco, including offal snuff—upon being, by any licensed manufacturer, exported as merchandise, or warehoused for exportation as merchandise or for the purpose of being denatured or converted into nicotine, sheep-wash, hop-powder or some other article or compound for agricultural or horticultural purposes, etc.; or for abandonment in an approved Queen's Warehouse	3 4 9	3 3 2½

* The rates of drawback specified are allowed on tobacco, etc., containing 14 per cent. of moisture, proportionate increase or reduction being made if the moisture is less or more than 14 per cent.

A deduction is made from the drawback for every lb. of inorganic matter in excess of 22 per cent. (calculated on the tobacco, etc., exclusive of water). The Commissioners of Customs and Excise are, however, empowered to waive this deduction except in the case of snuff or offal snuff, where they are satisfied that there has been no artificial increase of inorganic matter during manufacture.

No drawback is allowed on the exportation of any cavendish or negrohead tobacco manufactured in bond and delivered for home use.

Where duty was paid, at a rate in force before 5th April, 1960, drawback will be at the rate appropriate to the duty paid.

EXCISE DRAWBACKS AND ALLOWANCES

Class or description of goods	Rate of Drawback
TOBACCO	Rates corresponding to the Preferential rates of customs drawback.
	Rate of Allowance
TOBACCO, in a marketable condition and fully cured—upon being exported from warehouse or curer's premises or upon being manufactured into cavendish or negrohead tobacco in bond	2d. per lb.

Source: H.M. Customs and Excise Tariff in operation on 1st January, 1960 (as amended).

APPENDIX 7

Table 5

(Referred to in the footnote to paragraph 29)

IMPORTED UNMANUFACTURED TOBACCO

QUANTITIES RETAINED FOR HOME CONSUMPTION AND NET DUTY RECEIPTS
1900-1959

Year	Quantity Retained for Consumption	Net Receipts	Year	Quantity Retained for Consumption	Net Receipts	Year	Quantity Retained for Consumption	Net Receipts
	lb. '000	£'000		lb. '000	£'000		lb. '000	£'000
1900	75,425	10,072	1920	146,409	59,270	1940	199,970	117,177
1901	80,214	12,014	1921	136,139	55,002	1941	190,249	172,591
1902	65,432	9,795	1922	135,167	54,585	1942	235,581	220,497
1903	77,953	11,675	1923	124,754	50,201	1943	228,632	329,746
1904	79,756	11,946	1924	127,847	51,216	1944	220,895	386,858
1905	80,896	12,508	1925	128,159	51,267	1945	218,369	380,443
1906	83,184	12,713	1926	133,836	52,840	1946	235,423	410,062
1907	84,222	12,667	1927	136,101	53,233	1947	254,376	443,911
1908	87,797	13,173	1928	137,076	57,486	1948	211,039	568,527
1909	88,303	13,250	1929	141,054	58,439	1949	211,906	608,774
1910	84,340	15,104	1930	150,624	62,155	1950	212,790	609,713
1911	89,724	16,562	1931	153,940	63,511	1951	214,436	613,945
1912	91,424	16,749	1932	144,820	62,804	1952	218,315	623,924
1913	91,054	16,655	1933	150,065	66,869	1953	219,597	628,026
1914	96,513	17,651	1934	151,618	67,089	1954	223,710	639,200
1915	102,707	18,772	1935	158,389	70,162	1955	231,849	662,648
1916	108,629	25,125	1936	168,141	74,494	1956	238,629	681,940
1917	99,648	26,918	1937	173,836	76,766	1957	238,264	715,831
1918	102,586	32,737	1938	187,234	82,284	1958	241,129	725,006
1919	111,757	44,683	1939	191,327	84,284	1959	243,935	733,662

Source: H.M. Customs and Excise.

Notes: (1) Years ended 31st March.

(2) In the year ended 31st March, 1959 receipts from Customs and Excise duties on tobacco were as follows:—

<i>Customs Duty Receipts:</i>		£
Gross Receipts	.. .. .	930,202,116
Less Drawbacks and Allowances	.. .. .	193,010,259
Less Repayments, Rebates and Payments to Isle of Man	.. .. .	1,031,113
	Net Receipts	736,160,744
<i>Excise Duty Receipts:</i>		
Net Receipts	.. .. .	—
<i>Total Customs and Excise Duties Net Receipts</i>		736,160,744
Total Net Receipts were made up as follows:—		
Tobacco: Unmanufactured	.. .. .	733,662,458
Cigars	.. .. .	965,632
Cigarettes	.. .. .	360,323
Other Manufactured	.. .. .	1,223,324
		736,211,737
Less amount repaid in respect of relief to Old Age Pensioners from increased tobacco duty	.. .. .	50,993
	Net Receipts	736,160,744

APPENDIX 7

Table 6
(Referred to in paragraph 32)

TOBACCO MANUFACTURERS' LICENCES ISSUED 1900-1959

Year	Licences issued	Year	Licences issued	Year	Licences issued	Year	Licences issued	Year	Licences issued
1900	502	1912	360	1924	293	1936	206	1948	163
1901	503	1913	346	1925	282	1937	199	1949	160
1902	502	1914	334	1926	281	1938	192	1950	154
1903	482	1915	332	1927	271	1939	185	1951	151
1904	462	1916	342	1928	268	1940	179	1952	155
1905	441	1917	346	1929	260	1941	175	1953	140
1906	429	1918	353	1930	257	1942	168	1954	128
1907	415	1919	366	1931	251	1943	168	1955	113
1908	415	1920	404	1932	230	1944	166	1956	109
1909	407	1921	384	1933	220	1945	166	1957	101
1910	383	1922	328	1934	216	1946	162	1958	97
1911	364	1923	309	1935	211	1947	166	1959	94

Source: H.M. Customs and Excise.

Notes: (1) Years ended 31st March.

- (2) From 1900 to 1921 inclusive the figures are of licences issued for Great Britain and the whole of Ireland; from 1922 the figures are of licences issued for Great Britain and Northern Ireland only.
- (3) The figures include licences issued solely for the manufacture of cigars and snuff. Separate figures for these are not available, but in 1957 only about ten licences were held solely for the manufacture of cigars and snuff.
- (4) The figures do not represent the actual number of tobacco manufacturers or factories operated; many distributors have their own brands made for them and hold manufacturers' licences in order to claim drawback on exports.

APPENDIX 7

Table 7
(Referred to in paragraph 39)

TOBACCO DEALERS' LICENCES ISSUED 1900-1959

Year	Licences issued	Year	Licences issued	Year	Licences issued	Year	Licences issued	Year	Licences issued
1900	344,865	1912	393,565	1924	419,205	1936	540,319	1948	411,605
1901	346,323	1913	396,572	1925	433,482	1937	533,063	1949	407,689
1902	352,243	1914	401,872	1926	439,635	1938	531,385	1950	408,788
1903	359,289	1915	407,594	1927	443,819	1939	530,409	1951	410,484
1904	365,899	1916	404,827	1928	458,171	1940	519,278	1952	409,688
1905	367,772	1917	392,392	1929	465,474	1941	478,540	1953	409,276
1906	374,522	1918	370,507	1930	475,630	1942	429,641	1954	411,135
1907	380,825	1919	338,589	1931	486,882	1943	419,996	1955	417,660
1908	386,260	1920	378,238	1932	490,828	1944	411,056	1956	423,610
1909	390,437	1921	403,795	1933	508,269	1945	404,788	1957	419,265
1910	383,700	1922	389,637	1934	531,637	1946	404,273	1958	419,777
1911	390,024	1923	413,749	1935	540,519	1947	412,624	1959	422,464

Source: H.M. Customs and Excise.

Notes: (1) Years ended 31st March.

- (2) From 1900 to 1921 inclusive the figures are of licences issued for Great Britain and the whole of Ireland; from 1922 the figures are of licences issued for Great Britain and Northern Ireland only.

INDEX

	<i>Pages</i>
Abbreviations	v
Abdulla & Co. Ltd., subsidiary of Godfrey Phillips	64
Adkin & Sons: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Amalgamated Tobacco Corporation Ltd. [Amalgamated]: coupon scheme ..	30, 32
American Machine & Foundry Company [Amfoco]	94, 99, 106, 113, 34-35, 177
<i>see also</i> AMF Ltd.	
American Tobacco Company [American Tobacco]:	
agreements with Imperial and B.A.T.	16, 17, 34-35
— Commission's comments	184
— Imperial's comments	158
competition in British market	16, 20, 34, 50-51, 59, 82
AMF Ltd.	94, 95-96
research	97
sales	94
subsidiary of Amfoco	94, 99
Anstie, E. & W., Ltd., <i>see</i> subsidiaries formerly manufacturing tobacco goods <i>under</i> Imperial Tobacco Co. Ltd.	
Ardath Tobacco Co. Ltd. [Ardath]	60-63
coupon trading	20-21, 31-32, 61, 62-63
research	14
sales	4, 62, 137
share of trade	29, 61, 62
subsidiaries	62
<i>see also</i> Bonus schemes: other manufacturers'; Ardath, interest in <i>under</i> British-American Tobacco Co. Ltd.; Ardath, interest in <i>under</i> Imperial Tobacco Co. Ltd.	
Ardath (U.K.) Ltd., subsidiary of Imperial	4n, 63, 88, 191
agreement with Godfrey Phillips	64-65, 73
— Commission's conclusions	194
— Imperial's case	65, 167
automatic vending machines	80
<i>see also</i> non-disclosure of interests in other companies <i>under</i> Imperial Tobacco Co. Ltd.	
Arnfield, J. & E., Ltd.	95-96
sales	94
subsidiary of Gallaher	95, 102
Ashton Containers Ltd. [Ashton], <i>see</i> subsidiaries and associates making materials and components <i>under</i> Imperial Tobacco Co. Ltd.	
Associated Companies (Imperial & B.A.T.):	
agreements between Molins and, <i>see</i> financial agreement <i>and</i> machinery agreement of 1927 <i>under</i> Molins Machine Co. Ltd.	
machinery, policy on development of	120
Associated Tobacco Manufacturers, acquired by Gallaher	58
Automatic vending machines	55, 68, 72, 80, 83, 86, 152n
Ayres & Grimshaw Ltd.	95, 101
sales	94
Baron Machinery Co. Ltd., subsidiary of Carreras	65, 98n
B.A.T., <i>see</i> British-American Tobacco Co. Ltd.	

	<i>Pages</i>
Benson & Hedges Ltd., acquired by Gallaher	58
Bewlay & Co. Ltd.	51, 52
Bewlay (Tobacconists) Ltd. [Bewlay] (formerly Salmon & Gluckstein Ltd.), <i>see</i> display rentals, subsidiaries and associates distributing tobacco goods <i>and</i> window dressing <i>under</i> Imperial Tobacco Co. Ltd.	
Bonus schemes:	
Commission's recommendations	213
Imperial's scheme	16, 82-87, 221-223
— case	171-173
— Commission's conclusions and recommendation 187, 196, 201-202, 206, 207, 212-213	
other manufacturers' schemes	19, 82, 87-89, 151
views on	89, 146-147, 151, 153-154
Bowen, G. H., Ltd.	95, 101
sales	94
Brecknell, Munro & Rogers Ltd. [Brecknell] acquired by Molins	99, 100, 116
<i>see also</i> Thrissell Engineering Co. Ltd.	100, 103, 116
Bristol Tin Case Co. (1920) Ltd.	49
British-American Tobacco Co. Ltd. [B.A.T.]	4
Ardath, interest in	60-61, 63
formation	17, 34-35
Gallaher, agreement with	60
research	14
subsidiaries	18, 60, 63, 99
<i>see also</i> B.A.T., interest in <i>under</i> Imperial Tobacco Co. Ltd.; financial agreement <i>and</i> machinery agreements of 1927 and 1957 <i>under</i> Molins Machine Co. Ltd.	
British Automatic Co. Ltd., agreement with Imperial	72
British Rayophane Ltd., agreement with Imperial	49
Carreras Ltd. [Carreras]	4, 19, 22, 26, 27, 82
automatic vending machines	80
coupon trading	19, 20, 31-32
history	65-66
research	14
Rothmans, arrangements with	66, 72
sales	4
share of trade	26, 29
subsidiaries: cigarettes & tobacco	19, 26, 53, 55n, 56, 65-66
— machinery	26, 56, 65, 98n, 180
subsidiary of Rembrandt	66
views: on conditions in tobacco industry	144-145, 146-147
— on supply of machinery	155
<i>see also</i> Bonus schemes: other manufacturers'	
Celloglas Ltd., acquired by Mardon	47
Charlesworth & Austin Ltd., acquired by Ardath	62
Churchman, W. A. & A. C.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Cigarette and pipe tobacco:	
brands, number of	56, 162
types	3, 13, 162
<i>see also under</i> Sales.	

	<i>Pages</i>
Cigarette and tobacco industry:	
conditions in, views on	144-154
history and development	14-33, 55-57, 183
Cigarette cards	16, 25, 30
Cigarette-making machinery	92, 98, 101
early machines	15, 98-99
Baron machines	65, 98, 102
filter tip	106, 109, 111-113, 155-156
Hauni machines	101, 102, 113
Molins' .. 99-100, 101, 102, 109-113, 117, 119, 141-142, 143-144, 155-156, 178-179, 180-181	108n, 156
second-hand	99, 100, 102
Standard machines	99, 102
Triumph machines	99, 102
Cigarettes:	
brands, leading	10, 28, 44, 59, 158
— number of	56, 162
classes	2
weight variations	126, 137, 168
<i>see also</i> Filter tipped cigarettes; and <i>under</i> Sales.	
Clarke, William & Son Ltd.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Conclusions as to conditions defined in Act, Commission's:	
cigarettes and tobacco	90-91
machinery	120-121
Conclusions on public interest, Commission's:	
cigarettes and tobacco	182-207
machinery	208-212
summary and recommendations	212-213
Conditions of sale	16
<i>see also</i> Terms and conditions of sale.	
Consumption in U.K.:	
tobacco goods	10, 182
— pattern of demand	10-11, 16, 17-18, 22-23, 26, 28, 32
tobacco leaf	21, 231
Controls, wartime and post-war:	
cigarettes, tobacco and tobacco leaf:	
— by Government	13-14, 18, 23-25, 27-28, 147
— by manufacturers	25, 28
machinery	96
Co-operative Retail Societies, views on Imperial's bonus scheme	154
Co-operative Wholesale Societies [C.W.S. and S.C.W.S.]: manufacturing interests .. 4, 5, 17, 56, 73, 91n	4
sales	146-147
views on Imperial's bonus scheme	146-147
Cope Brothers & Co. Ltd., acquired by Gallaher	26, 58
Costs:	
cigarettes and tobacco:	
— Imperial and subsidiaries, <i>see</i> costs <i>under</i> Imperial Tobacco Co. Ltd.	
— other manufacturers	127, 136-137
duty as a factor in	122-123, 182-183
machinery, <i>see</i> costs <i>under</i> Molins Machine Co. Ltd.	
Council of Tobacco Manufacturers	18, 19, 27

	<i>Pages</i>
Coupon trading	19-21, 30, 31-32, 34, 57, 61, 62-63, 67, 86, 163-164
<i>see also</i> Martin agreement <i>under</i> Imperial Tobacco Co. Ltd.	
Curing, <i>see under</i> Tobacco leaf.	
Customs and Excise Act, 1952	11, 15
Customs and Excise duties and regulations:	
cigarettes and tobacco	11, 12-13, 15, 25, 182, 230-231
— licences to deal in	13, 67, 233
— licences to manufacture	12, 233
— net duty receipts	232
machinery	96-97
tobacco leaf	11-13, 15, 18, 21, 25, 229-231
views on	146, 148, 150
Davies, W. T. & Sons (and W. Williams & Co.):	
acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Distribution:	
arrangements	10, 16, 68-71, 72-74
control, wartime and post-war	25, 28
dealers' licences	13, 67, 233
direct trading with retailers	28, 76n, 147
distributors' margins	74-78
distributors	67-68
— associations, <i>see</i> Multiple Shops Federation; National Union of Retail Tobacconists; Wholesale Tobacco Trade Association.	
— evidence	148-154
<i>see also</i> Automatic vending machines; Bonus schemes; distribution system <i>under</i> Imperial Tobacco Co. Ltd.; Resale price maintenance.	
Dobie, George, & Son Ltd., acquired by Godfrey Phillips	55n
Duty, <i>see</i> Customs and Excise duties and regulations .	
Edwards, Ringer & Bigg Ltd.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Express Tobacco Co. Ltd., The, acquired by Ardath	62
Factories, U.K.:	
cigarette and tobacco	4, 40, 54, 56, 58, 66
machinery	99, 100, 106
Faulkner, W. & F., Ltd.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Federation of Home and Export Tobacco Manufacturers [The Federation], <i>formerly</i> Council of Tobacco Manufacturers	5, 19, 24n, 27, 32, 145
Filter tipped cigarettes	2, 10, 31, 32, 57, 66n, 112
definition of	2n
introduction of, understanding on	26, 57, 74, 113
— Imperial's case	167
— Commission's comments	188
machinery for, <i>see under</i> Cigarette-making machinery.	
manufacture, <i>see</i> Manufacturing processes: cigarettes, filter tipped.	
margins on	77n, 78
profits on	132
Filter Tips Ltd.	111, 113
acquired by Molins	106
Finance Acts, 1908, 1910 and 1960	11
Financial agreement between Molins and Associated Companies, <i>see under</i> Molins Machine Co. Ltd.	

Finlay & Co. Ltd., <i>see</i> display rentals, non-disclosure of interests in other companies, subsidiaries and associates distributing tobacco goods <i>and</i> window dressing <i>under</i> Imperial Tobacco Co. Ltd.	
Fletcher, Robert, & Sons Ltd., <i>see</i> subsidiaries and associates making materials and components <i>under</i> Imperial Tobacco Co. Ltd.	
Franklyn, Davey & Co.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Gallaher Ltd.	4, 22
automatic vending machines	80
B.A.T., agreement with	60
coupon trading	20, 21
history	17, 21, 28, 57-60
machinery: arrangements with Imperial and Molins on filter tip	112
— suppliers	102
research	14
sales	4, 90
share of trade	21, 26, 29, 56, 90, 183
subsidiaries: cigarettes and tobacco	21, 26, 55n, 56, 57-59, 111
— machinery	26, 56, 102, 180
views: on conditions in tobacco industry	145-146, 147
— on supply of machinery	155
<i>see also</i> Bonus schemes, other manufacturers'; Gallaher, interest in <i>under</i> Imperial Tobacco Co. Ltd.	
Godfrey Phillips Ltd., <i>see</i> Phillips, Godfrey, Ltd.	
Hamblin, D. K., & Co. Ltd.	95, 101
sales	94
Häuni Werke Körber & Co. K.G.	95, 97, 101, 106, 115, 177
Häuni London Ltd., subsidiary	94-96, 97, 101
— sales	94
Hignett Bros. & Co. Ltd.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Hignett's Tobacco Co. Ltd.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Hill, R. & J., Ltd.	66n
Hinged lid carton packer: Imperial's exclusive rights to	113-114, 115, 155
Home cabinets.	152n
Imperial Tobacco Co. Ltd. [Imperial]:	
advertising	41-43, 83, 86, 131, 133, 145, 160, 204
American Tobacco Company, arrangements with, <i>see</i> agreements with Imperial and B.A.T. <i>under</i> American Tobacco Company.	
Ardath, interest in	18, 60-63
— case	163-164, 165
— Commission's conclusions	186, 193-194
— <i>see also</i> Ardath (U.K.) Ltd.; <i>and</i> non-disclosure of interests in other companies <i>and</i> profits, Ardath's home trade <i>below</i>	
automatic vending machines	55, 80, 83, 86-87
B.A.T., interest in	17, 34-35
— case	163
— Commission's comments	195
bonus scheme, <i>see under</i> Bonus schemes.	
branch mergers	38, 161, 220
branch system	34, 38-45, 68n, 220
— branch costs	43, 44-45, 123, 130-131, 160
branch profits	43, 128-131
— branch sales	39-40, 129-130
— case	159-162
— Commission's conclusions	188-189, 203-204, 207

Imperial Tobacco Co. Ltd. [Imperial];—*cont.*

brands, number and profitability of	44, 55-56, 131-133
— case	159, 160-162, 174
— Commission's conclusions	189, 204-205, 207
capital structure	35-36, 57, 219
case for	156-176
Commission's conclusions and recommendations	183-207, 212-213
costs	122-124, 127-128, 133, 159, 162
— branches	43, 44, 123, 130-131, 160
— brands	125, 131-132, 133, 162
coupon trading <i>see</i> Coupon trading; <i>and</i> Martin agreement <i>below</i> .	
directors	34, 35, 36, 104-105
direct trading with retailers	28, 71
— case	170-171
— Commission's conclusions	195-196
— views of distributors	149-150
display rentals	43, 81-82
distributing arrangements, preferential	71-72
— Commission's comments	185
distribution system	68-71
— case	168-173
— Commission's conclusions	195-203
— <i>see also</i> Bonus schemes; automatic vending machines, direct trading, display rentals <i>and</i> distributing arrangements, preferential, <i>above</i> ; distributors' margins <i>and</i> window dressing <i>below</i> ; Resale price maintenance.	
distributors' margins	70, 74-78, 126, 127
— case	168-170, 171
— Commission's conclusions	195, 196-198
— views of other manufacturers	146
— views of distributors	152-153
filter tipped cigarettes, <i>see</i> Filter tipped cigarettes: introduction of, understanding on	
formation and early history	16-17, 18, 20-22, 23, 26, 27-28, 29-31, 32-35
Gallaher, interest in	21, 57, 59-60, 109
— case	164-165
— Commission's conclusions and recommendation	185-186, 191-193, 206, 207, 212-213
— <i>see also</i> non-disclosure of interests in other companies <i>below</i> .	
Government Departments, co-operation with:	
— Board of Trade's comments	154
— Commission's comments	207
— Imperial's comments	157-158
— <i>see also</i> Controls, wartime and post-war.	
head office organisation	36-37
labour force	40n
leaf buying arrangements	17, 29, 46
— views of leaf merchants	148
— <i>see also</i> tobacco leaf <i>under</i> Controls, wartime and post-war.	
machinery agreements of 1927 and 1957, <i>see under</i> Molins Machine Co. Ltd.; <i>see also</i> Woodbine agreement with Molins <i>below</i> .	
machinery, largest purchaser of	120-121
— Commission's conclusions	212
Martin agreement	20-21, 57-58, 61, 64, 67, 74, 128
— case	165
— Commission's comments	187
Molins, arrangements with, <i>see</i> financial agreement <i>and</i> machinery agreements of 1927 and 1957 <i>under</i> Molins Machine Co. Ltd.; <i>see also</i> machinery, largest purchaser of <i>above</i> , <i>and</i> non-disclosure of interests in other companies <i>below</i>	
monopoly position, development of: Commission's comments	184-189
— Imperial's comments	158

	Pages
Imperial Tobacco Co. Ltd. [Imperial]:— <i>cont.</i>	
monopoly supplier	90
— case	156-177
— Commission's conclusions	184-189, 203-207, 212
— views on	144-145, 148-149, 154
neon signs, arrangements on	85-86
— case	166-167
— Commission's comments	185
non-disclosure of interests in other companies	52, 59-60, 103, 104
— case	165
— Commission's conclusions	193-194, 206
patents	101, 113, 117
Phillips, Godfrey, Ltd., arrangements with, <i>see</i> agreement with Ardath (U.K.) Ltd. <i>under</i> Phillips, Godfrey, Ltd.	
prices:	
— increases in	74, 76, 77, 125, 126-127
— leadership	74, 127, 146, 148-149, 168
— maintenance of, <i>see</i> Resale price maintenance	
— method of fixing	43, 123-126, 160
profits	123n, 127-128, 134-137, 223-225
— Ardath's home trade	136, 137
— Bewlay	134
— branches	43, 128-131
— brands	131-133
— case	173-175
— Commission's conclusions	189-191
— Robert Sinclair	134
purchasing arrangements, preferential	49
— Imperial's comments	162
research	14, 37, 116-117
— case	159
— Commission's comments	207
sales	4, 90, 123n, 128
— <i>see also under</i> branch system <i>above</i> .	
share of trade	17, 18, 20-21, 26, 28, 56, 145, 159, 172, 179, 183, 206
subsidiaries and associates distributing tobacco goods	18, 50-55, 72, 81, 134
— case	167-168
— Commission's conclusions	186, 194
— <i>see also</i> non-disclosure of interests in other companies <i>above</i> .	
subsidiaries and associates making materials and components	30, 38n, 46-49
— case	162
— Commission's conclusions	185, 191, 194-195
subsidiaries formerly manufacturing tobacco goods	38, 45-46
Walters, arrangements for dealing with competition from	21-22
— case	166
— Commission's comments	187-188
window dressing	53, 61, 80-81, 84
— case	172-173
— Commission's conclusions	203
— views on	81, 145
Woodbine agreement with Molins	99-100, 102-103
Import licensing:	
machinery	96
tobacco leaf	14, 23, 25
Imports:	
cigarettes and tobacco	13, 228
machinery	95
tobacco leaf	5, 6, 16, 226-227
International Tobacco Co. Ltd.	20
acquired by Gallaher	57

	<i>Pages</i>
Jackson, Peter, Ltd. (formerly Peter Jackson (Tobacco Manufacturer) Ltd.) ..	111
acquired by Gallaher	57
Jones, A. I. & Co. Ltd.: acquired by Imperial	50
Lambert & Butler Ltd.: acquired by Imperial	33, 220
<i>see branch system under Imperial Tobacco Co. Ltd.</i>	
Leaf merchants: evidence	147-148
Legg, Robert Ltd.	94-95, 97-98, 98n, 101, 102, 116
sales	94
Legislation	11, 15
Lloyd, H. C. & Son Ltd., subsidiary of Cope Brothers & Co. Ltd.	58n
Lloyd, Richard & Sons, subsidiary of Cope Brothers & Co. Ltd.	58
London Agreement	24, 32, 147
Lyons, J. & Co. Ltd.: arrangements with Imperial	72
Macdonald, D. & J.: acquired by Imperial	33, 220
<i>see branch system under Imperial Tobacco Co. Ltd.</i>	
Machinery, <i>see</i> Cigarette-making machinery; Packing, parcelling and packaging: machinery for; Tobacco and leaf processing machinery; <i>and under</i> Sales.	
Machinery agreements of 1927 and 1957, <i>see under</i> Molins Machine Co. Ltd.	
Machinery industry:	
history and organisation	97-102
views on supply of machinery	154-156
Manufacturing processes:	
cigarette and pipe tobacco	9
cigarettes, filter tipped	9, 111-112
— plain	8-9
leaf processing	8
machinery	96
Mardon, Son & Hall Ltd. [Mardon]	38n
<i>see also subsidiaries and associates making materials and components under</i> Imperial Tobacco Co. Ltd.	
Martin Agreement, <i>see under</i> Imperial Tobacco Co. Ltd.	
Materials used in the manufacture and packing of:	
cigarettes and tobacco	5, 7, 8-9, 25, 46-49, 99n
machinery	96
Metal Box Co. Ltd., Imperial's agreement with	49
Mitchell, Stephen & Son: acquired by Imperial	33, 220
<i>see branch system under Imperial Tobacco Co. Ltd.</i>	
Molins Machine Co. Ltd. [Molins]	95
capital structure	102-104
case for	177-182
Commission's conclusions	208-212
costs	141-142, 181, 182
directors	104-105
financial agreement with Imperial and B.A.T.	18, 100, 102-106, 116
— Commission's conclusions	195, 208-209, 210
— Imperial's case	175-176
— Molins' case	177-178
— <i>see also non-disclosure of interests in other companies under</i> Imperial Tobacco Co. Ltd.	
history	98-101
machinery, <i>see under</i> Cigarette-making machinery; Packing, parcelling and packaging machinery.	
machinery agreement of 1927 with Imperial and B.A.T.	100, 107-118, 140, 143
— Commission's conclusions	195, 208-209
— Imperial's case	176
— Molins' case	177-178, 179-180

	Pages
Molins Machine Co. Ltd. [Molins];— <i>cont.</i>	
machinery agreements of 1957:	
— with B.A.T.	100, 119, 139-140
— with Imperial	100, 118-119, 139-140
— Commission's conclusions	209
— Imperial's case	176-177
— Molins' case	178-179
monopoly position, development of: Molins' comments	177
monopoly supplier	120-121
— case	177, 182
— Commission's conclusions	208-209, 211-212
— views on	155-156
Muller, relations with	101
patent policy: Molins' comments	177
patents, <i>see under</i> Patents: licences and royalties.	
prices	137-141
— Molins' comments	179, 180-181
— under 1927 agreement	108-110, 111, 112, 117-118, 139, 140
— under 1957 agreements	118, 119, 139-140
profits	141-144
— case	180, 181-182
— Commission's conclusions	210-211
research	97, 116-117
— case	181, 182
— Commission's conclusions	211-212
sales	94, 120-121, 141, 143, 208
subsidiaries, <i>see</i> Filter Tips Ltd.; Thrissell Engineering Co. Ltd.	
United, relations with	98-99, 100-101, 104
Woodbine agreement with Imperial	99-100, 102-103
Morris, B. & Sons Ltd.	30
Morris, Philip & Co. Ltd.	57
research	14
Muller, <i>see</i> "Universelle" Cigaretten-maschinen-Fabrik J. C. Muller & Co.	
Multiple Shops Federation	10, 55, 75n
Murad Ltd.: subsidiary of Imperial	38n
Muratti, subsidiary of Godfrey Phillips	64n
Murray, Sons & Co. Ltd., acquired by Carreras	55n, 66n
National Tobacco Co. Ltd., The, acquired by Gallaher	57
National Union of Retail Tobacconists [N.U.R.T.]	10, 18, 19, 30, 75n, 76-77, 79
evidence of	151-152, 153-154, 197
Northern Tobacco Manufacturers Association	27
Note of Dissent	214-216
Ogden's Ltd.	16, 34, 49, 82, 184
acquired by Imperial	17, 34-35, 220
<i>see also</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Packing, parcelling and packaging	7, 9-10, 68n, 133n
machinery for	93, 98, 101, 115, 116-117
— Molins'	99, 100, 101, 113-115, 155
Patents: licences and royalties	101, 106-107, 111, 112, 112n, 113, 115, 116-117, 118
Molins'	100, 106-107, 111, 113-114, 119, 142, 177
Pattreieux Ltd.: acquired by Gallaher	21, 58
Philip Morris & Co. Ltd., <i>see</i> Morris, Philip & Co. Ltd.	

	<i>Pages</i>
Phillips, Godfrey Ltd.	4, 19, 20, 22, 29, 63-64, 88-89, 136
agreement with Ardath (U.K.) Ltd.	64-65
coupon trading	20
history	17, 63-65
research	14
sales	4
share of trade	64-65
subsidiaries	19, 55n, 56
views: on conditions in tobacco industry	146-147
— on supply of machinery	155
<i>see also</i> Bonus Schemes: other manufacturers'.	
Player, John & Sons Ltd.	47, 98
acquired by Imperial	33, 220
<i>see also</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Prices:	
cigarettes and tobacco	2-3, 15, 26, 78, 126-127
— make up of	122-123
— trade discussions on	74-77, 168
— <i>see also</i> Imperial Tobacco Co. Ltd.: prices; Resale price maintenance.	
machinery, <i>see</i> Molins Machine Co. Ltd.: prices.	
Pritchard & Burton Ltd.; subsidiary of Godfrey Phillips	64
Profits: cigarettes and tobacco:	
— Imperial and subsidiaries, <i>see</i> Imperial Tobacco Co. Ltd.: profits.	
— other manufacturers	127, 136-137
Profits: machinery, <i>see</i> Molins Machine Co. Ltd.: profits.	
Pure Tobacco Act, 1842	15
Quinton, James Ltd.: acquired by Imperial	50
Ramsay, Allan: branch of Imperial	38n, 220
Recommendations, Commission's	213
Reference, Terms of	217
Rembrandt Tobacco Co. Ltd.: subsidiary of Rembrandt Tobacco Corporation (S.A.) Ltd.	32, 56
Rembrandt Tobacco Corporation (S.A.) Ltd.	29, 56, 66
Resale price maintenance	18-19, 21, 27, 31, 69, 71, 74, 79, 90-91
Commission's conclusions	198-201, 214-216
Imperial's comments	173
Research	14
<i>see also under names of individual companies.</i>	
Restrictive Trade Practices Act, 1956	31, 118, 163, 199
Richmond Cavendish Co. Ltd., The: acquired by Imperial	33, 34, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Robert Sinclair Tobacco Co. Ltd., <i>see</i> Sinclair, Robert Tobacco Co. Ltd.	
Robinson, E. & Sons Ltd.	86
acquired by Gallaher	21, 58
Rose Brothers (Gainsborough) Ltd. [Rose]	94-95, 96, 98, 100, 115
sales	94
Rothmans Ltd.	4, 20, 73, 87, 89
automatic vending machines	80
Carreras, arrangements with	66, 72
research	14
sales	4, 29
subsidiary of Rembrandt	56

St. Anne's Board Mill Co. Ltd. [St. Anne's], <i>see</i> subsidiaries and associates making materials and components <i>under</i> Imperial Tobacco Co. Ltd.	
Sales:	
cigarettes and tobacco: total	2, 4, 90, 182
machinery: total	92, 94, 208
<i>see also under names of individual companies; and tobacco goods, pattern of demand under</i> Consumption in U.K.	
Salmon & Gluckstein Ltd.	16
acquired by Imperial	16
<i>see also</i> subsidiaries and associates distributing tobacco goods <i>under</i> Imperial Tobacco Co. Ltd.	
Savoy Group of Hotels, arrangements with Imperial	71-72
Sinclair, John Ltd.: subsidiary of Carreras	19, 53, 66, 86
acquired by Robert Sinclair	53
Sinclair, Robert, Tobacco Co. Ltd. [Robert Sinclair], <i>see</i> subsidiaries and associates distributing tobacco goods <i>and</i> subsidiaries formerly manufacturing tobacco goods <i>under</i> Imperial Tobacco Co. Ltd.	
Smith, F. & J.: acquired by Imperial	33, 220
<i>see</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Smoking and health	5, 14, 26
Spare parts for machines	92, 94; 108, 118, 119, 139, 140n, 141-142, 180
Standing Committee on Trusts, findings of	18n
Terms and conditions of sale:	
Imperial	69-71
other manufacturers	73
<i>see also</i> Resale price maintenance.	
Thomson & Porteous, subsidiary of Godfrey Phillips: acquired by Robert Sinclair	53n, 64n
Thrissell Engineering Co. Ltd. [Thrissell] (formerly Brecknell, Munro & Rogers), subsidiary of Molins	95, 100, 106, 116, 141
sales	94
Tingey & Co.	95, 101
sales	94
Tobacco Adviser	23, 33
Tobacco and leaf processing machinery	92-93, 95n, 98, 101, 106, 115, 116
Tobacco Control, <i>see</i> Controls, wartime and post-war.	
Tobacco Distributors' Advisory Committee	23, 33
Tobacco leaf:	
buying organisations	6, 16, 24, 59
classification of	5, 6
curing	5-6
home grown	12
supplies, control of, <i>see</i> Controls, wartime and post-war.	
supplies of Empire leaf	16, 18, 21, 23, 37, 157-158
— Canadian	21, 23-24, 27, 32
— Indian	18, 21, 23, 24, 59n
— Rhodesian	18, 21, 23, 24, 32, 37, 147, 158
supplies of Oriental leaf	16, 25, 27, 59n
— United States leaf	16, 23-24, 27, 32, 37, 59n, 147-148
supply, views of manufacturers	144-145
<i>see also</i> Customs and Excise duties and regulations; <i>and</i> tobacco leaf <i>under</i> Imports.	

	<i>Pages</i>
Tobacco Manufacturers' Advisory Committee [T.A.C.]	5, 23, 24-25, 29, 32-33, 145
Tobacco Trade Association [T.T.A.]	19-20, 30, 79
winding up	31
Trade associations and committees, <i>see under names of individual bodies.</i>	
Trade, Board of	20, 23, 24-25, 27-28, 30, 32, 126
evidence of	154
Tobacco Control	14, 23, 25
Tuebrook Packing Case Co. Ltd., subsidiary of Imperial	49
United Cigarette Machine Co. Ltd. [United]	98-99, 100-101, 104
Universal Tobacco Co. Ltd.	60
"Universelle" Cigaretten-maschinen-Fabrik J. C. Muller & Co. [Muller]	99, 101
"Virginia" tobacco, use of term	42
Vokes-Cardwell Ltd.	94-95
sales	94
Walters Tobacco Co. Ltd. [Walters], <i>see</i> subsidiaries formerly manufacturing tobacco goods <i>and</i> Walters, arrangements for dealing with competition from <i>under</i> Imperial Tobacco Co. Ltd.	
Wholesale Tobacco Trade Association [W.T.T.A.]	10, 16, 19, 71n, 75n, 76-77, 79, 170
evidence of	148-151
Wills, W. D. & H. O. Ltd.	15, 98
acquired by Imperial	33, 220
<i>see also</i> branch system <i>under</i> Imperial Tobacco Co. Ltd.	
Wix family: interests in cigarette and tobacco manufacture	56, 57, 66, 95, 106, 111, 112, 113, 115
Wix, J. & Sons Ltd. [J. Wix]	4, 17, 66-67, 87, 89, 147
coupon trading	20, 31-32, 67
profits	136
research	14
sales	4
share of trade	29, 32, 67
subsidiary of American Tobacco	20, 56, 59, 66-67, 158
Wix of London Ltd.	95
sales	94
<i>see also</i> Filter Tips Ltd.	
Wood, John & Son (Tobacco) Ltd., acquired by Ardath	62