



CENTRAL STATISTICAL OFFICE

# NATIONAL INCOME AND EXPENDITURE

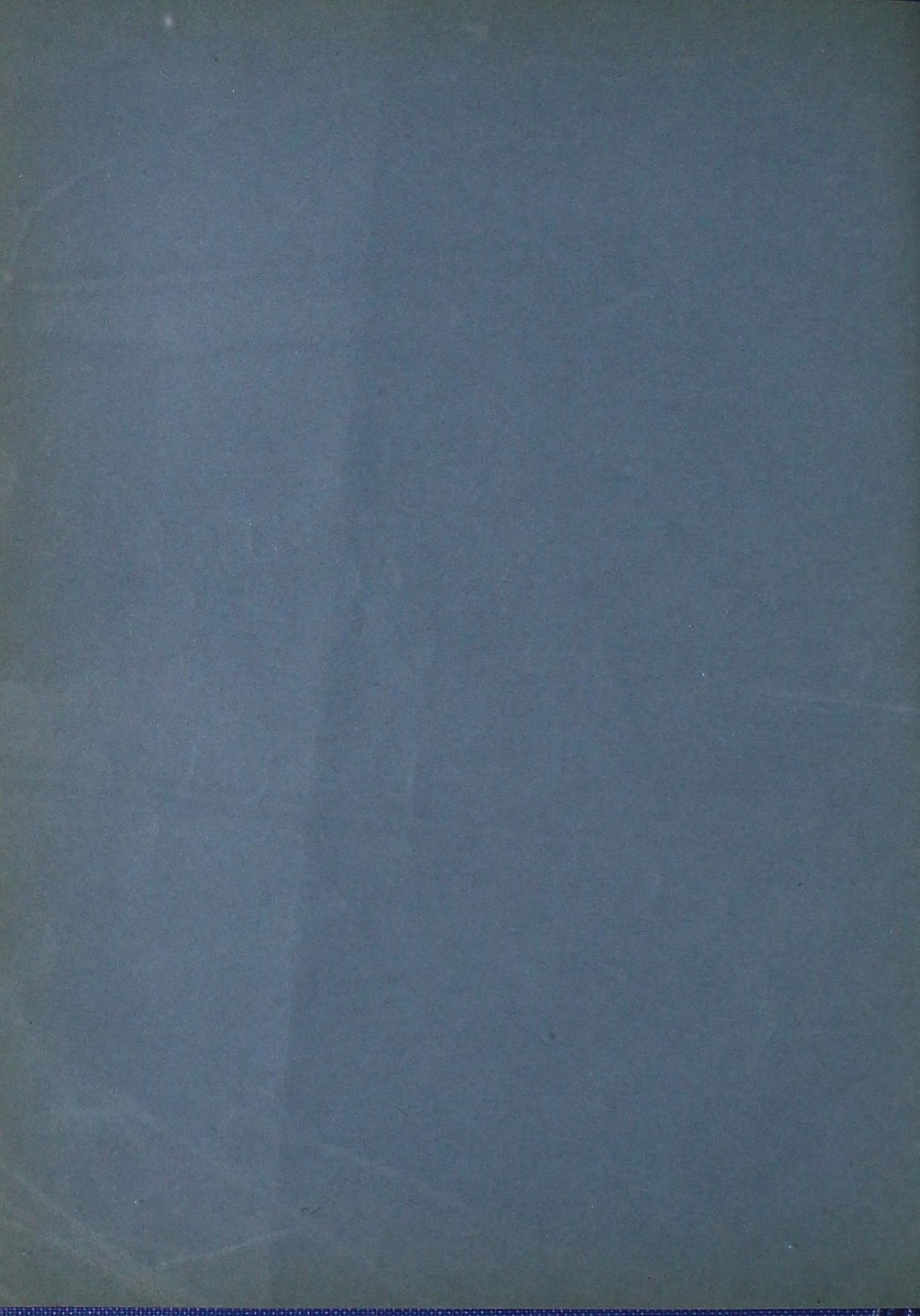
## 1946-1952

AUGUST 1953



LONDON: HER MAJESTY'S STATIONERY OFFICE  
SIX SHILLINGS NET







CENTRAL STATISTICAL OFFICE

CONTENTS

PREFACE

OUTPUT AND EXPENDITURE AT CONSTANT PRICES 1946-52

# NATIONAL INCOME AND EXPENDITURE 1946-1952

AUGUST 1953

LONDON: HER MAJESTY'S STATIONERY OFFICE



CENTRAL STATISTICAL OFFICE

NATIONAL INCOME  
AND EXPENDITURE  
1946-1955

1955

FOR THE YEAR 1955



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# FOREWORD

Estimates are given in this publication of the national product, income and expenditure of the United Kingdom, and of their constituent parts, in the years 1946 to 1952. The book amplifies and revises the summary figures given in the White Paper "Preliminary Estimates of National Income and Expenditure, 1948 to 1952" (Cmd. 8803) issued in April 1953. Although the figures for recent years are on a firmer basis than those published in Cmd. 8803, much of the information for the more recent years is still to some extent provisional.

The present book does not contain full notes and explanations of all tables and items. In some cases, reference should be made (as indicated in the Notes) to "National Income and Expenditure, 1946-1951" (H.M.S.O., August 1952), the first issue in this series.

The latter publication contained tentative estimates of changes in final expenditure at constant prices in 1948 to 1951. In the present book (pages vii to x) these estimates have been revised, and extended to cover the period 1946 to 1952. In addition, new estimates are now given, analysing changes in output valued at constant prices during the same period; these estimates of output have been made in collaboration with the Department of Applied Economics at Cambridge University, and the benefit of their experience and assistance is gratefully acknowledged.

Other new features in this publication are:—

(1) A table of "inter-industry transactions" in 1950, giving particulars for more industry groups than have previously been shown (Table 13).

(2) More detailed analysis of the industrial composition of gross domestic product, by types of income (Table 11).

(3) An analysis of consumers' expenditure at constant factor cost (Table 19 ii).

(4) An analysis by industry groups of the appropriation and capital accounts of the public corporations (Tables 25 and 26).

(5) An analysis by type of service of current expenditure on goods and services, and of fixed capital formation, by public authorities (Tables 32 and 33).

(6) An analysis by sector of stock appreciation (in Table 45). These estimates are put forward with all reserve and attention is called to the note on page 97 describing the reasons for the uncertainty surrounding the related estimates of stock appreciation and of physical changes in the level of stocks.

Some changes of treatment from earlier publications in this series may be noted:—

## (1) *Residual error*

The main aggregates in this publication are built up from largely independent estimates of income on the one hand and of final expenditure on the other. Hitherto discrepancies between the two totals have been removed by a series of adjustments to the constituent figures. In the present book, a separate item described as "residual error", treated as an unidentifiable form of "income" (positive or negative), is shown. The treatment of it is explained in more detail on page 74 (item 19).

## (2) *Provision for depreciation*

Provision for depreciation is no longer stated separately (except in Table 21, and in the notes on page 95). This change follows the practice in the White Paper "Preliminary Estimates of National Income and Expenditure, 1948 to 1952" (Cmd. 8803), and was made largely because figures of profits after deducting provision for depreciation show somewhat arbitrary fluctuations due, for example, to various changes in the statutory allowances. Hence all figures of profits and similar forms of trading income now refer to *gross* trading profits, before deducting provision for depreciation.

## (3) *Rent*

Certain changes have been made in the definition of rent of land and buildings. Rental income accruing to trading concerns from the ownership of owner-occupied land and buildings is no longer separated from their trading



profits; it is felt that the available data do not allow a sufficiently accurate estimate of the rent element in these cases. (See notes on page 74 against item 18.)

#### (4) *Fixed capital formation*

All repair and maintenance work on fixed capital assets is now excluded from gross capital formation. Although normal current repairs and maintenance were already excluded from gross capital formation, any apparent excess of repairs done over normal repair requirements was treated as part of gross capital formation, while a deficiency was treated as a deduction from gross capital formation. The data available on "excess repairs" covered, however, only a part of fixed capital assets and the estimates were in some cases unreliable. It is therefore considered preferable to treat *all* expenditure on repair and maintenance as a deduction in arriving at gross trading profits or gross rental income, and no attempt is now made to identify "excess" or "deficient" repairs on buildings or other fixed assets. (See notes on page 94.)

#### (5) *Public authority trading concerns*

Some additional services of the Central Government are now included in this category. (See notes on page 85.)

The symbol – means nil or less than £500,000.

The symbol . . means not available.

The changes of treatment noted above, together with revisions of figures in the light of later information, account for most of the alterations in the estimates from those previously published.

A warning should be given about the apparent precision of these statistics. The fact that an estimate is expressed as a precise number of £ million does not imply that it is regarded as accurate within that limit. Many of the estimates are of course subject to substantial uncertainties, especially, among the principal series, the estimates of personal "saving" (which are merely the balance between estimated income and estimated expenditure), and of stock changes.

No figures for years earlier than 1946 are given in the present book. Estimates for 1938, (although not on a completely comparable basis) will however be found in the Annual Abstract of Statistics, 1952, No. 89. These will be rendered more nearly comparable in the forthcoming Annual Abstract No. 90.

The estimates have been prepared by the Central Statistical Office, in collaboration with other Government Departments.

August, 1953.



# OUTPUT AND EXPENDITURE AT CONSTANT PRICES, 1946—1952

Last year's publication included some tentative estimates of the gross domestic product of the United Kingdom, valued at constant (1950) prices. The need for information about changes in the real domestic product, which exclude the effects of changes in prices, was thought to be strong enough to justify publication, although only preliminary investigations had then been made. Indeed the inherent difficulties of measurement, as well as imperfections in the data, make it impossible to obtain estimates which are accurate enough to show more than broad changes over a span of years.

Further work has been undertaken during the past year with the object of improving these estimates, and the results, though still to be regarded as approximate, are presented below. Two virtually independent sets of estimates have been compiled: the one from estimates of final expenditure on goods and services, reduced to constant prices; and the other from the index of industrial production and other statistics relating to the volume of output.

Both sets of estimates relate to what is known as the gross domestic product of the United Kingdom. This represents the total of all goods and services produced in the United Kingdom, whether exported or used at home, but excluding all imports. No deduction is made for property income paid abroad, which represents a claim on the gross domestic product; nor is any addition made to the gross domestic product for property income received from abroad, which represents a claim by the United Kingdom on the rest of the world. Thus the gross domestic product is not identical with the gross national income or gross national product. Furthermore, it does not show the effects of changes in the terms of trade.

The estimates obtained by both methods have been expressed in terms of 1948 prices, as more of the detailed information required for revaluation was available for 1948 than for any other recent year. Two estimates have

been prepared by each method; in one, all goods and services are valued at factor cost, i.e. excluding the effects of indirect taxes and subsidies, and in the other all goods and services are valued at actual market prices. In the estimates obtained from the production side, the allocation of indirect taxes and subsidies between different industries is necessarily somewhat arbitrary.

In theory, with full and perfect information, the two methods should produce the same results. In practice there are numerous reasons why the two methods must be expected to give different results; and it cannot be assumed that either set of results is necessarily more accurate than the other.

## Estimates of expenditure at constant prices

It is not at present possible to obtain accurate and unimpeachable estimates at constant prices of all the various components of final expenditure. In the process of arriving at the present estimates, shown in Table I, various improvements have been made, particularly in the field of consumers' expenditure, to the estimates previously published. In some cases, e.g. for most items of food, there is direct information about the actual quantities purchased. But in many cases approximations and assumptions have to be made, particularly in regard to the quantities consumed that are charged to business expenses. There are also cases, changes in stocks being the most important, where the statistics available for measuring changes in volume are still extremely weak and the only estimates that can be made are consequently subject to substantial error.

Whether the change in quantity can be measured directly, or is obtained indirectly from estimates of changes in prices, it is generally difficult to be sure that full account has been taken of changes in the quality of the product. In addition there may be changes in the amount or quality of services purchased with the product, the accurate measurement of which is virtually impossible. Any available



data bearing on such changes have as far as possible been taken into account, but often there is no information. Over a period of years

there must, in short, be a great many changes—some important, some unimportant—which are not revealed by the available statistics.

### Estimates of gross domestic expenditure at constant (1948) prices

TABLE I

£ million

	1946	1947	1948	1949	1950	1951	1952
<b>Expenditure at 1948 factor cost</b>							
1. Consumers' expenditure ...	6,712	7,042	7,050	7,230	7,431	7,336	7,254
2. Public authorities' current expenditure on goods and services ...	2,655	1,792	1,732	1,900	1,887	1,995	2,258
3. Gross domestic capital formation:							
a. Fixed capital formation	983	1,205	1,336	1,429	1,498	1,481	1,491
b. Change in stocks and work in progress ...	-123	294	150	29	-178	444	-89
4. Exports of goods and services ...	1,456	1,526	1,927	2,159	2,476	2,635	2,637
5. <i>less</i> Imports of goods and services ...	-2,047	-2,181	-2,171	-2,344	-2,370	-2,734	-2,434
6. Total gross domestic expenditure ...	9,636	9,678	10,024	10,403	10,744	11,157	11,117
7. <i>Index of gross domestic expenditure at 1948 factor cost (1948=100)</i> ...	96.1	96.5	100	103.8	107.2	111.3	110.9
<b>Expenditure at 1948 market prices</b>							
1. Consumers' expenditure ...	8,174	8,430	8,379	8,530	8,711	8,653	8,574
2. Public authorities' current expenditure on goods and services ...	2,698	1,821	1,760	1,931	1,917	2,028	2,294
3. Gross domestic capital formation:							
a. Fixed capital formation	1,025	1,259	1,393	1,491	1,562	1,545	1,551
b. Change in stocks and work in progress ...	-125	300	153	30	-182	454	-91
4. Exports of goods and services ...	1,480	1,551	1,959	2,195	2,517	2,678	2,682
5. <i>less</i> Imports of goods and services ...	-2,047	-2,181	-2,171	-2,344	-2,370	-2,734	-2,434
6. Total gross domestic expenditure ...	11,205	11,180	11,473	11,833	12,155	12,624	12,576
7. <i>Index of gross domestic expenditure at 1948 market prices (1948=100)</i> ...	97.7	97.4	100	103.1	105.9	110.0	109.6

**Notes:**

1. Detailed estimates of consumers' expenditure are given in Tables 17 (ii) and 19 (ii), and estimates of fixed capital formation in Table 41.

2. The estimates of imports and exports at constant prices are consistent with the figures at current prices shown in the White Papers on the Balance of Payments. For this reason, and because the figures include "invisible" transactions, the results differ from the indices of import and export volume published by the Board of Trade.



## Estimates of total output at constant prices

The production method consists in summing the net contribution of all industries to the gross domestic product (i.e. their net output including depreciation), valued at the prices of the base year. In practice, movements in the net output of an industry are generally represented by a measure which relates to gross output, which includes the contributions of earlier stages of production. Any changes, therefore, in the ratio of net to gross output would lead to inaccuracies in the estimated contribution of the industry to the gross domestic product. For example, if a firm which previously had its own electricity generating plant decides to obtain its electricity from the British Electricity Authority, the resulting reduction in its net output would not be reflected in the measure of its gross output. Changes in the ratio of net to gross output would also be caused by changes in technical methods, or in selling costs per unit of output e.g. from increased advertising. The estimates are shown in Table II.

Nearly half of the gross domestic product measured from the production side comes within the scope of the official Index of Industrial Production; this index measures changes in the output of mining, manufacturing, building and public utilities, and has recently been extensively revised. The problems involved in measuring the output of these industries have been described, and full details of the estimates have been given, in earlier publications.<sup>(1)</sup>

The difficulties are not lessened when it comes to measuring the somewhat intangible contributions of industries engaged in distribution, transport and other services, and of public administration and defence. The estimates for these branches of the economy were prepared in close collaboration with the Department of Applied Economics of Cambridge

<sup>(1)</sup> *Studies in Official Statistics No. 1.* The Interim Index of Industrial Production, H.M.S.O., December, 1948; and *No. 2,* The Index of Industrial Production H.M.S.O. October, 1952.

## Indices of gross domestic product valued at 1948 prices (1948=100)

TABLE II

	1946	1947	1948	1949	1950	1951	1952
<b>At 1948 factor cost</b>							
I—Agriculture, forestry, fishing ...	97	93	100	106	107	111	114
II—Mining and quarrying ...	92	95	100	103	104	108	109
III—XVI—Manufacturing Industries ...	86	92	100	107	116	121	115
XVII—Building and contracting ...	88	92	100	105	105	102	104
XVIII—Gas, electricity and water ...	91	94	100	107	116	124	127
XIX—Transport and communication ...	95	96	100	105	108	113	113
XX—Distribution ...	90	96	100	104	109	106	104
XXI—Insurance, banking and finance ...	96	101	100	101	103	107	106
XXII—Public administration and defence	156	121	100	101	100	101	105
XXIII—Professional services ...	91	95	100	105	108	109	110
XXIV—Miscellaneous services ...	98	99	100	97	95	95	93
<b>TOTAL ALL INDUSTRIES, at 1948 factor cost ...</b>	<b>95.2</b>	<b>96.2</b>	<b>100</b>	<b>104.5</b>	<b>108.9</b>	<b>111.4</b>	<b>109.8</b>
<b>TOTAL ALL INDUSTRIES, at 1948 market prices...</b>	<b>96.7</b>	<b>97.3</b>	<b>100</b>	<b>104.1</b>	<b>107.8</b>	<b>110.3</b>	<b>108.7</b>

*Note:* The industry groups are based on the Orders of the Standard Industrial Classification. Indices for the separate industries in the manufacturing group are regularly published in the *Monthly Digest of Statistics*.



University on the basis of their earlier estimates<sup>(1)</sup>. The general method adopted for these industries was to use, wherever possible, a measure of the quantity of services performed; the services of retail distribution, for example, are measured by the volume of goods distributed, and certain kinds of insurance and medical services by the number of beneficiaries. But where no adequate measure of this kind was available, as for public administration and defence, changes in output were measured by expenditure deflated by appropriate cost indices.

The two sets of estimates were prepared independently but efforts were made to eliminate discrepancies due to differences in concepts; to adopt as far as possible the same principles for measuring changes in the quantity of final

goods and services; and to eliminate arbitrary differences in the use or treatment of the available data.

In the light of what has been said above it is not difficult to think of possible explanations of the differences between the results of the two methods, although it is scarcely possible to estimate the precise effect of any of them. One reason for divergence, capable of rough measurement, is changes in the amount of repair work to industrial and commercial buildings, which bears no relation, at least in the short run, to variations in the output of the industries concerned. Such work is not regarded as part of final expenditure but as current costs of production. It happens that the amount of building repair work has declined each year since 1949 while total production in most of these years has been rising. If building repair work not entering final expenditure were excluded from the estimates obtained from the production side, the indices of the total output of all industries in 1951 and 1952 would be about half a point higher than the figures shown in the table.

<sup>(1)</sup> W. B. Reddaway, *Movements in the Real Product of the United Kingdom, 1946-1949*, *Journal of the Royal Statistical Society*, Vol. CXIII, 1950, and C. F. Carter, *Index Numbers of the Real Product of the United Kingdom*, *ibid.*, Vol. CXV, 1952. A fuller description of the estimates appears in an article by A. A. Adams in the *London and Cambridge Economic Service Bulletin* (published in the September, 1953 issue of *The Times Review of Industry*).



## TABLES



I. SUMMARY  
Gross national

TABLE 1

Expenditure generating gross national product	Ref. No.	1946	1947	1948	1949	1950	1951	1952
<i>At market prices</i>								
Consumers' expenditure ... ..	1	7,126	7,866	8,379	8,771	9,252	9,946	10,478
Public authorities' current expenditure on goods and services ... ..	2, 3	2,291	1,742	1,760	1,976	2,068	2,448	2,915
Gross domestic capital formation								
a. Fixed capital formation ... ..	4	900	1,160	1,393	1,534	1,674	1,863	2,054
b. Value of physical increase in stocks and work-in-progress ... ..	5	-114	286	153	33	-210	610	-123
Exports and income received from abroad ...	6	1,449	1,733	2,355	2,675	3,354	4,002	4,052
less Imports and income paid abroad ...	7	-1,826	-2,223	-2,375	-2,606	-3,038	-4,390	-3,857
Gross national expenditure at market prices		9,826	10,564	11,665	12,383	13,100	14,479	15,519
<i>Factor cost adjustment</i>								
less Taxes on expenditure ... ..	8, 9	-1,551	-1,785	-2,020	-1,981	-2,060	-2,270	-2,282
Subsidies ... ..	10, 11	387	471	571	524	475	467	416
Gross national expenditure at factor cost ... (= gross national product)		8,662	9,250	10,216	10,926	11,515	12,676	13,653

For notes on the items in this table see pp. 71-78.



TABLES  
product

£ million

Shares in the gross national product (factor incomes)	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Income of employees and the Forces ...	12	5,628	6,072	6,632	7,052	7,452	8,311	8,942
Income of self-employed persons <sup>(1)</sup> ...	13	1,179	1,261	1,340	1,405	1,418	1,501	1,473
Gross trading profits of companies <sup>(1)</sup> ...	14	1,493	1,721	1,814	1,872	2,124	2,534	2,350
Gross trading surpluses of public corporations <sup>(1)</sup> ...	15	18	31	121	160	199	262	262
Gross profits of other public enterprises <sup>(1)</sup> ...	16, 17	91	125	113	112	147	123	44
Rent <sup>(1)</sup> ...	18	365	382	381	404	458	456	489
Residual error ...	19	—	—	—52	—60	49	40	15
Total domestic income including provisions for depreciation and stock appreciation ...		8,774	9,592	10,349	10,945	11,847	13,227	13,575
less Stock appreciation <sup>(2)</sup> ...	20	—150	—450	—325	—225	—700	—800	—50
Gross domestic product at factor cost ...		8,624	9,142	10,024	10,720	11,147	12,427	13,525
Net income from abroad ...	21	38	108	192	206	368	249	128
National income and depreciation (= gross national product) ...		8,662	9,250	10,216	10,926	11,515	12,676	13,653

<sup>(1)</sup> Including provisions for depreciation and stock appreciation.

<sup>(2)</sup> An approximate analysis of stock appreciation by sector is shown in Tables 38 and 45.



## SUMMARY TABLES

## Personal income

TABLE 2

Income before tax	Ref. No.	1946	1947	1948	1949	1950	1951	1952
<i>Income of employees</i>								
Wages ... ..	12a	3,250	3,690	4,140	4,365	4,585	5,090	5,460
Salaries ... ..	12b	1,620	1,760	1,975	2,120	2,275	2,550	2,755
Pay in cash and kind of the Forces ... ..	12c	595	420	260	252	260	319	350
Employers' contributions								
a. National insurance ... ..	12d	84	113	157	197	199	205	218
b. Other ... ..	12e	79	89	100	118	133	147	159
Total income of employees and the Forces		5,628	6,072	6,632	7,052	7,452	8,311	8,942
<i>Income of self-employed persons</i>								
Professional persons <sup>(1)</sup> ... ..	13a	180	200	212	226	234	239	243
Farmers <sup>(1)</sup> ... ..	13b	220	236	293	338	331	360	389
Other sole traders and partnerships <sup>(1)</sup> ... ..	13c	779	825	835	841	853	902	841
Total income of self-employed persons <sup>(1)</sup>		1,179	1,261	1,340	1,405	1,418	1,501	1,473
<i>Other income</i>								
Rent, dividends and interest received by persons ... ..	22	1,136	1,219	1,152	1,215	1,273	1,256	1,306
National insurance benefits and other current grants from public authorities ... ..	24, 25	672	682	704	744	757	787	907
Total personal income ... ..		8,615	9,234	9,828	10,416	10,900	11,855	12,628

For notes on the items of this table see pp. 71-78.

<sup>(1)</sup> Including provisions for depreciation and stock appreciation.



## SUMMARY TABLES

## and expenditure

£ million

Expenditure	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Consumers' expenditure ... ..	1	7,126	7,866	8,379	8,771	9,252	9,946	10,478
Remittances abroad (net) ... ..	23	-15	46	43	20	- 5	3	4
Provision for taxes on income								
a. Payments ... ..	30a	1,058	978	1,026	1,032	1,016	1,190	1,218
b. Additions to tax reserves ... ..	30b	27	41	-35	26	67	44	-50
National insurance contributions ... ..	31	170	232	335	436	440	452	476
Total current expenditure ... ..		8,366	9,163	9,748	10,285	10,770	11,635	12,126
Balance: saving and provisions for depreciation and stock appreciation ... ..	32	249	71	80	131	130	220	502
Total ... ..		8,615	9,234	9,828	10,416	10,900	11,855	12,628



## SUMMARY TABLES

## Corporate income

TABLE 3

Income	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Gross trading profits of companies, and trading surpluses of public corporations, operating in the United Kingdom <sup>(1)</sup> ...	14, 15	1,511	1,752	1,935	2,032	2,323	2,796	2,612
Other corporate income								
a. Income earned abroad ...	33a, 39a	143	212	251	217	370	381	326
b. Non-trading income ...	33b, 39b	291	332	362	347	364	377	413
Total ...		1,945	2,296	2,548	2,596	3,057	3,554	3,351
Undistributed income before tax ...	36, 41	1,185	1,500	1,767	1,797	2,165	2,580	2,276
Total ...		1,185	1,500	1,767	1,797	2,165	2,580	2,276

For notes on the items of this table see pp. 71-78.

<sup>(1)</sup> Including provisions for depreciation and stock appreciation.

## Revenue account of Central Government

TABLE 4

Revenue	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Profits and other income from property								
a. Gross trading income <sup>(1)</sup> ...	16	47	81	84	89	124	103	25
b. Other property income ...	44	—1	—8	86	106	106	144	171
c. Total ...	45	46	73	170	195	230	247	196
Taxes on income ...	46	1,716	1,495	1,595	1,780	1,795	1,907	2,154
Taxes on capital ...	47	143	164	215	254	190	194	159
Taxes on expenditure ...	8	1,282	1,478	1,703	1,655	1,722	1,907	1,891
National Insurance contributions ...	31	170	232	335	436	440	452	476
Current grants from overseas governments ...	48	—	—	—	—	—	18	137
Total ...		3,357	3,442	4,018	4,320	4,377	4,725	5,013

For notes on the items of this table see pp. 71-78.

<sup>(1)</sup> Including provisions for depreciation and stock appreciation.



## SUMMARY TABLES

## appropriation account

£ million

Allocation of income	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Dividends, interest, etc.								
<i>a.</i> Payments ... ..	34 <i>a</i> , 40 <i>a</i>	620	682	711	712	717	805	872
<i>b.</i> Additions to dividend and interest reserves ... ..	34 <i>b</i> , 40 <i>b</i>	57	26	-17	-4	71	25	34
Taxes and remittances paid abroad ... ..	35	83	88	87	91	104	144	169
Undistributed income before tax ... ..	36, 41	1,185	1,500	1,767	1,797	2,165	2,580	2,276
Total ... ..		1,945	2,296	2,548	2,596	3,057	3,554	3,351
Provision for United Kingdom taxation								
<i>a.</i> Payments ... ..	37 <i>a</i> , 42 <i>a</i>	658	517	569	748	779	717	936
<i>b.</i> Additions to tax reserves ... ..	37 <i>b</i> , 42 <i>b</i>	-99	171	198	-14	59	492	170
Undistributed income after provision for tax, including provisions for depreciation and stock appreciation ... ..	38, 43	626	812	1,000	1,063	1,327	1,371	1,170
Total ... ..		1,185	1,500	1,767	1,797	2,165	2,580	2,276

## including National Insurance Funds

£ million

Expenditure	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Current expenditure on goods and services ...	2	1,823	1,219	1,232	1,436	1,508	1,824	2,230
Subsidies ... ..	10	378	460	559	511	462	453	400
National Insurance benefits ... ..	24 <i>a</i>	133	272	332	374	384	403	470
Other pensions and grants to persons ...	24 <i>b</i>	504	368	334	334	334	342	393
National debt interest ... ..	49	481	514	504	502	501	544	602
Current grants to local authorities ... ..	50	244	264	279	287	298	328	367
Current grants paid abroad ... ..	51	146	138	59	50	49	45	55
Transfers to capital accounts ... ..	52	554	391	222	249	161	126	105
Total expenditure ... ..		4,263	3,626	3,521	3,743	3,697	4,065	4,622
Surplus including provisions for depreciation and stock appreciation ... ..	53	-906	-184	497	577	680	660	391
Total ... ..		3,357	3,442	4,018	4,320	4,377	4,725	5,013



## SUMMARY TABLES

## Current account of

TABLE 5

Revenue	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Profits and other income from property								
a. Gross trading income <sup>(1)</sup> ... ..	17	44	44	29	23	23	20	19
b. Other property income ... ..	54	79	80	86	96	108	122	137
c. Total ... ..	55	123	124	115	119	131	142	156
Rates ... ..	9	269	307	317	326	338	363	391
Current grants from the Central Government	50	244	264	279	287	298	328	367
Total current revenue ... ..		636	695	711	732	767	833	914

For notes on the items of this table see pp. 71-78.

(<sup>1</sup>) Including provisions for depreciation and stock appreciation.

## Combined

TABLE 6

Receipts	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Saving including provisions for depreciation and stock appreciation:—								
a. Persons ... ..	32	249	71	80	131	130	220	502
b. Companies and public corporations...	38, 43	626	812	1,000	1,063	1,327	1,371	1,170
c. Central Government								
(i) Surplus from revenue account ...	53	—906	—184	497	577	680	660	391
(ii) less Taxes on capital ... ..	47	—143	—164	—215	—254	—190	—194	—159
(iii) Transfers to capital accounts ...	52	554	391	222	249	161	126	105
d. Local authorities' current surplus ...	57	63	58	71	77	82	71	76
Additions to dividend and interest reserves...	34b, 40b	57	26	—17	—4	71	25	34
Additions to tax reserves ... ..	30b, 37b, 42b	—72	212	163	12	126	536	120
Total national saving, including provisions for depreciation and stock appreciation ...		428	1,222	1,801	1,851	2,387	2,815	2,239
less Stock appreciation ... ..	20	—150	—450	—325	—225	—700	—800	—50
Capital transfers from abroad (net):—								
a. Capital grants from overseas governments...	61	—	30	138	154	139	43	—
b. War disposals, settlements, etc. ...	60	164	129	96	35	26	20	18
Residual error ... ..	19	—	—	—52	—60	49	40	15
Total ... ..		442	931	1,658	1,755	1,901	2,118	2,222

For notes on the items of this table see pp. 71-78.



## SUMMARY TABLES

## local authorities

£ million

Expenditure	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Current expenditure on goods and services ...	3	468	523	528	540	560	624	685
Housing subsidies ... ..	11	9	11	12	13	13	14	16
Current grants to persons ... ..	25	35	42	38	36	39	42	44
Debt interest ... ..	56	61	61	62	66	73	82	93
Total current expenditure ... ..		573	637	640	655	685	762	838
Current surplus including provisions for depreciation and stock appreciation ...	57	63	58	71	77	82	71	76
Total ... ..		636	695	711	732	767	833	914

## capital account

£ million

Payments	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Gross fixed capital formation... ..	4	900	1,160	1,393	1,534	1,674	1,863	2,054
Value of physical increase in stocks and work in progress ... ..	5	-114	286	153	33	-210	610	-123
Investment abroad (net) ... ..	62	-344	-515	112	188	437	-355	291
Total investment ... ..		442	931	1,658	1,755	1,901	2,118	2,222



## SUMMARY TABLES

## Transactions with the

TABLE 7

United Kingdom debits	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Imports of merchandise into the United Kingdom ... ..	7a	1,081	1,560	1,791	1,978	2,375	3,496	2,927
Other imports of goods and services... ..	7b	567	472	380	413	417	572	574
Property income paid abroad... ..	7c	178	191	204	215	246	322	356
Total of imports and income paid abroad ...	7	1,826	2,223	2,375	2,606	3,038	4,390	3,857
Current transfers								
a. To persons (net) ... ..	58	— 9	52	49	26	1	9	10
b. To overseas governments and inter-national organisations ... ..	59	140	132	53	44	43	39	49
Total ... ..		1,957	2,407	2,477	2,676	3,082	4,438	3,916

For notes on the items of this table see pp. 71-78.

(<sup>1</sup>) Equal to balance of current transactions (including Defence Aid net) as defined in the White Papers on the Balance of Payments, but with sign reversed.



## SUMMARY TABLES

rest of the world

£ million

United Kingdom credits	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Exports and re-exports of merchandise from the United Kingdom ... ..	6a	905	1,135	1,588	1,840	2,247	2,748	2,836
Other exports of goods and services ... ..	6b	328	299	371	414	493	683	732
Property income received ... ..	6c	216	299	396	421	614	571	484
Total of exports and income received from abroad ... ..	6	1,449	1,733	2,355	2,675	3,354	4,002	4,052
Current transfers from overseas governments	48	—	—	—	—	—	18	137
War disposals, settlements, etc. ... ..	60	164	129	96	35	26	20	18
Investment and financing								
a. Capital grants from overseas govern- ments ... ..	61	—	30	138	154	139	43	—
b. less Net disinvestment or investment (—) abroad ... ..	62	344	515	—112	—188	—437	355	—291
c. Total investment and financing (net) <sup>(1)</sup> ... ..		344	545	26	—34	—298	398	—291
Total ... ..		1,957	2,407	2,477	2,676	3,082	4,438	3,916



TABLE 8

	Production account of the United Kingdom		Income and expenditure accounts					
			Persons		Companies and public corporations		Public authorities	
	Receipts	Pay- ments	Receipts	Pay- ments	Receipts	Pay- ments	Receipts	Pay- ments
<i>Items in income and expenditure accounts</i>								
1. Income payments to factors of production								
<i>a.</i> Income of employees and the Forces	—	8,942	8,942	—	—	—	—	—
<i>b.</i> Income of self-employed persons ...	—	1,473	1,473	—	—	—	—	—
<i>c.</i> Gross trading profits of companies and public corporations ...	—	2,612	—	—	2,612	—	—	—
<i>d.</i> Gross trading profits of other public enterprises ...	—	44	—	—	—	—	44	—
<i>e.</i> Rent ...	—	489	173	—	147	—	169	—
2. Taxes on expenditure ...	—	2,282	—	—	—	—	2,282	—
3. Subsidies ...	416	—	—	—	—	—	—	416
4. Transfer incomes								
<i>a.</i> Current grants from or to public authorities ...	—	—	907	—	—	—	137	962
<i>b.</i> Interest and dividend payments <i>plus</i> income earned abroad ...	—	—	1,133	—	592	1,041	139	695
<i>c.</i> Tax payments on income and national insurance contributions	—	—	—	1,694	—	936	2,630	—
<i>d.</i> Personal remittances abroad (net)...	—	—	—	4	—	—	—	—
5. Current expenditure on goods and services								
<i>a.</i> By persons ...	10,350	—	—	10,478	—	—	—	—
<i>b.</i> By public authorities ...	2,761	—	—	—	—	—	—	2,915
6. Payments to capital accounts								
<i>a.</i> Saving excluding stock appreciation	—	—	—	444	—	1,146	—	445
<i>b.</i> Stock appreciation ...	50	—	—	58	—	24	—	—32
<i>c.</i> Additions to tax and dividend reserves ...	—	—	—	—50	—	204	—	—
<i>Capital accounts</i>								
7. Capital transfers ...	—	—	—	—	—	—	—	—
8. Gross domestic capital formation ...	1,931	—	—	—	—	—	—	—
9. Change in financial assets <i>plus</i> net over- seas investment ...	—	—	}	—	—	—	—	—
10. Residual error ...	—	15		—	—	—	—	—
<i>International transactions</i>								
11. Transactions with rest of the world in goods and services, by businesses ...	3,568	3,219	—	—	—	—	—	—
Total ...	19,076	19,076	12,628	12,628	3,351	3,351	5,401	5,401

For notes on this table see p. 78.



## United Kingdom, 1952.

£ million

Capital accounts						Account of the rest of the world with the United Kingdom		
Persons		Companies and public corporations		Public authorities				
Receipts	Pay-ments	Receipts	Pay-ments	Receipts	Pay-ments	Receipts	Pay-ments	
								<i>Items in income and expenditure accounts</i>
—	—	—	—	—	—	—	—	1. Income payments to factors of production
—	—	—	—	—	—	—	—	<i>a.</i> Income of employees and the Forces
—	—	—	—	—	—	—	—	<i>b.</i> Income of self-employed persons
—	—	—	—	—	—	—	—	<i>c.</i> Gross trading profits of companies and public corporations
—	—	—	—	—	—	—	—	<i>d.</i> Gross trading profits of other public enterprises
—	—	—	—	—	—	—	—	<i>e.</i> Rent
—	—	—	—	—	—	—	—	2. Taxes on expenditure
—	—	—	—	—	—	—	—	3. Subsidies
—	—	—	—	—	—	—	—	4. Transfer incomes
—	—	—	—	—	—	55	137	<i>a.</i> Current grants from or to public authorities
—	—	—	—	—	—	356	484	<i>b.</i> Interest and dividend payments <i>plus</i> income earned abroad
—	—	—	—	—	—	—	—	<i>c.</i> Tax payments on income and national insurance contributions
—	—	—	—	—	—	4	—	<i>d.</i> Personal remittances abroad (net)
—	—	—	—	—	—	128	—	5. Current expenditure on goods and services
—	—	—	—	—	—	154	—	<i>a.</i> By persons
—	—	—	—	—	—	—	—	<i>b.</i> By public authorities
444	—	1,146	—	445	—	—	—	6. Payments to capital accounts
58	58	24	24	—32	—32	—	—	<i>a.</i> Saving excluding stock appreciation
—	—	—	—	—	—	—	—	<i>b.</i> Stock appreciation
—50	—	204	—	—	—	—	—	<i>c.</i> Additions to tax and dividend reserves
64	159	29	—	177	93	—	18	<i>Capital accounts</i>
—	250	—	888	—	793	—	—	7. Capital transfers
—	49	—	491	—	—264	291	—	8. Gross domestic capital formation
—	—	—	—	—	—	—	—	9. Change in financial assets <i>plus</i> net overseas investment
—	—	—	—	—	—	—	—	10. Residual error
—	—	—	—	—	—	3,219	3,568	<i>International transactions</i>
—	—	—	—	—	—	—	—	11. Transactions with rest of the world in goods and services, by businesses
516	516	1,403	1,403	590	590	4,207	4,207	Total



## SUMMARY TABLES

Shares in the gross

TABLE 9

After current transfers, before taxes on income	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Income of employees and the Forces ...	12	5,628	6,072	6,632	7,052	7,452	8,311	8,942
Income of self-employed persons <sup>(1)</sup> ...	13	1,179	1,261	1,340	1,405	1,418	1,501	1,473
Personal income from rents, dividends and interest ...	22	1,136	1,219	1,152	1,215	1,273	1,256	1,306
less Remittances abroad by persons (net) ...	23	15	-46	-43	-20	5	-3	-4
Personal income from current grants by public authorities ...	24, 25	672	682	704	744	757	787	907
Total income of persons ...		8,630	9,188	9,785	10,396	10,905	11,852	12,624
Undistributed income of companies <sup>(1)</sup> ...	36	1,172	1,485	1,704	1,707	2,043	2,409	2,112
Undistributed income of public corporations <sup>(1)</sup>	41	13	15	63	90	122	171	164
Public authorities								
a. Income from property <sup>(1)</sup> ...	45, 55	169	197	285	314	361	389	352
b. less Debt interest ...	49, 56	-542	-575	-566	-568	-574	-626	-695
c. less Current grants to persons ...	24, 25	-672	-682	-704	-744	-757	-787	-907
d. less Current grants paid abroad ...	51	-146	-138	-59	-50	-49	-45	-55
Current transfers paid abroad								
a. By persons (net) ...	23	-15	46	43	20	-5	3	4
b. Government grants and transfers ...	51	146	138	59	50	49	45	55
Additions to interest and dividend reserves ...	34b, 40b	57	26	-17	-4	71	25	34
less Stock appreciation ...	20	-150	-450	-325	-225	-700	-800	-50
Residual error ...	19	—	—	-52	-60	49	40	15
National income and depreciation (= gross national product)		8,662	9,250	10,216	10,926	11,515	12,676	13,653

For notes on the items of this table see pp. 71-78.

<sup>(1)</sup> Including provisions for depreciation and stock appreciation.



## national product

£ million

After current transfers and after taxes on income	Ref. No.	1946	1947	1948	1949	1950	1951	1952
Income of employees and the Forces ...	26	4,971	5,409	5,853	6,158	6,543	7,286	7,891
Income of self-employed persons <sup>(1)</sup> ...	27	1,751	1,947	1,924	2,059	2,154	2,150	2,146
Personal income from rent, dividends and interest ... ..	28							
less Remittances abroad by persons (net) ...	23	15	-46	-43	-20	5	-3	-4
Personal income from current grants by public authorities ... ..	29	665	668	690	731	747	777	897
less Additions to tax reserves of persons ...	30b	-27	-41	35	-26	-67	-44	50
Total disposable income of persons ...		7,375	7,937	8,459	8,902	9,382	10,166	10,980
Undistributed income of companies <sup>(1)</sup> ...	38	615	800	939	978	1,213	1,229	1,045
Undistributed income of public corporations <sup>(1)</sup>	43	11	12	61	85	114	142	125
Public authorities								
a. Income from property less current transfers <sup>(1)</sup> ... ..	( <sup>2</sup> )	-1,191	-1,198	-1,044	-1,048	-1,019	-1,069	-1,305
b. Receipts of taxes on income and National Insurance contributions ...	31, 46	1,886	1,727	1,930	2,216	2,235	2,359	2,630
Current transfers paid abroad								
a. By persons (net) ... ..	23	-15	46	43	20	-5	3	4
b. Government grants and transfers ...	51	146	138	59	50	49	45	55
Additions to interest and dividend reserves ...	34b, 40b	57	26	-17	-4	71	25	34
Additions to tax reserves ... ..	30b, 37b 42b	-72	212	163	12	126	536	120
less Stock appreciation ... ..	20	-150	-450	-325	-225	-700	-800	-50
Residual error ... ..	19	—	—	-52	-60	49	40	15
National income and depreciation (= gross national product) ... ..		8,662	9,250	10,216	10,926	11,515	12,676	13,653

(<sup>2</sup>) Income from property (45, 55) less debt interest (49, 56), less current grants to persons (24, 25) less current grants abroad (51).



## Gross national product by industry of

TABLE 10

By industry of origin <sup>(1)</sup>	1948	1949	1950	1951	1952
Agriculture, forestry and fishing ... ..	630	678	665	715	763
Mining and quarrying ... ..	383	406	412	445	498
Manufacturing ... ..	3,697	3,903	4,292	4,881	4,859
Building and contracting ... ..	661	710	742	825	885
Gas, electricity and water ... ..	210	224	252	275	300
Transport and communication ... ..	831	871	917	1,122	1,180
Distributive trades ... ..	1,404	1,485	1,615	1,753	1,672
Insurance, banking and finance (including real estate) ... ..	286	316	335	370	391
Other services ... ..	924	975	1,025	1,121	1,195
Total production and trade ... ..	9,026	9,568	10,255	11,507	11,743
Public administration and defence ... ..	685	703	726	830	902
Public health and educational services ... ..	257	309	345	389	425
Ownership of dwellings ... ..	251	269	316	303	328
Domestic services to households ... ..	113	105	103	100	99
Services to private non-profit-making bodies ... ..	69	51	53	58	63
less Stock appreciation ... ..	-325	-225	-700	-800	-50
Residual error ... ..	-52	-60	49	40	15
Gross domestic product at factor cost ... ..	10,024	10,720	11,147	12,427	13,525
Net income from abroad ... ..	192	206	368	249	128
Gross national product ... ..	10,216	10,926	11,515	12,676	13,653

For notes on the items of this table, see pp. 71-78.

(<sup>1</sup>) The contribution of each industry to gross national product includes provision for depreciation and stock appreciation.



## origin and expenditure at factor cost

£ million

Expenditure at factor cost	Ref.No.	1946	1947	1948	1949	1950	1951	1952
Consumers' expenditure ... ..	1	6,040	6,653	7,050	7,446	7,827	8,384	8,856
Public authorities' current expenditure on goods and services ... ..	2, 3	2,261	1,717	1,732	1,945	2,030	2,395	2,841
Gross domestic capital formation								
a. Fixed capital formation ... ..	4	755	1,393	1,486	1,503	1,393	2,357	1,832
b. Value of physical increase in stocks and work in progress ... ..	5							
Exports of goods and services ... ..	6a, 6b	1,216	1,411	1,927	2,217	2,689	3,359	3,497
less Imports on goods and services ... ..	7a, 7b	-1,648	-2,032	-2,171	-2,391	-2,792	-4,068	-3,501
Gross expenditure on domestic product ...		8,624	9,142	10,024	10,720	11,147	12,427	13,525
Net income from abroad ... ..	21	38	108	192	206	368	249	128
Gross national expenditure at factor cost ...		8,662	9,250	10,216	10,926	11,515	12,676	13,653



## II. INDUSTRIAL INPUT

### Gross domestic product by industry

TABLE 11

Industry	Standard Industrial Classification Order	1948	1949	1950	1951	1952
<b>1. Agriculture, forestry and fishing</b>	<b>I</b>					
Wages ... ..		228	236	231	245	256
Salaries ... ..		13	14	16	16	17
Employers' contributions ... ..		8	9	9	9	10
Income of employees ... ..		249	259	256	270	283
Income of self-employed and other trading income		381	419	409	445	480
Total ... ..		630	678	665	715	763
<b>2. Mining and quarrying</b>	<b>II</b>					
Wages ... ..		311	316	318	357	405
Salaries ... ..		20	21	21	23	26
Employers' contributions ... ..		13	18	20	20	26
Income of employees ... ..		344	355	359	400	457
Gross trading surpluses of public corporations and other trading income		39	51	53	45	41
Total ... ..		383	406	412	445	498
<b>3. Manufacturing</b>	<b>III-XVI</b>					
Wages ... ..		1,742	1,843	1,959	2,175	2,284
Salaries ... ..		560	605	655	729	773
Employers' contributions ... ..		84	101	107	114	122
Income of employees		2,386	2,549	2,721	3,018	3,179
Gross profits of companies and public corporations		1,161	1,205	1,425	1,709	1,542
Other trading income ... ..		150	149	146	154	138
Total ... ..		3,697	3,903	4,292	4,881	4,859
<b>4. Building and contracting</b>	<b>XVII</b>					
Wages ... ..		455	481	511	576	622
Salaries ... ..		64	71	75	85	92
Employers' contributions ... ..		19	23	24	25	26
Income of employees		538	575	610	686	740
Gross profits of companies and income of self-employed		123	135	132	139	145
Total ... ..		661	710	742	825	885
<b>5. Gas, electricity and water</b>	<b>XVIII</b>					
Wages ... ..		79	84	91	101	110
Salaries ... ..		33	38	43	50	56
Employers' contributions ... ..		9	11	12	12	13
Income of employees		121	133	146	163	179
Gross profits of companies		24	7	7	7	7
Gross profits and trading surpluses of public enterprises ... ..		65	84	99	105	114
Total ... ..		210	224	252	275	300
<b>6. Transport and communications</b>	<b>XIX</b>					
Wages ... ..		387	405	417	467	493
Salaries ... ..		155	160	165	187	202
Employees' contributions ... ..		27	32	33	34	36
Income of employees		569	597	615	688	731
Gross trading surpluses of public corporations		39	38	55	70	65
Gross profits and other trading income		223	236	247	364	384
Total ... ..		831	871	917	1,122	1,180

For notes on the items of this table, see p. 79.



## of origin and type of income

£ million

Industry	Standard Industrial Classification Order	1948	1949	1950	1951	1952
<b>7. Distributive trades</b>	<b>XX</b>					
Income of employees ... ..		648	707	750	841	919
Gross profits and other trading income ... ..		756	778	865	912	753
Total ... ..		1,404	1,485	1,615	1,753	1,672
<b>8. Insurance banking and finance (including real estate)</b>	<b>XXI (part)</b>					
Income of employees ... ..		187	201	214	235	257
Gross profits and other income ... ..		226	224	237	254	259
Rent ... ..		104	112	118	127	133
Adjustment for net interest ... ..		-231	-221	-234	-246	-258
Total ... ..		286	316	335	370	391
<b>9. Other services</b>	<b>XXIII, XXIV (part)</b>					
Income of employees ... ..		466	508	554	633	708
Gross profits and other trading income ... ..		458	467	471	488	487
Total ... ..		924	975	1,025	1,121	1,195
<b>10. Public administration and defence</b>	<b>XXII</b>					
Wages ... ..		161	169	173	190	202
Salaries ... ..		231	243	253	277	304
Pay in cash and kind of the Forces ... ..		260	252	260	319	350
Employers' contributions ... ..		33	39	40	44	46
Income of employees ... ..		685	703	726	830	902
<b>11. Public health and educational services</b>	<b>XXIII (part)</b>					
Wages ... ..		48	58	67	76	83
Salaries ... ..		194	229	254	287	314
Employers' contributions ... ..		15	22	24	26	28
Income of employees ... ..		257	309	345	389	425
<b>12. Ownership of dwellings</b>	<b>XXI (part)</b>					
Rent ... ..		251	269	316	303	328
<b>13. Domestic services to households</b>	<b>XXIV (part)</b>					
Income of domestic servants... ..		113	105	103	100	99
<b>14. Services to private non-profit-making bodies</b>	<b>XXIII, XXIV (part)</b>					
Income of employees ... ..		69	51	53	58	63
<b>15. less Stock appreciation</b> ... ..		-325	-225	-700	-800	-50
<b>16. Residual error</b> ... ..		-52	-60	49	40	15
<b>17. Gross domestic product at factor cost</b>						
Wages ... ..		4,140	4,365	4,585	5,090	5,460
Salaries ... ..		1,975	2,120	2,275	2,550	2,755
Pay in cash and kind of the Forces ... ..		260	252	260	319	350
Employers' contributions ... ..		257	315	332	352	377
Income of employees and the Forces ... ..		6,632	7,052	7,452	8,311	8,942
Income of self-employed persons ... ..		1,340	1,405	1,418	1,501	1,473
Gross profits of companies ... ..		1,814	1,872	2,124	2,534	2,350
Gross trading surpluses of public corporations ... ..		121	160	199	262	262
Gross profits of other public enterprises ... ..		113	112	147	123	44
Rent ... ..		381	404	458	456	489
less Stock appreciation ... ..		-325	-225	-700	-800	-50
Residual error ... ..		-52	-60	49	40	15
<b>Total</b> ... ..		10,024	10,720	11,147	12,427	13,525



## INDUSTRIAL INPUT AND OUTPUT

Wages and salaries in

TABLE 12

Industry	Standard Industrial Classification Order	1948		1949	
		Wages	Salaries	Wages	Salaries
1. Bricks, pottery, glass, etc. ... ..	III	76	17	81	19
2. Chemicals and allied trades ... ..	IV	74	48	79	52
3. Metal manufacture ... ..	V	158	34	166	38
4. Engineering, shipbuilding and electrical goods... ..	VI	407	137	419	150
5. Vehicles... ..	VII	236	58	251	61
6. Metal goods not elsewhere specified... ..	VIII	100	31	102	33
7. Precision instruments, jewellery, etc. ...	IX	26	11	28	12
8. Textiles ... ..	X	182	45	201	49
9. Leather, leather goods and fur ... ..	XI	16	6	16	6
10. Clothing ... ..	XII	110	31	118	34
11. Food, drink and tobacco ... ..	XIII	149	58	161	61
12. Manufactures of wood and cork ... ..	XIV	67	17	72	17
13. Paper and printing ... ..	XV	95	47	103	51
14. Other manufacturing ... ..	XVI	46	20	46	22
15. Total ... ..		1,742	560	1,843	605



## INDUSTRIAL INPUT AND OUTPUT

## manufacturing industries

£ million

1950		1951		1952		Industry
Wages	Salaries	Wages	Salaries	Wages	Salaries	
86	21	96	23	105	23	1. Bricks, pottery, glass, etc
85	57	96	64	103	71	2. Chemicals and allied trades
174	40	191	44	214	48	3. Metal manufacture
436	163	488	182	548	205	4. Engineering, shipbuilding and electrical goods
264	65	292	71	322	83	5. Vehicles
109	36	117	41	130	43	6. Metal goods not elsewhere specified
30	13	33	14	35	14	7. Precision instruments, jewellery, etc
222	55	250	62	204	54	8. Textiles
17	6	18	6	17	6	9. Leather, leather goods and fur
124	36	132	40	126	35	10. Clothing
172	64	191	70	203	74	11. Food, drink and tobacco
77	20	85	22	84	22	12. Manufactures of wood and cork
114	56	129	63	138	68	13. Paper and printing
49	23	57	27	55	27	14. Other manufacturing
1,959	655	2,175	729	2,284	773	15. Total



## INDUSTRIAL INPUT AND OUTPUT

TABLE 13

Inter-industry

PURCHASES BY SALES BY	Agri- culture, forestry and fishing	Mining and quarry- ing	Metals, engineer- ing and vehicles	Textiles, leather and clothing	Food, drink, tobacco	Other manufac- turing	Building and contract- ing	Gas, electricity and water
	1.	2.	3.	4.	5.	6.	7.	8.
1. Agriculture, forestry and fishing	..	—	—	28	563	17	—	—
2. Mining and quarrying ...	6	..	42	19	14	133	27	127
3. Metals, engineering and vehicles	55	50	..	48	33	70	160	50
4. Textiles, leather and clothing ...	10	5	41	..	13	107	3	1
5. Food, drink and tobacco ...	116	—	—	1	..	—	—	—
6. Other manufacturing ...	118	30	395	89	130	..	209	21
7. Building and contracting ...	30	21	22	15	8	12	..	2
8. Gas, electricity and water ...	4	9	60	13	14	45	8	..
9. Other production and trade <sup>(1)</sup> ...	105	30	400	130	145	185	80	65
10. Other industries <sup>(2)</sup> ...	—	—	—	—	—	—	—	—
11. Imports ...	53	11	218	468	396	393	39	1
12. Sales by final buyers ...	—	—	12	12	—	17	—	—
13. Goods and services ...	497	156	1,190	823	1,316	979	526	267
14. Income of employees <sup>(3)</sup> ...	256	359	1,384	480	246	611	610	146
15. Gross profits, other trading income and rent <sup>(4)</sup> ...	409	53	605	336	268	362	132	106
16. Taxes on expenditure <i>less</i> sub- sidies ...	-44	3	11	11	678	81	7	23
17. Total input ...	1,118	571	3,190	1,650	2,508	2,033	1,275	542

For notes on the items of this table see p. 80.

<sup>(1)</sup> Transport and communication, distributive trades, insurance, banking and finance and other services. (Items 6-9 of Table 11.)<sup>(2)</sup> Public administration and defence, public health and educational services, ownership of dwellings, domestic services to households and services to private non-profit-making bodies. (Items 10-14 of Table 11.)



## INDUSTRIAL INPUT AND OUTPUT

transactions 1950

£ million

Other pro- duction and trade <sup>(1)</sup>	Other industries ( <sup>2</sup> )	Total inter- mediate output	Final Buyers					Total final output	Stock apprecia- tion	Total output
			Persons	Public authorities	Gross domestic capital formation		Exports			
					Fixed 14.	Stocks 15.				
9.	10.	11. (1-10)	12.	13.	14.	15.	16.	17. (12-16)	18.	19. (11+17 +18)
1	—	609	451	8	—	4	9	472	37	1,118
56	—	424	99	4	6	—15	48	142	5	571
248	—	714	285	205	866	—40	1,070	2,386	90	3,190
27	—	207	810	23	—	—27	477	1,283	160	1,650
15	—	132	2,166	16	—	40	129	2,351	25	2,508
200	—	1,192	249	180	—	—29	323	723	118	2,033
121	—	231	220	155	637	—	2	1,014	30	1,275
88	—	241	230	28	41	—2	4	301	—	542
..	—	1,140	2,989	390	81	—5	536	3,991	95	5,226
—	..	—	472	1,071	—	—	—	1,543	—	1,543
219	—	1,798	747	80	42	—130	115	854	140	2,792
26	—	67	35	—103	—20	—6	27	—67	—	—
1,001	—	6,755	8,753	2,057	1,653	—210	2,740	14,993	700	22,448
2,133	1,227	7,452	—	—	—	—	—	—	—	7,452
1808 <sup>(5)</sup>	316	4,395	—	—	—	—	—	—	—	4,395
284	—	1,054	499	11	21	—	—	531	—	1,585
5,226	1,543	19,656	9,252	2,068	1,674	—210	2,740	15,524	700	35,880

<sup>(3)</sup> Wages and salaries, pay in cash and kind of the Forces, and employers' contributions.<sup>(4)</sup> Includes stock appreciation.<sup>(5)</sup> Includes "residual error" amounting to £49 million.



## INDUSTRIAL INPUT AND OUTPUT

## Input and output

TABLE 14

	Agriculture, forestry and fishing  (1)	Mining and quarrying  (2)	Manufacturing		
			Metals, engineering and vehicles (3)	Textiles, leather and clothing (4)	Food, drink and tobacco (5)
<i>Input</i>					
1. Goods and services used in current production:					
<i>a.</i> Products of other industries ... ..	444	145	960	343	920
<i>b.</i> Imports ... ..	53	11	218	468	396
<i>c.</i> Purchases from final buyers ... ..	—	—	12	12	—
2. Taxes on expenditure <i>less</i> subsidies ... ..	—44	3	11	11	678
3. Income of employees ... ..	256	359	1,384	480	246
4. Gross profits, other trading income and rent	409	53	605	336	268
5. Total ... ..	1,118	571	3,190	1,650	2,508
<i>Output</i>					
6. Goods and services used in current production by other industries ... ..	609	424	714	207	132
7. Goods and services comprising national expenditure:					
<i>a.</i> Consumers' expenditure ... ..	451	99	285	810	2,166
<i>b.</i> Public authorities' current expenditure on goods and services ... ..	8	4	205	23	16
<i>c.</i> Gross domestic fixed capital formation	—	6	866	—	—
<i>d.</i> Change in value of stocks and work in progress ... ..	41	—10	50	133	65
<i>e.</i> Exports ... ..	9	48	1,070	477	129
8. Total (= gross output free from duplication)...	1,118	571	3,190	1,650	2,508

Note: This table is a re-arrangement of Table 13.



## INDUSTRIAL INPUT AND OUTPUT

accounts by industry in 1950

£ million

Other manu- facturing (6)	Total (7)	Building and con- tracting (8)	Gas, electricity and water (9)	Other indus- tries (10)	All indus- tries (11)	
						<i>Input</i>
569	1,865	487	266	756	—	1. Goods and services used in current production:
393	1,475	39	1	219	1,798	<i>a.</i> Products of other industries
17	41	—	—	26	67	<i>b.</i> Imports
						<i>c.</i> Purchases from final buyers
81	781	7	23	284	1,054	2. Taxes on expenditure <i>less</i> subsidies
611	2,721	610	146	3,360	7,452	3. Income of employees
362	1,571	132	106	2,124	4,395	4. Gross profits, other trading income and rent
2,033	8,454	1,275	542	6,769	14,766	5. Total
						<i>Output</i>
1,192	1,318	231	241	1,140	—	6. Goods and services used in current production by other industries
						7. Goods and services comprising national expenditure:
249	3,510	220	230	3,461	7,971	<i>a.</i> Consumers' expenditure
180	424	155	28	1,461	2,080	<i>b.</i> Public authorities' current expenditure on goods and services
—	866	637	41	81	1,631	<i>c.</i> Gross domestic fixed capital formation
89	337	30	—2	90	486	<i>d.</i> Change in value of stocks and work in progress
323	1,999	2	4	536	2,598	<i>e.</i> Exports
2,033	8,454	1,275	542	6,769	14,766	8. Total (= gross output free from duplication)



## III. PERSONAL INCOME AND EXPENDITURE

## Personal income and taxation

TABLE 15

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Total personal income before tax ... ..	8,615	9,234	9,828	10,416	10,900	11,855	12,628
2. Provision for taxes on income							
<i>a.</i> Payments ... ..	1,058	978	1,026	1,032	1,016	1,190	1,218
<i>b.</i> Additions to tax reserves ... ..	27	41	-35	26	67	44	-50
<i>c.</i> Total provision for tax ... ..	1,085	1,019	991	1,058	1,083	1,234	1,168
3. National insurance contributions ... ..	170	232	335	436	440	452	476
4. Total personal income after provision for tax and national insurance contributions ... ..	7,360	7,983	8,502	8,922	9,377	10,169	10,984
5. Taxes on income, and national insurance contributions, as percentage of personal income before tax (item 1)—							
<i>a.</i> Payments (2 <i>a</i> plus 3) ... ..	14	13	14	14	13	14	13
<i>b.</i> Total provision (2 <i>c</i> plus 3) ... ..	15	14	13	14	14	14	13
6. Indirect taxes on consumers' expenditure less subsidies ... ..	1,086	1,213	1,329	1,325	1,425	1,562	1,622
7. Net indirect taxes (item 6) as percentage of total incomes before tax (item 1) ... ..	13	13	13	13	13	13	13



## PERSONAL INCOME AND EXPENDITURE

## Distribution of personal income

TABLE 16

Range of income before tax	Number of incomes <sup>(1)</sup>	Total income before tax <sup>(2)</sup>	Total income after income tax and surtax <sup>(3)</sup>		Proportion of income before tax retained after deduction of taxes	
			1938-39 rates	1952-53 rates	1938-39 rates	1952-53 rates
	Thousands	£ million	£ million	£ million	Per cent.	Per cent.
<b>1938</b>						
Personal income which can be allocated to different ranges:—						
Under £250 ... ..	...	2,589	2,585	2,587	99·8	99·9
£250—499 ... ..	1,890	631	611	614	96·8	97·3
£500—999 ... ..	539	361	322	317	89·2	87·8
£1,000—1,999 ... ..	183	247	202	183	81·8	74·1
£2,000—9,999 ... ..	98	361	256	193	70·9	53·5
£10,000 and over ... ..	8	163	69	30	42·3	18·4
<b>1952</b>						
Personal income which can be allocated to different ranges:—						
Under £250 ... ..	9,090	1,405	1,392	1,394	99·1	99·2
£250—499 ... ..	9,600	3,530	3,394	3,395	96·1	96·2
£500—999 ... ..	5,805	3,737	3,423	3,454	91·6	92·4
£1,000—1,999 ... ..	740	980	820	767	83·7	78·3
£2,000—9,999 ... ..	254	878	633	501	72·1	57·1
£10,000 and over ... ..	11	192	88	42	45·8	21·9

(1) A married couple is for income tax purposes counted as one individual.

(2) In addition to the income shown in this table there are amounts accruing to persons that cannot be allocated to particular ranges of income. These are estimated to have been £673 million in 1938 and £1,906 million in 1952.

(3) The estimates of income in this table relate to calendar years; the tax rates used are those that were current in the fiscal years 1938-39 and 1952-53.



## PERSONAL INCOME AND EXPENDITURE

**Consumers' expenditure at market prices**  
**(i) at current prices**

TABLE 17

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Food							
a. Household expenditure							
Bread and cereals ... ..	285	331	354	407	431	476	530
Meat and bacon ... ..	333	343	333	398	540	545	692
Fish ... ..	84	89	89	77	77	99	99
Oils and fats ... ..	62	61	71	87	105	125	128
Sugar, preserves and confectionery ... ..	119	157	190	205	206	258	270
Dairy products ... ..	288	289	352	396	421	433	493
Fruit ... ..	90	160	176	169	177	207	201
Potatoes and vegetables ... ..	190	253	267	281	280	307	321
Beverages ... ..	86	93	99	105	105	111	133
Other manufactured food ... ..	87	93	82	81	77	81	84
Total ... ..	1,624	1,869	2,013	2,206	2,419	2,642	2,951
b. Other personal expenditure ... ..	196	235	246	263	287	323	364
Total food ... ..	1,820	2,104	2,259	2,469	2,706	2,965	3,315
2. Alcoholic drink							
a. Beer ... ..	524	497	542	520	509	529	563
b. Wines, spirits, cider, etc. ... ..	192	231	261	256	275	293	287
Total alcoholic drink ... ..	716	728	803	776	784	822	850
3. Tobacco							
a. Cigarettes ... ..	516	583	638	626	648	687	706
b. Pipe tobacco, cigars and snuff ... ..	86	106	126	127	118	113	115
Total tobacco ... ..	602	689	764	753	766	800	821
4. Rent, rates and water charges ... ..	575	608	625	646	670	701	736
5. Fuel and light							
a. Coal ... ..	123	131	146	146	156	173	187
b. Electricity ... ..	66	70	77	82	86	96	103
c. Gas ... ..	70	76	80	83	86	94	103
d. Other ... ..	29	31	33	33	37	41	45
Total fuel and light ... ..	288	308	336	344	365	404	438
6. Durable household goods							
a. Furniture and furnishings ... ..	176	243	285	347	412	466	439
b. Hardware ... ..	125	150	150	149	155	150	142
Total durable household goods ... ..	301	393	435	496	567	616	581
7. Other household goods							
a. Matches ... ..	11	13	14	19	21	20	19
b. Soap and soapless detergents ... ..	33	43	50	62	72	78	87
c. Other cleaning materials, etc. ... ..	18	19	20	20	22	24	25
Total other household goods ... ..	62	75	84	101	115	122	131
8. Clothing							
a. Footwear ... ..	108	131	168	170	174	185	181
b. Other clothing							
i. Men's and boys' wear ... ..	157	180	225	261	290	301	283
ii. Women's, girls' and infants' wear ... ..	346	392	460	521	541	560	553
Total clothing ... ..	611	703	853	952	1,005	1,046	1,017



## PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at market prices

## (i) at current prices—(contd.)

TABLE 17 (contd.)

£ million

	1946	1947	1948	1949	1950	1951	1952
9. Books, newspapers and magazines							
a. Books ... ..	28	31	33	33	35	38	38
b. Newspapers ... ..	51	58	60	65	69	70	78
c. Magazines ... ..	26	30	33	36	38	40	40
Total books, newspapers and magazines	105	119	126	134	142	148	156
10. Private motoring ... ..	126	148	106	144	182	217	288
11. Travel							
a. Railway ... ..	107	103	108	102	97	99	105
b. Other ... ..	199	226	249	260	259	285	310
Total travel ... ..	306	329	357	362	356	384	415
12. Communication services							
a. Postal ... ..	32	32	32	33	34	37	41
b. Telephone and telegraph ... ..	22	24	25	26	28	31	34
Total communication services... ..	54	56	57	59	62	68	75
13. Entertainments							
a. Cinemas ... ..	121	108	112	105	107	110	113
b. Other ... ..	62	66	68	70	70	73	74
Total entertainments ... ..	183	174	180	175	177	183	187
14. Domestic service ... ..	117	115	113	105	103	100	99
15. Other services ... ..	707	761	772	749	751	812	834
16. Other goods ... ..	334	396	408	414	418	448	455
17. Income in kind of the Forces ... ..	111	58	39	32	32	44	54
18. less Expenditure by foreign tourists, etc., in the United Kingdom ... ..	-13	-21	-33	-45	-65	-85	-102
19. Consumers' expenditure in the United Kingdom ...	7,005	7,743	8,284	8,666	9,136	9,795	10,350
20. Consumers' expenditure abroad ... ..	121	123	95	105	116	151	128
21. Total ... ..	7,126	7,866	8,379	8,771	9,252	9,946	10,478

For notes on the items of this table see p. 82.



## PERSONAL INCOME AND EXPENDITURE

**Consumers' expenditure at market prices  
(ii) at 1948 prices**

TABLE 17 (contd.)

£ million

	1946	1947	1948	1949	1950	1951	1952
<b>1. Food</b>							
<b>a. Household expenditure</b>							
Bread and cereals ...	324	344	354	358	349	356	348
Meat and bacon ...	384	355	333	352	441	381	411
Fish ...	89	93	89	78	63	69	67
Oils and fats ...	59	61	71	82	87	83	75
Sugar, preserves and confectionery ...	159	197	190	217	212	249	241
Dairy products ...	329	320	352	385	397	380	370
Fruit ...	110	160	176	182	177	193	192
Potatoes and vegetables ...	241	276	267	272	266	271	266
Beverages ...	94	98	99	103	102	100	106
Other manufactured food ...	86	88	82	82	77	75	71
<b>Total</b> ...	<b>1,875</b>	<b>1,992</b>	<b>2,013</b>	<b>2,111</b>	<b>2,171</b>	<b>2,157</b>	<b>2,147</b>
<b>b. Other personal expenditure</b> ...	226	251	246	252	257	263	265
<b>Total food</b> ...	<b>2,101</b>	<b>2,243</b>	<b>2,259</b>	<b>2,363</b>	<b>2,428</b>	<b>2,420</b>	<b>2,412</b>
<b>2. Alcoholic drink</b>							
a. Beer ...	590	567	542	518	514	511	504
b. Wines, spirits, cider etc. ...	239	277	261	257	281	294	288
<b>Total alcoholic drink</b> ...	<b>829</b>	<b>844</b>	<b>803</b>	<b>775</b>	<b>795</b>	<b>805</b>	<b>792</b>
<b>3. Tobacco</b>							
a. Cigarettes ...	778	674	638	615	628	659	670
b. Pipe tobacco, cigars and snuff ...	132	121	126	124	116	109	111
<b>Total tobacco</b> ...	<b>910</b>	<b>795</b>	<b>764</b>	<b>739</b>	<b>744</b>	<b>768</b>	<b>781</b>
<b>4. Rent, rates and water charges</b> ...	601	611	625	636	646	656	666
<b>5. Fuel and light</b>							
a. Coal ...	142	145	146	144	150	151	149
b. Electricity ...	67	72	77	77	84	95	94
c. Gas ...	77	82	80	80	80	82	81
d. Other ...	29	31	33	33	35	36	36
<b>Total fuel and light</b> ...	<b>315</b>	<b>330</b>	<b>336</b>	<b>334</b>	<b>349</b>	<b>364</b>	<b>360</b>
<b>6. Durable household goods</b>							
a. Furniture and furnishings ...	205	265	285	340	387	366	345
b. Hardware ...	137	154	150	151	153	138	120
<b>Total durable household goods</b> ...	<b>342</b>	<b>419</b>	<b>435</b>	<b>491</b>	<b>540</b>	<b>504</b>	<b>465</b>
<b>7. Other household goods</b>							
a. Matches ...	11	13	14	15	16	15	14
b. Soap and soapless detergents ...	46	47	50	63	74	73	74
c. Other cleaning materials, etc. ...	19	19	20	20	21	21	22
<b>Total other household goods</b> ...	<b>76</b>	<b>79</b>	<b>84</b>	<b>98</b>	<b>111</b>	<b>109</b>	<b>110</b>
<b>8. Clothing</b>							
a. Footwear ...	122	146	168	175	179	155	146
b. Other clothing							
i. Men's and boys' wear ...	177	197	225	239	260	233	217
ii. Women's, girls' and infants' wear ...	391	433	460	495	506	469	474
<b>Total clothing</b> ...	<b>690</b>	<b>776</b>	<b>853</b>	<b>909</b>	<b>945</b>	<b>857</b>	<b>837</b>



## PERSONAL INCOME AND EXPENDITURE

**Consumers' expenditure at market prices**  
**(ii) at 1948 prices—(contd.)**

TABLE 17 (contd.)

£ million

	1946	1947	1948	1949	1950	1951	1952
9. Books, newspapers and magazines							
a. Books ...	30	31	33	32	33	34	33
b. Newspapers ...	52	58	60	64	67	64	63
c. Magazines ...	27	30	33	32	30	31	30
Total books, newspapers and magazines	109	119	126	128	130	129	126
10. Private motoring ...	135	154	106	143	162	171	206
11. Travel							
a. Railway ...	116	116	108	101	96	96	100
b. Other ...	199	228	249	262	258	258	258
Total travel ...	315	344	357	363	354	354	358
12. Communication services							
a. Postal ...	33	32	32	31	32	35	37
b. Telephone and telegraph ...	22	24	25	26	27	29	29
Total communication services ...	55	56	57	57	59	64	66
13. Entertainments							
a. Cinemas ...	121	108	112	105	107	105	102
b. Other ...	65	66	68	70	69	72	73
Total entertainments ...	186	174	180	175	176	177	175
14. Domestic service ...	123	118	113	101	96	90	85
15. Other services ...	774	807	772	721	698	701	690
16. Other goods ...	368	413	408	411	413	405	396
17. Income in kind of the Forces ...	128	62	39	30	28	36	39
18. less Expenditure by foreign tourists, etc. in the United Kingdom ...	-15	-23	-33	-44	-61	-74	-83
19. Consumers' expenditure in the United Kingdom	8,042	8,321	8,284	8,430	8,613	8,536	8,481
20. Consumers' expenditure abroad ...	132	109	95	100	98	117	93
21. Total ...	8,174	8,430	8,379	8,530	8,711	8,653	8,574

For notes on the items of this table see p. 82.



## PERSONAL INCOME AND EXPENDITURE

**Consumers' expenditure: Indices of market prices**  
**1948=100**

TABLE 18

	1946	1947	1949	1950	1951	1952
1. Food						
<i>a.</i> Household expenditure						
Bread and cereals ... ..	88	96	114	123	134	152
Meat and bacon ... ..	87	97	113	122	143	168
Fish ... ..	94	96	99	122	143	148
Oils and fats ... ..	105	100	106	121	151	171
Sugar, preserves and confectionery ...	75	80	94	97	104	112
Dairy products ... ..	88	90	103	106	114	133
Fruit ... ..	82	100	93	100	107	105
Potatoes and vegetables ... ..	79	92	103	105	113	121
Beverages ... ..	91	95	102	103	111	125
Other manufactured food ... ..	101	106	99	100	108	118
Total ... ..	87	94	105	111	122	137
<i>b.</i> Other personal expenditure ... ..	87	94	105	112	123	137
Total food ... ..	87	94	105	111	122	137
2. Alcoholic drink						
<i>a.</i> Beer ... ..	89	88	101	99	104	112
<i>b.</i> Wines, spirits, cider, etc. ... ..	80	84	99	98	100	100
Total alcoholic drink ... ..	86	86	100	99	102	107
3. Tobacco						
<i>a.</i> Cigarettes ... ..	66	86	102	103	104	105
<i>b.</i> Pipe tobacco, cigars and snuff ... ..	65	88	102	102	104	104
Total tobacco ... ..	66	87	102	103	104	105
4. Rent, rates and water charges ... ..	96	100	102	104	107	111
5. Fuel and light						
<i>a.</i> Coal ... ..	87	90	101	104	115	126
<i>b.</i> Electricity ... ..	99	97	106	103	101	110
<i>c.</i> Gas ... ..	91	93	104	108	115	127
<i>d.</i> Other ... ..	100	100	100	106	114	125
Total fuel and light ... ..	91	93	103	105	111	122
6. Durable household goods						
<i>a.</i> Furniture and furnishings ... ..	86	92	102	106	127	127
<i>b.</i> Hardware ... ..	91	97	99	101	109	118
Total durable household goods ...	88	94	101	105	122	125
7. Other household goods						
<i>a.</i> Matches ... ..	100	100	125	133	133	133
<i>b.</i> Soap and soapless detergents ... ..	72	91	98	97	107	118
<i>c.</i> Other cleaning materials, etc. ... ..	95	100	100	105	114	114
Total other household goods ...	82	95	103	104	112	119
8. Clothing						
<i>a.</i> Footwear ... ..	89	90	97	97	119	124
<i>b.</i> Other clothing						
i. Men's and boys' wear ... ..	89	91	109	112	129	130
ii. Women's, girls' and infants' wear ...	88	91	105	107	119	117
Total clothing ... ..	89	91	105	106	122	122



## PERSONAL INCOME AND EXPENDITURE

Consumers' expenditure: Indices of market prices—*contd.*

1948=100

TABLE 18 (*contd.*)

	1946	1947	1949	1950	1951	1952
9. Books, newspapers and magazines						
<i>a.</i> Books ... ..	93	100	103	106	112	115
<i>b.</i> Newspapers ... ..	98	100	102	103	109	124
<i>c.</i> Magazines ... ..	96	100	113	127	129	133
Total books, newspapers and magazines ... ..	96	100	105	109	115	124
10. Private motoring ... ..	93	96	101	112	127	140
11. Travel						
<i>a.</i> Railway ... ..	92	89	101	101	103	105
<i>b.</i> Other ... ..	100	99	99	100	110	120
Total travel ... ..	97	96	100	101	108	116
12. Communication services						
<i>a.</i> Postal ... ..	97	100	106	106	106	111
<i>b.</i> Telephone and telegraph ... ..	100	100	100	104	107	117
Total communication services ... ..	98	100	104	105	106	114
13. Entertainments						
<i>a.</i> Cinemas ... ..	100	100	100	100	105	111
<i>b.</i> Other ... ..	95	100	100	101	101	101
Total entertainments ... ..	98	100	100	101	103	107
14. Domestic service ... ..	95	97	104	107	111	116
15. Other services ... ..	91	94	104	108	116	121
16. Other goods ... ..	91	96	101	101	111	115
17. Income in kind of the Forces ... ..	87	94	105	112	123	137
18. Expenditure by foreign tourists etc. in the United Kingdom ... ..	87	93	103	106	115	122
19. Consumers' expenditure in the United Kingdom	87	93	103	106	115	122
20. Consumers' expenditure abroad ... ..	92	113	105	118	129	137
21. Total ... ..	87	93	103	106	115	122

For notes on this table see p. 82.



## PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at factor cost

TABLE 19

(i) at current factor cost

£ million

	1946	1947	1948	1949	1950	1951	1952
<b>Consumers' expenditure after deduction of specific taxes and addition of subsidies</b>							
1. Food ... ..	2,037	2,371	2,632	2,832	3,040	3,289	3,581
2. Alcoholic drink ... ..	363	369	386	382	403	440	477
3. Tobacco ... ..	157	146	151	152	163	178	191
4. Rent, rates and water charges ... ..	435	455	481	503	520	537	560
5. Fuel and light ... ..	295	313	339	345	365	404	438
6. Durable household goods ... ..	260	336	348	418	475	502	487
7. Other household goods ... ..	55	66	75	88	101	108	118
8. Clothing ... ..	577	670	788	869	925	971	965
9. Books, newspapers and magazines ... ..	105	119	126	134	142	148	156
10. Private motoring ... ..	95	110	80	113	140	162	204
11. Travel ... ..	298	320	349	352	337	357	377
12. Communication services ... ..	45	49	51	54	58	65	75
13. Entertainments ... ..	128	125	131	131	133	138	142
14. Domestic service ... ..	117	115	113	105	103	100	99
15. Other services ... ..	704	758	747	717	719	779	801
16. Other goods ... ..	276	323	315	328	324	347	360
17. Income in kind of the Forces ... ..	116	60	43	35	35	47	57
18. <i>less</i> Expenditure by foreign tourists, etc. in the United Kingdom ... ..	-13	-21	-33	-45	-65	-85	-102
<i>less</i> Unallocated net indirect taxes ... ..	-131	-154	-167	-172	-207	-254	-258
19. Consumers' expenditure in the United Kingdom after adjustment for all indirect taxes and subsidies	5,919	6,530	6,955	7,341	7,711	8,233	8,728
20. Consumers' expenditure abroad ... ..	121	123	95	105	116	151	128
21. Total ... ..	6,040	6,653	7,050	7,446	7,827	8,384	8,856



## PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at factor cost

TABLE 19 (contd.)

(ii) at 1948 factor cost

£ million

	1946	1947	1948	1949	1950	1951	1952
<b>Consumers' expenditure after deduction of specific taxes and addition of subsidies</b>							
1. Food ... ..	2,460	2,600	2,632	2,753	2,859	2,806	2,801
2. Alcoholic drink ... ..	389	405	386	372	384	393	386
3. Tobacco ... ..	179	157	151	147	148	154	156
4. Rent, rates and water charges ... ..	463	470	481	490	497	505	513
5. Fuel and light ... ..	318	333	339	337	352	367	363
6. Durable household goods ... ..	276	343	348	398	440	411	383
7. Other household goods ... ..	68	71	75	88	99	97	98
8. Clothing ... ..	617	701	788	842	881	800	773
9. Books, newspapers and magazines ... ..	109	119	126	128	130	129	126
10. Private motoring ... ..	99	114	80	109	125	131	157
11. Travel ... ..	308	336	349	355	346	346	350
12. Communication services ... ..	49	50	51	51	53	57	59
13. Entertainments ... ..	135	127	131	127	128	129	127
14. Domestic service ... ..	123	118	113	101	96	90	85
15. Other services ... ..	749	781	747	698	675	678	668
16. Other goods ... ..	278	314	315	317	317	311	305
17. Income in kind of the Forces ... ..	141	68	43	33	31	40	43
18. <i>less</i> Expenditure by foreign tourists, etc. in the United Kingdom ... ..	-15	-23	-33	-44	-61	-74	-83
<i>less</i> Unallocated net indirect taxes ... ..	-159	-166	-167	-172	-176	-173	-172
19. Consumers' expenditure in the United Kingdom after adjustment for all indirect taxes and subsidies	6,587	6,918	6,955	7,130	7,324	7,197	7,138
20. Consumers' expenditure abroad ... ..	125	124	95	100	107	139	116
21. Total ... ..	6,712	7,042	7,050	7,230	7,431	7,336	7,254



IV. Com  
Appropriation

TABLE 20

Receipts	1946	1947	1948	1949	1950	1951	1952
1. Gross trading profits of companies operating in the United Kingdom ... ..	1,493	1,721	1,814	1,872	2,124	2,534	2,350
2. Income earned abroad							
a. Trading profits of British companies operating abroad ... ..	138	192	219	192	302	334	274
b. Balance of payments adjustment ... ..	5	20	32	26	68	48	52
3. Non-trading income ... ..	284	319	342	328	344	356	390
4. Total ... ..	1,920	2,252	2,407	2,418	2,838	3,272	3,066
9. Undistributed income before United Kingdom taxation ... ..	1,172	1,485	1,704	1,707	2,043	2,409	2,112
10. Total ... ..	1,172	1,485	1,704	1,707	2,043	2,409	2,112

For notes on the items of this table see p. 83.



PANIES  
account

£ million

Payments	1946	1947	1948	1949	1950	1951	1952
5. Dividends and interest							
<i>a.</i> Payments							
i. Debenture interest ... ..	62	61	51	43	44	47	49
ii. Dividends on preference shares ... ..	124	125	115	104	104	104	104
iii. Dividends on ordinary shares ... ..	339	395	408	392	388	453	472
iv. Co-operative society dividends and interest	43	44	43	45	46	46	46
v. Interest on building society shares and deposits ... ..	21	22	25	29	31	36	41
vi. Other ... ..	19	20	11	12	12	13	43
<i>b.</i> Additions to dividend reserves ... ..	57	12	-37	-5	66	20	30
Total provision for dividends and interest ...	665	679	616	620	691	719	785
6. Remittances and taxes paid abroad ... ..	83	88	87	91	104	144	169
7. Undistributed income before United Kingdom taxation ... ..	1,172	1,485	1,704	1,707	2,043	2,409	2,112
8. Total ... ..	1,920	2,252	2,407	2,418	2,838	3,272	3,066
11. Provision for United Kingdom taxation							
<i>a.</i> Payments ... ..	656	513	566	745	774	711	910
<i>b.</i> Additions to tax reserves ... ..	-99	172	199	-16	56	469	157
12. Saving and provision for stock appreciation							
<i>a.</i> Undistributed income of British companies after taxation ... ..	610	780	907	952	1,145	1,181	993
<i>b.</i> Balance of payments adjustment ... ..	5	20	32	26	68	48	52
13. Total ... ..	1,172	1,485	1,704	1,707	2,043	2,409	2,112



TABLE 21

Industry	Standard Industrial Classification Order	1947			1948		
		Gross profits	Depreciation allowances	Net profits	Gross profits	Depreciation allowances	Net profits
1. Forestry and fishing ... ..	I	13	4	9	11	4	7
2. Mining and quarrying ... ..	II	6	2	4	7	2	5
3. Manufacturing industries							
a. Bricks, pottery, glass, etc. ... ..	III	35	6	29	42	8	34
b. Chemicals and allied trades ... ..	IV	90	13	77	94	18	76
c. Metal manufacture ... ..	V	91	15	76	104	22	82
d. Engineering, shipbuilding and electrical goods ... ..	VI	152	23	129	196	28	168
e. Vehicles ... ..	VII	68	11	57	80	14	66
f. Metal goods not elsewhere specified ... ..	VIII	48	6	42	59	8	51
g. Textiles ... ..	X	125	14	111	169	19	150
h. Clothing ... ..	XII	41	3	38	45	4	41
i. Food, drink and tobacco ... ..	XIII	208	16	192	195	21	174
j. Manufactures of wood and cork ... ..	XIV	18	2	16	22	3	19
k. Paper and printing ... ..	XV	78	9	69	84	11	73
l. Other manufacturing ... ..	IX, XI, XVI	64	8	56	67	9	58
All manufacturing industries ... ..	III-XVI	1,018	126	892	1,157	165	992
4. Building and contracting ... ..	XVII	31	7	24	35	9	26
5. Gas, electricity and water ... ..	XVIII	41	28	13	23	15	8
6. Transport and communications ... ..	XIX	159	88	71	151	64	87
7. Distributive trades ... ..	XX	347	27	320	333	36	297
8. Insurance, banking and finance ... ..	XXI	-26	—	-26	-28	—	-28
9. Other services ... ..	XXIII, XXIV	86	8	78	82	10	72
10. Adjustments ... ..		46	—	46	43	—	43
11. Total ... ..		1,721	290	1,431	1,814	305	1,509

For notes on the items of this table see p. 83.



## profits by industry

£ million

1949			1950			1951			Industry
Gross profits	Depreciation allowances	Net profits	Gross profits	Depreciation allowances	Net profits	Gross profits	Depreciation allowances	Net profits	
7	6	1	5	6	-1	9	4	5	1. Forestry and fishing
7	4	3	8	4	4	9	4	5	2. Mining and quarrying
43	10	33	46	11	35	61	13	48	3. Manufacturing industries
98	30	68	128	42	86	147	49	98	a. Bricks, pottery, glass, etc.
110	25	85	125	31	94	95	18	77	b. Chemicals and allied trades
229	36	193	257	43	214	305	53	252	c. Metal manufacture
79	16	63	103	21	82	123	27	96	d. Engineering, shipbuilding and electrical goods
58	11	47	64	13	51	89	14	75	e. Vehicles
187	28	159	256	33	223	272	37	235	f. Metal goods not elsewhere specified
47	6	41	51	7	44	52	7	45	g. Textiles
185	29	156	192	35	157	222	36	186	h. Clothing
20	4	16	22	5	17	25	5	20	i. Food, drink and tobacco
79	14	65	98	17	81	147	19	128	j. Manufactures of wood and cork
62	12	50	76	13	63	92	15	77	k. Paper and printing
									l. Other manufacturing
1,197	221	976	1,418	271	1,147	1,630	293	1,337	All manufacturing industries
42	11	31	41	13	28	45	15	30	4. Building and contracting
8	4	4	7	4	3	7	4	3	5. Gas, electricity and water
156	110	46	156	105	51	259	113	146	6. Transport and communications
353	41	312	389	51	338	462	59	403	7. Distributive trades
-22	1	-23	-24	1	-25	-28	1	-29	8. Insurance, banking and finance
76	11	65	73	13	60	82	14	68	9. Other services
48	—	48	51	—	51	59	—	59	10. Adjustments
1,872	409	1,463	2,124	468	1,656	2,534	507	2,027	11. Total



V. PUBLIC  
Combined operating

TABLE 22

Receipts								1946	1947	1948	1949	1950	1951	1952
1. Sales	...	...	...	...	...	...	...	181	591	1,340	1,593	1,779	2,457	2,769
2. Subsidies	...	...	...	...	...	...	...	12	13	11	10	9	7	3
3. Total	...	...	...	...	...	...	...	193	604	1,351	1,603	1,788	2,464	2,772

Combined appropriation

TABLE 23

Receipts								1946	1947	1948	1949	1950	1951	1952
1. Trading surplus and provisions for depreciation and stock appreciation	...	...	...	...	...	...	...	18	31	121	160	199	262	262
2. Non-trading income	...	...	...	...	...	...	...	7	13	20	19	20	21	23
3. Income earned abroad	...	...	...	...	...	...	...	—	—	—	—1	—	—1	—
4. Total	...	...	...	...	...	...	...	25	44	141	178	219	282	285

For notes on these tables see p. 84.



## CORPORATIONS

## account

£ million

Payments	1946	1947	1948	1949	1950	1951	1952
4. Income of employees ... ..	45	323	667	751	791	1,007	1,120
5. Purchases of other goods and services ... ..	125	241	539	662	765	1,160	1,354
6. Rent ... ..	2	4	6	6	6	6	6
7. Taxes on expenditure							
a. Rates ... ..	2	4	16	21	22	24	25
b. Motor vehicle and catering licences ... ..	1	1	2	3	5	5	5
8. Trading surplus and provisions for depreciation and stock appreciation ... ..	18	31	121	160	199	262	262
9. Total ... ..	193	604	1,351	1,603	1,788	2,464	2,772

## account

£ million

Payments	1946	1947	1948	1949	1950	1951	1952
5. Interest							
a. Payments ... ..	12	15	58	87	92	106	117
b. Additions to reserve for future interest payments	—	14	20	1	5	5	4
6. Provision for taxation							
a. Payments ... ..	2	4	3	3	5	6	26
b. Additions to tax reserve... ..	—	—1	—1	2	3	23	13
7. Undistributed income and provisions for depreciation and stock appreciation ... ..	11	12	61	85	114	142	125
8. Total ... ..	25	44	141	178	219	282	285



## PUBLIC CORPORATIONS

Combined

TABLE 24

Receipts	1946	1947	1948	1949	1950	1951	1952
1. Undistributed income and provisions for depreciation and stock appreciation ... ..	11	12	61	85	114	142	125
2. Capital transfers (net receipts) ... ..	—	1	4	42	3	5	5
3. Total funds available for investment ... ..	11	13	65	127	117	147	130
4. Loans from Central Government (net) ... ..	3	42	64	19	30	64	72
5. Stock issued ( <i>less</i> stock redeemed) ... ..	6	10	109	73	163	135	230
6. Additions to tax and interest reserves ... ..	—	13	19	3	8	28	17
7. Total ... ..	20	78	257	222	318	374	449

Analysis of

TABLE 25

		Fuel and power industries	Iron and steel	Transport and communications	Housing and New Town Corporations	Raw Cotton Commission	Other corporations	Total
1. Trading surplus and provisions for depreciation and stock appreciation	1948	74	—	39	—	—	8	121
	1949	111	—	38	1	3	7	160
	1950	127	—	55	1	15	1	199
	1951	125	65	70	2	—2	2	262
2. Non-trading income ...	1948	7	—	9	—	—	4	20
	1949	7	—	7	—	1	4	19
	1950	8	—	6	—	1	5	20
	1951	9	1	5	—	1	5	21
3. Income earned abroad ...	1948	—	—	—	—	—	—	—
	1949	—	—	—	—	—	—1	—1
	1950	—	—	1	—	—	—1	—
	1951	—	—	1	—	—	—2	—1
4. Total ... ..	1948	81	—	48	—	—	12	141
	1949	118	—	45	1	4	10	178
	1950	135	—	62	1	16	5	219
	1951	134	66	76	2	—1	5	282

Fuel and power industries include:

National Coal Board.  
 Central Electricity Board (to 31/3/48).  
 Electricity Board for Northern Ireland.  
 North of Scotland Hydro-Electric Board.  
 British Electricity Authority and Area Electricity Boards.  
 Gas Council and Area Gas Boards.

For notes on these tables see p. 84.



## PUBLIC CORPORATIONS

## capital account

£ million

Payments	1946	1947	1948	1949	1950	1951	1952
8. Gross domestic capital formation <sup>(1)</sup> :							
a. Gross fixed capital formation...	13	39	181	266	293	363	410
b. Increase in value of stocks and work-in-progress ...	1	11	31	33	14	84	35
9. Net acquisition of other financial assets and net investment abroad ...	6	28	45	-77	11	-73	4
10. Total ...	20	78	257	222	318	374	449

<sup>(1)</sup> Including stock appreciation.

## appropriation accounts

£ million

		Fuel and power industries	Iron and steel	Transport and communications	Housing and New Town Corporations	Raw Cotton Commission	Other corporations	Total
5. Provision for interest	1948	31	—	44	—	1	2	78
	1949	38	—	46	1	1	2	88
	1950	46	—	47	1	1	2	97
	1951	50	10	46	1	2	2	111
6. Provision for taxation	1948	—	—	—	—	—	2	2
	1949	3	—	—	—	1	1	5
	1950	4	—	1	—	1	2	8
	1951	3	22	1	—	1	2	29
7. Undistributed income and provisions for depreciation and stock appreciation	1948	50	—	4	—	-1	8	61
	1949	77	—	-1	—	2	7	85
	1950	85	—	14	—	14	1	114
	1951	81	34	29	1	-4	1	142
8. Total ...	1948	81	—	48	—	—	12	141
	1949	118	—	45	1	4	10	178
	1950	135	—	62	1	16	5	219
	1951	134	66	76	2	-1	5	282

Transport and communications includes: British Overseas Airways Corporation.  
British South America Airways Corporation (to 30/7/49).  
British European Airways.  
British Transport Commission.  
Ulster Transport Authority.  
Cable and Wireless Ltd.



## PUBLIC CORPORATIONS

## Analysis of

TABLE 26

		Fuel and power industries	Iron and steel	Transport and com- muni- cations	Housing and New Town Corpora- tions	Raw Cotton Com- mission	Other corpora- tions	Total
1. Undistributed income and provisions for depreciation and stock appreciation	1948	50	—	4	—	— 1	8	61
	1949	77	—	— 1	—	2	7	85
	1950	85	—	14	—	14	1	114
	1951	81	34	29	1	— 4	1	142
2. Capital transfers (net receipts)	1948	2	—	—	2	—	—	4
	1949	15	—	25	2	—	—	42
	1950	2	—	—	1	—	—	3
	1951	3	—	—	2	—	—	5
3. Loans from Central Government (net)	1948	—	—	1	8	37	18	64
	1949	—21	—	2	11	8	19	19
	1950	—14	—	—	11	17	16	30
	1951	18	—	—	17	16	13	64
4. Stock issued less stock redeemed	1948	111	—	— 2	—	—	—	109
	1949	50	—	23	—	—	—	73
	1950	163	—	—	—	—	—	163
	1951	75	—	60	—	—	—	135
5. Total ... ..	1948	163	—	3	10	36	26	238
	1949	121	—	49	13	10	26	219
	1950	236	—	14	12	31	17	310
	1951	177	34	89	20	12	14	346

For notes on this table see p. 84.



## PUBLIC CORPORATIONS

## capital accounts

£ million

		Fuel and power industries	Iron and steel	Transport and com- muni- cations	Housing and New Town Corpora- tions	Raw Cotton Com- mission	Other corpora- tions	Total
6. Gross domestic capital forma- tion <sup>(1)</sup> :—								
a. Gross fixed capital	1948	108	—	62	10	—	1	181
formation	1949	176	—	74	13	—	3	266
	1950	203	—	73	14	—	3	293
	1951	223	46	69	22	—	3	363
b. Increase in value of	1948	17	—	4	—	10	—	31
stocks and work in	1949	17	—	3	—	13	—	33
progress	1950	— 6	—	1	—	19	—	14
	1951	32	6	17	—	29	—	84
7. Net acquisition of other	1948	38	—	—63	—	26	25	26
financial assets and net	1949	—72	—	—28	—	— 3	23	—80
investment abroad less	1950	39	—	—60	— 2	12	14	3
additions to tax and interest	1951	—78	—18	3	— 2	—17	11	—101
reserves								
8. Total ... ..	1948	163	—	3	10	36	26	238
	1949	121	—	49	13	10	26	219
	1950	236	—	14	12	31	17	310
	1951	177	34	89	20	12	14	346

<sup>(1)</sup> Including stock appreciation.



CENTRAL GOVERNMENT INCLUDING  
Revenue

TABLE 27

Revenue	1946	1947	1948	1949	1950	1951	1952
<b>Direct taxes on income</b>							
1. Income tax ... ..	1,250	1,128	1,213	1,370	1,404	1,485	1,651
2. Surtax ... ..	75	81	99	110	114	125	128
3. Profits tax ... ..	35	31	154	257	264	301	378
4. Excess profits tax, excess profits levy, etc. ...	356	255	129	43	13	-4 <sup>(1)</sup>	-3 <sup>(1)</sup>
5. Total <sup>(2)</sup> ... ..	1,716	1,495	1,595	1,780	1,795	1,907	2,154
<b>Taxes on capital</b>							
6. Death duties ... ..	143	164	182	190	184	191	157
7. Special contribution ... ..	—	—	33	64	6	3	2
8. Total <sup>(2)</sup> ... ..	143	164	215	254	190	194	159
<b>Taxes on expenditure</b>							
9. Customs and excise duties							
a. Beer ... ..	276	261	305	286	266	261	257
b. Wines and spirits ... ..	88	95	121	115	120	128	124
c. Tobacco ... ..	438	541	598	600	602	622	612
d. Purchase tax ... ..	161	217	300	282	299	338	313
e. Entertainments ... ..	55	49	49	44	44	45	45
f. Betting ... ..	—	—	20	26	25	26	28
g. Other ... ..	147	179	171	166	228	333	375
10. Motor vehicle licence duties ... ..	44	50	49	53	57	64	65
11. Stamp duties ... ..	35	50	58	53	52	62	52
12. Post Office surplus ... ..	27	21	16	14	13	10	—
13. Miscellaneous ... ..	11	15	16	16	16	18	20
14. Total ... ..	1,282	1,478	1,703	1,655	1,722	1,907	1,891
15. Total tax revenue ... ..	3,141	3,137	3,513	3,689	3,707	4,008	4,204
<b>Other revenue</b>							
16. National insurance contributions <sup>(3)</sup> ... ..	170	232	335	436	440	452	476
17. Gross trading profits ... ..	47	81	84	89	124	103	25
18. Other income from property							
a. Gross income from land and buildings ...	13	23	29	32	33	35	36
b. Interest, etc. ... ..	-14	-31	57	74	73	109	135
19. Current grants from overseas governments (net)	—	—	—	—	—	18	137
20. Total ... ..	3,357	3,442	4,018	4,320	4,377	4,725	5,013

For notes on the items of this table, see p. 85.

<sup>(1)</sup> Repayments exceeded receipts.<sup>(2)</sup> For further analysis, see table 36.<sup>(3)</sup> For detail, see table 29.



NATIONAL INSURANCE FUNDS  
account

£ million

Expenditure	1946	1947	1948	1949	1950	1951	1952
21. Current expenditure on goods and services (net)							
<i>a.</i> Military defence ... ..	1,560	930	734	762	810	1,086	1,451
<i>b.</i> Health services ... ..	} 263	289	{ 174	357	401	415	422
<i>c.</i> Other ... ..			{ 324	317	297	323	357
<i>d.</i> Total ... ..	1,823	1,219	1,232	1,436	1,508	1,824	2,230
<b>Transfers</b>							
22. Subsidies <sup>(4)</sup> ... ..	378	460	559	511	462	453	400
23. National insurance benefits <sup>(3)</sup> ... ..	133	272	332	374	384	403	470
24. Other pensions, assistance and grants to persons <sup>(5)</sup> ... ..	504	368	334	334	334	342	393
25. National debt interest ... ..	481	514	504	502	501	544	602
26. Current grants to local authorities <sup>(6)</sup> ... ..	244	264	279	287	298	328	367
27. Grants abroad ... ..	146	138	59	50	49	45	55
28. Transfers to capital accounts							
<i>a.</i> Post-war refunds of excess profits tax ... ..	167	40	15	14	11	7	6
<i>b.</i> War damage compensation ... ..	131	266	161	186	102	83	64
<i>c.</i> Capital grants to local authorities <sup>(7)</sup> ... ..	5	7	23	17	13	10	9
<i>d.</i> War gratuities and pay credits ... ..	229	60	1	—	—	—	—
<i>e.</i> Other ... ..	22	18	22	32	35	26	26
29. Total of current expenditure on goods and services and of transfers ... ..	4,263	3,626	3,521	3,743	3,697	4,065	4,622
30. Surplus, including provisions for depreciation and stock appreciation ... ..	—906	—184	497	577	680	660	391
31. Total ... ..	3,357	3,442	4,018	4,320	4,377	4,725	5,013

<sup>(4)</sup> For detail, see table 34.

<sup>(5)</sup> For detail, see table 35.

<sup>(6)</sup> For detail, see table 30.

<sup>(7)</sup> Excluding war damage compensation.



TABLE 28

Receipts	1946	1947	1948	1949	1950	1951	1952
1. Surplus from revenue account ... ..	-906	-184	497	577	680	660	391
2. E.R.P. grants and gifts from abroad ... ..	—	30	149	271	248	58	—
3. War disposals, settlements, etc.							
a. Sale of surplus war stores held abroad ...	80	64	61	60	6	5	5
b. Net receipts from war settlements, etc. abroad	84	65	35	-25	20	15	13
4. Total ... ..	-742	-25	742	883	954	738	409
10. Funds available for net lending (= item 8) ... ..	-649	-22	664	711	816	404	169
11. Borrowing from foreign governments ... ..	279	812	363	117	21	5	26
12. Loan repayments by foreign governments... ..	75	14	92	29	23	29	21
13. Net borrowing through "National Savings" ...	526	133	37	60	-8	-2	-99
14. Increase in fiduciary issue ... ..	50	—	-125	25	25	75	125
15. Sales and new issues of government securities (net)	44	-242	-310	-398	69	765	200
16. Miscellaneous net borrowing ... ..	-240	-129	-11	-88	93	17	-123
17. Total ... ..	85	566	710	456	1,039	1,293	319

For notes on this table see p. 88.



## CENTRAL GOVERNMENT

account

£ million

Payments	1946	1947	1948	1949	1950	1951	1952
5. Gross fixed capital formation							
<i>a.</i> Trading bodies ... ..	-2	7	27	47	54	64	83
<i>b.</i> Other ... ..	108	88	78	64	69	88	114
6. Increases in value of stocks							
<i>a.</i> Trading bodies ... ..	-97	-6	22	-24	-67	63	1
<i>b.</i> Strategic stocks ... ..	—	—	—	—	—	127	49
<i>c.</i> less sales of surplus war stores in the U.K.	-102	-92	-60	-32	-27	-23	-7
7. Capital payments abroad ... ..	—	—	11	117	109	15	—
8. Net lending (+) or net borrowing (-) ... ..	-649	-22	664	711	816	404	169
9. Total ... ..	-742	-25	742	883	954	738	409
18. Loans to foreign governments ... ..	30	35	115	8	15	37	6
19. Loan repayments to foreign governments... ..	53	49	38	112	50	64	43
20. Increase in deposits with IMF and IBRD ... ..	8	25	-9	15	-42	10	—
21. Increase in foreign reserves ... ..	87	-156	-53	-18	684	-627	-202
22. Net lending to local authorities ... ..	61	206	252	288	257	365	402
23. Net lending to public corporations... ..	3	42	64	19	30	64	72
24. Coal compensation:							
<i>a.</i> Payments in cash ... ..	10	7	15	17	8	4	1
<i>b.</i> Issues of stock ... ..	—	78	—	—	46	55	58
25. Net repayment of short term debt at home and abroad:							
<i>a.</i> Tax reserve certificates... ..	132	125	23	50	-39	-58	64
<i>b.</i> Other ... ..	-299	155	265	-35	30	1,379	-125
26. Total ... ..	85	566	710	456	1,039	1,293	319



TABLE 29

Current revenue	1946	1947	1948	1949	1950	1951	1952
1. Contributions from employers							
<i>a.</i> Forces ... ..	15	8	8	8	7	9	10
<i>b.</i> Other insured persons ... ..	69	105	149	189	192	196	208
2. Contributions from insured persons							
<i>a.</i> Forces ... ..	4	5	5	5	5	6	6
<i>b.</i> Other employed persons ... ..	82	114	163	207	209	213	222
<i>c.</i> Self-employed persons ... ..	—	—	8	22	22	23	24
<i>d.</i> Non-employed persons ... ..	—	—	2	5	5	5	6
3. Grants from the Central Government ... ..	60	136	145	144	147	133	71
4. Income from property ... ..	20	22	25	28	33	40	44
5. Total ... ..	250	390	505	608	620	625	591

For notes on the items in this table see p. 88.



## National Insurance Funds

£ million

Current expenditure	1946	1947	1948	1949	1950	1951	1952
6. Current expenditure on goods and services							
a. Costs of administration ... ..	15	17	26	28	26	26	30
b. Insurance medical service ... ..	19	21	12	—	—	—	—
7. Expenditure on benefits							
a. Contributory pensions and allowances ...	75	213	250	249	253	270	313
b. Widows' benefits and guardians' allowances	—	—	11	22	23	24	28
c. Unemployment benefit... ..	26	28	20	16	15	11	24
d. Sickness benefit ... ..	32	31	44	66	68	70	73
e. Maternity benefit ... ..	—	—	4	9	9	9	9
f. Death grant ... ..	—	—	—	1	2	3	3
g. Injury benefit ... ..	—	—	} 3 {	9	9	9	10
h. Disablement and industrial death benefit <sup>(1)</sup> ...	—	—		2	5	7	10
8. Contributions towards cost of National Health Service ... ..	—	—	17	42	41	42	41
9. Current surplus ... ..	83	80	118	164	169	154	50
10. Total ... ..	250	390	505	608	620	625	591

<sup>(1)</sup> The cost of industrial death benefit is estimated at £0·2 million in 1949, £0·3 million in 1950, £0·5 million in 1951 and £0·7 million in 1952.



TABLE 30

Current revenue								1946	1947	1948	1949	1950	1951	1952
<i>Current grants from the Central Government Great Britain</i>														
1. Grants not allocated to specific services	...	...	...	...	...	...	...	..	..	..	..	57	57	63
2. Law and order	...	...	...	...	...	...	...	..	..	..	..	11	14	16
3. Civil defence	...	...	...	...	...	...	...	..	..	..	..	1	2	2
4. Social services														
a. Education	...	...	...	...	...	...	...	..	..	..	..	173	192	215
b. Child care	...	...	...	...	...	...	...	..	..	..	..	6	7	7
c. Health and national assistance	...	...	...	...	...	...	...	..	..	..	..	15	17	19
5. Services to agriculture, etc.	...	...	...	...	...	...	...	..	..	..	..	3	2	2
6. Environmental services														
a. Roads	...	...	...	...	...	...	...	..	..	..	..	14	15	17
b. Fire service	...	...	...	...	...	...	...	..	..	..	..	3	4	4
c. Other	...	...	...	...	...	...	...	..	..	..	..	9	11	14
<i>Northern Ireland</i>														
7. Current grants from the government of Northern Ireland	...	...	...	...	...	...	...	..	..	..	..	6	7	8
8. Total current grants—United Kingdom	...	...	...	...	...	...	...	244	264	279	287	298	328	367
9. Rates	...	...	...	...	...	...	...	269	307	317	326	338	363	391
10. Gross trading profits	...	...	...	...	...	...	...	44	44	29	23	23	20	19
11. Other income from property														
a. Gross income from land and buildings														
i. Rent and depreciation (excluding subsidies)	...	...	...	...	...	...	...	45	44	46	53	61	71	77
ii. Subsidies from the Central Government	...	...	...	...	...	...	...	21	22	25	27	30	33	40
iii. Subsidies from rate funds	...	...	...	...	...	...	...	9	11	12	13	13	14	16
b. Interest, etc.	...	...	...	...	...	...	...	4	3	3	3	4	4	4
12. Total	...	...	...	...	...	...	...	636	695	711	732	767	833	914

For notes on the items of this table see page 89.

TABLE 31

Receipts								1946	1947	1948	1949	1950	1951	1952
1. Surplus including provisions for depreciation and stock appreciation	...	...	...	...	...	...	...	63	58	71	77	82	71	76
2. Capital grants from the Central Government <sup>(1)</sup>	...	...	...	...	...	...	...	13	16	29	44	18	14	12
3. Net borrowing	...	...	...	...	...	...	...	70	216	284	263	311	359	433
4. Total	...	...	...	...	...	...	...	146	290	384	384	411	444	521

<sup>(1)</sup> Including war damage compensation.



## AUTHORITIES

## account

£ million

Current expenditure								1946	1947	1948	1949	1950	1951	1952
<i>Current expenditure on goods and services Great Britain</i>														
13. General administrative services	...	...	...	...	...	...	...	26	32	37	38	38	40	42
14. Law and order	...	...	...	...	...	...	...	31	34	37	40	43	48	51
15. Civil defence	...	...	...	...	...	...	...	11	8	4	2	2	8	8
16. Social services														
a. Education	...	...	...	...	...	...	...	173	194	218	236	246	283	321
b. Child care	...	...	...	...	...	...	...	11	11	8	11	14	16	17
c. Health	...	...	...	...	...	...	...	72	81	62	45	43	46	49
d. National assistance	...	...	...	...	...	...	...	25	28	17	12	11	12	13
17. Services to agriculture, etc.	...	...	...	...	...	...	...	3	4	4	4	4	4	4
18. Environmental services														
a. Roads	...	...	...	...	...	...	...	57	64	63	65	66	69	74
b. Sewerage and refuse disposal	...	...	...	...	...	...	...	27	30	32	34	35	37	39
c. Public lighting	...	...	...	...	...	...	...	6	7	8	9	10	10	11
d. Fire service	...	...	...	...	...	...	...	3	4	10	13	14	15	16
e. Other	...	...	...	...	...	...	...	16	18	20	22	25	26	29
<i>Northern Ireland</i>														
19. Current expenditure on goods and services	...	...	...	...	...	...	...	7	8	8	9	9	10	11
20. Total current expenditure on goods and services (net)—United Kingdom	...	...	...	...	...	...	...	468	523	528	540	560	624	685
21. Housing subsidies	...	...	...	...	...	...	...	9	11	12	13	13	14	16
22. Current grants to persons														
a. Outdoor relief	...	...	...	...	...	...	...	15	16	8	—	—	—	—
b. School meals	...	...	...	...	...	...	...	15	19	22	26	26	27	27
c. Scholarships	...	...	...	...	...	...	...	5	7	8	10	13	15	17
23. Debt interest	...	...	...	...	...	...	...	61	61	62	66	73	82	93
24. Total current expenditure	...	...	...	...	...	...	...	573	637	640	655	685	762	838
25. Surplus including provisions for depreciation and stock appreciation	...	...	...	...	...	...	...	63	58	71	77	82	71	76
26. Total	...	...	...	...	...	...	...	636	695	711	732	767	833	914

## account

£ million

Payments								1946	1947	1948	1949	1950	1951	1952
5. Gross capital formation														
a. Trading services	...	...	...	...	...	...	...	38	57	48	39	40	40	44
b. Housing	...	...	...	...	...	...	...	96	208	274	266	269	289	350
c. Other	...	...	...	...	...	...	...	12	25	62	79	102	115	127
6. Total	...	...	...	...	...	...	...	146	290	384	384	411	444	521



## VIII. COMBINED PUBLIC AUTHORITIES

## Current expenditure on goods and services (net)

TABLE 32

£ million

	1946	1947	1948	1949	1950	1951	1952
<b>Great Britain</b>							
1. General administrative services							
a. Finance and tax collection ... ..	..	..	..	..	47	51	55
b. Other ... ..	..	..	..	..	73	73	76
2. Law and order							
a. Police ... ..	..	..	..	..	53	59	63
b. Other ... ..	..	..	..	..	13	14	15
3. Overseas services ... ..	..	..	..	..	39	40	41
4. Defence							
a. Military ... ..	1,560	930	734	762	810	1,086	1,451
b. Civil ... ..	..	..	..	..	2	13	30
5. Services to persons							
a. Education and child care ... ..	..	..	..	..	271	311	349
b. Health ... ..	..	..	236	402	444	461	471
c. National insurance and assistance ... ..	..	..	..	..	44	47	51
d. Other ... ..	..	..	..	..	10	10	11
6. Services to agriculture, industry and trade							
a. Agriculture, forestry and fishing ... ..	..	..	..	..	18	22	25
b. Industry and commerce ... ..	..	..	..	..	21	27	26
c. Transport ... ..	..	..	..	..	12	10	10
d. Employment ... ..	..	..	..	..	16	17	17
7. Environmental services							
a. Roads ... ..	..	..	..	..	75	79	85
b. Sewerage and refuse disposal ... ..	27	30	32	34	35	37	39
c. Public lighting ... ..	6	7	8	9	10	10	11
d. Fire service ... ..	3	4	10	13	14	15	16
e. Other ... ..	..	..	..	..	32	35	38
<b>Northern Ireland</b>							
8. Total ... ..	..	..	..	..	29	31	35
9. Total current expenditure on goods and services (net)—United Kingdom ... ..	2,291	1,742	1,760	1,976	2,068	2,448	2,915
<i>of which:—</i>							
10. Central Government ... ..	1,823	1,219	1,232	1,436	1,508	1,824	2,230
11. Local authorities ... ..	468	523	528	540	560	624	685

For notes on the items of this table see p. 90.



## COMBINED PUBLIC AUTHORITIES

## Gross fixed capital formation

£ million

TABLE 33

	1948	1949	1950	1951	1952
1. Civil trading bodies					
a. Post Office ... ..	37	43	45	51	62
b. Water ... ..	12	17	20	24	29
c. Gas and electricity ... ..	21	3	—	—	—
d. Dock and harbours ... ..	5	7	8	8	8
e. Road passenger transport ... ..	8	11	10	7	5
f. Other ... ..	— 1	6	10	8	9
2. Military defence					
a. Government factories ... ..	— 7	— 1	1	6	14
b. Private industry (government financed expenditure) ... ..	2	2	4	20	35
c. Research and development ... ..	14	15	18	23	30
d. Service Departments <sup>(1)</sup> ... ..	1	2	6	8	13
3. Police and prisons ... ..	1	1	2	2	2
4. Education and child care ... ..	25	35	48	55	63
5. Health services ... ..	9	16	17	17	18
6. New housing <sup>(2)</sup> ... ..	298	275	275	294	351
7. Factories in Development Areas ... ..	12	8	6	5	4
8. Roads ... ..	9	9	10	9	10
9. Sewerage and arterial drainage ... ..	10	14	16	20	25
10. Fire service ... ..	—	1	1	3	3
11. Other services ... ..	33	31	37	36	37
12. Total ... ..	489	495	534	596	718
of which:—					
13. Central government					
a. Military defence (=2) ... ..	10	18	29	57	92
b. Other ... ..	95	93	94	95	105
14. Local authorities ... ..	384	384	411	444	521

For notes on the items of this table see p. 92.

<sup>(1)</sup> Permanent married quarters and land.<sup>(2)</sup> Excluding permanent married quarters built for Service Departments.



## COMBINED PUBLIC AUTHORITIES

## Subsidies

TABLE 34

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Agriculture, forestry and fishing							
a. Fertilisers and molasses ... ..	7	8	12	14	12	9	10
b. Acreage payments ... ..	18	17	18	17	13	3	—
c. Attested herds ... ..	—	—	—	—	3	6	9
d. Other subsidies to agriculture and fishing ...	24	26	34	36	28	20	23
2. Trade and raw materials							
a. Board of Trade—raw material subsidies ...	11	14	3	—	—	—	—
b. Ministry of Supply—raw material subsidies...	8	5	15	10	7	6	—
c. Assistance to industry by Ministry of Supply	7	8	7	4	2	4	11
d. Subsidies on fuel ... ..	10	9	5	2	1	—	—
e. Utility cloth rebates ... ..	8	16	7	—	—	—	—
3. Transport services ... ..	12	13	12	12	11	8	5
4. Trading losses of the Ministry of Food, excluding the cost of milk and welfare foods schemes and cost of food rationing ... ..	237	296	390	357	324	334	274
5. Housing subsidies							
a. Central Government ... ..	36	48	56	59	61	63	68
b. Local authorities ... ..	9	11	12	13	13	14	16
6. Total subsidies ... ..	387	471	571	524	475	467	416
<i>of which:—</i>							
7. Subsidies paid by Central Government (6 less 5b)	378	460	559	511	462	453	400

For notes on the items of this table see p. 93.



## COMBINED PUBLIC AUTHORITIES

Current grants to persons<sup>(1)</sup>

TABLE 35

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Release leave pay and allowances and compassionate pensions ... ..	163	36	27	6	2	2	2
2. Education and child care							
a. Scholarships and maintenance allowances paid by:—							
(i) Central Government ... ..	6	12	16	16	14	9	7
(ii) Local authorities ... ..	5	7	8	10	13	15	17
b. Grants for universities, sciences and the arts	6	8	10	13	15	16	18
c. Other grants to non-profit-making bodies ...	5	5	6	7	8	10	11
3. Nutrition and health							
a. Milk and welfare foods, etc. ... ..	29	34	35	36	35	39	45
b. School meals ... ..	15	19	22	26	26	27	27
4. National insurance, family allowances, pensions and assistance							
a. National insurance							
(i) Health benefits ... ..	32	31	51	87	93	98	105
(ii) Unemployment benefits ... ..	26	28	20	16	15	11	24
(iii) Contributory pensions and widows' benefits, etc. ... ..	75	213	261	271	276	294	341
b. War pensions and service grants ... ..	76	76	76	76	73	71	78
c. Non-contributory pensions ... ..	81	58	30	28	27	25	24
d. Assistance grants ... ..	54	14	33	56	65	75	98
e. Outdoor relief ... ..	15	16	8	—	—	—	—
f. Family allowances ... ..	20	58	62	63	64	66	80
5. Industrial services for the disabled ... ..	—	—	1	1	2	3	3
6. Agriculture, forestry and fishing—grants for research ... ..	1	2	3	4	4	4	4
7. Employment—training and resettlement ... ..	8	12	9	8	4	2	2
8. Industry and commerce—grants for scientific research ... ..	—	1	1	1	2	2	2
9. Post-war income tax credits ... ..	54	51	23	17	17	16	16
10. Miscellaneous ... ..	1	1	2	2	2	2	3
11. Total ... ..	672	682	704	744	757	787	907
of which:—							
12. National insurance benefits (4a) ... ..	133	272	332	374	384	403	470
13. Other pensions and grants to persons paid by the Central Government (11 less 12 and 14) ... ..	504	368	334	334	334	342	393
14. Current grants to persons paid by local authorities (2a (ii), 3b and 4e) ... ..	35	42	38	36	39	42	44

For notes on the items of this table see p. 93.

<sup>(1)</sup> The term "persons" includes non-profit-making bodies and institutions serving persons, e.g. universities.



## COMBINED PUBLIC AUTHORITIES

Direct taxes and national insurance contributions: allocation by type of income<sup>(1)</sup> and property

TABLE 36

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Direct taxes on income ... ..	1,716	1,495	1,595	1,780	1,795	1,907	2,154
2. National insurance contributions ... ..	170	232	335	436	440	452	476
3. Total ... ..	1,886	1,727	1,930	2,216	2,235	2,359	2,630
of which:—							
4. Rent of land and buildings							
a. Income tax ... ..	119	105	110	113	114	113	118
b. Surtax ... ..	3	3	3	3	3	3	3
5. Interest and profits							
a. Income tax <sup>(2)</sup> ... ..	654	596	655	781	808	788	946
b. Surtax ... ..	55	60	76	85	87	95	97
c. Profits tax and excess profits tax <sup>(2)</sup> ... ..	391	286	283	300	277	297	375
d. Insurance contributions of self-employed and non-employed persons ... ..	—	—	10	27	27	28	30
6. Income from employment							
a. Wages and salaries							
i. Income tax ... ..	451	395	421	449	460	560	563
ii. Surtax ... ..	17	18	20	22	24	27	28
iii. Employees' insurance contributions	82	114	163	207	209	213	222
b. Pay of the Forces							
i. Income tax ... ..	19	18	13	14	12	14	14
ii. Employees' insurance contributions	4	5	5	5	5	6	6
c. Employers' insurance contributions ... ..	84	113	157	197	199	205	218
7. Total taxes on capital ... ..	143	164	215	254	190	194	159
of which:—							
8. Land and buildings							
Death duties and land tax ... ..	19	21	23	26	25	25	18
9. Interest-bearing securities <sup>(3)</sup>							
Death duties ... ..	35	40	45	49	51	51	40
10. Other stocks and shares							
Death duties ... ..	60	69	76	77	72	77	66
11. Other forms of property							
Death duties ... ..	29	34	38	38	36	38	33
12. Special contribution ... ..	—	—	33	64	6	3	2

(<sup>1</sup>) In the case of "mixed" incomes the allocation of tax can only be arbitrary. If, for example, an individual's income is derived both from wages and from interest-bearing securities, the tax payable depends partly on the size of his tax-free allowances which are calculated with reference to his total income and not with reference to its component parts.

(<sup>2</sup>) Excess profits tax post-war refunds and the income tax thereon are excluded from these figures.

(<sup>3</sup>) Government and municipal stocks, bonds, mortgages and debentures.



## Taxes on expenditure and subsidies: allocation by type of expenditure

TABLE 37

£ million

	1946	1947	1948	1949	1950	1951	1952
Indirect taxes on consumers' expenditure ... ..	1,464	1,675	1,894	1,841	1,894	2,023	2,032
<i>less</i> Subsidies on consumers' expenditure ... ..	-378	-462	-565	-516	-469	-461	-410
Net indirect taxes on							
Consumers' expenditure ... ..	1,086	1,213	1,329	1,325	1,425	1,562	1,622
Current expenditure by public authorities... ..	30	25	28	31	38	53	74
Gross domestic capital formation ... ..	31	53	60	64	71	116	99
Exports of goods ... ..	17	23	32	37	51	72	71
Total indirect taxes <i>less</i> subsidies ... ..	1,164	1,314	1,449	1,457	1,585	1,803	1,866



IX. GROSS  
The financing

TABLE 38

		Persons	Com- panies	Public corpora- tions	Central Govern- ment	Local authori- ties	Residual error	Tax and dividend reserves, etc.	Total
1. Saving including pro- visions for depreciation and stock apprecia- tion <sup>(1)</sup>	1948	80	939	61	504	71	— 52	146	1,749
	1949	131	978	85	572	77	— 60	8	1,791
	1950	130	1,213	114	651	82	49	197	2,436
	1951	220	1,229	142	592	71	40	561	2,855
	1952	502	1,045	125	337	76	15	154	2,254
2. Capital transfers (net receipts)	1948	116	73	4	12	29	—	—	234
	1949	105	58	42	— 60	44	—	—	189
	1950	97	43	3	4	18	—	—	165
	1951	68	39	5	— 63	14	—	—	63
	1952	64	24	5	— 87	12	—	—	18
3. Taxes on capital...	1948	—215	—	—	215	—	—	—	—
	1949	—254	—	—	254	—	—	—	—
	1950	—190	—	—	190	—	—	—	—
	1951	—194	—	—	194	—	—	—	—
	1952	—159	—	—	159	—	—	—	—
4. less Provision for stock appreciation	1948	— 59	—200	— 42	— 24	—	—	—	—325
	1949	— 45	—189	—	9	—	—	—	—225
	1950	— 78	—475	— 29	—118	—	—	—	—700
	1951	—127	—500	— 80	— 93	—	—	—	—800
	1952	— 58	— 23	— 1	32	—	—	—	— 50
5. Total funds available, from savings and capi- tal transfers, for gross investment	1948	— 78	812	23	707	100	— 52	146	1,658
	1949	— 63	847	127	775	121	— 60	8	1,755
	1950	— 41	781	88	727	100	49	197	1,901
	1951	— 33	768	67	630	85	40	561	2,118
	1952	349	1,045	129	441	88	15	154	2,222

For notes on this table see p. 94.

<sup>(1)</sup> For enterprises operating overseas this item is reckoned after deducting provision for depreciation.



# CAPITAL FORMATION of investment

£ million

		Persons	Com- panies	Public corpora- tions	Central Govern- ment	Local authori- ties	Residual error	Tax and dividend reserves, etc.	Total
6. Gross domestic capital formation									
a. Fixed capital formation	1948	216	507	181	105	384	—	—	1,393
	1949	232	541	266	111	384	—	—	1,534
	1950	235	612	293	123	411	—	—	1,674
	1951	267	637	363	152	444	—	—	1,863
	1952	295	631	410	197	521	—	—	2,054
b. Value of physical increase in stocks and work-in-progress	1948	37	189	— 11	— 62	—	—	—	153
	1949	30	17	33	— 47	—	—	—	33
	1950	30	— 13	— 15	— 212	—	—	—	— 210
	1951	90	442	4	74	—	—	—	610
	1952	— 45	— 187	34	75	—	—	—	— 123
7. less Net borrowing from taxation reserves	1948	35	— 199	1	—	—	—	163	—
	1949	— 26	16	— 2	—	—	—	12	—
	1950	— 67	— 56	— 3	—	—	—	126	—
	1951	— 44	— 469	— 23	—	—	—	536	—
	1952	50	— 157	— 13	—	—	—	120	—
8. less Net borrowing from dividend and interest reserves	1948	—	37	— 20	—	—	—	— 17	—
	1949	—	5	— 1	—	—	—	— 4	—
	1950	—	— 66	— 5	—	—	—	71	—
	1951	—	— 20	— 5	—	—	—	25	—
	1952	—	— 30	— 4	—	—	—	34	—
9. Net acquisition of financial assets plus net overseas investment <sup>(2)</sup>	1948	— 366	278	— 128	664	— 284	— 52	—	112
	1949	— 299	268	— 169	711	— 263	— 60	—	188
	1950	— 239	304	— 182	816	— 311	49	—	437
	1951	— 346	178	— 272	404	— 359	40	—	— 355
	1952	49	789	— 298	169	— 433	15	—	291
10. Total gross investment	1948	— 78	812	23	707	100	— 52	146	1,658
	1949	— 63	847	127	775	121	— 60	8	1,755
	1950	— 41	781	88	727	100	49	197	1,901
	1951	— 33	768	67	630	85	40	561	2,118
	1952	349	1,046	129	441	88	15	154	2,222

<sup>(2)</sup> The figures for Central Government include the following identifiable overseas transactions (net lending to overseas governments, net increase in deposits with IMF and IBRD, and net increase in foreign reserves—see items 11, 12 and 18–21 of Table 28):—

£ million	1948	1949	1950	1951	1952
	— 364	— 29	663	— 550	— 200



## GROSS CAPITAL FORMATION

## Gross fixed capital formation by sector and type of asset

TABLE 39

£ million

		Persons ( <sup>1</sup> )	Com- panies	Public corpora- tions	Central Government		Local authorities		Total
					Trading	Other	Trading	Other	
1. Vehicles, ships and aircraft	1948	39	147	48	— 8	1	9	2	238
	1949	42	147	62	—	1	11	4	267
	1950	38	148	61	4	1	11	4	267
	1951	43	158	58	2	1	6	5	273
	1952	41	162	50	3	1	5	5	267
2. Plant and machinery ...	1948	90	263	78	27	8	19	4	489
	1949	84	278	126	38	10	6	5	547
	1950	91	321	149	41	17	5	6	630
	1951	103	339	200	51	36	6	7	742
	1952	105	347	223	65	50	7	8	805
3. New housing( <sup>2</sup> ) ...	1948	47	—	9	—	25	—	263	344
	1949	56	—	9	—	9	—	260	334
	1950	52	—	10	—	9	—	261	332
	1951	57	—	16	—	12	—	281	366
	1952	103	—	29	—	12	—	341	485
4. Other building and works, land and legal fees, stamp duties, etc.	1948	40	97	46	8	44	20	67	322
	1949	50	116	69	9	44	22	76	386
	1950	54	143	73	9	42	24	100	445
	1951	64	140	89	11	39	28	111	482
	1952	46	122	108	15	51	32	123	497
5. Total ...	1948	216	507	181	27	78	48	336	1,393
	1949	232	541	266	47	64	39	345	1,534
	1950	235	612	293	54	69	40	371	1,674
	1951	267	637	363	64	88	40	404	1,863
	1952	295	631	410	83	114	44	477	2,054

For notes on the items of this table see p. 95.

(<sup>1</sup>) Persons' expenditure on new houses; capital expenditure for business purposes by professional persons, farmers, sole traders and partnerships; and capital expenditure by non-profit-making bodies.

(<sup>2</sup>) Land for new housing is included in item 4.



## GROSS CAPITAL FORMATION

## Gross fixed capital formation by type of asset

TABLE 40

£ million

	1947	1948	1949	1950	1951	1952
1. Public road passenger vehicles ...	22	33	38	35	24	21
2. Road goods vehicles, etc. <sup>(1)</sup> ...	69	71	75	75	81	83
3. Passenger cars <sup>(1)</sup> ...	35	34	48	45	56	57
4. Railway rolling stock ...	25	31	32	33	37	30
5. Ships ...	74	61	62	71	68	68
6. Aircraft ...	6	8	12	8	7	8
7. Plant and machinery ...	360	489	547	630	742	805
8. New housing ...	335	344	334	332	366	485
9. Other new buildings and works ...	195	276	337	394	428	452
10. Legal fees, stamp duties, etc. <sup>(1)</sup> ...	39	46	49	51	54	45
11. Total ...	1,160	1,393	1,534	1,674	1,863	2,054

<sup>(1)</sup> The specific taxes on expenditure included in the various items are (£ million):

	1947	1948	1949	1950	1951	1952
Road goods vehicles, etc. ...	—	—	—	4	9	9
Passenger cars ...	9	9	12	11	18	20
Stamp duties, etc. ...	14	19	21	22	24	21

## Gross fixed capital formation by type of asset revalued at 1948 prices

TABLE 41

£ million

	1947	1948	1949	1950	1951	1952
1. Public road passenger vehicles ...	25	33	38	35	23	19
2. Road goods vehicles, etc. ...	76	71	73	68	62	57
3. Passenger cars <sup>(1)</sup> ...	39	34	47	44	44	40
4. Railway rolling stock ...	26	31	31	32	31	23
5. Ships and aircraft ...	88	69	69	69	56	50
6. Plant and machinery ...	398	489	526	579	617	596
7. New housing ...	355	344	329	316	313	385
8. Other new buildings and works ...	210	276	331	371	348	340
9. Legal fees, stamp duties, etc. <sup>(1)</sup> ...	42	46	47	48	51	41
10. Total ...	1,259	1,393	1,491	1,562	1,545	1,551

<sup>(1)</sup> The specific taxes on expenditure (at 1948 rates) included in the various items are (£ million):

	1947	1948	1949	1950	1951	1952
Passenger cars ...	10	9	12	11	11	10
Stamp duties, etc. ...	17	19	19	19	20	17

Price indices of capital goods  
1948=100

TABLE 42

	1947	1948	1949	1950	1951	1952
Public road passenger vehicles ...	89	100	99	99	105	114
Road goods vehicles, etc. ...	91	100	102	111	132	145
Passenger cars ...	89	100	102	104	127	143
Railway rolling stock ...	97	100	104	105	121	130
Ships and aircraft ...	90	100	108	115	134	154
Plant and machinery ...	90	100	104	109	120	135
New housing ...	94	100	102	105	117	126
Other new buildings and works ...	93	100	102	106	123	133
Total <sup>(1)</sup> ...	92	100	103	107	121	132

<sup>(1)</sup> Including legal fees and stamp duties, etc.  
For notes on these tables see p. 96.



TABLE 43

	1948				1949			
	Vehicles, ships and aircraft	Plant and machinery	New buildings and works	Total	Vehicles, ships and aircraft	Plant and machinery	New buildings and works	Total
<i>Industry and trade</i>								
1. Agriculture ... ..	5	58	21	84	6	52	23	81
2. Forestry ... ..	—	—	1	1	—	—	1	1
3. Fishing ... ..	5	—	—	5	5	—	—	5
4. Coal mining ... ..	1	17	6	24	1	22	7	30
5. Other mining and quarrying ...	1	5	—	6	1	5	—	6
6. Manufacturing industry—								
a. Government-financed expendi- ture ... ..	—	— 7	14	7	—	— 1	9	8
b. Mineral oil refining ... ..	—	4	2	6	—	14	4	18
c. Iron and steel manufacture ...	—	23	9	32	1	29	12	42
d. Other ... ..	26	201	63	290	28	216	71	315
e. Total, manufacturing industry	26	221	88	335	29	258	96	383
7. Ministry of Supply research and development ... ..	—	3	10	13	—	3	11	14
8. Building and contracting industry	4	14	2	20	5	15	2	22
9. Electricity ... ..	1	73	25	99	3	85	36	124
10. Gas ... ..	1	18	7	26	1	20	8	29
11. Water ... ..	—	2	11	13	—	3	17	20
12. Railways ... ..	29	2	10	41	30	3	11	44
13. Road passenger transport ...	33	—	2	35	38	—	2	40
14. Road goods transport ... ..	12	1	2	15	13	1	2	16
15. Roads ... ..	—	1	7	8	1	1	6	8
16. Shipping ... ..	52	—	1	53	52	—	1	53
17. Harbours, docks and canals ...	1	1	4	6	1	1	6	8
18. Air transport ... ..	8	1	3	12	12	1	4	17
19. Postal, telephone and radio com- munications ... ..	1	34	2	37	1	39	3	43
20. British Broadcasting Corporation	—	1	—	1	—	1	—	1
21. Distribution and other services ...	54	29	12	95	63	27	22	112
22. Total, industry and trade... ..	234	481	214	929	262	537	258	1,057
<i>Housing and social services</i>								
23. New housing ... ..	—	—	344	344	—	—	334	334
24. Education ... ..	—	1	22	23	—	2	35	37
25. Child care ... ..	—	—	1	1	—	—	1	1
26. Health services ... ..	1	2	9	12	2	3	10	15
<i>Other public services</i>								
27. Police and prisons... ..	1	—	—	1	1	—	1	2
28. Fire service... ..	—	1	7	8	—	1	10	11
29. Sewerage ... ..	—	—	2	2	—	—	3	3
30. Arterial drainage ... ..	—	—	14	18	1	3	12	16
31. Other central government services	1	3	7	9	1	1	7	9
32. Other local authority services ...	1	1	—	—	—	—	—	—
33. Total expenditure on equipment and building ... ..	238	489	620	1,347	267	547	671	1,485
34. Legal fees, stamp duties, etc. ...	—	—	—	46	—	—	—	49
35. Total ... ..				1,393				1,534



## GROSS CAPITAL FORMATION

group and type of asset

£ million

1950				1951				1952				
Vehicles, ships and aircraft	Plant and machinery	New buildings and works	Total	Vehicles, ships and aircraft	Plant and machinery	New buildings and works	Total	Vehicles, ships and aircraft	Plant and machinery	New buildings and works	Total	
6	51	22	79	8	56	22	86	6	55	20	81	1.
—	—	1	1	—	—	1	1	—	—	1	1	2.
4	—	—	4	2	—	—	2	2	—	—	2	3.
—	18	9	27	1	17	11	29	1	25	16	42	4.
1	5	1	7	1	5	1	7	1	5	1	7	5.
—	—	—	—	—	—	—	—	—	—	—	—	6.
—	4	7	11	—	23	8	31	1	38	14	53	a.
—	21	11	32	—	22	12	34	—	25	12	37	b.
1	36	12	49	1	45	10	56	1	43	11	55	c.
31	243	80	354	40	276	86	402	43	284	78	405	d.
32	304	110	446	41	366	116	523	45	390	115	550	e.
—	5	11	16	—	8	14	22	—	11	18	29	7.
6	16	2	24	7	24	3	34	9	27	4	40	8.
2	101	36	139	2	113	37	152	1	123	38	162	9.
1	24	9	34	1	28	12	41	1	32	14	47	10.
—	4	20	24	—	4	24	28	—	5	28	33	11.
32	3	10	45	35	3	8	46	27	4	11	42	12.
35	1	3	39	24	1	4	29	21	1	4	26	13.
13	1	3	17	12	1	3	16	.. <sup>(1)</sup>	.. <sup>(1)</sup>	.. <sup>(1)</sup>	.. <sup>(1)</sup>	14.
1	2	7	10	1	2	5	8	1	2	6	9	15.
63	—	1	64	63	—	1	64	64	—	—	64	16.
1	2	6	9	1	2	6	9	1	3	6	10	17.
8	1	4	13	7	1	5	13	8	1	5	14	18.
1	40	3	44	1	46	4	51	1	56	5	62	19.
—	1	1	2	—	1	1	2	—	1	1	2	20.
57	38	38	133	60	49	40	149	72 <sup>(1)</sup>	50 <sup>(1)</sup>	38 <sup>(1)</sup>	160 <sup>(1)</sup>	21.
263	617	297	1,177	267	727	318	1,312	261	791	331	1,383	22.
—	—	332	332	—	—	366	366	—	—	485	485	23.
—	2	48	50	—	2	56	58	—	3	63	66	24.
—	—	1	1	—	—	1	1	—	—	1	1	25.
1	4	11	16	1	4	10	15	1	4	12	17	26.
1	1	1	3	{ 1	—	1	2	1	—	1	2	27.
—	1	12	13	1	1	1	3	1	1	1	3	28.
—	—	3	3	—	1	17	18	—	1	23	24	29.
1	4	12	17	—	—	3	3	—	—	3	3	30.
1	1	9	11	1	6	11	18	1	4	7	12	31.
—	—	—	—	2	1	10	13	2	1	10	13	32.
267	630	726	1,623	273	742	794	1,809	267	805	937	2,009	33.
—	—	—	51	—	—	—	54	—	—	—	45	34.
—	—	—	1,674	—	—	—	1,863	—	—	—	2,054	35.

<sup>(1)</sup> In 1952 road goods transport is included under item 21.



## GROSS CAPITAL FORMATION

## Gross fixed capital formation

TABLE 44

	S.I.C. Order	1948				1949			
		Vehicles	Plant and machinery	New buildings and works	Total	Vehicles	Plant and machinery	New buildings and works	Total
1. Government-financed expenditure ... ..		—	— 7	14	7	—	— 1	9	8
2. Other:									
Bricks, pottery, glass, cement, etc. ... ..	III	1	13	5	19	2	11	5	18
Mineral oil refining... ..	IV	—	4	2	6	—	14	4	18
Other chemicals and allied trades ... ..	IV	2	24	7	33	3	30	9	42
Iron and steel manufacture	V	—	23	9	32	1	29	12	42
Non-ferrous metals manu- facture ... ..	V	1	5	1	7	—	7	2	9
Engineering, shipbuilding and electrical goods ...	VI	4	35	13	52	4	35	13	52
Vehicles ... ..	VII	2	16	4	22	2	15	5	22
Metal goods not elsewhere specified ... ..	VIII	1	11	3	15	1	11	4	16
Precision instruments, jewel- lery, etc. ... ..	IX	—	4	1	5	—	3	1	4
Textiles ... ..	X	2	27	8	37	2	36	11	49
Leather, leather goods and fur ... ..	XI	—	1	1	2	—	2	1	3
Clothing ... ..	XII	1	7	2	10	2	5	2	9
Food and drink ... ..	XIII	9	28	8	45	8	30	10	48
Tobacco ... ..	XIII	—	2	1	3	—	2	1	3
Manufactures of wood and cork ... ..	XIV	1	4	1	6	2	4	1	7
Paper and printing ... ..	XV	1	17	5	23	1	18	3	22
Other manufacturing indus- tries ... ..	XVI	1	7	3	11	1	7	3	11
3. Total ... ..		26	221	88	335	29	258	96	383

For notes on this table see p. 97.



## £ million

1950				1951			
Vehicles	Plant and machinery	New buildings and works	Total	Vehicles	Plant and machinery	New buildings and works	Total
—	4	7	11	—	23	8	31
3	11	5	19	3	12	5	20
—	21	11	32	—	22	12	34
2	40	12	54	4	51	15	70
1	36	12	49	1	45	10	56
—	6	2	8	1	6	1	8
5	36	14	55	6	42	15	63
2	21	6	29	4	26	8	38
2	11	5	18	3	11	4	18
—	2	1	3	—	3	1	4
2	38	12	52	3	41	10	54
—	2	1	3	—	1	1	2
2	4	2	8	2	4	1	7
8	37	13	58	9	40	15	64
—	2	—	2	—	2	—	2
3	5	2	10	2	5	3	10
1	20	3	24	2	23	5	30
1	8	2	11	1	9	2	12
32	304	110	446	41	366	116	523

1. Government-financed expenditure

2. Other:

- Bricks, pottery, glass, cement, etc.
- Mineral oil refining
- Other chemicals and allied trades
- Iron and steel manufacture
- Non-ferrous metals manufacture
- Engineering, shipbuilding and electrical goods
- Vehicles
- Metal goods not elsewhere specified
- Precision instruments, jewellery, etc.
- Textiles
- Leather, leather goods and fur
- Clothing
- Food and drink
- Tobacco
- Manufactures of wood and cork
- Paper and printing
- Other manufacturing industries

3. Total



## GROSS CAPITAL FORMATION

## Capital formation in stocks and work in progress by sector

TABLE 45

£ million

		Persons ( <sup>1</sup> )	Com- panies	Public corpora- tions	Central Government			Total
					Trading	Strategic stocks	Disposal of surplus stores	
1. Increase in value of stocks and work in progress								
	1948	96	389	31	22	—	—60	478
	1949	75	206	33	—24	—	—32	258
	1950	108	462	14	—67	—	—27	490
	1951	217	942	84	63	127	—23	1,410
	1952	13	—164	35	1	49	—7	—73
of which:—								
2. Stock appreciation								
	1948	59	200	42	24	—	—	325
	1949	45	189	—	—9	—	—	225
	1950	78	475	29	118	—	—	700
	1951	127	500	80	93	—	—	800
	1952	58	23	1	—32	—	—	50
3. Value of physical increase in stocks and work in progress								
	1948	37	189	—11	—2	7	—60	153
	1949	30	17	33	—15	—	—32	33
	1950	30	—13	—15	—185	—	—27	—210
	1951	90	442	4	—30	127	—23	610
	1952	—45	—187	34	33	49	—7	—123
4. Value of stocks and work in progress held at end of 1951 ... ..		1,500	4,770	495	493	127	...	7,385

For notes on this table see p. 97.

(<sup>1</sup>) Stocks held for business purposes by professional persons, farmers, other sole traders and partnerships.



## GROSS CAPITAL FORMATION

## Capital formation in stocks and work in progress by industry

TABLE 46

£ million

	S.I.C. Order	Increase in value of stocks and work in progress					Total value of stocks held at end of 1951
		1948	1949	1950	1951	1952	
1. Agriculture and forestry ... ..	II	38	41	41	48	43	600
2. Mining and quarrying ... ..		13	9	-11	14	33	80
3. Manufacturing industry—	IV						
a. Chemicals and allied trades...							
i. Materials and fuel ... ..	IV	6	-3	17	49	..	149
ii. Finished products and work in progress ... ..		10	5	7	30	..	99
b. Metals, engineering and vehicles ... ..	V-IX						
i. Materials and fuel ... ..		56	7	26	138	..	600
ii. Finished products and work in progress ... ..	V-IX	85	34	45	157	..	880
c. Textiles, leather and clothing	X-XII						
i. Materials and fuel ... ..		36	31	93	-7	..	354
ii. Finished products and work in progress ... ..	X-XII	36	19	53	69	..	318
d. Food, drink and tobacco ... ..	XIII						
i. Materials and fuel ... ..		13	12	22	61	..	238
ii. Finished products and work in progress ... ..	XIII	23	13	17	25	..	214
e. Other manufacturing indus- tries ... ..	III, XIV-XVI						
i. Materials and fuel ... ..		19	-4	43	112	..	292
ii. Finished products and work in progress ... ..	III, XIV-XVI	18	6	13	36	..	145
f. Total, manufacturing industry	III-XVI	302	120	336	670	110	3,289
4. Retail trade... ..	XVIII	5	41	52	86	- 59	660
5. Electricity, gas and water ... ..		} 180 {	10	6	21	} -242 {	114
6. Other industries and services ... ..	XVIII		69	93	467		2,515
7. Central Government strategic stocks ... ..	XVIII	—	—	—	127	49	127
8. less Disposal of Government sur- plus stores ... ..		-60	-32	-27	-23	-7	..
9. Total increase in value ... ..		478	258	490	1,410	-73	7,385
10. less Stock appreciation ... ..		-325	-225	-700	-800	-50	
11. Value of physical increase in stocks and work in progress... ..		153	33	-210	610	-123	

For notes on this table see p. 98.







# NOTES

These notes are not a complete description of all tables and items. Where no significant change has been made in definition or presentation the explanations given in "National Income and

Expenditure 1946-1951" (H.M.S.O. August, 1952) still apply; the latter publication is referred to below as the "Blue Book, 1952".

## I. Summary Tables

Tables 1-10 present in summary form the more important statistics of national income and expenditure. The items appearing in these tables represent the main categories—so far as they are at present capable of measurement—normally used in national accounting. The tables in the rest of the book are designed to show in more detail the composition of one or more of these major categories, or to present them in an alternative form.

### *The structure of social accounts*

Underlying these summary tables, but not fully exposed in them, is a structure of "social accounts". The general principles of "social accounts" as a method of presenting national income and expenditure statistics, and their application to the tables presented here, were summarised in the Introduction to the Blue Book, 1952 (paras. 22-36). This framework is displayed in Table 8, which shows in as much detail as the data permit, for the year 1952, the money flows between the sectors and between the various kinds of accounts.

One feature of the system of social accounts, running through many of the tables in the present publication, is the division of the economy into "sectors". These sectors form a convenient basis for analysis, especially for the analysis of saving and investment. There are various ways in which the division by sectors might be made; if sufficient information were available, for example, each industry might be treated as a sector. The practice in this series of papers, having regard to the data available and to international usage, is to base analysis on the following six sectors:—

Persons.

Companies (private corporate trading bodies).

Public corporations (the nationalised industries).

Central Government.

Local authorities.

The rest of the world (a "sector" representing non-residents' transactions with the United Kingdom).

The composition of each of these sectors is further defined below (generally by reference to the definition in the Blue Book, 1952). The sector "Persons", however, may require special attention. This sector comprises not only persons in their capacity as final consumers, but also all unincorporated business concerns—one-man businesses and partnerships, including farmers and professional people practising on their own account. For such concerns, no separation is possible (unless by purely arbitrary assumptions) between the "salary" and the "profit" elements in income, nor between the "personal" and the "business" element in saving. In the summary analysis of income (e.g. in Table 1), the total income of such concerns is stated separately as the income of "self-employed persons" incorporating elements analogous both to the income of employees and to the trading profits of companies. In the analysis of saving (e.g. in Tables 2 and 6) not even this separation is possible, and the total of "personal" saving must be understood to include the business savings of these unincorporated concerns.

### **Notes on the items in the Summary Tables**

Each item appearing in the summary tables is given a reference number, listed below. Whenever the item appears in one of the summary tables, either alone or in combination with another item, its reference number is shown against it.

#### *Gross national expenditure*

1. *Consumers' expenditure, at market prices.*<sup>(1)</sup>  
—Expenditure on consumers' goods and services by persons and non-profit-making bodies, at market prices, *plus* the value of income in kind (formerly described as "personal consumption"). For further details see Tables 17 and 19 and the notes on page 82.

<sup>(1)</sup> See footnote <sup>(1)</sup> on page 72.



2. *Current expenditure by Central Government on goods and services, at market prices.*<sup>(1)</sup>—Current expenditure by the Central Government and National Insurance Funds constituting a direct demand for goods and services (including the services of Government employees). Excludes (a) current expenditure on national insurance benefits and other grants to persons, subsidies and debt interest, (b) expenditure on fixed capital assets and on adding to stocks, which are included under items 4 and 5, and (c) loans, repayment of loans and capital grants. For details see Table 27 and the notes on page 87. A more detailed consolidated analysis of the current expenditure of all public authorities on goods and services is shown in Table 32 and described on page 90.

3. *Current expenditure by local authorities on goods and services, at market prices.*<sup>(1)</sup>—The definition corresponds to that of item 2. For further details see Table 30.

4. *Gross fixed capital formation, at market prices*<sup>(1)</sup> by :—

- a. *Persons.*
- b. *Companies.*
- c. *Public corporations.*
- d. *Central Government.*
- e. *Local authorities.*

Expenditure on new fixed capital assets (buildings, plant and machinery, etc.) whether for replacement of, or addition to, existing assets. Excludes current expenditure on maintenance and repair. The definition of gross fixed capital formation has been changed from that used in the Blue Book, 1952; repair work in excess of estimated expenditure required to maintain buildings in a constant state of repair is no longer included as part of gross fixed capital formation, and repair work less than is required for this purpose is no longer treated as a deduction from gross fixed capital formation. This is more fully explained in the notes on page 94. Further details of fixed capital formation by industry, sector and type of asset will be found in Tables 39-44.

5. *Value of physical increase in stocks and work in progress at market prices.*<sup>(1)</sup>—Increase in the quantity of stocks and work in progress held

<sup>(1)</sup> In Table 10 each form of expenditure is shown at *factor cost*, i.e. excluding the estimated value of taxes on expenditure and including the estimated value of subsidies. The allocation of these taxes and subsidies is shown in Table 37.

by trading enterprises, or by the Government for strategic purposes, valued at average prices of the year. Calculation of the physical increase in stocks is related to the calculation of stock appreciation (item 20); the method of estimating, and the considerable uncertainties attached to the figures, are described on page 97. An analysis by sector of the physical change in stocks is given in Table 45. An analysis of changes in the value of stocks by industry is given in Table 46 but without separation into physical changes and stock appreciation.

6. *Exports and income received from abroad, at market prices*<sup>(1)</sup> :

a. *Exports and re-exports of merchandise from the United Kingdom.*—Same as item A.8 in the White Papers on the Balance of Payments (of which the latest is Cmd. 8808).

b. *Other exports of goods and services.*—Sales of goods and services by United Kingdom residents to the rest of the world (other than item 6a). This figure is derived by estimating the value of goods and services contained in the "invisible" exports shown in items A.9, 11, 12 and 13 of the White Papers on the Balance of Payments.

c. *Property income received.*—Rent, interest, profits and dividends received from overseas by United Kingdom residents. This item includes the elements of property income in items A.10 and 13 of the White Papers on the Balance of Payments. It also includes taxes paid by foreigners to the United Kingdom Government.

It should be noted that item 6 excludes current overseas transactions representing transfers and grants.

7. *Imports and income paid abroad :*

a. *Imports of merchandise into the United Kingdom.*—Same as item A.1 in the White Papers on the Balance of Payments.

b. *Other imports of goods and services.*—Purchases from abroad by United Kingdom residents of goods and services (other than those included in 7a). This figure is derived by estimating the value of goods and services contained in the "invisible" imports shown in items A.2, 4, 6, and 13 of the White Papers on the Balance of Payments.

c. *Property income paid abroad.*—Rent, interest, profits and dividends paid overseas. This item includes elements of property income in the White Papers on the Balance of Pay-



ments, (items A.3 and 13). It also includes taxes paid to foreign governments.

It should be noted that item 7 excludes current overseas transactions representing transfers and grants.

8. *Taxes on expenditure paid to Central Government.*—"Indirect" taxes related to the volume of production of, or trade in, particular goods and services, as distinct from taxes related to the income or capital resources of particular individuals, companies, etc. The estimated incidence of indirect taxes less subsidies on each major form of expenditure is shown in Table 37.

9. *Taxes on expenditure paid to local authorities.*—Local rates and payments in lieu of rates.

10. *Subsidies paid by Central Government.*—Payments made to a producer or trader with the object of reducing the price below the factor cost of production; includes the financing of losses on public trading services, e.g. in food and housing. It should be observed that changes in the definition of Central Government trading bodies, described on page 85, have extended the definition of subsidies. For details of subsidies see Table 34.

11. *Subsidies paid by local authorities.*—Housing subsidies.

#### *Forms of factor income*

12. *Income of employees and the Forces:*—

a. *Wages.*

b. *Salaries.*

Gross cash earnings of wage-earners and salaried employees, before deduction of income tax or insurance contributions, plus income in kind. The distinction between wage-earners and salary-earners has been revised since the Blue Book, 1952; shop assistants, previously classed as salary-earners, are now treated as wage-earners. This change has been made to restrict the category of salary-earners to occupations analogous to those covered by the description "administrative, technical and clerical" employees in the Census of Production.

c. *Pay in cash and kind of the Forces.*—Includes retired pay and pensions and income in kind (food and clothing) and also the pay of reserve forces.

d. *Employers' national insurance contributions.*—Employers' contributions to the national insurance scheme. This is regarded (in

accordance with international practice) as part of employees' income deducted at source.

e. *Other employers' contributions.*—This item (which in Blue Book, 1952, was included in the figure of wages and salaries) represents employers' contributions to superannuation and pension funds together with compensation payments by public corporations to injured employees.

For details see Tables 11 and 12. Further notes on the definition of these categories of income (subject to the changes noted above) will be found on page 65 of Blue Book, 1952.

13. *Income of self-employed persons (including provisions for depreciation and stock appreciation):*—

a. *Professional persons.*—Income, before tax, of professional workers from practice on their own account.

b. *Farmers.*—Income, before deduction of tax or interest payments, of farmers with holdings of one acre or more; companies engaged in agriculture are also included.

c. *Other sole traders and partnerships.*—Trading profits, before tax, of non-corporate enterprises other than those engaged in providing professional services or in farming.

It should be noted that in Blue Book, 1952, the figures for these classes of income, as for other classes of profit income, were reckoned after deduction of provision for depreciation. Changes in the treatment of rent and of "excess repairs" (see notes on item 4 and 18) have also affected the figures. The effect of the change in the treatment of rent is that profit incomes now include the imputed income from business premises owned by the occupier.

Further notes on the definition of these categories of income, subject to the changes noted above, will be found on page 66 of the Blue Book, 1952.

14. *Gross trading profits of companies (including provisions for depreciation and stock appreciation).*—Trading profits, before tax, of companies and co-operative societies operating in the United Kingdom. It should be noted that in Blue Book, 1952, the figures for this as for other classes of profit income were reckoned after deduction of provision for depreciation. Changes in the treatment of rent and of "excess repairs" (see notes on item 4 and 18) have also affected the figures. The effect of the change in the treatment of rent is that profit incomes now in-



clude the imputed income from business premises owned by the occupier. For further details see Tables 20 and 21.

15. *Gross trading surpluses of public corporations (including provisions for depreciation and stock appreciation).*—The trading surpluses, before tax, of the public boards engaged in providing coal, electricity, gas, transport, etc. It should be noted that in Blue Book, 1952, the figures for this as for other classes of profit income were reckoned *after* deduction of provision for depreciation. Changes in the treatment of rent and of "excess repairs" (see notes on item 4 and 18) have also affected the figures. The effect of the change in the treatment of rent is that profit incomes now include the imputed income from business premises owned by the occupier. For further details of the operations of public corporations see Tables 22–26.

16. *Gross profits of Central Government trading bodies (including provisions for depreciation and stock appreciation).*—The profits of the trading departments of the Central Government. The definition of trading departments has been widened as described on page 85. It should be noted that in Blue Book, 1952, the figures for this as for other classes of profit income were reckoned *after* deduction of provision for depreciation.

17. *Gross profits of local authority trading bodies (including provisions for depreciation and stock appreciation).*—The definition corresponds to that of item 16.

18. *Rent (including provision for depreciation).*—Income arising from ownership of land and buildings (including imputed rent of owner-occupiers of dwelling-houses), less actual expenditure on repairs and insurance. It includes any subsidies paid in supplementation of the actual rents received from tenants. The definition of rent differs from that of the corresponding item in Blue Book, 1952, in four respects:—(i) income arising from the ownership of land and buildings is now reckoned after deducting actual expenditure on repairs instead of a provision for repairs; (ii) the gross rental income of public authorities is now reckoned before deduction of repayments of the debt corresponding to the initial capital cost of their property (which was formerly treated as a measure of depreciation); (iii) the income from farm land and buildings is now defined consistently with the estimates of the income of farmers from farming and not in terms of the Schedule A values of the property; (iv) imputed income from owner-

occupied trading property is now included in trading income (items 13–17) and not as part of rent. The latter has the disadvantage of making the trading profits of a business concern that owns its premises not strictly comparable with those of a concern that rents them. On the other hand there is no basis for attributing a rent to owner-occupiers other than Schedule A values used for tax purposes; these have remained unchanged since before the war.

19. *Residual error.*—The estimates of gross national product and expenditure are built up from largely independent data on incomes and on final expenditure. In previous years the differences between the totals arrived at from these two approaches have been eliminated by minor adjustments to individual items of income or expenditure. It has been decided in this book to show the differences produced by the independent estimates. The item "residual error" is presented as though it were an unknown item (positive or negative) of income. This is purely for convenience of presentation and does not imply that the estimates of expenditure are necessarily superior in accuracy to the estimates of income. The "residual error" item is not attributed to any of the sectors of which the accounts are analysed in Tables 2, 3, 4, 5 or 7. It is, however, carried into the combined capital account (Table 6) as a form of "saving". No allowance for "residual error" is made for the years 1946 and 1947; so little information exists about stock changes in these years that the estimate of stock changes is wholly a residual.

20. *Stock appreciation.*—The part of the change in the value of stocks and work in progress during the year which arises from increases in the prices at which stocks and work in progress are valued. The estimates of stock appreciation are related to the estimate of physical change in stocks, as described on page 97, and for the reasons given there they are highly uncertain.

21. *Net income from abroad.*—Item 6c less item 7c.

*Other items of personal income and expenditure*

22. *Rent, dividends and interest received by persons.*—Receipts by persons and non-profit-making bodies (including the life and industrial assurance funds of insurance companies) of rent, dividends (including co-operative society dividends) and interest.

23. *Remittances abroad (net) by persons.*—Net remittances abroad by persons, including legacies



and funds taken abroad by emigrants. The same as item A5 in the White Papers on the Balance of Payments.

24. *Grants paid to persons by Central Government including National Insurance Funds:—*

*a. National insurance benefits.*

*b. Other.*

National insurance benefits, national assistance, family allowances, war pensions, scholarships, etc.; also grants to non-profit-making bodies serving persons. The detailed composition is given in Table 35.

25. *Grants paid to persons by local authorities.*—The definition corresponds to that of item 24.

26. *Income of employees and the Forces after tax payments.*—Item 12 less the appropriate parts of 30a and 31.

27. *Income of self-employed persons after tax payments.*—Item 13 less the appropriate parts of 30a and 31.

28. *Personal income from rent, dividends and interest after tax payments.*—Item 22 less the appropriate parts of 30a and 31.

29. *Personal income from current grants by public authorities, after tax.*—Items 24 and 25 less the appropriate parts of 30a and 31.

The estimates of the incidence of tax on different forms of income, which must be regarded as only approximate, are shown in more detail in Table 36.

30. *Provision for taxes on income by persons:—*

*a. Payments.*

*b. Additions to tax reserves.*—The excess of provision for income tax and excess profits tax over the actual payments in the year applies only to self-employed persons.

31. *National insurance contributions.*—Contributions by employers (12d), employees and the self-employed.

32. *Balance: saving and provisions for depreciation and stock appreciation.*—This figure is obtained as the residual difference in Table 2 between total personal incomes and total expenditure; both the absolute amount in each year, and the changes from year to year, are subject to a large margin of error. In interpreting the changes in this figure, account should be taken of changes in the item "additions to tax reserves" (30b).

*Other items in the appropriation account of companies*

33. *Other income of companies (in addition to gross trading profits):—*

*a. Income earned abroad.*—The profits of British companies operating abroad including the "balance of payments adjustment" (see Table 20). The figures represent profits before deduction of taxes paid to foreign governments. It is a part of 6c.

*b. Non-trading income.*—The chief components are public debt interest and rent from property owned and let. In Blue Book, 1952, imputed rent from property owned and occupied was also included; this is now treated as part of trading profits (item 14).

34. *Company dividends and interest:—*

*a. Payments.*

*b. Additions to dividend and interest reserves.*

Dividends and interest (before deduction of income tax) paid out of the year's income, divided between (a) the amount actually paid in the year, and (b) the amount added to reserve for payment in a future year. Dividends etc. paid by one company to another are excluded.

35. *Remittances and taxes paid abroad by companies.*—Remittances abroad of foreign companies operating in the United Kingdom; taxes paid to overseas governments by British companies in respect of income earned abroad. It is a part of 7c.

36. *Undistributed income of companies before United Kingdom tax, including provisions for depreciation and stock appreciation.*—Items 14 and 33 less 34 and less 35.

37. *Provision for United Kingdom taxation by companies:—*

*a. Payments.*

*b. Additions to tax reserves.*

Provision for taxation on current income at current rates, divided between (a) the amount actually paid in the year, and (b) the net excess of this provision over the amount actually paid.

38. *Undistributed income of companies after provision for United Kingdom tax, (including provisions for depreciation and stock appreciation).*—Item 36 less 37.

*Other items in the appropriation account of public corporations*

39. *Other income of public corporations (in addition to gross trading surpluses):—*

*a. Income earned abroad.*

*b. Non-trading income.*

This item corresponds to item 33 for companies.



40. *Provision for interest by public corporations:—*

*a. Payments.*

*b. Additions to interest reserves.*

This item corresponds to item 34 for companies.

41. *Undistributed income of public corporations before tax (including provisions for depreciation and stock appreciation).—Items 15 and 39 less 40.*

42. *Provision for United Kingdom taxation by public corporations:—*

*a. Payments.*

*b. Additions to tax reserves.*

This item corresponds to item 37 for companies.

43. *Undistributed income of public corporations after provision for United Kingdom tax (including provisions for depreciation and stock appreciation).—Item 41 less 42.*

*Other items in the revenue account of Central Government, including National Insurance Funds.*

44. *Non-trading income from property of Central Government.—Rent and interest (other than Government debt interest) received by the Government.*

45. *Total income from property of Central Government.—Items 16 and 44.*

46. *Taxes on income.—Receipts from income tax, surtax, profits tax and excess profits tax. Items 30a, 37a and 42a.*

47. *Taxes on capital.—Death duties and the special contribution. These are regarded as falling on private capital accounts, not on current accounts.*

48. *Current grants from overseas Governments.—Net receipts from the United States Government under the Katz-Gaitskell agreement and the Military Security Act.*

49. *Debt interest paid by Central Government.—Excludes payments within the Central Government and the National Insurance Funds.*

50. *Current grants to local authorities.—Includes equalisation grants and grants towards specific services. Excludes capital grants.*

51. *Current grants paid abroad.—Grants to Colonial Governments for welfare and development, etc.; financial assistance to certain foreign governments (e.g. Jordan); contributions to international organisations; pensions paid to persons abroad. Includes cost of civil supplies for Germany (treated in Blue Book, 1952, as current expenditure on goods and services).*

52. *Transfers to capital accounts.—Payments of war damage compensation, post-war refunds of excess profits tax, compensation to doctors and dentists. It should be noted that these payments are not included in personal income (Table 2).*

53. *Surplus of Central Government, including provisions for depreciation and stock appreciation.*

*Other items in current account of local authorities*

54. *Non-trading income from property of local authorities.—Rent, dividends and interest received by local authorities.*

55. *Total income from property of local authorities.—Items 17 and 54.*

56. *Debt interest paid by local authorities.*

57. *Current surplus of local authorities including provisions for depreciation and stock appreciation.*

*Other items in transactions with the rest of the world*

58. *Current transfers to persons.—23 (net remittances abroad by persons) and part of 51 (Government pensions paid to persons abroad).*

59. *Current transfers to overseas governments and international organisations.—51 excluding grants to persons.*

60. *War disposals, settlements, etc.—Item A.12 in the White Papers on the Balance of Payments, less the part of the United Kingdom's gold and dollar payments to the European Payments Union which was reimbursed by the United States Government (included under item 48), and less certain receipts treated here as exports of goods and services (item 6b).*

61. *Capital grants from overseas governments.—Item B.I in the White Papers on the Balance of Payments. The principal items are receipts of aid under the European Recovery Programme.*

62. *Net investment abroad.—Items B.III, IV and V of the White Papers on the Balance of Payments. The item is the net result of U.K. overseas investment or borrowing, changes in sterling liabilities, etc., and changes in the gold and dollar reserves.*

### Notes on the Summary Tables

#### Table 1—Gross national product

This table shows on the left-hand side the expenditure flows which generate the gross national product; the various forms of expenditure are stated at market prices (with an adjustment



of the total to factor cost). The right-hand side shows the gross incomes received by each factor of production, before redistribution by transfers, by payments of interest and dividends, or by taxes on income. The effect of redistribution by such transfers is shown later, in Table 9.

If these tables are to be used as part of the structure of social accounts, the left-hand side of Table 1 should be regarded as "Receipts" by the United Kingdom production account and the right-hand side as "Payments" from this account.

#### **Table 2—Personal income and expenditure**

This table shows the sources of income of persons—a category which is taken to include non-profit-making bodies such as churches, charities and universities and also unincorporated businesses—and the various ways in which it is spent or saved. For further details of expenditure by persons see Tables 17–19.

#### **Table 3—Corporate income appropriation account**

This table shows the sources of income of companies and public corporations, and the ways in which it is appropriated. It should be emphasised that the table differs from the normal methods of company accounting; in particular no attempt is made to deduct provision for depreciation as a current cost before reckoning income. (For particulars of statutory provision for depreciation see page 95.) For separate details of appropriation accounts of companies see Table 20; for public corporations see Tables 23 and 25.

#### **Table 4—Revenue account of Central Government including National Insurance Funds**

It should be noted that this statement of the revenue and expenditure of the Central Government, with which the transactions of the National Insurance Funds are consolidated, differs in scope and presentation from the Exchequer Accounts. For details see Tables 27 and 29 and notes on pages 85 to 87.

#### **Table 5—Current account of local authorities**

The table is mainly derived from the Local Government Financial Statistics although differing in presentation. For further details see Table 30.

#### **Table 6—Combined capital account**

The table is a consolidated capital account for all sectors. On the left-hand side are shown the funds available for investment, representing the "savings" of each of the sectors. These savings

are transferred from the income and expenditure account of persons (Table 2), the appropriation account of companies and public corporations (Table 3), the revenue account of the Central Government (Table 4) and the current account of local authorities (Table 5). The additions to dividend and tax reserves are then brought in from Tables 2 and 3, since these "reserves" may be regarded as available for investment in the year of accrual although committed for payment of dividends or taxes in the subsequent year (or later). The total of savings from the four sectors, together with dividend and tax reserves, is described in the table as "Total national saving". This total includes stock appreciation, which is then deducted. Capital transfers from abroad, for example, grants under the European Recovery Programme, together with other capital receipts (mainly in settlement of wartime transactions or representing disposals of surplus stores), represent a further source of funds available for investment. As explained on page 74, the item "residual error" is also treated as a form of income not matched by identifiable current expenditure, and is therefore added to make up the total of funds available for investment.

On the right-hand side of the table are shown the forms of investment into which these funds flowed, divided between domestic fixed capital formation, physical changes in stocks and net investment abroad. It will be noted that no distinction can at present be drawn in the case of fixed capital formation between the replacement of existing assets and additions to the existing stock of assets. For notes on some of the concepts used in this table see pages 94 and 97. Separate capital accounts are given for the public corporations (Tables 24 and 26), for the Central Government (Table 28), for local authorities (Table 31) and a summary capital account for each domestic sector (Table 38).

#### **Table 7—Transactions with the rest of the world**

This table is a summary of the transactions, current and capital, between residents of the United Kingdom and the rest of the world. The table is based on the more detailed information in the periodical White Papers on the Balance of Payments (of which the latest is Cmd. 8808), but the material is rearranged to accord with the concepts used elsewhere in the present book. In particular, current transactions are divided into the three main categories used throughout the present book: purchases of goods and services ("visible" and "invisible"), property income and transfer payments.



**Table 8—The social accounts of the United Kingdom, 1952**

This table is designed to show the greatest extent of "articulation" in the social accounts which is feasible with present information.

Each row in the table represents a form of money flow from one sector to another or from one account to another. Each of these flows appears twice in the table—as a payment by one account and as a receipt by another. The total of receipts in each row is therefore the same as the total of payments.

Each pair of columns in the table represents one account. A greater number of accounts could be shown; here the accounts for companies have been consolidated with those for public corporations, and the accounts for the Central Government with those for local authorities. This consolidation is intended to simplify the table, which should be regarded as illustrating the structure of social accounts underlying the United Kingdom system of national income statistics rather than as providing information not given elsewhere.

The information available does not permit full articulation in the case of interest and dividends. For this item, estimates can be made of total payments, and of total receipts, by each sector; but it is not possible to estimate all the inter-sector flows (e.g. how much Government debt interest is paid to persons and how much to companies).

The items may be traced from the following list:

Item No. in Table 8	Reference number in Summary Tables, or other reference
1a	12.
1b	13.
1c	14, 15.
1d	16, 17.
1e	Payments: 18. Receipts by each sector (except public authorities) are not shown separately elsewhere and are very uncertain.
2	8, 9.
3	10, 11.
4a	24, 25, 48, 51.
4b	U.K. receipts 22, 33, 39, 44, 54. <i>less</i> rents in each case. U.K. payments: 34a, 35, 40a, 49, 56. Rest of world: 6c, 7c.

Item No. in Table 8	Reference number in Summary Tables, or other reference
4c	30a, 31, 37a, 42a.
4d	23.
5a	1 (receipts by rest of world—part of 7b—are shown as item 20 of Table 17 (i)).
5b	2, 3 (receipts by rest of world—part of 7b—are not shown separately elsewhere).
6a plus } 6b }	32, 38, 43, 57 and, for Central Government, 53 <i>less</i> 47 <i>plus</i> 52.
6b	20. See Table 38 for sector analysis.
6c	30b, 34b, 37b, 40b, 42b.
7	47, 52, 60, 61.
8	4, 5. See Table 38 for sector analysis.
9	62 and item 9 of Table 38.
10	19.
11	6a, 6b, 7a, 7b, excluding purchases from abroad by persons (item 20 of Table 17 (i)) and by public authorities (not shown elsewhere).

**Table 9—Shares in the gross national product**

This table presents two supplementary analyses of the composition of gross national product by distributive shares. The right-hand side of Table 1 showed the gross incomes received by factors of production before redistribution by transfers, by payments of interest or dividends, or by taxes on income. On the left-hand side of Table 9 is shown the effect of redistribution by transfers and by payments of interest and dividends. On the right-hand side is shown the effect of the further redistribution by taxes on income, which leads up to what is known as the disposable income of persons, companies and public corporations.

**Table 10—Gross national product by industry of origin, and expenditure at factor cost**

Each side of this table shows an additional way of analysing the gross national product. On the left-hand side, the gross national product is divided by industry of origin; each industry's contribution represents its net output (including depreciation), or contribution to the gross national product. These are shown in more detail in Table 11. On the right-hand side the various forms of expenditure are shown as on the left-hand side of Table 1 but now at *factor cost* (i.e. with indirect taxes and subsidies removed). The distribution of indirect taxes and subsidies, which is also shown in Table 37, must be regarded as only approximate.



## II. Industrial Input and Output

Tables 11-14 are designed to show in some detail the composition by industry of the gross domestic product and the inter-relations between industries. Table 11 shows the contribution of each industry group to the gross domestic product (which is distinguished from the gross national product by the omission of net income from abroad), and the various forms of income representing that contribution. Table 12 provides further details of the major single item in Table 11—wages and salaries in manufacturing industry. Table 13 presents in summary form an "input-output" matrix for 1950, which is reproduced in an alternative presentation in Table 14.

**Table 11—Gross domestic product by industry of origin and type of income**

This table shows by industry of origin the various types of income which go to make up the gross domestic product. The industry groups, with the exception of *insurance, banking and finance*, which is distinguished separately for the first time and is described below, are defined as in Blue Book, 1952, page 62.

### **Insurance, banking and finance (item 8)**

*Gross profits and other income.* The figures given here include estimates of the profits, as conventionally understood, of all financial concerns in all sectors of the economy. These differ by the amount of the adjustment for net interest, described below, from the profits of financial concerns as defined for purposes of the national income and expenditure estimates presented in this book.

The term "financial concerns" covers banks, discount houses, finance houses, issuing houses, investment trusts, hire-purchase companies, stock-brokers and stock-jobbers, foreign exchange dealers, building societies and all forms of insurance concerns.

Apart from the profits of financial concerns, the figures include the profits of house and estate agents, rent-collecting agents and any other business concerns included in Order XXI of the Standard Industrial Classification with the exception of property companies and real estate concerns. The income from the owning and letting of property as a business is included in rent.

*Adjustment for net interest.* This item represents an estimate of the interest and dividends received by financial concerns *less* interest, other

than debenture interest, paid by them and *less* interest on life insurance and industrial assurance funds. In reckoning the total national income, income of this kind must be excluded from trading profits since these are defined, as for other business concerns, as receipts from the sale of goods and services *less* the current cost of sales. Thus the contribution to the gross domestic product attributed in this table to the profits of financial concerns is simply the difference between bank charges, commissions, etc. on the one hand, and management expenses on the other. The figure is negligible, or even negative (being the small difference between the second and fourth lines of item 8). Theoretically it would be possible to attribute to financial concerns sales of financial services equal in total to the amount of net interest received. These sales would be matched by corresponding purchases attributed partly to business concerns (which would affect the definition of their trading profits) and partly to final buyers—persons, public authorities and non-residents—(which would affect the definition of national expenditure). In principle, these sales would represent the interest foregone by customers lending their money to financial concerns, and the extra interest paid by customers borrowing from them. To carry out this principle in detail would involve the construction of an elaborate set of "imputed" transactions. With the inadequate information at present available, such estimates would not be justified. However, an exception has been made for life insurance.

Concerns engaged in life insurance are required by law to establish separate Life Funds. The interest on these funds forms part of the income of the holders of life policies and the investments of the Life Funds a part of their property. The interest therefore forms part of personal income and the increase in the amount invested a part of personal saving. The same applies to Industrial Assurance Funds. For the estimates of trading income given in this book, the profits of life insurance concerns are defined as they would be for their own purposes. A sale is "imputed" to persons equal to these profits *plus* management expenses. It then follows that the formula of "sales *less* expenses" gives profits as conventionally understood. Some life insurance concerns are "mutual" or non-profit-making bodies. All the operations of these bodies are recorded in the personal sector of the economy by reason of the definition of "persons".



The treatment of the profits of financial concerns just described represents no change in principle from that followed in Blue Book, 1952. An attempt has been made, however, to strengthen the estimates and ensure that the principle is logically and consistently applied throughout.

### Rent

This item represents the gross income arising from (a) land and buildings *rented* by business concerns or public authorities and (b) buildings owned and used by public authorities (except trading bodies). It is equal to the total of rent (item 18 in Table 1) *less* the rent of farm land and buildings (included in item 1 of the present table) and *less* the rent of publicly and privately owned dwellings (item 12). In Blue Book, 1952, rent was allocated to the industry using the property from which rent arose. This year, except for rent of farm property and dwellings, it has been concentrated in one industry for lack of adequate information on which to allocate it. This, it should be noted, applies to rented property only. The income from owner-occupied trading property has not been included in rent (see notes to item 18 of the Summary Tables); it forms part of the trading income that has been allocated by industry in the present table.

### Table 13—Inter-industry transactions 1950

This table is similar to Table 13 of the Blue Book, 1952, except that the figures now refer to 1950 instead of 1948. Because of certain changes in treatment and revisions made to the basic data, the figures for 1950 are not comparable with those given for 1948.

In this table the United Kingdom economy is divided into ten major industries; estimates are given for each industry (a) of its *purchases* for use in current production of the goods and services produced by each of the other industries, of the services of factors of production, and of imports, and (b) of the *sales* of its products to each of the other industries, to final buyers in the United Kingdom and to overseas buyers. The purchases of each industry are recorded in a column, its sales in a row. Purchases by personal consumers, public authorities, capital accounts and overseas buyers occupy columns 12 to 17, while sales of imports, services of employees and the services of other factors of production occupy rows 11, 14 and 15.

The sum of rows 14 and 15 (incomes and depreciation generated in each industry) *less* the total in column 18 (stock appreciation) is identical with the total in column 17 (final output at

market prices) *less* the sum of rows 11 (imports) and 16 (taxes on expenditure *less* subsidies) and is equal to the gross domestic product at factor cost.

The figures relate only to purchases and sales of goods and services and exclude all purchases and sales of financial assets and all transfer payments.

The value of the output of each industry is measured at market prices and free from duplication; i.e. it excludes that part of the output of each establishment which is sold (or transferred) to other establishments within the same industry.

The value of the output of the distributive trades (part of item 9) is measured by the gross margin on the goods and services sold; it thus equals the incomes and depreciation generated *plus* the cost of goods and services used in selling goods and services produced by other industries; it does not include the factory value of the goods distributed. In effect, manufacturers and overseas suppliers are regarded as selling their outputs to the industry or final buyers who buy from the distributor; the latter is treated as an agent who sells only his own services.

The value of the output of "other industries" is taken as equal to the incomes and depreciation generated. Purchases of goods and services by non-profit-making institutions and public authorities are recorded in final demand as direct purchases from the appropriate industries by the final buyers themselves.

Taxes on expenditure and subsidies are in general treated as being paid or received by the manufacturer selling the taxed or subsidised goods (i.e. as positive or negative inputs). Thus the duty on tobacco is included as a positive item and subsidies on food as a negative item in row 16, column 5. For consistency with the treatment of transport and distributive services, however, purchase tax, and customs duties on imported goods which enter directly into final output without processing in the United Kingdom, are treated as if they were paid directly by the final buyer. They therefore appear only in columns 12-14 of row 16. Rates and some miscellaneous taxes such as dog licences, motor vehicle duties and land development charges are also included in these columns.

"Sales by final buyers" (row 12) include (a) sales by persons and public authorities to other final buyers in the United Kingdom, to overseas buyers and to industry, and (b) sales of second-hand ships, plant and equipment to industry for scrap or to persons or for export.



All sales and purchases are measured in terms of seller's value (the amount received by the seller) as distinct from purchaser's value (the amount paid by the purchaser). Transport and distribution charges, equal to the excess of the purchaser's value over the seller's value, are considered as sales by "other production and trade" to the purchaser. Thus sales by "other production and trade" to persons comprise (a) personal expenditure on travel, communication services, entertainments and other services and (b) the value of the services rendered by the transport and communication and the distributive trades in handling goods purchased by persons from industry and in handling imports entering directly into personal consumption without undergoing processing by the manufacturing industries.

The value of the change in stocks and work in progress (column 15) and stock appreciation (column 18) together represent the change in the value of stocks of goods *produced* by the various industries or imported. They, therefore, differ from the figures shown in Table 46 which represent the change in the value of all kinds of stocks *held* by the various industries.

#### Definition of industries

1. *Agriculture, forestry and fishing*.—Order I of the Standard Industrial Classification.

2. *Mining and quarrying*.—Order II.

3. *Metals, engineering and vehicles*.—Orders V to IX.

4. *Textiles, leather and clothing*.—Orders X to XII.

5. *Food, drink and tobacco*.—Order XIII.

6. *Other manufacturing*.—Orders III, IV and XIV to XVI.

7. *Building and contracting*.—Order XVII. This includes the value of the work carried out by open-cast coal mining contractors, which is treated as a sale to mining and quarrying.

8. *Gas, electricity and water*.—Order XVIII.

9. *Other production and trade*.—The industrial groups included in items 6-9 of Table 11, i.e. transport and communication, distributive trades, insurance, banking and finance and other services.

10. *Other industries*.—The services included in items 10-14 of Table 11, i.e. public administration and defence, public health and educational services, ownership of dwellings, domestic services to households and services to private non-profit-making bodies.



### III. Personal Income and Expenditure

General definitions and notes on the items in these tables are given on pages 65-69 of the Blue Book, 1952, subject to the changes noted below.

#### Tables 17-19—Consumers' expenditure

Since last year's estimates were prepared, material from the Population Census, 1951, and from the Census of Distribution, 1950, has become available and has been used to revise the series given in items 14 and 16. In addition, changes have been made to the following items:

2. *Alcoholic drink*.—Estimates of expenditure under this heading have been revised on the basis of detailed investigations into the proportions consumed and the prices of different kinds of beer, spirits and wines, and the proportions sold by the bottle and by the glass.

4. *Rent, rates and water charges*.—The estimate of expenditure in 1951 at current market prices is unchanged. The new estimates for earlier years result from a revision of the price index, taking account of the modifications made in the Interim Index of Retail Prices, as from January, 1952. (See the *Report on the Working of the Interim Index of Retail Prices*, Cmd. 8481.)

5. *Fuel and light*.—New estimates have been made for all years. The revisions to the estimates of expenditure at current market prices on gas

and electricity in the last two years are mainly due to reductions in the estimated consumption in these years. Another contributory factor is that prices charged to consumers of gas and electricity are now estimated from the average value per unit sold, instead of from the movements shown by the components of the Interim Index of Retail Prices.

11b. *Travel*.—New estimates have been made of expenditure on sea and air travel on the basis of detailed information which has recently been collected.

#### Table 18—Indices of market prices of consumers' expenditure

This table sets out the price indices used for, or implied in, the revaluation of consumers' expenditure at 1948 market prices. As far as possible the revaluation is made separately for the different items within each group, from the available information on prices or quantities. In general, the price indices shown are currently weighted arithmetic averages and show the ratio of expenditure on an item or group of items at current market prices to the corresponding expenditure at 1948 market prices. But in all cases where prices, or price changes, are known directly, these have been used in compiling the price indices.



## IV. Companies

**Table 20—Appropriation account**

This table corresponds to Table 18 of Blue Book, 1952. The definition of trading profits has been changed in several respects and the items slightly rearranged.

1. *Gross trading profits of companies operating in the United Kingdom.*—The changes in definition are:—(i) profits are shown *before* instead of *after* provision for depreciation; (ii) the net Schedule A value of owner-occupied property has no longer been deducted; (iii) war damage repairs (but not the cost of reconstructing property totally destroyed) have been treated as current costs; (iv) the surplus in 1946 and the deficit in 1947 arising out of the pooling agreement between the government and the railways, started during the war, has been included, together with the guaranteed payment to the railways, in the profits of the railway companies and not, as previously, in the profits of "Other public enterprises".

5a. vi. *Other.*—This item now consists only of bank deposit interest and, for 1946 and 1947, the interest paid by the railway companies on railway superannuation funds invested with them. In Blue Book, 1952, the corresponding item included also the payments now shown separately as item 6.

6. *Remittances and taxes paid abroad.*—Remittances abroad of profits of foreign companies operating in the United Kingdom, film remittances abroad, and taxes paid by British companies to governments abroad.

7. *Undistributed income before United Kingdom taxation.*—This item represents the difference between item 4 and the sum of items 5 and 6.

11. *Provision for United Kingdom taxation.*—The same as item 6 in Table 18 of Blue Book, 1952.

**Table 21—Company trading profits by industry**

This table corresponds to Table 19 of Blue Book, 1952. There have been three changes:—(i) The figures in the columns "gross profits" agree with the revised definitions of gross trading profits described in the notes to item 1 of Table 20. The revision of the profits of the railway companies has been incorporated in line 6 for the year 1947; (ii) estimates of profits of banks and other financial companies, as measured in this book after excluding net interest (see notes to item 8, Table 11), have been shown separately in line 8 of the table and not as last year in the line for adjustments; (iii) the columns "depreciation allowances" now represent purely the allowances granted for tax purposes.



## V. Public Corporations

The definition and list of public corporations are as shown on page 72 of the Blue Book, 1952, with the following amendment:

National Research and Development Corporation: the commencing date was 1949 (28th June).

The following corporations operating wholly or chiefly overseas have this year been added to the list:—

	Commencing date
Colonial Development Corporation ...	1948 (16th February)
Overseas Food Corporation ...	1948 (16th February)
Cable and Wireless Ltd.	1950 (1st April)

In the Blue Book, 1952, these bodies were not treated as United Kingdom residents.

### Table 22—Combined operating account

See notes to Table 20 on page 72 of Blue Book, 1952, with the following amendments:—

1. *Sales*.—Work done by the corporations and charged to their own capital accounts, previously excluded, is now included.

2. *Subsidies*.—Exchequer contributions to the housing revenue accounts of the Scottish Special Housing Association, the Northern Ireland Housing Trust and the New Town Development Corporations are now included.

4 and 5. *Income of employees and Purchases of other goods and services*.—Now include expenditures chargeable to capital account, and maintenance expenditures charged to special reserve accounts, both of which were previously excluded.

8. *Trading surplus*.—This is now reckoned before provision for depreciation. Maintenance expenditure charged to special reserve funds (e.g. the abnormal maintenance account of the British Transport Commission) is treated for national income purposes as an operating expense in arriving at figures of gross trading surplus.

### Table 23—Combined appropriation account

See notes to Table 21 on page 73 of the Blue Book, 1952, with the following amendment:—

3. *Income from abroad*.—The profits of British public corporations operating wholly or chiefly overseas, whether remitted to the United Kingdom or not.

### Table 24—Combined capital account

1. *Undistributed income and provisions for depreciation and stock appreciation*.—The balances

transferred from appropriation account (item 7, Table 23).

2. *Capital transfers (net receipts)*.—This item consists of receipts of war damage compensation less war damage contributions; Exchequer capital contributions (as distinct from loans and subsidies) paid to the Scottish Special Housing Association, the Northern Ireland Housing Trust and the New Town Development Corporations; and consumers' capital contributions towards the capital expenditure of the British Electricity Authority and Area Electricity Boards.

4. *Loans from the Central Government (net)*.—This item excludes any change in the liabilities of public corporations due to the transfer to the public corporations sector of undertakings hitherto owned by or indebted to the Central Government. Interest owed to the Central Government and ordinary trade indebtedness between the Central Government and the public corporations are also excluded. Temporary deposits of the National Coal Board with the Exchequer are included.

5. *Stock issued (less stock redeemed)*.—Stock issued as compensation to former owners of acquired undertakings is excluded.

6. *Additions to tax and interest reserves*.—These items are transferred from the appropriation account (items 5b and 6b, Table 23).

8. *Gross domestic capital formation*.—Increases in fixed assets and stocks arising from transfer of undertakings to the public corporations sector are excluded.

9. *Net acquisition of other financial assets and net investment abroad*.—This item summarises the changes in all balance sheet items not dealt with elsewhere in the capital account, e.g. cash, debtors, creditors and investment in fixed assets and stocks located overseas.

### Table 25—Analysis of appropriation accounts

### Table 26—Analysis of capital accounts

These two tables present the same information as Tables 23 and 24, respectively, but the corporations are divided into broad industry groups. Figures for 1952 are not yet available. Separate figures of additions to tax and interest reserves are not available, so that the totals on both sides of Table 26 are to this extent less than the totals in Table 24. The figures have been derived from the published accounts of the corporations, with adjustments to conform to the definitions adopted in this book.



## VI. Central Government Including the National Insurance Funds

A general definition of the section is given on page 74 of Blue Book, 1952.

**Table 27—Revenue account**

This table corresponds to Table 22 of the Blue Book, 1952. Differences in treatment, however, have changed the scope of some of the items. The three main differences are:—

(i) Extension of the concept of "government trading bodies". This concept now includes, as far as possible, all operations of the government to which it is meaningful to ascribe a profit or loss and therefore now covers all activities for which commercial accounts are either already in fact being kept or could conceivably be kept. Previously its scope was restricted. Where the current operations of a body not previously treated as a trading body result in net expenditure by the government, the effect of the change is to reduce the item "current expenditure on goods and services". There are repercussions on all or some of the following items depending on the type of trading body—item 17, where the profits, interest on capital and depreciation of government trading bodies are shown; item 22, subsidies (see further discussion below); item 30, the surplus; item 6a of Table 28, trading stocks; and item 16 of Table 28, which includes any changes in the financial assets of government trading bodies.

(ii) The profits of government trading bodies are now shown before, instead of after, deducting depreciation. This causes an equal change in item 30, the surplus.

(iii) Extension of the concept of "grants abroad". The effect of the change here is to reduce item 21, current expenditure on goods and services, and increase item 27.

### Definition and treatment of trading bodies

Where trading or productive activities are deliberately run at a loss, the amount of the loss is treated as a subsidy. The most notable example is the trading losses of the Ministry of Food. Where there is no deliberate intention of running an activity at a given loss, but if it has in fact been impracticable to recover costs in full, the amount of the loss is again treated as a subsidy (e.g. the operation of civil airfields, and of opencast coalmining before 1950). Where the trading policy is to equalise profits and losses over a period of years, the amounts are included (positively or negatively) in the trading profits

of the government (item 17). Where prices are fixed to yield a revenue surplus, as with the Post Office, the surplus is treated as an indirect tax, or tax on expenditure, i.e. as the opposite of a subsidy.

Government manufacturing establishments, the products of which are transferred at cost, were not previously treated as trading bodies; nor were branches of the government engaged in providing common services for use by administrative and defence departments of a kind that could conceivably have been obtained from a non-government establishment. In both cases these bodies do not in themselves provide the services of public administration and defence and they have been included as trading bodies where it has been possible to obtain information on a commercial accounting basis.

The gross profits of government trading bodies providing goods and services at cost are measured in this book by the amount of the depreciation on their fixed capital, provision for which is included in the "cost" of their output, together with interest on capital. No interest is charged in the accounts for the Royal Ordnance Factories and the Admiralty dockyards and factories. In estimating defence expenditure an allowance is therefore made for the interest included in the figures of profits as reckoned here. The unabsorbed overhead expenses of factories working below capacity are not treated as a loss, but as being matched by an equivalent sale to the government.

In nearly every administrative department of the government and in the defence departments there are branches which recover part of the cost of the services they provide by sales outside the government. These are not treated as trading activities. The receipts from sales of goods and services are deducted from the corresponding expenditure of the government. That is why item 21 in the table is described as "net" current expenditure on goods and services.

The full list of government trading bodies, as defined above for the purpose of the figures given in the table, is given below. An asterisk denotes the bodies not previously included.

*\*Ministry of Agriculture and Department of Agriculture for Scotland*

British Wool Section.

County Agricultural Executive Committees  
—Pool labour services, agricultural



machinery operations, land drainage and water supply operations, pest destruction and farming of land. The net losses on trading operations have been treated as subsidies.

Farming and management of land by the Agricultural Land Commission.  
National Stud.

\**Forestry Commission*

\**Crown Lands*

\**Ministry of Fuel and Power*

Opencast coal production. The trading loss here is treated as a subsidy.

*Ministry of Supply*

\*Royal Ordnance Factories.

\*Agency factories.

Commodity trading divisions (before transfer to the Ministry of Materials).

\**The Mint*

In reckoning the profit of the Mint the cost of withdrawing coin at its face value has not been treated as a trading expense, nor have the receipts from the issue of coin at face value been counted as sales. The net increase in the face value of coin issued has been treated as a form of government borrowing similar to an increase in the fiduciary note issue.

*Post Office*

\**Ministry of Transport*

All current shipping operations.

\**Ministry of Civil Aviation*

Airfields.

*Ministry of Food*

The subsidy element in the trading loss of the Ministry of Food is reckoned here before charging administrative overheads and the cost of milk and welfare schemes. Expenditure on emergency feeding is also excluded.

*Board of Trade*

Commodity trading divisions (before transfer to the Ministry of Materials).

United Kingdom—Dominions Wool Disposals Ltd.

\*Export Credit Guarantees Department.

\*British Industries Fair.

*Ministry of Materials*

Commodity trading divisions.

*State Management Districts*

### Notes on individual items

1-16, 19, 23-26, 28. The definitions of these items are the same as those of the corresponding items in Table 22 of Blue Book, 1952.

17. *Gross trading profits*.—This is made up of the profits, interest on capital and provision for depreciation of all "government trading bodies" as the term has been defined above. It measures the contribution of Central Government enterprises to the gross national product. The scope of this item has been extended on account of the wider definition now adopted of government trading bodies. It also includes depreciation, which was excluded from the corresponding item in Blue Book, 1952. The loss in 1946 and 1947 borne by the government under the agreement with the railways before nationalisation has been included as part of item 18b.

18a. *Gross income from land and buildings*.—This is made up of government income from Crown Lands, the interest on, and amortisation of, the capital cost of temporary houses and schools built by the government for use by local authorities, rents received less current repairs and other current expenses in respect of government owned property let to private users, and an imputed rent for government owned office buildings and storage accommodation in use by the government.

18b. *Interest, etc.*—This is made up of the following positive items:—(i) the interest component of Exchequer "Receipts from sundry loans"; (ii) interest included in Exchequer "Miscellaneous receipts"; (iii) investment income, not being government debt interest, received by the National Insurance Funds; (iv) interest received by the Local Loans Fund; (v) the income from non-government securities held by extra-budgetary funds; (vi) interest on Exchequer advances to various public corporations; (vii) amounts received from the National Coal Board, the Bank of England, and Cable and Wireless Ltd. to cover payments by the government of coal interim income and interest on compensation stock; (viii) interest on advances made to enable the Export Credit Guarantee Department to take over commercial debts to British exporters; (ix) interest on the loan to Denmark in 1951; (x) taxes paid by foreigners.

The following are treated as negative items, being transfers of income to other sectors of the economy and abroad:—(i) the Dominions' share of the profits of the United Kingdom—Dominions Wool Disposals Ltd. (Joint Organisation); (ii) the loss incurred by the Exchequer in 1946 and 1947 through currency operations by



British troops and government employees abroad; (iii) the loss in 1946 and 1947 under the Railway Agreement; (iv) the net operating deficiency, borne by the government, of the Overseas Food Corporation; (v) payments of interim income to former coal-owners.

21. *Current expenditure on goods and services (net).*—This item represents the current expenditure on goods and services of the government in respect of its non-trading activities, i.e. as a provider of public administration and defence. Payments by government trading bodies are thus excluded. The figures shown cover payments for the services of government employees (other than those employed by government trading bodies) and, with two exceptions, all purchases of goods and services from private industry, government trading bodies or abroad. The exceptions are (i) purchases of strategic stocks; (ii) purchases of fixed assets included in national expenditure as part of gross fixed capital formation.

Expenditure on building and civil engineering, naval construction, and on research is measured as far as possible on the basis of "work done". Otherwise expenditure is measured in principle by the value of the finished goods and services delivered to the government and therefore excludes progress payments made in advance of delivery. Changes in the amount of work in progress on government orders in private or government manufacturing establishments are included in capital formation. The time of delivery may not correspond to the time of use. But, apart from strategic stock-piling, no adjustment is made to current expenditure for changes in the holding of stores by non-trading bodies of the government. An increase in the stocks of munitions or of civil defence equipment, for example, is treated as current expenditure and not as capital formation.

As far as possible, payments which merely represent the settling of claims arising out of the last war are excluded, even though the claims are in respect of expenditure by the government originally classed as current expenditure on goods and services.

Receipts from sales of goods and services outside the government by non-trading bodies of the government are deducted from the corresponding expenditure.

a. *Military defence.*—This is defined in the notes to item 4a of Table 32.

b. *Health services.*—Hospital running costs and administration expenditure by regional hospital

boards and boards of governors of teaching hospitals; payments for medical, dental, pharmaceutical and ophthalmic services under the National Health Service; expenditure of the Ministry of Health in connection with health services; expenditure of the Medical Research Council; and for the first half of 1948, expenditure on medical services under the old National Health Insurance system. The last three elements were excluded from the figures for the National Health Service shown as item 8b of Table 4 in Preliminary Estimates of National Income and Expenditure, 1948 to 1952 (Cmd. 8803). The additions to doctors' incomes arising from the Danckwerts award have been included and allocated over the various years since 1948 in the proportions attributable to each year. The figures exclude certain expenditure in Northern Ireland.

22. *Subsidies.*—In addition to the items specified on page 83 of the Blue Book, 1952, the definition of subsidies has been extended to include the following losses incurred under special circumstances:—(i) the losses incurred on the trading operations of the County Agricultural Executive Committees; (ii) the estimated loss on airports and aerodromes operated by the Ministry of Civil Aviation after taking into account only that part of the Ministry's expenditure on air traffic control, telecommunication and meteorological services which is attributable to airfield approach and landing control. The rest of such expenditure has been excluded on the grounds that air navigational services other than for airfield approach and landing are a national service for which the government would have to take liability irrespective of the financial arrangements for operating aerodromes.

Some further small changes in the definition of subsidies are described in the notes to Table 34.

27. *Grants abroad.*—The contributions received from the Colonies towards the cost of maintaining local forces are no longer included as a negative part of this item. Likewise grants to the Colonies towards the cost of local forces have been excluded. The expenditure in connection with local forces falling on the United Kingdom Budget has been included as part of item 21a, current expenditure on goods and services for defence.

Grants abroad now include the United Kingdom share of relief imports for Germany; in Blue Book, 1952, this was treated as current expenditure on goods and services.



**Table 28—Capital account**

This table corresponds with Table 23 of Blue Book, 1952. The arrangement of items, however, has been slightly altered and there have been some slight changes in definition.

1. *Surplus from revenue account*.—This corresponds to items 1 and 2 of the last year's table.

2. *E.R.P. grants and gifts from abroad*.—Same as item 3 of last year's table.

3. *War disposals, settlements, etc.*—Comprises items 4 and 11a of last year's table.

5. *Gross fixed capital formation*.—Corresponds to item 13 of last year's table.

6. *Increase in value of stocks*.—Corresponds to item 14 of last year's table. The scope of item 6a has been increased through the change in the definition of trading bodies.

7. *Capital payments abroad*.—Corresponds to item 15 of last year's table.

8. *Net lending (+) or net borrowing (-)*.—This represents the net result of government transactions involving lending or borrowing or the sale or purchase of financial assets. Changes in foreign reserves are included. The figures were obtained as the difference between item 4 and the sum of items 5 to 7. They are the same as the figures for item 9 in Table 38.

11, 12, 18, 19. *Inter-governmental borrowing and lending*.—These items correspond to items 6, 5, 18 and 19 of last year's table. The figures have been revised in two respects. Firstly, item 18 contains the advance of £100 million in 1948 to Argentina under the Andes Agreement and item 12 the repayments of this advance of £84 million and £16 million in 1948 and 1949 respectively. Secondly, item 11 contains the revaluation loan of £26 million from Portugal in 1949 and item 19 contains all repayments to foreign governments of loans expressed in sterling. In the Investment and Financing Account tables of the White Paper on the Balance of Payments, loans to the United Kingdom government from foreign governments less repayments to them are shown in item 37 (change in sterling liabilities), if the loans are expressed in sterling or sterling area currencies.

13. *Net borrowing through "National Savings"*.—Same as item 7 of last year's table.

14. *Increase in fiduciary issue*.—Same as item 10 of last year's table.

15. *Sales and new issues of government securities (net)*.—This corresponds with item 8 of last

year's table. It now includes issues of stock in exchange for Coal Commission Stock and in satisfaction of compensation for assets transferred to the National Coal Board on nationalisation. There has also been a revision of the figures for 1949 (see item 25).

16. *Miscellaneous net borrowing*.—Corresponds with item 11b of last year's table. It excludes the financial transactions under the Andes Agreement now shown in items 12 and 18 (see above).

20. *Increase in deposits with International Monetary Fund and International Bank for Reconstruction and Development*.—Same as item 20 of last year's table.

21. *Increase in foreign reserves*.—Same as item 21 of last year's table.

22. *Net lending to local authorities*.—Same as item 16 of last year's table.

23. *Net lending to public corporations*.—Corresponds to item 17 of last year's table. The figures have been revised to agree with those given in Table 24, item 4, which were obtained from the accounts of public corporations. They exclude capital outlay refunds and cash compensation payments for coal nationalisation now shown as item 24a. The repayments of principal received from the National Coal Board in respect of their funded liabilities are included.

24. *Coal compensation*—

a. *Payments in cash*.—Payments to colliery concerns to cover development expenditure incurred by them between 1st August, 1945, and the vesting date for coal nationalisation (1st January, 1947) and compensation for certain assets transferred to the National Coal Board satisfied by money payments. These assets comprised chiefly stocks of colliery products and consumable and spare stores taken over by the Board on 1st January, 1947, and colliery-owned main line railway wagons.

b. *Issues of stock*.—This item is matched by a corresponding amount in item 15.

25. *Net repayment of short-term debt at home and abroad*.—This corresponds with item 9 of last year's table. There has been a revision of the figures for 1949, reflected partly by a change in item 11 (the Portugal revaluation loan, see above), partly by a change in item 19 and partly by a change in item 15.

**Table 29—Revenue account of National Insurance Funds**

This table corresponds to Table 24 of Blue Book, 1952.



## VII. Local Authorities

For general notes and definitions see pages 81 and 82 of Blue Book, 1952, subject to changes in the definitions of trading profits and rents. Trading profits are now shown before deduction of provision for depreciation; the changes in the definition of rent are described on page 74 (item 18).

### Table 30—Current account

It will be noticed that item 11a, gross income from land and buildings, has now been divided to show separately subsidies paid to the housing accounts of local authorities either from the Central Government or from the rate funds.



## VIII. Combined Public Authorities

**Table 32—Current expenditure on goods and services (net)**

This table combines the net current expenditure on goods and services of the Central Government (item 21 of Table 27) and of local authorities (item 20 of Table 30) and analyses the total according to the type of public service for which the expenditure is incurred.

The amounts included for the Central Government do not represent the total expenditure of the departments connected with each type of service. In the first place, only the element which is current expenditure on goods and services, as defined in the notes to item 21 of Table 27, has been included. Secondly, as far as possible all expenditure connected with a particular type of service has been brought together. When the expenditure of a department is connected with more than one type of service, it has been allocated between them. In particular, "allied services" provided by one department to another without cash reimbursement, such as the accommodation services provided by the Ministry of Works, have been allocated to the using department. Wherever possible the costs of administering a particular service have been included along with any direct costs. For example, under Health there has been included not only the costs of the bodies operating the National Health Service, but also the administrative costs of the Ministry of Health. For the Central Government comprehensive figures classified by type of public service are available only from 1950.

The amounts included for local authorities are the same as those shown in items 13 to 19 of Table 30. In several cases, items shown separately in that table have been grouped together; in one case (see 1 below) an item has been further sub-divided.

1. *General administrative services.*—This group comprises all expenditure related to general functions of government and any unallocated expenditure on common services.

*a. Finance and tax collection.*—Current expenditure on goods and services of the Treasury and the departments of Inland Revenue and Customs and Excise, together with management expenses of the National Debt and other expenditure related to financial administration. Costs of rate collection and valuation expenses of the local authorities have also been included; these form part of item 13 in Table 30.

*b. Other.*—For the Central Government, current expenditure on goods and services to provide for the Crown, the electoral and parliamentary machine, the Registrars General and Public Record Offices of England and Wales and Scotland, the War Damage Commission, the Civil Service Commission and Royal Commissions. This item also includes the administrative overheads and expenses of regional and local food offices of the Ministry of Food, amounting to about £15 million a year; similar expenditure in respect of milk and welfare schemes is, however, excluded from this item as it is included in 5a. The costs of providing common services (heating, lighting and upkeep of government buildings, stationery and printing, publicity, government hospitality, law charges and the Government Actuary, etc.) have been allocated to the particular public service to which they are chargeable. The administrative expenditure of the Home Office and Scottish Home Department, other than on child care which is included in item 5a, is shown here; and also the expenditure, small in amount, of bodies such as the Charity Commission that cannot conveniently be classified elsewhere, and expenditure on the Festival of Britain. For local authorities, this item includes the bulk of item 13 of Table 30—all the general administrative services, registration of electors, certain emergency services, small dwellings acquisition and miscellaneous general services.

2. *Law and order.*—

*a. Police.*

*b. Other.*—Expenditure on prisons and law-courts, the salaries of judges, public prosecutions and the land registries.

3. *Overseas services.*—Current expenditure on goods and services at home and abroad arising from the nation's general external relations and not classified to a particular service such as defence. This item applies only to the Central Government. It covers expenditure by the Foreign Office, the Commonwealth Relations Office, the Colonial Office, the British Council and expenditure on public buildings overseas, overseas broadcasting, and other overseas services. Items such as the grant of financial assistance to Jordan, aid to Korea and contributions towards the expenses of the United Nations and International Refugee Organisation and other international bodies are not classed as expenditure on goods and services; nor are colonial grants.



4. *Defence*.—This covers all current expenditure on goods and services connected with defence, including civil defence. Expenditure treated here as current includes work done on new buildings for defence use, defence works such as airfields and training grounds, and all purchases of equipment for the fighting services. In the field of military defence the term "fixed capital asset" is restricted to land, permanent married quarters, buildings and equipment for research establishments, plant and machinery for government munitions factories, and government expenditure on plant for use by private firms engaged on defence work.

*a. Military defence*.—Expenditure of the Service Departments (excluding the meteorological services of the Air Ministry) and the Ministry of Defence, the production overheads and research expenditure of the Ministry of Supply, the net cost to the Imperial government of internal security in the Colonies and expenditure on the call-up of National Service men. The scope of this definition is considerably wider than that of the "Defence Budget", as defined for the purposes of the Defence White Paper, in that it includes nearly all the Ministry of Supply's expenditure on research and development (and not only the proportion included in the Defence Budget), and also the Ministry's production overheads; "allied services" provided by other departments; expenditure in the Colonies on local military forces not recouped from local revenues; expenditure by the Ministry of Labour on the call-up of National Service men. On the other hand, the figures given here exclude capital expenditure (shown in Table 33), some of which is included in the Defence Budget, and exclude certain items which are not expenditure on goods and services. Broadly speaking, the figures of current expenditure in the present table, together with the capital expenditure on defence shown in item 2 of Table 33, correspond with the internationally agreed definition of defence expenditure used by the North Atlantic Treaty Organisation.

*b. Civil defence*.—Current expenditure by Central Government and local authorities on equipment and on training and organisation for civil defence together with handling costs and administrative expenses in connection with the strategic stock-piling programme.

5. *Services to persons*.—The services included in this group correspond to those covered by the figures of "Expenditure on Social Services" given in the Monthly Digest of Statistics for May,

1953. The figures here, however, refer only to current expenditure on goods and services. Grants to persons which form the bulk of Central Government expenditure on these services are excluded.

*a. Education and child care*.—Expenditure on schools and on child welfare and similar services by local authorities; administrative expenditure of the Ministry of Education and the Scottish Education Department; expenditure on museums, libraries and art galleries operated by the government and local authorities; administration of Central Government grants to local authorities and voluntary bodies in respect of approved schools, remand homes and the care and welfare of children; and administrative expenses of the Ministry of Food in connection with milk and welfare food schemes.

*b. Health services*.—Hospital running costs and administrative expenditure by regional hospital boards, boards of governors of teaching hospitals and local authorities; payments for medical, dental, pharmaceutical and ophthalmic services under the National Health Service; the expenditure of the Ministry of Health in connection with health services; the expenditure of the Medical Research Council; for the first half of 1948, expenditure on medical services under the old National Health Insurance system; and expenditure by local authorities on individual health services under the National Health Service, and for 1948 on health services transferred to regional hospital boards, etc., in the second half of the year. The additions to doctors' incomes arising from the Danckwerts award have been allocated over the various years since 1948 in the proportions attributable to each year.

*c. National insurance and assistance*.—Administrative expenditure, excluding duplication, of the Ministry of National Insurance and the National Insurance Funds taken together, and of the National Assistance Board. This item also includes local authority expenditure on the relief of the poor, other than outdoor relief.

*d. Other*.—Administrative expenditure of the Ministry of Pensions together with the cost of the medical services provided by the Ministry outside the National Health Service, administration of Central Government grants towards the housing expenses of local authorities, and administration of industrial services for the disabled.

6. *Services to agriculture, industry and trade*—

*a. Agriculture, forestry and fishing*.—Current expenditure on goods and services of the



Ministry of Agriculture and Fisheries, the Scottish Department of Agriculture, the Fisheries division of the Scottish Home Department, the White Fish Authority, the Herring Industry Board and the Development Fund. The expenditure of the Agricultural Research Council is included here. Expenditure on trading account has been excluded. Expenditure by local authorities on agriculture, fuel control and employment services is included.

*b. Industry and commerce*—Current expenditure on goods and services of the Board of Trade, Ministry of Supply excluding research and production overheads (see item 4a), Ministry of Fuel and Power and Ministry of Materials. Expenditure charged to the account of trading services operated by these departments is excluded. The expenditure of the Government Chemist and the Department of Scientific and Industrial Research is included here. Where government expenditure on research can be related to a particular service, it has been included with all other expenditure on that service.

*c. Transport*—Current expenditure on goods and services of the Ministry of Transport, including the salaries and expenses of the Coastguard and other mercantile marine services and of the Ministry of Civil Aviation, together with the expenditure of the Air Ministry on meteorological services. Expenditure on roads is excluded, but expenditure on the regulation of the road haulage and road passenger transport industries is included. Expenditure on trading account has been excluded.

*d. Employment*—Current expenditure on goods and services of the Ministry of Labour other than for the call-up of National Service men (see 4a) and administration of industrial services for the disabled (see 5d).

#### 7. Environmental services—

*a. Roads*—Current expenditure on road maintenance and repair by the Central Government (mainly trunk roads) and administrative expenses of the Ministry of Transport in connection with trunk roads and road grants; and expenditure by local authorities on highways, bridges and private street works.

*b. c. d. Sewerage and refuse disposal, public lighting, fire service*—These items apply only to local authorities.

*e. Other*—Current expenditure on goods and services of the Ministry of Housing and Local Government (formerly carried out partly by the Ministry of Health and partly by the

Ministry of Town and Country Planning, later the Ministry of Local Government and Planning), in respect of water supply, sewerage, coast protection, planning and re-development, New Towns and National Parks, and current expenditure by the Board of Trade in Development Areas, together with similar expenditure by the Scottish Department of Health; and in addition, current expenditure on Royal Parks and pleasure gardens and the Nature Conservancy, together with the expenditure of the Central Land Board and the Ordnance Survey. For local authorities, this item includes expenditure on baths, wash-houses, open bathing places, pleasure grounds, open spaces, port health service, land drainage, river conservancy and town and country planning.

#### Table 33—Gross fixed capital formation

This table gives gross fixed capital formation of the Central Government and local authorities combined, analysed by the service provided. It is similar to Table 43 in which the gross fixed capital formation of *all* sectors is so analysed. A difference between the two tables is that expenditure (i.e. purchases *less* sales) on land, existing buildings, legal fees and stamp duties, etc., is here allocated by service, whereas in Table 43 such expenditure is excluded from the individual industries and services and is shown under a separate heading (item 34).

The classification by service follows the classification of Table 43. Items 2a, 2b and 7 of this table taken together correspond to item 6a of Table 43 (government-financed expenditure in manufacturing industry—see notes to item 1a of Table 36 of the Blue Book, 1952).

*1f. Civil trading bodies, other*.—This item consists of (i) the Central Government trading bodies listed on pages 85–86, other than the Post Office, Royal Ordnance Factories and agency factories (see items 1a and 2a of this table), and (ii) miscellaneous local authority trading services, such as ferries, civic restaurants and cemeteries.

*2c. Research and development*.—This corresponds to item 7 of Table 43.

*2d. Service Departments*.—Expenditure on permanent married quarters for the Services, together with expenditure on land for *all* Service purposes. In Table 43, permanent married quarters for the Services appear under new housing (item 23).

*6. New housing*.—This item excludes permanent married quarters for the Service Departments, but includes housing for other services (e.g. houses for police and prison officers).



11. *Other services*.—This corresponds to items 31 and 32 of Table 43.

#### Table 34—Subsidies

This table corresponds to Table 27 of Blue Book, 1952. There have been several revisions in the definition of subsidies mainly in consequence of the wider definition now adopted of government trading bodies (see notes to Table 27). Subsidies in respect of employment and training (item 3 in last year's table) have been excluded. Grants to the National Service Hostels Corporation have now been treated as housing subsidies and payments to employers under Interrupted Apprenticeship Schemes have now been treated as grants to persons.

1d. *Other subsidies to agriculture and fishing*.—Now includes the net losses on the trading operations of the County Agricultural Executive Committees.

3. *Transport services*.—Includes, in addition to the subsidies to civil aviation corporations, the net cost to the government of operating airports, after excluding any costs for air traffic control, telecommunication and meteorological services not attributable to airfield approach and landing control.

#### 5. Housing subsidies.

a. *Central Government*.—This item now includes subsidies to the National Service Hostels Corporation which were included in item 3 of Table 27 of Blue Book, 1952. It also now includes for the first time government contributions to the

housing revenue accounts of the Scottish Special Housing Association, the Northern Ireland Housing Trust and the New Town Development Corporations.

The table below shows the detailed composition of housing subsidies. Subsidies in respect of temporary housing and emergency housing are not treated as subsidies to local authority housing services since the temporary houses are owned by the Central Government (though managed by local authorities) and emergency housing services are provided by local authorities as agents of the Central Government.

#### Table 35—Current grants to persons

This table corresponds to Table 28 of Blue Book, 1952. There have been a few minor revisions.

3a. *Milk and welfare foods*.—This item now excludes the administrative expenses of the Ministry of Food.

7. *Employment—training and resettlement*.—Now includes payments to employers under Interrupted Apprenticeship Schemes previously treated as a subsidy. The payments form a grant to persons in that employers would otherwise pay them less in wages. The estimates of wages given in this book are in principle reckoned after an amount equivalent to these payments.

10. *Miscellaneous*.—Corresponds to item 10 of last year's table. Assistance to migrants has been excluded and treated instead as current expenditure on goods and services.

### Housing subsidies

£ million

	1946	1947	1948	1949	1950	1951	1952
1. Central Government Great Britain—							
(i) Permanent housing — local authorities ... ..	19	20	22	24	27	30	36
(ii) Temporary housing ... ..	3	11	17	19	20	21	21
(iii) Emergency housing ... ..	8	12	11	10	9	7	5
(iv) Payments into the Building Materials and Housing Fund	2	1	—	—	—	—	—
(v) Payments to public corporations	2	2	3	3	2	2	2
Northern Ireland—local authorities ...	2	2	3	3	3	3	4
United Kingdom ... ..	36	48	56	59	61	63	68
2. Local authorities (from rate funds)...	9	11	12	13	13	14	16
3. Total ... ..	45	59	68	72	74	77	84



## IX. Gross Capital Formation

**Table 38—The financing of investment**

This table is essentially an analysis by sector of Table 6; it brings together the separate sector capital accounts appearing elsewhere for public corporations, the Central Government and local authorities (Tables 24, 28 and 31), and introduces summary capital accounts for persons and companies.

It corresponds to Table 31 of the Blue Book, 1952, but the new table has been rearranged in the form of an account. Other differences of presentation as compared with Table 31 of the Blue Book, 1952, are:—

(i) Provision for depreciation, shown separately as item 4 of Table 31 of the Blue Book, 1952, is here included in item 1. See note on depreciation on page 95.

(ii) With the introduction in this Blue Book of figures of stock appreciation analysed by sector, it has been possible to show funds available for investment *after* deducting provision for stock appreciation (stock appreciation being deducted in item 4), and correspondingly to show gross capital formation exclusive of stock appreciation (item 6).

(iii) Taxation, dividend and interest reserves are here shown as a separate "sector" contributing (through item 1) to the total funds available for the nation's investment. So far as the individual sectors (persons, companies, etc.) are concerned, changes in taxation, dividend and interest reserves are now shown as a form of borrowing on the right-hand side of the table (items 7 and 8).

(iv) The item of "income" described as "Residual error" appears in this table as a separate column (as though it were a separate sector), contributing to the funds available for the nation's investment.

**Tables 39 to 44—Gross fixed capital formation**

The concept of gross fixed capital formation was defined on pages 87-88 of the Blue Book, 1952. One general change has, however, been made. Repairs to fixed assets in excess of the level required to maintain the assets in a constant state of repair are, *where identifiable*, no longer included in gross capital formation: to this extent gross fixed capital formation now represents more closely purchases (*less* sales) of fixed capital assets. In consequence, the following expenditures, which are not of a current nature and which

were included in the figures of gross fixed capital formation in the Blue Book, 1952, are now excluded:

(i) Expenditure on war damage repair work to buildings (other than complete rebuilding).

(ii) Expenditure on excess repairs financed from special reserves, in particular expenditure on the railways financed from the British Transport Commission's abnormal maintenance account.

(iii) Expenditure on major repairs and restorations of ships.

(iv) The amounts (actually negative in some years) hitherto included for repairs to houses in excess of (or falling short of) the estimated expenditure required to maintain houses in a constant state of repair.

As a corollary, these amounts have, in the present book, been deducted from the estimates of gross trading income or gross rental income, so preserving the balance between national income and depreciation on the one hand and gross national expenditure on the other hand.

The change in the definition of gross fixed capital formation is consistent with a definition of depreciation and national income treating "under-maintenance" of assets as a form of depreciation to be deducted in arriving at national income, and "excess maintenance" as an offset to depreciation, thus contributing to net capital formation and the national income. For reasons given on page 86 of the Blue Book, 1952, however, it is not at present possible to give estimates of depreciation which can be used, in conjunction with the existing figures of gross fixed capital formation and gross national product, to measure net fixed capital formation or national income. If such estimates were to be made, it would be necessary, for consistency, to deduct these estimates of excess maintenance, and to add those of under-maintenance, to the allowances for normal physical deterioration of assets.

A further change in the definition of fixed capital formation as compared with the Blue Book, 1952, arises from the inclusion of expenditure on buildings and equipment (e.g. fire-fighting equipment) for the Civil Defence Service. In the Blue Book, 1952, such expenditure was excluded from fixed capital formation. There has been no change in the treatment of expendi-



ture in other industries and services incurred for civil defence reasons, for example for strengthening the Post Office trunk network or providing additional emergency hospital accommodation; this expenditure is part of fixed capital formation, as it was in the Blue Book, 1952.

### Depreciation

In the Blue Book, 1952, figures of trading incomes were shown after deducting provisions for depreciation, and these provisions were brought in as receipts in the tables showing the financing of investment. The provisions for depreciation are, however, subject to severe limitations as explained on pages 85-86 of the Blue Book, 1952. The only figures at present available for companies, sole traders and partnerships represent the statutory allowances granted for purposes of tax assessment; these are subject to substantial changes from year to year as a result of changes in the rate of initial allowances and of the suspension of these allowances (with certain exceptions for ships) on expenditure in-

curred in the period after 5th April, 1952 and before 6th April, 1953. Because the series for trading incomes after charging provision for depreciation would contain arbitrary discontinuities, the practice was adopted in the Preliminary Estimates of National Income and Expenditure 1948-52 (Cmd. 8803) of showing only *gross* trading incomes, i.e. incomes reckoned before deducting any provision for depreciation. This practice is continued in the present book.

As explained on page 94, the concept of gross fixed capital formation has in this Book been redefined by the exclusion of expenditure on "excess" repairs; correspondingly this expenditure is now deducted in arriving at figures of gross trading income.

Certain components of the depreciation figures given in the Blue Book, 1952 (revised where necessary) are given below, but reference should be made to the notes on pages 85-86 of that Book in interpreting these figures. The figures below have in every case been reckoned before deduction of excess maintenance.

Depreciation					£ million		
	1946	1947	1948	1949	1950	1951	1952
Professional persons <sup>(1)</sup> ... ..	3	4	6	8	9	9	9
Farmers <sup>(2)</sup> ... ..	24	28	31	35	42	49	54
Other sole traders and partnerships <sup>(1)</sup>							
Initial allowances ... ..	11	12	11	19	22	26	9
Annual allowances ... ..	19	23	29	30	30	33	42
Companies <sup>(1) (3)</sup>							
Initial allowances ... ..	95	98	89	191	220	242	115
Annual allowances ... ..	148	192	216	218	248	265	296
Public corporations <sup>(4)</sup> ... ..	6	23	71	95	110	127	143
Central Government trading <sup>(5)</sup> ... ..	23	26	28	32	34	32	36

<sup>(1)</sup> Allowances granted by the Inland Revenue for purposes of tax assessment.

<sup>(2)</sup> Estimated depreciation allowances for machinery, etc., valued at replacement cost.

<sup>(3)</sup> Companies operating overseas are excluded. For an analysis by industry, see Table 21.

<sup>(4)</sup> The amounts here given are the depreciation provisions shown in the corporations' accounts, *plus* the estimated provisions for the renewal of certain fixed capital assets charged to revenue in the British Transport Commission's accounts.

<sup>(5)</sup> Provisions for depreciation as shown in the trading accounts of Government trading bodies (including those trading bodies, listed on pages 85-86 of this Book, which were excluded from the term "trading" in the Blue Book, 1952), *plus* the estimated provisions for the renewal of certain fixed capital assets charged to revenue in these accounts.

**Table 39—Gross fixed capital formation by sector and type of asset**

This table is similar to Table 32 of the Blue Book, 1952, but an analysis of each sector's capital formation by type of asset is now added.

*Central Government trading.*—This sector has been redefined. It now includes the Post Office and several activities not classified as trading in the Blue Book, 1952; in particular the Forestry Commission, Royal Ordnance Factories and



agency factories, Ministry of Transport ships and civil aerodromes owned by the Ministry of Civil Aviation (for further definition see notes on pages 85–86 of this book). The sector "Central Government, other" is correspondingly reduced.

The classification by type of asset is an abridged version of the classification employed in Table 33 of the Blue Book, 1952, except that purchases (*less* sales) of land and existing buildings (including land for new housing purposes) are also included under item 4; the aggregate of such purchases (*less* sales) for all the sectors is nil.

The figures shown against items 1 and 4 are affected to a considerable extent by the change of treatment of "excess" repairs described on page 94.

#### **Tables 40 and 41—Gross fixed capital formation by type of asset**

These tables are similar to Tables 33 and 34 of the Blue Book, 1952.

The figures for railway rolling stock (item 4), ships (item 5) and other new buildings and works (item 9) are substantially affected by the change of treatment of "excess" repairs, mentioned on page 94. The figures for aircraft (item 6) are affected by the exclusion of Central Government expenditure on the development of prototype civil aircraft, which is now treated as Central Government current expenditure. The estimates for new housing have been revised.

The principal taxes on expenditure which can be specifically allocated to fixed capital formation are shown in footnotes to the tables; the taxes there shown (which cover purchase tax on road vehicles, stamp duties on the transfer of land and buildings and land development charges) do not form an exhaustive list.

#### **Table 42—Price indices of capital goods**

The figures shown in this table are those implied by the preceding two tables. As indicated in the notes to Table 34 of the Blue Book, 1952, these implied price indices should be regarded as giving only a general indication of the trend of prices of capital goods; they are subject to considerable error.

#### **Table 43—Gross fixed capital formation by industry group and type of asset**

This table is similar to Table 35 of the Blue Book, 1952, but the list of industries has been rearranged and amended in a few respects.

Several of the items are affected by the change of treatment of war damage repairs, other "excess" repairs and improvements to houses. Those mainly affected are referred to in the notes below.

6. *Manufacturing industry*.—See notes to Table 44 below.

12. *Railways*.—As in the Blue Book, 1952, this item includes expenditure on plant and buildings for railway-owned establishments manufacturing and repairing rolling stock etc., and expenditure on British Railways' ships. Repair expenditure financed from the British Transport Commission's abnormal maintenance account is no longer included.

14. *Road goods transport*.—Estimated expenditure of undertakings whose principal business is the carriage of goods by road. Expenditure on vehicles and equipment by "C" licence operators is excluded. Such expenditure is in general shown against the particular industries owning the vehicles. In the Blue Book, 1952, this item formed part of item 29 of Table 35 ("other"), and for lack of adequate data it is still included in item 21 of this table for the year 1952. The estimates are liable to a wide margin of error.

16. *Shipping*.—The figures for ships now relate only to the estimated cost of vessels purchased, *less* the proceeds of sales of second-hand ships. Expenditure on major repairs and restorations of ships is no longer included.

18. *Air transport*.—The figures for aircraft have been revised. They no longer include Central Government payments to contractors for the development of prototype civil aircraft; such expenditure is now treated as Central Government current expenditure.

21. *Distribution and other services*.—This differs in scope from item 29 of Table 35 of the Blue Book, 1952, by the exclusion of (i) road goods transport (except for 1952), (ii) improvements to existing housing, (iii) war damage repairs to commercial and other property and (iv) vehicles and plant now included under items 31 and 32. The figures for the remaining items have been considerably revised in the light of additional information now available.

23. *New housing*.—The series has been revised. Table 39 shows the analysis of this item between the various sectors.



31 and 32. *Other Central Government services and Other local authority services.*—These items correspond with items 27 and 26 respectively of Table 35 of the Blue Book, 1952, with the addition of (i) expenditure on the related vehicles and plant (included under item 29 of Table 35 of the Blue Book, 1952) and (ii) expenditure on buildings and equipment for the Civil Defence Service (excluded from fixed capital formation in the Blue Book, 1952). Expenditure in other industries and services incurred for civil defence reasons, for example in strengthening the Post Office trunk network, is shown against the industry or service concerned (e.g. in item 19), as in the Blue Book, 1952.

**Table 44—Gross fixed capital formation in manufacturing industry**

This table differs from Table 36 of the 1952 Blue Book in the following respects:

(i) War damage repairs are omitted.

(ii) Expenditure in Northern Ireland and sales of plant and vehicles have been allocated to the different industry groups. The item government-financed expenditure is now reckoned after deduction of the proceeds of sales of surplus machine tools etc.

(iii) The figures for 1948-1950 have been adjusted to cover the same labour force as the annual Censuses of Production, except that railway-owned establishments and Service Departments' dockyards and repair depots, etc., continue to be excluded. In consequence the figures no longer include, for example, motor garages and filling stations.

The 1951 figures are preliminary results from the 1951 Census of Production.

**Table 45—Capital formation in stocks and work in progress by sector**

This table is a rearrangement of Table 37 of the Blue Book, 1952. An approximate division of stock appreciation by sector is now given.

*Central Government trading.*—This item covers additional trading activities as compared with the corresponding item in the Blue Book, 1952, in particular, Royal Ordnance Factories and agency factories and the Forestry Commission (see notes on pages 85-86).

As explained on page 90 of the Blue Book, 1952, an attempt is made to divide the change in the value of stocks during each year into (a) that part which is attributable solely to changes in the quantity of stocks held, and (b) "stock appreciation"—that part which is attributable solely to changes in prices at which stocks have been

valued. Only the first part (a), described as the value of the physical increase in stocks, is treated as part of capital formation, gross national product or national income.

It must be emphasised that the basic estimates of changes in the value of stocks are derived mainly from accounting data, in which no attempt is made to separate the physical change from the effect of price changes. The stocks for which data in physical units are available (e.g. basic raw materials) represent only a small proportion of total stocks. The necessary separation can thus be made only by independent estimation of the element of stock appreciation, the balance of the change in value being regarded as the physical change. Such estimates of stock appreciation have been made by applying price indices separately to as many categories of stock as the available data permit on certain assumptions about accounting practice in stock valuation. Essentially this procedure is an attempt to reconstruct the prices at which stocks were in fact valued by enterprises in their balance sheets. It is manifest that substantial errors can be introduced; even though the calculation may represent an accurate estimate of what stock appreciation would be if the assumptions about enterprises' valuation procedures were correct, the fact is that the variety of accounting practices and the nature of the data render it impossible to ensure an accurate reconstruction.

The estimate of the physical change in stocks thus depends on the estimate of stock appreciation. But if this estimate of the physical change—which is the element of major interest for the calculations of national income and expenditure—is to be accurate, the estimate of stock appreciation must be *consistent* with the accounting data from which the statistics of profit incomes and changes in value of stocks are mainly derived. There are at least two major factors which make such consistency improbable:

(i) The basic accounting data relating to profits and stocks are chiefly derived from tax returns, census of production returns and balance sheets, which refer not to the calendar year but to the financial years of the enterprises concerned. In fact the *average* of companies' financial years (weighted by profits or net output) coincides closely with the calendar year. If prices and stock values in all companies followed a uniform trend over time, this lack of simultaneity in the records would not be particularly serious. But in fact the diversity of experience, especially at times when prices move neither smoothly nor in a uniform



manner, must almost certainly render an independent attempt at reconstruction of stock valuations inaccurate.

(ii) The assumption made about accounting procedure is that stock values are based on original cost or market price whichever is lower, and that the "First in, first out" hypothesis for stock valuation is generally adopted. It is uncertain how far this assumption is correct.

It is therefore believed that although the basic figures of changes in the value of stocks may be broadly accurate and consistent with the data on profit incomes, yet any direct estimate of stock appreciation and therefore of the value of the physical changes in stocks must be subject to considerable error.

For the years 1950, 1951, 1952, the independent estimate of stock appreciation is particularly subject to error, because of the substantial, but erratic and divergent, price movements. It was therefore necessary to make an arbitrary adjustment to the calculated value of stock appreciation. This arbitrary adjustment was based largely on what appears to be the probable physical change in stocks having regard to the estimates of real output and real expenditure described on pages vii to x.

For these reasons, the estimates of stock appreciation and of the physical change in stocks, especially for 1950-52, must be treated as highly

tentative. The division of these estimates by sector in Table 45 must be regarded as even more uncertain.

**Table 46—Capital formation in stocks and work-in-progress by industry**

This table is similar to Table 38 of the Blue Book, 1952, but shows a more detailed industrial analysis.

1. *Agriculture and forestry.*—The increase in value of the Forestry Commission's standing timber, as measured by the expenditure incurred in planting and maintaining the forests, is now included in this item. In the Blue Book, 1952, this expenditure was treated as Central Government current expenditure.

3. *Manufacturing industry.*—Stocks of materials and fuel, which are now shown separately from stocks of finished products and work-in-progress, are defined as all stocks which *from the point of view of the individual manufacturer holding the stocks* are materials and fuel. Thus car components are "finished products" if held in stock by the component manufacturer, but "materials" if held in stock by a motor assembly firm.

4. *Retail trade.*—This item covers all retail distribution, except electricity and gas showrooms.

5. *Electricity, gas and water.*—This item includes undertakings' ancillary activities, such as building and civil engineering and retail showrooms.



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