



CENTRAL STATISTICAL OFFICE

# NATIONAL INCOME AND EXPENDITURE 1956

LONDON: HER MAJESTY'S STATIONERY OFFICE

SIX SHILLINGS NET







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# INTRODUCTION

THIS PUBLICATION has been prepared by the Central Statistical Office in collaboration with other Government Departments. It contains estimates of the national product, income and expenditure for the year 1938 and for each of the years 1946 to 1955.

A general description of the statistics given in this publication, together with a detailed description of the sources, methods and definitions used in making the estimates, is given in *National Income Statistics: Sources and Methods*, H.M.S.O., 1956.

In this National Income Blue Book the main tables are grouped into ten sections. Section I, the Summary Tables, summarises the more important statistics of national product, income and expenditure. The items appearing in these tables represent the principal categories normally used in national accounting. The tables in the other nine sections either set out in more detail the composition of one or more of these main aggregates or present them in an alternative form. Each item appearing in the Summary Tables is given a *reference number* and is defined in Section XIII.

## Revisions and changes in content

A description is given in Section XIV of the main revisions which have been made to the estimates contained in the last National Income Blue Book (*National Income and Expenditure, 1955*).

A new feature in this year's Blue Book is the estimates of capital consumption at current and 1948 prices which are analysed by type of asset and by sector. These estimates are described and set out in Section XI.

## Reliability of the estimates

All the estimates are expressed in terms of a precise number of £ million, but this does not imply that they can be regarded as accurate to the last digit. Some of the figures are provisional and may have to be revised later; this applies particularly to many of the detailed figures for 1955. In some cases, too, estimates of particular items for all years are subject to substantial uncertainties. Important examples are the estimates of personal saving (which are merely the balance between estimated personal income and expenditure) and of stock appreciation. The figures for the year 1938 are, in general, based on less complete information than those for the years 1946 to 1955 and may not be exactly comparable in scope. An assessment of the reliability of the various estimates is given in *National Income Statistics: Sources and Methods*.

## Symbols and conventions used

*Industrial classification.* The industry classification used follows the Standard Industrial Classification.

*Symbols.* The following symbols have been used throughout:

- .. = not available.
- = nil or less than £500,000.

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## I. SUMMARY TABLES

## Gross national product

TABLE 1

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Expenditure generating gross national product</b>												
<i>At market prices</i>												
Consumers' expenditure .....	1	4,394	7,159	7,909	8,471	8,831	9,348	10,068	10,582	11,234	11,995	12,783
Public authorities' current expenditure on goods and services .....	2, 3	772	2,291	1,743	1,761	1,977	2,071	2,440	2,890	3,050	3,128	3,192
Gross domestic capital formation:												
Fixed capital formation .....	4	656	925	1,199	1,435	1,583	1,700	1,893	2,108	2,350	2,549	2,865
Value of physical increase in stocks and work in progress .....	5	—	—51	330	175	65	—210	575	50	125	75	300
Total domestic expenditure at market prices .....		5,822	10,324	11,181	11,842	12,456	12,909	14,976	15,630	16,759	17,747	19,140
Exports and income received from abroad	6	976	1,496	1,766	2,388	2,687	3,373	4,015	4,066	3,907	4,199	4,483
less Imports and income paid abroad .....	7	—1,038	—1,869	—2,247	—2,407	—2,630	—3,060	—4,394	—3,900	—3,800	—3,982	—4,565
less Taxes on expenditure .....	8, 9	—622	—1,551	—1,785	—2,020	—1,981	—2,060	—2,272	—2,286	—2,372	—2,481	—2,620
Subsidies.....	10, 11	37	387	472	573	525	474	468	418	364	426	346
Gross national expenditure at factor cost... (Gross national product)		5,175	8,787	9,387	10,376	11,057	11,636	12,793	13,928	14,858	15,909	16,784
<b>Shares in the gross national product (factor incomes)</b>												
Income from employment .....	12	3,022	5,732	6,199	6,763	7,220	7,600	8,487	9,113	9,632	10,307	11,150
Income from self-employment (1) .....	13	647	1,143	1,228	1,321	1,390	1,406	1,453	1,506	1,566	1,652	1,718
Gross trading profits of companies (1) .....	14	690	1,476	1,694	1,793	1,841	2,122	2,481	2,161	2,298	2,573	2,859
Gross trading surpluses of public corporations (1) .....	15	10	17	29	115	154	194	256	272	316	351	303
Gross profits of other public enterprises (1)	16, 17	64	86	119	106	106	141	117	41	62	107	110
Rent (1) .....	18	470	414	454	418	421	496	507	558	629	716	731
Residual error .....	19	—	—	—	—2	—37	—10	25	134	118	56	—32
Total domestic income before providing for depreciation and stock appreciation		4,903	8,868	9,723	10,514	11,095	11,949	13,326	13,785	14,621	15,762	16,839
less Stock appreciation.....	20	80	—125	—450	—325	—200	—650	—750	50	75	—75	—200
Gross domestic product at factor cost.....		4,983	8,743	9,273	10,189	10,895	11,299	12,576	13,835	14,696	15,687	16,639
Net income from abroad .....	21	192	44	114	187	162	337	217	93	162	222	145
National income and depreciation..... (Gross national product)		5,175	8,787	9,387	10,376	11,057	11,636	12,793	13,928	14,858	15,909	16,784

(1) Before providing for depreciation and stock appreciation.



## SUMMARY TABLES

## Personal income and expenditure

TABLE 2

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Income before tax</b>												
Wages .....	12a	1,920	3,295	3,740	4,180	4,425	4,610	5,110	5,455	5,775	6,190	6,750
Salaries .....	12b	910	1,645	1,790	2,005	2,160	2,310	2,595	2,790	2,935	3,155	3,380
Pay in cash and kind of the Forces .....	12c	66	577	395	233	223	237	303	342	349	363	362
Employers' contributions:												
National insurance .....	12d	54	84	113	157	197	199	205	218	244	247	279
Other .....	12e	72	131	161	188	215	244	274	308	329	352	379
Total income from employment .....	12	3,022	5,732	6,199	6,763	7,220	7,600	8,487	9,113	9,632	10,307	11,150
Professional persons (1) .....	13a	118	176	196	209	223	232	228	230	241	258	269
Farmers (1) .....	13b	69	225	244	302	344	340	366	402	408	384	381
Other sole traders and partnerships (1) .....	13c	460	742	788	810	823	834	859	874	917	1,010	1,068
Total income from self-employment (1) .....	13	647	1,143	1,228	1,321	1,390	1,406	1,453	1,506	1,566	1,652	1,718
Rent, dividends and interest .....	22	1,128	1,255	1,340	1,175	1,195	1,277	1,317	1,452	1,553	1,639	1,780
National insurance benefits and other current grants from public authorities ...	24, 25	275	672	682	704	744	754	784	909	1,002	1,018	1,115
Total personal income (1) .....		5,072	8,802	9,449	9,963	10,549	11,037	12,041	12,980	13,753	14,616	15,763
<b>Expenditure</b>												
Consumers' expenditure .....	1	4,394	7,159	7,909	8,471	8,831	9,348	10,068	10,582	11,234	11,995	12,783
Remittances abroad (net) .....	23	—	—16	35	34	21	—5	14	15	4	10	15
Taxes on income:												
Payments .....	30a	288	1,063	978	1,009	1,017	1,031	1,200	1,194	1,134	1,253	1,384
Additions to tax reserves .....	30b	19	63	85	23	74	60	67	3	—39	10	20
National insurance contributions .....	31	109	170	232	335	436	440	452	476	525	532	594
Total current expenditure .....		4,810	8,439	9,239	9,872	10,379	10,874	11,801	12,270	12,858	13,800	14,796
Balance: saving before providing for depreciation and stock appreciation ...	32	262	363	210	91	170	163	240	710	895	816	967
Total .....		5,072	8,802	9,449	9,963	10,549	11,037	12,041	12,980	13,753	14,616	15,763

(1) Before providing for depreciation and stock appreciation.

## Corporate income appropriation account

TABLE 3

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Income</b>												
Gross trading profits of companies, and trading surpluses of public corporations trading in the United Kingdom (1) .....	14, 15	700	1,493	1,723	1,908	1,995	2,316	2,737	2,433	2,614	2,924	3,162
Other corporate income:												
Trading profits earned abroad .....	33a, 38a	106	89	158	240	184	365	295	119	199	287	243
Non-trading income .....	33b, 38b	242	285	322	352	354	379	405	459	498	541	603
Total .....		1,048	1,867	2,203	2,500	2,533	3,060	3,437	3,011	3,311	3,752	4,008
<b>Allocation of income</b>												
Dividends and interest:												
Payments .....	34a, 39a	617	624	663	683	692	717	780	811	904	1,001	1,137
Additions to dividend and interest reserves .....	34b, 39b	7	31	21	—1	—10	37	1	47	39	61	26
Taxes and remittances paid abroad .....	35	33	91	96	95	99	115	156	185	165	168	215
United Kingdom taxes on income:												
Payments .....	36a, 40a	92	653	517	586	763	764	707	960	962	872	912
Addition to tax reserves .....	36b, 40b	3	—103	161	159	—50	74	445	—38	—14	117	63
Undistributed income after taxation but before providing for depreciation and stock appreciation .....	37, 41	296	571	745	978	1,039	1,353	1,348	1,046	1,255	1,533	1,655
Total .....		1,048	1,867	2,203	2,500	2,533	3,060	3,437	3,011	3,311	3,752	4,008

(1) Before providing for depreciation and stock appreciation.



## Revenue account of Central Government including National Insurance Funds

TABLE 4

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revenue</b>												
Gross trading income (1) .....	16	44	42	75	77	83	118	96	18	34	78	81
Rent, dividends and interest .....	42		4	-2	93	112	112	151	178	197	222	249
Taxes on income .....	43		1,716	1,495	1,595	1,780	1,795	1,907	2,154	2,096	2,125	2,296
Taxes on capital .....	44	78	143	164	215	254	190	194	159	165	183	184
Taxes on expenditure .....	8	410	1,282	1,478	1,703	1,655	1,722	1,907	1,893	1,937	2,021	2,144
National insurance contributions .....	31	109	170	232	335	436	440	452	476	525	532	594
Current grants from overseas governments .....	45	—	—	—	—	—	—	4	121	105	50	44
Total .....		1,021	3,357	3,442	4,018	4,320	4,377	4,711	4,999	5,059	5,211	5,592
<b>Expenditure</b>												
Current expenditure on goods and services .....	2	463	1,823	1,220	1,233	1,437	1,508	1,815	2,206	2,317	2,344	2,354
Subsidies .....	10	32	378	460	559	511	461	453	400	345	406	325
National insurance benefits .....	24a	124	133	272	334	379	388	406	473	527	531	614
Other current grants to persons .....	24b	126	504	368	332	329	327	336	388	426	432	430
Debt interest .....	46	213	486	519	509	507	507	550	609	638	637	707
Current grants to local authorities .....	47	133	243	262	280	286	296	332	369	399	427	469
Current grants paid abroad .....	48	8	105	56	42	40	45	49	60	58	63	68
Transfers to capital accounts .....	49	9	541	377	206	233	160	119	108	118	92	112
Total expenditure .....		1,108	4,213	3,534	3,495	3,722	3,692	4,060	4,613	4,828	4,932	5,079
Surplus before providing for depreciation and stock appreciation .....	50	-87	-856	-92	523	598	685	651	386	231	279	513
Total .....		1,021	3,357	3,442	4,018	4,320	4,377	4,711	4,999	5,059	5,211	5,592

(1) Before providing for depreciation and stock appreciation.

## Current account of local authorities

TABLE 5

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revenue</b>												
Gross trading income (1) .....	17	137	44	44	29	23	23	21	23	28	29	29
Rent, dividends and interest .....	51		87	89	94	102	112	125	146	169	192	215
Rates .....	9		269	307	317	326	338	365	393	435	460	476
Current grants from the Central Government .....	47	133	243	262	280	286	296	332	369	399	427	469
Total .....		482	643	702	720	737	769	843	931	1,031	1,108	1,189
<b>Expenditure</b>												
Current expenditure on goods and services .....	3	309	468	523	528	540	563	625	684	733	784	838
Housing subsidies .....	11	5	9	12	14	14	13	15	18	19	20	21
Current grants to persons .....	25	25	35	42	38	36	39	42	48	49	55	71
Debt interest .....	52	68	61	61	62	66	73	83	98	118	137	155
Total current expenditure .....		407	573	638	642	656	688	765	848	919	996	1,085
Current surplus before providing for depreciation and stock appreciation .....	53	75	70	64	78	81	81	78	83	112	112	104
Total .....		482	643	702	720	737	769	843	931	1,031	1,108	1,189

(1) Before providing for depreciation and stock appreciation.



## SUMMARY TABLES

## Combined capital account of the United Kingdom

£ million

TABLE 6

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>												
Saving (1):												
Persons .....	32	262	363	210	91	170	163	240	710	895	816	967
Companies .....	37	292	560	734	919	955	1,235	1,205	903	1,080	1,312	1,468
Public corporations .....	41	4	11	11	59	84	118	143	143	175	221	187
Central Government:												
Surplus on revenue account.....	50	-87	-856	-92	523	598	685	651	386	231	279	513
less Taxes on capital.....	44	-78	-143	-164	-215	-254	-190	-194	-159	-165	-183	-184
Transfers to capital accounts .....	49	9	541	377	206	233	160	119	108	118	92	112
Local authorities .....	53	75	70	64	78	81	81	78	83	112	112	104
Additions to dividend and interest reserves	34b, 39b	7	31	21	-1	-10	37	1	47	39	61	26
Additions to tax reserves.....	30b, 36b, 40b	22	-40	246	182	24	134	512	-35	-53	127	83
Total national saving, before providing for depreciation and stock appreciation...	20	506	537	1,407	1,842	1,881	2,423	2,755	2,186	2,432	2,837	3,276
less Stock appreciation.....		80	-125	-450	-325	-200	-650	-750	50	75	-75	-200
Capital transfers from abroad:												
Capital grants from overseas government (net) .....	58	—	—	30	138	154	140	43	—	—	—	—
Other Central Government receipts .....	56	—	164	129	96	35	27	35	35	27	11	18
Residual error .....	19	—	—	—	-2	-37	-10	25	134	118	56	-32
<b>Total .....</b>		<b>586</b>	<b>576</b>	<b>1,116</b>	<b>1,749</b>	<b>1,833</b>	<b>1,930</b>	<b>2,108</b>	<b>2,405</b>	<b>2,652</b>	<b>2,829</b>	<b>3,062</b>
<b>Payments</b>												
Gross fixed capital formation .....	4	656	925	1,199	1,435	1,583	1,700	1,893	2,108	2,350	2,549	2,865
Value of physical increase in stocks and work in progress .....	5	—	-51	330	175	65	-210	575	50	125	75	300
Investment abroad (net) .....	57	-70	-298	-413	139	185	440	-360	247	177	205	-103
<b>Total investment .....</b>		<b>586</b>	<b>576</b>	<b>1,116</b>	<b>1,749</b>	<b>1,833</b>	<b>1,930</b>	<b>2,108</b>	<b>2,405</b>	<b>2,652</b>	<b>2,829</b>	<b>3,062</b>

(1) Before providing for depreciation and stock appreciation.

## Transactions with the rest of the world

TABLE 7

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>United Kingdom debits</b>												
Imports of merchandise .....	7a	835	1,082	1,560	1,794	1,978	2,383	3,491	2,944	2,887	3,009	3,413
Other imports of goods and services .....	7b	142	586	491	403	432	426	575	587	557	591	706
Property income paid abroad .....	7c	61	201	196	210	220	251	328	369	356	382	446
Imports and income paid abroad .....	7	1,038	1,869	2,247	2,407	2,630	3,060	4,394	3,900	3,800	3,982	4,565
Current transfers:	54											
To persons (net) .....		3	-10	41	40	27	1	21	23	12	18	24
To overseas governments and international organisations .....	55	5	99	50	36	34	39	42	52	50	55	59
Investment and financing:	57											
Net investment abroad.....		-70	-298	-413	139	185	440	-360	247	177	205	-103
less Capital grants from overseas governments (net) .....	58	—	—	-30	-138	-154	-140	-43	—	—	—	—
Total investment and financing(1) .....		-70	-298	-443	1	31	300	-403	247	177	205	-103
<b>Total .....</b>		<b>976</b>	<b>1,660</b>	<b>1,895</b>	<b>2,484</b>	<b>2,722</b>	<b>3,400</b>	<b>4,054</b>	<b>4,222</b>	<b>4,039</b>	<b>4,260</b>	<b>4,545</b>
<b>United Kingdom credits</b>												
Exports and re-exports of merchandise ...	6a											
Other exports of goods and services .....	6b	533	917	1,145	1,602	1,841	2,250	2,748	2,827	2,670	2,817	3,061
Property income received from abroad.....	6c	190	334	311	389	464	535	722	777	719	778	831
	6	253	245	310	397	382	588	545	462	518	604	591
Exports and income received from abroad		976	1,496	1,766	2,388	2,687	3,373	4,015	4,066	3,907	4,199	4,483
Current transfers from overseas governments .....	45	—	—	—	—	—	—	4	121	105	50	44
Other Central Government receipts .....	56	—	164	129	96	35	27	35	35	27	11	18
<b>Total .....</b>		<b>976</b>	<b>1,660</b>	<b>1,895</b>	<b>2,484</b>	<b>2,722</b>	<b>3,400</b>	<b>4,054</b>	<b>4,222</b>	<b>4,039</b>	<b>4,260</b>	<b>4,545</b>

(1) Equal to balance of current transactions (including Defence Aid) as defined in the White Papers on the Balance of Payments (e.g. Cmd. 9731).



## Shares in the gross national product

TABLE 8

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Income after current transfers</b>												
<b>Persons:</b>												
Income from civilian employment .....	12 {	2,944	5,122	5,771	6,495	6,960	7,326	8,143	8,729	9,239	9,899	10,741
Pay in cash and kind of the Forces ...		78	610	428	268	260	274	344	384	393	408	409
Income from self-employment(1) .....	13	647	1,143	1,228	1,321	1,390	1,406	1,453	1,506	1,566	1,652	1,718
Rent, dividends and interest .....	22	1,128	1,255	1,340	1,175	1,195	1,277	1,317	1,452	1,553	1,639	1,780
Current grants from public authorities	24, 25	275	672	682	704	744	754	784	909	1,002	1,018	1,115
less Remittances abroad (net) .....	23	—	16	—35	—34	—21	5	—14	—15	—4	—10	—15
<b>Total</b> .....		<b>5,072</b>	<b>8,818</b>	<b>9,414</b>	<b>9,929</b>	<b>10,528</b>	<b>11,042</b>	<b>12,027</b>	<b>12,965</b>	<b>13,749</b>	<b>14,606</b>	<b>15,748</b>
<b>Companies and public corporations:</b>												
Undistributed income of companies and public corporations(1) .....	36, 37, 40, 41	391	1,121	1,423	1,723	1,752	2,191	2,500	1,968	2,203	2,522	2,630
<b>Public authorities:</b>												
Gross trading income(1) .....	16, 17	—100 {	86	119	106	106	141	117	41	62	107	110
less Rent, dividends and interest paid (net) .....	(2)		—456	—493	—384	—359	—356	—357	—383	—390	—360	—398
less Current grants to persons .....	24, 25	—275	—672	—682	—704	—744	—754	—784	—909	—1,002	—1,018	—1,115
less Current grants paid abroad .....	48	—8	—105	—56	—42	—40	—45	—49	—60	—58	—63	—68
<b>Total</b> .....		<b>—383</b>	<b>—1,147</b>	<b>—1,112</b>	<b>—1,024</b>	<b>—1,037</b>	<b>—1,014</b>	<b>—1,073</b>	<b>—1,311</b>	<b>—1,388</b>	<b>—1,334</b>	<b>—1,471</b>
Current transfers paid abroad .....	23, 48	8	89	91	76	61	40	63	75	62	73	83
Additions to dividend and interest reserves .....	34b, 39b	7	31	21	—1	—10	37	1	47	39	61	26
less Stock appreciation .....	20	80	—125	—450	—325	—200	—650	—750	50	75	—75	—200
Residual error .....	19	—	—	—	—2	—37	—10	25	134	118	56	—32
<b>Gross national product</b> .....		<b>5,175</b>	<b>8,787</b>	<b>9,387</b>	<b>10,376</b>	<b>11,057</b>	<b>11,636</b>	<b>12,793</b>	<b>13,928</b>	<b>14,858</b>	<b>15,909</b>	<b>16,784</b>
<b>Incomes after current transfers, taxes on income and national insurance contributions</b>												
<b>Persons:</b>												
Income from civilian employment .....	26 {	2,781	4,503	5,139	5,742	6,093	6,441	7,147	7,715	8,227	8,819	9,505
Pay in cash and kind of the Forces ...		77	572	397	242	233	250	315	354	364	380	379
Income from self-employment(1) .....	27	1,542	1,829	2,035	1,945	2,039	2,131	2,153	2,342	2,514	2,628	2,800
Rent, dividends and interest .....	28		1,829	2,035	1,945	2,039	2,131	2,153	2,342	2,514	2,628	2,800
Current grants from public authorities .....	29	275	665	668	690	731	744	774	899	989	1,004	1,101
less Remittances abroad (net) .....	23	—	16	—35	—34	—21	5	—14	—15	—4	—10	—15
less Additions to tax reserves .....	30b	—19	—63	—85	—23	—74	—60	—67	—3	39	—10	—20
<b>Total disposable income</b> .....		<b>4,656</b>	<b>7,522</b>	<b>8,119</b>	<b>8,562</b>	<b>9,001</b>	<b>9,511</b>	<b>10,308</b>	<b>11,292</b>	<b>12,129</b>	<b>12,811</b>	<b>13,750</b>
<b>Companies and public corporations:</b>												
Undistributed income of companies and public corporations(1) .....	37, 41	296	571	745	978	1,039	1,353	1,348	1,046	1,255	1,533	1,655
<b>Public authorities:</b>												
Income less current transfers(1) .....		—383	—1,147	—1,112	—1,024	—1,037	—1,014	—1,073	—1,311	—1,388	—1,334	—1,471
Taxes on income and national insurance contributions .....	31, 43	489	1,886	1,727	1,930	2,216	2,235	2,359	2,630	2,621	2,657	2,890
<b>Total</b> .....		<b>106</b>	<b>739</b>	<b>615</b>	<b>906</b>	<b>1,179</b>	<b>1,221</b>	<b>1,286</b>	<b>1,319</b>	<b>1,233</b>	<b>1,323</b>	<b>1,419</b>
Current transfers paid abroad .....	23, 48	8	89	91	76	61	40	63	75	62	73	83
Additions to dividend and interest reserves .....	34b, 39b	7	31	21	—1	—10	37	1	47	39	61	26
Additions to tax reserves .....	30b, 36b, 40b	22	—40	246	182	24	134	512	—35	—53	127	83
less Stock appreciation .....	20	80	—125	—450	—325	—200	—650	—750	50	75	—75	—200
Residual error .....	19	—	—	—	—2	—37	—10	25	134	118	56	—32
<b>Gross national product</b> .....		<b>5,175</b>	<b>8,787</b>	<b>9,387</b>	<b>10,376</b>	<b>11,057</b>	<b>11,636</b>	<b>12,793</b>	<b>13,928</b>	<b>14,858</b>	<b>15,909</b>	<b>16,784</b>

(1) Before providing for depreciation and stock appreciation.

(2) Item 42 plus 51 less 46 less 52.



## Social accounts of the United Kingdom, 1955

£ million

TABLE 9

TABLE 9

	Production account of the United Kingdom		Income and expenditure accounts					
			Persons		Companies and public corporations		Public authorities	
			Receipts	Payments	Receipts	Payments	Receipts	Payments
<b>Items in income and expenditure accounts</b>								
Income payments to factors of production:								
Income from employment .....	—	11,150	11,150	—	—	—	—	—
Income from self-employment(1) .....	—	1,718	1,718	—	—	—	—	—
Gross trading profits of companies and public corporations(1) .....	—	3,162	—	—	3,162	—	—	—
Gross trading profits of other public enterprises(1) Rent(1) .....	—	110	—	—	—	—	110	—
	—	731	392	—	103	—	236	—
Taxes on expenditure .....	—	2,620	—	—	—	—	2,620	—
Subsidies .....	346	—	—	—	—	—	—	346
Transfer incomes:								
Current grants from or to public authorities .....	—	—	1,115	—	—	—	44	1,183
Interest and dividend payments <i>plus</i> income earned abroad .....	—	—	1,388	—	743	1,352	130	764
Tax payments on income and national insurance contributions .....	—	—	—	1,978	—	912	2,890	—
Personal remittances abroad (net) .....	—	—	—	15	—	—	—	—
Current expenditure on goods and services:								
By persons .....	12,597	—	—	12,783	—	—	—	—
By public authorities .....	3,192	—	—	—	—	—	—	3,192
Payments to capital accounts:								
Savings excluding stock appreciation .....	—	—	—	921	—	1,515	—	531
Stock appreciation ... ..	200	—	—	46	—	140	—	14
Additions to tax and dividend reserves .....	—	—	—	20	—	89	—	—
<b>Items in capital accounts</b>								
Capital transfers .....	—	—	—	—	—	—	—	—
Gross domestic capital formation .....	3,165	—	—	—	—	—	—	—
Change in financial assets <i>plus</i> net overseas investment .....	—	—	}	—	—	—	—	—
Residual error .....	—	— 32		—	—	—	—	—
<b>International transactions</b>								
Transactions with rest of the world in goods and services by businesses and public authorities .....	3,892	3,933	—	—	—	—	—	—
Total .....	23,392	23,392	15,763	15,763	4,008	4,008	6,030	6,030

(1) Before providing for depreciation and stock appreciation.



## Social accounts of the United Kingdom, 1955 (continued)

TABLE 9 (continued)

£ million

	Capital accounts						Account of the rest of the world with the United Kingdom	
	Persons		Companies and public corporations		Public authorities			
	Receipts	Payments	Receipts	Payments	Receipts	Payments	Receipts	Payments
<b>Items in income and expenditure accounts</b>								
Income payments to factors of production:								
Income from employment .....	—	—	—	—	—	—	—	—
Income from self-employment (1).....	—	—	—	—	—	—	—	—
Gross trading profits of companies and public corporations(1).....	—	—	—	—	—	—	—	—
Gross trading profits of other public enterprises(1)	—	—	—	—	—	—	—	—
Rent(1) .....	—	—	—	—	—	—	—	—
Taxes on expenditure.....	—	—	—	—	—	—	—	—
Subsidies .....	—	—	—	—	—	—	—	—
Transfer incomes:								
Current grants from or to public authorities .....	—	—	—	—	—	—	68	44
Interest and dividend payment <i>plus</i> income earned abroad .....	—	—	—	—	—	—	446	591
Tax payments on income and national insurance contributions .....	—	—	—	—	—	—	—	—
Personal remittances abroad (net) .....	—	—	—	—	—	—	15	—
Current expenditure on goods and services:								
By persons .....	—	—	—	—	—	—	186	—
By public authorities .....	—	—	—	—	—	—	—	—
Payments to capital accounts:								
Savings excluding stock appreciation .....	921	—	1,515	—	531	—	—	—
Stock appreciation .....	46	46	140	140	14	14	—	—
Additions to tax and dividend reserves .....	20	—	89	—	—	—	—	—
<b>Items in capital accounts</b>								
Capital transfers .....	57	184	40	—	202	97	—	18
Gross domestic capital formation .....	—	634	—	1,927	—	604	—	—
Change in financial assets <i>plus</i> net overseas investment .....	}	180	—	—283	—	32	—103	—
Residual error .....								
<b>International transactions</b>								
Transactions with rest of the world in goods and services by businesses and public authorities .....	—	—	—	—	—	—	3,933	3,892
Total .....	1,044	1,044	1,784	1,784	747	747	4,545	4,545

(1) Before providing for depreciation and stock appreciation.



## SUMMARY TABLES

Gross national product by industry<sup>(1)</sup>

£ million

TABLE 10

	1948	1949	1950	1951	1952	1953	1954	1955
Agriculture, forestry and fishing .....	642	689	680	717	758	770	755	765
Mining and quarrying .....	383	406	412	446	501	536	556	573
Manufacturing.....	3,731	3,944	4,374	4,967	4,968	5,369	5,884	6,471
Building and contracting .....	614	670	681	729	778	851	924	1,015
Gas, electricity and water .....	209	225	251	272	308	339	370	398
Transport and communication .....	827	869	922	1,084	1,129	1,114	1,170	1,275
Distributive trades .....	1,392	1,478	1,599	1,740	1,664	1,768	1,960	2,118
Insurance, banking and finance (including real estate)	279	296	327	366	370	389	451	476
Other services .....	993	1,061	1,081	1,194	1,232	1,316	1,433	1,508
Total production and trade .....	9,070	9,638	10,327	11,515	11,708	12,452	13,503	14,599
Public administration and defence .....	705	723	754	865	943	971	1,015	1,046
Public health and education services .....	257	309	346	387	426	451	484	518
Ownership of dwellings .....	299	299	368	370	410	465	536	534
Domestic services to households .....	113	105	103	100	99	98	100	103
Services to private non-profit-making bodies.....	72	58	61	64	65	66	68	71
less Stock appreciation .....	-325	-200	-650	-750	50	75	-75	-200
Residual error .....	-2	-37	-10	25	134	118	56	-32
Gross domestic product at factor cost .....	10,189	10,895	11,299	12,576	13,835	14,696	15,687	16,639
Net income from abroad .....	187	162	337	217	93	162	222	145
Gross national product at factor cost .....	10,376	11,057	11,636	12,793	13,928	14,858	15,909	16,784

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

## Gross national product by category of expenditure at factor cost

£ million

TABLE 11

	Reference number	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Consumers' expenditure.....	1	6,096	6,726	7,163	7,532	7,947	8,537	9,008	9,543	10,284	10,876
Public authorities' current expenditure on goods and services .....	2, 3	2,255	1,713	1,729	1,941	2,028	2,381	2,810	2,955	3,024	3,098
Gross domestic capital formation .....	4, 5	827	1,456	1,537	1,567	1,404	2,330	2,020	2,325	2,463	2,975
Exports of goods and services .....	6a, 6b	1,233	1,429	1,957	2,265	2,729	3,394	3,528	3,317	3,516	3,809
less Imports of goods and services .....	7a, 7b	-1,668	-2,051	-2,197	-2,410	-2,809	-4,066	-3,531	-3,444	-3,600	-4,119
Gross expenditure on domestic product ...		8,743	9,273	10,189	10,895	11,299	12,576	13,835	14,696	15,687	16,639
Net income from abroad .....	21	44	114	187	162	337	217	93	162	222	145
Gross national expenditure at factor cost		8,787	9,387	10,376	11,057	11,636	12,793	13,928	14,858	15,909	16,784



## II. OUTPUT AND EXPENDITURE AT CONSTANT PRICES

### Gross domestic product and expenditure at 1948 prices

TABLE 12

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revalued at 1948 market prices</b>										
Consumers' expenditure .....	8,245	8,519	8,471	8,616	8,824	8,782	8,730	9,085	9,531	9,819
Public authorities' current expenditure on goods and services .....	2,589	1,773	1,761	1,915	1,899	2,048	2,267	2,306	2,283	2,244
Gross domestic capital formation:										
Fixed capital formation .....	1,058	1,304	1,435	1,561	1,643	1,649	1,661	1,837	2,004	2,161
Value of physical increase in stocks and work in progress .....	-58	356	175	63	-188	400	5	95	49	210
Total domestic expenditure .....	11,834	11,952	11,842	12,155	12,178	12,879	12,663	13,323	13,867	14,434
Exports of goods and services .....	1,482	1,575	1,991	2,229	2,553	2,682	2,627	2,599	2,813	2,985
less Imports of goods and services(1) .....	-2,882	-3,026	-2,998	-3,170	-3,207	-3,591	-3,301	-3,493	-3,674	-3,991
Gross domestic product .....	10,434	10,501	10,835	11,214	11,524	11,970	11,989	12,429	13,006	13,428
Index numbers of gross domestic product (1948=100) .....	96.3	96.9	100	103.5	106.4	110.5	110.7	114.7	120.0	123.9
<b>Revalued at 1948 factor cost</b>										
Consumers' expenditure .....	6,857	7,184	7,163	7,363	7,559	7,511	7,479	7,818	8,208	8,473
Public authorities' current expenditure on goods and services .....	2,542	1,741	1,729	1,880	1,864	2,011	2,226	2,264	2,242	2,203
Gross domestic capital formation:										
Fixed capital formation .....	1,006	1,240	1,365	1,485	1,563	1,569	1,580	1,747	1,906	2,056
Value of physical increase in stocks and work in progress .....	-57	350	172	62	-185	393	5	93	48	206
Total domestic expenditure .....	10,348	10,515	10,429	10,790	10,801	11,484	11,290	11,922	12,404	12,938
Exports of goods and services .....	1,458	1,550	1,957	2,191	2,509	2,636	2,583	2,556	2,766	2,935
less Imports of goods and services .....	-2,070	-2,201	-2,197	-2,356	-2,375	-2,717	-2,462	-2,630	-2,749	-3,025
Gross domestic product .....	9,736	9,864	10,189	10,625	10,935	11,403	11,411	11,848	12,421	12,848
Index numbers of gross domestic product (1948=100) (2) .....	95.6	96.8	100	104.3	107.3	111.9	112.0	116.3	121.9	126.1

(1) The value of imports includes taxes on expenditure (at 1948 values) levied on imports (or on withdrawals from bond).

(2) Alternative estimates of the changes in the gross domestic product at 1948 factor cost are given in Table 13.

### Index numbers of the gross domestic product at 1948 factor cost<sup>(1)</sup>

TABLE 13

1948=100

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Agriculture, forestry and fishing .....	97	93	100	107	108	111	113	115	115	116
Mining and quarrying .....	92	95	100	103	104	108	109	109	110	108
Manufacturing .....	86	92	100	107	116	121	116	123	133	142
Building and contracting .....	88	92	100	105	105	101	104	111	115	116
Gas, electricity and water .....	91	94	100	107	116	124	128	134	145	153
Transport and communication .....	89	93	100	105	109	113	117	120	123	128
Distribution .....	89	97	100	106	109	107	104	111	118	121
Insurance, banking and finance .....	94	99	100	102	104	106	106	107	112	114
Public administration and defence .....	157	115	100	97	94	99	102	101	101	99
Professional services .....	92	95	100	105	108	109	110	112	115	117
Miscellaneous services .....	97	98	100	96	95	95	95	96	97	99
Gross domestic product(2) .....	94.7	95.7	100	104.5	109.2	111.7	110.9	116.1	122.3	126.9

(1) The industries are not grouped precisely according to the *Standard Industrial Classification*: in particular, "Transport and communication" covers all road goods vehicles including those owned by other industries.

(2) See footnote (2) to Table 12.



# III. INDUSTRIAL INPUT AND OUTPUT

## Gross domestic product by industry and type of income<sup>(1)</sup>

£ million

TABLE 14

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Agriculture, forestry and fishing:</b>								
Wages .....	233	240	235	246	251	259	265	274
Salaries .....	17	19	20	23	25	27	28	29
Employers' contributions .....	8	9	9	9	10	10	10	12
Income from employment .....	258	268	264	278	286	296	303	315
Income from self-employment and other trading income .....	384	421	416	439	472	474	452	450
<b>Total .....</b>	<b>642</b>	<b>689</b>	<b>680</b>	<b>717</b>	<b>758</b>	<b>770</b>	<b>755</b>	<b>765</b>
<b>Mining and quarrying:</b>								
Wages .....	311	316	318	355	408	418	439	461
Salaries .....	20	21	21	24	26	28	30	32
Employers' contributions .....	13	18	20	20	25	26	26	28
Income from employment .....	344	355	359	399	459	472	495	521
Gross trading surpluses of public corporations and other trading income .....	39	51	53	47	42	64	61	52
<b>Total .....</b>	<b>383</b>	<b>406</b>	<b>412</b>	<b>446</b>	<b>501</b>	<b>536</b>	<b>556</b>	<b>573</b>
<b>Manufacturing:</b>								
Wages .....	1,755	1,855	1,976	2,204	2,371	2,543	2,755	3,062
Salaries .....	564	611	660	742	820	880	956	1,040
Employers' contributions .....	93	110	119	129	141	161	170	192
Income from employment .....	2,412	2,576	2,755	3,075	3,332	3,584	3,881	4,294
Gross profits of companies and public corporations .....	1,175	1,223	1,475	1,748	1,496	1,641	1,852	2,014
Income from self-employment and other trading income .....	144	145	144	144	140	144	151	163
<b>Total .....</b>	<b>3,731</b>	<b>3,944</b>	<b>4,374</b>	<b>4,967</b>	<b>4,968</b>	<b>5,369</b>	<b>5,884</b>	<b>6,471</b>
<b>Building and contracting:</b>								
Wages .....	420	451	461	495	528	571	615	688
Salaries .....	60	68	71	79	83	90	96	106
Employers' contributions .....	18	22	23	24	26	29	29	32
Income from employment .....	498	541	555	598	637	690	740	826
Gross profits of companies and income from self-employment .....	116	129	126	131	141	161	184	189
<b>Total .....</b>	<b>614</b>	<b>670</b>	<b>681</b>	<b>729</b>	<b>778</b>	<b>851</b>	<b>924</b>	<b>1,015</b>
<b>Gas, electricity and water:</b>								
Wages .....	79	84	90	99	108	116	123	136
Salaries .....	33	38	43	50	55	57	62	68
Employers' contributions .....	9	11	12	12	14	15	15	17
Income from employment .....	121	133	145	161	177	188	200	221
Gross profits of companies .....	23	8	7	5	6	6	7	8
Gross profits and trading surpluses of public enterprises .....	65	84	99	106	125	145	163	169
<b>Total .....</b>	<b>209</b>	<b>225</b>	<b>251</b>	<b>272</b>	<b>308</b>	<b>339</b>	<b>370</b>	<b>398</b>
<b>Transport and communication:</b>								
Wages .....	392	410	424	471	491	506	527	574
Salaries .....	155	160	166	191	207	213	224	244
Employers' contributions .....	33	41	43	48	52	57	61	65
Income from employment .....	580	611	633	710	750	776	812	883
Gross trading surpluses of public corporations .....	37	36	54	69	62	69	85	68
Gross profits and other trading income .....	210	222	235	305	317	269	273	324
<b>Total .....</b>	<b>827</b>	<b>869</b>	<b>922</b>	<b>1,084</b>	<b>1,129</b>	<b>1,114</b>	<b>1,170</b>	<b>1,275</b>

(1) The contribution of each industry to the gross domestic product includes provision for depreciation and stock appreciation.



Gross domestic product by industry and type of income<sup>(1)</sup> (continued)

TABLE 14 (continued)

£ million

	1948	1949	1950	1951	1952	1953	1954	1955
Distributive trades:								
Income from employment .....	651	711	755	843	889	939	1,015	1,089
Gross profits and other trading income .....	741	767	844	897	775	829	945	1,029
Total .....	1,392	1,478	1,599	1,740	1,664	1,768	1,960	2,118
Insurance, banking and finance (including real estate):								
Income from employment .....	210	228	247	273	286	304	328	349
Gross profits and other income .....	210	216	236	277	286	298	361	398
Rent .....	105	109	115	124	134	149	165	182
Adjustment for net interest .....	-246	-257	-271	-308	-336	-362	-403	-453
Total .....	279	296	327	366	370	389	451	476
Other services:								
Income from employment .....	542	602	623	734	764	797	866	914
Gross profits and other trading income .....	451	459	458	460	468	519	567	594
Total .....	993	1,061	1,081	1,194	1,232	1,316	1,433	1,508
Public administration and defence:								
Wages .....	163	171	175	192	206	214	223	237
Salaries .....	229	241	251	273	291	300	316	326
Pay in cash and kind of the Forces .....	233	223	237	303	342	349	363	362
Employers' contributions:								
Forces .....	35	37	37	41	42	44	45	47
Civilians .....	45	51	54	56	62	64	68	74
Income from employment .....	705	723	754	865	943	971	1,015	1,046
Public health and educational services:								
Wages .....	48	58	67	75	83	87	91	480
Salaries .....	194	227	252	284	312	331	358	38
Employers' contributions .....	15	24	27	28	31	33	35	
Income from employment .....	257	309	346	387	426	451	484	518
Ownership of dwellings:								
Rent .....	299	299	368	370	410	465	536	534
Domestic services to households:								
Income of domestic servants .....	113	105	103	100	99	98	100	103
Services to private non-profit-making bodies:								
Income from employment .....	72	58	61	64	65	66	68	71
less Stock appreciation .....	-325	-200	-650	-750	50	75	-75	-200
Residual error .....	-2	-37	-10	25	134	118	56	-32
Gross domestic product at factor cost:								
Wages .....	4,180	4,425	4,610	5,110	5,455	5,775	6,190	6,750
Salaries .....	2,005	2,160	2,310	2,595	2,790	2,935	3,155	3,380
Pay in cash and kind of the Forces .....	233	223	237	303	342	349	363	362
Employers' contributions .....	345	412	443	479	526	573	599	658
Income from employment .....	6,763	7,220	7,600	8,487	9,113	9,632	10,307	11,150
Income from self employment .....	1,321	1,390	1,406	1,453	1,506	1,566	1,652	1,718
Gross profits of companies .....	1,793	1,841	2,122	2,481	2,161	2,298	2,573	2,859
Gross trading surpluses of public corporations .....	115	154	194	256	272	316	351	303
Gross profits of other public enterprises .....	106	106	141	117	41	62	107	110
Rent .....	418	421	496	507	558	629	716	731
less Stock appreciation .....	-325	-200	-650	-750	50	75	-75	-200
Residual error .....	-2	-37	-10	25	134	118	56	-32
Total .....	10,189	10,895	11,299	12,576	13,835	14,696	15,687	16,639

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



## INDUSTRIAL INPUT AND OUTPUT

## Wages and salaries in manufacturing industry

£ million

TABLE 15

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Wages</b>								
Bricks, pottery, glass, etc. ....	76	81	86	93	100	110	118	128
Chemicals and allied trades .....	74	79	85	98	105	111	125	140
Metal manufacture .....	158	166	174	189	213	215	227	254
Engineering, shipbuilding and electrical goods .....	408	420	437	500	578	606	657	736
Vehicles .....	244	258	276	306	345	377	415	493
Metal goods not elsewhere specified .....	103	106	112	120	133	135	143	160
Precision instruments, jewellery, etc. ....	26	28	30	33	36	37	41	46
Textiles .....	183	201	223	250	216	263	283	291
Leather .....	16	16	17	18	18	19	20	21
Clothing .....	110	118	124	132	136	150	158	162
Food, drink and tobacco .....	149	161	172	199	209	219	238	264
Manufactures of wood and cork .....	67	72	77	82	86	93	96	103
Paper and printing .....	95	103	114	128	138	147	164	185
Other manufacturing .....	46	46	49	56	58	61	70	79
<b>Total</b> .....	<b>1,755</b>	<b>1,855</b>	<b>1,976</b>	<b>2,204</b>	<b>2,371</b>	<b>2,543</b>	<b>2,755</b>	<b>3,062</b>
<i>Estimated number of wage earners employed in manufacturing industry (thousands)</i> .....	<i>6,290</i>	<i>6,380</i>	<i>6,510</i>	<i>6,670</i>	<i>6,580</i>	<i>6,640</i>	<i>6,730</i>	<i>6,900</i>
<b>Salaries</b>								
Bricks, pottery, glass, etc. ....	17	19	21	22	24	26	29	31
Chemicals and allied trades .....	48	52	57	65	73	76	85	93
Metal manufacture .....	35	38	40	45	50	54	57	62
Engineering, shipbuilding and electrical goods .....	138	150	164	188	219	233	257	282
Vehicles .....	59	64	68	80	92	105	116	134
Metal goods not elsewhere specified .....	32	34	37	41	45	48	50	53
Precision instruments, jewellery, etc. ....	11	12	13	14	16	17	19	21
Textiles .....	45	49	55	62	63	69	72	74
Leather .....	6	6	6	6	6	7	7	8
Clothing .....	31	34	36	39	40	41	43	45
Food, drink and tobacco .....	58	61	64	71	77	80	86	95
Manufactures of wood and cork .....	17	19	21	22	23	25	27	29
Paper and printing .....	47	52	56	63	66	72	78	82
Other manufacturing .....	20	21	22	24	26	27	30	31
<b>Total</b> .....	<b>564</b>	<b>611</b>	<b>660</b>	<b>742</b>	<b>820</b>	<b>880</b>	<b>956</b>	<b>1,040</b>
<i>Estimated number of salary earners (1) employed in manufacturing (thousands)</i> .....	<i>1,200</i>	<i>1,250</i>	<i>1,300</i>	<i>1,360</i>	<i>1,420</i>	<i>1,470</i>	<i>1,540</i>	<i>1,590</i>

(1) Excludes directors paid by fee only.



## INDUSTRIAL INPUT AND OUTPUT

## Production accounts for selected industry groups

TABLE 16

£ million at 1948 factory or c.i.f. values

	1948	1949	1950	1951	1952	1953	1954	1955
<b>All manufacturing (excluding food, drink and tobacco)</b>								
Production(1) .....	4,700	5,045	5,505	5,770	5,485	5,855	6,380	6,830
Consumers' expenditure(2) .....	1,215	1,320	1,395	1,320	1,300	1,410	1,560	1,675
Gross domestic fixed capital formation(2) .....	785	845	880	910	855	895	1,005	1,150
Exports .....	1,355	1,500	1,730	1,775	1,655	1,690	1,790	1,930
Other(3) .....	1,345	1,380	1,500	1,765	1,675	1,860	2,025	2,075
<b>Metals, engineering and vehicles</b>								
Production(1) .....	2,580	2,730	2,950	3,150	3,140	3,215	3,520	3,875
Imports(4) .....	50	50	45	55	75	65	55	65
Total supplies .....	2,630	2,780	2,995	3,205	3,215	3,280	3,575	3,940
Consumers' expenditure .....	180	195	225	240	240	290	345	405
Current expenditure on military defence .....	160	180	200	285	415	470	465	455
Gross domestic fixed capital formation .....	785	845	880	910	855	895	1,005	1,150
Exports .....	765	860	990	985	975	960	995	1,105
Other domestic use(5) .....	740	700	700	785	730	665	765	825
Total demand .....	2,630	2,780	2,995	3,205	3,215	3,280	3,575	3,940
<b>Textiles, leather and clothing</b>								
Production(1) .....	1,190	1,285	1,385	1,370	1,170	1,345	1,370	1,370
Imports(4) .....	15	20	25	25	15	15	30	35
Total supplies .....	1,205	1,305	1,410	1,395	1,185	1,360	1,400	1,405
Consumers' expenditure .....	670	725	760	685	670	695	750	785
Public authorities' current expenditure .....	15	20	25	55	90	60	45	40
Exports .....	360	390	430	420	335	360	350	340
Industrial and business use and investment in stocks and work in progress .....	160	170	195	235	90	245	255	240
Total demand .....	1,205	1,305	1,410	1,395	1,185	1,360	1,400	1,405
<b>Mineral oil refining</b>								
Production(1) .....	41	53	77	127	177	206	228	226
Imports(4) .....	125	115	105	105	66	67	70	87
Total supplies .....	166	168	182	232	243	273	298	313
Exports .....	6	8	15	34	53	74	81	71
Domestic use(5) .....	160	160	167	198	190	199	217	242
Total demand .....	166	168	182	232	243	273	298	313
<b>Chemicals and allied trades (excluding oil refining)</b>								
Production(1) .....	620	670	760	805	770	885	975	1,030
Exports .....	100	110	135	160	140	150	200	230
Domestic use(5) .....	520	560	625	645	630	735	775	800
<b>Rubber manufactures</b>								
Production(1) .....	130	123	149	160	140	149	162	181
Exports .....	16	16	21	25	20	19	23	25
Domestic use(5) .....	114	107	128	135	120	130	139	156

(1) Value of gross output free from duplication.

(2) Includes purchases of imported manufactures.

(3) Residue. This represents other domestic use less the value of imported manufactures included in the figures of consumers' expenditure and gross domestic fixed capital formation

(4) Imports less re-exports of comparable products.

(5) Includes investment in stocks and work in progress.



## INDUSTRIAL INPUT AND OUTPUT

Inter-industry

TABLE 17

Purchases by Sales by	Agriculture, forestry and fishing	Mining and quarrying	Chemicals and allied trades	Metals, engineering and vehicles	Textiles, leather and clothing	Food, drink and tobacco	Other manufacturing	Building and contracting
	1	2	3	4	5	6	7	8
1. Agriculture, forestry and fishing .....	—	—	3	—	28	563	14	—
2. Mining and quarrying.....	6	—	110	42	19	14	23	27
3. Chemicals and allied trades .....	77	24	—	104	30	59	52	59
4. Metals, engineering and vehicles .....	55	50	45	—	48	33	25	160
5. Textiles, leather and clothing.....	10	5	15	41	—	13	92	3
6. Food, drink and tobacco .....	116	—	10	—	1	—	—	—
7. Other manufacturing .....	41	6	38	200	55	71	—	181
8. Building and contracting .....	30	21	8	22	15	8	4	—
9. Gas, electricity and water .....	4	9	13	60	13	14	32	8
10. Other production and trade(1) .....	100	30	105	445	120	145	80	110
11. Other industries(2) .....	—	—	—	—	—	—	—	—
12. Imports .....	53	11	225	218	468	396	168	39
13. Sales by final buyers .....	—	—	2	12	12	—	15	—
14. Goods and services .....	492	156	574	1,144	809	1,316	505	587
15. Income from employment .....	264	359	149	1,410	483	247	466	555
16. Gross profits, other trading income and rent(3) ...	416	53	139	613	347	276	244	126
17. Taxes on expenditure less subsidies .....	—44	3	70	11	11	678	11	7
18. Total input .....	1,128	571	932	3,178	1,650	2,517	1,226	1,275

(1) Transport and communication, distributive trades, insurance, banking and finance and other services.

(2) Public administration and defence, public health and educational services, ownership of dwellings, domestic services to households and services to private non-profit-making bodies.

(3) Includes stock appreciation.

(4) Includes "residual error" amounting to-£10 million.



## INDUSTRIAL INPUT AND OUTPUT

relations in 1950

£ million

£ million

Gas, electricity and water	Other production and trade	Other industries	Total inter- mediate output	Final buyers					Total final output 18 (13 to 17)	Stock appre- ciation 19	Total output 20 (12+18+19)
				Persons	Public authori- ties	Gross domestic capital formation		Exports			
						Fixed 15	Stocks 16				
9	10	11	12 (1 to 11)	13	14	15	16	17			
—	1	—	609	468	8	—	5	9	490	29	1,128
127	56	—	424	99	4	6	—15	48	142	5	571
7	88	—	500	213	55	—	—7	156	417	15	932
50	249	—	715	240	240	868	—40	1,070	2,378	85	3,178
1	27	—	207	820	23	—	—27	477	1,293	150	1,650
—	15	—	142	2,170	16	—	40	129	2,355	20	2,517
15	70	—	677	183	125	—	—22	167	453	96	1,226
2	99	—	209	243	150	661	—	2	1,056	10	1,275
—	88	—	241	230	28	41	— 2	4	301	—	542
65	—	—	1,200	2,902	319	81	— 5	580	3,877	100	5,177
—	—	—	—	532	1,100	—	—	—	1,632	—	1,632
1	226	—	1,805	742	95	42	—130	115	864	140	2,809
—	26	—	67	35	—103	—20	— 7	28	—67	—	—
268	945	—	6,796	8,877	2,060	1,679	—210	2,785	15,191	650	22,637
145	2,258	1,264	7,600	—	—	—	—	—	—	—	7,600
106	1,661 (4)	368	4,349	—	—	—	—	—	—	—	4,349
23	313	—	1,083	471	11	21	—	—	503	—	1,586
542	5,177	1,632	19,828	9,348	2,071	1,700	—210	2,785	15,694	650	36,172



## INDUSTRIAL INPUT AND OUTPUT

Total requirements per £100 of final demand in 1950<sup>(1)</sup>

£

TABLE 18

	Agriculture, forestry and fishing	Mining and quarrying	Chemicals and allied trades	Metals, engineering and vehicles	Textiles, leather and clothing	Food, drink and tobacco	Other manufacturing	Building and contracting	Gas, electricity, and water	Other production and trade	Other industries
Industry(2):											
Agriculture, forestry and fishing...	103	—	1	—	2	23	1	—	—	—	—
Mining and quarrying .....	2	102	14	3	2	2	4	4	25	2	—
Chemicals and allied trades.....	9	5	101	5	3	4	6	6	3	2	—
Metals, engineering and vehicles...	7	11	8	102	5	4	4	15	13	6	—
Textiles, leather and clothing .....	2	1	3	2	101	1	9	2	1	1	—
Food, drink and tobacco.....	11	—	1	—	—	103	—	—	—	—	—
Other manufacturing .....	6	3	6	8	5	5	101	15	5	2	—
Building and contracting .....	4	4	2	1	1	1	1	101	2	3	—
Gas, electricity and water .....	1	2	3	3	1	1	3	2	101	2	—
Other production and trade(3).....	14	8	14	17	10	10	10	12	16	102	—
Other industries(3).....	—	—	—	—	—	—	—	—	—	—	100
Primary input(2):											
Imports (f.o.b.) .....	12	5	28	12	38	21	20	9	4	7	—
Income from employment .....	43	78	42	61	44	27	54	70	59	51	77
Gross profits, other trading income and rent .....	45	15	24	25	16	24	24	19	31	35	23
Taxes on expenditure less subsidies .....	—	2	6	2	2	28	2	2	6	7	—
Total .....	100	100	100	100	100	100	100	100	100	100	100

(1) The input-output coefficients in this table have been derived from Table 17.

(2) In the upper part of the table, the entry in row p (a typical row) and column q (a typical column) represents the value of the output of industry p required to produce £100 of final output by industry q. In the lower part of the table, the entry in row i (a typical row) and column j (a typical column) represents the primary input of i required to produce £100 of final output by industry j.

(3) See footnotes (1) and (2) to Table 17.



## Final output in terms of primary input in 1950

TABLE 19

£ million

Final output	Primary input	Income from employment	Gross profits, other trading income and rent <sup>(1)</sup>	Imports of goods and services	Taxes on expenditure less subsidies	Total
Consumers' expenditure .....		3,558	2,449	1,940	1,401	9,348
Public authorities' current expenditure on goods and services .....		1,596	222	210	43	2,071
Gross domestic fixed capital formation .....		1,047	364	210	79	1,700
Value of physical increase in stocks and work in progress .....		-56	-14	-147	7	-210
Exports of goods and services .....		1,455	678	596	56	2,785
Total .....		7,600	3,699	2,809	1,586	15,694

(1) Before providing for depreciation but after providing for stock appreciation. Includes "residual error".

## Relation between changes in industrial output and final demand, 1953 to 1955

TABLE 20

£ million at 1948 factor cost

	Changes in net output (1) of industry								Effect on index of industrial production (per cent)
	Mining and quarrying	Metals, engineering and vehicles	Textiles, leather and clothing	Food, drink and tobacco	Other manufacturing	Building and contracting	Gas, electricity and water	Total change	
1953 to 1954									
Consumers' expenditure.....	+ 5	+ 50	+ 20	+ 5	+ 45	- 10	+ 10	+125	+ 2.2
Public authorities' current expenditure on goods and services.....	—	—	- 5	—	—	—	—	- 5	- 0.1
Gross domestic fixed capital formation .....	—	+ 80	—	—	+ 15	+ 35	+ 5	+135	+ 2.4
Value of physical increase in stocks and work in progress .....	- 5	+ 45	—	—	+ 25	—	—	+ 65	+ 1.2
Exports of goods and services .....	+ 5	+ 25	- 5	+ 5	+ 45	—	+ 5	+ 80	+ 1.4
Total change in net output(1), 1953 to 1954 .....	+ 5	+200	+ 10	+ 10	+130	+25	+ 20	+400	+ 7.1
Effect on index of industrial production (per cent) ...	+0.1	+3.5	+0.2	+0.2	+2.3	+0.4	+0.4	+7.1	
1954 to 1955									
Consumers' expenditure.....	—	+ 45	+ 15	+ 5	+ 20	- 5	+ 10	+ 90	+ 1.5
Public authorities' current expenditure on goods and services .....	—	- 5	—	—	- 5	—	—	- 10	- 0.2
Gross domestic fixed capital formation .....	—	+ 90	—	—	+ 10	+ 15	+ 5	+120	+ 1.9
Value of physical increase in stocks and work in progress .....	—	+ 30	- 10	—	+ 20	—	—	+ 40	+ 0.6
Exports of goods and services .....	- 5	+ 70	- 5	—	+ 30	—	—	+ 90	+ 1.5
Total change in net output(1), 1954 to 1955 .....	- 5	+230	—	+ 5	+ 75	+ 10	+ 15	+330	+ 5.3
Effect on index of industrial production (per cent) ...	-0.1	+3.7	—	+0.1	+1.2	+0.1	+0.3	+5.3	

(1) Includes provision for depreciation.



## IV. PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at current market prices

£ million

TABLE 21

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Food:</b>											
Household expenditure:											
Bread and cereals .....	..	292	335	358	412	437	478	502	514	497	492
Meat and bacon .....	..	319	333	326	382	529	525	679	757	866	990
Fish .....	..	84	89	91	77	77	99	96	88	99	100
Oils and fats .....	..	62	61	71	87	105	125	127	156	201	212
Sugar, preserves and confectionery ...	..	119	157	190	205	206	256	266	362	389	401
Dairy products .....	..	288	288	350	394	418	432	486	532	522	552
Fruit .....	..	90	160	173	167	169	196	168	204	234	267
Potatoes and vegetables .....	..	190	253	267	281	280	307	327	307	343	377
Beverages .....	..	86	93	101	105	105	111	131	148	173	199
Other manufactured food .....	..	87	93	78	82	99	114	123	116	113	116
Total household expenditure .....	..	1,617	1,862	2,005	2,192	2,425	2,643	2,905	3,184	3,437	3,706
Other personal expenditure .....	..	199	242	260	279	309	344	377	388	405	430
Total food .....	1,285	1,816	2,104	2,265	2,471	2,734	2,987	3,282	3,572	3,842	4,136
<b>Alcoholic drink:</b>											
Beer .....	195	543	530	577	525	497	510	521	526	517	531
Wines, spirits, cider, etc. ....	90	183	220	249	244	262	284	278	288	306	328
Total alcoholic drink .....	285	726	750	826	769	759	794	799	814	823	859
<b>Tobacco:</b>											
Cigarettes .....	144	516	583	638	626	648	687	706	723	742	770
Pipe tobacco, cigars and snuff .....	33	86	106	126	127	118	113	115	114	113	110
Total tobacco .....	177	602	689	764	753	766	800	821	837	855	880
<b>Housing:</b>											
Rent, rates and water charges .....	..	548	580	604	620	641	673	706	758	795	837
Occupiers' maintenance costs .....	..	108	138	141	136	152	172	198	224	258	228
Total housing .....	518	656	718	745	756	793	845	904	982	1,053	1,065
<b>Fuel and light:</b>											
Coal .....	108	119	126	140	140	151	165	178	189	208	219
Electricity .....	35	64	69	75	80	84	94	101	110	121	132
Gas .....	38	69	75	79	81	85	92	101	106	109	115
Other .....	16	26	28	30	31	33	37	41	42	47	55
Total fuel and light .....	197	278	298	324	332	353	388	421	447	485	521
<b>Durable household goods:</b>											
Furniture and furnishings .....	136	151	202	250	305	356	395	371	414	464	487
Hardware, radio and electrical goods ...	98	183	224	229	235	261	306	304	330	368	416
Total durable household goods .....	234	334	426	479	540	617	701	675	744	832	903
<b>Other household goods:</b>											
Matches .....	10	11	13	14	19	21	20	19	19	19	19
Soap and soapless detergents .....	30	30	38	45	57	67	73	82	82	94	93
Other cleaning materials, etc. ....	14	22	21	23	25	27	30	33	34	36	37
Total other household goods .....	54	63	72	82	101	115	123	134	135	149	149
<b>Clothing:</b>											
Footwear .....	73	113	139	178	181	185	199	196	194	206	216
Other clothing:											
Men's and boys' wear .....	127	173	198	250	288	313	321	303	302	324	351
Women's, girls' and infants' wear .....	246	352	399	474	544	565	590	584	596	644	701
Total clothing .....	446	638	736	902	1,013	1,063	1,110	1,083	1,092	1,174	1,268



Consumers' expenditure at current market prices (*continued*)TABLE 21 (*continued*)

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Recreational goods:											
Books .....	10	27	33	34	33	35	38	39	40	40	44
Newspapers .....	36	51	58	60	65	69	70	79	95	98	101
Magazines, etc. ....	18	26	30	33	36	38	40	40	42	41	42
Other .....	..	86	91	99	102	104	110	113	117	121	124
Total recreational goods .....	..	190	212	226	236	246	258	271	294	300	311
Chemists' goods .....	..	104	116	121	130	135	146	153	159	169	185
Other goods .....	..	113	127	139	138	132	147	146	151	157	169
Private motoring and cycling:											
Vehicles, new and secondhand .....	..	45	59	59	73	81	85	122	184	239	312
Running costs .....	..	92	106	62	88	117	139	159	178	196	250
Total private motoring and cycling .....	141	137	165	121	161	198	224	281	362	435	562
Travel:											
Railway .....	52	107	103	108	101	97	98	105	107	109	112
Other .....	115	198	226	249	260	259	285	313	330	334	350
Total travel .....	167	305	329	357	361	356	383	418	437	443	462
Communication services:											
Postal .....	18	32	32	32	33	34	37	41	44	46	46
Telephone and telegraph .....	11	22	24	26	26	28	31	31	33	35	38
Total communication services .....	29	54	56	58	59	62	68	72	77	81	84
Entertainments:											
Cinema .....	..	121	108	112	105	107	110	112	111	112	106
Other .....	..	62	66	68	70	70	73	74	73	77	90
Total entertainments .....	64	183	174	180	175	177	183	186	184	189	196
Domestic service .....	121	117	115	113	105	103	100	99	98	100	103
Insurance .....	407	68	77	84	92	97	108	113	116	122	131
Other services .....		541	570	569	529	542	574	608	624	654	673
Income in kind not included elsewhere ...	17	126	73	55	49	49	62	73	77	78	80
less Expenditure by foreign tourists, etc. in the United Kingdom .....	- 43	- 13	- 21	- 33	- 44	- 65	- 85	- 104	- 117	- 123	- 140
Consumers' expenditure in the United Kingdom .....	4,360(1)	7,038	7,786	8,377	8,726	9,232	9,916	10,435	11,085	11,818	12,597
Consumers' expenditure abroad .....	34	121	123	94	105	116	152	147	149	177	186
Total .....	4,394(1)	7,159	7,909	8,471	8,831	9,348	10,068	10,582	11,234	11,995	12,783

(1) Includes items not separately distinguished.



## PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at 1948 market prices

£ million

TABLE 22

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Food:</b>											
Household expenditure:											
Bread and cereals .....	..	332	349	358	362	351	357	351	342	330	326
Meat and bacon .....	..	366	350	326	340	436	369	403	433	469	488
Fish .....	..	90	95	91	79	64	71	65	58	63	64
Oils and fats .....	..	60	61	71	82	87	83	75	77	81	84
Sugar, preserves and confectionery ...	..	159	197	190	217	212	246	240	309	321	323
Dairy products .....	..	325	319	350	383	394	379	366	373	382	381
Fruit .....	..	110	160	173	178	170	189	166	183	204	217
Potatoes and vegetables .....	..	241	276	267	272	266	271	271	259	273	271
Beverages .....	..	95	99	101	105	104	102	106	111	112	110
Other manufactured food .....	..	86	88	78	81	91	101	104	97	95	96
Total household expenditure .....	..	1,864	1,994	2,005	2,099	2,175	2,168	2,147	2,242	2,330	2,360
Other personal expenditure .....	..	227	256	260	265	274	278	274	267	269	267
Total food .....	2,196	2,091	2,250	2,265	2,364	2,449	2,446	2,421	2,509	2,599	2,627
<b>Alcoholic drink:</b>											
Beer .....	601	632	608	577	549	545	552	549	552	540	547
Wines, spirits, cider, etc. ....	281	228	263	249	246	268	284	278	286	309	333
Total alcoholic drink .....	882	860	871	826	795	813	836	827	838	849	880
<b>Tobacco:</b>											
Cigarettes .....	543	776	674	638	616	629	659	671	686	704	729
Pipe tobacco, cigars and snuff .....	137	132	121	126	124	116	109	111	108	107	102
Total tobacco .....	680	908	795	764	740	745	768	782	794	811	831
<b>Housing:</b>											
Rent, rates and water charges .....	..	585	595	604	610	613	615	620	626	639	652
Occupiers' maintenance costs .....	..	126	151	141	133	143	142	153	170	190	159
Total housing .....	661	711	746	745	743	756	757	773	796	829	811
<b>Fuel and light:</b>											
Coal .....	195	137	139	140	138	144	145	143	143	147	143
Electricity .....	32	65	71	75	76	82	93	92	96	104	115
Gas .....	60	76	80	79	78	78	80	79	78	78	79
Other .....	31	29	31	30	30	32	32	32	32	35	38
Total fuel and light .....	318	307	321	324	322	336	350	346	349	364	375
<b>Durable household goods:</b>											
Furniture and furnishings .....	355	175	224	250	296	326	295	281	321	363	378
Hardware, radio and electrical goods ...	203	200	231	229	241	267	285	267	303	351	385
Total durable household goods .....	558	375	455	479	537	593	580	548	624	714	763
<b>Other household goods:</b>											
Matches .....	15	11	13	14	15	16	15	14	14	14	14
Soap and soapless detergents .....	56	42	41	45	58	69	68	69	76	83	88
Other cleaning materials, etc. ....	27	23	23	23	23	24	24	25	25	26	26
Total other household goods .....	98	76	77	82	96	109	107	108	115	123	128
<b>Clothing:</b>											
Footwear .....	142	131	155	178	186	190	166	158	160	170	180
Other clothing:											
Men's and boys' wear .....	272	194	217	250	264	282	249	235	229	238	251
Women's, girls' and infants' wear .....	524	400	444	474	518	531	492	499	523	569	599
Total clothing .....	938	725	816	902	968	1,003	907	892	912	977	1,030



Consumers' expenditure at 1948 market prices (*continued*)TABLE 22 (*continued*)

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Recreational goods:</b>											
Books .....	15	30	33	34	33	33	34	34	35	35	37
Newspapers .....	39	52	58	60	64	67	64	63	64	65	64
Magazines, etc. ....	27	27	30	33	32	30	31	30	30	29	30
Other .....	..	93	98	99	103	101	100	100	106	111	112
Total recreational goods .....	..	202	219	226	232	231	229	227	235	240	243
Chemists' goods .....	..	116	129	121	133	139	136	138	149	163	175
Other goods .....	..	121	131	139	144	130	123	117	139	159	166
<b>Private motoring and cycling:</b>											
Vehicles, new and second-hand .....	..	54	64	59	73	79	73	92	142	186	240
Running costs .....	..	99	110	62	87	105	112	116	130	142	176
Total private motoring and cycling .....	279	153	174	121	160	184	185	208	272	328	416
<b>Travel:</b>											
Railway .....	79	116	115	108	101	96	95	104	110	109	107
Other .....	168	199	228	249	259	254	263	262	267	265	268
Total travel.....	247	315	343	357	360	350	358	366	377	374	375
<b>Communication services:</b>											
Postal .....	30	33	32	32	31	32	35	36	38	39	38
Telephone and telegraph .....	15	22	24	26	26	27	29	26	26	28	31
Total communication services.....	45	55	56	58	57	59	64	62	64	67	69
<b>Entertainments:</b>											
Cinema .....	..	120	107	112	102	100	98	94	92	91	85
Other .....	..	65	66	68	70	69	72	73	71	73	83
Total entertainments.....	116	185	173	180	172	169	170	167	163	164	168
Domestic service .....	264	123	118	113	101	95	89	83	80	80	79
Other services including insurance.....	734	660	680	653	591	583	583	591	600	606	607
Income in kind not included elsewhere.....	29	145	78	55	47	44	52	54	56	53	51
<i>less</i> Expenditure by foreign tourists, etc. in the United Kingdom .....	— 81	— 15	— 22	— 33	— 43	— 60	— 73	— 84	— 93	— 96	—107
Consumers' expenditure in the United Kingdom .....	8,493 <sup>(1)</sup>	8,113	8,410	8,377	8,519	8,728	8,667	8,626	8,979	9,404	9,687
Consumers' expenditure abroad .....	71	132	109	94	97	96	115	104	106	127	132
Total .....	8,564 <sup>(1)</sup>	8,245	8,519	8,471	8,616	8,824	8,782	8,730	9,085	9,531	9,819

<sup>(1)</sup> Includes items not separately distinguished.



# PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure: index numbers of market prices

1948=100

TABLE 23

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Food:</b>											
Household expenditure:											
Bread and cereals .....	..	88	96	100	114	125	134	143	150	151	151
Meat and bacon .....	..	87	95	100	112	121	142	168	175	185	203
Fish .....	..	93	94	100	97	120	139	148	152	157	156
Oils and fats .....	..	103	100	100	106	121	151	169	203	248	252
Sugar, preserves and confectionery ..	..	75	80	100	94	97	104	111	117	121	124
Dairy products .....	..	89	90	100	103	106	114	133	143	137	145
Fruit .....	..	82	100	100	94	99	104	101	111	115	123
Potatoes and vegetables .....	..	79	92	100	103	105	113	121	119	126	139
Beverages .....	..	91	94	100	100	101	109	124	133	154	181
Other manufactured food .....	..	101	106	100	101	109	113	118	120	119	121
Total household expenditure .....	..	87	93	100	104	111	122	135	142	148	157
Other personal expenditure .....	..	88	95	100	105	113	124	138	145	151	161
Total food .....	59	87	94	100	105	112	122	136	142	148	157
<b>Alcoholic drink:</b>											
Beer .....	32	86	87	100	96	91	92	95	95	96	97
Wines, spirits, cider, etc. ....	32	80	83	100	100	98	100	100	101	99	98
Total alcoholic drink .....	32	84	86	100	97	93	95	97	97	97	98
<b>Tobacco:</b>											
Cigarettes .....	27	66	86	100	102	103	104	105	105	105	106
Pipe tobacco, cigars and snuff .....	24	65	88	100	102	102	104	104	106	106	108
Total tobacco .....	26	66	87	100	102	103	104	105	105	105	106
<b>Housing:</b>											
Rent, rates and water charges .....	..	94	98	100	102	105	109	114	121	124	128
Occupiers' maintenance costs .....	..	86	91	100	102	106	121	129	132	136	143
Total housing .....	78	92	96	100	102	105	112	117	123	127	131
<b>Fuel and light:</b>											
Coal .....	55	87	91	100	101	105	114	124	132	141	153
Electricity .....	109	98	97	100	105	102	101	109	115	116	115
Gas .....	63	91	93	100	104	108	115	128	136	140	146
Other .....	52	90	90	100	103	103	116	128	131	134	145
Total fuel and light .....	62	91	93	100	103	105	111	122	128	133	139
<b>Durable household goods:</b>											
Furniture and furnishings .....	38	86	90	100	103	109	134	132	129	128	129
Hardware, radio and electrical goods ...	48	92	97	100	98	98	107	114	109	105	108
Total durable household goods .....	42	89	94	100	101	104	121	123	119	117	118
<b>Other household goods:</b>											
Matches .....	67	100	100	100	127	131	133	136	136	136	136
Soap and soapless detergents .....	54	71	93	100	98	97	107	119	108	113	106
Other cleaning materials, etc. ....	52	96	91	100	109	113	125	132	136	138	142
Total other household goods .....	55	83	94	100	105	106	115	124	117	121	116
<b>Clothing:</b>											
Footwear .....	51	86	90	100	97	97	120	124	121	121	120
Other clothing:											
Mens' and boys' wear .....	47	89	91	100	109	111	129	129	132	136	140
Women's, girls' and infants' wear .....	47	88	90	100	105	106	120	117	114	113	117
Total clothing .....	48	88	90	100	105	106	122	121	120	120	123



Consumers' expenditure: index numbers of market prices (*continued*)TABLE 23 (*continued*)

1948=100

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Recreational goods:											
Books .....	67	90	100	100	100	106	112	115	114	114	117
Newspapers .....	92	98	100	100	102	103	109	125	148	151	158
Magazines, etc. ....	67	96	100	100	113	127	129	133	140	140	140
Other .....	..	92	93	100	99	103	110	113	110	109	111
Total recreational goods .....	..	94	97	100	102	106	113	119	125	125	128
Chemists' goods .....	..	90	90	100	98	97	107	111	107	104	106
Other goods .....	..	93	97	100	96	102	120	125	109	99	102
Private motoring and cycling:											
Vehicles, new and secondhand .....	..	84	92	100	101	102	118	133	130	128	130
Running costs .....	..	94	95	100	100	111	123	136	137	137	142
Total private motoring and cycling .....	51	90	95	100	101	108	121	135	133	133	135
Travel:											
Railway .....	66	92	90	100	100	101	103	101	97	100	105
Other .....	68	99	99	100	100	102	108	119	124	126	131
Total travel .....	68	97	96	100	100	102	107	114	116	118	123
Communication services:											
Postal .....	60	97	100	100	106	106	106	114	116	118	121
Telephone and telegraph .....	73	100	100	100	100	104	107	119	127	125	123
Total communication services .....	64	98	100	100	104	105	106	116	120	121	122
Entertainments:											
Cinema .....	..	101	101	100	103	107	112	119	121	123	125
Other .....	..	95	100	100	100	101	101	101	103	105	108
Total entertainments .....	55	99	101	100	102	105	108	111	113	115	117
Domestic service .....	46	95	97	100	104	108	112	119	123	125	130
Other services including insurance .....	55	92	95	100	105	110	117	122	123	128	132
Income in kind not included elsewhere .....	59	87	94	100	104	111	119	135	138	147	157
less Expenditure by foreign tourists, etc. in the United Kingdom .....	53	87	95	100	102	108	116	124	126	128	131
Consumers' expenditure in the United Kingdom .....	51(1)	87	93	100	102	106	114	121	123	126	130
Consumers' expenditure abroad .....	48	92	113	100	108	121	132	141	141	139	141
Total .....	51(1)	87	93	100	102	106	115	121	124	126	130

(1) Includes items not separately distinguished.



## PERSONAL INCOME AND EXPENDITURE

## Consumers' expenditure at current factor cost

£ million

TABLE 24

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Food .....	1,249	2,033	2,369	2,639	2,836	3,068	3,310	3,556	3,794	4,118	4,333
Alcoholic drink:											
Beer.....	..	271	277	272	243	235	251	268	269	265	278
Wines, spirits, cider, etc. ....	..	105	131	142	138	149	166	163	169	180	192
Total alcoholic drink .....	177	376	408	414	381	384	417	431	438	445	470
Tobacco .....	90	158	169	152	152	163	178	193	198	204	212
Housing:											
Rent and water charges .....	..	441	464	490	506	520	536	562	593	625	649
Occupiers' maintenance costs .....	..	107	137	139	133	149	169	195	222	255	225
Total housing .....	393	548	601	629	639	669	705	757	815	880	874
Fuel and light .....	196	285	303	327	333	353	388	421	447	485	521
Durable household goods .....	231	297	376	404	471	536	601	592	662	743	791
Other household goods .....	50	56	64	74	89	103	109	121	122	136	135
Clothing .....	438	602	696	820	928	982	1,031	1,030	1,048	1,126	1,218
Recreational goods:											
Books .....	10	27	33	34	33	35	38	39	40	40	44
Newspapers .....	36	51	58	60	65	69	70	79	95	98	101
Magazines, etc. ....	18	26	30	33	36	38	40	40	42	41	42
Other .....	..	80	82	87	90	91	96	99	105	109	110
Total recreational goods .....	...	184	203	214	224	233	244	257	282	288	297
Chemists' goods .....	..	81	87	85	98	101	110	116	124	136	149
Other goods .....	..	87	93	99	103	93	105	109	118	124	134
Private motoring and cycling:											
Vehicles, new and second-hand .....	..	42	56	54	68	74	76	103	154	199	252
Running costs .....	..	65	77	45	68	85	97	109	121	133	170
Total private motoring and cycling .....	108	107	133	99	136	159	173	212	275	332	422
Travel .....	155	297	320	347	351	336	355	379	397	405	425
Communication services .....	26	45	49	51	54	58	65	72	75	79	83
Entertainments .....	52	128	123	128	127	132	138	138	135	143	153
Domestic service .....	121	117	115	113	105	103	100	99	98	100	103
Insurance .....	399	68	78	84	92	97	108	113	116	122	131
Other services .....		538	566	546	501	514	544	576	591	619	642
Income in kind not included elsewhere.....	17	132	79	59	52	52	66	76	79	80	81
less Expenditure by foreign tourists, etc. in the United Kingdom .....	- 43	- 13	- 21	- 33	- 44	- 65	- 85	-104	-117	-123	-140
less Unallocated net taxes on expenditure .....	- 99	-151	-208	-182	-201	-240	-277	-283	-303	-335	-344
Consumers' expenditure in the United Kingdom after deduction of taxes on expenditure and addition of subsidies ...	3,816(1)	5,975	6,603	7,069	7,427	7,831	8,385	8,861	9,394	10,107	10,690
Consumers' expenditure abroad .....	34	121	123	94	105	116	152	147	149	177	186
Total .....	3,850(1)	6,096	6,726	7,163	7,532	7,947	8,537	9,008	9,543	10,284	10,876

(1) Includes items not separately distinguished.



Consumers' expenditure at 1948 factor cost

TABLE 25

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Food .....	2,558	2,436	2,621	2,639	2,753	2,853	2,849	2,820	2,923	3,028	3,061
Alcoholic drink:											
Beer .....	273	308	301	272	266	254	256	257	259	252	267
Wines, spirits, cider, etc. ....	161	125	150	142	140	153	167	164	166	183	197
Total alcoholic drink .....	434	433	451	414	406	407	423	421	425	435	464
Tobacco .....	131	182	160	152	147	150	156	159	162	166	171
Housing .....	551	588	626	629	630	647	652	673	703	740	744
Fuel and light .....	327	310	324	327	325	339	353	349	352	367	378
Durable household goods .....	471	317	384	404	453	501	490	463	527	603	644
Other household goods .....	88	69	69	74	87	101	98	100	107	114	120
Clothing .....	869	673	758	820	900	931	842	827	846	905	954
Recreational goods:											
Books .....	15	30	33	34	33	33	34	34	35	35	37
Newspapers .....	39	52	58	60	64	67	64	63	64	65	64
Magazines, etc. ....	27	27	30	33	32	30	31	30	30	29	30
Other .....	..	83	87	87	91	89	88	88	93	97	98
Total recreational goods .....	..	192	208	214	220	219	217	215	222	226	229
Chemists' goods .....	..	82	91	85	94	98	96	97	105	115	124
Other goods .....	..	87	94	99	103	93	88	84	100	114	119
Private motoring and cycling:											
Vehicles, new and second-hand .....	..	51	61	54	67	72	66	80	123	159	202
Running costs .....	..	79	88	45	66	81	87	90	101	110	137
Total private motoring and cycling .....	193	130	149	99	133	153	153	170	224	269	339
Travel .....	242	307	333	347	349	341	349	358	370	369	371
Communication services .....	40	46	49	51	52	55	61	62	62	65	68
Entertainments .....	85	128	120	128	123	121	123	121	118	119	124
Domestic service .....	264	123	118	113	101	95	89	83	80	80	79
Other services including insurance .....	738	657	676	630	570	564	563	570	578	583	589
Income in kind not included elsewhere .....	32	150	82	59	50	46	55	56	59	56	54
less Expenditure by foreign tourists, etc. in the United Kingdom .....	- 81	- 15	- 22	- 33	- 43	- 60	- 73	- 84	- 93	- 96	-107
less Unallocated net taxes on expenditure...	-169	-170	-216	-182	-187	-191	-188	-169	-158	-177	-184
Consumers' expenditure in the United Kingdom after deduction of taxes on expenditure and addition of subsidies ...	7,204 <sup>(1)</sup>	6,725	7,075	7,069	7,266	7,463	7,396	7,375	7,712	8,081	8,341
Consumers' expenditure abroad .....	71	132	109	94	97	96	115	104	106	127	132
Total .....	7,275 <sup>(1)</sup>	6,857	7,184	7,163	7,363	7,559	7,511	7,479	7,818	8,208	8,473

<sup>(1)</sup> Includes items not separately distinguished.



## PERSONAL INCOME AND EXPENDITURE

## Categories of personal income

£ million

TABLE 26

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Households and non-profit-making bodies</b>								
Direct income in cash from work and property:								
Wages and salaries .....	6,072	6,472	6,804	7,579	8,111	8,570	9,198	9,975
Pay in cash of the Forces .....	194	191	205	259	288	292	308	306
Income from self-employment (1).....	1,321	1,390	1,406	1,453	1,506	1,566	1,652	1,718
Rent, dividends and interest:								
Gross receipts .....	954	968	1,048	1,089	1,222	1,308	1,384	1,528
less Interest paid .....	- 75	- 84	- 93	-111	-130	-145	-165	-195
Total .....	8,466	8,937	9,370	10,269	10,997	11,591	12,377	13,332
Imputed income and income in kind:								
Employers' contributions to National Insurance Funds .....	157	197	199	205	218	244	247	279
Income in kind .....	152	145	148	170	188	197	202	211
Rent of owner-occupied dwellings .....	142	148	153	160	167	177	186	195
Accrued interest on National Savings Certificates .....	37	35	30	25	22	22	23	16
Total .....	488	525	530	560	595	640	658	701
Current grants from public authorities:								
Retirements pensions, widows' benefits, etc., and non-contributory pensions.....	291	299	303	319	364	396	404	468
Other current grants .....	413	445	451	465	545	606	614	647
Total .....	704	744	754	784	909	1,002	1,018	1,115
Pensions and other benefits from life assurance, superannuation schemes, etc.:								
National government service.....	38	41	44	46	48	51	54	58
Other public authority schemes .....	44	49	52	54	59	63	69	73
Other superannuation schemes, life assurance, etc. ....	224	243	262	281	295	308	322	341
Total .....	306	333	358	381	402	422	445	472
<b>Total income of households and non-profit-making bodies .....</b>	<b>9,964</b>	<b>10,539</b>	<b>11,012</b>	<b>11,994</b>	<b>12,903</b>	<b>13,655</b>	<b>14,498</b>	<b>15,620</b>
Adjustment for life assurance and superannuation schemes, etc.:								
Receipts from employers' contributions .....	188	215	244	274	308	329	352	379
Rent, dividends and interest .....	117	128	139	154	171	191	211	236
less Pensions and other benefits paid .....	-306	-333	-358	-381	-402	-422	-445	-472
<b>Total personal income (as defined in Table 2).....</b>	<b>9,963</b>	<b>10,549</b>	<b>11,037</b>	<b>12,041</b>	<b>12,980</b>	<b>13,753</b>	<b>14,616</b>	<b>15,763</b>

(1) Before providing for depreciation and stock appreciation.



## Capital account of the personal sector

TABLE 27

£ million

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Net increase in assets</b>								
Saving before providing for depreciation and stock appreciation (from Table 2) .....	91	170	163	240	710	895	816	967
plus Additions to tax reserves .....	23	74	60	67	3	— 39	10	20
plus Capital transfer receipts .....	114	92	86	67	55	46	37	57
less Capital transfer payments .....	— 215	— 254	— 190	— 194	— 159	— 165	— 183	— 184
less Provision for stock appreciation .....	— 59	— 39	— 63	— 112	— 10	— 7	— 20	— 46
<b>Total net increase in assets</b> .....	— 46	43	56	68	599	730	660	814
<b>Identifiable increases in assets</b>								
Gross domestic capital formation:								
Fixed capital formation:								
Dwellings .....	45	54	51	58	101	170	234	283
Other .....	185	192	202	214	209	208	241	297
Value of physical increase in stocks and work in progress .....	35	30	41	70	— 15	33	42	54
<b>Total</b> .....	265	276	294	342	295	411	517	634
Acquisition of financial assets:								
Liquidation of debt to building societies:								
Repayments .....	161	161	164	169	160	167	195	217
less Advances .....	— 264	— 276	— 270	— 268	— 266	— 300	— 373	— 393
<b>Net liquidation of debt</b> .....	— 103	— 115	— 106	— 99	— 106	— 133	— 178	— 176
Life assurance, superannuation schemes, etc.:								
Contributions of employers .....	188	215	244	274	308	329	352	379
Contributions of employees, individual premiums, etc. ....	304	323	345	371	392	416	440	467
Rent, dividends and interest .....	117	128	139	154	171	191	211	236
less Pensions and other benefits paid .....	— 306	— 333	— 358	— 381	— 402	— 422	— 445	— 472
less Administrative costs .....	— 81	— 87	— 90	— 99	— 105	— 110	— 115	— 122
<b>Net increase in funds</b> .....	222	246	280	319	364	404	443	488
National Savings:								
Net increase in principal invested .....	— 11	27	— 37	— 24	— 103	— 67	63	24
Net increase in interest accrued on National Savings Certificates .....	37	35	30	25	22	22	23	16
<b>Net increase in amount outstanding</b> .....	26	62	— 7	1	— 81	— 45	86	40
Building societies:								
Net increase in shares and deposits .....	78	96	110	97	119	157	216	191
<b>Increase in net personal bank deposits</b> .....	62	— 26	— 14	— 26	60	82	78	74



# PERSONAL INCOME AND EXPENDITURE

## Distribution of personal income before and after tax

TABLE 28

Range of income before tax	Number of incomes	Income before tax	Income tax and surtax at current rates(1)	Income after tax	Proportion of income retained after tax	Range of income after tax	Number of incomes	Income before tax	Income tax and surtax at current rates(1)	Income after tax	Proportion of income retained after tax
	Thousands	£ million	£ million	£ million	Per cent		Thousands	£ million	£ million	£ million	Per cent
<b>1938</b>											
Over	Not over					Over	Not over				
£	£					£	£				
250	500	1,890	2,613	4	2,609	99.8	250	500	1,940	2,627	99.8
500	750	390	631	20	611	96.8	500	750	375	670	96.3
750	1,000	149	234	22	212	90.6	750	1,000	132	252	89.3
1,000	1,500	130	127	17	110	86.6	1,000	1,500	142.2	136	84.6
1,500	2,000	53	157	27	130	82.8	1,500	2,000	54.6	241	80.9
2,000	3,000	46	90	18	72	80.0	2,000	3,000	11.6	207	71.7
3,000	5,000	33	112	25	87	77.7	3,000	5,000	6.6	92	60.7
5,000	10,000	18	126	35	91	72.2	5,000	10,000		151	41.5
10,000	20,000	6	123	45	78	63.4					
20,000		2	76	37	39	51.3					
			87	57	30	34.5					
Total allocated income .....	..	4,376	307	4,069	93.0	Total allocated income .....	..	4,376	307	4,069	93.0
Total personal income .....	..	5,072	..	..	..	Total personal income .....	..	5,072	..	..	..
<b>1949</b>											
Over	Not over					Over	Not over				
£	£					£	£				
250	500	12,050	1,952	29	1,923	98.5	250	500	12,720	2,130	98.0
500	750	9,980	3,480	168	3,312	95.2	500	750	9,940	3,640	94.5
750	1,000	2,130	1,260	123	1,137	90.2	750	1,000	1,940	1,295	88.3
1,000	1,500	560	480	85	395	82.3	1,000	1,500	442	480	78.1
1,500	2,000	400	480	117	363	75.6	1,500	2,000	368.4	719	69.3
2,000	3,000	150	255	74	181	71.0	2,000	3,000	84.4	472	47.0
3,000	5,000	118	284	96	188	66.2	3,000	5,000	5.14	111.2	21.5
5,000	10,000	68	255	110	145	56.9	5,000	10,000	0.06	9.8	0.5
10,000	20,000	33	224	125	99	44.2					
20,000		9	117	82	35	29.9					
		2	70	61	9	12.9					
Total allocated income .....	25,500	8,857	1,070	7,787	87.9	Total allocated income .....	25,500	8,857	1,070	7,787	87.9
Total personal income .....	..	10,549	..	..	..	Total personal income .....	..	10,549	..	..	..
<b>1955</b>											
Over	Not over					Over	Not over				
£	£					£	£				
250	500	8,000	1,450	3	1,447	99.8	250	500	8,100	1,470	99.7
500	750	7,900	2,990	110	2,880	96.3	500	750	8,700	3,440	95.5
750	1,000	6,500	3,980	230	3,750	94.2	750	1,000	6,500	4,230	93.6
1,000	1,500	2,350	1,990	170	1,820	91.5	1,000	1,500	1,860	1,720	90.9
1,500	2,000	875	1,050	155	895	85.2	1,500	2,000	873	1,410	80.3
2,000	3,000	240	410	87	323	78.8	2,000	3,000	155	730	55.2
3,000	5,000	170	405	111	294	72.6	3,000	5,000	11.5	174	29.6
5,000	10,000	104	395	152	243	61.5	5,000	10,000	0.5	31	14.5
10,000	20,000	48	320	166	154	48.1					
20,000		11	145	98	47	32.4					
		2	70	58	12	17.1					
Total allocated income .....	26,200	13,205	1,340	11,865	89.9	Total allocated income .....	26,200	13,205	1,340	11,865	89.9
Total personal income .....	..	15,763	..	..	..	Total personal income .....	..	15,763	..	..	..

(1) The tax rates current in the fiscal years 1938-39, 1949-50 and 1955-56 applied to the income in the calendar years shown.



# V. COMPANIES

## Appropriation account

TABLE 29

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>											
Gross trading profits of companies operating in the United Kingdom (1)...	690	1,476	1,694	1,793	1,841	2,122	2,481	2,161	2,298	2,573	2,859
Trading profits earned abroad:											
Trading profits of British companies operating abroad (2).....	97	138	192	219	192	309	308	204	198	239	285
Balance of payments adjustment .....	9	- 49	- 34	21	- 7	55	- 13	- 86	- 1	46	- 46
Non-trading income .....	239	277	308	329	331	356	382	435	471	509	568
<b>Total .....</b>	<b>1,035</b>	<b>1,842</b>	<b>2,160</b>	<b>2,362</b>	<b>2,357</b>	<b>2,842</b>	<b>3,158</b>	<b>2,714</b>	<b>2,966</b>	<b>3,367</b>	<b>3,666</b>
<b>Payments</b>											
Dividends and interest:											
Payments:											
Debenture interest.....	61	48	47	35	28	31	36	41	46	51	55
Dividends on preference shares .....	121	128	129	117	103	104	104	102	102	105	110
Dividends on ordinary shares.....	360	356	386	395	391	403	443	430	482	561	652
Co-operative society dividends and interest .....	29	43	44	43	44	46	45	42	47	51	52
Interest on building society shares and deposits .....	24	21	22	25	29	32	35	40	48	54	60
Other interest paid by banks, etc. ...	13	17	20	11	12	12	14	43	51	38	62
Total payments of dividends and interest .....	608	613	648	626	607	628	677	698	776	860	991
Additions to dividend reserves .....	7	30	7	- 21	- 12	31	- 5	42	34	63	31
Taxes and remittances paid abroad .....	33	91	96	95	99	115	156	185	165	168	215
United Kingdom taxes on income:											
Payments .....	92	651	513	583	761	761	703	957	938	835	878
Additions to reserves .....	3	- 103	162	160	- 53	72	422	- 71	- 27	129	83
Saving before providing for depreciation and stock appreciation:											
Undistributed income after taxation	283	609	768	898	962	1,180	1,218	989	1,081	1,266	1,514
Balance of payments adjustment .....	9	- 49	- 34	21	- 7	55	- 13	- 86	- 1	46	- 46
<b>Total .....</b>	<b>1,035</b>	<b>1,842</b>	<b>2,160</b>	<b>2,362</b>	<b>2,357</b>	<b>2,842</b>	<b>3,158</b>	<b>2,714</b>	<b>2,966</b>	<b>3,367</b>	<b>3,666</b>

(1) Before providing for depreciation and stock appreciation.

(2) After deducting depreciation allowances but before providing for stock appreciation.

## Trading profits, dividends and interest of non-nationalised companies<sup>(1)</sup>

TABLE 30

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Gross trading profits of companies in the United Kingdom (2) .....	570	1,335	1,575	1,737	1,792	2,073	2,474	2,161	2,296	2,543	2,782
Payments of dividends and interest:											
Debenture interest.....	39	26	26	25	27	31	36	41	46	51	54
Dividends on preference shares .....	95	99	101	101	100	102	103	102	102	104	108
Dividends on ordinary shares.....	331	320	351	369	380	394	437	430	482	559	646
Other payments of interest .....	66	81	86	79	85	90	94	125	146	143	174
<b>Total payments of dividends and interest .....</b>	<b>531</b>	<b>526</b>	<b>564</b>	<b>574</b>	<b>592</b>	<b>617</b>	<b>670</b>	<b>698</b>	<b>776</b>	<b>857</b>	<b>982</b>

(1) All companies except those nationalised during some part of the period 1938 to 1955.

(2) Before providing for depreciation and stock appreciation.



## Company trading profits by industry

£ million

TABLE 31

	1947	1948	1949	1950	1951	1952	1953	1954
<b>Gross profits<sup>(1)</sup></b>								
Forestry and fishing .....	13	11	7	6	9	5	4	6
Mining and quarrying .....	6	7	7	9	12	12	14	14
<b>Manufacturing:</b>								
Bricks, pottery, glass, etc. ....	35	42	43	46	65	59	62	71
Chemicals and allied trades .....	90	94	98	128	160	128	167	215
Metal manufacture .....	91	104	110	129	102	81	71	97
Engineering, shipbuilding and electrical goods ...	152	196	230	265	325	328	347	393
Vehicles.....	68	80	79	112	125	124	135	161
Metal goods not elsewhere specified .....	48	59	58	66	92	87	76	87
Textiles .....	125	169	188	260	256	145	182	183
Clothing .....	41	45	47	50	44	30	41	44
Food, drink and tobacco .....	207	191	185	195	222	222	242	258
Manufactures of wood and cork .....	18	22	20	22	25	20	21	24
Paper and printing .....	78	84	79	101	151	85	102	135
Other manufacturing .....	64	67	62	77	86	53	66	77
<b>Total manufacturing .....</b>	<b>1,017</b>	<b>1,153</b>	<b>1,199</b>	<b>1,451</b>	<b>1,653</b>	<b>1,362</b>	<b>1,512</b>	<b>1,745</b>
Building and contracting .....	31	35	42	40	45	46	58	69
Gas, electricity and water .....	41	23	8	7	5	6	6	7
Transport and communication .....	159	142	148	151	211	218	162	159
Distributive trades .....	345	333	351	383	463	411	424	470
Insurance, banking and finance .....	172	197	201	219	247	277	291	329
Other services .....	92	88	81	71	74	71	98	99
Adjustments.....	-182	-196	-203	-215	-238	-247	-271	-325
<b>Total .....</b>	<b>1,694</b>	<b>1,793</b>	<b>1,841</b>	<b>2,122</b>	<b>2,481</b>	<b>2,161</b>	<b>2,298</b>	<b>2,573</b>
<b>Net profits<sup>(2)</sup></b>								
Forestry and fishing .....	9	7	1	-2	3	1	1	3
Mining and quarrying .....	4	5	3	5	8	9	11	10
<b>Manufacturing:</b>								
Bricks, pottery, glass, etc. ....	29	34	33	34	50	49	50	57
Chemicals and allied trades .....	77	76	68	85	112	94	127	167
Metal manufacture .....	76	82	85	98	86	70	61	75
Engineering, shipbuilding and electrical goods ...	129	168	194	221	276	286	301	335
Vehicles.....	57	66	63	90	99	104	115	130
Metal goods not elsewhere specified .....	42	51	47	54	78	76	65	74
Textiles .....	111	150	160	219	213	120	155	151
Clothing .....	38	41	41	44	37	25	36	38
Food, drink and tobacco .....	190	169	156	161	183	194	210	219
Manufactures of wood and cork .....	16	19	16	17	20	16	17	19
Paper and printing .....	69	73	65	83	129	70	88	118
Other manufacturing .....	56	58	50	64	72	43	55	62
<b>Total manufacturing .....</b>	<b>890</b>	<b>987</b>	<b>978</b>	<b>1,170</b>	<b>1,355</b>	<b>1,147</b>	<b>1,280</b>	<b>1,445</b>
Building and contracting .....	24	26	31	28	31	33	45	51
Gas, electricity and water .....	13	8	4	3	2	1	1	—
Transport and communication .....	71	81	43	53	122	120	52	41
Distributive trades .....	319	298	310	333	404	367	377	412
Insurance, banking and finance .....	171	196	199	217	245	275	289	327
Other services .....	84	78	70	56	57	58	82	79
Adjustments.....	-182	-196	-203	-215	-238	-247	-271	-325
<b>Total .....</b>	<b>1,403</b>	<b>1,490</b>	<b>1,436</b>	<b>1,648</b>	<b>1,989</b>	<b>1,764</b>	<b>1,867</b>	<b>2,043</b>

(1) Before providing for depreciation and stock appreciation.

(2) Net profits are equal to gross profits less the depreciation allowances granted by the Inland Revenue for purposes of income tax assessment.



# VI. PUBLIC CORPORATIONS

## Combined operating account

TABLE 32

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>											
Sales:											
Revenue sales outside sector .....	69	178	563	1,190	1,347	1,495	2,085	2,354	2,463	} 2,808	2,744
Revenue sales inside sector .....	—	—	15	100	180	215	300	345	375		
Sales to own capital account .....	—	—	3	50	67	75	79	87	103		127
Subsidies .....	—	12	13	11	10	9	6	4	4	113	4
<b>Total</b> .....	69	190	594	1,351	1,604	1,794	2,470	2,790	2,945	2,925	2,875
<b>Payments</b>											
Wages, salaries, etc., .....	17	42	325	673	764	803	1,019	1,139	1,189	1,204	1,220
Purchases of goods and services .....	41	127	242	571	689	779	1,245	1,387	1,371	1,279	1,323
less Increase in value of stocks and work-in-progress .....	—	—	11	—	33	—	84	—	31	51	—
Rent .....	—	2	4	6	6	6	6	6	6	5	5
Taxes on expenditure:											
Rates .....	1	2	4	16	21	22	24	26	27	30	31
Motor vehicle and catering licences ...	—	1	1	2	3	4	4	5	5	5	4
Trading surplus before providing for depreciation and stock appreciation ...	10	17	29	115	154	194	256	272	316	351	303
<b>Total</b> .....	69	190	594	1,351	1,604	1,794	2,470	2,790	2,945	2,925	2,875

## Combined appropriation account

TABLE 33

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>											
Trading surplus before providing for depreciation and stock appreciation ...	10	17	29	115	154	194	256	272	316	351	303
Non-trading income .....	3	8	14	24	24	25	26	29	32	38	44
Income earned abroad .....	—	—	—	—	—	1	—	1	2	2	4
<b>Total</b> .....	13	25	43	139	177	220	282	302	350	391	351
<b>Payments</b>											
Interest:											
Payments .....	9	11	15	58	86	91	106	118	133	147	155
Additions to interest reserves .....	—	1	14	20	2	6	6	5	5	—	—
United Kingdom taxes on income:											
Payments .....	—	2	4	3	2	3	4	3	24	37	34
Additions to tax reserves .....	—	—	—	—	3	2	23	33	13	—	—
Undistributed income before providing for depreciation and stock appreciation	4	11	11	59	84	118	143	143	175	221	187
<b>Total</b> .....	13	25	43	139	177	220	282	302	350	391	351

## Combined capital account

TABLE 34

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>											
Undistributed income before providing for depreciation and stock appreciation	4	11	11	59	84	118	143	143	175	221	187
Capital transfers (net receipts) .....	—	—	1	4	42	3	5	5	6	6	12
<b>Total funds available for investment</b> .....	4	11	12	63	126	121	148	148	181	227	199
Loans from Central Government (net) ...	—	3	41	63	16	29	61	73	39	100	142
Stock issued less stock redeemed .....	—	6	15	109	73	163	135	228	219	205	371
Additions to tax and interest reserves ...	—	1	13	19	5	8	29	38	18	—	—
<b>Total</b> .....	4	21	81	254	220	321	373	487	457	518	687
<b>Payments</b>											
Gross domestic capital formation:											
Fixed capital formation .....	10	16	42	180	264	288	359	409	478	537	575
Increase in value of stocks and work in progress .....	—	1	11	32	33	14	84	45	—	—	11
Net acquisition of other financial assets and net investment abroad .....	—	4	28	42	—	19	—	33	10	32	101
<b>Total</b> .....	4	21	81	254	220	321	373	487	457	518	687



## Analysis of appropriation accounts

£ million

TABLE 35

		Fuel and power industries	Iron and steel	Transport and communica- tion	Housing and new town corporations	Raw Cotton Commission	Other corporations	Total
<b>Receipts</b>								
Trading surplus before providing for depreciation and stock appreciation	1948	73	—	37	—	—	5	115
	1949	112	—	36	—	3	3	154
	1950	128	—	54	—	15	— 3	194
	1951	125	65	69	1	— 2	— 2	256
	1952	138	92	62	—	— 23	3	272
	1953	176	85	69	—	— 9	— 5	316
	1954	190	74	85	1	3	— 2	351
Non-trading income .....	1948	7	—	11	—	—	6	24
	1949	7	—	9	1	1	6	24
	1950	8	—	8	1	1	7	25
	1951	9	1	7	1	1	7	26
	1952	10	1	7	2	1	8	29
	1953	11	1	8	3	—	9	32
	1954	13	2	10	4	—	9	38
Income earned abroad .....	1948	—	—	—	—	—	—	—
	1949	—	—	—	—	—	— 1	— 1
	1950	—	—	2	—	—	— 1	1
	1951	—	—	2	—	—	— 2	—
	1952	—	—	3	—	—	— 2	1
	1953	—	—	3	—	—	— 1	2
	1954	—	—	3	—	—	— 1	2
Total .....	1948	80	—	48	—	—	11	139
	1949	119	—	45	1	4	8	177
	1950	136	—	64	1	16	3	220
	1951	134	66	78	2	— 1	3	282
	1952	148	93	72	2	— 22	9	302
	1953	187	86	80	3	— 9	3	350
	1954	203	76	98	5	3	6	391
<b>Payments</b>								
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	47	1	2	2	112
	1952	58	11	48	2	2	2	123
	1953	67	11	53	3	2	2	138
	1954	73	9	56	4	1	2	145
United Kingdom taxes on income	1948	—	—	—	—	—	2	2
	1949	4	—	—	—	—	1	5
	1950	3	—	—	—	1	1	5
	1951	2	22	1	—	1	1	27
	1952	—	34	1	—	—	1	36
	1953	5	30	1	—	—	1	37
	1954	2	20	1	—	—	2	25
Undistributed income before providing for depreciation and stock appreciation	1948	49	—	4	—	— 1	7	59
	1949	77	—	— 1	—	3	5	84
	1950	87	—	17	—	14	—	118
	1951	82	34	30	1	— 4	—	143
	1952	90	48	23	—	— 24	6	143
	1953	115	45	26	—	— 11	—	175
	1954	128	47	41	1	2	2	221
Total .....	1948	80	—	48	—	—	11	139
	1949	119	—	45	1	4	8	177
	1950	136	—	64	1	16	3	220
	1951	134	66	78	2	— 1	3	282
	1952	148	93	72	2	— 22	9	302
	1953	187	86	80	3	— 9	3	350
	1954	203	76	98	5	3	6	391



## Analysis of capital accounts

TABLE 36

£ million

		Fuel and power industries	Iron and steel	Transport and communica- tion	Housing and new town corporations	Raw Cotton Commission	Other corporations	Total
<b>Receipts</b>								
Undistributed income before providing for depreciation and stock appreciation	1948	49	—	4	—	— 1	7	59
	1949	77	—	— 1	—	3	5	84
	1950	87	—	17	—	14	—	118
	1951	82	34	30	1	— 4	—	143
	1952	90	48	23	—	—24	6	143
	1953	115	45	26	—	—11	—	175
	1954	128	47	41	1	2	2	221
Capital transfers (net receipts) ...	1948	2	—	—	2	—	—	4
	1949	15	—	25	2	—	—	42
	1950	2	—	—	1	—	—	3
	1951	3	—	—	2	—	—	5
	1952	3	—	—	2	—	—	5
	1953	4	—	1	1	—	—	6
	1954	5	—	1	—	—	—	6
Loans from Central Government (net)	1948	— 1	—	—	8	37	19	63
	1949	—23	—	1	11	7	20	16
	1950	—15	—	—	11	17	16	29
	1951	16	—	—	17	15	13	61
	1952	42	—	—	31	—10	10	73
	1953	34	—	—	39	—41	7	39
	1954	59	26	—	37	—25	3	100
Stock issued <i>less</i> stock redeemed	1948	111	—	— 2	—	—	—	109
	1949	50	—	23	—	—	—	73
	1950	163	—	—	—	—	—	163
	1951	75	—	60	—	—	—	135
	1952	168	—	60	—	—	—	228
	1953	216	—	3	—	—	—	219
	1954	110	—	95	—	—	—	205
Total .....	1948	161	—	2	10	36	26	235
	1949	119	—	48	13	10	25	215
	1950	237	—	17	12	31	16	313
	1951	176	34	90	20	11	13	344
	1952	303	48	83	33	—34	16	449
	1953	369	45	30	40	—52	7	439
	1954	302	73	137	38	—23	5	532
<b>Payments</b>								
Gross domestic fixed capital formation .....	1948	108	—	61	10	—	1	180
	1949	176	—	73	13	—	2	264
	1950	200	—	72	14	—	2	288
	1951	221	46	68	22	—	2	359
	1952	258	49	66	34	—	2	409
	1953	292	41	84	58	—	3	478
	1954	351	41	88	55	—	2	537
Increase in value of stocks and work in progress	1948	18	—	4	—	10	—	32
	1949	17	—	3	—	13	—	33
	1950	— 6	—	2	—	18	—	14
	1951	32	6	17	—	29	—	84
	1952	41	34	18	—	—48	—	45
	1953	—12	18	— 3	—	—34	—	—31
	1954	— 8	— 7	— 8	—	—29	1	—51
Net acquisition of other financial assets and net investment abroad <i>less</i> additions to tax and interest reserves	1948	35	—	—63	—	26	25	23
	1949	—74	—	—28	—	— 3	23	—82
	1950	43	—	—57	— 2	13	14	11
	1951	—77	—18	5	— 2	—18	11	—99
	1952	4	—35	— 1	— 1	14	14	— 5
	1953	89	—14	—51	—18	—18	4	— 8
	1954	—41	39	57	—17	6	2	46
Total .....	1948	161	—	2	10	36	26	235
	1949	119	—	48	13	10	25	215
	1950	237	—	17	12	31	16	313
	1951	176	34	90	20	11	13	344
	1952	303	48	83	33	—34	16	449
	1953	369	45	30	40	—52	7	439
	1954	302	73	137	38	—23	5	532



# VII. CENTRAL GOVERNMENT INCLUDING NATIONAL INSURANCE FUNDS

## Revenue account

£ million

TABLE 37

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revenue</b>										
<i>Taxes on income</i>										
Income tax .....	1,250	1,128	1,213	1,370	1,404	1,485	1,651	1,694	1,740	1,941
Surtax .....	75	81	99	110	114	125	128	130	132	132
Profits tax .....	35	31	154	257	264	301	378	233	178	197
Excess profits tax, excess profits levy, etc. ....	356	255	129	43	13	— 4 <sup>(1)</sup>	— 3 <sup>(1)</sup>	39	75	26
Total taxes on income .....	1,716	1,495	1,595	1,780	1,795	1,907	2,154	2,096	2,125	2,296
<i>Taxes on capital</i>										
Death duties .....	143	164	182	190	184	191	157	164	182	184
Special contribution .....	—	—	33	64	6	3	2	1	1	—
Total taxes on capital .....	143	164	215	254	190	194	159	165	183	184
<i>Taxes on expenditure</i>										
Customs and excise duties:										
Beer .....	276	261	305	286	266	261	257	257	252	256
Wines and spirits .....	88	95	121	115	120	128	124	130	136	147
Tobacco .....	438	541	598	600	602	622	612	628	651	661
Hydrocarbon oils .....	56	59	55	61	123	186	260	292	300	317
Protective duties .....	37	60	55	62	69	110	84	65	77	86
Purchase tax .....	161	217	300	282	299	338	313	306	322	390
Entertainments .....	56	50	50	45	45	45	46	45	43	40
Betting .....	—	—	20	26	25	26	28	29	30	28
Other .....	53	59	59	41	34	36	30	35	33	35
Total customs and excise duties .....	1,165	1,342	1,563	1,518	1,583	1,752	1,754	1,787	1,844	1,960
Motor vehicle licence duties .....	46	51	50	54	59	64	67	72	77	85
Transport levy .....	—	—	—	—	—	—	—	—	4	4
Stamp duties .....	36	51	59	53	53	63	53	55	72	75
Post Office surplus .....	27	21	16	14	13	10	2	7	6	2
Broadcast licence revenue retained by Exchequer	8	2	3	3	1	1	3	4	4	4
Miscellaneous .....		11	12	13	13	17	14	12	14	14
Total taxes on expenditure .....	1,282	1,478	1,703	1,655	1,722	1,907	1,893	1,937	2,021	2,144
<i>Other revenue</i>										
National insurance contributions .....	170	232	335	436	440	452	476	525	532	594
Gross trading income(2):										
Post Office (excluding Savings Bank) .....	42	30	32	35	38	39	42	46	50	55
Other .....		45	45	48	80	57	—24	—12	28	26
Gross rental income (2):										
Temporary houses and Forces' married quarters	4	13	20	23	23	23	24	24	25	13
Other .....	9	10	9	9	10	12	12	12	16	17
Interest and dividends, etc.:										
From local authorities .....	14	16	22	29	37	46	58	76	86	98
Other .....	— 23	— 41	42	51	42	70	84	85	95	121
Current grants from overseas governments (net)...	—	—	—	—	—	4	121	105	50	44
Total .....	3,357	3,442	4,018	4,320	4,377	4,711	4,999	5,059	5,211	5,592

(1) Repayments exceeded receipts.

(2) Before providing for depreciation and stock appreciation.



## Revenue account (continued)

TABLE 37 (continued)

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Expenditure</b>										
<i>Current expenditure on goods and services</i>										
Finance and tax collection .....	..	..	..	..	50	54	59	63	67	71
Police and justice .....	..	..	..	..	29	31	33	36	38	40
Overseas services .....	..	..	..	..	39	40	40	38	39	41
Military defence .....	1,560	930	740	770	820	1,090	1,445	1,535	1,546	1,505
Civil defence .....	..	..	..	..	—	5	21	23	19	15
Health services .....	..	..	182	369	414	427	436	448	463	500
National insurance, pensions and assistance .....	..	..	..	..	41	44	49	50	50	53
Agriculture and food .....	..	..	..	..	25	30	30	30	26	26
Industry and trade (1) .....	..	..	..	..	44	47	46	48	49	53
Other services .....	..	..	..	..	46	47	47	46	47	50
Total current expenditure on goods and services...	1,823	1,220	1,233	1,437	1,508	1,815	2,206	2,317	2,344	2,354
<i>Subsidies</i>										
Housing .....	36	48	56	59	60	63	69	76	84	79
Agriculture and food .....	286	347	454	424	380	372	315	262	313	238
Fuel and power industries .....	10	9	5	2	1	—	—	—	—	—
Transport and communication .....	12	13	12	12	11	8	5	7	8	7
Other industry and trade .....	34	43	32	14	9	10	11	—	1	1
Total subsidies .....	378	460	559	511	461	453	400	345	406	325
<i>Current grants to persons</i>										
Post-war credits .....	54	51	23	17	17	16	16	17	23	18
Release leave pay .....	163	36	27	5	—	—	—	—	—	—
Education and child care:										
Scholarships and maintenance allowances .....	6	12	16	16	14	9	7	5	4	4
Grants to universities, schools, etc. ....	11	13	16	20	24	27	31	33	36	40
Milk and welfare food schemes .....	29	34	35	36	35	39	45	48	42	37
National insurance, pensions and assistance:										
National insurance (2) (3) .....	133	272	334	379	388	406	473	527	531	614
War pensions and service grants (3) .....	76	76	76	76	72	70	76	76	74	86
Non-contributory pensions .....	81	58	30	28	27	25	24	22	21	16
Assistance grants .....	54	14	31	51	60	71	95	104	108	103
Family allowances .....	20	58	62	63	64	66	80	108	109	111
Industrial services for the disabled .....	—	—	1	1	2	3	3	3	3	3
Other .....	10	16	15	16	12	10	11	10	12	12
Total current grants to persons .....	637	640	666	708	715	742	861	953	963	1,044
Debt interest .....	486	519	509	507	507	550	609	638	637	707
Current grants to local authorities (4) .....	243	262	280	286	296	332	369	399	427	469
Current grants to overseas governments and international organisations .....	99	50	36	34	39	42	52	50	55	59
National insurance and war pensions paid to non-residents .....	6	6	6	6	6	7	8	8	8	9
<i>Transfers to capital accounts</i>										
Post-war refunds of excess profits tax .....	167	40	15	14	11	7	6	8	4	5
Cash paid on conversion of securities .....	—	—	—	—	9	—	4	4	7	2
War gratuities and pay credits .....	235	61	1	—	—	—	—	—	—	—
Town and country planning compensation .....	—	—	—	—	—	—	—	—	—	40
War damage compensation:										
Local authorities .....	7	9	5	26	5	4	3	3	2	2
Others .....	124	257	156	160	108	80	65	67	40	26
Capital grants to local authorities (5) .....	3	5	20	18	12	11	13	20	23	13
Other (6) .....	5	5	9	15	15	17	17	16	16	24
Total transfers to capital accounts .....	541	377	206	233	160	119	108	118	92	112
Total current expenditure on goods and services and transfers .....	4,213	3,534	3,495	3,722	3,692	4,060	4,613	4,828	4,932	5,079
Surplus before providing for depreciation and stock appreciation .....	—856	— 92	523	598	685	651	386	231	279	513
Total .....	3,357	3,442	4,018	4,320	4,377	4,711	4,999	5,059	5,211	5,592

(1) Includes fuel and power, transport and employment services.

(2) For detail, see Table 39.

(3) Excludes payments to non-residents which are shown separately elsewhere in this table.

(4) For detail, see Table 40.

(5) Excludes war damage compensation.

(6) For detail, see Table 42.



TABLE 38

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>										
Surplus before providing for depreciation and stock appreciation .....	-856	- 92	523	598	685	651	386	231	279	513
Capital transfers from abroad:										
Grants under the European Recovery Programme and gifts from abroad .....	—	30	149	271	248	58	—	—	—	—
Sale of surplus war stores held abroad .....	80	64	61	60	6	5	5	—	—	—
Net receipts from settlements, etc. ....	84	65	35	—	21	30	30	27	11	18
Borrowing from overseas governments	279	812	363	117	21	5	26	—	—	—
Loan repayments by overseas governments .....	75	14	92	29	23	29	22	30	50	28
Net borrowing through National Savings .....	526	133	37	60	—	8	—	99	—	72
Increase in fiduciary issue .....	50	—	-125	25	25	75	125	100	100	125
New issues and sales of securities (net):										
Long-term securities:										
For cash .....	34	-330	-322	-411	10	700	125	247	- 86	-236
On acquisition of the capital of certain undertakings .....	58	79	—	32	46	50	50	283	20	14
Tax reserve certificates .....	-132	-125	- 23	- 50	39	58	- 64	32	103	- 84
Other .....	299	-155	-265	35	- 30	-1,379	125	299	77	125
Proceeds of iron and steel disposals:										
Receipts of cash .....	—	—	—	—	—	—	—	12	65	57
Government securities redeemed .....	—	—	—	—	—	—	—	5	14	2
Receipts from certain pension "funds" (net) .....	- 5	- 5	16	19	17	21	25	23	23	108
Miscellaneous financial receipts (net) and changes in cash balances .....	-235	-126	- 17	-104	88	20	-122	24	31	- 72
<b>Total</b> .....	257	364	524	656	1,191	321	634	1,241	734	601
<b>Payments</b>										
Gross fixed capital formation, trading:										
Military defence .....	85	64	22	4	2	1	—	—	—	—
Temporary houses .....	..	..	2	2	1	2	2	2	2	2
Agriculture and food .....	..	..	—	—	1	—	—	—	—	—
Shipping .....	..	..	3	4	5	4	4	3	3	5
Civil aerodromes .....	20	30	37	43	45	52	63	71	75	87
Post Office .....	..	..	12	8	6	5	5	4	3	6
Factory building in Development Areas, etc. ....	..	..	..	..	..	..	..	..	..	..
<b>Total fixed capital formation, trading</b> .....	..	..	66	62	68	99	132	132	106	108
Gross fixed capital formation, non-trading:										
Military defence:										
Land and married quarters .....	..	..	3	7	10	15	16	13	11	11
Research and development(1) .....	..	..	12	12	14	19	28	30	24	30
Civil defence .....	..	..	—	—	—	1	5	9	11	8
Health services .....	..	..	5	12	13	14	13	14	16	17
Other .....	..	..	28	23	23	25	22	21	21	23
<b>Total fixed capital formation, non-trading</b> .....	106(2)	95(2)	48	54	60	74	84	87	83	89
Increase in value of stocks:										
Trading bodies(3) .....	- 97	- 6	22	- 24	- 67	64	2	- 23	-169	-110
Strategic stocks .....	—	—	—	—	—	127	49	42	44	3
less Sales of surplus war stores in the United Kingdom .....	-102	- 92	- 60	- 32	- 27	- 23	- 7	—	—	—
Capital transfers abroad .....	—	—	11	117	108	15	—	—	—	—
Loans to overseas governments .....	70	116	131	17	18	38	6	4	17	33
Loan repayments to overseas governments .....	53	49	38	112	50	64	43	57	53	137
Increase in deposits with the International Monetary Fund and International Bank for Reconstruction and Development .....	8	25	- 9	15	- 42	10	1	59	40	5
Increase in foreign reserves .....	87	-156	- 53	- 18	683	-627	-202	231	168	-230
Net lending to local authorities .....	61	206	252	288	257	365	402	322	256	407
Net lending to public corporations .....	3	41	63	16	29	61	73	39	100	142
Coal compensation:										
Payments in cash .....	10	7	15	17	8	4	1	3	2	1
Issues of stock .....	—	79	—	—	46	50	50	44	34	16
Acquisition of the capital of certain other undertakings .....	58	—	—	32	—	—	—	244	—	—
<b>Total</b> .....	257	364	524	656	1,191	321	634	1,241	734	601

(1) Includes atomic energy.

(2) Includes trading as well as non-trading.

(3) For detail, see Table 42.



## Revenue account of National Insurance Funds

TABLE 39

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revenue</b>										
Contributions from employers:										
Forces .....	15	8	8	8	7	9	10	10	10	11
Other insured persons .....	69	105	149	189	192	196	208	234	237	268
Total .....	84	113	157	197	199	205	218	244	247	279
Contributions from insured persons:										
Forces .....	4	5	5	5	5	6	6	7	6	7
Other employed persons .....	82	114	163	207	209	213	222	243	247	273
Self-employed persons .....	—	—	8	22	22	23	24	25	26	28
Non-employed persons .....	—	—	2	5	5	5	6	6	6	7
Total .....	86	119	178	239	241	247	258	281	285	315
Grants from the Central Government .....	60	136	148	150	153	138	76	83	79	97
Interest .....	20	22	25	28	33	40	45	48	49	51
Total .....	250	390	508	614	626	630	597	656	660	742
<b>Expenditure</b>										
Current expenditure on goods and services:										
Costs of administration .....	15	17	27	29	27	27	31	32	32	33
Insurance medical service .....	19	21	12	—	—	—	—	—	—	—
Expenditure on benefits <sup>(1)</sup> :										
Retirement pensions .....	75	213	261	249	253	270	312	343	351	417
Widows' benefits and guardians' allowances .....	26	28	22	22	23	24	28	31	32	35
Unemployment benefit .....	32	31	44	66	68	70	74	90	87	98
Sickness benefit .....	—	—	4	9	9	9	9	9	13	13
Maternity benefit .....	—	—	—	1	2	3	3	3	3	3
Death grant .....	—	—	3	9	9	9	10	11	11	12
Injury benefit .....	—	—	—	2	5	7	9	13	14	17
Disablement benefit .....	—	—	—	—	—	—	1	1	1	2
Industrial death benefit .....	—	—	—	—	—	—	—	—	—	—
Total benefits .....	133	272	334	379	389	407	474	528	532	615
Contributions towards cost of National Health Service .....	—	—	17	42	41	42	41	41	41	42
Current surplus .....	83	80	118	164	169	154	51	55	55	52
Total .....	250	390	508	614	626	630	597	656	660	742

(1) Includes benefits paid to non-residents amounting to £1 million in each of the years 1950 to 1955.



## VIII. LOCAL AUTHORITIES

## Current account

£ million

TABLE 40

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Revenue</b>										
<i>Current grants from the Central Government</i>										
Grants not allocated to specific services .....	73	73	69	59	57	63	69	72	81	83
Police .....	9	10	11	11	12	14	16	16	16	18
Administration of justice .....	1	1	1	1	1	1	1	2	3	3
Civil defence .....	14	8	4	1	1	2	3	3	3	3
Social services:										
Education(1) .....	109	128	148	165	173	197	220	238	256	292
Child care .....	1	2	3	4	6	7	8	8	8	8
Health .....	12	11	14	15	18	19	21	22	23	24
Care of the aged, handicapped and homeless ...	1	1	1	1	1	1	1	1	1	1
Agricultural services .....	1	1	1	1	1	1	1	1	2	2
Provision of basic local services:										
Roads .....	14	17	16	16	16	19	21	22	23	25
Fire service .....	1	1	3	4	4	4	4	5	5	5
Sewerage and refuse disposal .....	1	1	1	1	1	—	—	—	—	1
Land drainage and coast protection .....	1	1	1	1	1	1	1	6	3	1
Other .....	5	7	7	6	4	3	3	3	3	3
Total current grants from the Central Government	243	262	280	286	296	332	369	399	427	469
Rates .....	269	307	317	326	338	365	393	435	460	476
Gross trading income(2) .....	44	44	29	23	23	21	23	28	29	29
Gross rental income(2):										
Houses .....	41	45	52	60	69	78	92	109	124	140
Other land and buildings .....	38	36	34	34	35	39	45	51	59	66
Interest, etc. ....	8	8	8	8	8	8	9	9	9	9
<b>Total</b> .....	<b>643</b>	<b>702</b>	<b>720</b>	<b>737</b>	<b>769</b>	<b>843</b>	<b>931</b>	<b>1,031</b>	<b>1,108</b>	<b>1,189</b>
<b>Expenditure</b>										
<i>Current expenditure on goods and services</i>										
Rate collection .....	4	5	5	5	5	5	5	5	5	6
Police .....	27	30	33	36	39	44	48	51	54	56
Administration of justice .....	2	3	3	3	4	4	4	6	6	7
Civil defence .....	13	8	3	2	2	3	3	3	3	3
Social services:										
Education .....	173	194	219	236	248	287	318	341	377	410
Child care .....	8	11	9	11	13	14	16	17	17	18
Health .....	73	83	61	44	44	48	53	55	57	59
Care of the aged, handicapped and homeless ...	26	29	17	12	11	12	14	16	17	18
Agricultural services .....	1	1	2	2	2	2	2	2	2	2
Provision of basic local services:										
Roads .....	56	62	61	63	65	70	75	78	85	91
Public lighting .....	6	7	8	10	10	11	13	14	14	15
Fire service .....	3	4	10	13	14	15	17	18	19	19
Sewerage and refuse disposal .....	30	33	35	37	38	39	44	48	51	54
Land drainage and coast protection .....	4	4	4	5	5	5	6	10	9	8
Town and country planning, parks, etc. ....	11	13	16	18	20	22	24	25	27	27
Other .....	31	36	42	43	43	44	42	44	41	45
Total current expenditure on goods and services...	468	523	528	540	563	625	684	733	784	838
Housing subsidies .....	9	12	14	14	13	15	18	19	20	21
Current grants to persons:										
Scholarships and grants to universities .....	5	7	8	10	13	15	17	19	20	22
School meals and milk .....	15	19	22	26	26	27	31	30	35	49
Outdoor relief .....	15	16	8	—	—	—	—	—	—	—
Debt interest:										
To Central Government .....	14	16	22	29	37	46	58	76	86	98
Other .....	47	45	40	37	36	37	40	42	51	57
Total current expenditure .....	573	638	642	656	688	765	848	919	996	1,085
Current surplus before providing for depreciation and stock appreciation .....	70	64	78	81	81	78	83	112	112	104
<b>Total</b> .....	<b>643</b>	<b>702</b>	<b>720</b>	<b>737</b>	<b>769</b>	<b>843</b>	<b>931</b>	<b>1,031</b>	<b>1,108</b>	<b>1,189</b>

(1) Includes grants for school meals and milk.

(2) Before providing for depreciation and stock appreciation.



## Capital account

TABLE 41

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>										
Current surplus before providing for depreciation and stock appreciation.....	70	64	78	81	81	78	83	112	112	104
Capital grants from the Central Government (1)										
Social services:										
Housing (2).....	7	7	15	10	5	3	2	1	1	—
Education and child care.....	2	3	5	5	4	3	3	2	2	1
Harbours and docks.....	—	—	—	20	—	—	—	—	—	—
Provision of basic local services:										
Roads and public lighting .....	—	1	2	2	2	2	2	2	3	5
Water .....	—	1	1	2	2	3	4	5	9	4
Sewerage and refuse disposal .....	—	—	1	3	2	2	3	3	8	3
Land drainage and coast protection .....	—	—	—	1	1	1	1	8	8	3
Town and country planning, parks, etc. ....	—	—	—	1	1	1	1	1	1	1
Other .....	1	2	1	—	—	—	—	1	1	1
Total capital grants from the Central Government .....	10	14	25	44	17	15	16	23	25	15
Net borrowing from the Central Government.....	61	206	252	288	257	365	402	322	256	407
Other borrowing (net) .....	10	14	16	—32	48	— 1	38	146	180	2
Total .....	151	298	371	381	403	457	539	603	573	528
<b>Payments</b>										
Gross fixed capital formation										
Police .....	—	—	1	2	4	5	7	8	7	7
Social services:										
Housing (2).....	99	208	267	263	264	288	352	399	366	318
Education and child care.....	6	13	25	38	50	62	71	72	73	77
Health.....	1	2	2	3	3	3	3	3	3	3
Care of the aged, handicapped and homeless ...	1	1	1	2	3	3	3	2	2	2
Agricultural services.....	—	—	—	—	—	1	1	1	1	1
Trading services (3):										
Gas and electricity .....	26	38	21	4	1	2	2	3	4	3
Road passenger transport .....	3	6	10	12	10	7	5	7	5	5
Harbours and docks.....	1	2	4	4	5	6	6	7	7	6
Other .....	2	3	1	1	1	1	3	1	3	3
Provision of basic local services:										
Roads and public lighting .....	2	4	7	8	9	11	11	13	14	16
Fire service.....	—	—	—	1	1	2	3	3	3	3
Water .....	4	7	12	18	20	24	30	33	31	31
Sewerage and refuse disposal .....	2	6	9	11	13	18	22	23	25	28
Land drainage and coast protection .....	1	2	3	3	3	4	4	11	12	7
Town and country planning, parks, etc. ....	1	3	4	7	11	13	11	12	11	11
Other .....	2	3	4	4	5	7	5	5	6	7
Total gross fixed capital formation .....	151	298	371	381	403	457	539	603	573	528

(1) War damage compensation is shown against the service concerned (e.g. housing, harbours and docks).

(2) Excludes houses provided for specific services (e.g. police); these appear under the service concerned.

(3) Excludes housing and water.



## IX. COMBINED PUBLIC AUTHORITIES

## Analysis of expenditure

£ million

TABLE 42

TABLE 42

		Goods and services			Subsidies	Grants			Total ( <sup>1</sup> )	of which borne by		
		Current	Gross fixed capital formation			Increase in value of stocks	Current			Capital	Central Government	Local authorities
			Trading	Other			To persons	Abroad				
Finance and tax collection	1950	55	—	—	—	17	—	20	92	87	5	
	1951	59	—	—	—	16	—	7	82	77	5	
	1952	64	—	—	—	16	—	10	90	85	5	
	1953	68	—	—	—	17	—	12	97	92	5	
	1954	72	—	—	—	23	—	11	106	101	5	
	1955	77	—	—	—	18	—	7	102	96	6	
Police and justice:												
Police .....	1950	57	—	6	—	—	—	—	63	32	31	
	1951	63	—	7	—	—	—	—	70	35	35	
	1952	69	—	9	—	—	—	—	78	39	39	
	1953	73	—	10	—	—	—	—	83	40	43	
	1954	77	—	9	—	—	—	—	86	41	45	
	1955	80	—	9	—	—	—	—	89	44	45	
Prisons, courts, etc. ...												
	1950	15	—	1	—	—	—	—	16	13	3	
	1951	16	—	1	—	—	—	—	17	14	3	
	1952	16	—	1	—	1	—	—	18	15	3	
	1953	20	—	1	—	1	—	—	22	18	4	
	1954	21	—	1	—	2	—	—	24	21	3	
	1955	23	—	1	—	2	—	—	26	22	4	
Overseas services .....												
	1950	39	—	—	—	—	32	108	179	179	—	
	1951	40	—	—	—	—	30	15	85	85	—	
	1952	40	—	—	—	—	37	—	77	77	—	
	1953	38	—	—	—	—	35	—	73	73	—	
	1954	39	—	—	—	—	33	—	72	72	—	
	1955	41	—	—	—	—	39	—	80	80	—	
Defence:												
Military defence .....	1950	820	8	24	—	—	7	2	861	861	—	
	1951	1,090	36	34	6	—	12	2	1,180	1,180	—	
	1952	1,445	58	44	6	—	15	2	1,570	1,570	—	
	1953	1,535	52	43	—	—	15	2	1,647	1,647	—	
	1954	1,546	23	35	-1	1	22	2	1,628	1,628	—	
	1955	1,505	8	41	-1	1	20	2	1,576	1,576	—	
Civil defence .....												
	1950	2	—	—	—	—	—	—	2	1	1	
	1951	8	—	1	127	—	—	—	136	135	1	
	1952	24	—	5	49	—	—	—	78	78	—	
	1953	26	—	9	42	—	—	1	78	78	—	
	1954	22	—	11	44	—	—	1	78	78	—	
	1955	18	—	8	3	—	—	1	30	30	—	
Social services:												
Housing( <sup>2</sup> ) .....	1950	1	266	—	—	73	—	—	340	68	272	
	1951	1	289	—	—	78	—	—	368	68	300	
	1952	1	352	—	—	87	—	—	440	72	368	
	1953	2	399	—	—	95	—	—	496	79	417	
	1954	2	366	—	—	104	—	—	472	87	385	
	1955	2	318	—	—	100	—	—	420	81	339	
Education and child care												
	1950	270	—	51	—	51	—	7	379	273(3)	167(3)	
	1951	310	—	62	—	51	—	8	431	299(3)	198(3)	
	1952	343	—	71	—	55	—	7	476	330(3)	222(3)	
	1953	368	—	72	—	57	—	6	503	350(3)	231(3)	
	1954	404	—	73	—	60	—	7	544	365(3)	256(3)	
	1955	438	—	77	—	66	—	8	589	400(3)	275(3)	
School meals, milk and welfare foods												
	1950	—	—	—	—	61	—	—	61	(3)	(3)	
	1951	—	—	—	—	66	—	—	66	(3)	(3)	
	1952	—	—	—	—	76	—	—	76	(3)	(3)	
	1953	—	—	—	—	78	—	—	78	(3)	(3)	
	1954	—	—	—	—	77	—	—	77	(3)	(3)	
	1955	—	—	—	—	86	—	—	86	(3)	(3)	

(1) Excludes debt interest, grants from the Central Government to local authorities, lending and other transactions in financial assets.

(2) Excludes houses provided for specific services (e.g. police and the Forces); these appear under the service concerned.

(3) School meals, etc. are included under "Education and child care".



## Analysis of expenditure (continued)

TABLE 42 (continued)

£ million

		Goods and services				Subsidies	Grants			Total ( <sup>1</sup> )	of which borne by	
		Current	Gross fixed capital formation		Increase in value of stocks		Current		Capital		Central Government	Local authorities
			Trading	Other			To persons	Abroad				
Social services (continued):												
Health.....	1950	458	—	16	—	—	—	4	478	449	29	
	1951	475	—	17	—	—	—	5	497	465	32	
	1952	489	—	16	—	—	—	5	510	475	35	
	1953	503	—	17	—	—	—	4	524	488	36	
	1954	520	—	19	—	—	—	3	542	505	37	
	1955	559	—	20	—	—	—	3	582	544	38	
National insurance, pensions and assistance	1950	52	—	3	—	613	6	—	674	661	13	
	1951	56	—	3	—	641	7	—	707	693	14	
	1952	63	—	3	—	751	8	—	825	809	16	
	1953	66	—	2	—	840	8	—	916	899	17	
	1954	67	—	2	—	846	8	—	923	905	18	
	1955	71	—	2	—	933	9	—	1,015	996	19	
Agriculture and food( <sup>2</sup> )	1950	27	1	1	— 32	380	4	—	382	381	1	
	1951	32	2	3	— 18	372	4	—	432	430	2	
	1952	32	2	3	— 5	315	4	—	352	350	2	
	1953	32	2	2	— 16	262	4	—	319	317	2	
	1954	28	2	2	— 133	313	4	—	218	217	1	
	1955	28	2	2	— 93	238	4	—	183	182	1	
Promotion and regulation of industry and trade:												
Fuel and power industries	1950	4	1	—	—	1	—	—	6	5	1	
	1951	6	2	—	—	—	—	—	8	6	2	
	1952	4	2	—	—	—	—	—	6	4	2	
	1953	4	3	—	—	—	—	—	7	4	3	
	1954	4	4	—	—	—	—	—	8	4	4	
	1955	3	3	—	—	—	—	—	6	3	3	
Transport and communication	1950	12	66	—	—	11	—	—	89	74	15	
	1951	10	68	—	— 1	8	—	—	85	72	13	
	1952	10	78	—	— 1	5	—	—	94	83	11	
	1953	10	88	—	— 3	7	—	—	108	94	14	
	1954	10	90	—	— 3	8	—	—	111	99	12	
	1955	12	103	—	— 4	7	—	5	131	120	11	
Other industry and trade	1950	12	7	3	— 35	9	2	—	— 1	— 2	1	
	1951	14	6	3	— 41	10	2	—	— 77	— 76	1	
	1952	15	8	4	—	11	2	—	— 42	— 39	3	
	1953	17	5	4	— 42	—	2	—	— 12	— 13	1	
	1954	18	6	5	— 38	1	2	—	— 5	— 8	3	
	1955	20	9	5	— 20	1	2	—	— 20	— 17	3	
Employment services...	1950	16	—	—	—	—	4	—	20	20	—	
	1951	17	—	—	—	—	2	—	19	19	—	
	1952	17	—	—	—	—	2	—	19	19	—	
	1953	17	—	—	—	—	2	—	19	19	—	
	1954	17	—	—	—	—	2	—	19	19	—	
	1955	18	—	—	—	—	2	—	20	20	—	
Provision of basic services:												
Roads and public lighting	1950	84	—	11	—	—	—	—	95	29	66	
	1951	91	—	13	—	—	—	—	104	33	71	
	1952	99	—	13	—	—	—	—	112	36	76	
	1953	103	—	15	—	—	—	—	118	37	81	
	1954	111	—	16	—	—	—	—	127	40	87	
	1955	120	—	19	—	—	—	—	139	47	92	
Fire service.....	1950	14	—	1	—	—	—	—	15	4	11	
	1951	15	—	2	—	—	—	—	17	4	13	
	1952	17	—	3	—	—	—	—	20	4	16	
	1953	18	—	3	—	—	—	—	21	5	16	
	1954	19	—	3	—	—	—	—	22	5	17	
	1955	19	—	3	—	—	—	—	22	5	17	

(1) Excludes debt interest, grants from the Central Government to local authorities, lending and other transactions in financial assets.

(2) Includes forestry and fisheries.



## Analysis of expenditure (continued)

£ million

TABLE 42 (continued)

TABLE 42 (continued)

		Goods and services				Subsidies	Grants			Total ( <sup>1</sup> )	of which borne by	
		Current	Gross fixed capital formation		Increase in value of stocks		Current		Capital		Central Government	Local authorities
			Trading	Other			To persons	Abroad				
Provision of basic services (continued):												
Water, sewerage and refuse disposal	1950	38	20	13	—	—	—	—	71	5	66	
	1951	39	24	18	—	—	—	—	81	5	76	
	1952	44	30	22	—	—	—	—	96	7	89	
	1953	48	33	23	—	—	—	—	104	8	96	
	1954	51	31	25	—	—	—	—	107	9	98	
	1955	54	31	28	—	—	—	—	113	5	108	
Land drainage and coast protection												
	1950	5	—	3	—	—	—	—	8	2	6	
	1951	5	—	4	—	—	—	—	9	2	7	
	1952	6	—	4	—	—	—	—	10	2	8	
	1953	10	—	11	—	—	—	—	21	14	7	
	1954	9	—	12	—	—	—	—	21	11	10	
	1955	8	—	7	—	—	—	—	15	4	11	
Town and country planning, parks, etc.												
	1950	27	—	11	—	—	—	—	38	8	30	
	1951	31	—	13	—	—	—	—	44	10	34	
	1952	33	—	11	—	—	—	—	44	10	34	
	1953	33	—	12	—	—	—	—	45	9	36	
	1954	35	—	11	—	—	—	—	46	9	37	
	1955	35	—	11	—	—	—	40	86	49	37	
War damage compensation and disposal of surplus war stores in the United Kingdom												
	1950	—	—	—	— 27	—	—	108	81	81	—	
	1951	—	—	—	— 23	—	—	80	57	57	—	
	1952	—	—	—	— 7	—	—	65	58	58	—	
	1953	—	—	—	—	—	—	67	67	67	—	
	1954	—	—	—	—	—	—	40	40	40	—	
	1955	—	—	—	—	—	—	26	26	26	—	
Other services .....												
	1950	63	—	18	—	—	2	—	83	39	44	
	1951	62	—	22	—	—	2	—	86	38	48	
	1952	59	—	16	—	—	2	—	77	33	44	
	1953	59	—	16	—	—	1	—	76	31	45	
	1954	56	—	16	—	—	1	—	73	30	43	
	1955	61	—	18	—	—	1	—	80	32	48	
Central Government grants to local authorities not allocated to specific services												
	1950	—	—	—	—	—	—	—	—	57	— 57	
	1951	—	—	—	—	—	—	—	—	63	— 63	
	1952	—	—	—	—	—	—	—	—	69	— 69	
	1953	—	—	—	—	—	—	—	—	72	— 72	
	1954	—	—	—	—	—	—	—	—	81	— 81	
	1955	—	—	—	—	—	—	—	—	83	— 83	
Total .....												
	1950	2,071	369	162	— 94	474	754	45	251	4,032	3,327	705
	1951	2,440	427	203	168	468	784	49	119	4,658	3,866	792
	1952	2,890	530	225	44	418	909	60	92	5,168	4,264	904
	1953	3,050	582	240	19	364	1,002	58	95	5,410	4,428	982
	1954	3,128	522	240	— 125	426	1,018	63	67	5,339	4,359	980
	1955	3,192	474	251	— 107	346	1,115	68	97	5,436	4,462	974
of which:												
Central Government...												
	1950	1,508	68	60	— 94	461	715	45	251	3,014	3,014	—
	1951	1,815	99	74	168	453	742	49	119	3,519	3,519	—
	1952	2,206	132	84	44	400	861	60	92	3,879	3,879	—
	1953	2,317	132	87	19	345	953	58	95	4,006	4,006	—
	1954	2,344	106	83	— 125	406	963	63	67	3,907	3,907	—
	1955	2,354	108	89	— 107	325	1,044	68	97	3,978	3,978	—
Local authorities .....												
	1950	563	301	102	—	13	39	—	—	1,018	313	705
	1951	625	328	129	—	15	42	—	—	1,139	347	792
	1952	684	398	141	—	18	48	—	—	1,289	385	904
	1953	733	450	153	—	19	49	—	—	1,404	422	982
	1954	784	416	157	—	20	55	—	—	1,432	452	980
	1955	838	366	162	—	21	71	—	—	1,458	484	974

(1) Excludes debt interest, grants from the Central Government to local authorities, lending and other transactions in financial assets.



# **Taxes on income, national insurance contributions and taxes on capital** **Allocation by type of income<sup>(1)</sup>, property and sector**

TABLE 43

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Taxes on income and national insurance contributions</b>										
Taxes on income (payments):										
Persons .....	1,063	978	1,009	1,017	1,031	1,200	1,194	1,134	1,253	1,384
Companies .....	651	513	583	761	761	703	957	938	835	878
Public corporations .....	2	4	3	2	3	4	3	24	37	34
National insurance contributions .....	170	232	335	436	440	452	476	525	532	594
<b>Total .....</b>	<b>1,886</b>	<b>1,727</b>	<b>1,930</b>	<b>2,216</b>	<b>2,235</b>	<b>2,359</b>	<b>2,630</b>	<b>2,621</b>	<b>2,657</b>	<b>2,890</b>
<b>Rent of land and buildings:</b>										
Income tax .....	119	105	110	113	114	113	118	116	112	112
Surtax .....	3	3	3	3	3	3	3	3	3	3
<b>Transfer incomes<sup>(2)</sup>:</b>										
Income tax .....	7	14	14	13	10	10	10	13	14	14
<b>Dividends, interest and trading incomes:</b>										
Income tax .....	654	596	655	781	808	788	953	1,046	1,035	1,138
Surtax .....	55	60	76	85	87	95	97	99	100	99
Profits tax, excess profits tax and excess profits levy, etc. ....	391	286	283	300	277	297	375	272	253	223
Insurance contributions of self-employed and non-employed persons .....	—	—	10	27	27	28	30	31	32	35
<b>Income from employment:</b>										
Wages and salaries:										
Income tax .....	451	395	421	449	460	560	556	507	567	665
Surtax .....	17	18	20	22	24	27	28	28	29	30
Employees' insurance contributions .....	82	114	163	207	209	213	222	243	247	273
<b>Pay of the Forces:</b>										
Income tax .....	19	18	13	14	12	14	14	12	12	12
Employees' insurance contributions .....	4	5	5	5	5	6	6	7	6	7
<b>Employers' insurance contributions:</b>										
Forces .....	15	8	8	8	7	9	10	10	10	11
Civilian employees .....	69	105	149	189	192	196	208	234	237	268
<b>Total .....</b>	<b>1,886</b>	<b>1,727</b>	<b>1,930</b>	<b>2,216</b>	<b>2,235</b>	<b>2,359</b>	<b>2,630</b>	<b>2,621</b>	<b>2,657</b>	<b>2,890</b>
<b>Taxes on capital</b>										
Death duties:										
Land and buildings .....	19	21	23	26	25	27	21	23	25	25
Government and municipal securities .....	35	40	45	49	51	52	43	46	50	50
Other stocks and shares .....	60	69	76	77	72	73	59	60	70	72
Other forms of property .....	29	34	38	38	36	39	34	35	37	37
Special contribution .....	—	—	33	64	6	3	2	1	1	—
<b>Total .....</b>	<b>143</b>	<b>164</b>	<b>215</b>	<b>254</b>	<b>190</b>	<b>194</b>	<b>159</b>	<b>165</b>	<b>183</b>	<b>184</b>

(1) 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 set against his total income and not against its component parts.

(2) Transfer incomes here include family allowances, release pay and certain small pensions, but exclude dividends and interest.

## **Taxes on expenditure and subsidies** **Allocation by type of expenditure**

TABLE 44

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Taxes on consumers' expenditure</b>	<b>1,439</b>	<b>1,643</b>	<b>1,870</b>	<b>1,816</b>	<b>1,869</b>	<b>1,993</b>	<b>1,986</b>	<b>2,053</b>	<b>2,134</b>	<b>2,250</b>
<b>less Subsidies on consumers' expenditure</b>	<b>-376</b>	<b>-460</b>	<b>-562</b>	<b>-517</b>	<b>-468</b>	<b>-462</b>	<b>-412</b>	<b>-362</b>	<b>-423</b>	<b>-343</b>
<b>Net taxes on:</b>										
Consumers' expenditure .....	1,063	1,183	1,308	1,299	1,401	1,531	1,574	1,691	1,711	1,907
Public authorities' current expenditure on goods and services .....	36	30	32	36	43	59	80	95	104	94
Gross domestic capital formation .....	47	73	73	81	86	138	138	150	161	190
Exports of goods and services .....	18	27	34	40	56	76	76	72	79	83
<b>Total taxes on expenditure less subsidies</b>	<b>1,164</b>	<b>1,313</b>	<b>1,447</b>	<b>1,456</b>	<b>1,586</b>	<b>1,804</b>	<b>1,868</b>	<b>2,008</b>	<b>2,055</b>	<b>2,274</b>



## X. GROSS CAPITAL FORMATION

## The financing of investment

£ million

TABLE 45

		Persons	Com- panies	Public corpora- tions	Central Govern- ment	Local authori- ties	Residual error	Tax and dividend reserves, etc.	Total
Saving before providing for depreciation and stock appreciation(1).....	1948	91	919	59	514	78	— 2	181	1,840
	1949	170	955	84	577	81	— 37	14	1,844
	1950	163	1,235	118	655	81	— 10	171	2,413
	1951	240	1,205	143	576	78	25	513	2,780
	1952	710	903	143	335	83	134	12	2,320
	1953	895	1,080	175	184	112	118	— 14	2,550
	1954	816	1,312	221	188	112	56	188	2,893
	1955	967	1,468	187	441	104	— 32	109	3,244
Taxes on capital .....	1948	— 215	—	—	215	—	—	—	—
	1949	— 254	—	—	254	—	—	—	—
	1950	— 190	—	—	190	—	—	—	—
	1951	— 194	—	—	194	—	—	—	—
	1952	— 159	—	—	159	—	—	—	—
	1953	— 165	—	—	165	—	—	—	—
	1954	— 183	—	—	183	—	—	—	—
	1955	— 184	—	—	184	—	—	—	—
Capital transfers (net receipts) .....	1948	114	63	4	28	25	—	—	234
	1949	92	55	42	— 44	44	—	—	189
	1950	86	54	3	7	17	—	—	167
	1951	67	32	5	— 41	15	—	—	78
	1952	55	32	5	— 73	16	—	—	35
	1953	46	43	6	— 91	23	—	—	27
	1954	37	24	6	— 81	25	—	—	11
	1955	57	28	12	— 94	15	—	—	18
less Provision for stock appreciation .....	1948	— 59	— 200	— 42	— 24	—	—	—	— 325
	1949	— 39	— 170	—	9	—	—	—	— 200
	1950	— 63	— 440	— 29	— 118	—	—	—	— 650
	1951	— 112	— 465	— 80	— 93	—	—	—	— 750
	1952	— 10	22	6	32	—	—	—	50
	1953	— 7	44	6	32	—	—	—	75
	1954	— 20	— 53	— 7	5	—	—	—	— 75
	1955	— 46	— 122	— 18	— 14	—	—	—	— 200
Total funds available from savings and capital transfers for gross investment .....	1948	— 69	782	21	733	103	— 2	181	1,749
	1949	— 31	840	126	796	125	— 37	14	1,833
	1950	— 4	849	92	734	98	— 10	171	1,930
	1951	1	772	68	636	93	25	513	2,108
	1952	596	957	154	453	99	134	12	2,405
	1953	769	1,167	187	290	135	118	— 14	2,652
	1954	650	1,283	220	295	137	56	188	2,829
	1955	794	1,374	181	517	119	— 32	109	3,062

(1) For enterprises operating overseas this item is after providing for depreciation.



## The financing of investment (continued)

TABLE 45 (continued)

£ million

		Persons	Com- panies	Public corpora- tions	Central Govern- ment	Local authori- ties	Residual error	Tax and dividend reserves, etc.	Total
Gross domestic capital formation:									
Fixed capital formation .....	1948	230	540	180	114	371	—	—	1,435
	1949	246	576	264	116	381	—	—	1,583
	1950	253	628	288	128	403	—	—	1,700
	1951	272	632	359	173	457	—	—	1,893
	1952	310	634	409	216	539	—	—	2,108
	1953	378	672	478	219	603	—	—	2,350
	1954	475	775	537	189	573	—	—	2,549
	1955	580	985	575	197	528	—	—	2,865
Value of physical increase in stocks and work-in-progress .....	1948	35	212	— 10	— 62	—	—	—	175
	1949	30	49	— 33	— 47	—	—	—	65
	1950	41	— 24	— 15	—212	—	—	—	—210
	1951	70	426	— 4	— 75	—	—	—	575
	1952	— 15	— 62	— 51	— 76	—	—	—	50
	1953	33	66	— 25	— 51	—	—	—	125
	1954	42	211	— 58	—120	—	—	—	75
	1955	54	374	— 7	—121	—	—	—	300
less Net borrowing from taxation reserves .....	1948	— 23	—160	— 1	—	—	—	182	—
	1949	— 74	— 53	— 3	—	—	—	24	—
	1950	— 60	— 72	— 2	—	—	—	134	—
	1951	— 67	—422	— 23	—	—	—	512	—
	1952	— 3	— 71	— 33	—	—	—	— 35	—
	1953	39	— 27	— 13	—	—	—	— 53	—
	1954	— 10	—129	— 12	—	—	—	127	—
	1955	— 20	— 83	— 20	—	—	—	83	—
less Net borrowing from dividend and interest reserves .....	1948	—	— 21	— 20	—	—	—	— 1	—
	1949	—	— 12	— 2	—	—	—	— 10	—
	1950	—	— 31	— 6	—	—	—	37	—
	1951	—	— 5	— 6	—	—	—	1	—
	1952	—	— 42	— 5	—	—	—	47	—
	1953	—	— 34	— 5	—	—	—	39	—
	1954	—	— 63	— 2	—	—	—	61	—
	1955	—	— 31	— 5	—	—	—	26	—
Net acquisition of financial assets plus net overseas investment .....	1948	—311	169	—130	681	—268	— 2	—	139
	1949	—233	150	—166	727	—256	— 37	—	185
	1950	—238	348	—173	818	—305	— 10	—	440
	1951	—274	131	—266	388	—364	25	—	—360
	1952	304	356	—268	161	—440	134	—	247
	1953	319	436	—248	20	—468	118	—	177
	1954	143	489	—273	226	—436	56	—	205
	1955	180	129	—412	441	—409	— 32	—	—103
Total gross investment .....	1948	— 69	782	21	733	103	— 2	181	1,749
	1949	— 31	840	126	796	125	— 37	14	1,833
	1950	— 4	849	92	734	98	— 10	171	1,930
	1951	1	772	68	636	93	25	513	2,108
	1952	596	957	154	453	99	134	12	2,405
	1953	769	1,167	187	290	135	118	— 14	2,652
	1954	650	1,283	220	295	137	56	188	2,829
	1955	794	1,374	181	517	119	— 32	109	3,062



## GROSS CAPITAL FORMATION

## Gross fixed capital formation by type of asset

£ million

TABLE 46

	1938	1947	1948	1949	1950	1951	1952	1953	1954	1955
Public road passenger vehicles .....	12	22	33	38	35	24	21	18	20	17
Road goods vehicles .....	26	69	71	75	75	81	83	94	106	141
Passenger cars .....	12	38	40	57	54	69	84	84	90	107
Railway rolling stock .....	14	23	28	29	31	33	27	36	48	57
Ships .....	22	106	86	78	71	58	55	88	78	73
Aircraft .....	1	6	8	12	8	7	8	9	10	21
Plant and machinery.....	181	360	495	550	629	742	778	806	901	1,052
Dwellings .....	180	335	337	332	331	376	494	630	653	642
Other new buildings and works .....	194	205	295	367	419	453	518	549	605	713
Legal fees, stamp duties, etc. <sup>(1)</sup> less destruction of buildings.....	14	35	42	45	47	50	40	36	38	42
Total .....	656	1,199	1,435	1,583	1,700	1,893	2,108	2,350	2,549	2,865

(1) These relate mainly to dwellings, other buildings and works.

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

£ million

TABLE 47

	1938	1947	1948	1949	1950	1951	1952	1953	1954	1955
Public road passenger vehicles .....	24	25	33	38	35	23	18	16	18	14
Road goods vehicles .....	51	76	71	74	68	61	57	68	77	102
Passenger cars .....	32	42	40	56	52	54	58	63	69	80
Railway rolling stock, ships and aircraft .....	98	149	122	117	102	84	69	97	99	106
Plant and machinery.....	402	398	495	536	600	658	622	623	695	777
Dwellings .....	474	356	337	330	323	316	378	493	517	482
Other new buildings and works .....	451	220	295	367	419	406	422	442	492	559
Legal fees, stamp duties, etc., less destruction of buildings.....	27	38	42	43	44	47	37	35	37	41
Total .....	1,559	1,304	1,435	1,561	1,643	1,649	1,661	1,837	2,004	2,161



Gross fixed capital formation by industry group

TABLE 48

£ million

	1938	1948	1949	1950	1951	1952	1953	1954	1955
Agriculture, forestry and fishing.....	15	96	94	92	94	95	93	101	110
Mining and quarrying .....	8	29	36	33	35	48	63	83	90
Manufacturing .....	209 <sup>(1)</sup>	349	397	466	542	573	561	593	734
Building and contracting.....	.. <sup>(1)</sup>	20	22	23	33	45	40	48	65
Gas, electricity and water .....	58	138	171	195	216	239	265	302	340
Transport and communication(2) .....	92	213	225	216	201	206	261	265	287
Distribution and other services(3) .....	.. <sup>(1)</sup>	121	151	163	183	194	218	276	357
Dwellings .....	180	337	332	331	376	494	630	653	642
Social services .....	36	47	65	80	93	102	105	109	115
Other public services.....	44	43	45	54	70	72	78	81	83
Legal fees, stamp duties, etc. less destruction of buildings .....	14	42	45	47	50	40	36	38	42
Total .....	656	1,435	1,583	1,700	1,893	2,108	2,350	2,549	2,865

(1) In 1938 fixed capital formation by building and contracting and by distribution and other services is included with manufacturing.

(2) Excludes road goods transport.

(3) Includes road goods transport.

Gross fixed capital formation by industry group at 1948 prices

TABLE 49

£ million

	1938	1948	1949	1950	1951	1952	1953	1954	1955
Agriculture, forestry and fishing.....	34	96	93	87	82	75	73	79	86
Mining and quarrying .....	18	29	35	32	32	38	50	65	66
Manufacturing .....	469 <sup>(1)</sup>	349	391	450	482	459	437	462	555
Building and contracting.....	.. <sup>(1)</sup>	20	22	22	28	34	29	36	46
Gas, electricity and water .....	143	138	169	188	189	192	207	238	252
Transport and communication(2) .....	208	213	220	205	173	159	200	200	206
Distribution and other services(3) .....	.. <sup>(1)</sup>	121	148	159	156	149	169	217	273
Dwellings .....	474	337	330	323	316	378	493	517	482
Social services .....	85	47	65	79	83	82	83	88	90
Other public services .....	101	43	45	54	61	58	61	65	64
Legal fees, stamp duties, etc. less destruction of buildings .....	27	42	43	44	47	37	35	37	41
Total .....	1,559	1,435	1,561	1,643	1,649	1,661	1,837	2,004	2,161

(1) In 1938 fixed capital formation by building and contracting and by distribution and other services is included with manufacturing.

(2) Excludes road goods transport.

(3) Includes road goods transport.



## GROSS CAPITAL FORMATION

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

£ million

TABLE 50

	1948	1949	1950	1951	1952	1953	1954	1955
<b>All fixed assets</b>								
Agriculture .....	89	87	86	91	92	89	96	104
Forestry and fishing .....	7	7	6	3	3	4	5	6
Coal mining .....	23	30	27	29	41	57	76	82
Other mining and quarrying .....	6	6	6	6	7	6	7	8
Manufacturing:								
Government financed expenditure .....	8	8	14	40	64	55	28	19
Bricks, pottery, glass, etc. ....	19	18	19	19	18	22	24	
Mineral oil refining .....	6	18	32	35	40	33	16	
Coke ovens .....				7	7	9	10	
Heavy chemicals .....	33	42	54	45	45	54	48	
Other chemicals and allied trades .....				17	14	12	15	
Iron and steel .....	32	42	49	54	54	45	60	
Non-ferrous metals .....	7	9	8	9	8	8	9	
Shipbuilding .....				4	4	4	5	
Mechanical engineering .....	52	52	55	41	47	46	50	
Electrical engineering .....				16	23	23	30	
Motor vehicles and cycles .....				24	24	21	27	
Aircraft .....	22	22	29	6	7	10	11	
Other vehicles .....				4	5	5	4	
Metal goods not elsewhere specified .....	15	16	18	18	17	19	23	
Precision instruments, jewellery, etc. ....	5	4	3	4	4	4	5	
Rayon, nylon, etc. ....				9	8	7	12	
Other textiles .....	37	49	52	44	37	36	47	
Leather, fur and clothing .....	12	12	11	9	8	11	9	
Food .....	48	51	60	46	45	46	54	
Drink and tobacco .....				18	17	13	16	
Manufactures of wood and cork .....	6	7	10	10	7	8	9	
Paper and board .....				9	9	8	14	
Paper products, printing, etc. ....	23	22	24	21	19	18	24	
Rubber .....				7	7	6	8	
Other manufacturing .....	11	11	11	4	4	4	6	
Government research and development .....	13	14	17	22	31	34	29	35
<b>Total manufacturing</b> .....	<b>349</b>	<b>397</b>	<b>466</b>	<b>542</b>	<b>573</b>	<b>561</b>	<b>593</b>	<b>734</b>
Building and contracting .....	20	22	23	33	45	40	48	65
Gas .....	25	29	33	40	46	47	52	57
Electricity .....	99	122	138	148	160	180	214	247
Water .....	14	20	24	28	33	38	36	36
Railways .....	41	44	45	45	41	55	64	74
Road passenger transport .....	38	44	41	30	27	24	25	21
Shipping .....	78	69	63	53	51	83	72	65
Harbours, docks and canals .....	7	8	9	9	11	13	13	14
Air transport .....	12	17	14	12	13	16	17	28
Postal, telephone and radio communications .....	37	43	44	52	63	70	74	85
Broadcasting .....	1	1	2	2	2	2	2	5
Distribution and other services(1) .....	120	150	161	181	192	216	274	352
Dwellings .....	337	332	331	376	494	630	653	642
Education and child care .....	30	44	58	69	78	80	82	87
Health services .....	16	20	20	22	22	23	25	26
National assistance .....	1	1	2	2	2	2	2	2
Police, prisons and fire service .....	1	2	3	5	6	6	6	5
Roads and public lighting .....	8	10	11	13	14	15	16	18
Sewerage and land drainage .....	11	14	16	22	29	36	38	36
Other local authority services .....	4	4	7	11	9	8	9	10
Other Central Government services .....	19	15	17	19	14	13	12	14
<b>Total expenditure on equipment and new buildings</b> .....	<b>1,393</b>	<b>1,538</b>	<b>1,653</b>	<b>1,843</b>	<b>2,068</b>	<b>2,314</b>	<b>2,511</b>	<b>2,823</b>
Legal fees, stamp duties, etc. ....	46	49	51	54	45	40	43	47
less Destruction of buildings .....	-4	-4	-4	-4	-5	-4	-5	-5
<b>Total</b> .....	<b>1,435</b>	<b>1,583</b>	<b>1,700</b>	<b>1,893</b>	<b>2,108</b>	<b>2,350</b>	<b>2,549</b>	<b>2,865</b>

(1) Includes road goods transport.



Gross fixed capital formation by industry and type of asset (continued)

TABLE 50 (continued)

£ million

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Buildings and works</b>								
Agriculture .....	21	23	22	22	20	23	24	25
Forestry and fishing .....	1	1	1	1	1	1	1	2
Coal mining .....	6	8	10	11	17	21	28	30
Other mining and quarrying .....	1	—	—	—	1	—	1	1
<b>Manufacturing:</b>								
Government financed expenditure .....	14	9	8	7	14	12	10	12
Bricks, pottery, glass, etc. ....	5	5	5	5	4	5	6	
Mineral oil refining .....	2	4	11	5	10	8	3	
Coke ovens .....				1	1	3	—	
Heavy chemicals .....	7	9	12	10	12	12	8	
Other chemicals and allied trades .....				4	3	3	4	
Iron and steel .....	9	12	12	12	12	8	8	
Non-ferrous metals .....	1	2	2	2	1	1	1	
Shipbuilding .....				2	2	2	3	
Mechanical engineering .....	13	13	14	9	12	10	13	
Electrical engineering .....				3	6	6	8	
Motor vehicles and cycles .....				4	4	4	4	
Aircraft .....	4	5	6	1	3	4	4	
Other vehicles .....				2	2	2	3	
Metal goods not elsewhere specified .....	3	4	5	4	3	4	6	
Precision instruments, jewellery, etc. ....	1	1	1	1	1	1	1	
Rayon, nylon, etc. ....	8	11	12	2	2	2	3	
Other textiles .....				8	6	6	8	
Leather, fur and clothing .....	3	3	3	2	1	3	2	
Food .....								
Drink and tobacco .....	9	11	13	11	10	10	13	
Manufactures of wood and cork .....	1	1	2	4	4	2	5	
Paper and board .....				2	1	2	3	
Paper products, printing, etc. ....	5	3	3	2	2	2	3	
Rubber .....				3	3	4	6	
Other manufacturing .....	3	3	2	1	1	1	1	
Government research and development .....	10	11	11	1	1	—	1	
<b>Total manufacturing</b> .....	<b>98</b>	<b>107</b>	<b>122</b>	<b>122</b>	<b>141</b>	<b>137</b>	<b>141</b>	<b>203</b>
<b>Building and contracting</b> .....	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>13</b>	<b>17</b>
Gas .....	5	7	9	12	14	16	20	24
Electricity .....	25	34	36	36	37	40	50	48
Water .....	13	19	22	26	31	36	33	33
Railways .....	10	11	10	8	10	12	8	9
Road passenger transport .....	3	4	5	4	5	4	4	3
Shipping .....	—	—	—	1	—	—	1	1
Harbours, docks and canals .....	5	6	6	6	7	7	7	8
Air transport .....	3	4	4	4	4	7	6	6
Postal, telephone and radio communications .....	2	3	3	4	5	6	6	6
Broadcasting .....	1	—	1	1	1	1	1	2
Distribution and other services(1) .....	27	49	59	62	73	80	101	131
<b>Dwellings</b> .....	<b>337</b>	<b>332</b>	<b>331</b>	<b>376</b>	<b>494</b>	<b>630</b>	<b>653</b>	<b>642</b>
Education and child care .....	28	40	51	61	69	71	75	78
Health services .....	7	10	10	11	13	13	14	15
National assistance .....	1	1	1	2	2	2	2	2
Police, prisons and fire service .....	1	1	2	4	4	4	5	4
Roads and public lighting .....	8	10	11	12	14	15	16	18
Sewerage and land drainage .....	10	13	15	20	27	34	36	33
Other local authority services .....	3	3	4	8	8	6	7	8
Other Central Government services .....	14	11	12	11	7	7	5	6
<b>Total expenditure on new buildings and works</b> .....	<b>632</b>	<b>699</b>	<b>750</b>	<b>829</b>	<b>1,012</b>	<b>1,179</b>	<b>1,258</b>	<b>1,355</b>
Legal fees, stamp duties, etc. ....	46	49	51	54	45	40	43	47
less Destruction of buildings .....	—4	—4	—4	—4	—5	—4	—5	—5
<b>Total</b> .....	<b>674</b>	<b>744</b>	<b>797</b>	<b>879</b>	<b>1,052</b>	<b>1,215</b>	<b>1,296</b>	<b>1,397</b>

(1) Includes road goods transport.



## GROSS CAPITAL FORMATION

## Gross fixed capital formation by industry and type of asset (continued)

£ million

TABLE 50 (continued)

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Vehicles, ships and aircraft</b>								
Agriculture .....	14	16	15	15	23	19	17	18
Forestry and fishing .....	5	5	4	2	2	2	3	4
Coal mining .....	1	1	—	1	2	1	2	2
Other mining and quarrying .....	1	1	1	1	1	1	1	1
<b>Manufacturing:</b>								
Government financed expenditure .....	1	—	—	—	—	—	—	—
Bricks, pottery, glass, etc. ....	1	2	3	2	3	2	2	—
Mineral oil refining .....	—	—	—	1	—	—	—	—
Coke ovens .....	2	3	2	2	1	1	1	—
Heavy chemicals .....	—	—	—	2	2	2	3	—
Other chemicals and allied trades .....	—	1	1	1	1	1	1	—
Iron and steel .....	1	—	—	1	1	1	1	—
Non-ferrous metals .....	—	—	—	—	—	—	—	—
Shipbuilding .....	4	4	5	4	4	4	3	—
Mechanical engineering .....	—	—	—	1	3	2	2	—
Electrical engineering .....	—	—	—	1	1	—	1	—
Motor vehicles and cycles .....	2	2	2	1	—	1	—	—
Aircraft .....	—	—	—	—	1	1	1	—
Other vehicles .....	1	1	2	2	3	3	2	—
Metal goods not elsewhere specified .....	—	—	—	—	—	—	1	—
Precision instruments, jewellery, etc. ....	—	—	—	—	—	—	—	—
Rayon, nylon, etc. ....	2	2	2	3	3	2	2	—
Other textiles .....	1	2	2	2	2	2	2	—
Leather, fur and clothing .....	—	—	—	—	—	—	—	—
Food .....	9	8	8	6	7	7	7	—
Drink and tobacco .....	—	—	—	2	3	3	2	—
Manufactures of wood and cork .....	1	2	3	3	2	2	2	—
Paper and board .....	1	1	1	—	—	—	—	—
Paper products, printing, etc. ....	—	—	—	2	2	2	2	—
Rubber .....	1	1	1	1	—	1	1	—
Other manufacturing .....	—	—	—	—	—	—	—	—
Government research and development .....	—	—	—	—	—	—	—	—
<b>Total manufacturing</b> .....	<b>27</b>	<b>29</b>	<b>32</b>	<b>37</b>	<b>39</b>	<b>38</b>	<b>36</b>	<b>47</b>
<b>Building and contracting</b> .....	<b>5</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>12</b>	<b>11</b>	<b>16</b>
Gas .....	2	2	2	1	1	1	2	1
Electricity .....	1	2	2	2	1	2	2	3
Water .....	—	—	—	—	—	—	—	—
Railways .....	29	30	32	34	28	38	49	58
Road passenger transport .....	33	38	35	25	21	18	20	17
Shipping .....	78	69	63	52	51	83	71	64
Harbours, docks and canals .....	1	1	1	1	1	2	2	2
Air transport .....	8	12	9	7	8	8	10	21
Postal, telephone and radio communications .....	1	1	1	1	1	—	—	1
Broadcasting .....	—	—	—	—	—	—	—	—
Distribution and other services(1) .....	51	67	62	74	75	93	114	147
Dwellings .....	—	—	—	—	—	—	—	—
Education and child care .....	—	—	—	—	—	—	—	1
Health services .....	6	6	6	6	5	6	6	6
National assistance .....	—	—	—	—	—	—	—	—
Police, prisons and fire service .....	—	1	1	—	2	2	1	1
Roads and public lighting .....	—	—	—	—	—	—	—	—
Sewerage and land drainage .....	—	—	—	1	—	—	1	1
Other local authority services .....	—	—	1	1	1	1	1	1
Other Central Government services .....	3	1	1	2	2	2	3	4
<b>Total</b> .....	<b>266</b>	<b>289</b>	<b>274</b>	<b>272</b>	<b>278</b>	<b>329</b>	<b>352</b>	<b>416</b>

(1) Includes road goods transport.



Gross fixed capital formation by industry and type of asset (continued)

TABLE 50 (continued)

£ million

	1948	1949	1950	1951	1952	1953	1954	1955
<b>Plant and machinery</b>								
Agriculture .....	54	48	49	54	49	47	55	61
Forestry and fishing .....	1	1	1	—	—	1	1	—
Coal mining .....	16	21	17	17	22	35	46	50
Other mining and quarrying .....	4	5	5	5	5	5	5	6
<b>Manufacturing:</b>								
Government financed expenditure .....	-7	-1	6	33	50	43	18	7
Bricks, pottery, glass, etc. ....	13	11	11	12	11	15	16	
Mineral oil refining .....	4	14	21	29	30	25	13	
Coke ovens .....				6	6	6	10	
Heavy chemicals .....	24	30	40	33	32	41	39	
Other chemicals and allied trades .....				11	9	7	8	
Iron and steel .....	23	29	36	41	41	36	51	
Non-ferrous metals .....	5	7	6	6	6	6	7	
Shipbuilding .....				2	2	2	2	
Mechanical engineering .....	35	35	36	28	31	32	34	
Electrical engineering .....				12	14	15	20	
Motor vehicles and cycles .....				19	19	17	22	
Aircraft .....	16	15	21	4	4	5	7	
Other vehicles .....				2	2	2	—	
Metal goods not elsewhere specified .....	11	11	11	12	11	12	15	
Precision instruments, jewellery, etc. ....	4	3	2	3	3	3	3	
Rayon, nylon, etc. ....				7	6	5	9	
Other textiles .....	27	36	38	33	28	28	37	
Leather, fur and clothing .....	8	7	6	5	5	6	5	
Food .....				29	28	29	34	
Drink and tobacco .....	30	32	39	12	10	8	9	
Manufactures of wood and cork .....	4	4	5	5	4	4	4	
Paper and board .....				7	7	6	11	
Paper, products, printing, etc. ....	17	18	20	16	14	12	16	
Rubber .....				3	6	4	6	
Other manufacturing .....	7	7	8	3	3	3	5	
Government research and development .....	3	3	6	8	11	14	15	17
<b>Total manufacturing</b> .....	<b>224</b>	<b>261</b>	<b>312</b>	<b>383</b>	<b>393</b>	<b>386</b>	<b>416</b>	<b>484</b>
<b>Building and contracting</b> .....	<b>13</b>	<b>13</b>	<b>14</b>	<b>20</b>	<b>24</b>	<b>22</b>	<b>24</b>	<b>32</b>
Gas .....	18	20	22	27	31	30	30	32
Electricity .....	73	86	100	110	122	138	162	196
Water .....	1	1	2	2	2	2	3	3
Railways .....	2	3	3	3	3	5	7	7
Road passenger transport .....	2	2	1	1	1	2	1	1
Shipping .....	—	—	—	—	—	—	—	—
Harbours, docks and canals .....	1	1	2	2	3	4	4	4
Air transport .....	1	1	1	1	1	1	1	1
Postal, telephone and radio communications .....	34	39	40	47	57	64	68	78
Broadcasting .....	—	1	1	1	1	1	1	3
Distribution and other services <sup>(1)</sup> .....	42	34	40	45	44	43	59	74
Dwellings .....	—	—	—	—	—	—	—	—
Education and child care .....	2	4	7	8	9	9	7	8
Health services .....	3	4	4	5	4	4	5	5
National assistance .....	—	—	1	—	—	—	—	—
Police, prisons and fire service .....	—	—	—	1	—	—	—	—
Roads and public lighting .....	—	—	—	1	—	—	—	—
Sewerage and land drainage .....	1	1	1	1	2	2	1	2
Other local authority services .....	1	1	2	2	—	1	1	1
Other Central Government services .....	2	3	4	6	5	4	4	4
<b>Total</b> .....	<b>495</b>	<b>550</b>	<b>629</b>	<b>742</b>	<b>778</b>	<b>806</b>	<b>901</b>	<b>1,052</b>

(1) Includes road goods transport.



## GROSS CAPITAL FORMATION

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

£ million

TABLE 51

		Persons (1)	Companies	Public corpora- tions	Central Government		Local authorities		Total
					Trading	Other	Trading	Other	
Vehicles, ships and aircraft .....	1948	48	162	48	-3	3	7	1	266
	1949	54	160	62	2	1	9	1	289
	1950	50	149	62	3	1	7	2	274
	1951	54	150	57	1	2	5	3	272
	1952	62	152	52	2	3	4	3	278
	1953	63	189	63	1	3	6	4	329
	1954	69	202	68	1	4	5	3	352
	1955	83	231	87	2	5	4	4	416
Plant and machinery .....	1948	89	271	77	27	8	19	4	495
	1949	83	282	126	38	10	5	6	550
	1950	90	321	145	47	13	3	10	629
	1951	98	333	196	80	19	4	12	742
	1952	95	324	216	107	21	5	10	778
	1953	92	322	245	107	24	5	11	806
	1954	108	379	286	86	27	5	10	901
	1955	127	478	319	85	28	5	10	1,052
Dwellings(2) .....	1948	45	—	10	22	2	257	1	337
	1949	54	—	10	4	6	256	2	332
	1950	51	—	11	2	10	255	2	331
	1951	58	—	19	1	15	279	4	376
	1952	101	—	30	—	16	343	4	494
	1953	170	—	50	—	14	391	5	630
	1954	234	—	45	—	13	357	4	653
	1955	283	—	35	—	11	308	5	642
Other buildings and works, land, legal fees, stamp duties, etc., less destruction of buildings	1948	48	107	45	20	35	32	50	337
	1949	55	134	66	18	37	32	70	412
	1950	62	158	70	16	36	36	88	466
	1951	62	149	87	17	38	40	110	503
	1952	52	158	111	23	44	46	124	558
	1953	53	161	120	24	46	48	133	585
	1954	64	194	138	19	39	49	140	643
	1955	87	276	134	21	45	49	143	755
Total .....	1938	193	264	10	26	9	93	61	656
	1948	230	540	180	66	48	315	56	1,435
	1949	246	576	264	62	54	302	79	1,583
	1950	253	628	288	68	60	301	102	1,700
	1951	272	632	359	99	74	328	129	1,893
	1952	310	634	409	132	84	398	141	2,108
	1953	378	672	478	132	87	450	153	2,350
	1954	475	775	537	106	83	416	157	2,549
	1955	580	985	575	108	89	366	162	2,865

(1) Persons' expenditure on dwellings; capital expenditure for business purposes by professional persons, farmers, other sole traders and partnerships; and capital expenditure by non-profit-making bodies serving persons.

(2) Excludes purchases of existing dwellings and land.

180 264 288  
 114 116 128  
 315 302 301  
 56 79 102  
 665 741 819  
 6.4 6.7 7.4



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

TABLE 52

£ million

£ million

	Persons(1)	Companies	Public corporations	Central Government				Total
				Trading	Strategic stocks	Disposal of surplus stores	Total	
Value of physical increase in stocks and work in progress .....								
1948	35	212	— 10	— 2	—	— 60	— 62	175
1949	30	49	33	— 15	—	— 32	— 47	65
1950	41	— 24	— 15	— 185	—	— 27	— 212	— 210
1951	70	426	4	— 29	127	— 23	75	575
1952	— 15	— 62	51	34	49	— 7	76	50
1953	33	66	— 25	9	42	—	51	125
1954	42	211	— 58	— 164	44	—	— 120	75
1955	54	374	— 7	— 124	3	—	— 121	300
Stock appreciation .....								
1948	59	200	42	24	—	—	24	325
1949	39	170	—	— 9	—	—	— 9	200
1950	63	440	29	118	—	—	118	650
1951	112	465	80	93	—	—	93	750
1952	10	— 22	— 6	— 32	—	—	— 32	— 50
1953	7	— 44	— 6	— 32	—	—	— 32	— 75
1954	20	53	7	— 5	—	—	— 5	75
1955	46	122	18	14	—	—	14	200
Increase in value of stocks and work in progress .....								
1948	94	412	32	22	—	— 60	— 38	500
1949	69	219	33	— 24	—	— 32	— 56	265
1950	104	416	14	— 67	—	— 27	— 94	440
1951	182	891	84	64	127	— 23	168	1,325
1952	— 5	— 84	45	2	49	— 7	44	—
1953	40	22	— 31	— 23	42	—	19	50
1954	62	264	— 51	— 169	44	—	— 125	150
1955	100	496	11	— 110	3	—	— 107	500
Value of stocks and work in progress held at end of 1954 .....	1,777	4,915	400	296	262	—	558	7,650

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



## GROSS CAPITAL FORMATION

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

£ million

TABLE 53

	Increase in value of stocks and work in progress								Total value of stocks held at end of 1954
	1948	1949	1950	1951	1952	1953	1954	1955	
Agriculture and forestry .....	30	34	34	40	35	29	21	28	850
Mining and quarrying .....	13	9	- 11	14	32	- 8	- 1	5	101
Manufacturing:									
Chemicals and allied trades:									
Materials and fuel .....	6	- 3	17	51	- 20	- 12	} 34	..	260
Finished products and work in progress.....	10	5	7	28	7	- 3			
Metals, engineering and vehicles:									
Materials and fuel .....	56	7	26	138	88	- 14	} 66	..	1,950
Finished products and work in progress.....	87	34	48	144	186	67			
Textiles, leather and clothing:									
Materials and fuel .....	36	31	93	- 3	- 68	17	} 30	..	620
Finished products and work in progress.....	36	19	53	69	- 55	20			
Food, drink and tobacco:									
Materials and fuel .....	13	12	22	61	- 6	- 11	} 30	..	470
Finished products and work in progress.....	23	13	17	19	9	17			
Other manufacturing:									
Materials and fuel .....	19	- 4	43	112	- 57	- 24	} 24	..	380
Finished products and work in progress.....	18	6	13	36	-	- 4			
Total manufacturing .....	304	120	339	655	84	53	184	420	3,680
Retail trade .....	11	20	77	87	- 78	59	13	54	670
Gas, electricity and water .....	} 184	9	6	21	11	- 4	- 7	11	112
Other industries and services .....		133	95	352	-115	- 91	73	97	1,775(2)
Central Government trading bodies <sup>(1)</sup> .....	18	- 28	- 73	52	- 11	- 30	-177	-118	200
Central Government strategic stocks .....	-	-	-	127	49	42	44	3	262
less Disposal of Government surplus stores .....	- 60	- 32	- 27	- 23	- 7	-	-	-	-
Total increase in value .....	500	265	440	1,325	-	50	150	500	7,650
less Stock appreciation .....	-325	-200	-650	-750	50	75	- 75	-200	
Value of physical increase in stocks and work in progress .....	175	65	-210	575	50	125	75	300	

(1) Excludes stocks of the Forestry Commission and Royal Ordnance Factories which are included in the appropriate industries above.

(2) About £800 million of these stocks were held by the wholesale distributive trades.



# XI CAPITAL CONSUMPTION

It is generally recognised that statistics of national income and expenditure should include a measure of the amount of capital resources used up in the process of production. This current use of fixed capital assets may be described as capital consumption. Estimates of capital consumption may be deducted from the figures of gross fixed capital formation in order to obtain a measure of net fixed capital formation. Capital consumption may also be deducted from the gross national product to obtain a measure of national income, because the income of the nation should be calculated only after provision has been made for the use of its productive assets.

In recent Blue Books, and throughout the main tables in this Blue Book, no attempt has been made to show estimates of capital consumption, and no figures are given of the national income or of net capital formation<sup>(1)</sup>. A set of calculations designed to go some way towards filling this gap is described in this section.

## The theoretical problem

There is no direct way of measuring the amount of capital resources used up in current production. Capital consumption is not an identifiable set of transactions nor an identifiable flow of goods and services; it is an imputed transaction and, like other imputed transactions, must be measured by some system of conventions. Partly for this reason, and partly because further consideration may lead to substantial improvements in the conventions and estimating methods used, the estimates of capital consumption are not incorporated in the main tables.

The solution adopted here to the problem of measuring capital consumption is fundamentally the solution adopted by accountants in measuring depreciation: the use of an asset is regarded as being spread in an arbitrary way over a pre-determined life. The normal accounting method, of course, is to spread over time the original money cost of each asset (although some firms and public bodies are now attempting to adjust depreciation provisions to current prices). After a period of substantial changes in prices, a figure of depreciation related to the original outlay of money does not yield an appropriate measure of the national income or of net capital formation. For use in a system of national accounts, capital consumption should be measured in current prices for comparability with other transactions in the system.

Estimates of capital consumption derived by ordinary accounting methods of calculating depreciation, but adjusted to current prices, must contain three arbitrary elements:

(a) The length of time over which the use of assets is spread is arbitrarily determined, without direct knowledge of the length of time for which assets in fact render productive service. It is worth noting that errors in estimating the length of life of assets may not greatly affect the estimates of total capital consumption in a given year. If the length of life of assets is underestimated, then capital consumption in respect of each asset in a given year is overstated; but this

error is likely to be offset by the fact that in the given year allowance is made for capital consumption in respect of too few assets.

(b) There are several methods by which the use of assets may be spread over time. The convention adopted here is the *straight line* basis; each class of assets is assumed to depreciate by a constant amount in each year (by one-tenth of its cost, if the assumed life is 10 years).

(c) The adjustment of capital consumption to current prices is necessarily somewhat arbitrary because of the great difficulties, both theoretical and practical, of constructing appropriate and reliable price indices for capital goods.

It is, therefore, important to realise that the significance of estimates of capital consumption is limited by the conventions adopted. In particular:

(a) The resulting estimates of net capital formation do not show changes in the quantity of assets in productive use. The replacement of a depreciated machine by a new machine of identical construction and annual productive capacity will appear as net capital formation; this is simply because at the time of replacement the new machine has a longer future life than the old. The figure of net capital formation takes into account the two-dimensional nature of net capital—duration of future life as well as the number of assets. For example, much of the net capital formation in the immediate post-war years consisted in the replacement of written-down plant by new plant. The increase in the quantity of assets in that period may have been much less than the net capital formation.

(b) The consumption of capital assets, as said above, is valued at current prices. The revaluation must depend on a price index for each class of asset. The data available for producing such indices do not make it possible to allow fully for changes in the quality or in the productive efficiency of assets. In reality, of course, capital assets are rarely replaced by new assets of identical construction. Hence the estimates of net fixed capital formation are not an accurate measure of the increase in the annual *productive capacity* of the nation.

Further research may in future bring to light improved ways of measuring the true lives of assets, the changes in their prices, or the changes in productive capacity. The general method used here, however, appears to be the best way of making comprehensive estimates from the information at present available.

The methods adopted in making the present estimates of capital consumption were applied for the first time to data for the United Kingdom by Philip Redfern in a paper "Net Investment in Fixed Assets in the United Kingdom, 1938-1953"<sup>(2)</sup>. The present estimates are a

(1) See *National Income Statistics: Sources and Methods*, page 15.

(2) *Journal of the Royal Statistical Society. Series A (General)*, Volume 118, Part 2, 1955.



development of those used by Mr. Redfern, in the light of further consideration and discussion. Most of the sources and methods are described in Mr. Redfern's paper but a summary of the main points is given in the following paragraphs.

## Sources and methods

### *Scope of the estimates of capital consumption.*

The estimates of capital consumption have the same scope as the estimates of gross fixed capital formation given in the Blue Book, except that no allowance for capital consumption is applied to (a) land (i.e. site values) or (b) roads<sup>(1)</sup>. The item *legal fees, stamp duties etc.* which appears in the tables of gross fixed capital formation, and which represents payments incurred when the ownership of land and property is transferred, is regarded as though it were wholly written off in the year of expenditure; it is therefore included in the estimate of capital consumption in that year.

The estimates of capital consumption relate only to *domestic* fixed capital formation. Provision for depreciation on assets situated overseas is already deducted from income earned abroad.<sup>(2)</sup>

Capital consumption is taken to comprise depreciation by wear and tear, obsolescence and uninsured losses. It does not include depletion of mineral deposits. Nor does it include insured losses of assets by fire or accident; these losses (valued by the compensation received from insurance) are treated, like other proceeds from the disposal of fixed assets, as negative capital formation, and are deducted before arriving at the figures of gross fixed capital formation (see page 72).

In the course of the calculations, an estimate of assets destroyed during the 1939 to 1945 war has been deducted from the value of assets on which depreciation is charged after the war; such assets are in effect removed from the capital stock.

In practice it has not been found possible so far to carry through these calculations in respect of all assets. There is a margin of assets, representing at present 5 per cent of gross fixed capital formation, for which the data are not available. An approximate addition has been made to the estimates of capital consumption in respect of these items, which include farm buildings and most of the Central Government's non-trading assets other than houses (e.g. hospitals, Government offices and research establishments).

### *Methods of calculation.*

The process of estimation involves three operations:

(i) Estimates are made of gross fixed capital formation in each past year for each class of asset separately distinguished. To calculate capital consumption in 1938 and thereafter, it is necessary to carry the estimates of gross fixed capital formation in each class of asset  $L$  years back from 1938, where  $L$  is the assumed length of life of the class of asset in question.

(ii) Price indices are built up for each class of asset. These are applied to the gross fixed capital formation series which are thus converted into estimates of gross fixed capital formation at constant prices. The con-

stant prices used are those for the year 1948.

(iii) Assumptions are made about the lengths of life of each class of assets. The gross investment of each year at 1948 prices in each class of asset is then written off, on the straight-line basis, over the assumed life of the asset. The capital consumption allowances in respect of each past year's gross capital formation can then be summed so as to yield total capital consumption on each class of asset in 1938 and in 1948 to 1955. The calculation is done first in constant prices of the year 1948. The price indices can then be applied so as to convert the capital consumption of each year into the current prices of that year.

There is thus produced a series of estimates of capital consumption in 1938 and in 1948 to 1955, both at 1948 prices and at the current prices of each year. These estimates can be set against the estimates of gross fixed capital formation, both at the constant prices of the year 1948 and at the current prices of each year, so as to yield estimates of net fixed capital formation. The estimates of capital consumption by classes of asset can be used to provide estimates of capital consumption in each sector of the economy. The results are set out in tables 54 to 56.

### *Estimates of gross fixed capital formation.*

For 1938 and 1948 to 1955 the estimates are those published in this Blue Book. For earlier years the principal sources are:

(a) Production statistics derived principally from the census of production adjusted for imports and exports, the figures for intercensal years being interpolated or extrapolated from various sources of information. This source covers the greater part of investment in plant and machinery and buildings by private industry. Because the data necessarily relate to the total supply of various classes of assets, without distinction between the industries purchasing them, no detailed division of gross capital formation between industries is at present possible.

(b) Statistics of road vehicle registrations and of the numbers of houses built for private owners.

(c) Statistics of gross capital expenditure. This source has been used wherever possible, but is limited to a few large industries; in particular, electricity supply and distribution, railways, the Post Office and local authority services.

The further back into history these estimates are taken the more uncertain they are. For long-lived assets such as dwellings, estimates of a kind must necessarily be made as far back as 1839; such estimates in themselves have very little validity.

(1) The special treatment of capital expenditure on roads is described on page 57. For the reasons given there, the whole of capital expenditure on roads is regarded as "net" capital formation.

(2) *National Income Statistics: Sources and Methods*, page 278.



Figures of gross fixed capital formation in the years before 1948 have not been used as the starting point for two classes of assets. These are—

(a) *Merchant vessels*: in this case the total fleet on the United Kingdom register, as shown by the figures published by the Ministry of Transport and Civil Aviation (given in *Annual Abstract of Statistics* No. 92, Table 245) has been taken and rates of depreciation applied to the stock at the end of each year.

(b) *Coal mines*: in this case the valuation adopted for compensation to mine owners on nationalisation in 1947 has been taken as the starting point and as giving the stock of mining assets at that date.

#### *Price indices.*

The price indices for the years before 1948 are described in Mr. Redfern's paper. In the case of plant, machinery and vehicles, these indices consist principally of figures of average values per unit, or more often per ton, as shown by the census of production or export statistics. The indices for the later years have been revised and are based principally on price data collected by the Board of Trade and used in the estimation of gross fixed capital formation at 1948 prices.

#### *Lengths of life assumed.*

For plant and machinery used in private industry, the assumed lengths of life are those implicit in the rates of depreciation allowed for tax purposes. For road vehicles a figure of 10 years has been taken, the figure implicit in the Inland Revenue depreciation allowances. For industrial buildings the Inland Revenue figure of 50 years' life has been assumed. For commercial buildings and other buildings such as schools, a life of 75 years is assumed. For houses 100 years is assumed. For coal mines, gas, electricity, railways and the Post Office, the lengths of life assumed are those employed by the undertakings concerned in computing depreciation in their own accounts (except that an assumed life of 100 years is taken for railway tracks, buildings and works, for which no depreciation allowance is used in the railways' accounts). For ships, the lives used are derived from the average age of ships withdrawn from service in the period 1949 to 1954—25 years for tankers and 30 years for other ships.

#### **Comparability of capital consumption with gross national product and with capital formation**

In deducting capital consumption from gross national product (or gross domestic product) to arrive at an estimate of national income (or net domestic product), it should be noted that there are certain items of imputed income in gross national product from which the full

amount of capital consumption at current prices should not, strictly, be deducted. These items are the gross incomes imputed to the Central Government and to local authorities in respect (i) of non-trading properties (offices, schools, etc.) owned by them and (ii) of those trading activities for which the surplus is treated as a tax on expenditure (the Post Office) or for which the deficiency is treated as a subsidy (e.g. housing). The imputed incomes attributed to the Government and local authorities in these cases are generally represented by the loan charges payable on the assets and are thus related to original cost rather than to current prices.<sup>(1)</sup> For comparability with the figures of capital consumption, some addition should be made to these imputed incomes, which would have the effect of slightly increasing the national income. No attempt is made, however, to adjust the figures in the tables presented here.

In comparing the estimate of capital consumption with the figures of gross fixed capital formation, it should be remembered that, as noted in *National Income Statistics: Sources and Methods*, page 304, the available data on capital expenditure on roads included in the figures of gross capital formation relate only to new construction and major improvements; this is a narrow definition of capital formation and can best be regarded as a measure of net capital formation.

A series of tables follows showing the estimates of capital consumption at current prices and at constant (1948) prices. These figures should be used only with full appreciation of the significance of the limitations described above.

In Table 54 an analysis is presented of capital consumption in respect of different types of assets, at current and constant prices. These figures may be compared with the estimates of gross fixed capital formation in Table 46 (at current prices) and in Table 47 (at 1948 prices).

In Table 55 estimates are shown of capital consumption at current prices in each sector of the economy. The figures may be compared with the estimates of gross fixed capital formation by sector in Tables 45 and 51. In each sector, capital consumption on dwellings is separated from that on other assets.<sup>(2)</sup>

In Table 56 estimates of total capital consumption on all domestic fixed assets are shown at current prices and are related to the gross national product and gross fixed capital formation as displayed in Table 1 of this Blue Book. In the same table, the estimates of capital consumption expressed in constant (1948) prices are related to the gross domestic product and gross fixed capital formation in constant prices as displayed in Table 12 of this Blue Book.

(1) See *National Income Statistics: Sources and Methods*, pages 186, 187 and 236.

(2) Private dwellings are arbitrarily treated as if they all belonged to persons. (See *Sources and Methods*, page 299).



# Capital consumption by type of asset

£ million

TABLE 54

	1938	1948	1949	1950	1951	1952	1953	1954	1955
<b>At current prices</b>									
Vehicles, ships and aircraft .....	69	134	143	169	203	229	253	276	315
Plant and machinery .....	119	311	335	360	410	474	514	541	594
Dwellings .....	54	170	174	180	212	237	237	240	254
Other buildings and works(1) .....	117	289	295	301	338	361	364	370	395
<b>Total .....</b>	<b>359</b>	<b>904</b>	<b>947</b>	<b>1,010</b>	<b>1,163</b>	<b>1,301</b>	<b>1,368</b>	<b>1,427</b>	<b>1,558</b>
<b>At 1948 prices</b>									
Vehicles, ships and aircraft .....	159	134	144	156	168	178	190	205	222
Plant and machinery .....	268	311	326	342	362	380	397	417	439
Dwellings .....	142	170	173	176	178	181	186	190	191
Other buildings and works(1) .....	266	289	293	298	304	298	300	307	317
<b>Total .....</b>	<b>835</b>	<b>904</b>	<b>936</b>	<b>972</b>	<b>1,012</b>	<b>1,037</b>	<b>1,073</b>	<b>1,119</b>	<b>1,169</b>

(1) Includes legal fees, stamp duties, etc. less destruction of buildings.

# Capital consumption by sector

£ million

TABLE 55

	1938	1948	1949	1950	1951	1952	1953	1954	1955
<b>Dwellings</b>									
Persons .....	46	118	119	122	140	155	152	152	162
Public corporations .....	—	—	—	—	1	1	1	2	2
Central Government.....	—	23	23	24	28	31	31	30	27
Local authorities .....	8	29	32	34	43	50	53	56	63
<b>Total .....</b>	<b>54</b>	<b>170</b>	<b>174</b>	<b>180</b>	<b>212</b>	<b>237</b>	<b>237</b>	<b>240</b>	<b>254</b>
<b>Other assets</b>									
Persons .....	44	138	147	151	166	172	176	182	198
Companies .....	176	294	296	328	373	414	453	494	566
Public corporations .....	8	142	176	191	228	272	288	290	304
Central Government:									
Trading .....	15	39	43	45	55	63	68	72	78
Non-trading .....	16	41	42	43	47	52	54	55	59
Local authorities:									
Trading .....	31	44	32	33	37	41	40	41	43
Non-trading .....	15	36	37	39	45	50	52	53	56
<b>Total .....</b>	<b>305</b>	<b>734</b>	<b>773</b>	<b>830</b>	<b>951</b>	<b>1,064</b>	<b>1,131</b>	<b>1,187</b>	<b>1,304</b>
<b>All assets</b>									
Persons .....	90	256	266	273	306	327	328	334	360
Companies .....	176	294	296	328	373	414	453	494	566
Public corporations .....	8	142	176	191	229	273	289	292	306
Central Government.....	31	103	108	112	130	146	153	157	164
Local authorities .....	54	109	101	106	125	141	145	150	162
<b>Total .....</b>	<b>359</b>	<b>904</b>	<b>947</b>	<b>1,010</b>	<b>1,163</b>	<b>1,301</b>	<b>1,368</b>	<b>1,427</b>	<b>1,558</b>



# National income and net fixed capital formation

TABLE 56

£ million

	1938	1948	1949	1950	1951	1952	1953	1954	1955
<b>At current prices</b>									
Gross national product .....	5,175	10,376	11,057	11,636	12,793	13,928	14,858	15,909	16,784
less Capital consumption.....	-359	-904	-947	-1,010	-1,163	-1,301	-1,368	-1,427	-1,558
National income .....	4,816	9,472	10,110	10,626	11,630	12,627	13,490	14,482	15,226
Gross domestic fixed capital formation less Capital consumption.....	656 -356	1,435 -904	1,583 -947	1,700 -1,010	1,893 -1,163	2,108 -1,301	2,350 -1,368	2,549 -1,427	2,865 -1,558
Net domestic fixed capital formation	300	531	636	690	730	807	982	1,122	1,307
<b>At 1948 prices</b>									
Gross domestic product at factor cost less Capital consumption.....	..	10,189 -904	10,625 -936	10,935 -972	11,403 -1,012	11,411 -1,037	11,848 -1,073	12,421 -1,119	12,848 -1,169
Net domestic product at factor cost ...	..	9,285	9,689	9,963	10,391	10,374	10,775	11,302	11,679
Gross domestic fixed capital formation less Capital consumption.....	1,559 -835	1,435 -904	1,561 -936	1,643 -972	1,649 -1,012	1,661 -1,037	1,837 -1,073	2,004 -1,119	2,161 -1,169
Net domestic fixed capital formation	724	531	625	671	637	624	764	885	992

*Note*—In estimating national income, capital consumption is treated as an intermediate transaction and is valued, like other intermediate transactions, at market prices. National income is the sum of factor incomes, of which the component representing trading income is equal to gross trading income less capital consumption valued at market prices. It is, therefore, appropriate to deduct capital consumption at market prices from the gross national product which is expressed at factor cost.



## XII SUPPLEMENTARY STATISTICS

### *Employers' contributions to superannuation, etc. by public authorities.*

The amounts included under employers' contributions, in respect of contributions to pension funds or payments of pensions etc. by public authorities, is set out in Table 57.

### *Total United Kingdom tax accruing on income of companies.*

In comparing the figures of company incomes with those of United Kingdom taxation, it should be noted that, except in Table 31, no deduction is made from trading profits for the tax-free allowances for depreciation (these are given in Table 60); and that tax deducted by companies from payments of interest and dividends is treated as falling not on companies but on the recipients of the interest and dividends. Hence dividend and interest payments are shown gross, before deduction of tax. Estimates of the tax accruing on the total income of companies, including tax on distributions made by companies, are given in Table 58 for comparison with the figures in Table 29.

### *Appropriation account of companies in insurance, banking and finance.*

Table 59 shows the estimated appropriation account for this industry treated as though it were a separate sector. The figures for non-trading income and for payments of interest and dividends exclude transactions between companies in the industry but include transactions with companies in other industries. (Hence these figures cannot be subtracted from those given in Table 29, which exclude all inter-company payments of interest and dividends, to yield the appropriation account for the aggregate of companies in all other industries.) Certain gains and losses on transactions in securities held as investments are omitted from the table, although they affect the figure for United Kingdom taxation. The

estimates are very rough and relate to a wide variety of concerns including insurance companies, banks, acceptance houses, discount houses, stock brokers and jobbers, investment trusts, property companies, hire purchase concerns and building societies. The property income of life funds and of the funds of superannuation schemes, etc., which is treated as part of the income of the personal sector, is excluded from the income of companies in this table and elsewhere.

### *Depreciation.*

All figures of trading profits and fixed capital formation in the main tables (except the figures of net profits in Table 31) are shown before provision for depreciation. Figures for depreciation at original cost for the year 1938 and for the years 1946 to 1955 are given in Table 60. They are mostly the statutory allowances for income tax and do not cover all classes of fixed capital assets; amongst those excluded are houses, commercial buildings, government offices and other non-trading assets of the Government and local authorities. The depreciation allowances given in this table are not appropriate for deriving estimates either of net fixed capital formation or of the national income; for these purposes, reference should be made to the estimates of capital consumption in Section XI.

### *Housing subsidies.*

Table 61 revises and brings up to date the table on page 255 of *National Income Statistics: Sources and Methods*. Detailed notes on the items in the table are given on page 254.

### *Indices of prices and costs.*

The indices of prices and costs given in Table 62 have been derived from the main tables by comparing current price estimates with similar estimates at 1948 prices. The price indices are currently weighted *average value* indices.

**Employers' contributions to superannuation, etc. by public authorities**

TABLE 57

£ million

	1948	1949	1950	1951	1952	1953	1954	1955
National government service(1):								
Forces .....	27	29	30	32	32	34	35	36
Civilians .....	11	12	14	14	16	17	19	22
Local government service(2) .....	26	27	28	30	32	33	35	36
Public health and educational services ...	10	16	18	19	22	23	24	25
General Post Office.....	10	12	13	16	18	19	20	21
Total .....	84	96	103	111	120	126	133	140

(1) Pensions, lump sum payments, gratuities, injury grants and other miscellaneous payments.

(2) For police and firemen, the figures relate to pensions paid during the year *less* contributions by employees.



# **Total United Kingdom tax accruing on income of companies**

TABLE 58

£ million

1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
256	796	936	986	952	1,103	1,433	1,192	1,208	1,330	1,332

# **Appropriation account of companies in insurance, banking and finance**

TABLE 59

£ million

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Receipts</b>										
Gross trading profits(1) .....	-36	-51	-49	-56	-52	-61	-59	-71	-74	-84
Rent ( <i>less</i> repairs) of property let .....	38	39	40	40	40	40	42	44	45	46
Dividends and interest from other companies .....	58	65	74	79	81	97	122	127	130	156
Other interest.....	156	173	188	195	208	232	269	301	327	379
<b>Total</b> .....	<b>216</b>	<b>226</b>	<b>253</b>	<b>258</b>	<b>277</b>	<b>308</b>	<b>374</b>	<b>401</b>	<b>428</b>	<b>497</b>
<b>Payments</b>										
Debenture interest and dividends(2) ...	104	109	116	122	125	135	145	156	176	191
Other interest.....	11	15	16	17	18	21	55	66	54	82
United Kingdom taxes on income .....	55	58	66	62	72	81	66	88	103	74
Undistributed income after tax .....	46	44	55	57	62	71	108	91	95	150
<b>Total</b> .....	<b>216</b>	<b>226</b>	<b>253</b>	<b>258</b>	<b>277</b>	<b>308</b>	<b>374</b>	<b>401</b>	<b>428</b>	<b>497</b>

- (1) The contribution of companies in this industry to the gross national product: i.e. the difference between bank charges, commissions, etc. on the one hand and management expenses on the other.  
 (2) Including dividends and interest paid to other companies.

# **Depreciation**

TABLE 60

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Professional persons(1).....	1	3	4	6	8	9	9	7	8	8(4)	9(4)
Farmers(1):											
Initial allowances .....	—	6	6	8	16	19	19	7	9	13(4)	14(4)
Annual allowances .....	—	12	15	20	24	26	28	31	36	38	42
Other sole traders and partnerships(1):											
Initial allowances .....	—	11	11	12	20	23	24	10	10	14(4)	16(4)
Annual allowances .....	13	19	23	28	28	28	29	30	33	38	40
Companies(1) (2):											
Initial allowances .....	—	97	85	95	185	227	238	111	112	161(4)	185(4)
Annual allowances .....	142	148	206	208	220	247	254	286	319	369	417
Public corporations(3) .....	3	5	23	72	96	109	127	144	161	169	178
Central Government(3).....	10	23	26	28	32	34	32	36	37	40	42
Local authorities(1) .....	8	14	18	10	8	8	10	9	10	12(4)	13(4)

- (1) The statutory allowances for income tax.  
 (2) Excludes companies operating overseas.  
 (3) The sum of the depreciation provisions shown in the published trading accounts *plus* estimates of the renewals of certain fixed assets that are charged to revenue in some of these accounts.  
 (4) Includes investment allowances.



# Housing subsidies

£ million

TABLE 61

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Central Government</b>										
Permanent housing:										
Payments to local authorities' revenue account	19	20	23	25	27	30	36	43	50	56
Other payments.....	3	2	3	2	3	4	5	5	5	5
Temporary housing:										
Annuities .....	4	13	20	23	23	23	23	23	24	12
less Receipts from local authorities .....	- 1	- 2	- 3	- 3	- 3	- 2	- 2	- 2	- 2	- 2
Emergency housing:										
Expenses.....	8	{	18	17	19	16	14	14	15	8
less Rents, etc. ....										
.....			- 6	- 6	- 8	- 9	- 8	- 8	- 9	
Payments from Housing Votes to the Building Materials and Housing Fund .....	2	1	—	—	—	—	—	—	—	—
Grants to the National Service Hostels Corporation	1	2	2	2	1	1	1	1	1	—
Net subsidies .....	36	48	56	59	60	63	69	76	84	79
<b>Local authorities</b>										
Loan charges .....	41	45	52	60	69	78	92	109	124	140
Payments to Central Government for temporary houses.....	1	2	3	3	3	2	2	2	2	2
Other expenses .....	20	24	28	31	32	38	44	48	54	60
less Rents, etc. ....	-34	-39	-46	-55	-64	-73	-84	-97	-110	-125
less Subsidies from Central Government .....	-19	-20	-23	-25	-27	-30	-36	-43	-50	-56
Net subsidies .....	9	12	14	14	13	15	18	19	20	21
<b>Combined public authorities .....</b>	<b>45</b>	<b>60</b>	<b>70</b>	<b>73</b>	<b>73</b>	<b>78</b>	<b>87</b>	<b>95</b>	<b>104</b>	<b>100</b>

## Indices of prices and costs

1948=100

TABLE 62

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
<b>Indices of costs</b>										
Home costs per unit of output:										
Income from employment per unit of output(1)	89	95	100	102	105	112	120	122	125	131
Gross profits and other trading income per unit of output(2) .....	92	93	100	103	101	107	123	127	129	127
Total(3) .....	90	94	100	103	103	110	121	124	126	130
Imports of goods and services(4) .....	81	93	100	102	118	150	143	131	131	136
<b>Indices of prices(4)</b>										
Consumer goods and services .....	87	93	100	102	106	115	121	124	126	130
Fixed assets .....	87	92	100	101	104	115	127	128	127	133
Goods and services sold on the home market .....	87	94	100	103	106	116	123	126	128	133
Exports of goods and services .....	84	92	100	103	109	129	137	130	128	130
Final output(5) .....	87	93	100	103	107	119	126	127	128	132

(1) Derived by dividing estimates of income from employment by estimates of the gross domestic product at 1948 factor cost.

(2) Derived by dividing estimates of gross profits and other trading income (after providing for stock appreciation) by estimates of the gross domestic product at 1948 factor cost.

(3) Derived by dividing estimates of total domestic income (after providing for stock appreciation) by estimates of the gross domestic product at 1948 factor cost.

(4) Currently weighted average value indices.

(5) Goods and services produced for consumption, investment and export.



# XIII. DEFINITION OF ITEMS IN 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. All business expenditure, reckoned as current costs of production of enterprises, is so far as possible excluded. For further details see Tables 21 to 25.

2. *Current expenditure by Central Government on goods and services, at market prices.*<sup>(1)</sup> Current expenditure by the Central Government (other than trading bodies) and National Insurance Funds constituting a direct demand for goods and services, including the services of Government employees. The figures exclude (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 37. A more detailed consolidated analysis of the expenditure of all public authorities on goods and services is shown in Table 42.

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 40.

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 fixed capital assets (buildings, plant and machinery, etc.) whether for replacement of, or addition to, existing assets. It excludes expenditure on maintenance and repair. Further details of fixed capital formation by industry, sector and type of asset will be found in Tables 46 to 51.

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 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); considerable uncertainty attaches to the division of the change in value of stocks between these two elements. An analysis by sector of the physical change in stocks is given in Table 52. An analysis of changes in the value of stocks by industry is given in

Table 53 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.* Same as item A.8 in the White Papers on the Balance of Payments (of which the latest is Cmd. 9731).

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.* 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 Payments (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 these taxes *less* subsidies on each major form of expenditure is shown in Table 44.

<sup>(1)</sup> In Table 11 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 between the different forms of final expenditure is shown in Table 44.



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 his selling price below the factor cost of production; it includes the financing of losses on public trading services and housing. For details of subsidies see Table 37.

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

#### Forms of factor income

12. *Income from employment:*

a. *Wages.*

b. *Salaries.*

Cash earnings of wage-earners and salaried employees, before deduction of income tax or insurance contributions, plus income in kind.

c. *Pay in cash and kind of the Forces.* The pay and cash allowances of, and the cost of issues of food and clothing to, "effective" members of the Armed Forces and auxiliary services, excluding those on release leave but including those serving in Government Departments.

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 represents employers' contributions to superannuation and other pension funds, and, in the case of unfunded schemes, of pensions and gratuities actually paid to retired employees (principally payments to former employees of national government service and to retired policemen and firemen). This item also includes compensation payments by employers to injured employees or to their dependents.

For details see Tables 14 and 15.

13. *Income from self-employment (before providing for depreciation and stock appreciation):*

a. *Professional persons.* Income, before deduction of tax or interest payments, 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 deduction of tax or interest payments, of non-corporate enterprises other than those engaged in providing professional services or in farming.

14. *Gross trading profits of companies (before providing for depreciation and stock appreciation).* Trading profits, before deduction of tax or interest payments, of companies and co-operative societies operating in the United Kingdom. It includes the imputed income from business premises owned by the occupier. For further details see Tables 29 to 31.

15. *Gross trading surpluses of public corporations (before providing for depreciation and stock appreciation).* The trading surpluses, before deduction of tax or interest payments, of the public boards engaged in providing coal, electricity, gas, transport, etc. It includes the imputed income from business premises owned by the occupier. For further details of the operations of public corporations see Tables 32 to 36.

16. *Gross trading income of Central Government trading bodies (before providing for depreciation and stock appreciation).* The surpluses of the trading departments of the Central Government.

17. *Gross trading income of local authority trading bodies (before providing for depreciation and stock appreciation).* The definition corresponds to that of item 16.

18. *Rent (before providing for depreciation).* Gross receipts from ownership of land and buildings (including imputed rent of owner-occupiers of dwelling houses), less actual expenditure by the owners on repairs and insurance. Imputed income from owner-occupied trading property is included in trading income (items 13a and 13c to 17) and not as part of rent.

19. *Residual error.* The estimates of gross national product and expenditure are built up from largely independent data on incomes and on final expenditure. The "residual error"—the difference between the independent estimates—is presented as though it were an 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" 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 1938, 1946 and 1947; so little information exists about stock changes in these years that the estimate of stock changes is wholly a residue.

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 estimates of physical change in stocks, and are highly uncertain. An approximate analysis of stock appreciation by sector is given in Table 52.

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.* Net receipts by persons and non-profit-making bodies (including the life and industrial assurance funds of insurance companies and the funds of superannuation schemes) 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 Tables 37 and 39.

25. *Grants paid to persons by local authorities.* The definition corresponds to that of item 24. Details are given in Table 40.

26. *Income from employment after tax payments.* Item 12 less the appropriate parts of 30a and 31.

27. *Income from self-employment 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 43.

30. *Taxes on income:*

a. *Payments.*

b. *Additions to tax reserves.* The excess of accruals of income tax and surtax over the actual payments in the year.

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

32. *Balance: saving before providing 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:*

a. *Trading profits earned abroad.* The profits of British companies operating abroad including the "balance of payments adjustment" (see Table 29). The figures represent profits before deduction of taxes paid to foreign governments and after deduction of depreciation.

b. *Non-trading income.* The chief components are public debt interest and rent from property owned and let. Income from investments in other companies is excluded.

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. *Taxes and remittances 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 item 7c.

36. *United Kingdom taxes on income:*

a. *Payments.*

b. *Additions to tax reserves.* The net excess of accruals of tax over the amount actually paid.

37. *Undistributed income of companies after taxation but before providing for depreciation and stock appreciation.* The balancing item in Table 29.

## **Other items in the appropriation account of public corporations**

38. *Other income of public corporations:*

a. *Income earned abroad.*

b. *Non-trading income.*

This item corresponds to item 33 for companies.

39. *Public corporation interest:*

a. *Payments.*

b. *Additions to interest reserves.*

This item corresponds to item 34 for companies.

40. *United Kingdom taxes on income:*

a. *Payments.*

b. *Additions to tax reserves.*

This item corresponds to item 36 for companies.

41. *Undistributed income of public corporations after taxation but before providing for depreciation and stock appreciation.*

The balancing item in Table 33.



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

42. *Rent, dividends and interest received by Central Government.* Excludes receipts from within the Central Government and the National Insurance Funds.

43. *Taxes on income.* Receipts from income tax, surtax, profits tax and excess profits tax. Items 30a, 36a and 40a.

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

45. *Current grants from overseas governments.* Defence Aid grants less United States share of counterpart, as stated in item A.16 of the White Papers on the Balance of Payments. They comprise net grants from the United States under Mutual Defence Assistance, the Mutual Security Act (except receipts under the "Katz-Gaitskell agreement" which are in item 56) and the "Benton-Moody amendments" and net grants under Canadian mutual aid.

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

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

48. *Current grants paid abroad.* Grants to colonial governments for welfare and development, etc.; financial assistance to certain overseas governments (e.g. Jordan); contributions to international organisations; pensions paid to persons abroad.

49. *Transfers to capital accounts.* Details are given in Table 37. It should be noted that these payments are not included in personal income (Table 2).

50. *Surplus of Central Government, before providing for depreciation and stock appreciation.* The balancing item in Table 4.

**Other items in current account of local authorities**

51. *Rent, dividends and interest received by local authorities.*

52. *Debt interest paid by local authorities.*

53. *Current surplus of local authorities before providing for depreciation and stock appreciation.* The balancing item in Table 5.

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

54. *Current transfers to persons.* Item 23 (net remittances abroad by persons) and part of item 48 (Government pensions paid to persons abroad).

55. *Current transfers to overseas governments and international organisations.* Item 48 excluding grants to persons.

56. *Other Central Government receipts.* Item A.12 in the White Papers on the Balance of Payments less certain receipts treated here as exports of goods and services (item 6b) and less grants under the "Benton-Moody amendments" (part of item 45).

57. *Net investment abroad.* Items B.III, IV and V of the White Papers on the Balance of Payments. The item is the value of the net increase in overseas' assets, real and financial, of United Kingdom residents, including gold and dollar reserves.

58. *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.



# XIV REVISIONS OF ESTIMATES

This section describes the main revisions which have been made to the estimates contained in last year's National Income Blue Book. Some of these were incorporated in the White Paper *Preliminary Estimates of National Income and Expenditure 1950 to 1955* (Cmd. 9729) published in March 1956. In the notes which follow special attention is given to revisions which affect the description given in *National Income Statistics: Sources and Methods* (H.M.S.O., 1956). This publication is subsequently referred to as *Sources and Methods*.

The principal revisions to the estimates result from (a) substantial improvements to the Board of Trade indices of changes in retail sales; (b) revisions to the estimates of consumers' expenditure on housing (this has the effect of reducing both consumers' expenditure and rental income); (c) improved estimates by the Ministry of Works of expenditure on new commercial buildings; and (d) additions to the estimates of income in kind and other income of wage and salary earners outside the scope of the Inland Revenue P.A.Y.E. statistics.

## Output and expenditure at constant prices

Table 13. *Gross domestic product at 1948 factor cost.*

The estimates of the gross domestic product at 1948 factor cost incorporate one revision of method, designed to improve consistency with the estimates in Table 12. The output of building and contracting and of some other industries in Table 13 includes repair work done on current account for trading enterprises. Changes in the input of such work by the industries concerned is not, however, allowed for in the calculation of changes in output because the indicators of output are indicators of gross output. There is, therefore, an element of duplication.

In calculating the total gross domestic product in Table 13, it has now become possible to deduct an estimate of the volume of repair work done for trading enterprises. The deduction, like the similar deduction already made for banking services (see *Sources and Methods*, page 41), cannot be allocated among individual industries. Both deductions are therefore incorporated in the total of the gross domestic product but are not shown separately. Since the volume of repair work has been falling since 1948, the effect of the deduction is to increase the estimate of gross domestic product in later years.

## Industrial input and output

Table 16. *Production accounts for selected industry groups.*

The revisions to the estimates given in this table result from (a) revisions to the index of industrial production and its component series; (b) revisions to the estimates of consumers' expenditure and gross domestic fixed capital formation at 1948 prices; and (c) new estimates of expenditure on military defence which now include expenditure on defence research and development work.

Table 17. *Inter-industry relations in 1950.*

Since this table was originally compiled in 1953, large numbers of revisions have been made to the estimates of final expenditure and to the basic source material. Although these revisions have been incorporated, so far as practicable, it is possible that the estimates shown in the input-output table may not be completely consistent with all the detailed figures given elsewhere in the Blue Book.

## Personal income and expenditure

### *Wages and salaries.*

Substantial revisions have been made to the estimates of income in kind and other income outside the scope of the P.A.Y.E. statistics. (See *Sources and Methods*, pages 74 to 76.) Revisions have also been made to the industrial allocation of the wage and salary bill for 1952 to 1954 in the light of more complete information which has become available, particularly from the Censuses of Production. The estimates for these years are still not final. Several series have been revised throughout: (a) *agriculture, forestry and fishing*—amendments have been made to the estimates of wages paid by farms of less than one acre; (b) *metal goods not elsewhere specified*—this series now includes the wages and salaries paid by establishments in the scrap metal processing trade; (c) *building and contracting*—this series has been revised in the light of new estimates of the numbers of working proprietors included in the Census of Production figures of the numbers employed in small firms; and, (d) *other services*—this series is obtained as a residue and the revisions result from those noted above.

### *Pay in cash and kind of the Forces.*

A thorough review has been made of the method of estimating the pay in cash and kind of the Forces.

### *Farmers' income.*

The series has been amended to agree with the latest estimates of net income from farming given in the *Annual Review and Determination of Guarantees, 1956* (Cmd. 9721).

### *Income of professions and of other sole traders and partnerships.*

The estimates have been revised in the light of more accurate information which has become available as tax assessments are completed. Revisions have been made to the estimates of the incomes of small-holders (see *Sources and Methods*, page 96) and to some of the other adjustment which are required to convert the profit figures as assessed to tax to the definition and coverage required for national income purposes (see page 69 of this Blue Book).

### *Consumers' expenditure.*

Several of the series have been revised. *Alcoholic drink: wines, spirits, cider, etc.* In previous



Blue Books five per cent of the estimated total expenditure on spirits and imported wines was deducted to allow for purchases charged to business account. This allowance was probably too small (see *Sources and Methods*, page 112). It has now been revised upwards to ten per cent.

*Rent, rates and water charges.* This series has been completely revised. The White Paper *Distribution of Rateable Values between different classes of property in England and Wales* (Cmd. 9718) provides information about rateable values classified according to different types of property both on the 1935 basis of valuation and on the basis used at present (1939 in the case of dwellings). This information has made possible a more thorough analysis of the information available from both the Ministry of Labour household expenditure enquiry for 1953-54 and a Social Survey enquiry for 1955 (see *Sources and Methods*, pages 113-114).

The new estimates are made in the following way.

Estimates of the total stock of dwellings are provided by the Population Census for 1951, and the distribution of dwellings by type of occupancy (council tenancies, other unfurnished tenancies, furnished tenancies, owner-occupancy and rent-free dwellings) is estimated from the two surveys. The total stock of dwellings has been projected backwards and forwards by statistics of new buildings, conversions, demolition, etc. to obtain estimates of the stock of council and non-council dwellings in each of the years 1946 to 1955. Estimates of the numbers of owner-occupied dwellings, rent-free dwellings and furnished dwellings have been obtained by assuming that their proportions to the total stock, as revealed by the surveys, have remained constant throughout the post-war period.

The social Survey enquiry for 1955 provides a distribution of payments of rent *plus* rates by ranges of rateable value and by types of occupancy. This information, in conjunction with the estimates of the stock of dwellings, makes it possible to assess the average amount of rates paid for each category of dwelling, and therefore the amount of rent excluding rates.

Rents paid by tenants of council dwellings in each year are derived from *Local Government Financial Statistics* and are shown in Table 61. When these are compared with the estimates of the stock of council dwellings, they yield estimates of the average rents paid by council tenants.

The rents (excluding the element of rates estimated as described above) paid by non-council tenants in 1953-1955 are derived from the results of the two surveys which show consistent results. A comparison of the rents paid in relation to rateable values, with the corresponding figures for 1938 derived from the Ministry of Labour household expenditure enquiry for that year, provides an estimate of the movement in average rent for non-council tenancies between 1938 and 1955. This movement, which was small, was assumed to have taken place evenly over the post-war period.

For owner-occupiers, information from the Social Survey enquiry, together with estimates of the stock of owner-occupied dwellings in 1955, gives an estimate of net imputed rent based on 1935 rateable values. This was increased to give a figure on a 1939 basis of valuation. This was further inflated by a price index of rents

obtained by taking a weighted average of the change between 1939 and 1955 in average rents of council and non-council tenancies.

The total amounts paid in rates on all dwellings in all years were estimated on the basis of the proportions given in Cmd. 9718 applied to the total receipts of rates given in Table 5.

To complete the calculation, additional estimates are made for rent payments by sub-tenants, water rates, expenditure on insurance by owner-occupiers and rent payments by non-profit-making bodies and residents of publicly-owned hostels (see *Sources and Methods*, pages 113-114).

The result of these revisions is to reduce slightly the estimate of total expenditure in the most recent years on rents, rates and water charges, a reduction in the estimate of actual payments being to some extent offset by an increase in the estimate of imputed rents of owner-occupied dwellings. There is a corresponding reduction in the estimate of rental income (see this Blue Book, page 72).

From 1956, changes in expenditure on rent, rates and water charges will be derived by applying to the figure for 1955 the estimated changes in the stock of dwellings and the changes in the rent, rates and water charges component of the Ministry of Labour retail price index.

*Occupiers' maintenance costs.* The analysis carried out for the revision of the estimates of rent has made possible more consistent use of earlier sample enquiries. The revised series now consists of the sample survey results directly interpolated and is no longer related to movements in total repairs expenditure (see *Sources and Methods*, page 114). The direct estimates of expenditure in 1953 and 1954 wrongly excluded expenditure on improvements and structural alterations. These have now been brought in.

*Durable household goods, clothing, other recreational goods, chemists' goods and other goods.* Statistics of retail sales are the principal source of information for estimates of consumers' expenditure on these goods. As was pointed out in *Sources and Methods*, page 100, footnote (1), the sample of retailers supplying information has been considerably improved and statistics on the new basis, which became available early in 1956<sup>(1)</sup>, show a somewhat greater expansion in sales since 1950 than had previously been estimated. The information collected from the improved sample relates to sales in 1955 and thereafter, but the figures for sales in 1955 are linked to sales in 1950 as shown by the Census of Distribution for that year. Figures from the new sample have not been collected for the years 1951 to 1954, but new estimates for these years have been interpolated by reference to the trend shown by the old figures. The result is that estimates of consumers' expenditure on household goods and clothing (and to a lesser extent on some of the other items) in each of the years 1951 to 1954 are significantly higher than the estimates previously published.

*Private motoring and cycling: vehicles, new and secondhand.* This series formerly included in error net expenditure by

(1) For details see the *Board of Trade Journal*, Vol. 170, No. 3092, 5th May, 1956.



farmers on cars for business purposes. These are now excluded.

*Revisions to the estimates of expenditure at factor cost.* Several of the estimates of consumers' expenditure at factor cost have been revised; these in turn affect both the total residue of net taxes not directly allocable to particular items of expenditure, and the allocation of this residue between the various categories of final expenditure of which consumers' expenditure is the largest (see *Sources and Methods*, page 104).

In the Blue Book, 1955, an error was made in allocating food and agricultural subsidies. This has now been corrected. The estimate of the rates element in consumers' expenditure on rent, rates and water charges has also been revised. The revision of the proportion of total expenditure on spirits and imported wines attributed to business (see this Blue Book page 67) has altered the proportions of tax on these items allocated to persons and to the residue. The levy on the British Broadcasting Corporation revenue is now treated as a tax on entertainments.

### Companies

The estimates of trading profits of companies for 1952 to 1954 have been revised in the light of more accurate information which has become available as tax assessments are completed. Some revisions have been made to the adjustments required to convert the figures of profits as assessed to tax to the definition and coverage required for national income purposes (see *Sources and Methods*, pages 157 to 161).

(a) Revisions have been made to the estimates of bank interest which is added back to the Inland Revenue estimates of profits; (b) now that the value of buildings destroyed by fire is deducted from fixed capital formation (see this Blue Book, page 72), the adjustment for insurance claims is no longer necessary; (c) a new adjustment is now made to the Inland Revenue figures to allow for expenditure on scientific research which is not allowed by the Inland Revenue as a current expense but is regarded as such for national income purposes.

### Central Government including National Insurance Funds

Table 37. *Revenue account.*

*Taxes on expenditure.* Two items previously included under *Miscellaneous* are now shown separately, namely the Transport levy and broadcast licence revenue retained by the Exchequer (see *Sources and Methods*, page 195, footnotes 2 and 3).

*Gross trading income.* The error in the treatment of the Post Office Savings Bank (see *Sources and Methods*, page 199) has been corrected. The item is now subdivided between the gross trading income of the Post Office excluding the Savings Bank<sup>(1)</sup> and the gross trading income of other trading bodies including the Post Office Savings Bank.

*Interest and dividends, etc.* The revision to this series arises from the correction of the error in the treatment of the Post Office Savings Bank.

*Current expenditure on goods and services.* A more detailed analysis by type of service is given. The classification of services is an abridged version of that adopted

in the analysis of combined public authorities' expenditure in Table 42; it is described fully in Chapter X of *Sources and Methods*.

*Subsidies.* Fuel and power subsidies are now shown separately. Details of the composition of housing subsidies are given in Table 61.

*Debt interest.* The error in the treatment of Post Office annuities (see *Sources and Methods*, page 202) has been corrected.

### Transfers to capital accounts:

*Cash paid to holders of government securities on conversion into other securities,* previously included under *Other capital grants*, is now shown as a separate item.

*War gratuities and pay credits* now include gratuities etc. paid to civil defence personnel, the police war reserve and the National Fire Service, as well as payments to Service personnel. The former payments were included under *Other capital grants* in the Blue Book, 1955.

*Town and country planning compensation.* This represents payments made by the Ministry of Housing and Local Government, the Department for Health for Scotland and the Central Land Board under the Town and Country Planning Acts of 1954. The compensation arises *inter alia* from (a) depreciation in the value of land consequent upon the refusal or conditional grant of planning permission; (b) the levying of development charges under the Town and Country Planning Acts, 1947<sup>(2)</sup>; and (c) the compulsory acquisition of land by public authorities before 1 January 1955 at "existing-use" values. In case (c), the amount of compensation is generally recouped by the Central Land Board from the acquiring authority, and these recoupments have been deducted in arriving at the capital grants shown in the Blue Book<sup>(3)</sup>.

Both the principal and interest elements of compensation payments are included. Payments to local authorities under the Acts of 1947 and 1954 are excluded; they appear under *Capital grants to local authorities*.

The annuities paid out of the Votes of the Ministry of Housing and Local Government and the Department of Health for Scotland to the Exchequer in reimbursement of issues from the Consolidated Fund under the Acts of 1954, and the corresponding receipt of these annuities into the Exchequer, are internal transactions of the Central Government; they do not appear in the Blue Book presentation of the Government accounts.

*War damage compensation.* This now includes payments made by the Board of Trade to United Kingdom business interests whose property sustained war damage in Burma and to United Kingdom subjects whose private chattels in the Far East suffered war losses. These payments, made mainly in 1950, were previously included under *Other capital grants*.

(1) The series for Post Office trading income excludes that part of Post Office income which is treated in the Blue Book as a tax on expenditure and which is shown separately as *Post Office surplus*.

(2) Development charges were in general abolished for development begun on or after 18 November 1952.

(3) Amounts paid by public authorities (usually local authorities) to the Central Land Board in such circumstances will, in general, have been treated in the Blue Book as fixed capital formation by the public authorities concerned.



*Other capital grants.* The scope of this item has been reduced as compared with the Blue Book, 1955 by transferring some elements to other headings, as already described. The estimates for the elements still remaining under this heading have been revised substantially.

Table 38. *Capital account.*

*Net receipts from settlements.* The series from 1953 onwards has been substantially revised. As explained in *Sources and Methods*, page 206, the estimates for this item have hitherto been taken from balance of payments sources; these estimates, however, included a number of Government credits (such as reimbursements for services rendered) which, in the Blue Book, are treated as Government current receipts and appear as a deduction in the item *Current expenditure on goods and services* in the Central Government revenue account. To eliminate this inconsistency, the new figures from 1953 onwards have been derived from the accounts of the Central Government.

Major components of the figures in 1953 and later years are (i) receipts from the Korean Operations Pool Account—a scheme whereby the cost of maintaining Commonwealth forces in Korea was shared between the Governments concerned (£15 millions in 1953), (ii) receipts from the disposal of ex-German and ex-Japanese assets, (iii) the sterling equivalent of local currency provided by the German Government prior to the implementation of the Bonn Convention and issued as pay etc. to Service etc. personnel and (iv) the sterling equivalent of German currency which had been accumulated at the end of and immediately after the 1939-45 war as a result of illicit trading by Service etc. personnel and which was subsequently used to meet local expenditure chargeable to voted services.

The definition and source of the series for 1952 and earlier years are as described in *Sources and Methods*, page 206.

*New issues and sales of securities (net): long-term securities.* Separate series are now shown for (a) cash transactions in securities and (b) issues (less some redemptions) made in connection with the acquisition (or disposal) by the Exchequer of the capital of certain undertakings.

Two of the components of the series (b) are referred to in *Sources and Methods*, page 208: namely, issues of stock as compensation to former colliery-owners<sup>(1)</sup>; and (as a deduction) stock cancelled in connection with the return of the iron and steel industry to private ownership. The series (b) includes, however, certain items not previously included in the Blue Book under *New issues and sales of securities*; these additional items are:

- (i) The issue in 1946 of £58 millions of 3 per cent Treasury Stock (1966 or after) to holders of the capital stock of the Bank of England which was transferred to Treasury ownership.
- (ii) The issue in 1949 of stock of a market value of £32 millions to companies holding shares in Cable and Wireless, Ltd. as compensation for the transfer of the shares to Treasury ownership.
- (iii) The transfer in 1953 to the Consolidated Fund of liability for the £244 millions of 3½ per cent

Guaranteed Stock (1979-1981) of the Iron and Steel Corporation of Great Britain (renamed 3½ per cent Treasury Stock (1979-1981)); under the Iron and Steel Act, 1953, the Exchequer thereby became entitled to receive the net revenue of the Iron and Steel Holding and Realisation Agency and any other funds surplus to requirements in the Iron and Steel Realisation Account (see also *Sources and Methods*, pages 198, 208 and 209).

These three issues of stock are balanced by a new item now shown on the payments side of the Central Government capital account, namely *Acquisition of the capital of certain other undertakings* (see page 71 of this Blue Book).

*Receipts from certain pension "funds" (net).* This item was previously part of the residual heading *Miscellaneous financial receipts (net) and changes in cash balances*. It is defined in *Sources and Methods*, page 209, item (a).

In 1955, there is included an imputed receipt, provisionally assessed at £88 millions, representing the liability taken over by the United Kingdom Government from the Indian Government for the payment of pensions to certain members of the former India service and their dependants. In return for the United Kingdom Government assuming this liability, the outstanding amount of the loan from the Indian Government to the United Kingdom Government was reduced at 1st April, 1955 by £88 millions; this is reflected on the payments side of the capital account by the inclusion of £88 millions in the item *Loan repayments to overseas governments*. The payments of the pensions by the United Kingdom Government to the members of the former India service, beginning in April 1955, appear as a deduction in the item *Receipts from certain pension funds (net)*.

*Gross fixed capital formation.* The classification by type of service is an abridged version (and in one or two respects an expanded version) of that adopted in the analysis of combined public authorities' expenditure in Table 42; it is described fully in Chapter X of *Sources and Methods*. The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in *Sources and Methods*, page 251) has been corrected.

*Sales of surplus war stores in the United Kingdom.* From 1953 onwards, sales of surplus war stores have been treated as deductions from current expenditure on goods and services. For 1952 and earlier years, the treatment adopted in previous Blue Books (and described in *Sources and Methods*, page 211) has been continued; namely, to regard the sales as a change in stocks. The change in treatment from 1953 onwards has been made because of the smaller amount of the disposals and because of the increasing difficulty in segregating disposals of surplus war stores from sales of other categories of stores and equipment.

*Loan repayments to overseas governments.* The figure for 1955 includes an amount, provisionally assessed at £88 millions, representing the part of the United Kingdom Government's debt to India which is to be cancelled

<sup>(1)</sup> The series for coal compensation stock now refers to the *market* value of the stock and not, as in former Blue Books, to the nominal value of stock.



under the pensions arrangements described above (see *Receipts from certain pension funds*).

*Coal compensation: issues of stock.* The series now refers to the market value of the stock issued and not, as in former Blue Books, to the nominal value of the stock.

*Acquisition of the capital of certain other undertakings.* This item has been introduced into the present Blue Book to bring the treatment of the acquisition of the capital of the Bank of England (in 1946), Cable and Wireless, Ltd. (in 1949) and the Iron and Steel Corporation of Great Britain (in 1953) into line with that adopted in previous Blue Books for the coal industry. The item is balanced by equal amounts included on the receipts side of the Blue Book capital account under the heading *Long-term securities: on acquisition of the capital of certain undertakings*.

### Local authorities

The estimates for local authorities given in this Blue Book are (excepting the figures of fixed capital formation and Government grants and loans) based on the following information (see also *Sources and Methods*, page 233):

*England and Wales.* The *Local Government Financial Statistics* for years to 1953/54, tabulation of a sample of local authorities' annual returns for 1954/55, and estimates prepared by the Ministry of Housing and Local Government for 1955/56.

*Scotland.* The *Local Financial Returns (Scotland)* for years to 1949/50. For later years detailed figures (i.e. figures giving an analysis by type of service) are not yet available, but provisional figures for the principal aggregates have been prepared by the Scottish Home Department for years to 1954/55 based on a special questionnaire circulated to Scottish local authorities. The Scottish Home Department have made estimates of certain aggregates for 1955/56.

*Northern Ireland.* The *Local Taxation Returns* for years to 1952/53.

Table 41. *Capital account.*

*Capital grants from the Central Government.* The grants are now analysed according to the service to which they are applied. The classification of services is the same as that adopted in the analysis of combined public authorities' expenditure in Table 42 (described in Chapter X of *Sources and Methods*). Except for the most recent years the analysis is based mainly on the detail shown in the *Local Government Financial Statistics*<sup>(1)</sup>. For 1953 and later years, the analysis by service is based in considerable measure on the Central Government accounts.

Although war damage compensation to local authorities is shown separately from other capital grants to local authorities in the Central Government revenue account (Table 37), in the local authority capital account it is not separately distinguished and appears under the service (e.g. housing or education) to which the receipt is credited by the local authority. The £20 millions shown under *Harbours and docks* in 1949 represents the payments made under the War Damage (Public Utility Undertakings, etc.) Act.

For further information, see *Sources and Methods*, page 240.

### Combined public authorities

Table 42. *Analysis of expenditure.*

Two additional columns appear in this table. They show the division of the total expenditure on each service between expenditure borne by the Central Government and expenditure borne by local authorities. The first of these two columns represents Central Government expenditure on goods and services, subsidies and grants including grants towards specific local authority services; it therefore equals the sum of the Central Government components of the first eight columns of the table *plus* grants (both current and capital) to specific local authority services. The second column shows local authority expenditure on goods and services, subsidies and grants *less* the part financed from the Central Government grants towards specific services; it equals the sum of the local authority components of the first eight columns of the table *less* grants (both current and capital) from the Central Government.

Some Central Government grants to local authorities are not allocated to any specific service. Such grants are shown separately at the end of the table.

War damage compensation to local authorities, which is one of the components of the column showing expenditure borne by the Central Government, appears against the service (e.g. housing or education) to which the receipt is credited by the local authority; it does not appear against the service *War damage compensation* in Table 42. This treatment follows that adopted in analysing capital grants from the Central Government in the local authority capital account.

*Military defence: fixed capital formation (trading).* The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in *Sources and Methods*, page 251) has been corrected.

*Education: fixed capital formation (non-trading).* £1 million of Central Government expenditure is included in 1950 in respect of H.O.R.S.A. (see *Sources and Methods*, page 256, note 5).

*Transport and communication: capital grants.* This item comprises payments to the British Transport Commission from the proceeds of the Transport levy (see *Sources and Methods*, page 263). Payments to shipowners under the Tonnage replacement schemes (also referred to in *Sources and Methods*, page 263) are no longer included here; these payments are part of the item *War damage compensation* (the major part of the payments referred to in item c on page 204 of *Sources and Methods*).

*Other industry and trade: subsidies.* In 1954 and 1955 the principal component is the subsidy on coal paid by the Ministry of Commerce to certain industrial undertakings in Northern Ireland.

*Town and country planning, parks, etc.: capital grants.* The item is defined on page 69 of this Blue Book.

<sup>(1)</sup> In the years up to 1949/50, the full amount of war damage compensation paid to local authorities does not appear in the figures published in the *Local Government Financial Statistics*, and an approximate addition has been made for the part omitted.



*War damage compensation and disposal of surplus war stores in the United Kingdom.* See notes on pages 69 and 71 of this Blue Book.

*Other services: current expenditure on goods and services.* The local authority component of this series includes the expenditure (other than transfers) of certain special funds identified in the *Local Government Financial Statistics*, namely "other reserve funds", insurance funds, trust or charity funds and "other special funds"; in the previous Blue Book this expenditure was spread *pro rata* over all the local authority services.

## Gross fixed capital formation

The detailed estimates of gross fixed capital formation have been revised, principally in the light of fuller information from the Censuses of Production. The results of the Board of Trade's quarterly inquiry into capital expenditure have been used to provide estimates for 1955. Some amendments have been made to the industry analysis given in Table 50. Items which are too small to show significant year to year changes have been amalgamated, and the grouping of certain of the public and social services has been revised to bring it into line with the grouping adopted in Table 42. The main changes are set out below:

*Agriculture.* The estimates now include capital expenditure on farm cars, and the proceeds of sales to scrap of vehicles and equipment are now deducted.

*Government financed expenditure in manufacturing.* Machine tools imported under the Mutual Defence Assistance scheme are now included. As pointed out in *Sources and Methods*, page 251, these were previously omitted in error.

*Manufacturing.* A more detailed analysis is shown. This analysis should be used with caution. Although the detailed results are probably accurate in years when there was a full census of production (1951 and 1954), the estimates for individual industries may have considerable margins of error in years when there was only a sample census of production (1952 and 1953).

*Shipping.* Additions have been made to allow for expenditure on repairs of a capital nature (see *Sources and Methods*, page 298, footnote 1); proceeds from sales to scrap and insurance compensation for ships lost are now deducted from gross expenditure.

*Distribution and other services.* An improved series of estimates of expenditure on new buildings has been substituted for the smaller figures previously shown.

*Education.* Includes child care, formerly shown separately, and libraries and museums, previously included under *Other local authority services*.

*Health Services.* Excludes care of the aged, handicapped and homeless previously included here; but includes expenditure by private doctors, previously included under *Distribution and other services*, and expenditure by local authorities on "other public health services", previously included under *Other local authority services*.

*National assistance.* This comprises local authority expenditure for care of the aged, handicapped and homeless.

*Roads and public lighting.* This now includes private

street works previously included under *Other local authority services*.

*Sewerage.* This now includes refuse disposal previously included under *Other local authority services*.

*Other local authority expenditure.* This now excludes libraries and museums, private street works, refuse disposal and "other public health services".

*Destruction of buildings.* A deduction is now made for the amount of insurance compensation received for buildings destroyed by fire. Hitherto, no allowance was made for this. The corresponding adjustment previously made to trading incomes to allow for insurance claims now becomes unnecessary (see *Sources and Methods*, page 160).

*Expenditure at 1948 prices.* Some revisions have been made to the price indices used for converting the current price estimates into 1948 prices. The new indices are derived mainly from the sources used for compiling the wholesale price indices prepared by the Board of Trade.

## Capital formation in stocks and work in progress

The main revisions are the result of more complete information becoming available from the censuses of production.

*Disposal of Government surplus stores.* Stores accumulated during the war and surplus to peace time requirements were mostly sold by the end of 1952. Sales of Government stores since then are now treated as an off-setting item to Central Government current expenditure on goods and services (see page 70 of this Blue Book).

*Wholesale distributive trades.* The estimate of the value of stocks held by the wholesale distributive trades given in footnote 2 to Table 53 now excludes the value of the stocks of tobacco held in bonded warehouses. These remain in *Other industries and services*.

## Rent

The estimates of rental income have been revised throughout to take account of revisions made to the estimates of (a) consumers' expenditure on housing; (b) expenditure on repairs to houses; and (c) rent of farm land and buildings.

The table in *Sources and Methods*, page 336, showing the composition of rental income in 1954 should now read as follows:

	£ million
Privately owned land and buildings used by persons as consumers .....	387
Central Government land and buildings .....	41
Local authority land and buildings .....	183
Farm land and buildings .....	15
Land and buildings, owned privately or by public corporations, rented to trading concerns or public authorities .....	90
Total .....	716

## International transactions

Minor revisions have been made to the figures for 1952 to 1955 in the light of revised estimates given in the latest Balance of Payments White Paper (Cmd. 9731).



# NATIONAL INCOME STATISTICS

## *Sources and Methods*

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