



CENTRAL STATISTICAL OFFICE

NATIONAL INCOME  
AND  
EXPENDITURE  
1958

LONDON: HER MAJESTY'S STATIONERY OFFICE

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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 of the United Kingdom for the year 1938 and for each of the years 1948 to 1957. Quarterly figures are not given, but these are published regularly in the *Monthly Digest of Statistics* and in *Economic Trends*.

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 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 Tables 1 to 8 of the Summary Tables is given a *reference number* and is defined in Section XI.

## Revisions and changes in content

The principal revisions which have been made to the estimates contained in the last National Income Blue Book (*National Income and Expenditure, 1957*) are described in Section XII. This section consolidates all the changes in treatment and definitions which have been made since the publication of *National Income Statistics: Sources and Methods*.

A new feature in this year's Blue Book is the summary input-output table for 1954 (Table 18) and related tables (Tables 19 to 24).

## 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 1957. The figures for the year 1938 are, in general, based on less complete information than those for the years 1948 to 1957 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

*Prices.* Except where otherwise stated, all estimates of expenditure are valued at market prices.

*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.

Central Statistical Office,  
Great George Street,  
London, S.W.1.  
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## I. SUMMARY TABLES

## National income and expenditure

TABLE 1

£ million

|  | Reference number | 1938   | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Expenditure generating gross national product</b>                           |                  |        |        |        |        |        |        |        |        |        |        |        |
| <i>At market prices</i>  |                  |        |        |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure .....   | 1                | 4,394  | 8,475  | 8,847  | 9,358  | 10,085 | 10,609 | 11,235 | 11,984 | 12,826 | 13,518 | 14,174 |
| Public authorities' current expenditure on goods and services .....            | 2, 3             | 772    | 1,762  | 1,978  | 2,072  | 2,443  | 2,898  | 3,052  | 3,139  | 3,213  | 3,492  | 3,583  |
| Gross fixed capital formation at home ....                                     | 4                | 656    | 1,455  | 1,606  | 1,729  | 1,921  | 2,139  | 2,392  | 2,583  | 2,858  | 3,144  | 3,402  |
| Value of physical increase in stocks and work in progress .....                | 5                | —      | 175    | 65     | —210   | 575    | 50     | 125    | 50     | 300    | 275    | 450    |
| Total domestic expenditure at market prices .....                              |                  | 5,822  | 11,867 | 12,496 | 12,949 | 15,024 | 15,696 | 16,804 | 17,756 | 19,197 | 20,429 | 21,609 |
| Exports and income received from abroad  | 6                | 976    | 2,392  | 2,691  | 3,368  | 4,008  | 4,058  | 3,915  | 4,207  | 4,578  | 5,062  | 5,244  |
| less Imports and income paid abroad ....                                       | 7                | —1,038 | —2,412 | —2,635 | —3,056 | —4,388 | —3,894 | —3,799 | —3,972 | —4,625 | —4,759 | —4,932 |
| less Taxes on expenditure .....  | 8, 9             | —622   | —2,023 | —1,984 | —2,062 | —2,274 | —2,288 | —2,373 | —2,486 | —2,626 | —2,830 | —2,956 |
| Subsidies.....   | 10, 11           | 37     | 573    | 525    | 475    | 468    | 418    | 364    | 423    | 346    | 366    | 413    |
| Gross national expenditure at factor cost (Gross national product)             | 12               | 5,175  | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |
| <b>Shares in the gross national product (factor incomes)</b>                   |                  |        |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....   | 13               | 3,022  | 6,766  | 7,220  | 7,600  | 8,459  | 9,112  | 9,608  | 10,263 | 11,203 | 12,201 | 12,942 |
| Income from self-employment <sup>(1)</sup> .....                               | 14               | 647    | 1,320  | 1,389  | 1,403  | 1,450  | 1,505  | 1,557  | 1,588  | 1,674  | 1,717  | 1,787  |
| Gross trading profits of companies <sup>(1)</sup> ....                         | 15               | 690    | 1,798  | 1,848  | 2,131  | 2,489  | 2,195  | 2,323  | 2,603  | 2,922  | 3,039  | 3,265  |
| Gross trading surpluses of public corporations <sup>(1)</sup> .....            | 16               | 10     | 118    | 156    | 195    | 258    | 276    | 317    | 348    | 310    | 337    | 333    |
| Gross profits of other public enterprises <sup>(1)</sup>                       | 17, 18           | 64     | 106    | 106    | 142    | 120    | 43     | 66     | 111    | 112    | 124    | 131    |
| Rent <sup>(1)</sup> .....  | 19               | 470    | 419    | 423    | 499    | 511    | 563    | 639    | 725    | 743    | 809    | 862    |
| Residual error .....   | 20               | —      | 8      | —11    | 17     | 84     | 153    | 163    | 137    | —71    | —12    | —68    |
| Total domestic income before providing for depreciation and stock appreciation |                  | 4,903  | 10,535 | 11,131 | 11,987 | 13,371 | 13,847 | 14,673 | 15,775 | 16,893 | 18,215 | 19,252 |
| less Stock appreciation.....   | 21               | 80     | —325   | —200   | —650   | —750   | 50     | 75     | —75    | —200   | —150   | —100   |
| Gross domestic product at factor cost.....                                     | 22               | 4,983  | 10,210 | 10,931 | 11,337 | 12,621 | 13,897 | 14,748 | 15,700 | 16,693 | 18,065 | 19,152 |
| Net income from abroad.....  | 23               | 192    | 187    | 162    | 337    | 217    | 93     | 163    | 228    | 177    | 203    | 226    |
| Gross national product .....   | 12               | 5,175  | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |
| Capital consumption .....  | 24               | 359    | 890    | 936    | 999    | 1,146  | 1,298  | 1,364  | 1,424  | 1,545  | 1,664  | 1,774  |
| National income.....   | 25               | 4,816  | 9,507  | 10,157 | 10,675 | 11,692 | 12,692 | 13,547 | 14,504 | 15,325 | 16,604 | 17,604 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.



## SUMMARY TABLES

## Personal income and expenditure

£ million

TABLE 2

|  | Reference number | 1938  | 1948  | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Income before tax</b>   |                  |       |       |        |        |        |        |        |        |        |        |        |
| Wages .....  | 13a              | 1,920 | 4,180 | 4,425  | 4,610  | 5,095  | 5,460  | 5,760  | 6,165  | 6,750  | 7,300  | 7,720  |
| Salaries .....   | 13b              | 910   | 2,005 | 2,160  | 2,310  | 2,580  | 2,785  | 2,925  | 3,135  | 3,430  | 3,780  | 4,060  |
| Pay in cash and kind of the Forces .....   | 13c              | 66    | 233   | 223    | 237    | 303    | 342    | 349    | 363    | 357    | 396    | 397    |
| Employers' contributions:  |                  |       |       |        |        |        |        |        |        |        |        |        |
| National insurance and health .....  | 13d              | 54    | 157   | 197    | 199    | 205    | 218    | 244    | 247    | 279    | 304    | 308    |
| Other .....  | 13e              | 72    | 191   | 215    | 244    | 276    | 307    | 330    | 353    | 387    | 421    | 457    |
| <b>Total</b> .....   | 13               | 3,022 | 6,766 | 7,220  | 7,600  | 8,459  | 9,112  | 9,608  | 10,263 | 11,203 | 12,201 | 12,942 |
| Professional persons <sup>(1)</sup> .....  | 14a              | 118   | 209   | 223    | 232    | 228    | 230    | 231    | 240    | 257    | 254    | 261    |
| Farmers <sup>(1)</sup> .....   | 14b              | 69    | 301   | 343    | 337    | 363    | 401    | 410    | 390    | 399    | 409    | 435    |
| Other sole traders and partnerships <sup>(1)</sup> .....                           | 14c              | 460   | 810   | 823    | 834    | 859    | 874    | 916    | 958    | 1,018  | 1,054  | 1,091  |
| <b>Total income from self-employment <sup>(1)</sup>....</b>                        | 14               | 647   | 1,320 | 1,389  | 1,403  | 1,450  | 1,505  | 1,557  | 1,588  | 1,674  | 1,717  | 1,787  |
| Rent, dividends and interest .....   | 26               | 1,134 | 1,186 | 1,205  | 1,278  | 1,315  | 1,453  | 1,530  | 1,614  | 1,795  | 1,888  | 2,001  |
| National insurance benefits and other current grants from public authorities ..... | 28, 29           | 275   | 706   | 746    | 756    | 786    | 912    | 1,003  | 1,023  | 1,118  | 1,197  | 1,257  |
| <b>Total personal income <sup>(1)</sup>.....</b>                                   |                  | 5,078 | 9,978 | 10,560 | 11,037 | 12,010 | 12,982 | 13,698 | 14,488 | 15,790 | 17,003 | 17,987 |
| <b>Expenditure</b>   |                  |       |       |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure .....   | 1                | 4,394 | 8,475 | 8,847  | 9,358  | 10,085 | 10,609 | 11,235 | 11,984 | 12,826 | 13,518 | 14,174 |
| Remittances abroad (net).....  | 27               | —     | 34    | 21     | —5     | 14     | 15     | 4      | 6      | 17     | 15     | 36     |
| Taxes on income:   |                  |       |       |        |        |        |        |        |        |        |        |        |
| Payments .....   | 34a              | 294   | 981   | 1,007  | 1,029  | 1,176  | 1,188  | 1,148  | 1,254  | 1,362  | 1,489  | 1,641  |
| Additions to tax reserves .....  | 34b              | 19    | 25    | 25     | 5      | 40     | —14    | 9      | 33     | 35     | 25     | —5     |
| National insurance and health contributions .....                                  | 35               | 109   | 335   | 436    | 440    | 452    | 476    | 525    | 532    | 594    | 642    | 657    |
| <b>Total current expenditure</b> .....   |                  | 4,816 | 9,850 | 10,336 | 10,827 | 11,767 | 12,274 | 12,921 | 13,809 | 14,834 | 15,689 | 16,503 |
| Balance: saving before providing for depreciation and stock appreciation .....     | 36               | 262   | 128   | 224    | 210    | 243    | 708    | 777    | 679    | 956    | 1,314  | 1,484  |
| <b>Total</b> .....   |                  | 5,078 | 9,978 | 10,560 | 11,037 | 12,010 | 12,982 | 13,698 | 14,488 | 15,790 | 17,003 | 17,987 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.

## Corporate income appropriation account

TABLE 3

£ million

|  | Reference number | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Income</b>  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Gross trading profits of companies and trading surpluses of public corporations trading in the United Kingdom <sup>(1)</sup> ..... | 15, 16           | 700   | 1,916 | 2,004 | 2,326 | 2,747 | 2,471 | 2,640 | 2,951 | 3,232 | 3,376 | 3,598 |
| Other corporate income:  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Trading profits earned abroad .....  | 37a, 42a         | 106   | 240   | 184   | 365   | 298   | 120   | 199   | 301   | 275   | 296   | 304   |
| Non-trading income.....  | 37b, 42b         | 242   | 356   | 360   | 388   | 414   | 472   | 513   | 548   | 607   | 668   | 702   |
| <b>Total</b> .....   |                  | 1,048 | 2,512 | 2,548 | 3,079 | 3,459 | 3,063 | 3,352 | 3,800 | 4,114 | 4,340 | 4,604 |
| <b>Allocation of income</b>  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Dividends and interest:  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Payments .....   | 38a, 43a         | 617   | 683   | 693   | 719   | 783   | 820   | 900   | 996   | 1,140 | 1,233 | 1,327 |
| Additions to dividend and interest reserves .....  | 38b, 43b         | 7     | —1    | —3    | 35    | —3    | 38    | 36    | 55    | 22    | 42    | 10    |
| Taxes and remittances paid abroad .....  | 39               | 33    | 95    | 99    | 106   | 146   | 173   | 142   | 149   | 216   | 221   | 231   |
| United Kingdom taxes on income:  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Payments .....   | 40a, 44a         | 92    | 629   | 788   | 782   | 750   | 985   | 968   | 893   | 957   | 865   | 947   |
| Additions to tax reserves .....  | 40b, 44b         | 3     | 117   | —40   | 73    | 419   | —8    | 32    | 139   | 8     | 222   | 191   |
| Undistributed income after taxation but before providing for depreciation and stock appreciation.....                              | 41, 45           | 296   | 989   | 1,011 | 1,364 | 1,364 | 1,055 | 1,274 | 1,568 | 1,771 | 1,757 | 1,898 |
| <b>Total</b> .....   |                  | 1,048 | 2,512 | 2,548 | 3,079 | 3,459 | 3,063 | 3,352 | 3,800 | 4,114 | 4,340 | 4,604 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.



## Revenue account of Central Government including National Insurance Funds

TABLE 4

£ million

|  | Reference number | 1938   | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Revenue</b>   |                  |        |       |       |       |       |       |       |       |       |       |       |
| Gross trading income <sup>(1)</sup>                              | 17               | } 38 { | 77    | 83    | 118   | 96    | 18    | 35    | 78    | 80    | 89    | 93    |
| Rent, dividends and interest                                     | 46               |        | 79    | 99    | 99    | 137   | 166   | 188   | 212   | 241   | 273   | 282   |
| Taxes on income  | 47               |        | 386   | 1,610 | 1,795 | 1,811 | 2,173 | 2,116 | 2,147 | 2,319 | 2,354 | 2,588 |
| Taxes on capital   | 48               |        | 78    | 215   | 254   | 190   | 194   | 159   | 165   | 183   | 166   | 176   |
| Taxes on expenditure   | 8                |        | 410   | 1,706 | 1,658 | 1,725 | 1,910 | 1,896 | 1,940 | 2,024 | 2,148 | 2,340 |
| National insurance and health contributions                      | 35               |        | 109   | 335   | 436   | 440   | 452   | 476   | 525   | 532   | 594   | 657   |
| Current grants from overseas governments                         | 49               |        | —     | —     | —     | 4     | 121   | 105   | 50    | 46    | 26    | 21    |
| Total  |                  | 1,021  | 4,022 | 4,325 | 4,383 | 4,719 | 5,009 | 5,074 | 5,226 | 5,612 | 5,825 | 6,157 |
| <b>Expenditure</b>   |                  |        |       |       |       |       |       |       |       |       |       |       |
| Current expenditure on goods and services                        | 2                |        | 463   | 1,233 | 1,437 | 1,508 | 1,815 | 2,211 | 2,320 | 2,356 | 2,372 | 2,541 |
| Subsidies  | 10               |        | 32    | 559   | 511   | 461   | 453   | 400   | 345   | 403   | 321   | 336   |
| National insurance benefits                                      | 28a              |        | 124   | 334   | 379   | 388   | 406   | 473   | 527   | 531   | 614   | 670   |
| Other current grants to persons                                  | 28b              |        | 126   | 334   | 331   | 329   | 338   | 391   | 427   | 437   | 434   | 448   |
| Debt interest  | 50               |        | 213   | 509   | 507   | 507   | 550   | 609   | 639   | 637   | 708   | 725   |
| Current grants to local authorities                              | 51               |        | 133   | 281   | 287   | 297   | 335   | 371   | 397   | 421   | 469   | 522   |
| Current grants paid abroad                                       | 52               |        | 8     | 41    | 39    | 44    | 48    | 58    | 56    | 60    | 65    | 62    |
| Transfers to capital accounts                                    | 53               |        | 9     | 207   | 236   | 161   | 120   | 111   | 126   | 97    | 116   | 109   |
| Total expenditure  |                  | 1,108  | 3,498 | 3,727 | 3,695 | 4,065 | 4,624 | 4,837 | 4,942 | 5,099 | 5,413 | 5,526 |
| Surplus before providing for depreciation and stock appreciation | 54               | —87    | 524   | 598   | 688   | 654   | 385   | 237   | 284   | 513   | 412   | 631   |
| Total  |                  | 1,021  | 4,022 | 4,325 | 4,383 | 4,719 | 5,009 | 5,074 | 5,226 | 5,612 | 5,825 | 6,157 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.

## Current account of local authorities

TABLE 5

£ million

|  | Reference number | 1938    | 1948 | 1949 | 1950 | 1951 | 1952 | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|------------------|---------|------|------|------|------|------|-------|-------|-------|-------|-------|
| <b>Revenue</b>   |                  |         |      |      |      |      |      |       |       |       |       |       |
| Gross trading income <sup>(1)</sup>                                      | 18               | } 137 { | 29   | 23   | 24   | 24   | 25   | 31    | 33    | 32    | 35    | 38    |
| Rent, dividends and interest   | 55               |         | 98   | 108  | 119  | 132  | 151  | 176   | 202   | 228   | 257   | 284   |
| Rates  | 9                |         | 212  | 317  | 337  | 364  | 392  | 433   | 462   | 478   | 555   | 616   |
| Current grants from the Central Government                               | 51               |         | 133  | 281  | 297  | 335  | 371  | 397   | 421   | 469   | 522   | 596   |
| Total  |                  | 482     | 725  | 744  | 777  | 855  | 939  | 1,037 | 1,118 | 1,207 | 1,369 | 1,534 |
| <b>Expenditure</b>   |                  |         |      |      |      |      |      |       |       |       |       |       |
| Current expenditure on goods and services                                | 3                |         | 309  | 529  | 541  | 564  | 628  | 687   | 732   | 783   | 841   | 951   |
| Housing subsidies  | 11               |         | 5    | 14   | 14   | 15   | 18   | 19    | 20    | 25    | 30    | 31    |
| Current grants to persons  | 29               |         | 25   | 38   | 36   | 39   | 42   | 48    | 49    | 55    | 70    | 83    |
| Debt interest  | 56               |         | 68   | 66   | 72   | 81   | 89   | 104   | 123   | 142   | 162   | 221   |
| Total current expenditure  |                  | 407     | 647  | 663  | 698  | 774  | 857  | 923   | 1,000 | 1,098 | 1,251 | 1,395 |
| Current surplus before providing for depreciation and stock appreciation | 57               | 75      | 78   | 81   | 79   | 81   | 82   | 114   | 118   | 109   | 118   | 139   |
| Total  |                  | 482     | 725  | 744  | 777  | 855  | 939  | 1,037 | 1,118 | 1,207 | 1,369 | 1,534 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.



## SUMMARY TABLES

## Combined capital account of the United Kingdom

£ million

TABLE 6

|   | Reference number | 1938 | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Receipts</b>   |                  |      |       |       |       |       |       |       |       |       |       |       |
| Saving <sup>(1)</sup> :   |                  |      |       |       |       |       |       |       |       |       |       |       |
| Persons .....   | 36               | 262  | 128   | 224   | 210   | 243   | 708   | 777   | 679   | 956   | 1,314 | 1,484 |
| Companies .....   | 41               | 292  | 928   | 927   | 1,246 | 1,222 | 909   | 1,098 | 1,359 | 1,591 | 1,561 | 1,720 |
| Public corporations .....   | 45               | 4    | 61    | 84    | 118   | 142   | 146   | 176   | 209   | 180   | 196   | 178   |
| Central Government:   |                  |      |       |       |       |       |       |       |       |       |       |       |
| Surplus on revenue account .....  | 54               | -87  | 524   | 598   | 688   | 654   | 385   | 237   | 284   | 513   | 412   | 631   |
| less Taxes on capital .....   | 48               | -78  | -215  | -254  | -190  | -194  | -159  | -165  | -183  | -184  | -166  | -176  |
| Transfers to capital accounts .....   | 53               | 9    | 207   | 236   | 161   | 120   | 111   | 126   | 97    | 116   | 109   | 81    |
| Local authorities .....   | 57               | 75   | 78    | 81    | 79    | 81    | 82    | 114   | 118   | 109   | 118   | 139   |
| Additions to dividend and interest reserves .....                               | 38b, 43b         | 7    | -1    | -3    | 35    | -3    | 38    | 36    | 55    | 22    | 42    | 10    |
| Additions to tax reserves .....   | 34b, 40b, 44b    | 22   | 142   | -15   | 78    | 459   | -22   | 41    | 172   | 43    | 247   | 186   |
| Total national saving, before providing for depreciation and stock appreciation |                  | 506  | 1,852 | 1,878 | 2,425 | 2,724 | 2,198 | 2,440 | 2,790 | 3,346 | 3,833 | 4,253 |
| less Stock appreciation .....   | 21               | 80   | -325  | -200  | -650  | -750  | 50    | 75    | -75   | -200  | -150  | -100  |
| Capital transfers from abroad:  |                  |      |       |       |       |       |       |       |       |       |       |       |
| Capital grants from overseas government (net) .....                             | 62               | —    | 138   | 154   | 140   | 43    | —     | —     | —     | —     | —     | —     |
| Other Central Government receipts .....   | 60               | —    | 96    | 35    | 27    | 35    | 35    | 27    | 11    | 14    | 14    | 4     |
| Residual error .....  | 20               | —    | 8     | -11   | 17    | 84    | 153   | 163   | 137   | -71   | -12   | -68   |
| Total .....   |                  | 586  | 1,769 | 1,856 | 1,959 | 2,136 | 2,436 | 2,705 | 2,863 | 3,089 | 3,685 | 4,089 |
| <b>Payments</b>   |                  |      |       |       |       |       |       |       |       |       |       |       |
| Gross fixed capital formation at home .....                                     | 4                | 656  | 1,455 | 1,606 | 1,729 | 1,921 | 2,139 | 2,392 | 2,583 | 2,858 | 3,144 | 3,402 |
| Value of physical increase in stocks and work in progress .....                 | 5                | —    | 175   | 65    | -210  | 575   | 50    | 125   | 50    | 300   | 275   | 450   |
| Net investment abroad .....   | 61               | -70  | 139   | 185   | 440   | -360  | 247   | 188   | 230   | -69   | 266   | 237   |
| Total investment .....  |                  | 586  | 1,769 | 1,856 | 1,959 | 2,136 | 2,436 | 2,705 | 2,863 | 3,089 | 3,685 | 4,089 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.

## Transactions with the rest of the world

TABLE 7

£ million

|   | Reference number | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>United Kingdom debits</b>                                  |                  |       |       |       |       |       |       |       |       |       |       |       |
| Imports of merchandise .....                                  | 7a               | 835   | 1,794 | 1,978 | 2,383 | 3,491 | 2,944 | 2,888 | 3,006 | 3,442 | 3,475 | 3,605 |
| Other imports of goods and services .....                     | 7b               | 142   | 404   | 433   | 427   | 576   | 589   | 556   | 592   | 714   | 811   | 841   |
| Property income paid abroad .....                             | 7c               | 61    | 214   | 224   | 246   | 321   | 361   | 355   | 374   | 469   | 473   | 486   |
| Imports and income paid abroad .....                          | 7                | 1,038 | 2,412 | 2,635 | 3,056 | 4,388 | 3,894 | 3,799 | 3,972 | 4,625 | 4,759 | 4,932 |
| Current transfers:  |                  |       |       |       |       |       |       |       |       |       |       |       |
| To persons (net) .....  | 58               | 3     | 39    | 26    | —     | 20    | 21    | 10    | 12    | 23    | 22    | 43    |
| To overseas governments and international organisations ..... | 59               | 5     | 36    | 34    | 39    | 42    | 52    | 50    | 54    | 59    | 55    | 57    |
| Investment and financing:                                     |                  |       |       |       |       |       |       |       |       |       |       |       |
| Net investment abroad .....                                   | 61               | -70   | 139   | 185   | 440   | -360  | 247   | 188   | 230   | -69   | 266   | 237   |
| less Capital grants from overseas governments (net) .....     | 62               | —     | -138  | -154  | -140  | -43   | —     | —     | —     | —     | —     | —     |
| Total investment and financing <sup>(1)</sup> .....           |                  | -70   | 1     | 31    | 300   | -403  | 247   | 188   | 230   | -69   | 266   | 237   |
| Total .....   |                  | 976   | 2,488 | 2,726 | 3,395 | 4,047 | 4,214 | 4,047 | 4,268 | 4,638 | 5,102 | 5,269 |
| <b>United Kingdom credits</b>                                 |                  |       |       |       |       |       |       |       |       |       |       |       |
| Exports and re-exports of merchandise .....                   | 6a               | 533   | 1,602 | 1,841 | 2,250 | 2,748 | 2,827 | 2,672 | 2,820 | 3,076 | 3,414 | 3,508 |
| Other exports of goods and services .....                     | 6b               | 190   | 389   | 464   | 535   | 722   | 777   | 725   | 785   | 856   | 972   | 1,024 |
| Property income received from abroad .....                    | 6c               | 253   | 401   | 386   | 583   | 538   | 454   | 518   | 602   | 646   | 676   | 712   |
| Exports and income received from abroad                       | 6                | 976   | 2,392 | 2,691 | 3,368 | 4,008 | 4,058 | 3,915 | 4,207 | 4,578 | 5,062 | 5,244 |
| Current transfers from overseas governments .....             | 49               | —     | —     | —     | —     | 4     | 121   | 105   | 50    | 46    | 26    | 21    |
| Other Central Government receipts .....                       | 60               | —     | 96    | 35    | 27    | 35    | 35    | 27    | 11    | 14    | 14    | 4     |
| Total .....   |                  | 976   | 2,488 | 2,726 | 3,395 | 4,047 | 4,214 | 4,047 | 4,268 | 4,638 | 5,102 | 5,269 |

<sup>(1)</sup> Equal to the balance of payments surplus on current account as defined in the White Papers on the Balance of Payments.



## Shares in the gross national product

TABLE 8

£ million

|   | Reference number | 1938  | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|---|------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Income after current transfers</b>   |                  |       |        |        |        |        |        |        |        |        |        |        |
| <b>Persons:</b>   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Income from civilian employment....   | 13               | 2,944 | 6,498  | 6,960  | 7,326  | 8,115  | 8,728  | 9,215  | 9,856  | 10,800 | 11,755 | 12,493 |
| Pay in cash and kind of the Forces  |                  |       |        |        |        |        |        |        |        |        |        |        |
| Income from self-employment <sup>(1)</sup> ....   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Rent, dividends and interest .....  | 14               | 647   | 1,320  | 1,389  | 1,403  | 1,450  | 1,505  | 1,557  | 1,588  | 1,674  | 1,717  | 1,787  |
| Current grants from public authorities  | 26               | 1,134 | 1,186  | 1,205  | 1,278  | 1,315  | 1,453  | 1,530  | 1,614  | 1,795  | 1,888  | 2,001  |
| less Remittances abroad (net) .....   | 28, 29           | 275   | 706    | 746    | 756    | 786    | 912    | 1,003  | 1,023  | 1,118  | 1,197  | 1,257  |
|   | 27               | —     | —34    | —21    | 5      | —14    | —15    | —4     | —6     | —17    | —15    | —36    |
| <b>Total</b> .....  |                  | 5,078 | 9,944  | 10,539 | 11,042 | 11,996 | 12,967 | 13,694 | 14,482 | 15,773 | 16,988 | 17,951 |
| <b>Companies and public corporations:</b>   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Undistributed income of companies and public corporations <sup>(1)</sup> .....              | 40, 41<br>44, 45 | 391   | 1,735  | 1,759  | 2,219  | 2,533  | 2,032  | 2,274  | 2,600  | 2,736  | 2,844  | 3,036  |
| <b>Public authorities:</b>  |                  |       |        |        |        |        |        |        |        |        |        |        |
| Gross trading income <sup>(1)</sup> .....   | 17, 18           | —106  | 106    | 106    | 142    | 120    | 43     | 66     | 111    | 112    | 124    | 131    |
| less Rent, dividends and interest paid (net) .....  | (2)              |       |        |        |        |        |        |        |        |        |        |        |
| less Current grants to persons .....  | 28, 29           |       |        |        |        |        |        |        |        |        |        |        |
| less Current grants paid abroad .....   | 52               | —275  | —706   | —746   | —756   | —786   | —912   | —1,003 | —1,023 | —1,118 | —1,197 | —1,257 |
|   |                  | —8    | —41    | —39    | —44    | —48    | —58    | —56    | —60    | —65    | —62    | —64    |
| <b>Total</b> .....  |                  | —389  | —1,039 | —1,051 | —1,028 | —1,084 | —1,323 | —1,391 | —1,337 | —1,472 | —1,521 | —1,551 |
| Current transfers paid abroad .....   | 27, 52           | 8     | 75     | 60     | 39     | 62     | 73     | 60     | 66     | 82     | 77     | 100    |
| Additions to dividend and interest reserves .....   | 38b, 43b         | 7     | —1     | —3     | 35     | —3     | 38     | 36     | 55     | 22     | 42     | 10     |
| less Stock appreciation .....   | 21               | 80    | —325   | —200   | —650   | —750   | 50     | 75     | —75    | —200   | —150   | —100   |
| Residual error .....  | 20               | —     | 8      | —11    | 17     | 84     | 153    | 163    | 137    | —71    | —12    | —68    |
| <b>Gross national product</b> .....   | 12               | 5,175 | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |
| <b>Income after current transfers, taxes on income and national insurance contributions</b> |                  |       |        |        |        |        |        |        |        |        |        |        |
| <b>Persons:</b>   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Income from civilian employment   | 30               | 2,781 | 5,745  | 6,093  | 6,441  | 7,118  | 7,711  | 8,198  | 8,781  | 9,577  | 10,387 | 10,997 |
| Pay in cash and kind of the Forces  |                  |       |        |        |        |        |        |        |        |        |        |        |
| Income from self-employment <sup>(1)</sup> ....   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Rent, dividends and interest .....  | 31               | 77    | 242    | 233    | 250    | 315    | 354    | 364    | 379    | 372    | 412    | 409    |
| Current grants from public authorities  | 32               | 1,542 | 1,983  | 2,058  | 2,131  | 2,173  | 2,351  | 2,473  | 2,533  | 2,781  | 2,890  | 3,041  |
| less Remittances abroad (net) .....   | 33               | 275   | 692    | 733    | 746    | 776    | 902    | 990    | 1,009  | 1,104  | 1,183  | 1,242  |
| less Additions to tax reserves .....  | 27               | —     | —34    | —21    | 5      | —14    | —15    | —4     | —6     | —17    | —15    | —36    |
|   | 34b              | —19   | —25    | —25    | —5     | —40    | 14     | —9     | —33    | —35    | —25    | 5      |
| <b>Total disposable income</b> .....  |                  | 4,656 | 8,603  | 9,071  | 9,568  | 10,328 | 11,317 | 12,012 | 12,663 | 13,782 | 14,832 | 15,658 |
| <b>Companies and public corporations:</b>   |                  |       |        |        |        |        |        |        |        |        |        |        |
| Undistributed income of companies and public corporations <sup>(1)</sup> .....              | 41, 45           | 296   | 989    | 1,011  | 1,364  | 1,364  | 1,055  | 1,274  | 1,568  | 1,771  | 1,757  | 1,898  |
| <b>Public authorities:</b>  |                  |       |        |        |        |        |        |        |        |        |        |        |
| Income less current transfers <sup>(1)</sup> .....  |                  | —389  | —1,039 | —1,051 | —1,028 | —1,084 | —1,323 | —1,391 | —1,337 | —1,472 | —1,521 | —1,551 |
| Taxes on income and national insurance and health contributions                             | 35, 47           | 495   | 1,945  | 2,231  | 2,251  | 2,378  | 2,649  | 2,641  | 2,679  | 2,913  | 2,996  | 3,245  |
| <b>Total</b> .....  |                  | 106   | 906    | 1,180  | 1,223  | 1,294  | 1,326  | 1,250  | 1,342  | 1,441  | 1,475  | 1,694  |
| Current transfers paid abroad .....   | 27, 52           | 8     | 75     | 60     | 39     | 62     | 73     | 60     | 66     | 82     | 77     | 100    |
| Additions to dividend and interest reserves .....   | 38b, 43b         | 7     | —1     | —3     | 35     | —3     | 38     | 36     | 55     | 22     | 42     | 10     |
| Additions to tax reserves .....   | 34b, 40b         | 22    | 142    | —15    | 78     | 459    | —22    | 41     | 172    | 43     | 247    | 186    |
| less Stock appreciation .....   | 44b              | 80    | —325   | —200   | —650   | —750   | 50     | 75     | —75    | —200   | —150   | —100   |
| Residual error .....  | 21               | —     | 8      | —11    | 17     | 84     | 153    | 163    | 137    | —71    | —12    | —68    |
| <b>Gross national product</b> .....   | 12               | 5,175 | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.<sup>(2)</sup> Item 46 plus 55 less 50 less 56.



## SUMMARY TABLES

## The composition of final output

£ million

TABLE 9

|   | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Income from employment .....                                | 6,766  | 7,220  | 7,600  | 8,459  | 9,112  | 9,608  | 10,263 | 11,203 | 12,201 | 12,942 |
| Gross profits and other trading income <sup>(1)</sup> ..... | 3,436  | 3,722  | 3,720  | 4,078  | 4,632  | 4,977  | 5,300  | 5,561  | 5,876  | 6,278  |
| Imports of goods and services .....                         | 2,198  | 2,411  | 2,810  | 4,067  | 3,533  | 3,444  | 3,598  | 4,156  | 4,286  | 4,446  |
| Net taxes on expenditure .....                              | 1,450  | 1,459  | 1,587  | 1,806  | 1,870  | 2,009  | 2,063  | 2,280  | 2,464  | 2,543  |
| Residual error .....  | 8      | -11    | 17     | 84     | 153    | 163    | 137    | -71    | -12    | -68    |
| Final output <sup>(2)</sup> .....                           | 13,858 | 14,801 | 15,734 | 18,494 | 19,300 | 20,201 | 21,361 | 23,129 | 24,815 | 26,141 |

<sup>(1)</sup> Before providing for depreciation but after providing for stock appreciation.

<sup>(2)</sup> Goods and services (both home produced and imported) available for private and public consumption, investment and export, valued at market prices.

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

£ million

TABLE 10

|  | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Agriculture, forestry and fishing .....                      | 644    | 690    | 679    | 716    | 759    | 774    | 761    | 782    | 804    | 850    |
| Mining and quarrying .....                                   | 384    | 407    | 414    | 447    | 503    | 538    | 558    | 579    | 671    | 702    |
| Manufacturing .....  | 3,739  | 3,947  | 4,375  | 4,961  | 4,991  | 5,383  | 5,915  | 6,537  | 6,846  | 7,279  |
| Building and contracting .....                               | 571    | 611    | 629    | 677    | 747    | 812    | 903    | 958    | 1,088  | 1,121  |
| Gas, electricity and water .....                             | 210    | 226    | 251    | 273    | 308    | 335    | 367    | 399    | 444    | 484    |
| Transport and communication .....                            | 880    | 923    | 978    | 1,152  | 1,216  | 1,210  | 1,267  | 1,386  | 1,569  | 1,659  |
| Distributive trades .....                                    | 1,393  | 1,480  | 1,603  | 1,751  | 1,667  | 1,772  | 1,939  | 2,126  | 2,270  | 2,383  |
| Insurance, banking and finance (including real estate) ..... | 281    | 299    | 330    | 372    | 378    | 397    | 459    | 502    | 535    | 566    |
| Other services .....   | 1,017  | 1,092  | 1,124  | 1,188  | 1,207  | 1,254  | 1,283  | 1,428  | 1,515  | 1,647  |
| Total production and trade .....                             | 9,119  | 9,675  | 10,383 | 11,537 | 11,776 | 12,475 | 13,452 | 14,697 | 15,742 | 16,691 |
| Public administration and defence .....                      | 670    | 684    | 706    | 822    | 908    | 942    | 983    | 1,017  | 1,126  | 1,166  |
| Public health and educational services .....                 | 260    | 325    | 355    | 402    | 444    | 470    | 505    | 545    | 605    | 665    |
| Ownership of dwellings .....                                 | 296    | 297    | 367    | 367    | 406    | 462    | 532    | 535    | 579    | 616    |
| Domestic services to households .....                        | 110    | 103    | 98     | 95     | 95     | 94     | 95     | 96     | 95     | 97     |
| Services to private non-profit-making bodies .....           | 72     | 58     | 61     | 64     | 65     | 67     | 71     | 74     | 80     | 85     |
| less Stock appreciation .....                                | -325   | -200   | -650   | -750   | 50     | 75     | -75    | -200   | -150   | -100   |
| Residual error .....   | 8      | -11    | 17     | 84     | 153    | 163    | 137    | -71    | -12    | -68    |
| Gross domestic product at factor cost .....                  | 10,210 | 10,931 | 11,337 | 12,621 | 13,897 | 14,748 | 15,700 | 16,693 | 18,065 | 19,152 |
| Net income from abroad .....                                 | 187    | 162    | 337    | 217    | 93     | 163    | 228    | 177    | 203    | 226    |
| Gross national product .....                                 | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |

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



## Gross national product by category of expenditure

TABLE 11

£ million

|   | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>At market prices</b>   |        |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure.....   | 8,475  | 8,847  | 9,358  | 10,085 | 10,609 | 11,235 | 11,984 | 12,826 | 13,518 | 14,174 |
| Public authorities' current expenditure on goods and services ..... | 1,762  | 1,978  | 2,072  | 2,443  | 2,898  | 3,052  | 3,139  | 3,213  | 3,492  | 3,583  |
| Gross fixed capital formation at home .....                         | 1,455  | 1,606  | 1,729  | 1,921  | 2,139  | 2,392  | 2,583  | 2,858  | 3,144  | 3,402  |
| Value of physical increase in stocks and work in progress .....     | 175    | 65     | -210   | 575    | 50     | 125    | 50     | 300    | 275    | 450    |
| Exports of goods and services .....                                 | 1,991  | 2,305  | 2,785  | 3,470  | 3,604  | 3,397  | 3,605  | 3,932  | 4,386  | 4,532  |
| Total final expenditure .....                                       | 13,858 | 14,801 | 15,734 | 18,494 | 19,300 | 20,201 | 21,361 | 23,129 | 24,815 | 26,141 |
| less Imports of goods and services <sup>(1)</sup> .....             | -3,024 | -3,222 | -3,681 | -5,063 | -4,550 | -4,493 | -4,690 | -5,290 | -5,468 | -5,658 |
| Gross domestic product.....   | 10,834 | 11,579 | 12,053 | 13,431 | 14,750 | 15,708 | 16,671 | 17,839 | 19,347 | 20,483 |
| Net income from abroad .....  | 187    | 162    | 337    | 217    | 93     | 163    | 228    | 177    | 203    | 226    |
| Gross national product .....  | 11,021 | 11,741 | 12,390 | 13,648 | 14,843 | 15,871 | 16,899 | 18,016 | 19,550 | 20,709 |
| <b>At factor cost</b>   |        |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure.....   | 7,171  | 7,554  | 7,965  | 8,564  | 9,043  | 9,554  | 10,278 | 10,924 | 11,474 | 12,086 |
| Public authorities' current expenditure on goods and services ..... | 1,729  | 1,941  | 2,027  | 2,382  | 2,816  | 2,954  | 3,031  | 3,117  | 3,388  | 3,472  |
| Gross fixed capital formation at home .....                         | 1,554  | 1,586  | 1,430  | 2,353  | 2,047  | 2,363  | 2,468  | 2,965  | 3,207  | 3,618  |
| Value of physical increase in stocks and work in progress .....     |        |        |        |        |        |        |        |        |        |        |
| Exports of goods and services .....                                 | 1,954  | 2,261  | 2,725  | 3,389  | 3,524  | 3,321  | 3,521  | 3,843  | 4,282  | 4,422  |
| Total final expenditure .....                                       | 12,408 | 13,342 | 14,147 | 16,688 | 17,430 | 18,192 | 19,298 | 20,849 | 22,351 | 23,598 |
| less Imports of goods and services .....                            | -2,198 | -2,411 | -2,810 | -4,067 | -3,533 | -3,444 | -3,598 | -4,156 | -4,286 | -4,446 |
| Gross domestic product.....   | 10,210 | 10,931 | 11,337 | 12,621 | 13,897 | 14,748 | 15,700 | 16,693 | 18,065 | 19,152 |
| Net income from abroad .....  | 187    | 162    | 337    | 217    | 93     | 163    | 228    | 177    | 203    | 226    |
| Gross national product .....  | 10,397 | 11,093 | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |

<sup>(1)</sup> Includes the value of taxes on expenditure levied on imports (or on withdrawals from bond). These figures, therefore, differ from the figures of imports of goods and services given in Table 7 which are valued at factor cost.



## SUMMARY TABLES

## Gross national product by sector and type of income

£ million

TABLE 12

|  | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Factor incomes analysed by sector of employment</b> |        |        |        |        |        |        |        |        |
| Personal sector:                                       |        |        |        |        |        |        |        |        |
| Income from employment <sup>(1)</sup> .....            | 984    | 1,038  | 1,083  | 1,100  | 1,146  | 1,183  | 1,236  | 1,275  |
| Income from self-employment <sup>(2)</sup> .....       | 1,403  | 1,450  | 1,505  | 1,557  | 1,588  | 1,674  | 1,717  | 1,787  |
| Rent <sup>(2)</sup> <sup>(3)</sup> .....               | 287    | 280    | 303    | 345    | 394    | 391    | 421    | 440    |
| less Stock appreciation .....                          | -63    | -112   | -10    | -7     | -20    | -40    | -28    | -18    |
| Total .....  | 2,611  | 2,656  | 2,881  | 2,995  | 3,108  | 3,208  | 3,346  | 3,484  |
| Companies:   |        |        |        |        |        |        |        |        |
| Income from employment .....                           | 4,398  | 4,788  | 5,112  | 5,468  | 5,941  | 6,696  | 7,354  | 7,829  |
| Gross trading profits <sup>(2)</sup> .....             | 2,131  | 2,489  | 2,195  | 2,323  | 2,603  | 2,922  | 3,039  | 3,265  |
| Rent <sup>(2)</sup> <sup>(3)</sup> .....               | 68     | 70     | 76     | 83     | 88     | 92     | 95     | 101    |
| less Stock appreciation .....                          | -440   | -465   | 22     | 44     | -53    | -127   | -110   | -70    |
| Total .....  | 6,157  | 6,882  | 7,405  | 7,918  | 8,579  | 9,583  | 10,378 | 11,125 |
| Public corporations:                                   |        |        |        |        |        |        |        |        |
| Income from employment .....                           | 804    | 1,019  | 1,138  | 1,190  | 1,207  | 1,225  | 1,305  | 1,380  |
| Gross trading surpluses <sup>(2)</sup> .....           | 195    | 258    | 276    | 317    | 348    | 310    | 337    | 333    |
| Rent <sup>(2)</sup> .....                              | 4      | 4      | 5      | 5      | 6      | 7      | 8      | 8      |
| less Stock appreciation .....                          | -29    | -80    | 6      | 6      | -7     | -18    | -12    | -12    |
| Total .....  | 974    | 1,201  | 1,425  | 1,518  | 1,554  | 1,524  | 1,638  | 1,709  |
| Central Government:                                    |        |        |        |        |        |        |        |        |
| Income from employment <sup>(4)</sup> :                |        |        |        |        |        |        |        |        |
| Forces .....   | 274    | 344    | 384    | 393    | 407    | 403    | 446    | 449    |
| Civilians .....  | 625    | 690    | 760    | 790    | 849    | 923    | 998    | 1,059  |
| Gross trading profits <sup>(2)</sup> .....             | 118    | 96     | 18     | 35     | 78     | 80     | 89     | 93     |
| Rent <sup>(2)</sup> .....                              | 36     | 40     | 43     | 46     | 52     | 44     | 50     | 51     |
| less Stock appreciation .....                          | -118   | -93    | 32     | 32     | 5      | -15    | —      | —      |
| Total .....  | 935    | 1,077  | 1,237  | 1,296  | 1,391  | 1,435  | 1,583  | 1,652  |
| Local authorities:                                     |        |        |        |        |        |        |        |        |
| Income from employment <sup>(4)</sup> .....            | 515    | 580    | 635    | 667    | 713    | 773    | 862    | 950    |
| Gross trading profits <sup>(2)</sup> .....             | 24     | 24     | 25     | 31     | 33     | 32     | 35     | 38     |
| Rent <sup>(2)</sup> .....                              | 104    | 117    | 136    | 160    | 185    | 209    | 235    | 262    |
| Total .....  | 643    | 721    | 796    | 858    | 931    | 1,014  | 1,132  | 1,250  |
| Residual error .....                                   | 17     | 84     | 153    | 163    | 137    | -71    | -12    | -68    |
| Net income from abroad .....                           | 337    | 217    | 93     | 163    | 228    | 177    | 203    | 226    |
| Gross national product .....                           | 11,674 | 12,838 | 13,990 | 14,911 | 15,928 | 16,870 | 18,268 | 19,378 |

<sup>(1)</sup> Wages, salaries and employers' contributions paid by unincorporated enterprises, by non-profit-making bodies serving persons and by persons employing domestic servants.

<sup>(2)</sup> Before providing for depreciation and stock appreciation.

<sup>(3)</sup> The allocation of rental income between the personal sector and companies is arbitrary.

<sup>(4)</sup> For detail, see Table 51.



## II. OUTPUT AND EXPENDITURE AT CONSTANT PRICES

### Output and expenditure at 1948 prices

TABLE 13

£ million

|   | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Revalued at 1948 market prices</b>                               |        |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure .....  | 8,475  | 8,642  | 8,844  | 8,791  | 8,739  | 9,090  | 9,496  | 9,796  | 9,856  | 10,056 |
| Public authorities' current expenditure on goods and services ..... | 1,762  | 1,915  | 1,899  | 2,048  | 2,267  | 2,306  | 2,287  | 2,258  | 2,282  | 2,208  |
| Gross fixed capital formation at home .....                         | 1,455  | 1,584  | 1,668  | 1,672  | 1,692  | 1,869  | 2,021  | 2,130  | 2,224  | 2,332  |
| Value of physical increase in stocks and work in progress .....     | 175    | 65     | -190   | 400    | 5      | 95     | 35     | 235    | 185    | 310    |
| Exports of goods and services .....                                 | 1,991  | 2,229  | 2,553  | 2,682  | 2,627  | 2,608  | 2,827  | 3,013  | 3,215  | 3,222  |
| Total final expenditure .....                                       | 13,858 | 14,435 | 14,774 | 15,593 | 15,330 | 15,968 | 16,666 | 17,432 | 17,762 | 18,128 |
| less Imports of goods and services <sup>(1)</sup> .....             | -3,024 | -3,181 | -3,212 | -3,627 | -3,336 | -3,511 | -3,674 | -3,991 | -4,089 | -4,230 |
| Gross domestic product .....  | 10,834 | 11,254 | 11,562 | 11,966 | 11,994 | 12,457 | 12,992 | 13,441 | 13,673 | 13,898 |
| Index numbers of gross domestic product (1948 = 100) .....          | 100    | 103.9  | 106.7  | 110.4  | 110.7  | 115.0  | 119.9  | 124.1  | 126.2  | 128.3  |
| <b>Revalued at 1948 factor cost</b>                                 |        |        |        |        |        |        |        |        |        |        |
| Consumers' expenditure .....  | 7,171  | 7,394  | 7,591  | 7,533  | 7,512  | 7,843  | 8,196  | 8,442  | 8,464  | 8,610  |
| Public authorities' current expenditure on goods and services ..... | 1,729  | 1,879  | 1,863  | 2,010  | 2,225  | 2,263  | 2,244  | 2,216  | 2,239  | 2,167  |
| Gross fixed capital formation at home .....                         | 1,382  | 1,505  | 1,584  | 1,588  | 1,607  | 1,775  | 1,920  | 2,023  | 2,112  | 2,215  |
| Value of physical increase in stocks and work in progress .....     | 172    | 64     | -187   | 393    | 5      | 93     | 34     | 231    | 182    | 305    |
| Exports of goods and services .....                                 | 1,954  | 2,188  | 2,505  | 2,632  | 2,579  | 2,561  | 2,776  | 2,958  | 3,156  | 3,163  |
| Total final expenditure .....                                       | 12,408 | 13,030 | 13,356 | 14,156 | 13,928 | 14,535 | 15,170 | 15,870 | 16,153 | 16,460 |
| less Imports of goods and services .....                            | -2,198 | -2,356 | -2,375 | -2,717 | -2,462 | -2,626 | -2,751 | -3,044 | -3,129 | -3,243 |
| Gross domestic product .....  | 10,210 | 10,674 | 10,981 | 11,439 | 11,466 | 11,909 | 12,419 | 12,826 | 13,024 | 13,217 |
| less Capital consumption .....                                      | -890   | -923   | -959   | -994   | -1,018 | -1,058 | -1,104 | -1,152 | -1,178 | -1,209 |
| Net domestic product .....  | 9,320  | 9,751  | 10,022 | 10,445 | 10,448 | 10,851 | 11,315 | 11,674 | 11,846 | 12,008 |
| Index numbers (1948 = 100):   |        |        |        |        |        |        |        |        |        |        |
| Gross domestic product <sup>(2)</sup> .....                         | 100    | 104.5  | 107.6  | 112.0  | 112.3  | 116.6  | 121.6  | 125.6  | 127.6  | 129.5  |
| Net domestic product .....  | 100    | 104.6  | 107.5  | 112.1  | 112.1  | 116.4  | 121.4  | 125.3  | 127.1  | 128.8  |

<sup>(1)</sup> Includes taxes on expenditure (at 1948 values) levied on imports (or on withdrawals from bond).  
<sup>(2)</sup> Alternative estimates of the gross domestic product at 1948 factor cost are given in Table 14.

### Index numbers of output at 1948 factor cost <sup>(1)</sup>

1948 = 100

TABLE 14

|   | 1948 | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Agriculture, forestry and fishing .....     | 100  | 107   | 108   | 111   | 114   | 116   | 118   | 118   | 123   | 126   |
| Mining and quarrying .....                  | 100  | 103   | 104   | 108   | 109   | 109   | 110   | 108   | 109   | 109   |
| Manufacturing .....                         | 100  | 107   | 116   | 121   | 116   | 123   | 133   | 142   | 140   | 143   |
| Building and contracting .....              | 100  | 105   | 105   | 101   | 104   | 111   | 115   | 116   | 123   | 123   |
| Gas, electricity and water .....            | 100  | 107   | 116   | 124   | 128   | 134   | 145   | 153   | 160   | 163   |
| Transport and communication .....           | 100  | 105   | 109   | 113   | 117   | 120   | 123   | 128   | 130   | 132   |
| Distributive trades .....                   | 100  | 106   | 109   | 107   | 104   | 111   | 118   | 121   | 122   | 125   |
| Insurance, banking and finance .....        | 100  | 102   | 104   | 106   | 106   | 107   | 112   | 116   | 115   | 118   |
| Public administration and defence .....     | 100  | 97    | 94    | 99    | 102   | 103   | 101   | 98    | 96    | 94    |
| Professional services .....                 | 100  | 106   | 110   | 112   | 112   | 114   | 116   | 119   | 122   | 125   |
| Miscellaneous services .....                | 100  | 96    | 95    | 95    | 95    | 96    | 97    | 99    | 100   | 101   |
| Gross domestic product <sup>(2)</sup> ..... | 100  | 104.6 | 109.4 | 111.9 | 111.0 | 116.4 | 122.5 | 127.2 | 127.6 | 129.6 |

<sup>(1)</sup> 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.  
<sup>(2)</sup> See footnote <sup>(2)</sup> to Table 13.



# III. INDUSTRIAL INPUT AND OUTPUT

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

TABLE 15

£ million

|   | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Agriculture, forestry and fishing:</b>                                     |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 233          | 240          | 235          | 246          | 251          | 259          | 265          | 272          | 282          | 294          |
| Salaries .....  | 17           | 19           | 20           | 23           | 25           | 27           | 28           | 29           | 30           | 30           |
| Employers' contributions .....  | 8            | 9            | 9            | 9            | 10           | 10           | 10           | 11           | 12           | 12           |
| Income from employment .....  | 258          | 268          | 264          | 278          | 286          | 296          | 303          | 312          | 324          | 336          |
| Income from self-employment and other trading income .....                    | 386          | 422          | 415          | 438          | 473          | 478          | 458          | 470          | 480          | 514          |
| <b>Total .....</b>  | <b>644</b>   | <b>690</b>   | <b>679</b>   | <b>716</b>   | <b>759</b>   | <b>774</b>   | <b>761</b>   | <b>782</b>   | <b>804</b>   | <b>850</b>   |
| <b>Mining and quarrying:</b>  |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 311          | 316          | 318          | 355          | 408          | 418          | 438          | 462          | 501          | 541          |
| Salaries .....  | 20           | 21           | 21           | 23           | 26           | 28           | 30           | 33           | 38           | 42           |
| Employers' contributions .....  | 13           | 18           | 20           | 20           | 25           | 26           | 26           | 28           | 30           | 32           |
| Income from employment .....  | 344          | 355          | 359          | 398          | 459          | 472          | 494          | 523          | 569          | 615          |
| Gross trading surpluses of public corporations and other trading income ..... | 40           | 52           | 55           | 49           | 44           | 66           | 64           | 56           | 102          | 87           |
| <b>Total .....</b>  | <b>384</b>   | <b>407</b>   | <b>414</b>   | <b>447</b>   | <b>503</b>   | <b>538</b>   | <b>558</b>   | <b>579</b>   | <b>671</b>   | <b>702</b>   |
| <b>Manufacturing:</b>   |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 1,758        | 1,854        | 1,974        | 2,197        | 2,366        | 2,538        | 2,743        | 3,067        | 3,256        | 3,439        |
| Salaries .....  | 564          | 610          | 658          | 740          | 823          | 879          | 953          | 1,070        | 1,163        | 1,245        |
| Employers' contributions .....  | 95           | 110          | 120          | 131          | 141          | 161          | 171          | 196          | 215          | 224          |
| Income from employment .....  | 2,417        | 2,574        | 2,752        | 3,068        | 3,330        | 3,578        | 3,867        | 4,333        | 4,634        | 4,908        |
| Gross profits of companies and public corporations .....                      | 1,178        | 1,228        | 1,479        | 1,750        | 1,522        | 1,666        | 1,905        | 2,053        | 2,053        | 2,208        |
| Income from self-employment and other trading income .....                    | 144          | 145          | 144          | 143          | 139          | 139          | 143          | 151          | 159          | 163          |
| <b>Total .....</b>  | <b>3,739</b> | <b>3,947</b> | <b>4,375</b> | <b>4,961</b> | <b>4,991</b> | <b>5,383</b> | <b>5,915</b> | <b>6,537</b> | <b>6,846</b> | <b>7,279</b> |
| <b>Building and contracting:</b>  |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 385          | 405          | 420          | 455          | 500          | 532          | 590          | 622          | 706          | 731          |
| Salaries .....  | 53           | 58           | 63           | 69           | 81           | 86           | 103          | 105          | 125          | 131          |
| Employers' contributions .....  | 16           | 19           | 20           | 21           | 23           | 26           | 27           | 30           | 32           | 34           |
| Income from employment .....  | 454          | 482          | 503          | 545          | 604          | 644          | 720          | 757          | 863          | 896          |
| Gross profits of companies and income from self-employment .....              | 117          | 129          | 126          | 132          | 143          | 168          | 183          | 201          | 225          | 225          |
| <b>Total .....</b>  | <b>571</b>   | <b>611</b>   | <b>629</b>   | <b>677</b>   | <b>747</b>   | <b>812</b>   | <b>903</b>   | <b>958</b>   | <b>1,088</b> | <b>1,121</b> |
| <b>Gas, electricity and water:</b>  |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 79           | 84           | 90           | 99           | 107          | 115          | 123          | 136          | 148          | 156          |
| Salaries .....  | 33           | 38           | 43           | 50           | 55           | 57           | 61           | 67           | 75           | 79           |
| Employers' contributions .....  | 9            | 11           | 12           | 12           | 14           | 15           | 15           | 17           | 18           | 19           |
| Income from employment .....  | 121          | 133          | 145          | 161          | 176          | 187          | 199          | 220          | 241          | 254          |
| Gross profits of companies .....  | 23           | 8            | 7            | 5            | 7            | 7            | 8            | 9            | 8            | 9            |
| Gross profits and trading surpluses of public enterprises .....               | 66           | 85           | 99           | 107          | 125          | 141          | 160          | 170          | 195          | 221          |
| <b>Total .....</b>  | <b>210</b>   | <b>226</b>   | <b>251</b>   | <b>273</b>   | <b>308</b>   | <b>335</b>   | <b>367</b>   | <b>399</b>   | <b>444</b>   | <b>484</b>   |
| <b>Transport and communication:</b>   |              |              |              |              |              |              |              |              |              |              |
| Wages .....   | 446          | 469          | 486          | 548          | 581          | 601          | 634          | 687          | 753          | 796          |
| Salaries .....  | 152          | 155          | 159          | 179          | 197          | 204          | 213          | 236          | 259          | 279          |
| Employers' contributions .....  | 35           | 41           | 44           | 49           | 53           | 56           | 60           | 68           | 77           | 81           |
| Income from employment .....  | 633          | 665          | 689          | 776          | 831          | 861          | 907          | 991          | 1,089        | 1,156        |
| Gross trading surpluses of public corporations .....                          | 37           | 36           | 54           | 69           | 62           | 69           | 80           | 68           | 45           | 37           |
| Gross profits and other trading income .....                                  | 210          | 222          | 235          | 307          | 323          | 280          | 280          | 327          | 435          | 466          |
| <b>Total .....</b>  | <b>880</b>   | <b>923</b>   | <b>978</b>   | <b>1,152</b> | <b>1,216</b> | <b>1,210</b> | <b>1,267</b> | <b>1,386</b> | <b>1,569</b> | <b>1,659</b> |

<sup>(1)</sup> 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 15 (continued)

£ million

|  | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Distributive trades:</b>                                    |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....                                   | 651    | 712    | 755    | 848    | 888    | 940    | 1,018  | 1,114  | 1,225  | 1,307  |
| Gross profits and other trading income .....                   | 742    | 768    | 848    | 903    | 779    | 832    | 921    | 1,012  | 1,045  | 1,076  |
| Total .....  | 1,393  | 1,480  | 1,603  | 1,751  | 1,667  | 1,772  | 1,939  | 2,126  | 2,270  | 2,383  |
| <b>Insurance, banking and finance (including real estate):</b> |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....                                   | 210    | 228    | 247    | 273    | 286    | 305    | 329    | 363    | 387    | 417    |
| Gross profits and other income .....                           | 210    | 220    | 236    | 277    | 286    | 293    | 352    | 391    | 421    | 439    |
| Rent .....   | 107    | 112    | 118    | 130    | 142    | 161    | 177    | 192    | 213    | 227    |
| Adjustment for net interest .....                              | -246   | -261   | -271   | -308   | -336   | -362   | -399   | -444   | -486   | -517   |
| Total .....  | 281    | 299    | 330    | 372    | 378    | 397    | 459    | 502    | 535    | 566    |
| <b>Other services:</b>   |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....                                   | 566    | 633    | 666    | 729    | 740    | 752    | 772    | 858    | 963    | 1,040  |
| Gross profits and other trading income .....                   | 451    | 459    | 458    | 459    | 467    | 502    | 511    | 570    | 552    | 607    |
| Total .....  | 1,017  | 1,092  | 1,124  | 1,188  | 1,207  | 1,254  | 1,283  | 1,428  | 1,515  | 1,647  |
| <b>Public administration and defence:</b>                      |        |        |        |        |        |        |        |        |        |        |
| Wages .....  | 149    | 157    | 154    | 174    | 188    | 200    | 214    | 233    | 261    | 268    |
| Salaries .....   | 213    | 221    | 231    | 254    | 283    | 291    | 302    | 316    | 349    | 374    |
| Pay in cash and kind of the Forces .....                       | 233    | 223    | 237    | 303    | 342    | 349    | 363    | 357    | 396    | 397    |
| Employers' contributions:                                      |        |        |        |        |        |        |        |        |        |        |
| Forces .....   | 35     | 37     | 37     | 41     | 42     | 44     | 44     | 46     | 50     | 52     |
| Civilians .....  | 40     | 46     | 47     | 50     | 53     | 58     | 60     | 65     | 70     | 75     |
| Income from employment .....                                   | 670    | 684    | 706    | 822    | 908    | 942    | 983    | 1,017  | 1,126  | 1,166  |
| <b>Public health services:</b>                                 |        |        |        |        |        |        |        |        |        |        |
| Wages .....  | 34     | 49     | 55     | 61     | 67     | 72     | 75     | 80     | 87     | 93     |
| Salaries .....   | 69     | 102    | 117    | 126    | 136    | 143    | 154    | 166    | 181    | 192    |
| Employers' contributions .....                                 | 8      | 14     | 16     | 17     | 19     | 20     | 21     | 23     | 25     | 26     |
| Income from employment .....                                   | 111    | 165    | 188    | 204    | 222    | 235    | 250    | 269    | 293    | 311    |
| <b>Local authority educational services:</b>                   |        |        |        |        |        |        |        |        |        |        |
| Teachers' salaries .....                                       | 118    | 124    | 129    | 153    | 170    | 178    | 196    | 210    | 240    | 275    |
| Other salaries and wages .....                                 | 22     | 25     | 27     | 32     | 37     | 41     | 42     | 47     | 51     | 54     |
| Employers' contributions .....                                 | 9      | 11     | 11     | 13     | 15     | 16     | 17     | 19     | 21     | 25     |
| Income from employment .....                                   | 149    | 160    | 167    | 198    | 222    | 235    | 255    | 276    | 312    | 354    |
| <b>Ownership of dwellings:</b>                                 |        |        |        |        |        |        |        |        |        |        |
| Rent .....   | 296    | 297    | 367    | 367    | 406    | 462    | 532    | 535    | 579    | 616    |
| <b>Domestic services to households:</b>                        |        |        |        |        |        |        |        |        |        |        |
| Income of domestic servants .....                              | 110    | 103    | 98     | 95     | 95     | 94     | 95     | 96     | 95     | 97     |
| <b>Services to private non-profit-making bodies:</b>           |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....                                   | 72     | 58     | 61     | 64     | 65     | 67     | 71     | 74     | 80     | 85     |
| <b>less Stock appreciation</b> .....                           | -325   | -200   | -650   | -750   | 50     | 75     | -75    | -200   | -150   | -100   |
| <b>Residual error</b> .....                                    | 8      | -11    | 17     | 84     | 153    | 163    | 137    | -71    | -12    | -68    |
| <b>Gross domestic product at factor cost:</b>                  |        |        |        |        |        |        |        |        |        |        |
| Income from employment .....                                   | 6,766  | 7,220  | 7,600  | 8,459  | 9,112  | 9,608  | 10,263 | 11,203 | 12,201 | 12,942 |
| Gross profits and other trading income .....                   | 3,761  | 3,922  | 4,370  | 4,828  | 4,582  | 4,902  | 5,375  | 5,761  | 6,026  | 6,378  |
| less Stock appreciation .....                                  | -325   | -200   | -650   | -750   | 50     | 75     | -75    | -200   | -150   | -100   |
| Residual error .....   | 8      | -11    | 17     | 84     | 153    | 163    | 137    | -71    | -12    | -68    |
| Total .....  | 10,210 | 10,931 | 11,337 | 12,621 | 13,897 | 14,748 | 15,700 | 16,693 | 18,065 | 19,152 |

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



## Wages and salaries in manufacturing industry

£ million

TABLE 16

|   | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Wages</b>  |       |       |       |       |       |       |       |       |       |       |
| Bricks, pottery, glass, etc. ....   | 75    | 80    | 84    | 93    | 100   | 110   | 114   | 127   | 130   | 130   |
| Chemicals and allied trades .....   | 75    | 79    | 85    | 98    | 105   | 111   | 124   | 140   | 148   | 157   |
| Metal manufacture .....   | 158   | 166   | 175   | 189   | 213   | 215   | 224   | 261   | 280   | 296   |
| Engineering, shipbuilding and electrical goods .....  | 408   | 419   | 437   | 501   | 578   | 606   | 651   | 739   | 802   | 848   |
| Vehicles .....  | 245   | 258   | 275   | 307   | 343   | 378   | 423   | 484   | 512   | 537   |
| Metal goods not elsewhere specified   | 103   | 106   | 112   | 120   | 131   | 135   | 149   | 172   | 181   | 189   |
| Precision instruments, jewellery, etc.  | 26    | 28    | 30    | 33    | 35    | 37    | 39    | 46    | 48    | 49    |
| Textiles .....  | 183   | 201   | 223   | 250   | 216   | 263   | 282   | 291   | 298   | 318   |
| Leather, leather goods and fur .....  | 16    | 16    | 17    | 18    | 18    | 18    | 20    | 21    | 21    | 24    |
| Clothing .....  | 111   | 119   | 124   | 132   | 137   | 146   | 154   | 161   | 171   | 180   |
| Food, drink and tobacco .....   | 150   | 161   | 172   | 187   | 208   | 218   | 229   | 257   | 273   | 292   |
| Manufactures of wood and cork .....   | 67    | 72    | 77    | 83    | 86    | 93    | 98    | 102   | 105   | 111   |
| Paper and printing .....  | 95    | 103   | 114   | 130   | 138   | 147   | 165   | 187   | 203   | 219   |
| Other manufacturing .....   | 46    | 46    | 49    | 56    | 58    | 61    | 71    | 79    | 84    | 89    |
| <b>Total</b> .....  | 1,758 | 1,854 | 1,974 | 2,197 | 2,366 | 2,538 | 2,743 | 3,067 | 3,256 | 3,439 |
| <i>Estimated number of wage earners employed in manufacturing industry (thousands)</i> .....                  | 6,290 | 6,370 | 6,520 | 6,640 | 6,570 | 6,640 | 6,710 | 6,910 | 6,820 | 6,790 |
| <b>Salaries</b>   |       |       |       |       |       |       |       |       |       |       |
| Bricks, pottery, glass, etc. ....   | 17    | 18    | 20    | 22    | 24    | 26    | 28    | 31    | 33    | 34    |
| Chemicals and allied trades .....   | 48    | 52    | 57    | 65    | 74    | 76    | 84    | 93    | 103   | 111   |
| Metal manufacture .....   | 35    | 38    | 40    | 45    | 50    | 54    | 55    | 63    | 69    | 73    |
| Engineering, shipbuilding and electrical goods .....  | 138   | 150   | 164   | 188   | 219   | 234   | 256   | 288   | 322   | 344   |
| Vehicles .....  | 59    | 64    | 68    | 79    | 92    | 104   | 117   | 142   | 154   | 165   |
| Metal goods not elsewhere specified   | 32    | 34    | 37    | 41    | 45    | 48    | 52    | 60    | 64    | 68    |
| Precision instruments, jewellery, etc.  | 11    | 12    | 13    | 15    | 16    | 17    | 19    | 22    | 24    | 26    |
| Textiles .....  | 45    | 49    | 55    | 62    | 64    | 69    | 73    | 78    | 81    | 88    |
| Leather, leather goods and fur .....  | 6     | 6     | 6     | 6     | 6     | 7     | 7     | 7     | 7     | 8     |
| Clothing .....  | 31    | 34    | 35    | 38    | 39    | 40    | 42    | 44    | 46    | 50    |
| Food, drink and tobacco .....   | 58    | 61    | 64    | 68    | 78    | 80    | 85    | 92    | 100   | 107   |
| Manufactures of wood and cork .....   | 17    | 19    | 21    | 22    | 23    | 25    | 27    | 28    | 30    | 33    |
| Paper and printing .....  | 47    | 52    | 56    | 64    | 66    | 72    | 78    | 90    | 94    | 100   |
| Other manufacturing .....   | 20    | 21    | 22    | 25    | 27    | 27    | 30    | 32    | 36    | 38    |
| <b>Total</b> .....  | 564   | 610   | 658   | 740   | 823   | 879   | 953   | 1,070 | 1,163 | 1,245 |
| <i>Estimated number of salary earners <sup>(1)</sup> employed in manufacturing industry (thousands)</i> ..... | 1,170 | 1,220 | 1,270 | 1,330 | 1,400 | 1,440 | 1,470 | 1,560 | 1,600 | 1,630 |

<sup>(1)</sup> Excludes directors paid by fee only.



## Production accounts for selected industry groups

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

|  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957                 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------|
| <b>All manufacturing (excluding food, drink and tobacco)</b>                                   |       |       |       |       |       |       |       |       |       |                      |
| Production <sup>(1)</sup> .....  | 4,700 | 5,045 | 5,505 | 5,770 | 5,485 | 5,855 | 6,380 | 6,840 | 6,720 | 6,845 <sup>(2)</sup> |
| Consumers' expenditure <sup>(3)</sup> .....  | 1,200 | 1,305 | 1,375 | 1,300 | 1,280 | 1,390 | 1,525 | 1,640 | 1,620 | 1,695                |
| Gross fixed capital formation at home <sup>(3)</sup> .....                                     | 785   | 835   | 890   | 920   | 865   | 900   | 980   | 1,090 | 1,130 | 1,210                |
| Exports .....  | 1,355 | 1,500 | 1,730 | 1,775 | 1,655 | 1,690 | 1,790 | 1,930 | 2,055 | 2,100                |
| Other <sup>(4)</sup> .....   | 1,360 | 1,405 | 1,510 | 1,775 | 1,685 | 1,875 | 2,085 | 2,180 | 1,915 | 1,840                |
| <b>Metals, engineering and vehicles</b>  |       |       |       |       |       |       |       |       |       |                      |
| Production <sup>(1)</sup> .....  | 2,580 | 2,730 | 2,950 | 3,150 | 3,140 | 3,215 | 3,520 | 3,875 | 3,760 | 3,835                |
| Imports <sup>(5)</sup> .....   | 50    | 50    | 45    | 55    | 75    | 65    | 55    | 65    | 70    | 75                   |
| Total supplies .....   | 2,630 | 2,780 | 2,995 | 3,205 | 3,215 | 3,280 | 3,575 | 3,940 | 3,830 | 3,910                |
| Consumers' expenditure .....   | 165   | 180   | 210   | 225   | 220   | 275   | 335   | 390   | 340   | 380                  |
| Current expenditure on military defence .....  | 160   | 180   | 200   | 285   | 415   | 470   | 465   | 455   | 430   | 405                  |
| Gross fixed capital formation at home .....  | 785   | 835   | 890   | 920   | 865   | 900   | 980   | 1,090 | 1,130 | 1,210                |
| Exports .....  | 765   | 860   | 990   | 985   | 975   | 960   | 995   | 1,105 | 1,200 | 1,240                |
| Other domestic use <sup>(6)</sup> <sup>(7)</sup> .....   | 755   | 725   | 705   | 790   | 740   | 675   | 800   | 900   | 730   | 675                  |
| Total demand .....   | 2,630 | 2,780 | 2,995 | 3,205 | 3,215 | 3,280 | 3,575 | 3,940 | 3,830 | 3,910                |
| <b>Textiles, leather and clothing</b>  |       |       |       |       |       |       |       |       |       |                      |
| Production <sup>(1)</sup> .....  | 1,190 | 1,285 | 1,385 | 1,370 | 1,170 | 1,345 | 1,370 | 1,370 | 1,370 | 1,365                |
| Imports <sup>(5)</sup> .....   | 15    | 20    | 25    | 25    | 15    | 15    | 30    | 35    | 45    | 50                   |
| Total supplies .....   | 1,205 | 1,305 | 1,410 | 1,395 | 1,185 | 1,360 | 1,400 | 1,405 | 1,415 | 1,415                |
| Consumers' expenditure <sup>(8)</sup> .....  | 670   | 725   | 760   | 685   | 670   | 695   | 750   | 780   | 800   | 815                  |
| Public authorities' current expenditure <sup>(8)</sup> .....                                   | 15    | 20    | 25    | 55    | 90    | 60    | 45    | 40    | 30    | 25                   |
| Exports .....  | 360   | 390   | 430   | 420   | 335   | 360   | 350   | 340   | 335   | 335                  |
| Industrial and business use and investment in stocks and work in progress <sup>(7)</sup> ..... | 160   | 170   | 195   | 235   | 90    | 245   | 255   | 245   | 250   | 240                  |
| Total demand .....   | 1,205 | 1,305 | 1,410 | 1,395 | 1,185 | 1,360 | 1,400 | 1,405 | 1,415 | 1,415                |
| <b>Chemicals and allied trades (excluding oil refining)</b>                                    |       |       |       |       |       |       |       |       |       |                      |
| Production <sup>(1)</sup> .....  | 620   | 670   | 760   | 805   | 770   | 885   | 975   | 1,040 | 1,080 | 1,130                |
| Exports .....  | 100   | 110   | 135   | 160   | 140   | 150   | 200   | 230   | 245   | 265                  |
| Domestic use <sup>(6)</sup> <sup>(7)</sup> .....   | 520   | 560   | 625   | 645   | 630   | 735   | 775   | 810   | 835   | 865                  |

<sup>(1)</sup> Value of gross output free from duplication.<sup>(2)</sup> At 1957 prices this is equal to about £10,200 million.<sup>(3)</sup> Includes purchases of imported manufactures.<sup>(4)</sup> Residue. This represents other domestic use *less* the value of imported manufactures included in the figures of consumers' expenditure and gross fixed capital formation at home.<sup>(5)</sup> Imports *less* re-exports of comparable products.<sup>(6)</sup> Includes investment in stocks and work in progress.<sup>(7)</sup> Residue.<sup>(8)</sup> Income in kind of the Forces is included under public authorities' current expenditure and not under consumers' expenditure. This treatment differs from that adopted in other tables.



TABLE 18

| Purchases by<br>Sales by  | Agriculture,<br>forestry<br>and<br>fishing | Mining<br>and<br>quarrying | Chemicals<br>and<br>allied<br>trades | Metals,<br>engineer-<br>ing and<br>vehicles | Textiles,<br>leather<br>and<br>clothing | Food,<br>drink<br>and<br>tobacco | Other manufac-<br>turing | Building<br>and con-<br>tracting |
|---|--|----------------------------|--------------------------------------|---|---|----------------------------------|--------------------------|----------------------------------|
|   | 1  | 2                          | 3                                    | 4   | 5                                       | 6                                | 7                        | 8                                |
| 1. Agriculture, forestry and fishing .....                      | —  | 1                          | 8                                    | —   | 28                                      | 620                              | 12                       | —                                |
| 2. Mining and quarrying .....                                   | 11   | —                          | 106                                  | 50  | 19                                      | 16                               | 76                       | 27                               |
| 3. Chemicals and allied trades .....                            | 129  | 16                         | —                                    | 198   | 57                                      | 60                               | 118                      | 48                               |
| 4. Metals, engineering and vehicles .....                       | 74   | 73                         | 73                                   | —   | 76                                      | 75                               | 112                      | 245                              |
| 5. Textiles, leather and clothing .....                         | 8  | 6                          | 10                                   | 58  | —                                       | 14                               | 110                      | 2                                |
| 6. Food, drink and tobacco .....                                | 214  | 1                          | 14                                   | 2   | 2                                       | —                                | —                        | —                                |
| 7. Other manufacturing .....                                    | 22   | 41                         | 100                                  | 501   | 68                                      | 164                              | —                        | 274                              |
| 8. Building and contracting .....                               | 40   | 26                         | 5                                    | 25  | 15                                      | 10                               | 10                       | —                                |
| 9. Gas, electricity and water .....                             | 13   | 17                         | 38                                   | 109   | 20                                      | 23                               | 31                       | 7                                |
| 10. Other production and trade <sup>(1)</sup> .....             | 150  | 45                         | 210                                  | 445   | 155                                     | 235                              | 260                      | 175                              |
| 11. Other industries <sup>(2)</sup> .....                       | —  | —                          | —                                    | —   | —                                       | —                                | —                        | —                                |
| 12. Imports .....   | 91   | 8                          | 285                                  | 346   | 466                                     | 490                              | 271                      | 52                               |
| 13. Sales by final buyers .....                                 | —  | —                          | 1                                    | 15  | 9                                       | —                                | 8                        | —                                |
| 14. Goods and services .....                                    | 752  | 234                        | 850                                  | 1,749                                       | 915                                     | 1,707                            | 1,008                    | 830                              |
| 15. Income from employment .....                                | 303  | 494                        | 217                                  | 2,074                                       | 608                                     | 329                              | 639                      | 720                              |
| 16. Gross profits and other trading income <sup>(3)</sup> ..... | 458  | 64                         | 260                                  | 881   | 269                                     | 320                              | 318                      | 183                              |
| 17. Taxes on expenditure less subsidies .....                   | —174                                       | 5                          | 253                                  | 15  | 11                                      | 882                              | 20                       | 7                                |
| 18. Total input .....   | 1,339                                      | 797                        | 1,580                                | 4,719                                       | 1,803                                   | 3,238                            | 1,985                    | 1,740                            |

<sup>(1)</sup> Transport and communication, distributive trades, insurance, banking and finance and other services.

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

<sup>(3)</sup> Includes stock appreciation.

<sup>(4)</sup> Includes "residual error" amounting to £137 million.

11/ Total. Income from employment  
1, 2, 12, 13 Goods  
8, 9, 10 Services.

3867  
2826  
286591  
8284  
40  
33  
19  
160  
58  
42  
100



relations in 1954

£ million

| Gas,<br>electricity<br>and water | Other<br>production<br>and<br>trade (1) | Other in-<br>dustries (2) | Total<br>inter-<br>mediate<br>output | Final buyers |                       |                                     |        |         | Total<br>final<br>output | Stock<br>apprecia-<br>tion | Total<br>output      |
|----------------------------------|---|---------------------------|--------------------------------------|--------------|-----------------------|-------------------------------------|--------|---------|--------------------------|----------------------------|----------------------|
|                                  |   |                           |                                      | Persons      | Public<br>authorities | Gross domestic<br>capital formation |        | Exports |                          |                            |                      |
|                                  |   |                           |                                      |              |                       | Fixed                               | Stocks |         |                          |                            |                      |
| 9                                | 10                                      | 11                        | 12<br>(1 to 11)                      | 13           | 14                    | 15                                  | 16     | 17      | 18<br>(13 to 17)         | 19                         | 20<br>(12+18<br>+19) |
| —                                | 1                                       | —                         | 670                                  | 618          | 8                     | —                                   | 9      | 22      | 657                      | 12                         | 1,339                |
| 195                              | 86                                      | —                         | 586                                  | 138          | 15                    | 14                                  | —12    | 53      | 208                      | 3                          | 797                  |
| 25                               | 223                                     | —                         | 874                                  | 280          | 120                   | —                                   | 25     | 286     | 711                      | —5                         | 1,580                |
| 66                               | 313                                     | —                         | 1,107                                | 380          | 655                   | 1,162                               | 10     | 1,360   | 3,567                    | 45                         | 4,719                |
| 2                                | 50                                      | —                         | 260                                  | 962          | 50                    | —                                   | 55     | 476     | 1,543                    | —                          | 1,803                |
| —                                | 45                                      | —                         | 278                                  | 2,792        | 22                    | —                                   | —5     | 146     | 2,955                    | 5                          | 3,238                |
| 19                               | 121                                     | —                         | 1,310                                | 400          | 75                    | —                                   | 15     | 180     | 670                      | 5                          | 1,985                |
| 3                                | 100                                     | —                         | 234                                  | 236          | 195                   | 1,055                               | 10     | —       | 1,496                    | 10                         | 1,740                |
| —                                | 113                                     | —                         | 371                                  | 309          | 41                    | 69                                  | —2     | 7       | 424                      | —                          | 795                  |
| 80                               | —                                       | —                         | 1,755                                | 3,515        | 477                   | 175                                 | —      | 854     | 5,021                    | 10                         | 6,786                |
| —                                | —                                       | —                         | —                                    | 698          | 1,488                 | —                                   | —      | —       | 2,186                    | —                          | 2,186                |
| 10                               | 277                                     | —                         | 2,296                                | 1,031        | 102                   | 89                                  | —50    | 140     | 1,312                    | —10                        | 3,598                |
| —                                | —                                       | —                         | 33                                   | 76           | —134                  | —51                                 | —5     | 81      | —33                      | —                          | —                    |
| 400                              | 1,329                                   | —                         | 9,774                                | 11,435       | 3,114                 | 2,513                               | 50     | 3,605   | 20,717                   | 75                         | 30,566               |
| 199                              | 3,026                                   | 1,654                     | 10,263                               | —            | —                     | —                                   | —      | —       | —                        | —                          | 10,263               |
| 168                              | 2,059(4)                                | 532                       | 5,512                                | —            | —                     | —                                   | —      | —       | —                        | —                          | 5,512                |
| 28                               | 372                                     | —                         | 1,419                                | 549          | 25                    | 70                                  | —      | —       | 644                      | —                          | 2,063                |
| 795                              | 6,786                                   | 2,186                     | 26,968                               | 11,984       | 3,139                 | 2,583                               | 50     | 3,605   | 21,361                   | 75                         | 48,404               |

SIC 1948



Total requirements per £100 of industrial output in 1954 <sup>(1)</sup>

TABLE 19

|   | 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 <sup>(3)</sup> | Other industries <sup>(3)</sup> |
|---|-----------------------------------|----------------------|-----------------------------|----------------------------------|--------------------------------|-------------------------|---------------------|--------------------------|----------------------------|---|---------------------------------|
| Industry <sup>(2)</sup> :                       |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Agriculture, forestry and fishing.....          | 103                               | —                    | 1                           | —                                | 2                              | 20                      | 1                   | —                        | —                          | —   | —                               |
| Mining and quarrying .....                      | 3                                 | 102                  | 8                           | 3                                | 2                              | 2                       | 5                   | 3                        | 26                         | 2   | —                               |
| Chemicals and allied trades.....                | 12                                | 4                    | 102                         | 6                                | 4                              | 5                       | 8                   | 5                        | 5                          | 4   | —                               |
| Metals, engineering and vehicles .....          | 9                                 | 11                   | 7                           | 102                              | 6                              | 5                       | 8                   | 17                       | 12                         | 6   | —                               |
| Textiles, leather and clothing .....            | 1                                 | 1                    | 1                           | 2                                | 101                            | 1                       | 6                   | 2                        | 1                          | 1   | —                               |
| Food, drink and tobacco.....                    | 17                                | —                    | 1                           | —                                | 1                              | 103                     | —                   | —                        | —                          | 1   | —                               |
| Other manufacturing .....                       | 5                                 | 8                    | 8                           | 12                               | 5                              | 7                       | 102                 | 19                       | 6                          | 3   | —                               |
| Building and contracting.....                   | 4                                 | 4                    | 1                           | 1                                | 1                              | 1                       | 1                   | 101                      | 2                          | 1   | —                               |
| Gas, electricity and water .....                | 2                                 | 3                    | 3                           | 3                                | 2                              | 2                       | 2                   | 2                        | 101                        | 2   | —                               |
| Other production and trade <sup>(3)</sup> ..... | 17                                | 9                    | 16                          | 13                               | 11                             | 12                      | 17                  | 15                       | 15                         | 102                                       | —                               |
| Other industries <sup>(3)</sup> .....           | —                                 | —                    | —                           | —                                | —                              | —                       | —                   | —                        | —                          | —   | 100                             |
| Primary input <sup>(2)</sup> :                  |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Imports .....                                   | 14                                | 4                    | 21                          | 12                               | 29                             | 20                      | 19                  | 9                        | 5                          | 6   | —                               |
| Income from employment .....                    | 44                                | 78                   | 34                          | 60                               | 46                             | 29                      | 52                  | 66                       | 57                         | 53  | 76                              |
| Gross profits and other trading income          | 47                                | 16                   | 27                          | 26                               | 23                             | 24                      | 26                  | 23                       | 32                         | 34  | 24                              |
| Taxes on expenditure <i>less</i> subsidies      | —5                                | 2                    | 18                          | 2                                | 2                              | 27                      | 3                   | 2                        | 6                          | 7   | —                               |
| Total .....                                     | 100                               | 100                  | 100                         | 100                              | 100                            | 100                     | 100                 | 100                      | 100                        | 100                                       | 100                             |

<sup>(1)</sup> The input-output coefficients in this table have been derived from Table 18.

<sup>(2)</sup> 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 gross 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 gross output by industry j.

<sup>(3)</sup> For definitions see footnotes <sup>(1)</sup> and <sup>(2)</sup> to Table 18.



## The cost composition of industrial output in 1950 and 1954

TABLE 20

Percentages

|   | 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 <sup>(2)</sup> | Other industries <sup>(2)</sup> |
|---|-----------------------------------|----------------------|-----------------------------|----------------------------------|--------------------------------|-------------------------|---------------------|--------------------------|----------------------------|---|---------------------------------|
| <b>1950</b>                                     |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Net output <sup>(1)</sup> :                     |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Agriculture, forestry and fishing .....         | 60                                | —                    | —                           | —                                | 1                              | 13                      | 1                   | —                        | —                          | —   | —                               |
| Mining and quarrying .....                      | 2                                 | 73                   | 8                           | 2                                | 1                              | 1                       | 4                   | 3                        | 18                         | 2   | —                               |
| Chemicals, and allied trades .....              | 3                                 | 1                    | 32                          | 1                                | 1                              | 2                       | 2                   | 2                        | 1                          | 1   | —                               |
| Metals, engineering and vehicles .....          | 5                                 | 7                    | 5                           | 64                               | 3                              | 2                       | 5                   | 10                       | 8                          | 4   | —                               |
| Textiles, leather and clothing .....            | 1                                 | —                    | 1                           | 1                                | 42                             | —                       | 3                   | 1                        | —                          | —   | —                               |
| Food, drink and tobacco .....                   | 2                                 | —                    | —                           | —                                | —                              | 20                      | —                   | —                        | —                          | —   | —                               |
| Other manufacturing .....                       | 2                                 | 3                    | 4                           | 5                                | 2                              | 2                       | 50                  | 8                        | 3                          | 1   | —                               |
| Building and construction .....                 | 2                                 | 2                    | 1                           | 1                                | 1                              | 1                       | 1                   | 53                       | 1                          | 1   | —                               |
| Gas, electricity and water .....                | 1                                 | 1                    | 1                           | 1                                | 1                              | 1                       | 1                   | 1                        | 47                         | 1   | —                               |
| Other production and trade <sup>(2)</sup> ..... | 10                                | 6                    | 12                          | 11                               | 8                              | 8                       | 12                  | 11                       | 12                         | 76  | —                               |
| Other industries <sup>(2)</sup> .....           | —                                 | —                    | —                           | —                                | —                              | —                       | —                   | —                        | —                          | —   | 100                             |
| Gross domestic product .....                    | 88                                | 93                   | 64                          | 86                               | 60                             | 50                      | 79                  | 89                       | 90                         | 86  | 100                             |
| Imports of goods and services .....             | 12                                | 5                    | 26                          | 12                               | 38                             | 22                      | 18                  | 9                        | 4                          | 7   | —                               |
| Taxes on expenditure less subsidies .....       | —                                 | 2                    | 10                          | 2                                | 2                              | 28                      | 3                   | 2                        | 6                          | 7   | —                               |
| Total .....                                     | 100                               | 100                  | 100                         | 100                              | 100                            | 100                     | 100                 | 100                      | 100                        | 100                                       | 100                             |
| <b>1954</b>                                     |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Net output <sup>(1)</sup> :                     |                                   |                      |                             |                                  |                                |                         |                     |                          |                            |   |                                 |
| Agriculture, forestry and fishing .....         | 58                                | —                    | —                           | —                                | 1                              | 11                      | 1                   | —                        | —                          | —   | —                               |
| Mining and quarrying .....                      | 2                                 | 71                   | 6                           | 2                                | 1                              | 1                       | 4                   | 2                        | 18                         | 2   | —                               |
| Chemicals and allied trades .....               | 4                                 | 1                    | 31                          | 2                                | 1                              | 2                       | 2                   | 2                        | 1                          | 1   | —                               |
| Metals, engineering and vehicles .....          | 5                                 | 7                    | 5                           | 64                               | 4                              | 3                       | 5                   | 10                       | 8                          | 4   | —                               |
| Textiles, leather and clothing .....            | 1                                 | 1                    | —                           | 1                                | 49                             | 1                       | 3                   | 1                        | —                          | —   | —                               |
| Food, drink and tobacco .....                   | 3                                 | —                    | —                           | —                                | —                              | 20                      | —                   | —                        | —                          | —   | —                               |
| Other manufacturing .....                       | 3                                 | 4                    | 4                           | 6                                | 3                              | 4                       | 49                  | 9                        | 3                          | 1   | —                               |
| Building and construction .....                 | 2                                 | 2                    | 1                           | —                                | 1                              | 1                       | 1                   | 52                       | 1                          | 1   | —                               |
| Gas, electricity and water .....                | 1                                 | 1                    | 2                           | 1                                | 1                              | 1                       | 1                   | 1                        | 47                         | 1   | —                               |
| Other production and trade <sup>(2)</sup> ..... | 12                                | 7                    | 12                          | 10                               | 8                              | 9                       | 12                  | 12                       | 11                         | 77  | —                               |
| Other industries <sup>(2)</sup> .....           | —                                 | —                    | —                           | —                                | —                              | —                       | —                   | —                        | —                          | —   | 100                             |
| Gross domestic product .....                    | 91                                | 94                   | 61                          | 86                               | 69                             | 53                      | 78                  | 89                       | 89                         | 87  | 100                             |
| Imports of goods and services .....             | 14                                | 4                    | 21                          | 12                               | 29                             | 20                      | 19                  | 9                        | 5                          | 6   | —                               |
| Taxes on expenditure less subsidies .....       | —5                                | 2                    | 18                          | 2                                | 2                              | 27                      | 3                   | 2                        | 6                          | 7   | —                               |
| Total .....                                     | 100                               | 100                  | 100                         | 100                              | 100                            | 100                     | 100                 | 100                      | 100                        | 100                                       | 100                             |

<sup>(1)</sup> Includes provision for depreciation but excludes provision for stock appreciation.<sup>(2)</sup> For definitions see footnotes <sup>(1)</sup> and <sup>(2)</sup> to Table 18.



# INDUSTRIAL INPUT AND OUTPUT

## The cost composition of final expenditure in 1954

Percentages

TABLE 21

|  | Consumers' expenditure | Public authorities' current expenditure on goods and services | Gross fixed capital formation at home | Exports of goods and services | Total final expenditure |
|--|------------------------|---|---------------------------------------|-------------------------------|-------------------------|
| Net output <sup>(1)</sup> :                      |                        |   |                                       |                               |                         |
| Agriculture, forestry and fishing .....          | 6                      | —   | —                                     | 1                             | 3                       |
| Mining and quarrying .....                       | 3                      | 2   | 3                                     | 3                             | 3                       |
| Chemicals and allied trades .....                | 2                      | 2   | 2                                     | 4                             | 2                       |
| Metals, engineering and vehicles .....           | 5                      | 14  | 33                                    | 28                            | 14                      |
| Textiles, leather and clothing .....             | 4                      | 1   | 1                                     | 8                             | 4                       |
| Food, drink and tobacco .....                    | 5                      | —   | —                                     | 1                             | 3                       |
| Other manufacturing .....                        | 4                      | 3   | 6                                     | 6                             | 4                       |
| Building and contracting .....                   | 2                      | 3   | 20                                    | 1                             | 4                       |
| Gas, electricity and water .....                 | 2                      | 1   | 2                                     | 1                             | 2                       |
| Other production and trade <sup>(2)</sup> .....  | 27                     | 15  | 15                                    | 27                            | 24                      |
| Other industries <sup>(2)</sup> .....            | 6                      | 47  | —                                     | —                             | 10                      |
| Gross domestic product .....                     | 66                     | 88  | 82                                    | 80                            | 73                      |
| Imports of goods and services .....              | 20                     | 9   | 12                                    | 18                            | 17                      |
| Taxes on expenditure <i>less</i> subsidies ..... | 14                     | 3   | 6                                     | 2                             | 10                      |
| Total .....                                      | 100                    | 100   | 100                                   | 100                           | 100                     |

<sup>(1)</sup> Includes provision for depreciation.

<sup>(2)</sup> For definitions see footnotes <sup>(1)</sup> and <sup>(2)</sup> to Table 18.

## Final output in terms of primary input in 1954

£ million

TABLE 22

| Primary input \ Final output  | Income from employment | Gross profits and other trading income <sup>(1)</sup> | Imports of goods and services | Taxes on expenditure <i>less</i> subsidies | Total  |
|---|------------------------|---|-------------------------------|--|--------|
| Consumers' expenditure .....  | 4,518                  | 3,379   | 2,381                         | 1,706                                      | 11,984 |
| Public authorities' current expenditure on goods and services ..... | 2,335                  | 428   | 268                           | 108  | 3,139  |
| Gross fixed capital formation at home .....                         | 1,491                  | 607   | 323                           | 162  | 2,583  |
| Value of physical increase in stocks and work in progress .....     | 45                     | 27  | —25                           | 3  | 50     |
| Exports of goods and services .....                                 | 1,874                  | 996   | 651                           | 84   | 3,605  |
| Total .....   | 10,263                 | 5,437   | 3,598                         | 2,063                                      | 21,361 |

<sup>(1)</sup> Before providing for depreciation but after providing for stock appreciation. Includes the residual error.



Comparison of final output in terms of primary input, 1950 and 1954

TABLE 23

Percentages

| Primary input \ Final output                                | Consumers' expenditure |      | Public authorities' current expenditure on goods and services |      | Gross fixed capital formation at home |      | Value of physical increase in stocks and work in progress |      | Exports of goods and services |      | Total |      |
|---|------------------------|------|---|------|---------------------------------------|------|---|------|-------------------------------|------|-------|------|
|   | 1950                   | 1954 | 1950  | 1954 | 1950                                  | 1954 | 1950  | 1954 | 1950                          | 1954 | 1950  | 1954 |
| Income from employment .....                                | 38                     | 38   | 76  | 74   | 61                                    | 58   | 27  | 90   | 53                            | 52   | 48    | 48   |
| Gross profits and other trading income <sup>(1)</sup> ..... | 26                     | 28   | 12  | 14   | 22                                    | 23   | 7   | 54   | 24                            | 28   | 24    | 25   |
| Residual error .....  | 21                     | 20   | 10  | 9    | 12                                    | 13   | 70  | -50  | 21                            | 18   | 18    | 17   |
| Imports of goods and services .....                         | 15                     | 14   | 2   | 3    | 5                                     | 6    | -4  | 6    | 2                             | 2    | 10    | 10   |
| Taxes on expenditure less subsidies .....                   |                        |      |   |      |                                       |      |   |      |                               |      |       |      |
| Total .....   | 100                    | 100  | 100   | 100  | 100                                   | 100  | 100   | 100  | 100                           | 100  | 100   | 100  |

<sup>(1)</sup> Before providing for depreciation but after providing for stock appreciation.

The cost composition of final output

TABLE 24

Percentages

|   | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|------|------|------|------|------|------|------|------|------|------|
| Income from employment .....                                | 49   | 49   | 48   | 46   | 47   | 47   | 48   | 48   | 49   | 49   |
| Gross profits and other trading income <sup>(1)</sup> ..... | 25   | 25   | 24   | 22   | 24   | 25   | 25   | 24   | 24   | 24   |
| Imports of goods and services .....                         | 16   | 16   | 18   | 22   | 18   | 17   | 17   | 18   | 17   | 17   |
| Taxes on expenditure less subsidies .....                   | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   | 10   |
| Residual error .....  | —    | —    | —    | —    | 1    | 1    | —    | —    | —    | —    |
| Final output <sup>(2)</sup> .....                           | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |

<sup>(1)</sup> Before providing for depreciation but after providing for stock appreciation.<sup>(2)</sup> Goods and services (both home produced and imported) available for private and public consumption, investment and export, valued at market prices.

Index numbers of prices and costs

TABLE 25

1948 = 100

|  | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|
| <b>Indices of costs</b>  |      |      |      |      |      |      |      |      |      |      |
| Home costs per unit of output:   |      |      |      |      |      |      |      |      |      |      |
| Income from employment per unit of output <sup>(1)</sup> .....                 | 100  | 102  | 104  | 112  | 120  | 122  | 125  | 132  | 141  | 148  |
| Gross profits and other trading income per unit of output <sup>(2)</sup> ..... | 100  | 104  | 101  | 106  | 120  | 124  | 127  | 129  | 134  | 141  |
| Total <sup>(3)</sup> .....   | 100  | 102  | 103  | 110  | 121  | 124  | 127  | 130  | 139  | 145  |
| Imports of goods and services <sup>(4)</sup> .....                             | 100  | 102  | 118  | 150  | 144  | 131  | 131  | 137  | 137  | 137  |
| <b>Indices of prices <sup>(4)</sup></b>  |      |      |      |      |      |      |      |      |      |      |
| Consumer goods and services .....  | 100  | 102  | 106  | 115  | 121  | 124  | 126  | 131  | 137  | 141  |
| Fixed assets .....   | 100  | 101  | 104  | 115  | 126  | 128  | 128  | 134  | 141  | 146  |
| Goods and services sold on the home market .....                               | 100  | 102  | 106  | 116  | 124  | 126  | 128  | 133  | 140  | 145  |
| Exports of goods and services .....  | 100  | 103  | 109  | 129  | 137  | 130  | 128  | 131  | 136  | 141  |
| Final output .....   | 100  | 103  | 106  | 119  | 126  | 127  | 128  | 133  | 140  | 144  |

<sup>(1)</sup> Derived by dividing estimates of income from employment by estimates of the gross domestic product at 1948 factor cost.<sup>(2)</sup> 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.<sup>(3)</sup> Derived by dividing estimates of the gross domestic product at current factor cost by estimates of the gross domestic product at 1948 factor cost.<sup>(4)</sup> Currently weighted average value indices.



IV. THE PERSONAL SECTOR  
Consumers' expenditure at current prices

£ million

TABLE 26

|  | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Food:</b>   |       |       |       |       |       |       |       |       |       |       |       |
| Household expenditure:                                   |       |       |       |       |       |       |       |       |       |       |       |
| Bread and cereals .....                                  | ..    | 358   | 412   | 437   | 478   | 502   | 482   | 467   | 477   | 509   | 553   |
| Meat and bacon .....                                     | ..    | 326   | 382   | 529   | 525   | 679   | 757   | 850   | 955   | 1,043 | 1,077 |
| Fish .....   | ..    | 91    | 77    | 77    | 99    | 96    | 88    | 95    | 103   | 120   | 127   |
| Oils and fats .....                                      | ..    | 71    | 87    | 105   | 125   | 127   | 156   | 206   | 217   | 218   | 208   |
| Sugar, preserves and confectionery .....                 | ..    | 190   | 205   | 206   | 256   | 266   | 362   | 387   | 389   | 406   | 418   |
| Dairy products .....                                     | ..    | 350   | 394   | 418   | 432   | 486   | 532   | 526   | 553   | 575   | 586   |
| Fruit .....  | ..    | 173   | 167   | 169   | 196   | 168   | 206   | 228   | 257   | 264   | 282   |
| Potatoes and vegetables .....                            | ..    | 267   | 281   | 280   | 307   | 327   | 316   | 343   | 384   | 418   | 419   |
| Beverages .....  | ..    | 101   | 105   | 105   | 111   | 131   | 148   | 185   | 236   | 253   | 266   |
| Other manufactured food .....                            | ..    | 78    | 82    | 99    | 114   | 123   | 116   | 117   | 120   | 115   | 131   |
| Total household expenditure .....                        | ..    | 2,005 | 2,192 | 2,425 | 2,643 | 2,905 | 3,163 | 3,404 | 3,691 | 3,921 | 4,067 |
| Other personal expenditure .....                         | ..    | 260   | 279   | 309   | 344   | 377   | 376   | 403   | 446   | 471   | 495   |
| Total food .....   | 1,285 | 2,265 | 2,471 | 2,734 | 2,987 | 3,282 | 3,539 | 3,807 | 4,137 | 4,392 | 4,562 |
| <b>Alcoholic drink:</b>                                  |       |       |       |       |       |       |       |       |       |       |       |
| Beer .....   | 195   | 577   | 525   | 497   | 510   | 521   | 526   | 509   | 531   | 547   | 574   |
| Wines, spirits, cider, etc. ....                         | 90    | 249   | 249   | 264   | 288   | 281   | 291   | 309   | 334   | 351   | 366   |
| Total alcoholic drink .....                              | 285   | 826   | 774   | 761   | 798   | 802   | 817   | 818   | 865   | 898   | 940   |
| <b>Tobacco:</b>  |       |       |       |       |       |       |       |       |       |       |       |
| Cigarettes .....   | 144   | 638   | 626   | 648   | 687   | 706   | 723   | 742   | 770   | 823   | 862   |
| Pipe tobacco, cigars and snuff .....                     | 33    | 126   | 127   | 118   | 113   | 115   | 114   | 113   | 110   | 112   | 117   |
| Total tobacco .....                                      | 177   | 764   | 753   | 766   | 800   | 821   | 837   | 855   | 880   | 935   | 979   |
| <b>Housing:</b>  |       |       |       |       |       |       |       |       |       |       |       |
| Rent, rates and water charges .....                      | ..    | 604   | 620   | 641   | 673   | 706   | 758   | 795   | 837   | 882   | 964   |
| Maintenance, repairs and improvements by occupiers ..... | ..    | 141   | 136   | 152   | 172   | 198   | 224   | 258   | 228   | 242   | 246   |
| Total housing .....                                      | 518   | 745   | 756   | 793   | 845   | 904   | 982   | 1,053 | 1,065 | 1,124 | 1,210 |
| <b>Fuel and light:</b>                                   |       |       |       |       |       |       |       |       |       |       |       |
| Coal .....   | 108   | 140   | 140   | 151   | 165   | 178   | 189   | 208   | 219   | 246   | 249   |
| Electricity .....  | 35    | 75    | 80    | 84    | 94    | 101   | 110   | 121   | 132   | 154   | 166   |
| Gas .....  | 38    | 79    | 81    | 85    | 92    | 101   | 106   | 109   | 115   | 126   | 130   |
| Other .....  | 16    | 30    | 31    | 33    | 37    | 41    | 42    | 48    | 55    | 64    | 61    |
| Total fuel and light .....                               | 197   | 324   | 332   | 353   | 388   | 421   | 447   | 486   | 521   | 590   | 606   |
| <b>Clothing:</b>   |       |       |       |       |       |       |       |       |       |       |       |
| Footwear .....   | 73    | 178   | 181   | 185   | 199   | 196   | 194   | 206   | 216   | 229   | 239   |
| Other clothing:  |       |       |       |       |       |       |       |       |       |       |       |
| Men's and boys' wear .....                               | 127   | 250   | 288   | 313   | 321   | 303   | 302   | 324   | 351   | 369   | 377   |
| Women's, girls' and infants' wear .....                  | 246   | 474   | 544   | 565   | 590   | 584   | 596   | 644   | 701   | 741   | 766   |
| Total clothing .....                                     | 446   | 902   | 1,013 | 1,063 | 1,110 | 1,083 | 1,092 | 1,174 | 1,268 | 1,339 | 1,382 |
| <b>Durable goods:</b>                                    |       |       |       |       |       |       |       |       |       |       |       |
| Motor cars and motorcycles, new and secondhand .....     | ..    | 43    | 54    | 57    | 65    | 102   | 166   | 221   | 299   | 249   | 282   |
| Furniture and floor coverings .....                      | ..    | 176   | 217   | 254   | 286   | 270   | 309   | 349   | 363   | 372   | 403   |
| Radio, electrical and other durable goods .....          | ..    | 134   | 143   | 170   | 202   | 204   | 235   | 274   | 297   | 284   | 317   |
| Total durable goods .....                                | ..    | 353   | 414   | 481   | 553   | 576   | 710   | 844   | 959   | 905   | 1,002 |
| <b>Other household goods:</b>                            |       |       |       |       |       |       |       |       |       |       |       |
| Household textiles, soft furnishings and hardware .....  | ..    | 180   | 191   | 206   | 218   | 210   | 214   | 231   | 255   | 263   | 277   |
| Matches, soap and other cleaning materials .....         | 54    | 82    | 101   | 113   | 123   | 135   | 136   | 150   | 150   | 156   | 171   |
| Total other household goods .....                        | ..    | 262   | 292   | 319   | 341   | 345   | 350   | 381   | 405   | 419   | 448   |



Consumers' expenditure at current prices (*continued*)TABLE 26 (*continued*)

£ million

|   | 1938                 | 1948  | 1949  | 1950  | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|---|----------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Books, newspapers and magazines:  |                      |       |       |       |        |        |        |        |        |        |        |
| Books .....   | 10                   | 34    | 33    | 35    | 38     | 39     | 40     | 40     | 43     | 50     | 53     |
| Newspapers .....  | 36                   | 66    | 70    | 71    | 84     | 92     | 96     | 99     | 99     | 114    | 120    |
| Magazines .....   | 18                   | 33    | 36    | 38    | 38     | 36     | 37     | 41     | 43     | 44     | 46     |
| Total books, newspapers and magazines                                     | 64                   | 133   | 139   | 144   | 160    | 167    | 173    | 180    | 185    | 208    | 219    |
| Chemists' goods .....   | ..                   | 121   | 130   | 135   | 146    | 153    | 159    | 169    | 185    | 198    | 217    |
| Miscellaneous recreational goods .....                                    | ..                   | 103   | 106   | 109   | 116    | 120    | 126    | 132    | 137    | 147    | 160    |
| Other miscellaneous goods .....   | ..                   | 145   | 143   | 137   | 153    | 152    | 157    | 163    | 175    | 187    | 197    |
| Running costs of vehicles .....   | ..                   | 62    | 88    | 117   | 139    | 159    | 180    | 198    | 249    | 278    | 292    |
| Travel:   |                      |       |       |       |        |        |        |        |        |        |        |
| Railway .....   | 52                   | 107   | 103   | 98    | 99     | 107    | 108    | 110    | 114    | 123    | 133    |
| Other .....   | 115                  | 250   | 261   | 264   | 289    | 316    | 330    | 334    | 351    | 369    | 386    |
| Total travel .....  | 167                  | 357   | 364   | 362   | 388    | 423    | 438    | 444    | 465    | 492    | 519    |
| Communication services:   |                      |       |       |       |        |        |        |        |        |        |        |
| Postal .....  | 18                   | 32    | 33    | 34    | 37     | 41     | 44     | 46     | 46     | 52     | 57     |
| Telephone and telegraph .....   | 11                   | 26    | 26    | 28    | 31     | 31     | 33     | 35     | 38     | 50     | 56     |
| Total communication services .....  | 29                   | 58    | 59    | 62    | 68     | 72     | 77     | 81     | 84     | 102    | 113    |
| Entertainments:   |                      |       |       |       |        |        |        |        |        |        |        |
| Cinema .....  | ..                   | 112   | 105   | 107   | 110    | 112    | 111    | 112    | 108    | 106    | 95     |
| Other .....   | ..                   | 68    | 70    | 70    | 73     | 74     | 73     | 77     | 89     | 92     | 98     |
| Total entertainments .....  | 64                   | 180   | 175   | 177   | 183    | 186    | 184    | 189    | 197    | 198    | 193    |
| Domestic service .....  | 121                  | 110   | 103   | 98    | 95     | 95     | 94     | 95     | 96     | 95     | 97     |
| Insurance .....   | 407                  | 84    | 92    | 97    | 108    | 113    | 116    | 122    | 130    | 147    | 155    |
| Other services .....  |                      | 565   | 533   | 550   | 578    | 619    | 648    | 669    | 703    | 747    | 763    |
| Income in kind not included elsewhere .....                               | 17                   | 55    | 49    | 49    | 62     | 73     | 77     | 78     | 76     | 73     | 70     |
| less Expenditure by foreign tourists, etc.<br>in the United Kingdom ..... | -43                  | -33   | -44   | -65   | -85    | -104   | -117   | -123   | -140   | -150   | -160   |
| Consumers' expenditure in the United Kingdom .....                        | 4,360 <sup>(1)</sup> | 8,381 | 8,742 | 9,242 | 9,933  | 10,462 | 11,086 | 11,815 | 12,642 | 13,324 | 13,964 |
| Consumers' expenditure abroad .....                                       | 34                   | 94    | 105   | 116   | 152    | 147    | 149    | 169    | 184    | 194    | 210    |
| Total .....   | 4,394 <sup>(1)</sup> | 8,475 | 8,847 | 9,358 | 10,085 | 10,609 | 11,235 | 11,984 | 12,826 | 13,518 | 14,174 |

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



## PERSONAL SECTOR

## Consumers' expenditure at 1954 prices

£ million

TABLE 27

|  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Food:</b>   |       |       |       |       |       |       |       |       |       |       |
| Household expenditure:                                   |       |       |       |       |       |       |       |       |       |       |
| Bread and cereals .....                                  | 539   | 545   | 527   | 536   | 526   | 482   | 467   | 473   | 468   | 461   |
| Meat and bacon .....                                     | 602   | 612   | 797   | 657   | 712   | 790   | 850   | 880   | 917   | 932   |
| Fish .....   | 143   | 125   | 102   | 112   | 103   | 92    | 95    | 99    | 106   | 108   |
| Oils and fats .....                                      | 177   | 201   | 219   | 205   | 180   | 191   | 206   | 216   | 222   | 227   |
| Sugar, preserves and confectionery .....                 | 233   | 263   | 256   | 297   | 288   | 369   | 387   | 380   | 389   | 385   |
| Dairy products .....                                     | 481   | 526   | 542   | 524   | 500   | 512   | 526   | 520   | 525   | 537   |
| Fruit .....  | 191   | 196   | 186   | 211   | 184   | 209   | 228   | 242   | 241   | 246   |
| Potatoes and vegetables .....                            | 333   | 353   | 341   | 344   | 345   | 338   | 343   | 350   | 355   | 359   |
| Beverages .....  | 167   | 173   | 172   | 168   | 174   | 183   | 185   | 192   | 206   | 207   |
| Other manufactured food .....                            | 105   | 102   | 108   | 119   | 126   | 118   | 117   | 120   | 113   | 127   |
| Total household expenditure .....                        | 2,971 | 3,096 | 3,250 | 3,173 | 3,138 | 3,284 | 3,404 | 3,472 | 3,542 | 3,589 |
| Other personal expenditure .....                         | 372   | 392   | 406   | 411   | 410   | 391   | 403   | 420   | 428   | 438   |
| Total food .....   | 3,343 | 3,488 | 3,656 | 3,584 | 3,548 | 3,675 | 3,807 | 3,892 | 3,970 | 4,027 |
| <b>Alcoholic drink:</b>                                  |       |       |       |       |       |       |       |       |       |       |
| Beer .....   | 550   | 524   | 521   | 528   | 526   | 528   | 509   | 525   | 526   | 532   |
| Wines, spirits, cider, etc. ....                         | 253   | 254   | 270   | 289   | 281   | 292   | 309   | 334   | 349   | 361   |
| Total alcoholic drink .....                              | 803   | 778   | 791   | 817   | 807   | 820   | 818   | 859   | 875   | 893   |
| <b>Tobacco:</b>  |       |       |       |       |       |       |       |       |       |       |
| Cigarettes .....   | 670   | 648   | 662   | 695   | 706   | 723   | 742   | 769   | 785   | 804   |
| Pipe tobacco, cigars and snuff .....                     | 131   | 130   | 122   | 114   | 118   | 114   | 113   | 108   | 104   | 106   |
| Total tobacco .....                                      | 801   | 778   | 784   | 809   | 824   | 837   | 855   | 877   | 889   | 910   |
| <b>Housing:</b>  |       |       |       |       |       |       |       |       |       |       |
| Rent, rates and water charges .....                      | 746   | 754   | 759   | 763   | 770   | 779   | 795   | 814   | 828   | 842   |
| Maintenance, repairs and improvements by occupiers ..... | 192   | 181   | 195   | 193   | 207   | 230   | 258   | 215   | 215   | 212   |
| Total housing .....                                      | 938   | 935   | 954   | 956   | 977   | 1,009 | 1,053 | 1,029 | 1,043 | 1,054 |
| <b>Fuel and light:</b>                                   |       |       |       |       |       |       |       |       |       |       |
| Coal .....   | 198   | 195   | 204   | 204   | 201   | 202   | 208   | 202   | 203   | 193   |
| Electricity .....  | 88    | 88    | 96    | 109   | 108   | 112   | 121   | 135   | 150   | 157   |
| Gas .....  | 109   | 109   | 109   | 111   | 110   | 108   | 109   | 109   | 108   | 105   |
| Other .....  | 40    | 40    | 42    | 43    | 43    | 44    | 48    | 51    | 55    | 52    |
| Total fuel and light .....                               | 435   | 432   | 451   | 467   | 462   | 466   | 486   | 497   | 516   | 507   |
| <b>Clothing:</b>   |       |       |       |       |       |       |       |       |       |       |
| Footwear .....   | 214   | 226   | 231   | 201   | 191   | 194   | 206   | 216   | 219   | 226   |
| Other clothing:  |       |       |       |       |       |       |       |       |       |       |
| Men's and boys' wear .....                               | 338   | 360   | 382   | 338   | 319   | 311   | 324   | 344   | 351   | 351   |
| Women's, girls' and infants' wear .....                  | 545   | 598   | 614   | 567   | 572   | 596   | 644   | 700   | 736   | 750   |
| Total clothing .....                                     | 1,097 | 1,184 | 1,227 | 1,106 | 1,082 | 1,101 | 1,174 | 1,260 | 1,306 | 1,327 |
| <b>Durable goods:</b>                                    |       |       |       |       |       |       |       |       |       |       |
| Motor cars and motor cycles, new and secondhand .....    | 50    | 65    | 66    | 65    | 92    | 161   | 221   | 295   | 227   | 249   |
| Furniture and floor coverings .....                      | 222   | 271   | 306   | 295   | 268   | 308   | 349   | 358   | 343   | 366   |
| Radio, electrical and other durable goods .....          | 144   | 159   | 181   | 198   | 184   | 226   | 274   | 293   | 264   | 293   |
| Total durable goods .....                                | 416   | 495   | 553   | 558   | 544   | 695   | 844   | 946   | 834   | 908   |
| <b>Other household goods:</b>                            |       |       |       |       |       |       |       |       |       |       |
| Household textiles, soft furnishings and hardware .....  | 214   | 223   | 228   | 196   | 200   | 214   | 231   | 249   | 243   | 256   |
| Matches, soap and other cleaning materials, etc. ....    | 106   | 123   | 138   | 136   | 137   | 141   | 150   | 156   | 159   | 162   |
| Total other household goods .....                        | 320   | 346   | 366   | 332   | 337   | 355   | 381   | 405   | 402   | 418   |



Consumers' expenditure at 1954 prices (*continued*)TABLE 27 (*continued*)

£ million

|  | 1948   | 1949   | 1950   | 1951   | 1952   | 1953   | 1954   | 1955   | 1956   | 1957   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Books, newspapers and magazines:                                       |        |        |        |        |        |        |        |        |        |        |
| Books .....  | 39     | 37     | 38     | 39     | 39     | 40     | 40     | 42     | 49     | 51     |
| Newspapers .....   | 90     | 94     | 96     | 94     | 93     | 97     | 99     | 94     | 97     | 98     |
| Magazines .....  | 42     | 43     | 42     | 43     | 40     | 41     | 41     | 41     | 40     | 40     |
| Total books, newspapers and magazines.....                             | 171    | 174    | 176    | 176    | 172    | 178    | 180    | 177    | 186    | 189    |
| Chemists' goods .....  | 126    | 139    | 145    | 143    | 143    | 158    | 169    | 176    | 175    | 188    |
| Miscellaneous recreational goods.....                                  | 112    | 117    | 117    | 116    | 116    | 124    | 132    | 133    | 138    | 145    |
| Other miscellaneous goods .....  | 143    | 147    | 134    | 126    | 121    | 143    | 163    | 170    | 173    | 180    |
| Running costs of vehicles .....  | 80     | 117    | 145    | 155    | 160    | 179    | 198    | 245    | 265    | 267    |
| Travel:  |        |        |        |        |        |        |        |        |        |        |
| Railway.....   | 120    | 114    | 110    | 108    | 110    | 109    | 110    | 106    | 111    | 118    |
| Other.....   | 317    | 329    | 328    | 337    | 338    | 337    | 334    | 336    | 332    | 329    |
| Total travel .....   | 437    | 443    | 438    | 445    | 448    | 446    | 444    | 442    | 443    | 447    |
| Communication services:  |        |        |        |        |        |        |        |        |        |        |
| Postal .....   | 42     | 41     | 42     | 43     | 45     | 46     | 46     | 46     | 48     | 51     |
| Telephone and telegraph .....  | 30     | 31     | 32     | 34     | 33     | 35     | 35     | 37     | 39     | 39     |
| Total communication services .....                                     | 72     | 72     | 74     | 77     | 78     | 81     | 81     | 83     | 87     | 90     |
| Entertainments:  |        |        |        |        |        |        |        |        |        |        |
| Cinema.....  | 135    | 126    | 123    | 120    | 115    | 113    | 112    | 104    | 97     | 80     |
| Other.....   | 70     | 72     | 72     | 75     | 77     | 76     | 77     | 86     | 88     | 90     |
| Total entertainments .....   | 205    | 198    | 195    | 195    | 192    | 189    | 189    | 190    | 185    | 170    |
| Domestic service .....   | 134    | 121    | 114    | 106    | 100    | 95     | 95     | 91     | 86     | 84     |
| Insurance and other services.....                                      | 828    | 773    | 770    | 756    | 768    | 783    | 791    | 801    | 813    | 809    |
| Income in kind not included elsewhere .....                            | 81     | 68     | 66     | 75     | 79     | 80     | 78     | 71     | 66     | 61     |
| less Expenditure by foreign tourists, etc. in the United Kingdom ..... | -43    | -56    | -78    | -94    | -107   | -118   | -123   | -136   | -141   | -145   |
| Consumers' expenditure in the United Kingdom ....                      | 10,499 | 10,749 | 11,078 | 10,905 | 10,851 | 11,296 | 11,815 | 12,208 | 12,311 | 12,529 |
| Consumers' expenditure abroad .....                                    | 131    | 135    | 134    | 160    | 145    | 148    | 169    | 181    | 186    | 209    |
| Total .....  | 10,630 | 10,884 | 11,212 | 11,065 | 10,996 | 11,444 | 11,984 | 12,389 | 12,497 | 12,738 |



## Consumers' expenditure at 1948 prices

£ million

TABLE 28

|  | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Food:</b>   |       |       |       |       |       |       |       |       |       |       |       |
| Household expenditure:                                   |       |       |       |       |       |       |       |       |       |       |       |
| Bread and cereals .....                                  | ..    | 358   | 362   | 351   | 357   | 351   | 320   | 309   | 314   | 311   | 307   |
| Meat and bacon .....                                     | ..    | 326   | 340   | 436   | 369   | 403   | 433   | 455   | 468   | 485   | 494   |
| Fish .....   | ..    | 91    | 79    | 64    | 71    | 65    | 58    | 60    | 62    | 66    | 66    |
| Oils and fats .....                                      | ..    | 71    | 82    | 87    | 83    | 75    | 77    | 84    | 88    | 90    | 92    |
| Sugar, preserves and confectionery ....                  | ..    | 190   | 217   | 212   | 246   | 240   | 309   | 318   | 311   | 319   | 315   |
| Dairy products .....                                     | ..    | 350   | 383   | 394   | 379   | 366   | 373   | 385   | 380   | 383   | 391   |
| Fruit .....  | ..    | 173   | 178   | 170   | 189   | 166   | 184   | 200   | 208   | 208   | 211   |
| Potatoes and vegetables .....                            | ..    | 267   | 272   | 266   | 271   | 271   | 270   | 272   | 273   | 280   | 282   |
| Beverages .....  | ..    | 101   | 105   | 104   | 102   | 106   | 111   | 112   | 118   | 125   | 127   |
| Other manufactured food .....                            | ..    | 78    | 81    | 91    | 101   | 104   | 97    | 95    | 97    | 89    | 102   |
| Total household expenditure .....                        | ..    | 2,005 | 2,099 | 2,175 | 2,168 | 2,147 | 2,232 | 2,290 | 2,319 | 2,356 | 2,387 |
| Other personal expenditure .....                         | ..    | 260   | 265   | 274   | 278   | 274   | 260   | 264   | 273   | 274   | 282   |
| Total food .....   | 2,196 | 2,265 | 2,364 | 2,449 | 2,446 | 2,421 | 2,492 | 2,554 | 2,592 | 2,630 | 2,669 |
| <b>Alcoholic drink:</b>                                  |       |       |       |       |       |       |       |       |       |       |       |
| Beer .....   | 601   | 577   | 549   | 545   | 552   | 549   | 552   | 532   | 547   | 549   | 557   |
| Wines, spirits, cider, etc. ....                         | 281   | 249   | 248   | 266   | 286   | 279   | 291   | 309   | 335   | 356   | 367   |
| Total alcoholic drink .....                              | 882   | 826   | 797   | 811   | 838   | 828   | 843   | 841   | 882   | 905   | 924   |
| <b>Tobacco:</b>  |       |       |       |       |       |       |       |       |       |       |       |
| Cigarettes .....   | 543   | 638   | 616   | 629   | 659   | 671   | 686   | 704   | 729   | 744   | 765   |
| Pipe tobacco, cigars and snuff .....                     | 137   | 126   | 124   | 116   | 109   | 111   | 108   | 107   | 102   | 98    | 100   |
| Total tobacco .....                                      | 680   | 764   | 740   | 745   | 768   | 782   | 794   | 811   | 831   | 842   | 865   |
| <b>Housing:</b>  |       |       |       |       |       |       |       |       |       |       |       |
| Rent, rates and water charges .....                      | ..    | 604   | 610   | 613   | 615   | 620   | 626   | 639   | 652   | 662   | 674   |
| Maintenance, repairs and improvements by occupiers ..... | ..    | 141   | 133   | 143   | 142   | 153   | 170   | 190   | 159   | 159   | 157   |
| Total housing .....                                      | 661   | 745   | 743   | 756   | 757   | 773   | 796   | 829   | 811   | 821   | 831   |
| <b>Fuel and light:</b>                                   |       |       |       |       |       |       |       |       |       |       |       |
| Coal .....   | 195   | 140   | 138   | 144   | 145   | 143   | 143   | 147   | 143   | 144   | 137   |
| Electricity .....  | 32    | 75    | 76    | 82    | 93    | 92    | 96    | 104   | 115   | 129   | 134   |
| Gas .....  | 60    | 79    | 78    | 78    | 80    | 79    | 78    | 78    | 79    | 78    | 76    |
| Other .....  | 31    | 30    | 30    | 32    | 32    | 32    | 32    | 35    | 38    | 40    | 36    |
| Total fuel and light .....                               | 318   | 324   | 322   | 336   | 350   | 346   | 349   | 364   | 375   | 391   | 383   |
| <b>Durable household goods:</b>                          |       |       |       |       |       |       |       |       |       |       |       |
| Furniture and furnishings .....                          | 355   | 253   | 300   | 331   | 295   | 282   | 316   | 353   | 365   | 361   | 377   |
| Hardware, radio and electrical goods .....               | 203   | 231   | 243   | 263   | 280   | 269   | 321   | 375   | 401   | 376   | 413   |
| Total durable household goods .....                      | 558   | 484   | 543   | 594   | 575   | 551   | 637   | 728   | 766   | 737   | 790   |
| Matches, soap and other cleaning materials, etc. ....    | 98    | 82    | 96    | 109   | 107   | 108   | 115   | 123   | 128   | 131   | 135   |
| <b>Clothing:</b>   |       |       |       |       |       |       |       |       |       |       |       |
| Footwear .....   | 142   | 178   | 186   | 190   | 166   | 158   | 160   | 170   | 180   | 182   | 187   |
| Other clothing:  |       |       |       |       |       |       |       |       |       |       |       |
| Men's and boys' wear .....                               | 272   | 250   | 264   | 282   | 249   | 235   | 229   | 238   | 251   | 253   | 251   |
| Women's, girls' and infants' wear ....                   | 524   | 474   | 518   | 531   | 492   | 499   | 523   | 569   | 599   | 626   | 636   |
| Total clothing .....                                     | 938   | 902   | 968   | 1,003 | 907   | 892   | 912   | 977   | 1,030 | 1,061 | 1,074 |



Consumers' expenditure at 1948 prices (*continued*)TABLE 28 (*continued*)

£ million

|  | 1938                       | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957          |
|--|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Recreational goods:</b>   |                            |              |              |              |              |              |              |              |              |              |               |
| Books .....  | 15                         | 34           | 33           | 33           | 34           | 34           | 35           | 35           | 37           | 42           | 45            |
| Newspapers .....   | 39                         | 66           | 69           | 70           | 69           | 68           | 71           | 73           | 69           | 72           | 72            |
| Magazines, etc. ....   | 27                         | 33           | 33           | 33           | 33           | 31           | 32           | 32           | 31           | 31           | 31            |
| Other .....  | ..                         | 99           | 103          | 101          | 100          | 100          | 105          | 110          | 112          | 111          | 112           |
| <b>Total recreational goods .....</b>  | <b>..</b>                  | <b>232</b>   | <b>238</b>   | <b>237</b>   | <b>236</b>   | <b>233</b>   | <b>243</b>   | <b>250</b>   | <b>249</b>   | <b>256</b>   | <b>260</b>    |
| <b>Chemists' goods .....</b>   | <b>..</b>                  | <b>121</b>   | <b>133</b>   | <b>139</b>   | <b>136</b>   | <b>138</b>   | <b>149</b>   | <b>163</b>   | <b>175</b>   | <b>173</b>   | <b>185</b>    |
| <b>Other goods .....</b>   | <b>..</b>                  | <b>139</b>   | <b>144</b>   | <b>130</b>   | <b>123</b>   | <b>117</b>   | <b>139</b>   | <b>159</b>   | <b>166</b>   | <b>166</b>   | <b>175</b>    |
| <b>Private motoring and cycling:</b>   |                            |              |              |              |              |              |              |              |              |              |               |
| Vehicles, new and secondhand .....   | ..                         | 59           | 72           | 78           | 75           | 90           | 140          | 188          | 248          | 191          | 209           |
| Running costs .....  | ..                         | 62           | 87           | 105          | 112          | 116          | 130          | 142          | 176          | 189          | 191           |
| <b>Total private motoring and cycling...</b>                                     | <b>279</b>                 | <b>121</b>   | <b>159</b>   | <b>183</b>   | <b>187</b>   | <b>206</b>   | <b>270</b>   | <b>330</b>   | <b>424</b>   | <b>380</b>   | <b>400</b>    |
| <b>Travel:</b>   |                            |              |              |              |              |              |              |              |              |              |               |
| Railway .....  | 79                         | 107          | 102          | 97           | 96           | 98           | 98           | 99           | 96           | 100          | 107           |
| Other .....  | 168                        | 250          | 259          | 255          | 263          | 263          | 267          | 266          | 266          | 263          | 262           |
| <b>Total travel .....</b>  | <b>247</b>                 | <b>357</b>   | <b>361</b>   | <b>352</b>   | <b>359</b>   | <b>361</b>   | <b>365</b>   | <b>365</b>   | <b>362</b>   | <b>363</b>   | <b>369</b>    |
| <b>Communication services:</b>   |                            |              |              |              |              |              |              |              |              |              |               |
| Postal .....   | 30                         | 32           | 31           | 32           | 35           | 36           | 38           | 39           | 38           | 39           | 41            |
| Telephone and telegraph .....  | 15                         | 26           | 26           | 27           | 29           | 26           | 26           | 28           | 31           | 31           | 32            |
| <b>Total communication services .....</b>  | <b>45</b>                  | <b>58</b>    | <b>57</b>    | <b>59</b>    | <b>64</b>    | <b>62</b>    | <b>64</b>    | <b>67</b>    | <b>69</b>    | <b>70</b>    | <b>73</b>     |
| <b>Entertainments:</b>   |                            |              |              |              |              |              |              |              |              |              |               |
| Cinema .....   | ..                         | 112          | 105          | 102          | 100          | 96           | 94           | 93           | 86           | 81           | 67            |
| Other .....  | ..                         | 68           | 69           | 69           | 72           | 73           | 71           | 73           | 81           | 81           | 83            |
| <b>Total entertainments .....</b>  | <b>116</b>                 | <b>180</b>   | <b>174</b>   | <b>171</b>   | <b>172</b>   | <b>169</b>   | <b>165</b>   | <b>166</b>   | <b>167</b>   | <b>162</b>   | <b>150</b>    |
| <b>Domestic service .....</b>  | <b>998</b>                 | <b>110</b>   | <b>100</b>   | <b>93</b>    | <b>86</b>    | <b>81</b>    | <b>76</b>    | <b>76</b>    | <b>74</b>    | <b>69</b>    | <b>67</b>     |
| <b>Insurance and other services .....</b>  | <b>998</b>                 | <b>649</b>   | <b>602</b>   | <b>597</b>   | <b>586</b>   | <b>597</b>   | <b>610</b>   | <b>614</b>   | <b>622</b>   | <b>630</b>   | <b>629</b>    |
| <b>Income in kind not included elsewhere ....</b>                                | <b>29</b>                  | <b>55</b>    | <b>47</b>    | <b>44</b>    | <b>52</b>    | <b>54</b>    | <b>56</b>    | <b>53</b>    | <b>48</b>    | <b>45</b>    | <b>41</b>     |
| <i>less</i> Expenditure by foreign tourists, etc.<br>in the United Kingdom ..... | -81                        | -33          | -43          | -60          | -73          | -84          | -91          | -95          | -105         | -109         | -113          |
| <b>Consumers' expenditure in the United Kingdom .....</b>                        | <b>8,493<sup>(1)</sup></b> | <b>8,381</b> | <b>8,545</b> | <b>8,748</b> | <b>8,676</b> | <b>8,635</b> | <b>8,984</b> | <b>9,375</b> | <b>9,666</b> | <b>9,723</b> | <b>9,907</b>  |
| <b>Consumers' expenditure abroad .....</b>                                       | <b>71</b>                  | <b>94</b>    | <b>97</b>    | <b>96</b>    | <b>115</b>   | <b>104</b>   | <b>106</b>   | <b>121</b>   | <b>130</b>   | <b>133</b>   | <b>149</b>    |
| <b>Total .....</b>   | <b>8,564<sup>(1)</sup></b> | <b>8,475</b> | <b>8,642</b> | <b>8,844</b> | <b>8,791</b> | <b>8,739</b> | <b>9,090</b> | <b>9,496</b> | <b>9,796</b> | <b>9,856</b> | <b>10,056</b> |

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



## Consumers' expenditure: index numbers of prices

TABLE 29

|  | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|
| <b>1954 = 100</b>                                    |      |      |      |      |      |      |      |      |      |      |
| Food .....   | 68   | 71   | 75   | 83   | 93   | 96   | 100  | 106  | 111  | 113  |
| Alcoholic drink .....                                | 103  | 99   | 96   | 98   | 99   | 100  | 100  | 101  | 103  | 105  |
| Tobacco .....  | 95   | 97   | 98   | 99   | 100  | 100  | 100  | 100  | 105  | 108  |
| Housing .....  | 79   | 81   | 83   | 88   | 93   | 97   | 100  | 104  | 108  | 115  |
| Fuel and light .....                                 | 74   | 77   | 78   | 83   | 91   | 96   | 100  | 105  | 114  | 120  |
| Clothing .....                                       | 82   | 86   | 87   | 100  | 100  | 99   | 100  | 101  | 103  | 104  |
| Motor cars and motorcycles, new and secondhand       | 86   | 83   | 86   | 100  | 111  | 103  | 100  | 101  | 110  | 113  |
| Other durable goods .....                            | 85   | 84   | 87   | 99   | 105  | 102  | 100  | 101  | 108  | 109  |
| Other household goods .....                          | 82   | 84   | 87   | 103  | 102  | 99   | 100  | 100  | 104  | 107  |
| All other goods, including running costs of vehicles | 89   | 87   | 90   | 100  | 105  | 102  | 100  | 103  | 109  | 112  |
| Travel .....   | 82   | 82   | 83   | 87   | 94   | 98   | 100  | 105  | 111  | 116  |
| All other services <sup>(1)</sup> .....              | 83   | 84   | 87   | 96   | 101  | 100  | 100  | 103  | 108  | 111  |
| Total consumers' expenditure .....                   | 80   | 81   | 83   | 91   | 96   | 98   | 100  | 104  | 108  | 111  |
| <b>1948 = 100</b>                                    |      |      |      |      |      |      |      |      |      |      |
| Food .....   | 100  | 105  | 112  | 122  | 136  | 142  | 149  | 160  | 167  | 171  |
| Alcoholic drink .....                                | 100  | 97   | 94   | 95   | 97   | 97   | 97   | 98   | 99   | 102  |
| Tobacco .....  | 100  | 102  | 103  | 104  | 105  | 105  | 105  | 106  | 111  | 113  |
| Housing .....  | 100  | 102  | 105  | 112  | 117  | 123  | 127  | 131  | 137  | 146  |
| Fuel and light .....                                 | 100  | 103  | 105  | 111  | 122  | 128  | 134  | 139  | 151  | 158  |
| Clothing .....                                       | 100  | 105  | 106  | 122  | 121  | 120  | 120  | 123  | 126  | 129  |
| Furniture and furnishings .....                      | 100  | 102  | 108  | 132  | 130  | 126  | 126  | 127  | 132  | 136  |
| Hardware, radio and electrical goods .....           | 100  | 98   | 101  | 110  | 117  | 112  | 109  | 112  | 122  | 121  |
| Matches, soap and other cleaning materials, etc.     | 100  | 105  | 104  | 115  | 125  | 118  | 122  | 117  | 119  | 127  |
| Books, newspapers and magazines .....                | 100  | 103  | 106  | 118  | 126  | 125  | 129  | 135  | 143  | 148  |
| Other recreational goods .....                       | 100  | 99   | 103  | 110  | 113  | 110  | 109  | 111  | 115  | 121  |
| Chemists' goods .....                                | 100  | 98   | 97   | 107  | 111  | 107  | 104  | 106  | 114  | 117  |
| Other goods .....                                    | 100  | 96   | 103  | 120  | 125  | 109  | 99   | 102  | 105  | 108  |
| Vehicles, new and secondhand .....                   | 100  | 97   | 99   | 113  | 129  | 126  | 127  | 129  | 139  | 144  |
| Running costs of vehicles .....                      | 100  | 101  | 111  | 124  | 137  | 138  | 139  | 141  | 147  | 153  |
| Travel .....   | 100  | 101  | 103  | 108  | 117  | 120  | 122  | 128  | 136  | 141  |
| All other services <sup>(1)</sup> .....              | 100  | 102  | 106  | 117  | 123  | 121  | 121  | 124  | 132  | 135  |
| Total consumers' expenditure .....                   | 100  | 102  | 106  | 115  | 121  | 124  | 126  | 131  | 137  | 141  |

<sup>(1)</sup> Excludes income in kind and expenditure abroad.



## Taxes on expenditure and subsidies by category of consumers' expenditure

TABLE 30

£ million

|  | 1938               | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|--|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Taxes on expenditure</b>                              |                    |              |              |              |              |              |              |              |              |              |              |
| Food.....  | 50                 | 75           | 54           | 42           | 43           | 36           | 36           | 36           | 40           | 43           | 48           |
| Alcoholic drink:   |                    |              |              |              |              |              |              |              |              |              |              |
| Beer .....   | ..                 | 305          | 282          | 262          | 259          | 253          | 257          | 252          | 253          | 256          | 260          |
| Other .....  | ..                 | 106          | 107          | 114          | 117          | 115          | 120          | 126          | 136          | 143          | 146          |
| Total alcoholic drink .....                              | 108                | 411          | 389          | 376          | 376          | 368          | 377          | 378          | 389          | 399          | 406          |
| Tobacco .....  | 87                 | 612          | 601          | 603          | 621          | 628          | 639          | 651          | 668          | 701          | 714          |
| Housing:   |                    |              |              |              |              |              |              |              |              |              |              |
| Rent, rates and water charges .....                      | ..                 | 173          | 176          | 186          | 202          | 218          | 244          | 258          | 271          | 281          | 318          |
| Maintenance, repairs and improvements by occupiers ..... | ..                 | 2            | 2            | 3            | 2            | 2            | 2            | 2            | 3            | 4            | 4            |
| Total housing .....                                      | 147                | 175          | 178          | 189          | 204          | 220          | 246          | 260          | 274          | 285          | 322          |
| Clothing .....   | 8                  | 87           | 83           | 79           | 75           | 52           | 42           | 45           | 46           | 58           | 61           |
| Durable goods:   |                    |              |              |              |              |              |              |              |              |              |              |
| Motor cars and motor cycles, new and secondhand .....    | ..                 | 2            | 2            | 4            | 6            | 17           | 28           | 37           | 58           | 44           | 55           |
| Furniture and floor coverings .....                      | ..                 | 23           | 22           | 24           | 31           | 24           | 23           | 23           | 26           | 37           | 34           |
| Radio, electrical and other durable goods .....          | ..                 | 24           | 19           | 31           | 40           | 40           | 42           | 49           | 66           | 70           | 78           |
| Total durable goods .....                                | ..                 | 49           | 43           | 59           | 77           | 81           | 93           | 109          | 150          | 151          | 167          |
| Other household goods:                                   |                    |              |              |              |              |              |              |              |              |              |              |
| Household textiles, soft furnishings and hardware .....  | ..                 | 30           | 29           | 28           | 31           | 21           | 17           | 16           | 18           | 30           | 30           |
| Matches, soap and other cleaning materials, etc. ....    | 4                  | 8            | 13           | 13           | 13           | 13           | 13           | 13           | 13           | 13           | 13           |
| Total other household goods .....                        | ..                 | 38           | 42           | 41           | 44           | 34           | 30           | 29           | 31           | 43           | 43           |
| Chemists' goods .....                                    | ..                 | 36           | 32           | 34           | 36           | 37           | 35           | 33           | 36           | 46           | 50           |
| Miscellaneous recreational goods .....                   | ..                 | 13           | 13           | 14           | 15           | 14           | 13           | 14           | 15           | 19           | 22           |
| Other miscellaneous goods .....                          | ..                 | 41           | 36           | 40           | 43           | 38           | 35           | 35           | 38           | 45           | 46           |
| Running costs of vehicles .....                          | ..                 | 17           | 21           | 32           | 42           | 50           | 57           | 63           | 80           | 87           | 91           |
| Travel <sup>(1)</sup> .....                              | 12                 | 13           | 13           | 22           | 30           | 40           | 42           | 39           | 39           | 41           | 40           |
| Communication services .....                             | 3                  | 6            | 5            | 4            | 3            | —            | 2            | 2            | 1            | 1            | 2            |
| Entertainments:  |                    |              |              |              |              |              |              |              |              |              |              |
| Cinemas .....  | ..                 | ..           | ..           | 37           | 39           | 38           | 37           | 36           | 33           | 34           | 29           |
| Other .....  | ..                 | ..           | ..           | 8            | 7            | 10           | 11           | 10           | 10           | 10           | 10           |
| Total entertainments .....                               | 12                 | 52           | 48           | 45           | 46           | 48           | 48           | 46           | 43           | 44           | 39           |
| Other services .....                                     | 8                  | 24           | 29           | 29           | 30           | 32           | 33           | 35           | 32           | 32           | 33           |
| Income in kind not included elsewhere .....              | —                  | 1            | 1            | —            | —            | —            | —            | —            | —            | —            | —            |
| Unallocated .....  | 141 <sup>(2)</sup> | 214          | 221          | 252          | 297          | 299          | 315          | 351          | 363          | 412          | 414          |
| <b>Total taxes on expenditure</b> .....                  | <b>580</b>         | <b>1,864</b> | <b>1,809</b> | <b>1,861</b> | <b>1,982</b> | <b>1,977</b> | <b>2,043</b> | <b>2,126</b> | <b>2,245</b> | <b>2,407</b> | <b>2,498</b> |
| <b>Subsidies</b>   |                    |              |              |              |              |              |              |              |              |              |              |
| Food.....  | 14                 | 450          | 420          | 377          | 370          | 314          | 261          | 310          | 335          | 246          | 291          |
| Rent, rates and water charges .....                      | 22                 | 67           | 71           | 72           | 75           | 83           | 92           | 100          | 100          | 109          | 111          |
| Fuel and light .....                                     | —                  | 3            | 1            | —            | —            | —            | —            | —            | —            | —            | —            |
| Clothing .....   | —                  | 7            | —            | —            | —            | —            | —            | —            | —            | —            | —            |
| Travel <sup>(1)</sup> .....                              | —                  | 3            | 3            | 3            | 2            | 1            | 2            | 2            | 2            | 2            | 2            |
| Other services .....                                     | —                  | 1            | 1            | —            | —            | —            | —            | —            | —            | —            | —            |
| Income in kind not included elsewhere .....              | —                  | 5            | 3            | 3            | 3            | 3            | 3            | 3            | 2            | 2            | 2            |
| Unallocated .....  | —                  | 24           | 17           | 13           | 11           | 10           | 4            | 5            | 4            | 4            | 4            |
| <b>Total subsidies</b> .....                             | <b>36</b>          | <b>560</b>   | <b>516</b>   | <b>468</b>   | <b>461</b>   | <b>411</b>   | <b>362</b>   | <b>420</b>   | <b>443</b>   | <b>363</b>   | <b>410</b>   |
| <b>Net taxes on expenditure</b> .....                    | <b>544</b>         | <b>1,304</b> | <b>1,293</b> | <b>1,393</b> | <b>1,521</b> | <b>1,566</b> | <b>1,681</b> | <b>1,706</b> | <b>1,802</b> | <b>2,044</b> | <b>2,088</b> |

<sup>(1)</sup> These estimates relate to the sub category "Other travel". <sup>(2)</sup> Includes taxes on categories separately distinguished in subsequent years.



## Distribution of personal income before and after tax

TABLE 31

| Range of income before tax                                |        | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax | Range of income after tax                                 |       | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax |
|---|--------|-------------------|-------------------|---|------------------|---|-------|-------------------|-------------------|---|------------------|
|   |        | Thousands         | £ million         | £ million   | £ million        |   |       | Thousands         | £ million         | £ million   | £ million        |
| 1938  |        |                   |                   |   |                  | 1938  |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | ..                | 2,700             | 4   | 2,696            | 50  | 250   | ..                | 2,714             | 5   | 2,709            |
| 250   | 300    | 750               | 204               | 3   | 201              | 250   | 500   | 1,940             | 670               | 25  | 645              |
| 300   | 400    | 780               | 267               | 8   | 259              | 500   | 750   | 375               | 252               | 27  | 225              |
| 400   | 500    | 360               | 160               | 9   | 151              | 750   | 1,000 | 132               | 136               | 21  | 115              |
| 500   | 600    | 210               | 114               | 9   | 105              | 1,000   | 2,000 | 142.2             | 241               | 46  | 195              |
| 600   | 700    | 130               | 84                | 9   | 75               | 2,000   | 4,000 | 54.6              | 207               | 58.5  | 148.5            |
| 700   | 800    | 90                | 67                | 8   | 59               | 4,000   | 6,000 | 11.6              | 92                | 36.2  | 55.8             |
| 800   | 1,000  | 109               | 96                | 13  | 83               | 6,000 and over  |       | 6.6               | 151               | 88.3  | 62.7             |
| 1,000   | 1,500  | 130               | 157               | 27  | 130              |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 53                | 90                | 18  | 72               |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 46                | 112               | 25  | 87               |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 33                | 126               | 35  | 91               |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 18                | 123               | 45  | 78               |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 6                 | 76                | 37  | 39               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 2                 | 87                | 57  | 30               |   |       |                   |                   |   |                  |
| Total.....  |        | ..                | 4,463             | 307   | 4,156            | Total .....   |       | ..                | 4,463             | 307   | 4,156            |
| Income not included in the classification by ranges ..... |        | ..                | 615               | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 615               | ..  | ..               |
| Total personal income                                     |        | ..                | 5,078             | ..  | ..               | Total personal income                                     |       | ..                | 5,078             | ..  | ..               |
| 1949  |        |                   |                   |   |                  | 1949  |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | 12,190            | 1,920             | 26  | 1,894            | 50  | 250   | 12,840            | 2,093             | 39  | 2,054            |
| 250   | 300    | 2,990             | 825               | 32  | 793              | 250   | 500   | 10,140            | 3,730             | 201   | 3,529            |
| 300   | 400    | 4,600             | 1,590             | 71  | 1,519            | 500   | 750   | 2,020             | 1,345             | 155   | 1,190            |
| 400   | 500    | 2,540             | 1,130             | 65  | 1,065            | 750   | 1,000 | 442               | 480               | 105   | 375              |
| 500   | 600    | 1,350             | 735               | 58  | 677              | 1,000   | 2,000 | 368.4             | 719               | 221   | 498              |
| 600   | 700    | 660               | 428               | 46  | 382              | 2,000   | 4,000 | 84.4              | 472               | 250   | 222              |
| 700   | 800    | 390               | 292               | 41  | 251              | 4,000   | 6,000 | 5.14              | 111.2             | 89.7  | 21.5             |
| 800   | 1,000  | 400               | 355               | 66  | 289              | 6,000 and over  |       | 0.06              | 9.8               | 9.3   | 0.5              |
| 1,000   | 1,500  | 400               | 480               | 117   | 363              |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 150               | 255               | 74  | 181              |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 118               | 284               | 96  | 188              |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 68                | 255               | 110   | 145              |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 33                | 224               | 125   | 99               |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 9                 | 117               | 82  | 35               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 2                 | 70                | 61  | 9                |   |       |                   |                   |   |                  |
| Total.....  |        | 25,900            | 8,960             | 1,070   | 7,890            | Total .....   |       | 25,900            | 8,960             | 1,070   | 7,890            |
| Income not included in the classification by ranges ..... |        | ..                | 1,600             | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 1,600             | ..  | ..               |
| Total personal income .....                               |        | ..                | 10,560            | ..  | ..               | Total personal income                                     |       | ..                | 10,560            | ..  | ..               |

<sup>(1)</sup> The tax rates current in the fiscal years 1938-39 and 1949-50 applied to the income in the calendar years shown.



## Distribution of personal income before and after tax (continued)

TABLE 31 (continued)

| Range of income before tax                                |        | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax | Range of income after tax                                 |       | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax |
|---|--------|-------------------|-------------------|---|------------------|---|-------|-------------------|-------------------|---|------------------|
|   |        | Thousands         | £ million         | £ million   | £ million        |   |       | Thousands         | £ million         | £ million   | £ million        |
| <b>1954</b>   |        |                   |                   |   |                  | <b>1954</b>   |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | 8,500             | 1,430             | 7   | 1,423            | 50  | 250   | 8,730             | 1,480             | 9   | 1,471            |
| 250   | 300    | 1,680             | 460               | 12  | 448              | 250   | 500   | 9,040             | 3,540             | 161   | 3,379            |
| 300   | 400    | 3,400             | 1,190             | 45  | 1,145            | 500   | 750   | 5,770             | 3,725             | 214   | 3,511            |
| 400   | 500    | 3,400             | 1,525             | 67  | 1,458            | 750   | 1,000 | 1,600             | 1,500             | 153   | 1,347            |
| 500   | 600    | 2,850             | 1,565             | 75  | 1,490            | 1,000   | 2,000 | 721               | 1,230             | 289   | 941              |
| 600   | 700    | 2,160             | 1,395             | 73  | 1,322            | 2,000   | 4,000 | 131               | 665               | 325   | 340              |
| 700   | 800    | 1,450             | 1,085             | 69  | 1,016            | 4,000   | 6,000 | 7.8               | 141               | 106.6   | 34.4             |
| 800   | 1,000  | 1,280             | 1,125             | 103   | 1,022            | 6,000 and over  |       | 0.2               | 19                | 17.4  | 1.6              |
| 1,000   | 1,500  | 735               | 871               | 145   | 726              |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 230               | 394               | 95  | 299              |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 161               | 389               | 118   | 271              |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 97                | 363               | 148   | 215              |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 44                | 292               | 158   | 134              |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 11                | 143               | 99  | 44               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 2                 | 73                | 61  | 12               |   |       |                   |                   |   |                  |
| Total.....  |        | 26,000            | 12,300            | 1,275   | 11,025           | Total .....   |       | 26,000            | 12,300            | 1,275   | 11,025           |
| Income not included in the classification by ranges ..... |        | ..                | 2,188             | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 2,188             | ..  | ..               |
| Total personal income ....                                |        | ..                | 14,488            | ..  | ..               | Total personal income                                     |       | ..                | 14,488            | ..  | ..               |
| <b>1955</b>   |        |                   |                   |   |                  | <b>1955</b>   |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | 7,560             | 1,340             | 3   | 1,337            | 50  | 250   | 7,700             | 1,375             | 4   | 1,371            |
| 250   | 300    | 1,570             | 430               | 7   | 423              | 250   | 500   | 8,590             | 3,390             | 152   | 3,238            |
| 300   | 400    | 3,060             | 1,070             | 38  | 1,032            | 500   | 750   | 6,510             | 4,230             | 243   | 3,987            |
| 400   | 500    | 3,230             | 1,455             | 66  | 1,389            | 750   | 1,000 | 2,130             | 1,945             | 163   | 1,782            |
| 500   | 600    | 3,040             | 1,675             | 82  | 1,593            | 1,000   | 2,000 | 908               | 1,470             | 294   | 1,176            |
| 600   | 700    | 2,480             | 1,610             | 85  | 1,525            | 2,000   | 4,000 | 149.6             | 709               | 322   | 387              |
| 700   | 800    | 1,830             | 1,365             | 82  | 1,283            | 4,000   | 6,000 | 12.0              | 184               | 130   | 54               |
| 800   | 1,000  | 1,740             | 1,540             | 121   | 1,419            | 6,000 and over  |       | 0.6               | 36.9              | 32  | 4.9              |
| 1,000   | 1,500  | 900               | 1,065             | 151   | 914              |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 250               | 430               | 97  | 333              |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 175               | 422               | 121   | 301              |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 104               | 393               | 154   | 239              |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 47                | 313               | 164   | 149              |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 11                | 148               | 100   | 48               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 3                 | 84                | 69  | 15               |   |       |                   |                   |   |                  |
| Total.....  |        | 26,000            | 13,340            | 1,340   | 12,000           | Total .....   |       | 26,000            | 13,340            | 1,340   | 12,000           |
| Income not included in the classification by ranges ..... |        | ..                | 2,450             | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 2,450             | ..  | ..               |
| Total personal income ....                                |        | ..                | 15,790            | ..  | ..               | Total personal income                                     |       | ..                | 15,790            | ..  | ..               |

<sup>(1)</sup> The tax rates current in the fiscal years 1954-55 and 1955-56 applied to the income in the calendar years shown.



## Distribution of personal income before and after tax (continued)

TABLE 31 (continued)

| Range of income before tax                                |        | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax | Range of income after tax                                 |       | Number of incomes | Income before tax | Income tax and surtax at current rates <sup>(1)</sup> | Income after tax |
|---|--------|-------------------|-------------------|---|------------------|---|-------|-------------------|-------------------|---|------------------|
|   |        | Thousands         | £ million         | £ million   | £ million        |   |       | Thousands         | £ million         | £ million   | £ million        |
| <b>1956</b>   |        |                   |                   |   |                  | <b>1956</b>   |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | 6,600             | 1,260             | 3   | 1,257            | 50  | 250   | 6,740             | 1,295             | 4   | 1,291            |
| 250   | 300    | 1,550             | 425               | 7   | 418              | 250   | 500   | 8,170             | 3,215             | 158   | 3,057            |
| 300   | 400    | 2,840             | 995               | 36  | 959              | 500   | 750   | 7,090             | 4,715             | 305   | 4,410            |
| 400   | 500    | 2,970             | 1,340             | 66  | 1,274            | 750   | 1,000 | 2,750             | 2,530             | 216   | 2,314            |
| 500   | 600    | 2,980             | 1,640             | 91  | 1,549            | 1,000   | 2,000 | 1,025             | 1,655             | 324   | 1,331            |
| 600   | 700    | 2,670             | 1,730             | 102   | 1,628            | 2,000   | 4,000 | 160.7             | 742               | 327   | 415              |
| 700   | 800    | 2,270             | 1,700             | 111   | 1,589            | 4,000   | 6,000 | 13.4              | 199               | 138   | 61               |
| 800   | 1,000  | 2,290             | 2,030             | 169   | 1,861            | 6,000 and over  |       | 0.7               | 38.8              | 33.2  | 5.6              |
| 1,000   | 1,500  | 1,125             | 1,340             | 185   | 1,155            |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 295               | 503               | 111   | 392              |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 187               | 452               | 127   | 325              |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 109               | 412               | 159   | 253              |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 49                | 324               | 166   | 158              |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 12                | 154               | 102   | 52               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 3                 | 85                | 70  | 15               |   |       |                   |                   |   |                  |
| Total.....  |        | 25,950            | 14,390            | 1,505   | 12,885           | Total .....   |       | 25,950            | 14,390            | 1,505   | 12,885           |
| Income not included in the classification by ranges ..... |        | ..                | 2,613             | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 2,613             | ..  | ..               |
| Total personal income ....                                |        | ..                | 17,003            | ..  | ..               | Total personal income                                     |       | ..                | 17,003            | ..  | ..               |
| <b>1957</b>   |        |                   |                   |   |                  | <b>1957</b>   |       |                   |                   |   |                  |
| Not under   | Under  |                   |                   |   |                  | Not under   | Under |                   |                   |   |                  |
| £   | £      |                   |                   |   |                  | £   | £     |                   |                   |   |                  |
| 50  | 250    | 5,850             | 1,160             | 1   | 1,159            | 50  | 250   | 5,990             | 1,195             | 2   | 1,193            |
| 250   | 300    | 1,480             | 405               | 7   | 398              | 250   | 500   | 7,710             | 3,060             | 162   | 2,898            |
| 300   | 400    | 2,600             | 910               | 36  | 874              | 500   | 750   | 7,410             | 4,955             | 346   | 4,609            |
| 400   | 500    | 2,700             | 1,215             | 63  | 1,152            | 750   | 1,000 | 3,350             | 3,070             | 254   | 2,816            |
| 500   | 600    | 2,970             | 1,635             | 99  | 1,536            | 1,000   | 2,000 | 1,250             | 1,930             | 347   | 1,583            |
| 600   | 700    | 2,850             | 1,845             | 118   | 1,727            | 2,000   | 4,000 | 171.2             | 757               | 309   | 448              |
| 700   | 800    | 2,450             | 1,825             | 123   | 1,702            | 4,000   | 6,000 | 17.9              | 238               | 157   | 81               |
| 800   | 1,000  | 2,920             | 2,585             | 206   | 2,379            | 6,000 and over  |       | 0.9               | 45.3              | 38.4  | 6.9              |
| 1,000   | 1,500  | 1,375             | 1,620             | 217   | 1,403            |   |       |                   |                   |   |                  |
| 1,500   | 2,000  | 327               | 560               | 118   | 442              |   |       |                   |                   |   |                  |
| 2,000   | 3,000  | 198               | 478               | 132   | 346              |   |       |                   |                   |   |                  |
| 3,000   | 5,000  | 114               | 430               | 157   | 273              |   |       |                   |                   |   |                  |
| 5,000   | 10,000 | 51                | 337               | 165   | 172              |   |       |                   |                   |   |                  |
| 10,000  | 20,000 | 12                | 159               | 103   | 56               |   |       |                   |                   |   |                  |
| 20,000 and over   |        | 3                 | 86                | 70  | 16               |   |       |                   |                   |   |                  |
| Total.....  |        | 25,900            | 15,250            | 1,615   | 13,635           | Total .....   |       | 25,900            | 15,250            | 1,615   | 13,635           |
| Income not included in the classification by ranges ..... |        | ..                | 2,737             | ..  | ..               | Income not included in the classification by ranges ..... |       | ..                | 2,737             | ..  | ..               |
| Total personal income ....                                |        | ..                | 17,987            | ..  | ..               | Total personal income                                     |       | ..                | 17,987            | ..  | ..               |

<sup>(1)</sup> The tax rates current in the fiscal years 1956-57 and 1957-58 applied to the income in the calendar years shown.



## Categories of personal income

TABLE 32

£ million

|  | 1948         | 1949          | 1950          | 1951          | 1952          | 1953          | 1954          | 1955          | 1956          | 1957          |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Households and non-profit-making bodies</b>                                   |              |               |               |               |               |               |               |               |               |               |
| Direct income in cash from work and property:                                    |              |               |               |               |               |               |               |               |               |               |
| Wages and salaries .....   | 6,086        | 6,485         | 6,817         | 7,564         | 8,126         | 8,560         | 9,168         | 10,038        | 10,928        | 11,624        |
| Pay in cash of the Forces .....  | 194          | 191           | 205           | 259           | 288           | 292           | 308           | 305           | 348           | 354           |
| Income from self-employment <sup>(1)</sup> .....                                 | 1,320        | 1,389         | 1,403         | 1,450         | 1,505         | 1,557         | 1,588         | 1,674         | 1,717         | 1,787         |
| Rent, dividends and interest:  |              |               |               |               |               |               |               |               |               |               |
| Gross receipts .....   | 962          | 975           | 1,045         | 1,083         | 1,217         | 1,278         | 1,342         | 1,500         | 1,625         | 1,700         |
| less Interest paid .....   | -72          | -81           | -89           | -107          | -124          | -138          | -146          | -169          | -196          | -216          |
| Total .....  | 8,490        | 8,959         | 9,381         | 10,249        | 11,012        | 11,549        | 12,260        | 13,348        | 14,422        | 15,249        |
| Imputed income and income in kind:   |              |               |               |               |               |               |               |               |               |               |
| Employers' national insurance and health contributions .....                     | 157          | 197           | 199           | 205           | 218           | 244           | 247           | 279           | 304           | 308           |
| Income in kind .....   | 138          | 132           | 135           | 155           | 173           | 182           | 187           | 194           | 200           | 199           |
| Rent of owner-occupied dwellings .....   | 142          | 148           | 153           | 160           | 167           | 177           | 186           | 195           | 207           | 233           |
| Accrued interest on National Savings Certificates .....                          | 37           | 35            | 30            | 25            | 22            | 22            | 23            | 26            | -20           | -22           |
| Total .....  | 474          | 512           | 517           | 545           | 580           | 625           | 643           | 694           | 691           | 718           |
| Current grants from public authorities:  |              |               |               |               |               |               |               |               |               |               |
| Retirement pensions, widows' benefits, etc., and non-contributory pensions ..... | 291          | 299           | 302           | 318           | 363           | 395           | 403           | 471           | 506           | 526           |
| Other current grants .....   | 415          | 447           | 454           | 468           | 549           | 608           | 620           | 647           | 691           | 731           |
| Total .....  | 706          | 746           | 756           | 786           | 912           | 1,003         | 1,023         | 1,118         | 1,197         | 1,257         |
| Pensions and other benefits from life assurance, superannuation schemes, etc.:   |              |               |               |               |               |               |               |               |               |               |
| National government service .....  | 38           | 41            | 44            | 46            | 48            | 52            | 53            | 57            | 64            | 70            |
| Other public authority schemes .....   | 48           | 52            | 56            | 58            | 62            | 67            | 73            | 77            | 85            | 88            |
| Other superannuation schemes, life assurance, etc. ....                          | 228          | 248           | 267           | 285           | 302           | 318           | 330           | 369           | 411           | 449           |
| Total .....  | 314          | 341           | 367           | 389           | 412           | 437           | 456           | 503           | 560           | 607           |
| <b>Total income of households and non-profit-making bodies</b> .....             | <b>9,984</b> | <b>10,558</b> | <b>11,021</b> | <b>11,969</b> | <b>12,916</b> | <b>13,614</b> | <b>14,382</b> | <b>15,663</b> | <b>16,870</b> | <b>17,831</b> |
| Adjustment for life assurance and superannuation funds, etc.:                    |              |               |               |               |               |               |               |               |               |               |
| Receipts from employers' contributions .....                                     | 191          | 215           | 244           | 276           | 307           | 330           | 353           | 387           | 421           | 457           |
| Rent, dividends, interest .....  | 117          | 128           | 139           | 154           | 171           | 191           | 209           | 243           | 272           | 306           |
| less Pensions and other benefits paid .....                                      | -314         | -341          | -367          | -389          | -412          | -437          | -456          | -503          | -560          | -607          |
| <b>Total personal income (as defined in Table 2)</b> .....                       | <b>9,978</b> | <b>10,560</b> | <b>11,037</b> | <b>12,010</b> | <b>12,982</b> | <b>13,698</b> | <b>14,488</b> | <b>15,790</b> | <b>17,003</b> | <b>17,987</b> |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.



## Capital account of the personal sector

£ million

TABLE 33

|  | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956  | 1957  |
|--|------|------|------|------|------|------|------|------|-------|-------|
| <b>Net increase in assets</b>  |      |      |      |      |      |      |      |      |       |       |
| Saving before providing for depreciation and stock appreciation (from Table 2) ..... | 128  | 224  | 210  | 243  | 708  | 777  | 679  | 956  | 1,314 | 1,484 |
| plus Additions to tax reserves .....   | 25   | 25   | 5    | 40   | -14  | 9    | 33   | 35   | 25    | -5    |
| plus Capital transfer receipts .....   | 116  | 94   | 87   | 69   | 58   | 47   | 36   | 59   | 53    | 40    |
| less Capital transfer payments .....   | -215 | -254 | -190 | -194 | -159 | -165 | -183 | -184 | -166  | -176  |
| less Stock appreciation .....  | -59  | -39  | -63  | -112 | -10  | -7   | -20  | -40  | -28   | -18   |
| <b>Total net increase in assets</b> .....  | -5   | 50   | 49   | 46   | 583  | 661  | 545  | 826  | 1,198 | 1,325 |
| <i>of which:</i>   |      |      |      |      |      |      |      |      |       |       |
| Life assurance, superannuation schemes, etc. ....                                    | 221  | 244  | 276  | 318  | 355  | 393  | 438  | 479  | 508   | 557   |
| Households and non-profit-making bodies .....  | -226 | -194 | -227 | -272 | 228  | 268  | 107  | 347  | 690   | 768   |
| <b>Life assurance, superannuation schemes, etc.</b>                                  |      |      |      |      |      |      |      |      |       |       |
| Contributions of employers .....   | 191  | 215  | 244  | 276  | 307  | 330  | 353  | 387  | 421   | 457   |
| Contributions of employees, individual premiums, etc. ....                           | 305  | 325  | 347  | 372  | 392  | 417  | 445  | 479  | 514   | 551   |
| Rent, dividends and interest .....   | 117  | 128  | 139  | 154  | 171  | 191  | 209  | 243  | 272   | 306   |
| less Pensions and other benefits paid .....  | -314 | -341 | -367 | -389 | -412 | -437 | -456 | -503 | -560  | -607  |
| less Administrative costs, etc. <sup>(1)</sup> .....                                 | -78  | -83  | -87  | -95  | -103 | -108 | -113 | -127 | -139  | -150  |
| <b>Net increase in funds</b> .....   | 221  | 244  | 276  | 318  | 355  | 393  | 438  | 479  | 508   | 557   |
| <b>Households and non-profit-making bodies</b>                                       |      |      |      |      |      |      |      |      |       |       |
| <i>Increases in identified assets</i>  |      |      |      |      |      |      |      |      |       |       |
| Gross fixed capital formation at home <sup>(2)</sup> :                               |      |      |      |      |      |      |      |      |       |       |
| Unincorporated businesses <sup>(3)</sup> .....                                       | 187  | 196  | 209  | 222  | 219  | 217  | 262  | 313  | 313   | 343   |
| New dwellings .....  | 45   | 54   | 51   | 58   | 100  | 170  | 223  | 255  | 283   | 287   |
| Value of physical increase in stocks and work in progress .....                      | 35   | 30   | 41   | 70   | -15  | 33   | 44   | 42   | 33    | 52    |
| <b>Total</b> .....   | 267  | 280  | 301  | 350  | 304  | 420  | 529  | 610  | 629   | 682   |
| <b>Acquisition of financial assets:</b>  |      |      |      |      |      |      |      |      |       |       |
| National Savings:  |      |      |      |      |      |      |      |      |       |       |
| Net increase in principal invested .....   | -11  | 27   | -37  | -24  | -103 | -67  | 63   | 24   | 107   | 92    |
| Net increase in interest accrued on National Savings Certificates .....              | 37   | 35   | 30   | 25   | 22   | 22   | 23   | 16   | -20   | -22   |
| <b>Net increase in amount outstanding</b> .....                                      | 26   | 62   | -7   | 1    | -81  | -45  | 86   | 40   | 87    | 70    |
| Building societies:  |      |      |      |      |      |      |      |      |       |       |
| Net increase in shares and deposits .....  | 78   | 96   | 110  | 97   | 119  | 157  | 216  | 192  | 155   | 165   |
| <b>Increase in net personal bank deposits</b> .....                                  | 62   | -26  | -14  | -26  | 60   | 82   | 78   | 74   | 87    | 153   |
| Liquidation of debt to building societies:   |      |      |      |      |      |      |      |      |       |       |
| Repayments .....   | 161  | 161  | 164  | 169  | 160  | 167  | 195  | 216  | 208   | 219   |
| less Advances .....  | -264 | -276 | -270 | -268 | -266 | -300 | -373 | -394 | -335  | -371  |
| <b>Net liquidation of debt</b> .....   | -103 | -115 | -106 | -99  | -106 | -133 | -178 | -178 | -127  | -152  |
| <b>Decrease in hire purchase debt outstanding <sup>(4)</sup></b> ..                  | ..   | ..   | ..   | ..   | ..   | ..   | ..   | -25  | 80    | -65   |
| <b>Total increase in identified assets</b> .....                                     | 330  | 297  | 284  | 323  | 296  | 481  | 731  | 713  | 911   | 853   |

<sup>(1)</sup> Includes tax on the investment income of life funds.<sup>(2)</sup> Includes a small amount of capital formation by life assurance, superannuation schemes, etc.<sup>(3)</sup> Includes legal fees and stamp duties on the transfer of existing dwellings and expenditure on land.<sup>(4)</sup> Comprises hire purchase and other instalment credit for durable goods.



## Appropriation account

TABLE 34

£ million

|   | 1938         | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Income</b>   |              |              |              |              |              |              |              |              |              |              |              |
| Gross trading profits of companies operating in the United Kingdom <sup>(1)</sup> | 690          | 1,798        | 1,848        | 2,131        | 2,489        | 2,195        | 2,323        | 2,603        | 2,922        | 3,039        | 3,265        |
| Trading profits earned abroad:  |              |              |              |              |              |              |              |              |              |              |              |
| Trading profits of British companies operating abroad <sup>(2)</sup>              | 97           | 219          | 192          | 309          | 314          | 208          | 227          | 285          | 285          | 334          | 317          |
| Balance of payments adjustment  | 9            | 21           | -7           | 55           | -16          | -89          | -30          | 14           | -14          | -43          | -18          |
| Non-trading income  | 239          | 334          | 338          | 363          | 391          | 444          | 481          | 512          | 562          | 620          | 651          |
| <b>Total</b>  | <b>1,035</b> | <b>2,372</b> | <b>2,371</b> | <b>2,858</b> | <b>3,178</b> | <b>2,758</b> | <b>3,001</b> | <b>3,414</b> | <b>3,755</b> | <b>3,950</b> | <b>4,215</b> |
| <b>Allocation of income</b>   |              |              |              |              |              |              |              |              |              |              |              |
| Dividends and interest:   |              |              |              |              |              |              |              |              |              |              |              |
| Payments:   |              |              |              |              |              |              |              |              |              |              |              |
| Debenture interest  | 61           | 35           | 28           | 31           | 36           | 41           | 46           | 51           | 55           | 62           | 71           |
| Dividends on preference shares  | 121          | 117          | 103          | 104          | 104          | 102          | 102          | 106          | 111          | 110          | 109          |
| Dividends on ordinary shares  | 360          | 395          | 391          | 403          | 443          | 431          | 474          | 551          | 634          | 678          | 715          |
| Co-operative society dividends and interest                                       | 29           | 43           | 44           | 46           | 45           | 44           | 45           | 48           | 52           | 56           | 58           |
| Interest on building society shares and deposits                                  | 24           | 25           | 29           | 32           | 35           | 41           | 48           | 54           | 63           | 84           | 103          |
| Other interest paid by banks, etc.  | 13           | 11           | 12           | 12           | 14           | 43           | 51           | 38           | 63           | 87           | 81           |
| Total payments of dividends and interest  | 608          | 626          | 607          | 628          | 677          | 702          | 766          | 848          | 978          | 1,077        | 1,137        |
| Additions to dividend reserves  | 7            | -21          | -5           | 29           | -9           | 33           | 32           | 57           | 27           | 26           | 5            |
| Taxes and remittances paid abroad   | 33           | 95           | 99           | 106          | 146          | 173          | 142          | 149          | 216          | 221          | 231          |
| United Kingdom taxes on income <sup>(3)</sup> :                                   |              |              |              |              |              |              |              |              |              |              |              |
| Payments  | 92           | 626          | 786          | 779          | 746          | 982          | 944          | 856          | 923          | 835          | 925          |
| Additions to reserves   | 3            | 118          | -43          | 70           | 396          | -41          | 19           | 145          | 20           | 230          | 197          |
| Saving before providing for depreciation and stock appreciation:                  |              |              |              |              |              |              |              |              |              |              |              |
| Undistributed income after taxation   | 283          | 907          | 934          | 1,191        | 1,238        | 998          | 1,128        | 1,345        | 1,605        | 1,604        | 1,738        |
| Balance of payments adjustment  | 9            | 21           | -7           | 55           | -16          | -89          | -30          | 14           | -14          | -43          | -18          |
| <b>Total</b>  | <b>1,035</b> | <b>2,372</b> | <b>2,371</b> | <b>2,858</b> | <b>3,178</b> | <b>2,758</b> | <b>3,001</b> | <b>3,414</b> | <b>3,755</b> | <b>3,950</b> | <b>4,215</b> |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.<sup>(2)</sup> After deducting depreciation allowances but before providing for stock appreciation.<sup>(3)</sup> Total United Kingdom tax accruing on the total income of companies, including tax accruing on distributions made by companies, is as follows (£ million):

| 1938 | 1948 | 1949 | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| 256  | 987  | 981  | 1,113 | 1,442 | 1,245 | 1,251 | 1,361 | 1,296 | 1,460 | 1,533 |



Appropriation account of non-nationalised companies<sup>(1)</sup>

£ million

TABLE 35

|  | 1938       | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|--|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Income</b>  |            |              |              |              |              |              |              |              |              |              |              |
| Gross trading profits of companies operating in the United Kingdom <sup>(2)</sup> .. | 570        | 1,742        | 1,799        | 2,082        | 2,482        | 2,195        | 2,321        | 2,572        | 2,839        | 2,934        | 3,131        |
| Trading profits earned abroad :  |            |              |              |              |              |              |              |              |              |              |              |
| Trading profits of British companies operating abroad <sup>(3)</sup> .....           | 97         | 219          | 192          | 309          | 314          | 208          | 227          | 285          | 285          | 334          | 317          |
| Balance of payments adjustment .....   | 9          | 21           | -7           | 55           | -16          | -89          | -30          | 14           | -14          | -43          | -18          |
| Non-trading income .....   | 227        | 330          | 336          | 362          | 391          | 444          | 481          | 511          | 560          | 617          | 647          |
| <b>Total</b> .....   | <b>903</b> | <b>2,312</b> | <b>2,320</b> | <b>2,808</b> | <b>3,171</b> | <b>2,758</b> | <b>2,999</b> | <b>3,382</b> | <b>3,670</b> | <b>3,842</b> | <b>4,077</b> |
| <b>Allocation of income</b>  |            |              |              |              |              |              |              |              |              |              |              |
| Dividends and interest :   |            |              |              |              |              |              |              |              |              |              |              |
| Payments :   |            |              |              |              |              |              |              |              |              |              |              |
| Debenture interest .....   | 39         | 25           | 27           | 31           | 36           | 41           | 46           | 51           | 54           | 60           | 62           |
| Dividends on preference shares .....   | 95         | 101          | 100          | 102          | 103          | 102          | 102          | 105          | 109          | 108          | 107          |
| Dividends on ordinary shares .....   | 331        | 369          | 380          | 394          | 437          | 431          | 474          | 549          | 627          | 668          | 702          |
| Co-operative society dividends and interest .....                                    | 29         | 43           | 44           | 46           | 45           | 44           | 45           | 48           | 52           | 56           | 58           |
| Interest on building society shares and deposits.....                                | 24         | 25           | 29           | 32           | 35           | 41           | 48           | 54           | 63           | 84           | 103          |
| Other interest paid by banks, etc.....   | 13         | 11           | 12           | 12           | 14           | 43           | 51           | 38           | 63           | 87           | 81           |
| Total payments of dividends and interest .....                                       | 531        | 574          | 592          | 617          | 670          | 702          | 766          | 845          | 968          | 1,063        | 1,113        |
| Additions to dividend reserves .....   | 6          | -9           | -2           | 29           | -3           | 33           | 31           | 54           | 26           | 21           | 2            |
| Taxes and remittances paid abroad .....  | 33         | 95           | 99           | 106          | 146          | 173          | 142          | 149          | 216          | 221          | 231          |
| United Kingdom taxes on income :   |            |              |              |              |              |              |              |              |              |              |              |
| Payments .....   | 90         | 604          | 762          | 762          | 726          | 962          | 943          | 857          | 925          | 828          | 903          |
| Additions to reserves .....  | -1         | 128          | -36          | 69           | 413          | -21          | 20           | 134          | -9           | 204          | 178          |
| Saving before providing for depreciation and stock appreciation :                    |            |              |              |              |              |              |              |              |              |              |              |
| Undistributed income after taxation .....  | 235        | 899          | 912          | 1,170        | 1,235        | 998          | 1,127        | 1,329        | 1,558        | 1,548        | 1,668        |
| Balance of payments adjustment .....   | 9          | 21           | -7           | 55           | -16          | -89          | -30          | 14           | -14          | -43          | -18          |
| <b>Total</b> .....   | <b>903</b> | <b>2,312</b> | <b>2,320</b> | <b>2,808</b> | <b>3,171</b> | <b>2,758</b> | <b>2,999</b> | <b>3,382</b> | <b>3,670</b> | <b>3,842</b> | <b>4,077</b> |

<sup>(1)</sup> All companies except those nationalised during some part of the period 1938 to 1957.<sup>(2)</sup> Before providing for depreciation and stock appreciation.<sup>(3)</sup> After deducting depreciation allowances but before providing for stock appreciation.



# Combined appropriation and capital account of companies excluding insurance, banking and finance

TABLE 36

£ million

|  | 1938 | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Appropriation account</b>   |      |       |       |       |       |       |       |       |       |       |       |
| <i>Income</i>  |      |       |       |       |       |       |       |       |       |       |       |
| Gross trading profits of companies operating in the United Kingdom <sup>(1)</sup> .....                          | 734  | 1,847 | 1,904 | 2,183 | 2,550 | 2,254 | 2,400 | 2,686 | 3,008 | 3,134 | 3,368 |
| Non-trading income <i>plus</i> trading profits earned abroad .....   | 180  | 325   | 263   | 453   | 382   | 221   | 296   | 411   | 391   | 418   | 442   |
| <b>Total</b> .....   | 914  | 2,172 | 2,167 | 2,636 | 2,932 | 2,475 | 2,696 | 3,097 | 3,399 | 3,552 | 3,810 |
| <i>Allocation of income</i>  |      |       |       |       |       |       |       |       |       |       |       |
| Dividend and interest payments:  |      |       |       |       |       |       |       |       |       |       |       |
| Dividends on ordinary and preference shares ....   | 437  | 457   | 439   | 451   | 494   | 476   | 517   | 599   | 691   | 735   | 765   |
| Other dividends and interest .....   | 119  | 104   | 101   | 107   | 118   | 142   | 147   | 154   | 183   | 206   | 223   |
| <b>Total payments of dividends and interest</b> .....  | 556  | 561   | 540   | 558   | 612   | 618   | 664   | 753   | 874   | 941   | 988   |
| United Kingdom taxes on income <i>plus</i> taxes and remittances paid abroad .....                               | 105  | 758   | 764   | 866   | 1,183 | 1,024 | 997   | 1,033 | 1,048 | 1,162 | 1,229 |
| Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves ..... | 253  | 853   | 863   | 1,212 | 1,137 | 833   | 1,035 | 1,311 | 1,477 | 1,449 | 1,593 |
| <b>Total</b> .....   | 914  | 2,172 | 2,167 | 2,636 | 2,932 | 2,475 | 2,696 | 3,097 | 3,399 | 3,552 | 3,810 |
| <b>Capital account</b>   |      |       |       |       |       |       |       |       |       |       |       |
| <i>Receipts</i>  |      |       |       |       |       |       |       |       |       |       |       |
| Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves ..... | 253  | 853   | 863   | 1,212 | 1,137 | 833   | 1,035 | 1,311 | 1,477 | 1,449 | 1,593 |
| Net capital transfers <sup>(2)</sup> .....   | ..   | 64    | 55    | 54    | 32    | 32    | 42    | 25    | 27    | 21    | 10    |
| <b>Total</b> .....   | ..   | 917   | 918   | 1,266 | 1,169 | 865   | 1,077 | 1,336 | 1,504 | 1,470 | 1,603 |
| <i>Payments</i>  |      |       |       |       |       |       |       |       |       |       |       |
| Gross fixed capital formation at home <sup>(2)</sup> .....   | 264  | 557   | 593   | 647   | 648   | 655   | 697   | 810   | 986   | 1,165 | 1,270 |
| Increase in value of stocks and work in progress <sup>(2)</sup> ..   | ..   | 412   | 219   | 416   | 891   | -84   | 22    | 248   | 480   | 363   | 442   |
| <i>less</i> Net borrowing from taxation reserves <sup>(2)</sup> ....   | -3   | -118  | 43    | -70   | -396  | 41    | -19   | -145  | -20   | -230  | -197  |
| Net acquisition of financial assets <i>plus</i> net overseas investment .....                                    | ..   | 66    | 63    | 273   | 26    | 253   | 377   | 423   | 58    | 172   | 88    |
| <b>Total</b> .....   | ..   | 917   | 918   | 1,266 | 1,169 | 865   | 1,077 | 1,336 | 1,504 | 1,470 | 1,603 |

(1) Before providing for depreciation and stock appreciation.

(2) These figures relate to all companies since separate estimates for insurance, banking and finance companies are not available.

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

TABLE 37

£ million

|  | 1938 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| <b>Income</b>  |      |      |      |      |      |      |      |      |      |      |      |
| Gross trading profits <sup>(1)</sup> .....   | -35  | -31  | -35  | -30  | -30  | -30  | -45  | -52  | -51  | -60  | -74  |
| Rent ( <i>less</i> repairs) of property let .....  | 37   | 40   | 40   | 40   | 40   | 40   | 44   | 45   | 46   | 47   | 50   |
| Dividends and interest from other companies .....  | 59   | 69   | 73   | 75   | 91   | 114  | 118  | 123  | 160  | 174  | 180  |
| Other interest .....   | 124  | 196  | 204  | 218  | 242  | 283  | 317  | 335  | 374  | 427  | 447  |
| <b>Total</b> .....   | 185  | 274  | 282  | 303  | 343  | 407  | 434  | 451  | 529  | 588  | 603  |
| <b>Allocation of income</b>  |      |      |      |      |      |      |      |      |      |      |      |
| Debenture interest and dividend payments .....   | 106  | 123  | 128  | 133  | 141  | 153  | 165  | 175  | 194  | 217  | 244  |
| Other interest payments .....  | 10   | 16   | 17   | 18   | 21   | 55   | 66   | 54   | 83   | 109  | 103  |
| United Kingdom taxes on income <i>plus</i> taxes and remittances paid abroad .....                               | 23   | 81   | 78   | 89   | 105  | 90   | 108  | 117  | 111  | 124  | 124  |
| Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves ..... | 46   | 54   | 59   | 63   | 76   | 109  | 95   | 105  | 141  | 138  | 132  |
| <b>Total</b> .....   | 185  | 274  | 282  | 303  | 343  | 407  | 434  | 451  | 529  | 588  | 603  |

(1) This represents the contribution of companies in this industry to the gross national product. It is the difference between bank charges, commissions, etc. on the one hand and management expenses on the other. The item relates to all British companies including those operating abroad.



TABLE 38

|  | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Gross profits of companies operating in the United Kingdom <sup>(1)</sup></b> |              |              |              |              |              |              |              |              |              |
| Forestry and fishing.....  | 11           | 7            | 6            | 9            | 5            | 4            | 4            | 5            | 10           |
| Mining and quarrying.....  | 7            | 7            | 9            | 12           | 12           | 14           | 15           | 18           | 21           |
| Manufacturing:   |              |              |              |              |              |              |              |              |              |
| Bricks, pottery, glass, etc. ....  | 42           | 43           | 46           | 65           | 59           | 65           | 76           | 84           | 78           |
| Chemicals and allied trades .....  | 94           | 98           | 128          | 160          | 128          | 171          | 219          | 237          | 243          |
| Metal manufacture .....  | 104          | 110          | 129          | 102          | 81           | 69           | 94           | 179          | 179          |
| Engineering, shipbuilding and electrical goods .....                             | 196          | 230          | 265          | 325          | 329          | 345          | 394          | 408          | 412          |
| Vehicles .....   | 80           | 79           | 112          | 125          | 123          | 138          | 164          | 176          | 145          |
| Metal goods not elsewhere specified  | 59           | 58           | 66           | 92           | 87           | 75           | 86           | 91           | 115          |
| Precision instruments, jewellery, etc.   | 13           | 17           | 19           | 20           | 17           | 18           | 23           | 25           | 27           |
| Textiles .....   | 169          | 188          | 260          | 256          | 149          | 187          | 190          | 171          | 164          |
| Leather, leather goods and fur .....   | 18           | 14           | 17           | 13           | 8            | 11           | 9            | 11           | 9            |
| Clothing.....  | 45           | 47           | 50           | 44           | 30           | 41           | 45           | 47           | 52           |
| Food, drink and tobacco .....  | 191          | 185          | 195          | 222          | 229          | 247          | 280          | 294          | 318          |
| Manufactures of wood and cork ....   | 22           | 20           | 22           | 25           | 20           | 21           | 23           | 24           | 23           |
| Paper and printing .....   | 84           | 79           | 101          | 151          | 88           | 105          | 137          | 147          | 138          |
| Other manufacturing .....  | 36           | 31           | 41           | 53           | 32           | 38           | 47           | 49           | 44           |
| <b>Total manufacturing .....</b>   | <b>1,153</b> | <b>1,199</b> | <b>1,451</b> | <b>1,653</b> | <b>1,380</b> | <b>1,531</b> | <b>1,787</b> | <b>1,943</b> | <b>1,947</b> |
| Building and contracting.....  | 35           | 42           | 40           | 45           | 46           | 60           | 67           | 74           | 88           |
| Gas, electricity and water .....   | 23           | 8            | 7            | 5            | 7            | 7            | 8            | 9            | 8            |
| Transport and communication .....  | 142          | 148          | 151          | 211          | 219          | 163          | 153          | 192          | 280          |
| Distributive trades .....  | 336          | 354          | 391          | 470          | 421          | 422          | 464          | 527          | 543          |
| Insurance, banking and finance .....   | 197          | 201          | 219          | 247          | 277          | 287          | 316          | 359          | 391          |
| Other services .....   | 88           | 81           | 71           | 74           | 71           | 101          | 93           | 116          | 94           |
| Adjustments .....  | -194         | -199         | -214         | -237         | -243         | -266         | -304         | -321         | -343         |
| <b>Total .....</b>   | <b>1,798</b> | <b>1,848</b> | <b>2,131</b> | <b>2,489</b> | <b>2,195</b> | <b>2,323</b> | <b>2,603</b> | <b>2,922</b> | <b>3,039</b> |
| <b>Net profits of companies operating in the United Kingdom <sup>(2)</sup></b>   |              |              |              |              |              |              |              |              |              |
| Forestry and fishing.....  | 7            | 1            | -2           | 3            | 1            | 1            | 1            | 2            | 5            |
| Mining and quarrying.....  | 5            | 3            | 5            | 8            | 9            | 10           | 10           | 13           | 14           |
| Manufacturing:   |              |              |              |              |              |              |              |              |              |
| Bricks, pottery, glass, etc. ....  | 34           | 33           | 34           | 50           | 49           | 53           | 61           | 68           | 58           |
| Chemicals and allied trades .....  | 76           | 68           | 85           | 112          | 94           | 132          | 161          | 179          | 172          |
| Metal manufacture .....  | 82           | 85           | 98           | 86           | 70           | 54           | 68           | 135          | 135          |
| Engineering, shipbuilding and electrical goods .....                             | 168          | 194          | 221          | 276          | 287          | 299          | 334          | 339          | 329          |
| Vehicles .....   | 66           | 63           | 90           | 99           | 103          | 119          | 138          | 142          | 107          |
| Metal goods not elsewhere specified  | 51           | 47           | 54           | 78           | 76           | 64           | 71           | 74           | 91           |
| Precision instruments, jewellery, etc.   | 12           | 15           | 16           | 17           | 15           | 16           | 19           | 22           | 22           |
| Textiles .....   | 150          | 160          | 219          | 213          | 124          | 159          | 156          | 132          | 127          |
| Leather, leather goods and fur .....   | 16           | 12           | 15           | 11           | 7            | 10           | 7            | 9            | 7            |
| Clothing.....  | 41           | 41           | 44           | 37           | 26           | 36           | 39           | 41           | 45           |
| Food, drink and tobacco .....  | 169          | 156          | 161          | 183          | 198          | 216          | 240          | 249          | 266          |
| Manufactures of wood and cork ....   | 19           | 16           | 17           | 20           | 16           | 17           | 18           | 19           | 18           |
| Paper and printing .....   | 73           | 65           | 83           | 129          | 73           | 89           | 116          | 122          | 110          |
| Other manufacturing .....  | 30           | 23           | 33           | 44           | 25           | 31           | 38           | 38           | 31           |
| <b>Total manufacturing .....</b>   | <b>987</b>   | <b>978</b>   | <b>1,170</b> | <b>1,355</b> | <b>1,163</b> | <b>1,295</b> | <b>1,466</b> | <b>1,569</b> | <b>1,518</b> |
| Building and contracting.....  | 26           | 31           | 28           | 31           | 33           | 47           | 49           | 52           | 64           |
| Gas, electricity and water .....   | 8            | 4            | 3            | 2            | 3            | 3            | 3            | 4            | 2            |
| Transport and communication .....  | 81           | 43           | 53           | 122          | 121          | 75           | 60           | 85           | 166          |
| Distributive trades .....  | 301          | 313          | 341          | 411          | 377          | 378          | 407          | 464          | 468          |
| Insurance, banking and finance .....   | 196          | 199          | 217          | 245          | 275          | 285          | 314          | 356          | 388          |
| Other services .....   | 78           | 70           | 56           | 57           | 58           | 88           | 77           | 96           | 71           |
| Adjustments .....  | -194         | -199         | -214         | -237         | -243         | -266         | -304         | -321         | -343         |
| <b>Total .....</b>   | <b>1,495</b> | <b>1,443</b> | <b>1,657</b> | <b>1,997</b> | <b>1,797</b> | <b>1,916</b> | <b>2,083</b> | <b>2,320</b> | <b>2,353</b> |

<sup>(1)</sup> Before providing for depreciation and stock appreciation.<sup>(2)</sup> Net profits are equal to gross profits less the statutory depreciation allowances granted for purposes of income tax assessment.



# VI. PUBLIC CORPORATIONS

## Combined operating account

TABLE 39

£ million

|  | 1938 | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956    | 1957  |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------|
| <b>Receipts</b>  |      |       |       |       |       |       |       |       |       |         |       |
| Sales:   |      |       |       |       |       |       |       |       |       |         |       |
| Revenue sales outside sector .....   | 69   | 1,199 | 1,350 | 1,499 | 2,089 | 2,359 | 2,468 | 2,435 | 2,357 | } 2,834 | 2,998 |
| Revenue sales inside sector .....  | —    | 100   | 180   | 215   | 300   | 345   | 375   | 380   | 387   |         |       |
| Sales to own capital account .....   | —    | 50    | 67    | 75    | 79    | 87    | 110   | 111   | 124   |         | 136   |
| Subsidies .....  | —    | 11    | 10    | 9     | 6     | 4     | 4     | 4     | 4     | 4       | 4     |
| <b>Total</b> .....   | 69   | 1,360 | 1,607 | 1,798 | 2,474 | 2,795 | 2,957 | 2,930 | 2,872 | 2,961   | 3,138 |
| <b>Payments</b>  |      |       |       |       |       |       |       |       |       |         |       |
| Wages, salaries, etc. ....   | 17   | 673   | 764   | 804   | 1,019 | 1,138 | 1,190 | 1,207 | 1,225 | 1,305   | 1,380 |
| Purchases of goods and services .....  | 41   | 577   | 690   | 781   | 1,247 | 1,389 | 1,381 | 1,273 | 1,336 | 1,303   | 1,451 |
| less Increase in value of stocks and work in progress .....                    | —    | -32   | -33   | -14   | -84   | -45   | 31    | 62    | -39   | -25     | -69   |
| Rent .....   | —    | 6     | 6     | 6     | 6     | 6     | 6     | 5     | 5     | 5       | 4     |
| Taxes on expenditure:  |      |       |       |       |       |       |       |       |       |         |       |
| Rates .....  | 1    | 16    | 21    | 22    | 24    | 26    | 28    | 30    | 31    | 32      | 35    |
| Motor vehicle and catering licences .....                                      | —    | 2     | 3     | 4     | 4     | 5     | 4     | 5     | 4     | 4       | 4     |
| Trading surplus before providing for depreciation and stock appreciation ..... | 10   | 118   | 156   | 195   | 258   | 276   | 317   | 348   | 310   | 337     | 333   |
| <b>Total</b> .....   | 69   | 1,360 | 1,607 | 1,798 | 2,474 | 2,795 | 2,957 | 2,930 | 2,872 | 2,961   | 3,138 |

## Combined appropriation account

TABLE 40

£ million

|   | 1938 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|------|------|------|------|------|------|------|------|------|------|------|
| <b>Income</b>   |      |      |      |      |      |      |      |      |      |      |      |
| Trading surplus before providing for depreciation and stock appreciation .....      | 10   | 118  | 156  | 195  | 258  | 276  | 317  | 348  | 310  | 337  | 333  |
| Non-trading income .....  | 3    | 22   | 22   | 25   | 23   | 28   | 32   | 36   | 45   | 48   | 51   |
| Income earned abroad .....  | —    | —    | -1   | 1    | —    | 1    | 2    | 2    | 4    | 5    | 5    |
| <b>Total</b> .....  | 13   | 140  | 177  | 221  | 281  | 305  | 351  | 386  | 359  | 390  | 389  |
| <b>Allocation of income</b>   |      |      |      |      |      |      |      |      |      |      |      |
| Interest:   |      |      |      |      |      |      |      |      |      |      |      |
| Payments .....  | 9    | 57   | 86   | 91   | 106  | 118  | 134  | 148  | 162  | 156  | 190  |
| Additions to interest reserves .....  | —    | 20   | 2    | 6    | 6    | 5    | 4    | -2   | -5   | 16   | 5    |
| United Kingdom taxes on income:   |      |      |      |      |      |      |      |      |      |      |      |
| Payments .....  | —    | 3    | 2    | 3    | 4    | 3    | 24   | 37   | 34   | 30   | 22   |
| Additions to tax reserves .....   | —    | -1   | 3    | 3    | 23   | 33   | 13   | -6   | -12  | -8   | -6   |
| Undistributed income before providing for depreciation and stock appreciation ..... | 4    | 61   | 84   | 118  | 142  | 146  | 176  | 209  | 180  | 196  | 178  |
| <b>Total</b> .....  | 13   | 140  | 177  | 221  | 281  | 305  | 351  | 386  | 359  | 390  | 389  |

## Combined capital account

TABLE 41

£ million

|   | 1938 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|------|------|------|------|------|------|------|------|------|------|------|
| <b>Receipts</b>   |      |      |      |      |      |      |      |      |      |      |      |
| Undistributed income before providing for depreciation and stock appreciation ..... | 4    | 61   | 84   | 118  | 142  | 146  | 176  | 209  | 180  | 196  | 178  |
| Capital transfers (net receipts) .....  | —    | 3    | 42   | 3    | 5    | 5    | 7    | 7    | 12   | 16   | 9    |
| <b>Total funds available for investment</b> .....                                   | 4    | 64   | 126  | 121  | 147  | 151  | 183  | 216  | 192  | 212  | 187  |
| Loans from Central Government (net) .....   | —    | 63   | 16   | 29   | 61   | 73   | 38   | 100  | 142  | 267  | 604  |
| Stock issued less stock redeemed .....  | —    | 109  | 73   | 163  | 135  | 228  | 219  | 205  | 367  | 21   | -2   |
| Additions to tax and interest reserves .....  | —    | 19   | 5    | 9    | 29   | 38   | 17   | -8   | -17  | 8    | -1   |
| <b>Total</b> .....  | 4    | 255  | 220  | 322  | 372  | 490  | 457  | 513  | 684  | 508  | 788  |
| <b>Payments</b>   |      |      |      |      |      |      |      |      |      |      |      |
| Gross fixed capital formation at home .....   | 10   | 180  | 264  | 288  | 360  | 409  | 481  | 522  | 564  | 588  | 671  |
| Increase in value of stocks and work in progress .....                              | —    | 32   | 33   | 14   | 84   | 45   | -31  | -62  | 39   | 25   | 69   |
| Net acquisition of other financial assets and net investment abroad .....           | -6   | 43   | -77  | 20   | -72  | 36   | 7    | 53   | 81   | -105 | 48   |
| <b>Total</b> .....  | 4    | 255  | 220  | 322  | 372  | 490  | 457  | 513  | 684  | 508  | 788  |



## Analysis of appropriation accounts

£ million

TABLE 42

|   |      | Fuel and<br>power<br>industries | Iron and<br>steel | Transport<br>and<br>communica-<br>tion | Housing<br>and<br>new town<br>corporations | Raw<br>Cotton<br>Commission | Other<br>corporations | Total |
|---|------|---------------------------------|-------------------|--|--|-----------------------------|-----------------------|-------|
| <b>Receipts</b>   |      |                                 |                   |  |  |                             |                       |       |
| Trading surplus before<br>providing for depreciation<br>and stock appreciation      | 1950 | 128                             | —                 | 54                                     | —  | 15                          | -2                    | 195   |
|   | 1951 | 127                             | 65                | 69                                     | 1  | -2                          | -2                    | 258   |
|   | 1952 | 141                             | 92                | 62                                     | —  | -23                         | 4                     | 276   |
|   | 1953 | 177                             | 85                | 69                                     | —  | -9                          | -5                    | 317   |
|   | 1954 | 192                             | 72                | 80                                     | 2  | 3                           | -1                    | 348   |
|   | 1955 | 193                             | 48                | 68                                     | 2  | -1                          | —                     | 310   |
|   | 1956 | 257                             | 32                | 45                                     | 1  | —                           | 2                     | 337   |
| Non-trading income .....  | 1950 | 6                               | —                 | 8                                      | 1  | 1                           | 9                     | 25    |
|   | 1951 | 7                               | 1                 | 7                                      | 1  | 1                           | 6                     | 23    |
|   | 1952 | 7                               | 1                 | 7                                      | 2  | 1                           | 10                    | 28    |
|   | 1953 | 9                               | 1                 | 8                                      | 3  | —                           | 11                    | 32    |
|   | 1954 | 11                              | 2                 | 10                                     | 4  | —                           | 9                     | 36    |
|   | 1955 | 14                              | 4                 | 11                                     | 5  | —                           | 11                    | 45    |
|   | 1956 | 14                              | 4                 | 11                                     | 7  | —                           | 12                    | 48    |
| Income earned abroad .....  | 1950 | —                               | —                 | 2                                      | —  | —                           | -1                    | 1     |
|   | 1951 | —                               | —                 | 2                                      | —  | —                           | -2                    | —     |
|   | 1952 | —                               | —                 | 3                                      | —  | —                           | -2                    | 1     |
|   | 1953 | —                               | —                 | 3                                      | —  | —                           | -1                    | 2     |
|   | 1954 | —                               | —                 | 3                                      | —  | —                           | -1                    | 2     |
|   | 1955 | —                               | —                 | 3                                      | —  | —                           | 1                     | 4     |
|   | 1956 | —                               | —                 | 4                                      | —  | —                           | 1                     | 5     |
| Total .....   | 1950 | 134                             | —                 | 64                                     | 1  | 16                          | 6                     | 221   |
|   | 1951 | 134                             | 66                | 78                                     | 2  | -1                          | 2                     | 281   |
|   | 1952 | 148                             | 93                | 72                                     | 2  | -22                         | 12                    | 305   |
|   | 1953 | 186                             | 86                | 80                                     | 3  | -9                          | 5                     | 351   |
|   | 1954 | 203                             | 74                | 93                                     | 6  | 3                           | 7                     | 386   |
|   | 1955 | 207                             | 52                | 82                                     | 7  | -1                          | 12                    | 359   |
|   | 1956 | 271                             | 36                | 60                                     | 8  | —                           | 15                    | 390   |
| <b>Payments</b>   |      |                                 |                   |  |  |                             |                       |       |
| Provision for interest.....   | 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 | 74                              | 9                 | 55                                     | 5  | 1                           | 2                     | 146   |
|   | 1955 | 88                              | 3                 | 57                                     | 7  | —                           | 2                     | 157   |
|   | 1956 | 99                              | 4                 | 59                                     | 8  | —                           | 2                     | 172   |
| United Kingdom taxes on income  | 1950 | 3                               | —                 | —                                      | —  | 1                           | 2                     | 6     |
|   | 1951 | 2                               | 22                | 1                                      | —  | 1                           | 1                     | 27    |
|   | 1952 | —                               | 34                | 1                                      | —  | —                           | 1                     | 36    |
|   | 1953 | 5                               | 30                | 1                                      | —  | —                           | 1                     | 37    |
|   | 1954 | 1                               | 26                | 1                                      | —  | —                           | 3                     | 31    |
|   | 1955 | —                               | 18                | 1                                      | —  | —                           | 3                     | 22    |
|   | 1956 | 5                               | 13                | 1                                      | —  | —                           | 3                     | 22    |
| Undistributed income before<br>providing for depreciation<br>and stock appreciation | 1950 | 85                              | —                 | 17                                     | —  | 14                          | 2                     | 118   |
|   | 1951 | 82                              | 34                | 30                                     | 1  | -4                          | -1                    | 142   |
|   | 1952 | 90                              | 48                | 23                                     | —  | -24                         | 9                     | 146   |
|   | 1953 | 114                             | 45                | 26                                     | —  | -11                         | 2                     | 176   |
|   | 1954 | 128                             | 39                | 37                                     | 1  | 2                           | 2                     | 209   |
|   | 1955 | 119                             | 31                | 24                                     | —  | -1                          | 7                     | 180   |
|   | 1956 | 167                             | 19                | —                                      | —  | —                           | 10                    | 196   |
| Total .....   | 1950 | 134                             | —                 | 64                                     | 1  | 16                          | 6                     | 221   |
|   | 1951 | 134                             | 66                | 78                                     | 2  | -1                          | 2                     | 281   |
|   | 1952 | 148                             | 93                | 72                                     | 2  | -22                         | 12                    | 305   |
|   | 1953 | 186                             | 86                | 80                                     | 3  | -9                          | 5                     | 351   |
|   | 1954 | 203                             | 74                | 93                                     | 6  | 3                           | 7                     | 386   |
|   | 1955 | 207                             | 52                | 82                                     | 7  | -1                          | 12                    | 359   |
|   | 1956 | 271                             | 36                | 60                                     | 8  | —                           | 15                    | 390   |



## Analysis of capital accounts

TABLE 43

£ million

|  |      | Fuel and<br>power<br>industries | Iron and<br>steel | Transport<br>and<br>communica-<br>tion | Housing<br>and<br>new town<br>corporations | Raw<br>Cotton<br>Commission | Other<br>corporations | Total |
|--|------|---------------------------------|-------------------|--|--|-----------------------------|-----------------------|-------|
| <b>Receipts</b>  |      |                                 |                   |  |  |                             |                       |       |
| Undistributed income before<br>providing for depreciation<br>and stock appreciation  | 1950 | 85                              | —                 | 17                                     | —  | 14                          | 2                     | 118   |
|  | 1951 | 82                              | 34                | 30                                     | 1  | — 4                         | — 1                   | 142   |
|  | 1952 | 90                              | 48                | 23                                     | —  | — 24                        | 9                     | 146   |
|  | 1953 | 114                             | 45                | 26                                     | —  | — 11                        | 2                     | 176   |
|  | 1954 | 128                             | 39                | 37                                     | 1  | 2                           | 2                     | 209   |
|  | 1955 | 119                             | 31                | 24                                     | —  | — 1                         | 7                     | 180   |
|  | 1956 | 167                             | 19                | —                                      | —  | —                           | 10                    | 196   |
| Capital transfers (net receipts)....   | 1950 | 2                               | —                 | —                                      | 1  | —                           | —                     | 3     |
|  | 1951 | 3                               | —                 | —                                      | 2  | —                           | —                     | 5     |
|  | 1952 | 3                               | —                 | —                                      | 2  | —                           | —                     | 5     |
|  | 1953 | 5                               | —                 | 1                                      | 1  | —                           | —                     | 7     |
|  | 1954 | 5                               | —                 | 1                                      | 1  | —                           | —                     | 7     |
|  | 1955 | 5                               | —                 | 5                                      | 2  | —                           | —                     | 12    |
|  | 1956 | 6                               | —                 | 9                                      | 1  | —                           | —                     | 16    |
| Loans from Central Government<br>(net)   | 1950 | — 15                            | —                 | —                                      | 11   | 17                          | 16                    | 29    |
|  | 1951 | 16                              | —                 | —                                      | 17   | 15                          | 13                    | 61    |
|  | 1952 | 42                              | —                 | —                                      | 31   | — 10                        | 10                    | 73    |
|  | 1953 | 34                              | —                 | —                                      | 39   | — 41                        | 6                     | 38    |
|  | 1954 | 59                              | 26                | —                                      | 36   | — 25                        | 4                     | 100   |
|  | 1955 | 78                              | 34                | —                                      | 37   | — 16                        | 9                     | 142   |
|  | 1956 | 141                             | 40                | 50                                     | 34   | — 3                         | 5                     | 267   |
| Stock issued <i>less</i> stock redeemed  | 1950 | 163                             | —                 | —                                      | —  | —                           | —                     | 163   |
|  | 1951 | 75                              | —                 | 60                                     | —  | —                           | —                     | 135   |
|  | 1952 | 168                             | —                 | 60                                     | —  | —                           | —                     | 228   |
|  | 1953 | 216                             | —                 | 3                                      | —  | —                           | —                     | 219   |
|  | 1954 | 110                             | —                 | 95                                     | —  | —                           | —                     | 205   |
|  | 1955 | 322                             | —                 | 45                                     | —  | —                           | —                     | 367   |
|  | 1956 | 12                              | —                 | 9                                      | —  | —                           | —                     | 21    |
| <b>Total</b> .....   | 1950 | 235                             | —                 | 17                                     | 12   | 31                          | 18                    | 313   |
|  | 1951 | 176                             | 34                | 90                                     | 20   | 11                          | 12                    | 343   |
|  | 1952 | 303                             | 48                | 83                                     | 33   | — 34                        | 19                    | 452   |
|  | 1953 | 369                             | 45                | 30                                     | 40   | — 52                        | 8                     | 440   |
|  | 1954 | 302                             | 65                | 133                                    | 38   | — 23                        | 6                     | 521   |
|  | 1955 | 524                             | 65                | 74                                     | 39   | — 17                        | 16                    | 701   |
|  | 1956 | 326                             | 59                | 68                                     | 35   | — 3                         | 15                    | 500   |
| <b>Payments</b>  |      |                                 |                   |  |  |                             |                       |       |
| Gross fixed capital formation<br>at home .....   | 1950 | 200                             | —                 | 72                                     | 14   | —                           | 2                     | 288   |
|  | 1951 | 221                             | 46                | 69                                     | 22   | —                           | 2                     | 360   |
|  | 1952 | 258                             | 49                | 66                                     | 34   | —                           | 2                     | 409   |
|  | 1953 | 292                             | 45                | 83                                     | 58   | —                           | 3                     | 481   |
|  | 1954 | 349                             | 40                | 76                                     | 55   | —                           | 2                     | 522   |
|  | 1955 | 396                             | 28                | 94                                     | 42   | —                           | 4                     | 564   |
|  | 1956 | 390                             | 23                | 131                                    | 40   | —                           | 4                     | 588   |
| Increase in value of stocks and<br>work in progress  | 1950 | — 6                             | —                 | 2                                      | —  | 18                          | —                     | 14    |
|  | 1951 | 32                              | 6                 | 17                                     | —  | 29                          | —                     | 84    |
|  | 1952 | 41                              | 34                | 18                                     | —  | — 48                        | —                     | 45    |
|  | 1953 | — 13                            | 18                | — 2                                    | —  | — 34                        | —                     | — 31  |
|  | 1954 | — 9                             | — 16              | — 8                                    | —  | — 29                        | —                     | — 62  |
|  | 1955 | 16                              | 36                | —                                      | —  | — 13                        | —                     | 39    |
|  | 1956 | 5                               | 7                 | 15                                     | —  | — 2                         | —                     | 25    |
| Net acquisition of other<br>financial assets and net<br>investment abroad <i>less</i><br>additions to tax and interest<br>reserves | 1950 | 41                              | —                 | — 57                                   | — 2  | 13                          | 16                    | 11    |
|  | 1951 | — 77                            | — 18              | 4                                      | — 2  | — 18                        | 10                    | — 101 |
|  | 1952 | 4                               | — 35              | — 1                                    | — 1  | 14                          | 17                    | — 2   |
|  | 1953 | 90                              | — 18              | — 51                                   | — 18                                       | — 18                        | 5                     | — 10  |
|  | 1954 | — 38                            | 41                | 65                                     | — 17                                       | 6                           | 4                     | 61    |
|  | 1955 | 112                             | 1                 | — 20                                   | — 3  | — 4                         | 12                    | 98    |
|  | 1956 | — 69                            | 29                | — 78                                   | — 5  | — 1                         | 11                    | — 113 |
| <b>Total</b> .....   | 1950 | 235                             | —                 | 17                                     | 12   | 31                          | 18                    | 313   |
|  | 1951 | 176                             | 34                | 90                                     | 20   | 11                          | 12                    | 343   |
|  | 1952 | 303                             | 48                | 83                                     | 33   | — 34                        | 19                    | 452   |
|  | 1953 | 369                             | 45                | 30                                     | 40   | — 52                        | 8                     | 440   |
|  | 1954 | 302                             | 65                | 133                                    | 38   | — 23                        | 6                     | 521   |
|  | 1955 | 524                             | 65                | 74                                     | 39   | — 17                        | 16                    | 701   |
|  | 1956 | 326                             | 59                | 68                                     | 35   | — 3                         | 15                    | 500   |



# VII. CENTRAL GOVERNMENT INCLUDING NATIONAL INSURANCE FUNDS

## Revenue account

£ million

TABLE 44

|  | 1948         | 1949         | 1950         | 1951              | 1952              | 1953         | 1954         | 1955         | 1956         | 1957         |
|--|--------------|--------------|--------------|-------------------|-------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenue</b>                                     |              |              |              |                   |                   |              |              |              |              |              |
| <i>Taxes on income</i>                             |              |              |              |                   |                   |              |              |              |              |              |
| Income tax .....                                   | 1,228        | 1,385        | 1,420        | 1,504             | 1,670             | 1,714        | 1,762        | 1,964        | 2,010        | 2,185        |
| Surtax .....                                       | 99           | 110          | 114          | 125               | 128               | 130          | 132          | 132          | 145          | 159          |
| Profits tax .....                                  | 154          | 257          | 264          | 301               | 378               | 233          | 178          | 197          | 192          | 241          |
| Excess profits tax, excess profits levy, etc. .... | 129          | 43           | 13           | -4 <sup>(1)</sup> | -3 <sup>(1)</sup> | 39           | 75           | 26           | 7            | 3            |
| Total taxes on income .....                        | 1,610        | 1,795        | 1,811        | 1,926             | 2,173             | 2,116        | 2,147        | 2,319        | 2,354        | 2,588        |
| <i>Taxes on capital</i>                            |              |              |              |                   |                   |              |              |              |              |              |
| Death duties .....                                 | 182          | 190          | 184          | 191               | 157               | 164          | 182          | 184          | 166          | 176          |
| Special contribution .....                         | 33           | 64           | 6            | 3                 | 2                 | 1            | 1            | —            | —            | —            |
| Total taxes on capital .....                       | 215          | 254          | 190          | 194               | 159               | 165          | 183          | 184          | 166          | 176          |
| <i>Taxes on expenditure</i>                        |              |              |              |                   |                   |              |              |              |              |              |
| Customs and excise duties:                         |              |              |              |                   |                   |              |              |              |              |              |
| Beer .....   | 305          | 286          | 266          | 261               | 257               | 257          | 252          | 256          | 260          | 262          |
| Wines and spirits .....                            | 121          | 115          | 120          | 128               | 124               | 130          | 136          | 147          | 156          | 159          |
| Tobacco .....                                      | 598          | 600          | 602          | 622               | 612               | 628          | 651          | 661          | 685          | 714          |
| Hydrocarbon oils .....                             | 55           | 61           | 123          | 186               | 260               | 292          | 301          | 315          | 335          | 327          |
| Protective duties .....                            | 55           | 62           | 69           | 110               | 84                | 65           | 77           | 86           | 88           | 102          |
| Purchase tax .....                                 | 300          | 282          | 299          | 338               | 313               | 306          | 322          | 390          | 461          | 484          |
| Entertainments .....                               | 50           | 45           | 45           | 45                | 46                | 45           | 43           | 40           | 41           | 31           |
| Betting .....                                      | 20           | 26           | 25           | 26                | 28                | 29           | 30           | 28           | 29           | 30           |
| Other .....  | 59           | 41           | 34           | 36                | 30                | 35           | 32           | 37           | 35           | 35           |
| Total customs and excise duties .....              | 1,563        | 1,518        | 1,583        | 1,752             | 1,754             | 1,787        | 1,844        | 1,960        | 2,090        | 2,144        |
| Motor vehicle licence duties .....                 | 50           | 54           | 59           | 64                | 67                | 72           | 77           | 85           | 91           | 97           |
| Transport levy .....                               | —            | —            | —            | —                 | —                 | —            | 4            | 4            | 4            | —            |
| Stamp duties .....                                 | 59           | 53           | 53           | 63                | 53                | 55           | 72           | 75           | 63           | 68           |
| Post Office surplus .....                          | 16           | 14           | 13           | 10                | 2                 | 7            | 6            | 3            | 4            | 5            |
| Broadcast licence revenue retained by Exchequer    | 3            | 3            | 1            | 1                 | 3                 | 4            | 4            | 4            | 4            | 5            |
| Miscellaneous .....                                | 15           | 16           | 16           | 20                | 17                | 15           | 17           | 17           | 19           | 21           |
| Total taxes on expenditure .....                   | 1,706        | 1,658        | 1,725        | 1,910             | 1,896             | 1,940        | 2,024        | 2,148        | 2,275        | 2,340        |
| <i>Other revenue</i>                               |              |              |              |                   |                   |              |              |              |              |              |
| National insurance and health contributions .....  | 335          | 436          | 440          | 452               | 476               | 525          | 532          | 594          | 642          | 657          |
| Gross trading income <sup>(2)</sup> :              |              |              |              |                   |                   |              |              |              |              |              |
| Post Office (excluding Savings Bank) .....         | 32           | 35           | 38           | 39                | 42                | 46           | 50           | 54           | 64           | 78           |
| Other .....  | 45           | 48           | 80           | 57                | -24               | -11          | 28           | 26           | 25           | 15           |
| Gross rental income <sup>(2)</sup> :               |              |              |              |                   |                   |              |              |              |              |              |
| Temporary houses and Forces' married quarters      | 20           | 23           | 23           | 23                | 24                | 24           | 25           | 13           | 9            | 9            |
| Other .....  | 10           | 11           | 13           | 17                | 19                | 22           | 27           | 31           | 41           | 42           |
| Interest and dividends, etc.:                      |              |              |              |                   |                   |              |              |              |              |              |
| From local authorities .....                       | 22           | 29           | 37           | 46                | 58                | 76           | 86           | 98           | 112          | 118          |
| Other .....  | 27           | 36           | 26           | 51                | 65                | 66           | 74           | 99           | 111          | 113          |
| Current grants from overseas governments (net)     | —            | —            | —            | 4                 | 121               | 105          | 50           | 46           | 26           | 21           |
| <b>Total</b> .....                                 | <b>4,022</b> | <b>4,325</b> | <b>4,383</b> | <b>4,719</b>      | <b>5,009</b>      | <b>5,074</b> | <b>5,226</b> | <b>5,612</b> | <b>5,825</b> | <b>6,157</b> |

<sup>(1)</sup> Repayments exceeded receipts.

<sup>(2)</sup> Before providing for depreciation and stock appreciation.



## Revenue account (continued)

TABLE 44 (continued)

£ million

|  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Expenditure</b>   |       |       |       |       |       |       |       |       |       |       |
| <i>Current expenditure on goods and services</i>                             |       |       |       |       |       |       |       |       |       |       |
| Finance and tax collection .....   | ..    | ..    | 50    | 54    | 59    | 63    | 67    | 71    | 78    | 83    |
| Police and justice .....   | ..    | ..    | 29    | 31    | 33    | 35    | 38    | 41    | 44    | 51    |
| Overseas services .....  | ..    | ..    | 39    | 40    | 40    | 38    | 39    | 40    | 44    | 47    |
| Military defence .....   | 740   | 770   | 820   | 1,090 | 1,450 | 1,540 | 1,554 | 1,524 | 1,624 | 1,534 |
| Civil defence .....  | ..    | ..    | —     | 5     | 21    | 22    | 19    | 14    | 11    | 9     |
| Health services .....  | 182   | 369   | 414   | 427   | 436   | 450   | 465   | 498   | 548   | 587   |
| National insurance, pensions and assistance .....                            | ..    | ..    | 41    | 44    | 49    | 49    | 50    | 53    | 58    | 64    |
| Agriculture and food .....   | ..    | ..    | 25    | 30    | 30    | 29    | 26    | 26    | 26    | 27    |
| Industry and trade <sup>(1)</sup> .....                                      | ..    | ..    | 44    | 48    | 48    | 50    | 52    | 56    | 59    | 67    |
| Other services .....   | ..    | ..    | 46    | 46    | 45    | 44    | 46    | 49    | 49    | 54    |
| Total current expenditure on goods and services                              | 1,233 | 1,437 | 1,508 | 1,815 | 2,211 | 2,320 | 2,356 | 2,372 | 2,541 | 2,523 |
| <i>Subsidies</i>   |       |       |       |       |       |       |       |       |       |       |
| Housing .....  | 53    | 57    | 58    | 60    | 65    | 73    | 80    | 75    | 79    | 80    |
| Agriculture and food .....   | 457   | 426   | 382   | 375   | 319   | 265   | 314   | 238   | 249   | 294   |
| Fuel and power industries .....  | 5     | 2     | 1     | —     | —     | —     | —     | —     | —     | —     |
| Transport and communication .....  | 12    | 12    | 11    | 8     | 5     | 7     | 8     | 7     | 7     | 7     |
| Other industry and trade .....   | 32    | 14    | 9     | 10    | 11    | —     | 1     | 1     | 1     | 1     |
| Total subsidies  | 559   | 511   | 461   | 453   | 400   | 345   | 403   | 321   | 336   | 382   |
| <i>Current grants to persons</i>   |       |       |       |       |       |       |       |       |       |       |
| Post-war credits .....   | 23    | 17    | 17    | 16    | 16    | 17    | 23    | 18    | 17    | 17    |
| Release leave pay .....  | 27    | 5     | —     | —     | —     | —     | —     | —     | —     | —     |
| Education and child care:  |       |       |       |       |       |       |       |       |       |       |
| Scholarships and maintenance allowances .....                                | 16    | 16    | 14    | 9     | 7     | 5     | 4     | 4     | 4     | 4     |
| Grants to universities, schools, etc. ....                                   | 17    | 21    | 25    | 28    | 32    | 34    | 39    | 42    | 47    | 53    |
| Milk and welfare food schemes .....  | 35    | 36    | 35    | 39    | 45    | 47    | 43    | 35    | 37    | 33    |
| National insurance, pensions and assistance:                                 |       |       |       |       |       |       |       |       |       |       |
| National insurance <sup>(2)</sup> <sup>(3)</sup> .....                       | 334   | 379   | 388   | 406   | 473   | 527   | 531   | 614   | 670   | 702   |
| War pensions and service grants <sup>(3)</sup> .....                         | 77    | 77    | 73    | 71    | 78    | 77    | 75    | 88    | 86    | 83    |
| Non-contributory pensions .....  | 30    | 28    | 27    | 25    | 24    | 22    | 21    | 19    | 17    | 15    |
| Assistance grants .....  | 31    | 51    | 60    | 71    | 95    | 104   | 108   | 102   | 109   | 117   |
| Family allowances .....  | 62    | 63    | 64    | 66    | 80    | 108   | 109   | 111   | 116   | 128   |
| Industrial services for the disabled .....                                   | 1     | 1     | 2     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Other .....  | 15    | 16    | 12    | 10    | 11    | 10    | 12    | 12    | 12    | 19    |
| Total current grants to persons  | 668   | 710   | 717   | 744   | 864   | 954   | 968   | 1,048 | 1,118 | 1,174 |
| Debt interest .....  | 509   | 507   | 507   | 550   | 609   | 639   | 637   | 708   | 725   | 706   |
| Current grants to local authorities <sup>(4)</sup> .....                     | 281   | 287   | 297   | 335   | 371   | 397   | 421   | 469   | 522   | 596   |
| Current grants to overseas governments and international organisations ..... | 36    | 34    | 39    | 42    | 52    | 50    | 54    | 59    | 55    | 57    |
| National insurance and war pensions paid to non-residents .....              | 5     | 5     | 5     | 6     | 6     | 6     | 6     | 6     | 7     | 7     |
| <i>Transfers to capital accounts at home</i>                                 |       |       |       |       |       |       |       |       |       |       |
| Post-war refunds of excess profits tax .....                                 | 15    | 14    | 11    | 7     | 6     | 8     | 4     | 5     | 1     | —     |
| Cash paid on conversion of securities .....                                  | —     | —     | 9     | —     | 4     | 4     | 7     | 2     | 10    | —     |
| Town and country planning compensation .....                                 | —     | —     | —     | —     | —     | —     | —     | 40    | 25    | 12    |
| War damage compensation:   |       |       |       |       |       |       |       |       |       |       |
| Local authorities .....  | 5     | 26    | 5     | 4     | 3     | 3     | 2     | 2     | 2     | 2     |
| Others .....   | 156   | 160   | 108   | 80    | 65    | 67    | 40    | 26    | 23    | 22    |
| Capital grants to local authorities <sup>(5)</sup> .....                     | 19    | 19    | 12    | 10    | 13    | 27    | 27    | 16    | 17    | 20    |
| Other <sup>(6)</sup> .....   | 12    | 17    | 16    | 19    | 20    | 17    | 17    | 25    | 31    | 25    |
| Total transfers to capital accounts at home                                  | 207   | 236   | 161   | 120   | 111   | 126   | 97    | 116   | 109   | 81    |
| Total current expenditure on goods and services and transfers .....          | 3,498 | 3,727 | 3,695 | 4,065 | 4,624 | 4,837 | 4,942 | 5,099 | 5,413 | 5,526 |
| Surplus before providing for depreciation and stock appreciation .....       | 524   | 598   | 688   | 654   | 385   | 237   | 284   | 513   | 412   | 631   |
| Total .....  | 4,022 | 4,325 | 4,383 | 4,719 | 5,009 | 5,074 | 5,226 | 5,612 | 5,825 | 6,157 |

<sup>(1)</sup> Includes fuel and power, transport and employment services.<sup>(2)</sup> For detail, see Table 46.<sup>(3)</sup> Excludes payments to non-residents which are shown separately elsewhere in this table.<sup>(4)</sup> For detail, see Table 47.<sup>(5)</sup> Excludes war damage compensation.<sup>(6)</sup> For detail, see Table 50.



TABLE 45

|  | 1948       | 1949       | 1950         | 1951       | 1952       | 1953         | 1954       | 1955       | 1956       | 1957       |
|--|------------|------------|--------------|------------|------------|--------------|------------|------------|------------|------------|
| <b>Receipts</b>  |            |            |              |            |            |              |            |            |            |            |
| Surplus before providing for depreciation and stock appreciation .....   | 524        | 598        | 688          | 654        | 385        | 237          | 284        | 513        | 412        | 631        |
| Capital transfers from abroad:   |            |            |              |            |            |              |            |            |            |            |
| Grants under the European Recovery Programme and gifts from abroad .....   | 149        | 271        | 248          | 58         | —          | —            | —          | —          | —          | —          |
| Sale of surplus war stores held abroad .....   | 61         | 60         | 6            | 5          | 5          | —            | —          | —          | —          | —          |
| Net receipts from settlements, etc. ....   | 35         | -25        | 21           | 30         | 30         | 27           | 11         | 14         | 14         | 4          |
| Borrowing from overseas governments .....  | 364        | 116        | 21           | 5          | 26         | —            | —          | —          | —          | 89         |
| Loan repayments by overseas governments .....  | 93         | 29         | 34           | 29         | 22         | 31           | 50         | 28         | 30         | 32         |
| Net borrowing through National Savings .....   | 37         | 60         | -8           | -2         | -99        | -71          | 48         | 4          | 23         | 41         |
| Increase in fiduciary issue .....  | -125       | 25         | 25           | 75         | 125        | 100          | 100        | 125        | 125        | 125        |
| New issues and sales of securities (net):  |            |            |              |            |            |              |            |            |            |            |
| Long-term securities:  |            |            |              |            |            |              |            |            |            |            |
| For cash .....   | -322       | -411       | 14           | 694        | 125        | 246          | -86        | -240       | 43         | -29        |
| On acquisition of the capital of certain undertakings .....  | —          | 32         | 46           | 50         | 50         | 283          | 20         | 14         | 2          | —          |
| Tax reserve certificates .....   | -23        | -50        | 39           | 58         | -64        | 32           | 103        | -84        | -17        | 5          |
| Other .....  | -265       | 35         | -30          | -1,379     | 125        | 300          | 77         | 134        | -236       | -15        |
| Proceeds of iron and steel disposals:  |            |            |              |            |            |              |            |            |            |            |
| Receipts of cash .....   | —          | —          | —            | —          | —          | 12           | 65         | 57         | 28         | 47         |
| Government securities redeemed .....   | —          | —          | —            | —          | —          | 5            | 14         | 2          | —          | —          |
| Receipts from certain pension "funds" (net) .....  | 16         | 19         | 17           | 21         | 25         | 23           | 23         | 109        | 24         | 31         |
| Miscellaneous financial receipts (net) and changes in cash balances .....  | -15        | -98        | 76           | 30         | -116       | 22           | 33         | -66        | 40         | 8          |
| <b>Total</b> .....   | <b>529</b> | <b>661</b> | <b>1,197</b> | <b>328</b> | <b>639</b> | <b>1,247</b> | <b>742</b> | <b>610</b> | <b>488</b> | <b>969</b> |
| <b>Payments</b>  |            |            |              |            |            |              |            |            |            |            |
| Gross fixed capital formation, trading:  |            |            |              |            |            |              |            |            |            |            |
| Military defence .....   | -5         | 1          | 8            | 36         | 58         | 52           | 22         | 8          | 6          | 9          |
| Temporary houses .....   | 22         | 4          | 2            | 1          | —          | —            | —          | —          | —          | -2         |
| Agriculture and food .....   | 2          | 2          | 1            | 2          | 2          | 2            | 2          | 2          | 2          | 2          |
| Shipping .....   | -5         | —          | 1            | -1         | —          | —            | —          | —          | —          | —          |
| Civil aerodromes .....   | 3          | 4          | 5            | 4          | 4          | 3            | 3          | 5          | 3          | 4          |
| Post Office .....  | 37         | 43         | 45           | 52         | 63         | 71           | 75         | 87         | 99         | 105        |
| Factory building in Development Areas, etc. ....   | 12         | 8          | 6            | 5          | 5          | 4            | 3          | 6          | 8          | 6          |
| <b>Total fixed capital formation, trading</b> .....  | <b>66</b>  | <b>62</b>  | <b>68</b>    | <b>99</b>  | <b>132</b> | <b>132</b>   | <b>105</b> | <b>108</b> | <b>118</b> | <b>124</b> |
| Gross fixed capital formation, non-trading:  |            |            |              |            |            |              |            |            |            |            |
| Military defence:  |            |            |              |            |            |              |            |            |            |            |
| Land and married quarters .....  | 3          | 7          | 10           | 15         | 16         | 13           | 11         | 10         | 11         | 9          |
| Research and development <sup>(1)</sup> .....  | 12         | 12         | 14           | 19         | 28         | 30           | 25         | 30         | 40         | 51         |
| Civil defence .....  | —          | —          | —            | 1          | 5          | 9            | 11         | 8          | 7          | 5          |
| Health services .....  | 5          | 12         | 13           | 14         | 13         | 14           | 16         | 18         | 18         | 21         |
| Other .....  | 28         | 23         | 23           | 25         | 22         | 21           | 21         | 23         | 29         | 36         |
| <b>Total fixed capital formation, non-trading</b> .....  | <b>48</b>  | <b>54</b>  | <b>60</b>    | <b>74</b>  | <b>84</b>  | <b>87</b>    | <b>84</b>  | <b>89</b>  | <b>105</b> | <b>122</b> |
| Increase in value of stocks:   |            |            |              |            |            |              |            |            |            |            |
| Trading bodies <sup>(2)</sup> .....  | 22         | -24        | -67          | 64         | 2          | -23          | -169       | -104       | -5         | 8          |
| Strategic stocks .....   | —          | —          | —            | 127        | 49         | 42           | 44         | 3          | -19        | -39        |
| less Sales of surplus war stores in the United Kingdom .....   | -60        | -32        | -27          | -23        | -7         | —            | —          | —          | —          | —          |
| Capital transfers abroad .....   | 11         | 117        | 108          | 15         | —          | —            | —          | —          | —          | —          |
| Loans to overseas governments .....  | 131        | 18         | 18           | 38         | 6          | 5            | 16         | 33         | 11         | 20         |
| Loan repayments to overseas governments .....  | 38         | 110        | 51           | 64         | 42         | 57           | 54         | 136        | 70         | 30         |
| Increase in deposits with the International Monetary Fund, International Bank for Reconstruction and Development and the International Finance Corporation ..... | -9         | 15         | -42          | 10         | —          | 57           | 44         | 2          | -191       | 13         |
| Increase in foreign reserves .....   | -54        | -18        | 683          | -627       | -202       | 231          | 168        | -230       | 39         | 24         |
| Net lending to local authorities .....   | 258        | 294        | 262          | 372        | 409        | 328          | 260        | 414        | 91         | 63         |
| Net lending to public corporations .....   | 63         | 16         | 29           | 61         | 73         | 38           | 100        | 142        | 267        | 604        |
| Coal compensation:   |            |            |              |            |            |              |            |            |            |            |
| Payments in cash .....   | 15         | 17         | 8            | 4          | 1          | 3            | 2          | 1          | —          | —          |
| Issues of stock .....  | —          | —          | 46           | 50         | 50         | 44           | 34         | 16         | 2          | —          |
| Acquisition of the capital of certain other undertakings .....   | —          | 32         | —            | —          | —          | 246          | —          | —          | —          | —          |
| <b>Total</b> .....   | <b>529</b> | <b>661</b> | <b>1,197</b> | <b>328</b> | <b>639</b> | <b>1,247</b> | <b>742</b> | <b>610</b> | <b>488</b> | <b>969</b> |

<sup>(1)</sup> Includes atomic energy.<sup>(2)</sup> For detail, see Table 50.



## Revenue account of National Insurance Funds

TABLE 46

£ million

|   | 1948  | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|-------|------|------|------|------|------|------|------|------|------|
| <b>Revenue</b>  |       |      |      |      |      |      |      |      |      |      |
| Contributions from employers :                              |       |      |      |      |      |      |      |      |      |      |
| Forces .....  | 8     | 8    | 7    | 9    | 10   | 10   | 10   | 11   | 11   | 10   |
| Other insured persons .....                                 | 149   | 189  | 192  | 196  | 208  | 234  | 237  | 268  | 293  | 293  |
| Total .....   | 157   | 197  | 199  | 205  | 218  | 244  | 247  | 279  | 304  | 303  |
| Contributions from insured persons :                        |       |      |      |      |      |      |      |      |      |      |
| Forces .....  | 5     | 5    | 5    | 6    | 6    | 7    | 6    | 7    | 8    | 7    |
| Other employed persons .....                                | 163   | 207  | 209  | 213  | 222  | 243  | 247  | 274  | 292  | 285  |
| Self-employed persons .....                                 | 8     | 22   | 22   | 23   | 24   | 25   | 26   | 27   | 30   | 29   |
| Non-employed persons .....                                  | 2     | 5    | 5    | 5    | 6    | 6    | 6    | 7    | 8    | 7    |
| Total .....   | 178   | 239  | 241  | 247  | 258  | 281  | 285  | 315  | 338  | 328  |
| Grants from the Central Government .....                    | 148   | 150  | 153  | 138  | 76   | 83   | 79   | 97   | 106  | 109  |
| Interest .....  | 25    | 28   | 33   | 40   | 45   | 48   | 49   | 51   | 55   | 57   |
| Total .....   | 508   | 614  | 626  | 630  | 597  | 656  | 660  | 742  | 803  | 797  |
| <b>Expenditure</b>  |       |      |      |      |      |      |      |      |      |      |
| Current expenditure on goods and services :                 |       |      |      |      |      |      |      |      |      |      |
| Costs of administration .....                               | 27    | 29   | 27   | 27   | 31   | 32   | 32   | 33   | 34   | 40   |
| Insurance medical service .....                             | 12    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Expenditure on benefits <sup>(1)</sup> :                    |       |      |      |      |      |      |      |      |      |      |
| Retirement pensions .....                                   | 261 { | 249  | 253  | 270  | 312  | 343  | 351  | 417  | 452  | 470  |
| Widows' benefits and guardians' allowances .....            |       | 22   | 23   | 24   | 28   | 31   | 32   | 36   | 39   | 43   |
| Unemployment benefit .....                                  |       | 21   | 20   | 15   | 28   | 27   | 20   | 18   | 22   | 27   |
| Sickness benefit .....                                      | 44    | 66   | 68   | 70   | 74   | 90   | 87   | 98   | 105  | 109  |
| Maternity benefit .....                                     | 4     | 9    | 9    | 9    | 9    | 9    | 13   | 13   | 15   | 16   |
| Death grant .....   | —     | 1    | 2    | 3    | 3    | 3    | 3    | 3    | 4    | 4    |
| Injury benefit .....  | 3     | 9    | 9    | 9    | 10   | 11   | 11   | 12   | 13   | 12   |
| Disablement benefit .....                                   | —     | 2    | 5    | 7    | 9    | 13   | 14   | 17   | 20   | 21   |
| Industrial death benefit .....                              | —     | —    | —    | —    | 1    | 1    | 1    | 1    | 2    | 2    |
| Total benefits .....  | 334   | 379  | 389  | 407  | 474  | 528  | 532  | 615  | 672  | 704  |
| Contributions towards cost of National Health Service ..... | 17    | 42   | 41   | 42   | 41   | 41   | 41   | 42   | 41   | 29   |
| Current surplus .....                                       | 118   | 164  | 169  | 154  | 51   | 55   | 55   | 52   | 56   | 24   |
| Total .....   | 508   | 614  | 626  | 630  | 597  | 656  | 660  | 742  | 803  | 797  |

<sup>(1)</sup> Includes benefits paid to non-residents.



## VIII. LOCAL AUTHORITIES

## Current account

£ million

TABLE 47

|  | 1948       | 1949       | 1950       | 1951       | 1952       | 1953         | 1954         | 1955         | 1956         | 1957         |
|--|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenue</b>   |            |            |            |            |            |              |              |              |              |              |
| <i>Current grants from the Central Government</i>                              |            |            |            |            |            |              |              |              |              |              |
| Grants not allocated to specific services .....                                | 69         | 59         | 57         | 62         | 68         | 72           | 81           | 83           | 88           | 105          |
| Police .....   | 11         | 11         | 12         | 14         | 16         | 15           | 15           | 18           | 21           | 21           |
| Administration of justice .....  | 1          | 1          | 1          | 1          | 1          | 2            | 3            | 3            | 3            | 4            |
| Civil defence .....  | 4          | 1          | 1          | 2          | 3          | 3            | 3            | 3            | 3            | 3            |
| Social services :  |            |            |            |            |            |              |              |              |              |              |
| Education <sup>(1)</sup> .....   | 149        | 166        | 174        | 199        | 222        | 237          | 254          | 291          | 335          | 387          |
| Child care .....   | 3          | 4          | 6          | 7          | 8          | 8            | 8            | 8            | 8            | 9            |
| Health .....   | 14         | 15         | 18         | 20         | 22         | 22           | 23           | 25           | 26           | 28           |
| 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            | 1            | 1            |
| Provision of basic local services :  |            |            |            |            |            |              |              |              |              |              |
| Roads .....  | 16         | 16         | 16         | 19         | 21         | 22           | 22           | 25           | 25           | 26           |
| Fire service .....   | 3          | 4          | 4          | 4          | 4          | 5            | 5            | 5            | 5            | 5            |
| Sewerage and refuse disposal .....   | 1          | 1          | 1          | —          | —          | —            | —            | 1            | 1            | 1            |
| Land drainage and coast protection .....                                       | 1          | 1          | 1          | 1          | 1          | 6            | 3            | 2            | 2            | 2            |
| Other .....  | 7          | 6          | 4          | 4          | 3          | 3            | 2            | 3            | 3            | 3            |
| <b>Total current grants from the Central Government</b>                        | <b>281</b> | <b>287</b> | <b>297</b> | <b>335</b> | <b>371</b> | <b>397</b>   | <b>421</b>   | <b>469</b>   | <b>522</b>   | <b>596</b>   |
| Rates .....  | 317        | 326        | 337        | 364        | 392        | 433          | 462          | 478          | 555          | 616          |
| Gross trading income <sup>(2)</sup> .....                                      | 29         | 23         | 24         | 24         | 25         | 31           | 33           | 32           | 35           | 38           |
| Gross rental income <sup>(2)</sup> :   |            |            |            |            |            |              |              |              |              |              |
| Houses .....   | 52         | 60         | 69         | 78         | 92         | 109          | 125          | 143          | 162          | 180          |
| Other land and buildings .....   | 34         | 34         | 35         | 39         | 44         | 51           | 60           | 66           | 73           | 82           |
| Interest, etc. ....  | 12         | 14         | 15         | 15         | 15         | 16           | 17           | 19           | 22           | 22           |
| <b>Total</b>   | <b>725</b> | <b>744</b> | <b>777</b> | <b>855</b> | <b>939</b> | <b>1,037</b> | <b>1,118</b> | <b>1,207</b> | <b>1,369</b> | <b>1,534</b> |
| <b>Expenditure</b>   |            |            |            |            |            |              |              |              |              |              |
| <i>Current expenditure on goods and services</i>                               |            |            |            |            |            |              |              |              |              |              |
| Rate collection .....  | 5          | 5          | 5          | 5          | 5          | 5            | 6            | 6            | 7            | 8            |
| Police .....   | 33         | 36         | 39         | 44         | 48         | 50           | 53           | 57           | 66           | 74           |
| Administration of justice .....  | 3          | 3          | 4          | 4          | 4          | 6            | 6            | 7            | 7            | 8            |
| Civil defence .....  | 3          | 2          | 2          | 3          | 3          | 3            | 3            | 4            | 4            | 4            |
| Social services :  |            |            |            |            |            |              |              |              |              |              |
| Education .....  | 220        | 237        | 249        | 288        | 319        | 340          | 375          | 409          | 471          | 541          |
| Child care .....   | 9          | 11         | 13         | 14         | 16         | 17           | 17           | 18           | 19           | 20           |
| Health .....   | 61         | 44         | 44         | 49         | 53         | 55           | 57           | 62           | 68           | 73           |
| Care of the aged, handicapped and homeless .....                               | 17         | 12         | 11         | 12         | 14         | 16           | 16           | 17           | 20           | 21           |
| Agricultural services .....  | 2          | 2          | 2          | 2          | 2          | 2            | 2            | 2            | 3            | 3            |
| Provision of basic local services :  |            |            |            |            |            |              |              |              |              |              |
| Roads .....  | 61         | 63         | 65         | 70         | 75         | 79           | 85           | 90           | 96           | 103          |
| Public lighting .....  | 8          | 10         | 10         | 11         | 13         | 14           | 14           | 15           | 17           | 18           |
| Fire service .....   | 10         | 13         | 14         | 16         | 17         | 18           | 19           | 20           | 22           | 23           |
| Sewerage and refuse disposal .....   | 35         | 37         | 38         | 39         | 45         | 48           | 51           | 56           | 63           | 68           |
| Land drainage and coast protection .....                                       | 4          | 5          | 5          | 5          | 6          | 10           | 8            | 7            | 7            | 7            |
| Town and country planning, parks, etc. ....                                    | 16         | 18         | 20         | 22         | 24         | 25           | 27           | 28           | 32           | 35           |
| Other .....  | 42         | 43         | 43         | 44         | 43         | 44           | 44           | 43           | 49           | 54           |
| <b>Total current expenditure on goods and services</b>                         | <b>529</b> | <b>541</b> | <b>564</b> | <b>628</b> | <b>687</b> | <b>732</b>   | <b>783</b>   | <b>841</b>   | <b>951</b>   | <b>1,060</b> |
| Housing subsidies .....  | 14         | 14         | 14         | 15         | 18         | 19           | 20           | 25           | 30           | 31           |
| Current grants to persons :  |            |            |            |            |            |              |              |              |              |              |
| Scholarships and grants to universities .....                                  | 8          | 10         | 13         | 15         | 17         | 19           | 20           | 22           | 25           | 28           |
| School meals and milk .....  | 22         | 26         | 26         | 27         | 31         | 30           | 35           | 48           | 54           | 55           |
| Outdoor relief .....   | 8          | —          | —          | —          | —          | —            | —            | —            | —            | —            |
| Debt interest :  |            |            |            |            |            |              |              |              |              |              |
| To Central Government .....  | 22         | 29         | 37         | 46         | 58         | 76           | 86           | 98           | 112          | 118          |
| Other .....  | 44         | 43         | 44         | 43         | 46         | 47           | 56           | 64           | 79           | 103          |
| <b>Total current expenditure</b>   | <b>647</b> | <b>663</b> | <b>698</b> | <b>774</b> | <b>857</b> | <b>923</b>   | <b>1,000</b> | <b>1,098</b> | <b>1,251</b> | <b>1,395</b> |
| Current surplus before providing for depreciation and stock appreciation ..... | 78         | 81         | 79         | 81         | 82         | 114          | 118          | 109          | 118          | 139          |
| <b>Total</b>   | <b>725</b> | <b>744</b> | <b>777</b> | <b>855</b> | <b>939</b> | <b>1,037</b> | <b>1,118</b> | <b>1,207</b> | <b>1,369</b> | <b>1,534</b> |

<sup>(1)</sup> Includes grants for school meals and milk.<sup>(2)</sup> Before providing for depreciation and stock appreciation.



## Capital account

TABLE 48

£ million

|  | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|
| <b>Receipts</b>  |      |      |      |      |      |      |      |      |      |      |
| Current surplus before providing for depreciation and stock appreciation ..... | 78   | 81   | 79   | 81   | 82   | 114  | 118  | 109  | 118  | 139  |
| Capital grants from the Central Government <sup>(1)</sup>                      |      |      |      |      |      |      |      |      |      |      |
| Social services:   |      |      |      |      |      |      |      |      |      |      |
| Housing <sup>(2)</sup> .....   | 15   | 11   | 5    | 3    | 2    | 3    | 4    | 2    | 2    | 2    |
| Education and child care .....   | 5    | 5    | 4    | 2    | 3    | 3    | 2    | 2    | 2    | 1    |
| Harbours, docks and aerodromes .....   | —    | 20   | —    | —    | —    | —    | —    | —    | —    | 1    |
| Provision of basic local services:   |      |      |      |      |      |      |      |      |      |      |
| Roads and public lighting .....  | 2    | 2    | 2    | 2    | 2    | 2    | 3    | 5    | 8    | 12   |
| Water .....  | 1    | 2    | 2    | 3    | 5    | 6    | 7    | 4    | 2    | 2    |
| Sewerage and refuse disposal .....   | 1    | 3    | 2    | 2    | 2    | 3    | 3    | 3    | 2    | 1    |
| Land drainage and coast protection .....                                       | —    | 1    | 1    | 1    | 1    | 11   | 8    | 3    | 2    | 1    |
| Town and country planning, parks, etc. ....                                    | —    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Other .....  | —    | —    | —    | —    | —    | 1    | 1    | 1    | 2    | 2    |
| Total capital grants from the Central Government                               | 24   | 45   | 17   | 14   | 16   | 30   | 29   | 18   | 19   | 22   |
| Net borrowing from the Central Government ....                                 | 258  | 294  | 262  | 372  | 409  | 328  | 260  | 414  | 91   | 63   |
| Other borrowing (net) .....  | 12   | —37  | 48   | —7   | 33   | 136  | 170  | 2    | 344  | 361  |
| Total .....  | 372  | 383  | 406  | 460  | 540  | 608  | 577  | 543  | 572  | 585  |
| <b>Payments</b>  |      |      |      |      |      |      |      |      |      |      |
| Gross fixed capital formation  |      |      |      |      |      |      |      |      |      |      |
| Police .....   | 1    | 2    | 4    | 5    | 7    | 8    | 7    | 8    | 8    | 7    |
| Social services:   |      |      |      |      |      |      |      |      |      |      |
| Housing <sup>(2)</sup> .....   | 267  | 263  | 264  | 288  | 352  | 399  | 365  | 318  | 305  | 297  |
| Education and child care .....   | 25   | 38   | 50   | 62   | 71   | 72   | 74   | 82   | 104  | 124  |
| Health .....   | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Care of the aged, handicapped and homeless ....                                | 1    | 2    | 3    | 3    | 3    | 2    | 3    | 3    | 3    | 3    |
| Agricultural services .....  | —    | —    | —    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Trading services <sup>(3)</sup> :  |      |      |      |      |      |      |      |      |      |      |
| Gas and electricity .....  | 21   | 4    | 1    | 2    | 2    | 3    | 4    | 3    | 4    | 5    |
| Road passenger transport .....   | 10   | 12   | 10   | 7    | 6    | 7    | 5    | 6    | 7    | 7    |
| Harbours, docks and aerodromes .....   | 4    | 4    | 5    | 6    | 6    | 7    | 7    | 6    | 8    | 9    |
| Other .....  | 2    | 3    | 4    | 4    | 3    | 3    | 4    | 4    | 5    | 5    |
| Provision of basic local services:   |      |      |      |      |      |      |      |      |      |      |
| Roads and public lighting .....  | 7    | 8    | 9    | 11   | 11   | 13   | 16   | 22   | 27   | 28   |
| Fire service .....   | —    | 1    | 1    | 2    | 3    | 3    | 3    | 3    | 3    | 3    |
| Water .....  | 12   | 18   | 20   | 24   | 30   | 33   | 32   | 31   | 34   | 34   |
| Sewerage and refuse disposal .....   | 9    | 11   | 13   | 18   | 22   | 23   | 24   | 27   | 31   | 33   |
| Land drainage and coast protection .....                                       | 3    | 3    | 3    | 4    | 4    | 14   | 12   | 7    | 6    | 6    |
| Town and country planning, parks, etc. ....                                    | 4    | 7    | 11   | 13   | 11   | 12   | 11   | 12   | 14   | 12   |
| Other .....  | 4    | 4    | 5    | 7    | 5    | 5    | 6    | 7    | 9    | 8    |
| Total gross fixed capital formation .....                                      | 372  | 383  | 406  | 460  | 540  | 608  | 577  | 543  | 572  | 585  |

(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

## Combined current and capital account

£ million

TABLE 49

|   | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Receipts<sup>(1)</sup></b>   |       |       |       |       |       |       |       |       |
| Central Government:   |       |       |       |       |       |       |       |       |
| Taxes .....   | 3,726 | 4,030 | 4,228 | 4,221 | 4,354 | 4,651 | 4,795 | 5,104 |
| National insurance and health contributions .....                             | 440   | 452   | 476   | 525   | 532   | 594   | 642   | 657   |
| Gross trading and property income .....                                       | 217   | 233   | 184   | 223   | 290   | 321   | 362   | 375   |
| Grants from abroad .....  | 275   | 97    | 156   | 132   | 61    | 60    | 40    | 25    |
| Total .....   | 4,658 | 4,812 | 5,044 | 5,101 | 5,237 | 5,626 | 5,839 | 6,161 |
| Local authorities:  |       |       |       |       |       |       |       |       |
| Rates .....   | 337   | 364   | 392   | 433   | 462   | 478   | 555   | 616   |
| Gross trading and property income .....                                       | 143   | 156   | 176   | 207   | 235   | 260   | 292   | 322   |
| Grants from the Central Government .....                                      | 314   | 349   | 387   | 427   | 450   | 487   | 541   | 618   |
| Total .....   | 794   | 869   | 955   | 1,067 | 1,147 | 1,225 | 1,388 | 1,556 |
| Combined public authorities:  |       |       |       |       |       |       |       |       |
| Totals as above .....   | 5,452 | 5,681 | 5,999 | 6,168 | 6,384 | 6,851 | 7,227 | 7,717 |
| less Grants received by local authorities from the Central Government .....   | -314  | -349  | -387  | -427  | -450  | -487  | -541  | -618  |
| less Interest received by the Central Government from local authorities ..... | -37   | -46   | -58   | -76   | -86   | -98   | -112  | -118  |
| Total .....   | 5,101 | 5,286 | 5,554 | 5,665 | 5,848 | 6,266 | 6,574 | 6,981 |
| <b>Expenditure<sup>(1)</sup></b>  |       |       |       |       |       |       |       |       |
| Central Government:   |       |       |       |       |       |       |       |       |
| Goods and services .....  | 1,542 | 2,156 | 2,471 | 2,558 | 2,420 | 2,468 | 2,740 | 2,738 |
| Subsidies and grants <sup>(2)</sup> .....                                     | 1,474 | 1,366 | 1,417 | 1,451 | 1,499 | 1,532 | 1,606 | 1,679 |
| Grants to local authorities .....   | 314   | 349   | 387   | 427   | 450   | 487   | 541   | 618   |
| Debt interest .....   | 507   | 550   | 609   | 639   | 637   | 708   | 725   | 706   |
| Total .....   | 3,837 | 4,421 | 4,884 | 5,075 | 5,006 | 5,195 | 5,612 | 5,741 |
| Local authorities:  |       |       |       |       |       |       |       |       |
| Goods and services .....  | 970   | 1,088 | 1,227 | 1,340 | 1,360 | 1,384 | 1,523 | 1,645 |
| Subsidies and grants .....  | 53    | 57    | 66    | 68    | 75    | 95    | 109   | 114   |
| Debt interest .....   | 81    | 89    | 104   | 123   | 142   | 162   | 191   | 221   |
| Total .....   | 1,104 | 1,234 | 1,397 | 1,531 | 1,577 | 1,641 | 1,823 | 1,980 |
| Combined public authorities:  |       |       |       |       |       |       |       |       |
| Totals as above .....   | 4,941 | 5,655 | 6,281 | 6,606 | 6,583 | 6,836 | 7,435 | 7,721 |
| less Grants paid by the Central Government to local authorities .....         | -314  | -349  | -387  | -427  | -450  | -487  | -541  | -618  |
| less Interest paid by local authorities to the Central Government .....       | -37   | -46   | -58   | -76   | -86   | -98   | -112  | -118  |
| Total .....   | 4,590 | 5,260 | 5,836 | 6,103 | 6,047 | 6,251 | 6,782 | 6,985 |
| of which:   |       |       |       |       |       |       |       |       |
| Debt interest .....   | 551   | 593   | 655   | 686   | 693   | 772   | 804   | 809   |
| Goods and services, subsidies and grants <sup>(3)</sup> :                     |       |       |       |       |       |       |       |       |
| Finance and tax collection .....  | 92    | 82    | 90    | 97    | 107   | 102   | 113   | 108   |
| Police and justice .....  | 79    | 87    | 96    | 103   | 109   | 118   | 130   | 145   |
| Overseas services .....   | 179   | 85    | 77    | 73    | 75    | 78    | 83    | 91    |
| Military defence .....  | 861   | 1,180 | 1,575 | 1,652 | 1,632 | 1,595 | 1,696 | 1,616 |
| Civil defence .....   | 2     | 136   | 78    | 77    | 78    | 30    | 4     | -21   |
| Housing .....   | 340   | 367   | 439   | 494   | 467   | 422   | 417   | 408   |
| Education and child care <sup>(4)</sup> .....                                 | 442   | 499   | 554   | 580   | 624   | 678   | 782   | 883   |
| Health services .....   | 478   | 498   | 510   | 526   | 544   | 584   | 640   | 688   |
| National insurance, pensions and assistance .....                             | 674   | 707   | 825   | 914   | 922   | 1,016 | 1,089 | 1,143 |
| Agriculture and food .....  | 384   | 435   | 356   | 321   | 219   | 189   | 290   | 343   |
| Industry and trade <sup>(5)</sup> .....                                       | 117   | 193   | 164   | 126   | 138   | 182   | 221   | 236   |
| Roads and public lighting .....   | 95    | 104   | 112   | 119   | 129   | 144   | 160   | 176   |
| Other services .....  | 296   | 294   | 305   | 335   | 310   | 341   | 353   | 360   |
| <b>Net acquisition of financial assets</b>                                    |       |       |       |       |       |       |       |       |
| Central Government .....  | 821   | 391   | 160   | 26    | 231   | 431   | 227   | 420   |
| Local authorities .....   | -310  | -365  | -442  | -464  | -430  | -416  | -435  | -424  |
| Combined public authorities .....   | 511   | 26    | -282  | -438  | -199  | 15    | -208  | -4    |

<sup>(1)</sup> Excludes borrowing, lending and other transactions in financial assets.<sup>(2)</sup> Excludes grants to local authorities.<sup>(3)</sup> For further detail, see Table 50.<sup>(4)</sup> Includes school meals, milk and welfare foods.<sup>(5)</sup> Includes fuel and power, transport and employment services.



## Analysis of expenditure

TABLE 50

£ million

|                                 |  | Goods and services |                               |       |                             | Subsidies | Grants     |        |         | Total<br>( <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               | 73                            | —     | —                           | —         | 23         | —      | 11      | 107                       | 101                | 6                 |
|                                 |  | 1955               | 77                            | —     | —                           | —         | 18         | —      | 7       | 102                       | 96                 | 6                 |
|                                 |  | 1956               | 85                            | —     | —                           | —         | 17         | —      | 11      | 113                       | 106                | 7                 |
|                                 |  | 1957               | 91                            | —     | —                           | —         | 17         | —      | —       | 108                       | 100                | 8                 |
| Police and justice:             |  |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
| Police .....                    |  | 1950               | 57                            | —     | 6                           | —         | —          | —      | —       | 63                        | 32                 | 31                |
|                                 |  | 1951               | 63                            | —     | 7                           | —         | —          | —      | —       | 70                        | 35                 | 35                |
|                                 |  | 1952               | 69                            | —     | 9                           | —         | —          | —      | —       | 78                        | 39                 | 39                |
|                                 |  | 1953               | 72                            | —     | 10                          | —         | —          | —      | —       | 82                        | 39                 | 43                |
|                                 |  | 1954               | 76                            | —     | 9                           | —         | —          | —      | —       | 85                        | 40                 | 45                |
|                                 |  | 1955               | 82                            | —     | 10                          | —         | —          | —      | —       | 92                        | 45                 | 47                |
|                                 |  | 1956               | 93                            | —     | 10                          | —         | —          | —      | —       | 103                       | 50                 | 53                |
|                                 |  | 1957               | 105                           | —     | 9                           | —         | —          | —      | —       | 114                       | 54                 | 60                |
| Prisons, courts, etc.....       |  | 1950               | 15                            | —     | 1                           | —         | —          | —      | —       | 16                        | 13                 | 3                 |
|                                 |  | 1951               | 16                            | —     | 1                           | —         | —          | —      | —       | 17                        | 14                 | 3                 |
|                                 |  | 1952               | 16                            | —     | 1                           | —         | 1          | —      | —       | 18                        | 15                 | 3                 |
|                                 |  | 1953               | 19                            | —     | 1                           | —         | 1          | —      | —       | 21                        | 17                 | 4                 |
|                                 |  | 1954               | 21                            | —     | 1                           | —         | 2          | —      | —       | 24                        | 21                 | 3                 |
|                                 |  | 1955               | 23                            | —     | 1                           | —         | 2          | —      | —       | 26                        | 22                 | 4                 |
|                                 |  | 1956               | 24                            | —     | 1                           | —         | 2          | —      | —       | 27                        | 23                 | 4                 |
|                                 |  | 1957               | 28                            | —     | 1                           | —         | 2          | —      | —       | 31                        | 27                 | 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                            | —     | —                           | —         | —          | 36     | —       | 75                        | 75                 | —                 |
|                                 |  | 1955               | 40                            | —     | —                           | —         | —          | 38     | —       | 78                        | 78                 | —                 |
|                                 |  | 1956               | 44                            | —     | —                           | —         | —          | 39     | —       | 83                        | 83                 | —                 |
|                                 |  | 1957               | 47                            | —     | —                           | —         | —          | 44     | —       | 91                        | 91                 | —                 |
| Defence:                        |  |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
| Military defence .....          |  | 1950               | 820                           | 8     | 24                          | —         | —          | 7      | 2       | 861                       | 861                | —                 |
|                                 |  | 1951               | 1,090                         | 36    | 34                          | 6         | —          | 12     | 2       | 1,180                     | 1,180              | —                 |
|                                 |  | 1952               | 1,450                         | 58    | 44                          | 6         | —          | 15     | 2       | 1,575                     | 1,575              | —                 |
|                                 |  | 1953               | 1,540                         | 52    | 43                          | —         | —          | 15     | 2       | 1,652                     | 1,652              | —                 |
|                                 |  | 1954               | 1,554                         | 22    | 36                          | -1        | 1          | 18     | 2       | 1,632                     | 1,632              | —                 |
|                                 |  | 1955               | 1,524                         | 8     | 40                          | -1        | 1          | 21     | 2       | 1,595                     | 1,595              | —                 |
|                                 |  | 1956               | 1,624                         | 6     | 51                          | -3        | 1          | 15     | 2       | 1,696                     | 1,696              | —                 |
|                                 |  | 1957               | 1,534                         | 9     | 60                          | -2        | 1          | 12     | 2       | 1,616                     | 1,616              | —                 |
| Civil defence .....             |  | 1950               | 2                             | —     | —                           | —         | —          | —      | —       | 2                         | 1                  | 1                 |
|                                 |  | 1951               | 8                             | —     | 1                           | 127       | —          | —      | —       | 136                       | 135                | 1                 |
|                                 |  | 1952               | 24                            | —     | 5                           | 49        | —          | —      | —       | 78                        | 78                 | —                 |
|                                 |  | 1953               | 25                            | —     | 9                           | 42        | —          | —      | 1       | 77                        | 77                 | —                 |
|                                 |  | 1954               | 22                            | —     | 11                          | 44        | —          | —      | 1       | 78                        | 78                 | —                 |
|                                 |  | 1955               | 18                            | —     | 8                           | 3         | —          | —      | 1       | 30                        | 29                 | 1                 |
|                                 |  | 1956               | 15                            | —     | 7                           | -19       | —          | —      | 1       | 4                         | 3                  | 1                 |
|                                 |  | 1957               | 13                            | —     | 5                           | -39       | —          | —      | —       | -21                       | -22                | 1                 |
| Social services:                |  |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
| Housing( <sup>2</sup> ) .....   |  | 1950               | 1                             | 266   | —                           | 72        | —          | —      | 1       | 340                       | 67                 | 273               |
|                                 |  | 1951               | 1                             | 289   | —                           | 75        | —          | —      | 2       | 367                       | 67                 | 300               |
|                                 |  | 1952               | 1                             | 352   | —                           | 83        | —          | —      | 3       | 439                       | 71                 | 368               |
|                                 |  | 1953               | 2                             | 399   | —                           | 92        | —          | —      | 1       | 494                       | 79                 | 415               |
|                                 |  | 1954               | 2                             | 365   | —                           | 100       | —          | —      | —       | 467                       | 86                 | 381               |
|                                 |  | 1955               | 2                             | 318   | —                           | 100       | —          | —      | 2       | 422                       | 81                 | 341               |
|                                 |  | 1956               | 1                             | 305   | —                           | 109       | —          | —      | 2       | 417                       | 84                 | 333               |
|                                 |  | 1957               | 1                             | 295   | —                           | 111       | —          | —      | 1       | 408                       | 82                 | 326               |

<sup>(1)</sup> Excludes debt interest, grants from the Central Government to local authorities, lending and other transactions in financial assets.<sup>(2)</sup> Excludes houses provided for specific services (e.g. police and the Forces); these appear under the service concerned.



## Analysis of expenditure (continued)

£ million

TABLE 50 (continued)

TABLE 50 (continued)

|  |      | Goods and services |                               |       |                             | Subsidies | Grants     |        |         | Total<br>( <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):                               |      |                    |                               |       |                             |           |            |        |         |                           |                    |                    |
| Education and child care                                   | 1950 | 271                | —                             | 51    | —                           | —         | 52         | —      | 7       | 381                       | 275 <sup>(2)</sup> | 167 <sup>(2)</sup> |
|  | 1951 | 311                | —                             | 62    | —                           | —         | 52         | —      | 8       | 433                       | 301 <sup>(2)</sup> | 198 <sup>(2)</sup> |
|  | 1952 | 344                | —                             | 71    | —                           | —         | 56         | —      | 7       | 478                       | 333 <sup>(2)</sup> | 221 <sup>(2)</sup> |
|  | 1953 | 367                | —                             | 72    | —                           | —         | 58         | —      | 6       | 503                       | 350 <sup>(2)</sup> | 230 <sup>(2)</sup> |
|  | 1954 | 402                | —                             | 74    | —                           | —         | 63         | —      | 7       | 546                       | 367 <sup>(2)</sup> | 257 <sup>(2)</sup> |
|  | 1955 | 437                | —                             | 82    | —                           | —         | 68         | —      | 8       | 595                       | 400 <sup>(2)</sup> | 278 <sup>(2)</sup> |
|  | 1956 | 501                | —                             | 104   | —                           | —         | 76         | —      | 10      | 691                       | 454 <sup>(2)</sup> | 328 <sup>(2)</sup> |
|  | 1957 | 573                | —                             | 124   | —                           | —         | 85         | —      | 13      | 795                       | 512 <sup>(2)</sup> | 371 <sup>(2)</sup> |
| School meals, milk and welfare foods                       | 1950 | —                  | —                             | —     | —                           | —         | 61         | —      | —       | 61                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1951 | —                  | —                             | —     | —                           | —         | 66         | —      | —       | 66                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1952 | —                  | —                             | —     | —                           | —         | 76         | —      | —       | 76                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1953 | —                  | —                             | —     | —                           | —         | 77         | —      | —       | 77                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1954 | —                  | —                             | —     | —                           | —         | 78         | —      | —       | 78                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1955 | —                  | —                             | —     | —                           | —         | 83         | —      | —       | 83                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1956 | —                  | —                             | —     | —                           | —         | 91         | —      | —       | 91                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
|  | 1957 | —                  | —                             | —     | —                           | —         | 88         | —      | —       | 88                        | ( <sup>2</sup> )   | ( <sup>2</sup> )   |
| Health   | 1950 | 458                | —                             | 16    | —                           | —         | —          | —      | 4       | 478                       | 449                | 29                 |
|  | 1951 | 476                | —                             | 17    | —                           | —         | —          | —      | 5       | 498                       | 466                | 32                 |
|  | 1952 | 489                | —                             | 16    | —                           | —         | —          | —      | 5       | 510                       | 476                | 34                 |
|  | 1953 | 505                | —                             | 17    | —                           | —         | —          | —      | 4       | 526                       | 490                | 36                 |
|  | 1954 | 522                | —                             | 19    | —                           | —         | —          | —      | 3       | 544                       | 507                | 37                 |
|  | 1955 | 560                | —                             | 21    | —                           | —         | —          | —      | 3       | 584                       | 544                | 40                 |
|  | 1956 | 616                | —                             | 21    | —                           | —         | —          | —      | 3       | 640                       | 595                | 45                 |
|  | 1957 | 660                | —                             | 24    | —                           | —         | 1          | —      | 3       | 688                       | 640                | 48                 |
| National insurance, pensions and assistance <sup>(3)</sup> | 1950 | 52                 | —                             | 3     | —                           | —         | 614        | 5      | —       | 674                       | 661                | 13                 |
|  | 1951 | 56                 | —                             | 3     | —                           | —         | 642        | 6      | —       | 707                       | 693                | 14                 |
|  | 1952 | 63                 | —                             | 3     | —                           | —         | 753        | 6      | —       | 825                       | 809                | 16                 |
|  | 1953 | 65                 | —                             | 2     | —                           | —         | 841        | 6      | —       | 914                       | 897                | 17                 |
|  | 1954 | 66                 | —                             | 3     | —                           | —         | 847        | 6      | —       | 922                       | 904                | 18                 |
|  | 1955 | 70                 | —                             | 3     | —                           | —         | 937        | 6      | —       | 1,016                     | 997                | 19                 |
|  | 1956 | 78                 | —                             | 3     | —                           | —         | 1,001      | 7      | —       | 1,089                     | 1,067              | 22                 |
|  | 1957 | 85                 | —                             | 3     | —                           | —         | 1,048      | 7      | —       | 1,143                     | 1,120              | 23                 |
| Agriculture and food <sup>(4)</sup>                        | 1950 | 27                 | 1                             | 1     | -32                         | 382       | 4          | —      | 1       | 384                       | 383                | 1                  |
|  | 1951 | 32                 | 2                             | 3     | 18                          | 375       | 4          | —      | 1       | 435                       | 433                | 2                  |
|  | 1952 | 32                 | 2                             | 3     | -5                          | 319       | 4          | —      | 1       | 356                       | 354                | 2                  |
|  | 1953 | 31                 | 2                             | 2     | 16                          | 265       | 4          | —      | 1       | 321                       | 319                | 2                  |
|  | 1954 | 28                 | 2                             | 2     | -133                        | 314       | 4          | —      | 2       | 219                       | 217                | 2                  |
|  | 1955 | 28                 | 2                             | 2     | -87                         | 238       | 4          | —      | 2       | 189                       | 187                | 2                  |
|  | 1956 | 29                 | 2                             | 2     | —                           | 249       | 5          | —      | 3       | 290                       | 287                | 3                  |
|  | 1957 | 30                 | 2                             | 2     | 7                           | 294       | 5          | —      | 3       | 343                       | 340                | 3                  |
| 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 | 4                  | 3                             | —     | —                           | —         | —          | —      | —       | 7                         | 4                  | 3                  |
|  | 1956 | 4                  | 4                             | —     | —                           | —         | —          | —      | —       | 8                         | 4                  | 4                  |
|  | 1957 | 4                  | 5                             | —     | —                           | —         | —          | —      | —       | 9                         | 4                  | 5                  |
| Transport and communication                                | 1950 | 12                 | 66                            | —     | —                           | 11        | —          | —      | —       | 89                        | 74                 | 15                 |
|  | 1951 | 10                 | 68                            | —     | -1                          | 8         | —          | —      | —       | 85                        | 72                 | 13                 |
|  | 1952 | 10                 | 79                            | —     | 1                           | 5         | —          | —      | —       | 95                        | 83                 | 12                 |
|  | 1953 | 10                 | 88                            | —     | 3                           | 7         | —          | —      | —       | 108                       | 94                 | 14                 |
|  | 1954 | 10                 | 90                            | —     | 2                           | 8         | —          | —      | —       | 110                       | 98                 | 12                 |
|  | 1955 | 11                 | 104                           | —     | 4                           | 7         | —          | —      | 5       | 131                       | 119                | 12                 |
|  | 1956 | 13                 | 117                           | —     | 6                           | 7         | —          | —      | 8       | 151                       | 136                | 15                 |
|  | 1957 | 15                 | 125                           | —     | 6                           | 7         | —          | —      | —       | 153                       | 138                | 15                 |

<sup>(1)</sup> Excludes debt interest, grants from the Central Government to local authorities, lending and other transactions in financial assets.<sup>(2)</sup> School meals, etc. are included under "Education and child care".<sup>(3)</sup> For details of current grants to persons see Table 44.<sup>(4)</sup> Includes forestry and fisheries.



## Analysis of expenditure (continued)

TABLE 50 (continued)

£ million

|   |      | Goods and services |                               |       |                             | Subsidies | Grants     |        |         | Total<br>( <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 |         |                           |                    |                   |
| Promotion and regulation of industry and trade (continued): |      |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
| Other industry and trade                                    | 1950 | 12                 | 10                            | 3     | -35                         | 9         | 2          | —      | 1       | 2                         | -2                 | 4                 |
|   | 1951 | 15                 | 9                             | 3     | 41                          | 10        | 2          | —      | 1       | 81                        | 77                 | 4                 |
|   | 1952 | 17                 | 8                             | 4     | —                           | 11        | 2          | —      | 2       | 44                        | 41                 | 3                 |
|   | 1953 | 19                 | 7                             | 4     | -42                         | —         | 2          | —      | 2       | -8                        | -11                | 3                 |
|   | 1954 | 21                 | 7                             | 5     | -37                         | 1         | 2          | —      | 2       | 1                         | -3                 | 4                 |
|   | 1955 | 23                 | 10                            | 6     | -20                         | 1         | 2          | —      | 2       | 24                        | 20                 | 4                 |
|   | 1956 | 24                 | 13                            | 7     | -8                          | 1         | 2          | 1      | 2       | 42                        | 37                 | 5                 |
|   | 1957 | 29                 | 11                            | 9     | -3                          | 1         | 2          | 1      | 3       | 53                        | 48                 | 5                 |
| 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                 | —                 |
|   | 1956 | 18                 | —                             | —     | —                           | —         | 2          | —      | —       | 20                        | 20                 | —                 |
|   | 1957 | 19                 | —                             | —     | —                           | —         | 2          | —      | —       | 21                        | 21                 | —                 |
| 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 | 104                | —                             | 15    | —                           | —         | —          | —      | —       | 119                       | 37                 | 82                |
|   | 1954 | 111                | —                             | 18    | —                           | —         | —          | —      | —       | 129                       | 39                 | 90                |
|   | 1955 | 119                | —                             | 25    | —                           | —         | —          | —      | —       | 144                       | 47                 | 97                |
|   | 1956 | 126                | —                             | 34    | —                           | —         | —          | —      | —       | 160                       | 53                 | 107               |
|   | 1957 | 136                | —                             | 40    | —                           | —         | —          | —      | —       | 176                       | 65                 | 111               |
| Fire service .....  |      |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
|   | 1950 | 14                 | —                             | 1     | —                           | —         | —          | —      | —       | 15                        | 4                  | 11                |
|   | 1951 | 16                 | —                             | 2     | —                           | —         | —          | —      | —       | 18                        | 4                  | 14                |
|   | 1952 | 17                 | —                             | 3     | —                           | —         | —          | —      | —       | 20                        | 4                  | 16                |
|   | 1953 | 18                 | —                             | 3     | —                           | —         | —          | —      | —       | 21                        | 5                  | 16                |
|   | 1954 | 19                 | —                             | 3     | —                           | —         | —          | —      | —       | 22                        | 5                  | 17                |
|   | 1955 | 20                 | —                             | 3     | —                           | —         | —          | —      | —       | 23                        | 5                  | 18                |
|   | 1956 | 22                 | —                             | 3     | —                           | —         | —          | —      | —       | 25                        | 5                  | 20                |
|   | 1957 | 23                 | —                             | 3     | —                           | —         | —          | —      | —       | 26                        | 5                  | 21                |
| Water, sewerage and refuse disposal                         |      |                    |                               |       |                             |           |            |        |         |                           |                    |                   |
|   | 1950 | 38                 | 20                            | 13    | —                           | —         | —          | —      | —       | 71                        | 5                  | 66                |
|   | 1951 | 39                 | 24                            | 18    | —                           | —         | —          | —      | —       | 81                        | 5                  | 76                |
|   | 1952 | 45                 | 30                            | 22    | —                           | —         | —          | —      | —       | 97                        | 7                  | 90                |
|   | 1953 | 48                 | 33                            | 23    | —                           | —         | —          | —      | —       | 104                       | 9                  | 95                |
|   | 1954 | 51                 | 32                            | 24    | —                           | —         | —          | —      | —       | 107                       | 10                 | 97                |
|   | 1955 | 56                 | 31                            | 27    | —                           | —         | —          | —      | —       | 114                       | 5                  | 109               |
|   | 1956 | 63                 | 34                            | 31    | —                           | —         | —          | —      | —       | 128                       | 3                  | 125               |
|   | 1957 | 68                 | 34                            | 33    | —                           | —         | —          | —      | —       | 135                       | 3                  | 132               |
| 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                 | —                             | 14    | —                           | —         | —          | —      | —       | 24                        | 17                 | 7                 |
|   | 1954 | 8                  | —                             | 12    | —                           | —         | —          | —      | —       | 20                        | 11                 | 9                 |
|   | 1955 | 7                  | —                             | 7     | —                           | —         | —          | —      | —       | 14                        | 5                  | 9                 |
|   | 1956 | 7                  | —                             | 6     | —                           | —         | —          | —      | —       | 13                        | 4                  | 9                 |
|   | 1957 | 7                  | —                             | 6     | —                           | —         | —          | —      | —       | 13                        | 3                  | 10                |
| 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 | 36                 | —                             | 12    | —                           | —         | —          | —      | 40      | 88                        | 49                 | 39                |
|   | 1956 | 41                 | —                             | 14    | —                           | —         | —          | —      | 25      | 80                        | 35                 | 45                |
|   | 1957 | 45                 | —                             | 12    | —                           | —         | —          | —      | 12      | 69                        | 23                 | 46                |

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



## Analysis of expenditure (continued)

£ million

TABLE 50 (continued)

TABLE 50 (continued)

|   |      | Goods and services |                               |       |                             | Subsidies | Grants     |        |         | Total<br>( <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 |         |                           |                    |                   |
| 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                 | —                 |
|   | 1956 | —                  | —                             | —     | —                           | —         | —          | —      | 23      | 23                        | 23                 | —                 |
|   | 1957 | —                  | —                             | —     | —                           | —         | —          | —      | 22      | 22                        | 22                 | —                 |
| Other services .....  | 1950 | 63                 | —                             | 18    | —                           | —         | 2          | —      | —       | 83                        | 39                 | 44                |
|   | 1951 | 61                 | —                             | 22    | —                           | —         | 2          | —      | —       | 85                        | 38                 | 47                |
|   | 1952 | 58                 | —                             | 16    | —                           | —         | 2          | —      | —       | 76                        | 31                 | 45                |
|   | 1953 | 57                 | —                             | 16    | —                           | —         | 1          | —      | —       | 74                        | 29                 | 45                |
|   | 1954 | 58                 | —                             | 16    | —                           | —         | 1          | —      | —       | 75                        | 28                 | 47                |
|   | 1955 | 58                 | —                             | 17    | —                           | —         | 1          | —      | —       | 76                        | 30                 | 46                |
|   | 1956 | 64                 | —                             | 20    | —                           | —         | —          | —      | —       | 84                        | 31                 | 53                |
|   | 1957 | 70                 | —                             | 19    | —                           | —         | 6          | —      | —       | 95                        | 38                 | 57                |
| Central Government grants to local authorities not allocated to specific services | 1950 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 57                 | —57               |
|   | 1951 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 62                 | —62               |
|   | 1952 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 68                 | —68               |
|   | 1953 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 72                 | —72               |
|   | 1954 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 81                 | —81               |
|   | 1955 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 83                 | —83               |
|   | 1956 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 88                 | —88               |
|   | 1957 | —                  | —                             | —     | —                           | —         | —          | —      | —       | —                         | 105                | —105              |
| Total.....  | 1950 | 2,072              | 372                           | 162   | —94                         | 475       | 756        | 44     | 252     | 4,039                     | 3,330              | 709               |
|   | 1951 | 2,443              | 430                           | 203   | 168                         | 468       | 786        | 48     | 121     | 4,667                     | 3,871              | 796               |
|   | 1952 | 2,898              | 531                           | 225   | 44                          | 418       | 912        | 58     | 95      | 5,181                     | 4,275              | 906               |
|   | 1953 | 3,052              | 584                           | 243   | 19                          | 364       | 1,003      | 56     | 96      | 5,417                     | 4,436              | 981               |
|   | 1954 | 3,139              | 522                           | 244   | —125                        | 423       | 1,023      | 60     | 68      | 5,354                     | 4,369              | 985               |
|   | 1955 | 3,213              | 476                           | 264   | —101                        | 346       | 1,118      | 65     | 98      | 5,479                     | 4,487              | 992               |
|   | 1956 | 3,492              | 481                           | 314   | —24                         | 366       | 1,197      | 62     | 90      | 5,978                     | 4,887              | 1,091             |
|   | 1957 | 3,583              | 481                           | 350   | —31                         | 413       | 1,257      | 64     | 59      | 6,176                     | 5,035              | 1,141             |
| of which:<br>Central Government   | 1950 | 1,508              | 68                            | 60    | —94                         | 461       | 717        | 44     | 252     | 3,016                     | 3,016              | —                 |
|   | 1951 | 1,815              | 99                            | 74    | 168                         | 453       | 744        | 48     | 121     | 3,522                     | 3,522              | —                 |
|   | 1952 | 2,211              | 132                           | 84    | 44                          | 400       | 864        | 58     | 95      | 3,888                     | 3,888              | —                 |
|   | 1953 | 2,320              | 132                           | 87    | 19                          | 345       | 954        | 56     | 96      | 4,009                     | 4,009              | —                 |
|   | 1954 | 2,356              | 105                           | 84    | —125                        | 403       | 968        | 60     | 68      | 3,919                     | 3,919              | —                 |
|   | 1955 | 2,372              | 108                           | 89    | —101                        | 321       | 1,048      | 65     | 98      | 4,000                     | 4,000              | —                 |
|   | 1956 | 2,541              | 118                           | 105   | —24                         | 336       | 1,118      | 62     | 90      | 4,346                     | 4,346              | —                 |
|   | 1957 | 2,523              | 124                           | 122   | —31                         | 382       | 1,174      | 64     | 59      | 4,417                     | 4,417              | —                 |
| Local authorities.....  | 1950 | 564                | 304                           | 102   | —                           | 14        | 39         | —      | —       | 1,023                     | 314                | 709               |
|   | 1951 | 628                | 331                           | 129   | —                           | 15        | 42         | —      | —       | 1,145                     | 349                | 796               |
|   | 1952 | 687                | 399                           | 141   | —                           | 18        | 48         | —      | —       | 1,293                     | 387                | 906               |
|   | 1953 | 732                | 452                           | 156   | —                           | 19        | 49         | —      | —       | 1,408                     | 427                | 981               |
|   | 1954 | 783                | 417                           | 160   | —                           | 20        | 55         | —      | —       | 1,435                     | 450                | 985               |
|   | 1955 | 841                | 368                           | 175   | —                           | 25        | 70         | —      | —       | 1,479                     | 487                | 992               |
|   | 1956 | 951                | 363                           | 209   | —                           | 30        | 79         | —      | —       | 1,632                     | 541                | 1,091             |
|   | 1957 | 1,060              | 357                           | 228   | —                           | 31        | 83         | —      | —       | 1,759                     | 618                | 1,141             |

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



## Analysis of current expenditure on goods and services

TABLE 51

£ million

|   | 1953                                 |                      | 1954                                 |                      | 1955                                 |                      | 1956                                 |                      | 1957                                 |                      |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|   | Wages, salaries, etc. <sup>(1)</sup> | Other payments (net) | Wages, salaries, etc. <sup>(1)</sup> | Other payments (net) | Wages, salaries, etc. <sup>(1)</sup> | Other payments (net) | Wages, salaries, etc. <sup>(1)</sup> | Other payments (net) | Wages, salaries, etc. <sup>(1)</sup> | Other payments (net) |
| Finance and tax collection.....                   | 48                                   | 20                   | 52                                   | 21                   | 56                                   | 21                   | 62                                   | 23                   | 66                                   | 25                   |
| Police and justice .....                          | 72                                   | 19                   | 76                                   | 21                   | 83                                   | 22                   | 95                                   | 22                   | 105                                  | 28                   |
| Overseas services.....                            | 15                                   | 23                   | 16                                   | 23                   | 17                                   | 23                   | 18                                   | 26                   | 20                                   | 27                   |
| Defence:  |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |
| Military defence <sup>(2)</sup> .....             | 570                                  | 970                  | 612                                  | 942                  | 630                                  | 894                  | 683                                  | 941                  | 685                                  | 849                  |
| Civil defence .....                               | 4                                    | 21                   | 4                                    | 18                   | 4                                    | 14                   | 4                                    | 11                   | 5                                    | 8                    |
| Social services:                                  |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |
| Housing .....                                     | 2                                    | —                    | 2                                    | —                    | 2                                    | —                    | 1                                    | —                    | 1                                    | —                    |
| Education and child care .....                    | 278                                  | 89                   | 302                                  | 100                  | 327                                  | 110                  | 370                                  | 131                  | 421                                  | 152                  |
| Health .....                                      | 242                                  | 263                  | 255                                  | 267                  | 273                                  | 287                  | 300                                  | 316                  | 323                                  | 337                  |
| National insurance, pensions and assistance ..... | 37                                   | 28                   | 39                                   | 27                   | 41                                   | 29                   | 46                                   | 32                   | 49                                   | 36                   |
| Agriculture and food .....                        | 24                                   | 7                    | 21                                   | 7                    | 20                                   | 8                    | 20                                   | 9                    | 20                                   | 10                   |
| Promotion and regulation of industry and trade:   |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |
| Fuel and power industries.....                    | 2                                    | 2                    | 2                                    | 2                    | 2                                    | 2                    | 2                                    | 2                    | 2                                    | 2                    |
| Transport and communication.....                  | 5                                    | 5                    | 5                                    | 5                    | 6                                    | 5                    | 6                                    | 7                    | 7                                    | 8                    |
| Other industry and trade .....                    | 10                                   | 9                    | 11                                   | 10                   | 13                                   | 10                   | 15                                   | 9                    | 17                                   | 12                   |
| Employment services .....                         | 16                                   | 1                    | 16                                   | 1                    | 17                                   | 1                    | 18                                   | —                    | 18                                   | 1                    |
| Provision of basic services:                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |
| Roads and public lighting.....                    | 54                                   | 50                   | 57                                   | 54                   | 62                                   | 57                   | 68                                   | 58                   | 71                                   | 65                   |
| Fire service .....                                | 13                                   | 5                    | 14                                   | 5                    | 15                                   | 5                    | 16                                   | 6                    | 18                                   | 5                    |
| Sewerage and refuse disposal .....                | 28                                   | 20                   | 30                                   | 21                   | 33                                   | 23                   | 36                                   | 27                   | 39                                   | 29                   |
| Other <sup>(3)</sup> .....                        | 88                                   | 12                   | 92                                   | 9                    | 97                                   | 4                    | 107                                  | 5                    | 115                                  | 7                    |
| Total <sup>(4)</sup> .....                        | 1,508                                | 1,544                | 1,606                                | 1,533                | 1,698                                | 1,515                | 1,867                                | 1,625                | 1,982                                | 1,601                |
| of which  |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      |                      |
| Central Government .....                          | 976                                  | 1,344                | 1,037                                | 1,319                | 1,084                                | 1,288                | 1,178                                | 1,363                | 1,215                                | 1,308                |
| Local authorities.....                            | 532                                  | 200                  | 569                                  | 214                  | 614                                  | 227                  | 689                                  | 262                  | 767                                  | 293                  |

<sup>(1)</sup> Includes employers' contributions to national insurance, superannuation, etc.<sup>(2)</sup> The columns "Wages, salaries, etc." include the following amounts for Forces' pay in cash and kind and the related employers' contributions (£ million):

| 1953 | 1954 | 1955 | 1956 | 1957 |
|------|------|------|------|------|
| 393  | 407  | 403  | 446  | 449  |

<sup>(3)</sup> Includes land drainage, coast protection, town and country planning, parks, etc.<sup>(4)</sup> Total wages and salaries and employers' contributions paid by public authorities are as follows (£ million):

|   | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|-------|-------|-------|-------|-------|
| Total as shown in this table .....                                      | 1,508 | 1,606 | 1,698 | 1,867 | 1,982 |
| Wages and salaries, etc., in trading services:                          |       |       |       |       |       |
| Post Office (including wages, etc., charged to capital account) ....    | 171   | 181   | 202   | 225   | 253   |
| Other Central Government trading services .....                         | 36    | 38    | 40    | 41    | 40    |
| Local authorities' trading services .....                               | 112   | 120   | 134   | 146   | 156   |
| Wages and salaries, etc., charged to local authorities' capital account | 23    | 24    | 25    | 27    | 27    |
| Total .....   | 1,850 | 1,969 | 2,099 | 2,306 | 2,458 |



## Housing subsidies

£ million

TABLE 52

|  | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|
| <b>Central Government</b>                                  |      |      |      |      |      |      |      |      |      |      |
| Permanent housing:   |      |      |      |      |      |      |      |      |      |      |
| Payments to local authorities.....                         | 23   | 25   | 27   | 30   | 36   | 43   | 49   | 56   | 63   | 65   |
| Payments to public corporations .....                      | —    | —    | 1    | 1    | 1    | 2    | 2    | 3    | 4    | 4    |
| Temporary housing:   |      |      |      |      |      |      |      |      |      |      |
| Annuities .....  | 20   | 23   | 23   | 23   | 23   | 23   | 24   | 12   | 8    | 8    |
| less Receipts from local authorities .....                 | -3   | -3   | -3   | -2   | -2   | -2   | -2   | -2   | -2   | -2   |
| Emergency housing: net payments to local authorities ..... | 11   | 10   | 9    | 7    | 6    | 6    | 6    | 6    | 6    | 5    |
| Grants to the National Service Hostels Corporation .....   | 2    | 2    | 1    | 1    | 1    | 1    | 1    | —    | —    | —    |
| Net subsidies.....   | 53   | 57   | 58   | 60   | 65   | 73   | 80   | 75   | 79   | 80   |
| <b>Local authorities</b>                                   |      |      |      |      |      |      |      |      |      |      |
| Emergency housing:   |      |      |      |      |      |      |      |      |      |      |
| Expenses .....   | 17   | 18   | 19   | 16   | 14   | 14   | 15   | 15   | } 6  | 5    |
| less Rents, etc. ....                                      | -6   | -8   | -10  | -9   | -8   | -8   | -9   | -9   |      | -5   |
| less Receipts from Central Government .....                | -11  | -10  | -9   | -7   | -6   | -6   | -6   | -6   |      | -5   |
| Other housing:   |      |      |      |      |      |      |      |      |      |      |
| Loan charges .....   | 52   | 60   | 69   | 78   | 92   | 109  | 125  | 143  | 162  | 180  |
| Payments to Central Government for temporary houses.....   | 3    | 3    | 3    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Other expenses .....                                       | 28   | 31   | 33   | 38   | 44   | 48   | 53   | 60   | 70   | 73   |
| less Rents, etc. ....                                      | -46  | -55  | -64  | -73  | -84  | -97  | -111 | -124 | -141 | -159 |
| less Subsidies from Central Government .....               | -23  | -25  | -27  | -30  | -36  | -43  | -49  | -56  | -63  | -65  |
| Net subsidies.....   | 14   | 14   | 14   | 15   | 18   | 19   | 20   | 25   | 30   | 31   |
| <b>Combined public authorities</b> .....                   | 67   | 71   | 72   | 75   | 83   | 92   | 100  | 100  | 109  | 111  |

## Taxes on expenditure and subsidies

## Allocation by type of expenditure

TABLE 53

£ million

|   | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Taxes on consumers' expenditure .....                               | 1,864 | 1,809 | 1,861 | 1,982 | 1,977 | 2,043 | 2,126 | 2,245 | 2,407 | 2,498 |
| less Subsidies on consumers' expenditure .....                      | -560  | -516  | -468  | -461  | -411  | -362  | -420  | -343  | -363  | -410  |
| <b>Net taxes on:</b>  |       |       |       |       |       |       |       |       |       |       |
| Consumers' expenditure .....  | 1,304 | 1,293 | 1,393 | 1,521 | 1,566 | 1,681 | 1,706 | 1,902 | 2,044 | 2,088 |
| Public authorities' current expenditure on goods and services ..... | 33    | 37    | 45    | 61    | 82    | 98    | 108   | 96    | 104   | 111   |
| Gross domestic capital formation .....                              | 76    | 85    | 89    | 143   | 142   | 154   | 165   | 193   | 212   | 234   |
| Exports of goods and services .....                                 | 37    | 44    | 60    | 81    | 80    | 76    | 84    | 89    | 104   | 110   |
| <b>Total taxes on expenditure less subsidies</b> .....              | 1,450 | 1,459 | 1,587 | 1,806 | 1,870 | 2,009 | 2,063 | 2,280 | 2,464 | 2,543 |



## Taxes on income, national insurance contributions and taxes on capital

Allocation by type of income<sup>(1)</sup>, property and sector

TABLE 54

£ million

|   | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Taxes on income and national insurance and health contributions</b>  |              |              |              |              |              |              |              |              |              |              |
| Taxes on income (payments):   |              |              |              |              |              |              |              |              |              |              |
| Persons .....   | 981          | 1,007        | 1,029        | 1,176        | 1,188        | 1,148        | 1,254        | 1,362        | 1,489        | 1,641        |
| Companies .....   | 626          | 786          | 779          | 746          | 982          | 944          | 856          | 923          | 835          | 925          |
| Public corporations .....   | 3            | 2            | 3            | 4            | 3            | 24           | 37           | 34           | 30           | 22           |
| National insurance and health contributions .....                       | 335          | 436          | 440          | 452          | 476          | 525          | 532          | 594          | 642          | 657          |
| <b>Total</b> .....  | <b>1,945</b> | <b>2,231</b> | <b>2,251</b> | <b>2,378</b> | <b>2,649</b> | <b>2,641</b> | <b>2,679</b> | <b>2,913</b> | <b>2,996</b> | <b>3,245</b> |
| Rent of land and buildings:   |              |              |              |              |              |              |              |              |              |              |
| Income tax .....  | 110          | 113          | 114          | 113          | 118          | 116          | 112          | 112          | 108          | 110          |
| Surtax .....  | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            |
| Transfer incomes <sup>(2)</sup> :                                       |              |              |              |              |              |              |              |              |              |              |
| Income tax .....  | 14           | 13           | 10           | 10           | 10           | 13           | 14           | 14           | 14           | 15           |
| Dividends, interest and trading incomes:                                |              |              |              |              |              |              |              |              |              |              |
| Income tax .....  | 670          | 796          | 824          | 807          | 972          | 1,066        | 1,068        | 1,180        | 1,133        | 1,191        |
| Surtax .....  | 76           | 85           | 87           | 94           | 94           | 94           | 94           | 93           | 99           | 108          |
| Profits tax, excess profits tax and excess profits levy, etc. ....      | 283          | 300          | 277          | 297          | 375          | 272          | 253          | 223          | 199          | 244          |
| Insurance contributions of self-employed and non-employed persons ..... | 10           | 27           | 27           | 28           | 30           | 31           | 32           | 34           | 38           | 38           |
| Income from employment:   |              |              |              |              |              |              |              |              |              |              |
| Wages and salaries:   |              |              |              |              |              |              |              |              |              |              |
| Income tax .....  | 421          | 449          | 460          | 560          | 556          | 507          | 556          | 645          | 740          | 847          |
| Surtax .....  | 20           | 22           | 24           | 28           | 31           | 33           | 35           | 36           | 43           | 48           |
| Employees' insurance contributions .....                                | 163          | 207          | 209          | 213          | 222          | 243          | 247          | 274          | 292          | 303          |
| Pay of the Forces:  |              |              |              |              |              |              |              |              |              |              |
| Income tax .....  | 13           | 14           | 12           | 14           | 14           | 12           | 12           | 13           | 15           | 22           |
| Employees' insurance contributions .....                                | 5            | 5            | 5            | 6            | 6            | 7            | 6            | 7            | 8            | 8            |
| Employers' insurance contributions:                                     |              |              |              |              |              |              |              |              |              |              |
| Forces .....  | 8            | 8            | 7            | 9            | 10           | 10           | 10           | 11           | 11           | 10           |
| Civilian employees .....  | 149          | 189          | 192          | 196          | 208          | 234          | 237          | 268          | 293          | 298          |
| <b>Total</b> .....  | <b>1,945</b> | <b>2,231</b> | <b>2,251</b> | <b>2,378</b> | <b>2,649</b> | <b>2,641</b> | <b>2,679</b> | <b>2,913</b> | <b>2,996</b> | <b>3,245</b> |
| <b>Taxes on capital</b>   |              |              |              |              |              |              |              |              |              |              |
| Death duties:   |              |              |              |              |              |              |              |              |              |              |
| Land and buildings .....  | 23           | 26           | 25           | 27           | 21           | 23           | 24           | 25           | 23           | 23           |
| Government and municipal securities .....                               | 45           | 49           | 51           | 52           | 43           | 46           | 51           | 47           | 40           | 40           |
| Other stocks and shares .....   | 76           | 77           | 72           | 73           | 59           | 60           | 71           | 76           | 69           | 77           |
| Other forms of property .....   | 38           | 38           | 36           | 39           | 34           | 35           | 36           | 36           | 34           | 36           |
| Special contribution .....  | 33           | 64           | 6            | 3            | 2            | 1            | 1            | —            | —            | —            |
| <b>Total</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>   | <b>166</b>   | <b>176</b>   |

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

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



## X. CAPITAL FORMATION

## The financing of investment

£ million

TABLE 55

|   |      | Personal<br>sector | Com-<br>panies | Public<br>corpora-<br>tions | Central<br>Govern-<br>ment | Local<br>authori-<br>ties | Residual<br>error | Tax and<br>dividend<br>reserves | Total |
|---|------|--------------------|----------------|-----------------------------|----------------------------|---------------------------|-------------------|---------------------------------|-------|
| Saving before providing for depreciation and<br>stock appreciation <sup>(1)</sup> ..... | 1948 | 128                | 928            | 61                          | 516                        | 78                        | 8                 | 141                             | 1,860 |
|   | 1949 | 224                | 927            | 84                          | 580                        | 81                        | -11               | -18                             | 1,867 |
|   | 1950 | 210                | 1,246          | 118                         | 659                        | 79                        | 17                | 113                             | 2,442 |
|   | 1951 | 243                | 1,222          | 142                         | 580                        | 81                        | 84                | 456                             | 2,808 |
|   | 1952 | 708                | 909            | 146                         | 337                        | 82                        | 153               | 16                              | 2,351 |
|   | 1953 | 777                | 1,098          | 176                         | 198                        | 114                       | 163               | 77                              | 2,603 |
|   | 1954 | 679                | 1,359          | 209                         | 198                        | 118                       | 137               | 227                             | 2,927 |
|   | 1955 | 956                | 1,591          | 180                         | 445                        | 109                       | -71               | 65                              | 3,275 |
|   | 1956 | 1,314              | 1,561          | 196                         | 355                        | 118                       | -12               | 289                             | 3,821 |
|   | 1957 | 1,484              | 1,720          | 178                         | 536                        | 139                       | -68               | 196                             | 4,185 |
| 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                        | —                         | —                 | —                               | —     |
|   | 1956 | -166               | —              | —                           | 166                        | —                         | —                 | —                               | —     |
|   | 1957 | -176               | —              | —                           | 176                        | —                         | —                 | —                               | —     |
| Capital transfers (net receipts) .....  | 1948 | 116                | 64             | 3                           | 27                         | 24                        | —                 | —                               | 234   |
|   | 1949 | 94                 | 55             | 42                          | -47                        | 45                        | —                 | —                               | 189   |
|   | 1950 | 87                 | 54             | 3                           | 6                          | 17                        | —                 | —                               | 167   |
|   | 1951 | 69                 | 32             | 5                           | -42                        | 14                        | —                 | —                               | 78    |
|   | 1952 | 58                 | 32             | 5                           | -76                        | 16                        | —                 | —                               | 35    |
|   | 1953 | 47                 | 42             | 7                           | -99                        | 30                        | —                 | —                               | 27    |
|   | 1954 | 36                 | 25             | 7                           | -86                        | 29                        | —                 | —                               | 11    |
|   | 1955 | 59                 | 27             | 12                          | -102                       | 18                        | —                 | —                               | 14    |
|   | 1956 | 53                 | 21             | 16                          | -95                        | 19                        | —                 | —                               | 14    |
|   | 1957 | 40                 | 10             | 9                           | -77                        | 22                        | —                 | —                               | 4     |
| 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 | -40                | -127           | -18                         | -15                        | —                         | —                 | —                               | -200  |
|   | 1956 | -28                | -110           | -12                         | —                          | —                         | —                 | —                               | -150  |
|   | 1957 | -18                | -70            | -12                         | —                          | —                         | —                 | —                               | -100  |
| Total funds available from saving and capital<br>transfers for gross investment .....   | 1948 | -30                | 792            | 22                          | 734                        | 102                       | 8                 | 141                             | 1,769 |
|   | 1949 | 25                 | 812            | 126                         | 796                        | 126                       | -11               | -18                             | 1,856 |
|   | 1950 | 44                 | 860            | 92                          | 737                        | 96                        | 17                | 113                             | 1,959 |
|   | 1951 | 6                  | 789            | 67                          | 639                        | 95                        | 84                | 456                             | 2,136 |
|   | 1952 | 597                | 963            | 157                         | 452                        | 98                        | 153               | 16                              | 2,436 |
|   | 1953 | 652                | 1,184          | 189                         | 296                        | 144                       | 163               | 77                              | 2,705 |
|   | 1954 | 512                | 1,331          | 209                         | 300                        | 147                       | 137               | 227                             | 2,863 |
|   | 1955 | 791                | 1,491          | 174                         | 512                        | 127                       | -71               | 65                              | 3,089 |
|   | 1956 | 1,173              | 1,472          | 200                         | 426                        | 137                       | -12               | 289                             | 3,685 |
|   | 1957 | 1,330              | 1,660          | 175                         | 635                        | 161                       | -68               | 196                             | 4,089 |

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



## The financing of investment (continued)

TABLE 55 (continued)

£ million

|   |      | Personal<br>sector | Com-<br>panies | Public<br>corpora-<br>tions | Central<br>Govern-<br>ment | Local<br>authori-<br>ties | Residual<br>error | Tax and<br>dividend<br>reserves | Total |
|---|------|--------------------|----------------|-----------------------------|----------------------------|---------------------------|-------------------|---------------------------------|-------|
| Gross fixed capital formation at home                               | 1948 | 232                | 557            | 180                         | 114                        | 372                       | —                 | —                               | 1,455 |
|   | 1949 | 250                | 593            | 264                         | 116                        | 383                       | —                 | —                               | 1,606 |
|   | 1950 | 260                | 647            | 288                         | 128                        | 406                       | —                 | —                               | 1,729 |
|   | 1951 | 280                | 648            | 360                         | 173                        | 460                       | —                 | —                               | 1,921 |
|   | 1952 | 319                | 655            | 409                         | 216                        | 540                       | —                 | —                               | 2,139 |
|   | 1953 | 387                | 697            | 481                         | 219                        | 608                       | —                 | —                               | 2,392 |
|   | 1954 | 485                | 810            | 522                         | 189                        | 577                       | —                 | —                               | 2,583 |
|   | 1955 | 568                | 986            | 564                         | 197                        | 543                       | —                 | —                               | 2,858 |
|   | 1956 | 596                | 1,165          | 588                         | 223                        | 572                       | —                 | —                               | 3,144 |
|   | 1957 | 630                | 1,270          | 671                         | 246                        | 585                       | —                 | —                               | 3,402 |
| Value of physical increase in stocks and work<br>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 | 44                 | 195            | -69                         | -120                       | —                         | —                 | —                               | 50    |
|   | 1955 | 42                 | 353            | 21                          | -116                       | —                         | —                 | —                               | 300   |
|   | 1956 | 33                 | 253            | 13                          | -24                        | —                         | —                 | —                               | 275   |
|   | 1957 | 52                 | 372            | 57                          | -31                        | —                         | —                 | —                               | 450   |
| less Net borrowing from taxation reserves                           | 1948 | -25                | -118           | 1                           | —                          | —                         | —                 | 142                             | —     |
|   | 1949 | -25                | 43             | -3                          | —                          | —                         | —                 | -15                             | —     |
|   | 1950 | -5                 | -70            | -3                          | —                          | —                         | —                 | 78                              | —     |
|   | 1951 | -40                | -396           | -23                         | —                          | —                         | —                 | 459                             | —     |
|   | 1952 | 14                 | 41             | -33                         | —                          | —                         | —                 | -22                             | —     |
|   | 1953 | -9                 | -19            | -13                         | —                          | —                         | —                 | 41                              | —     |
|   | 1954 | -33                | -145           | 6                           | —                          | —                         | —                 | 172                             | —     |
|   | 1955 | -35                | -20            | 12                          | —                          | —                         | —                 | 43                              | —     |
|   | 1956 | -25                | -230           | 8                           | —                          | —                         | —                 | 247                             | —     |
|   | 1957 | 5                  | -197           | 6                           | —                          | —                         | —                 | 186                             | —     |
| less Net borrowing from dividend and interest<br>reserves           | 1948 | —                  | 21             | -20                         | —                          | —                         | —                 | -1                              | —     |
|   | 1949 | —                  | 5              | -2                          | —                          | —                         | —                 | -3                              | —     |
|   | 1950 | —                  | -29            | -6                          | —                          | —                         | —                 | 35                              | —     |
|   | 1951 | —                  | 9              | -6                          | —                          | —                         | —                 | -3                              | —     |
|   | 1952 | —                  | -33            | -5                          | —                          | —                         | —                 | 38                              | —     |
|   | 1953 | —                  | -32            | -4                          | —                          | —                         | —                 | 36                              | —     |
|   | 1954 | —                  | -57            | 2                           | —                          | —                         | —                 | 55                              | —     |
|   | 1955 | —                  | -27            | 5                           | —                          | —                         | —                 | 22                              | —     |
|   | 1956 | —                  | -26            | -16                         | —                          | —                         | —                 | 42                              | —     |
|   | 1957 | —                  | -5             | -5                          | —                          | —                         | —                 | 10                              | —     |
| Net acquisition of financial assets plus net<br>overseas investment | 1948 | -272               | 120            | -129                        | 682                        | -270                      | 8                 | —                               | 139   |
|   | 1949 | -230               | 122            | -166                        | 727                        | -257                      | -11               | —                               | 185   |
|   | 1950 | -252               | 336            | -172                        | 821                        | -310                      | 17                | —                               | 440   |
|   | 1951 | -304               | 102            | -268                        | 391                        | -365                      | 84                | —                               | -360  |
|   | 1952 | 279                | 362            | -265                        | 160                        | -442                      | 153               | —                               | 247   |
|   | 1953 | 241                | 472            | -250                        | 26                         | -464                      | 163               | —                               | 188   |
|   | 1954 | 16                 | 528            | -252                        | 231                        | -430                      | 137               | —                               | 230   |
|   | 1955 | 216                | 199            | -428                        | 431                        | -416                      | -71               | —                               | -69   |
|   | 1956 | 569                | 310            | -393                        | 227                        | -435                      | -12               | —                               | 266   |
|   | 1957 | 643                | 220            | -554                        | 420                        | -424                      | -68               | —                               | 237   |
| Total investment  | 1948 | -30                | 792            | 22                          | 734                        | 102                       | 8                 | 141                             | 1,769 |
|   | 1949 | 25                 | 812            | 126                         | 796                        | 126                       | -11               | -18                             | 1,856 |
|   | 1950 | 44                 | 860            | 92                          | 737                        | 96                        | 17                | 113                             | 1,959 |
|   | 1951 | 6                  | 789            | 67                          | 639                        | 95                        | 84                | 456                             | 2,136 |
|   | 1952 | 597                | 963            | 157                         | 452                        | 98                        | 153               | 16                              | 2,436 |
|   | 1953 | 652                | 1,184          | 189                         | 296                        | 144                       | 163               | 77                              | 2,705 |
|   | 1954 | 512                | 1,331          | 209                         | 300                        | 147                       | 137               | 227                             | 2,863 |
|   | 1955 | 791                | 1,491          | 174                         | 512                        | 127                       | -71               | 65                              | 3,089 |
|   | 1956 | 1,173              | 1,472          | 200                         | 426                        | 137                       | -12               | 289                             | 3,685 |
|   | 1957 | 1,330              | 1,660          | 175                         | 635                        | 161                       | -68               | 196                             | 4,089 |



## CAPITAL FORMATION

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

£ million

TABLE 56

|  | 1938 | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Road goods vehicles .....  | 26   | 71    | 75    | 75    | 81    | 83    | 94    | 106   | 140   | 144   | 137   |
| Buses and coaches .....  | 12   | 33    | 38    | 35    | 25    | 21    | 18    | 20    | 17    | 19    | 18    |
| Passenger cars .....   | 12   | 40    | 57    | 54    | 69    | 84    | 84    | 90    | 109   | 107   | 108   |
| Railway rolling stock .....  | 14   | 28    | 29    | 31    | 33    | 27    | 36    | 48    | 55    | 65    | 89    |
| Ships .....  | 22   | 86    | 78    | 72    | 58    | 57    | 88    | 88    | 82    | 111   | 136   |
| Aircraft .....   | 1    | 8     | 12    | 8     | 7     | 8     | 9     | 9     | 19    | 27    | 48    |
| Plant and machinery .....  | 181  | 516   | 574   | 658   | 768   | 805   | 841   | 932   | 1,058 | 1,147 | 1,258 |
| Dwellings .....  | 180  | 337   | 332   | 331   | 376   | 494   | 630   | 644   | 614   | 626   | 619   |
| Other new buildings and works .....  | 194  | 294   | 366   | 418   | 454   | 520   | 556   | 608   | 722   | 859   | 951   |
| Legal fees, stamp duties, etc. <sup>(1)</sup> less<br>destruction of buildings ..... | 14   | 42    | 45    | 47    | 50    | 40    | 36    | 38    | 42    | 39    | 38    |
| Total <sup>(2)</sup> .....   | 656  | 1,455 | 1,606 | 1,729 | 1,921 | 2,139 | 2,392 | 2,583 | 2,858 | 3,144 | 3,402 |

<sup>(1)</sup> These relate mainly to dwellings, other buildings and works.<sup>(2)</sup> Expenditure on repairs and maintenance to buildings and works carried out by contractors and by labour directly employed by public authorities (which is not included in gross fixed capital formation) is estimated as follows (£ million):

|      |      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|
| 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
| 479  | 509  | 475  | 517  | 547  | 558  | 576  | 594  | 638  | 650  |

## Gross fixed capital formation by type of asset at 1954 prices

£ million

TABLE 57

|   | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Road goods vehicles .....   | 70    | 99    | 104   | 94    | 85    | 79    | 92    | 106   | 141   | 139   | 126   |
| Buses and coaches .....   | 27    | 37    | 43    | 40    | 26    | 21    | 18    | 20    | 16    | 18    | 16    |
| Passenger cars .....  | 42    | 51    | 72    | 67    | 70    | 75    | 81    | 90    | 107   | 97    | 95    |
| Railway rolling stock, ships and aircraft                             | 143   | 177   | 168   | 146   | 132   | 106   | 137   | 145   | 152   | 187   | 235   |
| Plant and machinery .....   | 521   | 668   | 728   | 812   | 881   | 833   | 841   | 932   | 1,010 | 1,032 | 1,089 |
| Dwellings .....   | 599   | 425   | 416   | 408   | 399   | 477   | 622   | 644   | 579   | 565   | 552   |
| Other new buildings and works .....                                   | 557   | 364   | 453   | 517   | 501   | 523   | 555   | 608   | 681   | 773   | 826   |
| Legal fees, stamp duties, etc. less<br>destruction of buildings ..... | 34    | 56    | 56    | 58    | 54    | 39    | 35    | 38    | 40    | 38    | 41    |
| Total .....   | 1,993 | 1,877 | 2,040 | 2,142 | 2,148 | 2,153 | 2,381 | 2,583 | 2,726 | 2,849 | 2,980 |



## Gross fixed capital formation by industry group at current prices

TABLE 58

£ million

|   | 1938               | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Agriculture, forestry and fishing .....                               | 15                 | 94    | 94    | 93    | 95    | 97    | 94    | 101   | 111   | 103   | 120   |
| Mining and quarrying .....  | 8                  | 28    | 35    | 32    | 34    | 46    | 62    | 79    | 87    | 92    | 100   |
| Manufacturing.....  | 209 <sup>(1)</sup> | 350   | 399   | 467   | 542   | 583   | 581   | 609   | 723   | 864   | 926   |
| Building and contracting .....  | .. <sup>(1)</sup>  | 20    | 22    | 23    | 32    | 37    | 37    | 40    | 50    | 47    | 53    |
| Gas, electricity and water .....                                      | 58                 | 138   | 171   | 195   | 217   | 239   | 265   | 303   | 342   | 338   | 357   |
| Transport and communication <sup>(2)</sup> .....                      | 92                 | 211   | 224   | 216   | 201   | 208   | 260   | 274   | 289   | 360   | 453   |
| Distribution and other services <sup>(3)</sup> .....                  | .. <sup>(1)</sup>  | 145   | 174   | 191   | 211   | 221   | 242   | 304   | 393   | 427   | 454   |
| Dwellings .....   | 180                | 337   | 332   | 331   | 376   | 494   | 630   | 644   | 614   | 626   | 619   |
| Social services .....   | 36                 | 47    | 65    | 80    | 93    | 102   | 105   | 110   | 120   | 144   | 174   |
| Other public services .....   | 44                 | 43    | 45    | 54    | 70    | 72    | 80    | 81    | 87    | 104   | 108   |
| Legal fees, stamp duties, etc. less<br>destruction of buildings ..... | 14                 | 42    | 45    | 47    | 50    | 40    | 36    | 38    | 42    | 39    | 38    |
| Total .....   | 656                | 1,455 | 1,606 | 1,729 | 1,921 | 2,139 | 2,392 | 2,583 | 2,858 | 3,144 | 3,402 |

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

<sup>(2)</sup> Excludes road goods transport.

<sup>(3)</sup> Includes road goods transport.

## Gross fixed capital formation by industry group at 1954 prices

TABLE 59

£ million

|   | 1938               | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Agriculture, forestry and fishing .....                               | 43                 | 120   | 118   | 113   | 104   | 96    | 93    | 101   | 108   | 96    | 109   |
| Mining and quarrying .....  | 23                 | 37    | 45    | 41    | 40    | 49    | 62    | 79    | 83    | 82    | 85    |
| Manufacturing.....  | 603 <sup>(1)</sup> | 457   | 513   | 586   | 623   | 601   | 584   | 609   | 687   | 774   | 789   |
| Building and contracting .....  | .. <sup>(1)</sup>  | 27    | 29    | 29    | 37    | 38    | 37    | 40    | 48    | 43    | 46    |
| Gas, electricity and water .....                                      | 184                | 175   | 215   | 239   | 241   | 241   | 262   | 303   | 326   | 304   | 314   |
| Transport and communication <sup>(2)</sup> .....                      | 268                | 283   | 291   | 270   | 242   | 221   | 261   | 274   | 278   | 330   | 399   |
| Distribution and other services <sup>(3)</sup> .....                  | .. <sup>(1)</sup>  | 183   | 219   | 232   | 228   | 217   | 240   | 304   | 381   | 394   | 401   |
| Dwellings .....   | 599                | 425   | 416   | 408   | 399   | 477   | 622   | 644   | 579   | 565   | 552   |
| Social services .....   | 109                | 59    | 81    | 99    | 103   | 102   | 105   | 110   | 113   | 130   | 151   |
| Other public services .....   | 130                | 55    | 57    | 67    | 77    | 72    | 80    | 81    | 83    | 93    | 93    |
| Legal fees, stamp duties, etc. less<br>destruction of buildings ..... | 34                 | 56    | 56    | 58    | 54    | 39    | 35    | 38    | 40    | 38    | 41    |
| Total .....   | 1,993              | 1,877 | 2,040 | 2,142 | 2,148 | 2,153 | 2,381 | 2,583 | 2,726 | 2,849 | 2,980 |

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

<sup>(2)</sup> Excludes road goods transport.

<sup>(3)</sup> Includes road goods transport.



## CAPITAL FORMATION

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

£ million

TABLE 60

|   | 1948         | 1949         | 1950         | 1951         | 1952         | 1953         | 1954           | 1955           | 1956           | 1957           |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| <b>All fixed assets</b>   |              |              |              |              |              |              |                |                |                |                |
| Agriculture .....   | 87           | 87           | 87           | 91           | 93           | 90           | 96             | 104            | 95             | 111            |
| Forestry and fishing .....  | 7            | 7            | 6            | 4            | 4            | 4            | 5              | 7              | 8              | 9              |
| Coal mining .....   | 22           | 28           | 26           | 28           | 40           | 55           | 70             | 77             | 82             | 90             |
| Other mining and quarrying .....                                  | 6            | 7            | 6            | 6            | 6            | 7            | 9              | 10             | 10             | 10             |
| <b>Manufacturing:</b>   |              |              |              |              |              |              |                |                |                |                |
| Government research and development                               | 13           | 14           | 17           | 22           | 31           | 33           | 29             | 35             | 45             | 59             |
| Bricks, pottery, glass, etc. ....                                 | 19           | 18           | 20           | 19           | 18           | 22           | 24             | 25             | 30             | 30             |
| Mineral oil refining .....  | 6            | 18           | 32           | 34           | 40           | 33           | 16             | 13             | 22             | 37             |
| Other chemicals and allied trades ....                            | 34           | 43           | 54           | 69           | 69           | 78           | 81             | 88             | 118            | 134            |
| Iron and steel .....  | 32           | 42           | 49           | 54           | 55           | 52           | 69             | 69             | 83             | 106            |
| Non-ferrous metals .....  | 7            | 9            | 8            | 9            | 8            | 9            | 9              | 11             | 18             | 17             |
| Shipbuilding .....  | 53           | 54           | 59           | 6            | 7            | 8            | 8              | 9              | 9              | 272            |
| Mechanical engineering .....                                      |              |              |              | 46           | 55           | 54           | 59             | 71             | 83             |                |
| Electrical engineering .....                                      |              |              |              | 21           | 30           | 32           | 35             | 50             | 55             |                |
| Motor vehicles and cycles .....                                   | 23           | 23           | 35           | 29           | 33           | 29           | 30             | 55             | 66             | 272            |
| Aircraft .....  |              |              |              | 24           | 37           | 38           | 22             | 18             | 23             |                |
| Other vehicles .....  |              |              |              | 5            | 7            | 6            | 5              | 6              | 7              |                |
| Metal goods not elsewhere specified                               | 16           | 17           | 19           | 19           | 20           | 21           | 23             | 31             | 36             | 62             |
| Precision instruments, jewellery, etc.                            | 6            | 5            | 4            | 5            | 5            | 5            | 6              | 7              | 10             |                |
| Rayon, nylon, etc. and silk .....                                 | 38           | 51           | 53           | 10           | 8            | 7            | 12             | 12             | 14             |                |
| Other textiles .....  |              |              |              | 44           | 38           | 36           | 43             | 52             | 44             | 92             |
| Leather, fur and clothing .....                                   |              |              |              | 9            | 8            | 10           | 10             | 11             | 12             |                |
| Food .....  | 48           | 51           | 60           | 47           | 47           | 48           | 53             | 81             | 91             | 92             |
| Drink and tobacco .....   |              |              |              | 18           | 18           | 15           | 15             |                |                |                |
| Manufactures of wood and cork .....                               | 6            | 8            | 11           | 10           | 8            | 8            | 10             | 12             | 10             | 117            |
| Paper and board .....   | 23           | 22           | 24           | 9            | 9            | 8            | 13             | 18             | 30             |                |
| Paper products, printing, etc. ....                               |              |              |              | 21           | 20           | 19           | 23             | 29             | 34             |                |
| Rubber .....  |              |              |              | 7            | 7            | 5            | 8              | 12             | 15             |                |
| Other manufacturing .....   |              |              |              | 5            | 5            | 5            | 6              | 8              | 9              |                |
| <b>Total manufacturing</b> .....                                  | <b>350</b>   | <b>399</b>   | <b>467</b>   | <b>542</b>   | <b>583</b>   | <b>581</b>   | <b>610,609</b> | <b>717,723</b> | <b>861,864</b> | <b>959,926</b> |
| <b>Building and contracting</b> .....                             | <b>20</b>    | <b>22</b>    | <b>23</b>    | <b>32</b>    | <b>37</b>    | <b>37</b>    | <b>40</b>      | <b>50</b>      | <b>47</b>      | <b>53</b>      |
| Gas .....   | 25           | 29           | 33           | 40           | 46           | 47           | 53             | 59             | 52             | 52             |
| Electricity .....   | 99           | 122          | 138          | 149          | 159          | 180          | 214            | 247            | 246            | 265            |
| Water .....   | 14           | 20           | 24           | 28           | 34           | 38           | 36             | 36             | 40             | 40             |
| Railways .....  | 40           | 42           | 44           | 44           | 40           | 54           | 63             | 69             | 90             | 127            |
| Road passenger transport .....                                    | 37           | 44           | 41           | 30           | 28           | 23           | 25             | 21             | 24             | 22             |
| Shipping .....  | 78           | 70           | 64           | 53           | 53           | 83           | 81             | 75             | 101            | 128            |
| Harbours, docks and canals .....                                  | 7            | 8            | 9            | 10           | 11           | 13           | 13             | 12             | 15             | 17             |
| Air transport .....   | 12           | 17           | 14           | 12           | 13           | 16           | 16             | 25             | 33             | 57             |
| Postal, telephone and radio communi-<br>cations .....             | 37           | 43           | 44           | 52           | 63           | 71           | 76             | 87             | 97             | 102            |
| <b>Distribution and other services<sup>(1)</sup></b> .....        | <b>145</b>   | <b>174</b>   | <b>191</b>   | <b>211</b>   | <b>221</b>   | <b>242</b>   | <b>304</b>     | <b>393</b>     | <b>427</b>     | <b>454</b>     |
| <b>Dwellings</b> .....  | <b>337</b>   | <b>332</b>   | <b>331</b>   | <b>376</b>   | <b>494</b>   | <b>630</b>   | <b>644</b>     | <b>614</b>     | <b>626</b>     | <b>619</b>     |
| Education and child care .....                                    | 30           | 44           | 58           | 69           | 78           | 80           | 82             | 90             | 113            | 137            |
| Health services .....   | 16           | 20           | 20           | 22           | 22           | 23           | 25             | 27             | 28             | 34             |
| National assistance .....   | 1            | 1            | 2            | 2            | 2            | 2            | 3              | 3              | 3              | 3              |
| Roads and public lighting .....                                   | 8            | 10           | 11           | 13           | 14           | 15           | 17             | 23             | 33             | 38             |
| Sewerage and land drainage .....                                  | 11           | 14           | 16           | 22           | 29           | 39           | 38             | 35             | 38             | 39             |
| Other public services .....                                       | 24           | 21           | 27           | 35           | 29           | 26           | 26             | 29             | 33             | 31             |
| <b>Total expenditure on equipment and<br/>new buildings</b> ..... | <b>1,413</b> | <b>1,561</b> | <b>1,682</b> | <b>1,871</b> | <b>2,099</b> | <b>2,356</b> | <b>2,545</b>   | <b>2,816</b>   | <b>3,105</b>   | <b>3,364</b>   |
| Legal fees, stamp duties, etc. ....                               | 46           | 49           | 51           | 54           | 45           | 40           | 43             | 47             | 44             | 43             |
| less Destruction of buildings .....                               | -4           | -4           | -4           | -4           | -5           | -4           | -5             | -5             | -5             | -5             |
| <b>Total</b> .....  | <b>1,455</b> | <b>1,606</b> | <b>1,729</b> | <b>1,921</b> | <b>2,139</b> | <b>2,392</b> | <b>2,583</b>   | <b>2,858</b>   | <b>3,144</b>   | <b>3,402</b>   |

<sup>(1)</sup> Includes road goods transport.



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

TABLE 60 (continued)

£ million

|   | 1948       | 1949       | 1950       | 1951       | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         |
|---|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Buildings and works</b>                                    |            |            |            |            |              |              |              |              |              |              |
| Agriculture .....   | 21         | 23         | 22         | 22         | 20           | 23           | 24           | 26           | 28           | 27           |
| Forestry and fishing .....                                    | 1          | 2          | 1          | 1          | 1            | 1            | 2            | 2            | 2            | 3            |
| Coal mining .....   | 5          | 6          | 8          | 11         | 15           | 20           | 26           | 29           | 32           | 34           |
| Other mining and quarrying .....                              | 1          | 1          | —          | —          | —            | 1            | 1            | 1            | 2            | 2            |
| <b>Manufacturing:</b>   |            |            |            |            |              |              |              |              |              |              |
| Government research and development                           | 10         | 11         | 11         | 13         | 19           | 20           | 13           | 17           | 22           | 25           |
| Bricks, pottery, glass, etc. ....                             | 5          | 5          | 6          | 5          | 4            | 5            | 6            | 7            | 8            | 8            |
| Mineral oil refining .....                                    | 2          | 4          | 11         | 5          | 10           | 8            | 3            | 2            | 4            | 8            |
| Other chemicals and allied trades .....                       | 8          | 10         | 12         | 16         | 18           | 18           | 18           | 22           | 28           | 27           |
| Iron and steel .....  | 9          | 12         | 12         | 12         | 13           | 9            | 9            | 11           | 15           | 18           |
| Non-ferrous metals .....                                      | 1          | 2          | 2          | 2          | 1            | 1            | 2            | 3            | 5            | 5            |
| Shipbuilding .....  | 18         | 16         | 16         | 2          | 2            | 3            | 3            | 3            | 3            | 81           |
| Mechanical engineering .....                                  |            |            |            | 12         | 15           | 14           | 17           | 21           | 30           |              |
| Electrical engineering .....                                  |            |            |            | 4          | 8            | 10           | 12           | 19           | 21           |              |
| Motor vehicles and cycles .....                               | 6          | 5          | 7          | 5          | 7            | 6            | 6            | 18           | 21           | 81           |
| Aircraft .....  |            |            |            | 3          | 7            | 8            | 6            | 6            | 7            |              |
| Other vehicles .....  |            |            |            | 2          | 3            | 2            | 3            | 3            | 3            |              |
| Metal goods not elsewhere specified                           | 4          | 5          | 6          | 4          | 4            | 5            | 6            | 9            | 10           | 13           |
| Precision instruments, jewellery, etc.                        | 2          | 2          | 2          | 1          | 2            | 1            | 2            | 3            | 4            |              |
| Rayon, nylon, etc. and silk .....                             | 9          | 13         | 13         | 2          | 2            | 2            | 3            | 3            | 2            |              |
| Other textiles .....  |            |            |            | 8          | 7            | 6            | 9            | 12           | 11           | 13           |
| Leather, fur and clothing .....                               |            |            |            | 2          | 1            | 2            | 3            | 3            | 4            |              |
| Food .....  | 9          | 11         | 13         | 11         | 11           | 12           | 12           | 26           | 31           | 33           |
| Drink and tobacco .....                                       |            |            |            | 3          | 4            | 3            | 5            |              |              |              |
| Manufactures of wood and cork .....                           | 1          | 2          | 3          | 3          | 2            | 2            | 3            | 4            | 4            | 43           |
| Paper and board .....   | 5          | 3          | 3          | 2          | 2            | 2            | 3            | 5            | 8            |              |
| Paper products, printing, etc. ....                           |            |            |            | 3          | 4            | 5            | 5            | 8            | 12           |              |
| Rubber .....  | 4          | 3          | 2          | 1          | 1            | 1            | 1            | 3            | 3            |              |
| Other manufacturing .....                                     |            |            |            | 2          | 1            | 1            | 2            | 2            | 3            |              |
| <b>Total manufacturing</b> .....                              | <b>98</b>  | <b>108</b> | <b>122</b> | <b>123</b> | <b>148</b>   | <b>146</b>   | <b>152</b>   | <b>210</b>   | <b>259</b>   | <b>261</b>   |
| <b>Building and contracting</b> .....                         | <b>2</b>   | <b>2</b>   | <b>3</b>   | <b>4</b>   | <b>4</b>     | <b>5</b>     | <b>5</b>     | <b>12</b>    | <b>10</b>    | <b>11</b>    |
| Gas .....   | 6          | 8          | 9          | 12         | 14           | 16           | 20           | 24           | 22           | 22           |
| Electricity .....   | 25         | 33         | 36         | 36         | 37           | 41           | 50           | 48           | 47           | 56           |
| Water .....   | 13         | 19         | 22         | 26         | 32           | 35           | 34           | 34           | 38           | 38           |
| Railways .....  | 10         | 11         | 9          | 8          | 10           | 12           | 9            | 9            | 16           | 31           |
| Road passenger transport .....                                | 3          | 4          | 4          | 4          | 6            | 4            | 4            | 3            | 4            | 3            |
| Shipping .....  | —          | 1          | 1          | —          | 1            | 1            | 1            | 1            | 1            | 1            |
| Harbours, docks and canals .....                              | 5          | 5          | 6          | 7          | 7            | 7            | 7            | 7            | 8            | 11           |
| Air transport .....   | 3          | 4          | 5          | 4          | 4            | 6            | 5            | 5            | 5            | 8            |
| Postal, telephone and radio communi-<br>cations .....         | 2          | 3          | 3          | 4          | 5            | 6            | 6            | 6            | 8            | 11           |
| <b>Distribution and other services<sup>(1)</sup></b> .....    | <b>27</b>  | <b>48</b>  | <b>61</b>  | <b>64</b>  | <b>73</b>    | <b>77</b>    | <b>101</b>   | <b>131</b>   | <b>169</b>   | <b>193</b>   |
| <b>Dwellings</b> .....  | <b>337</b> | <b>332</b> | <b>331</b> | <b>376</b> | <b>494</b>   | <b>630</b>   | <b>644</b>   | <b>614</b>   | <b>626</b>   | <b>619</b>   |
| Education and child care .....                                | 28         | 40         | 51         | 61         | 69           | 71           | 74           | 81           | 102          | 125          |
| Health services .....   | 7          | 10         | 10         | 11         | 13           | 13           | 15           | 15           | 14           | 17           |
| National assistance .....                                     | 1          | 1          | 1          | 2          | 2            | 2            | 2            | 3            | 3            | 3            |
| Roads and public lighting .....                               | 8          | 10         | 11         | 12         | 14           | 15           | 17           | 22           | 31           | 36           |
| Sewerage and land drainage .....                              | 10         | 13         | 15         | 20         | 27           | 37           | 36           | 33           | 37           | 38           |
| Other public services .....                                   | 18         | 14         | 18         | 22         | 18           | 17           | 17           | 20           | 21           | 20           |
| <b>Total expenditure on new buildings and<br/>works</b> ..... | <b>631</b> | <b>698</b> | <b>749</b> | <b>830</b> | <b>1,014</b> | <b>1,186</b> | <b>1,252</b> | <b>1,336</b> | <b>1,485</b> | <b>1,570</b> |
| Legal fees, stamp duties, etc. ....                           | 46         | 49         | 51         | 54         | 45           | 40           | 43           | 47           | 44           | 43           |
| less Destruction of buildings .....                           | -4         | -4         | -4         | -4         | -5           | -4           | -5           | -5           | -5           | -5           |
| <b>Total</b> .....  | <b>673</b> | <b>743</b> | <b>796</b> | <b>880</b> | <b>1,054</b> | <b>1,222</b> | <b>1,290</b> | <b>1,378</b> | <b>1,524</b> | <b>1,608</b> |

<sup>(1)</sup> Includes road goods transport.



## CAPITAL FORMATION

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

£ million

TABLE 60 (continued)

|  | 1948       | 1949       | 1950       | 1951       | 1952       | 1953       | 1954       | 1955       | 1956       | 1957       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Vehicles, ships and aircraft</b>                        |            |            |            |            |            |            |            |            |            |            |
| Agriculture .....  | 17         | 16         | 15         | 15         | 23         | 18         | 17         | 18         | 17         | 21         |
| Forestry and fishing .....                                 | 5          | 5          | 5          | 2          | 2          | 3          | 3          | 4          | 5          | 6          |
| Coal mining .....  | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Other mining and quarrying .....                           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| <b>Manufacturing:</b>                                      |            |            |            |            |            |            |            |            |            |            |
| Government research and development                        | —          | —          | —          | —          | —          | —          | —          | 1          | —          | —          |
| Bricks, pottery, glass, etc. ....                          | 1          | 2          | 3          | 2          | 3          | 2          | 3          | 3          | 3          | 3          |
| Mineral oil refining .....                                 | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Other chemicals and allied trades ....                     | 2          | 3          | 2          | 3          | 2          | 4          | 3          | 5          | 4          | 5          |
| Iron and steel .....                                       | —          | 1          | 1          | 1          | 1          | 1          | 2          | 2          | 2          | 2          |
| Non-ferrous metals .....                                   | 1          | —          | —          | 1          | 1          | 1          | —          | —          | 1          | —          |
| Shipbuilding .....   | 5          | 4          | 5          | —          | 1          | —          | —          | 1          | —          | 12         |
| Mechanical engineering .....                               |            |            |            | 4          | 4          | 4          | 4          | 5          | 5          |            |
| Electrical engineering .....                               |            |            |            | 1          | 2          | 2          | 2          | 2          | 2          |            |
| Motor vehicles and cycles .....                            | 2          | 2          | 2          | 1          | 1          | —          | —          | 1          | 1          | 12         |
| Aircraft .....   |            |            |            | 1          | —          | 1          | 1          | —          | 1          |            |
| Other vehicles .....                                       |            |            |            | —          | 1          | 1          | 1          | —          | 1          |            |
| Metal goods not elsewhere specified                        | 1          | 1          | 2          | 3          | 3          | 3          | 2          | 3          | 3          | 4          |
| Precision instruments, jewellery, etc.                     | —          | —          | —          | 1          | —          | 1          | 1          | —          | 1          |            |
| Rayon, nylon, etc. and silk .....                          | 2          | 2          | 2          | —          | —          | —          | —          | —          | —          |            |
| Other textiles .....                                       |            |            |            | 3          | 3          | 2          | 2          | 3          | 2          | 4          |
| Leather, fur and clothing .....                            |            |            |            | 2          | 2          | 2          | 2          | 2          | 2          |            |
| Food .....   | 9          | 8          | 8          | 7          | 7          | 6          | 7          | 10         | 10         | 9          |
| Drink and tobacco .....                                    |            |            |            | 2          | 3          | 3          | 2          |            |            |            |
| Manufactures of wood and cork .....                        | 1          | 2          | 3          | 2          | 2          | 2          | 3          | 3          | 2          | 8          |
| Paper and board .....                                      | 1          | 1          | 1          | —          | —          | —          | —          | —          | 1          |            |
| Paper products, printing, etc. ....                        |            |            |            | 2          | 2          | 2          | 2          | 3          | 2          |            |
| Rubber .....   |            |            |            | 1          | —          | —          | 1          | —          | —          |            |
| Other manufacturing .....                                  | 1          | 1          | 1          | —          | 1          | 1          | —          | 1          | 1          | 43         |
| <b>Total manufacturing</b> .....                           | <b>27</b>  | <b>29</b>  | <b>32</b>  | <b>37</b>  | <b>39</b>  | <b>38</b>  | <b>38</b>  | <b>46</b>  | <b>44</b>  |            |
| <b>Building and contracting</b> .....                      | <b>5</b>   | <b>7</b>   | <b>6</b>   | <b>9</b>   | <b>11</b>  | <b>10</b>  | <b>10</b>  | <b>11</b>  | <b>12</b>  | <b>12</b>  |
| Gas .....  | 1          | 1          | 1          | 1          | 1          | 2          | 1          | 1          | 1          | 2          |
| Electricity .....  | 1          | 3          | 3          | 2          | 1          | 1          | 2          | 3          | 2          | 1          |
| Water .....  | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Railways .....   | 29         | 30         | 33         | 34         | 28         | 38         | 48         | 55         | 67         | 90         |
| Road passenger transport .....                             | 33         | 38         | 35         | 25         | 21         | 18         | 20         | 17         | 19         | 18         |
| Shipping .....   | 78         | 69         | 63         | 53         | 52         | 82         | 80         | 74         | 100        | 127        |
| Harbours, docks and canals .....                           | 1          | 1          | 1          | 1          | 1          | 1          | 2          | 2          | 2          | 2          |
| Air transport .....  | 8          | 12         | 8          | 7          | 8          | 9          | 10         | 19         | 27         | 47         |
| Postal, telephone, and radio communi-<br>cations .....     | 1          | 1          | 1          | 1          | 2          | 2          | 2          | 3          | 3          | 2          |
| <b>Distribution and other services<sup>(1)</sup></b> ..... | <b>49</b>  | <b>67</b>  | <b>61</b>  | <b>74</b>  | <b>79</b>  | <b>94</b>  | <b>115</b> | <b>155</b> | <b>158</b> | <b>150</b> |
| Dwellings .....  | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Education and child care .....                             | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Health services .....                                      | 6          | 6          | 6          | 6          | 5          | 6          | 6          | 7          | 7          | 7          |
| National assistance .....                                  | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Roads and public lighting .....                            | —          | —          | —          | —          | —          | —          | —          | —          | 1          | 1          |
| Sewerage and land drainage .....                           | —          | —          | —          | —          | —          | 1          | 1          | 1          | —          | —          |
| Other public services .....                                | 3          | 2          | 3          | 4          | 5          | 4          | 5          | 4          | 6          | 5          |
| <b>Total</b> .....   | <b>266</b> | <b>289</b> | <b>275</b> | <b>273</b> | <b>280</b> | <b>329</b> | <b>361</b> | <b>422</b> | <b>473</b> | <b>536</b> |

<sup>(1)</sup> Includes road goods transport.



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

TABLE 60 (continued)

£ million

|  | 1948       | 1949       | 1950       | 1951       | 1952       | 1953       | 1954       | 1955         | 1956         | 1957         |
|--|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| <b>Plant and machinery</b>                                 |            |            |            |            |            |            |            |              |              |              |
| Agriculture .....  | 49         | 48         | 50         | 54         | 50         | 49         | 55         | 60           | 50           | 63           |
| Forestry and fishing .....                                 | 1          | —          | —          | 1          | 1          | —          | —          | 1            | 1            | —            |
| Coal mining .....  | 16         | 21         | 17         | 16         | 24         | 34         | 43         | 47           | 49           | 55           |
| Other mining and quarrying .....                           | 4          | 5          | 5          | 5          | 5          | 5          | 7          | 8            | 7            | 7            |
| <b>Manufacturing:</b>                                      |            |            |            |            |            |            |            |              |              |              |
| Government research and development                        | 3          | 3          | 6          | 9          | 12         | 13         | 16         | 17           | 23           | 34           |
| Bricks, pottery, glass, etc. ....                          | 13         | 11         | 11         | 12         | 11         | 15         | 15         | 15           | 19           | 19           |
| Mineral oil refining .....                                 | 4          | 14         | 21         | 29         | 30         | 25         | 13         | 11           | 18           | 29           |
| Other chemicals and allied trades ....                     | 24         | 30         | 40         | 50         | 49         | 56         | 60         | 61           | 86           | 102          |
| Iron and steel .....                                       | 23         | 29         | 36         | 41         | 41         | 42         | 58         | 56           | 66           | 86           |
| Non-ferrous metals .....                                   | 5          | 7          | 6          | 6          | 6          | 7          | 7          | 8            | 12           | 12           |
| Shipbuilding .....   | 30         | 34         | 38         | 4          | 4          | 5          | 5          | 5            | 6            | 179          |
| Mechanical engineering .....                               |            |            |            | 30         | 36         | 36         | 38         | 45           | 48           |              |
| Electrical engineering .....                               |            |            |            | 16         | 20         | 20         | 21         | 29           | 32           |              |
| Motor vehicles and cycles .....                            | 15         | 16         | 26         | 23         | 25         | 23         | 23         | 36           | 44           | 45           |
| Aircraft .....   |            |            |            | 20         | 30         | 29         | 15         | 11           | 15           |              |
| Other vehicles .....                                       |            |            |            | 3          | 3          | 3          | 2          | 3            | 3            |              |
| Metal goods not elsewhere specified                        | 11         | 11         | 11         | 12         | 13         | 13         | 15         | 19           | 23           | 50           |
| Precision instruments, jewellery, etc.                     | 4          | 3          | 2          | 3          | 3          | 3          | 3          | 4            | 5            |              |
| Rayon, nylon, etc. and silk .....                          | 27         | 36         | 38         | 8          | 6          | 5          | 9          | 9            | 12           |              |
| Other textiles .....                                       |            |            |            | 33         | 28         | 28         | 32         | 37           | 31           | 66           |
| Leather, fur and clothing .....                            |            |            |            | 5          | 5          | 6          | 5          | 6            | 6            |              |
| Food .....   | 30         | 32         | 39         | 29         | 29         | 30         | 34         | 45           | 50           | 50           |
| Drink and tobacco .....                                    |            |            |            | 13         | 11         | 9          | 8          |              |              |              |
| Manufactures of wood and cork .....                        | 4          | 4          | 5          | 5          | 4          | 4          | 4          | 5            | 4            | 66           |
| Paper and board .....                                      | 17         | 18         | 20         | 7          | 7          | 6          | 10         | 13           | 21           |              |
| Paper products, printing, etc. ....                        |            |            |            | 16         | 14         | 12         | 16         | 18           | 20           |              |
| Rubber .....   | 7          | 7          | 8          | 5          | 6          | 4          | 6          | 9            | 12           |              |
| Other manufacturing .....                                  |            |            |            | 3          | 3          | 3          | 4          | 5            | 5            |              |
| <b>Total manufacturing</b> .....                           | <b>225</b> | <b>262</b> | <b>313</b> | <b>382</b> | <b>396</b> | <b>397</b> | <b>419</b> | <b>467</b>   | <b>561</b>   | <b>622</b>   |
| <b>Building and contracting</b> .....                      | <b>13</b>  | <b>13</b>  | <b>14</b>  | <b>19</b>  | <b>22</b>  | <b>22</b>  | <b>25</b>  | <b>27</b>    | <b>25</b>    | <b>30</b>    |
| Gas .....  | 18         | 20         | 23         | 27         | 31         | 29         | 32         | 34           | 29           | 28           |
| Electricity .....  | 73         | 86         | 99         | 111        | 121        | 138        | 162        | 196          | 197          | 208          |
| Water .....  | 1          | 1          | 2          | 2          | 2          | 3          | 2          | 2            | 2            | 2            |
| Railways .....   | 1          | 1          | 2          | 2          | 2          | 4          | 6          | 5            | 7            | 6            |
| Road passenger transport .....                             | 1          | 2          | 2          | 1          | 1          | 1          | 1          | 1            | 1            | 1            |
| Shipping .....   | —          | —          | —          | —          | —          | —          | —          | —            | —            | —            |
| Harbours, docks and canals .....                           | 1          | 2          | 2          | 2          | 3          | 5          | 4          | 3            | 5            | 4            |
| Air transport .....  | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1            | 1            | 2            |
| Postal, telephone and radio communi-<br>cations .....      | 34         | 39         | 40         | 47         | 56         | 63         | 68         | 78           | 86           | 89           |
| <b>Distribution and other services<sup>(1)</sup></b> ..... | <b>69</b>  | <b>59</b>  | <b>69</b>  | <b>73</b>  | <b>69</b>  | <b>71</b>  | <b>88</b>  | <b>107</b>   | <b>100</b>   | <b>111</b>   |
| Dwellings .....  | —          | —          | —          | —          | —          | —          | —          | —            | —            | —            |
| Education and child care .....                             | 2          | 4          | 7          | 8          | 9          | 9          | 8          | 9            | 11           | 12           |
| Health services .....                                      | 3          | 4          | 4          | 5          | 4          | 4          | 4          | 5            | 7            | 10           |
| National assistance .....                                  | —          | —          | 1          | —          | —          | —          | 1          | —            | —            | —            |
| Roads and public lighting .....                            | —          | —          | —          | 1          | —          | —          | —          | 1            | 1            | 1            |
| Sewerage and land drainage .....                           | 1          | 1          | 1          | 2          | 2          | 1          | 1          | 1            | 1            | 1            |
| Other public services .....                                | 3          | 5          | 6          | 9          | 6          | 5          | 5          | 5            | 6            | 6            |
| <b>Total</b> .....   | <b>516</b> | <b>574</b> | <b>658</b> | <b>768</b> | <b>805</b> | <b>841</b> | <b>932</b> | <b>1,058</b> | <b>1,147</b> | <b>1,258</b> |

<sup>(1)</sup> Includes road goods transport.



## CAPITAL FORMATION

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

£ million

TABLE 61

|  |      | Personal<br>sector<br>( <sup>1</sup> ) | Companies | Public<br>corpora-<br>tions | Central Government |       | Local authorities |       | Total |
|--|------|--|-----------|-----------------------------|--------------------|-------|-------------------|-------|-------|
|  |      |  |           |                             | Trading            | Other | Trading           | Other |       |
| Vehicles, ships and aircraft .....   | 1948 | 50                                     | 161       | 48                          | -3                 | 2     | 7                 | 1     | 266   |
|  | 1949 | 54                                     | 159       | 62                          | 2                  | 1     | 9                 | 2     | 289   |
|  | 1950 | 50                                     | 149       | 62                          | 3                  | 1     | 8                 | 2     | 275   |
|  | 1951 | 54                                     | 150       | 57                          | 1                  | 2     | 6                 | 3     | 273   |
|  | 1952 | 63                                     | 153       | 51                          | 2                  | 3     | 5                 | 3     | 280   |
|  | 1953 | 63                                     | 189       | 63                          | 2                  | 2     | 6                 | 4     | 329   |
|  | 1954 | 75                                     | 214       | 59                          | 2                  | 3     | 5                 | 3     | 361   |
|  | 1955 | 88                                     | 241       | 78                          | 3                  | 3     | 5                 | 4     | 422   |
|  | 1956 | 88                                     | 264       | 103                         | 3                  | 4     | 6                 | 5     | 473   |
|  | 1957 | 89                                     | 284       | 147                         | 2                  | 2     | 7                 | 5     | 536   |
| Plant and machinery .....  | 1948 | 94                                     | 289       | 75                          | 27                 | 8     | 19                | 4     | 516   |
|  | 1949 | 91                                     | 299       | 124                         | 38                 | 10    | 6                 | 6     | 574   |
|  | 1950 | 100                                    | 340       | 144                         | 47                 | 13    | 4                 | 10    | 658   |
|  | 1951 | 110                                    | 349       | 194                         | 79                 | 20    | 4                 | 12    | 768   |
|  | 1952 | 106                                    | 341       | 218                         | 104                | 21    | 5                 | 10    | 805   |
|  | 1953 | 104                                    | 342       | 248                         | 106                | 24    | 6                 | 11    | 841   |
|  | 1954 | 118                                    | 397       | 287                         | 86                 | 28    | 6                 | 10    | 932   |
|  | 1955 | 136                                    | 474       | 318                         | 86                 | 28    | 5                 | 11    | 1,058 |
|  | 1956 | 130                                    | 556       | 312                         | 93                 | 35    | 7                 | 14    | 1,147 |
|  | 1957 | 151                                    | 619       | 320                         | 97                 | 48    | 9                 | 14    | 1,258 |
| Dwellings( <sup>2</sup> ) .....  | 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 | 100                                    | —         | 30                          | 1                  | 16    | 343               | 4     | 494   |
|  | 1953 | 170                                    | —         | 50                          | —                  | 14    | 391               | 5     | 630   |
|  | 1954 | 223                                    | —         | 46                          | —                  | 13    | 357               | 5     | 644   |
|  | 1955 | 255                                    | —         | 34                          | —                  | 12    | 308               | 5     | 614   |
|  | 1956 | 283                                    | —         | 33                          | —                  | 12    | 293               | 5     | 626   |
|  | 1957 | 287                                    | —         | 34                          | —                  | 9     | 285               | 4     | 619   |
| Other buildings and works, land,<br>legal fees, stamp duties, etc., less<br>destruction of buildings | 1948 | 43                                     | 107       | 47                          | 20                 | 36    | 33                | 50    | 336   |
|  | 1949 | 51                                     | 135       | 68                          | 18                 | 37    | 33                | 69    | 411   |
|  | 1950 | 59                                     | 158       | 71                          | 16                 | 36    | 37                | 88    | 465   |
|  | 1951 | 58                                     | 149       | 90                          | 18                 | 37    | 42                | 110   | 504   |
|  | 1952 | 50                                     | 161       | 110                         | 25                 | 44    | 46                | 124   | 560   |
|  | 1953 | 50                                     | 166       | 120                         | 24                 | 47    | 49                | 136   | 592   |
|  | 1954 | 69                                     | 199       | 130                         | 17                 | 40    | 49                | 142   | 646   |
|  | 1955 | 89                                     | 271       | 134                         | 19                 | 46    | 50                | 155   | 764   |
|  | 1956 | 95                                     | 345       | 140                         | 22                 | 54    | 57                | 185   | 898   |
|  | 1957 | 103                                    | 367       | 170                         | 25                 | 63    | 56                | 205   | 989   |
| Total .....  | 1938 | 193                                    | 264       | 10                          | 26                 | 9     | 93                | 61    | 656   |
|  | 1948 | 232                                    | 557       | 180                         | 66                 | 48    | 316               | 56    | 1,455 |
|  | 1949 | 250                                    | 593       | 264                         | 62                 | 54    | 304               | 79    | 1,606 |
|  | 1950 | 260                                    | 647       | 288                         | 68                 | 60    | 304               | 102   | 1,729 |
|  | 1951 | 280                                    | 648       | 360                         | 99                 | 74    | 331               | 129   | 1,921 |
|  | 1952 | 319                                    | 655       | 409                         | 132                | 84    | 399               | 141   | 2,139 |
|  | 1953 | 387                                    | 697       | 481                         | 132                | 87    | 452               | 156   | 2,392 |
|  | 1954 | 485                                    | 810       | 522                         | 105                | 84    | 417               | 160   | 2,583 |
|  | 1955 | 568                                    | 986       | 564                         | 108                | 89    | 368               | 175   | 2,858 |
|  | 1956 | 596                                    | 1,165     | 588                         | 118                | 105   | 363               | 209   | 3,144 |
|  | 1957 | 630                                    | 1,270     | 671                         | 124                | 122   | 357               | 228   | 3,402 |

(<sup>1</sup>) Expenditure by persons on land and 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.

(<sup>2</sup>) Excludes existing dwellings and land.



## Net fixed capital formation by type of asset

TABLE 62

£ million

|                              | 1938       | 1948       | 1949       | 1950       | 1951       | 1952       | 1953         | 1954         | 1955         | 1956         | 1957         |
|------------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| <b>At current prices</b>     |            |            |            |            |            |            |              |              |              |              |              |
| Vehicles, ships and aircraft | 18         | 131        | 143        | 106        | 74         | 41         | 70           | 81           | 115          | 140          | 177          |
| Plant and machinery .....    | 62         | 207        | 240        | 297        | 357        | 329        | 324          | 385          | 459          | 488          | 550          |
| Dwellings .....              | 126        | 167        | 158        | 151        | 164        | 257        | 392          | 404          | 361          | 367          | 351          |
| Other buildings and works    | 91         | 60         | 129        | 176        | 180        | 214        | 242          | 289          | 378          | 485          | 550          |
| <b>Total</b> .....           | <b>297</b> | <b>565</b> | <b>670</b> | <b>730</b> | <b>775</b> | <b>841</b> | <b>1,028</b> | <b>1,159</b> | <b>1,313</b> | <b>1,480</b> | <b>1,628</b> |
| <b>At 1954 prices</b>        |            |            |            |            |            |            |              |              |              |              |              |
| Vehicles, ships and aircraft | 64         | 177        | 190        | 133        | 86         | 39         | 70           | 81           | 114          | 130          | 153          |
| Plant and machinery .....    | 173        | 267        | 307        | 367        | 409        | 339        | 321          | 385          | 436          | 438          | 470          |
| Dwellings .....              | 420        | 211        | 198        | 186        | 174        | 248        | 387          | 404          | 340          | 331          | 313          |
| Other buildings and works    | 263        | 74         | 159        | 218        | 199        | 216        | 242          | 289          | 356          | 437          | 478          |
| <b>Total</b> .....           | <b>920</b> | <b>729</b> | <b>854</b> | <b>904</b> | <b>868</b> | <b>842</b> | <b>1,020</b> | <b>1,159</b> | <b>1,246</b> | <b>1,336</b> | <b>1,414</b> |

## Net fixed capital formation by sector

TABLE 63

£ million

|                           | 1938       | 1948       | 1949       | 1950       | 1951       | 1952       | 1953         | 1954         | 1955         | 1956         | 1957         |
|---------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| <b>Dwellings</b>          |            |            |            |            |            |            |              |              |              |              |              |
| Personal sector .....     | 79         | -73        | -65        | -71        | -82        | -55        | 18           | 71           | 93           | 111          | 111          |
| Public corporations ..... | —          | 10         | 10         | 11         | 18         | 29         | 48           | 44           | 32           | 30           | 31           |
| Central Government .....  | —          | 1          | -13        | -12        | -12        | -14        | -17          | -17          | -15          | -3           | 4            |
| Local authorities .....   | 47         | 229        | 226        | 223        | 240        | 297        | 343          | 306          | 251          | 229          | 205          |
| <b>Total</b> .....        | <b>126</b> | <b>167</b> | <b>158</b> | <b>151</b> | <b>164</b> | <b>257</b> | <b>392</b>   | <b>404</b>   | <b>361</b>   | <b>367</b>   | <b>351</b>   |
| <b>Other assets</b>       |            |            |            |            |            |            |              |              |              |              |              |
| Personal sector .....     | 24         | 49         | 49         | 58         | 55         | 46         | 39           | 75           | 114          | 111          | 130          |
| Companies .....           | 88         | 261        | 293        | 317        | 279        | 228        | 236          | 307          | 423          | 534          | 591          |
| Public corporations ..... | 2          | 29         | 78         | 86         | 113        | 108        | 143          | 189          | 224          | 222          | 280          |
| Central Government:       |            |            |            |            |            |            |              |              |              |              |              |
| Trading .....             | 11         | 5          | 15         | 19         | 43         | 68         | 63           | 32           | 30           | 36           | 38           |
| Non-trading .....         | -7         | 20         | 21         | 22         | 26         | 32         | 35           | 31           | 32           | 44           | 56           |
| Local authorities:        |            |            |            |            |            |            |              |              |              |              |              |
| Trading .....             | 7          | 15         | 16         | 16         | 15         | 15         | 21           | 20           | 17           | 26           | 26           |
| Non-trading .....         | 46         | 19         | 40         | 61         | 80         | 87         | 99           | 101          | 112          | 140          | 156          |
| <b>Total</b> .....        | <b>171</b> | <b>398</b> | <b>512</b> | <b>579</b> | <b>611</b> | <b>584</b> | <b>636</b>   | <b>755</b>   | <b>952</b>   | <b>1,113</b> | <b>1,277</b> |
| <b>All assets</b>         |            |            |            |            |            |            |              |              |              |              |              |
| Personal sector .....     | 103        | -24        | -16        | -13        | -27        | -9         | 57           | 146          | 207          | 222          | 241          |
| Companies .....           | 88         | 261        | 293        | 317        | 279        | 228        | 236          | 307          | 423          | 534          | 591          |
| Public corporations ..... | 2          | 39         | 88         | 97         | 131        | 137        | 191          | 233          | 256          | 252          | 311          |
| Central Government .....  | 4          | 26         | 23         | 29         | 57         | 86         | 81           | 46           | 47           | 77           | 98           |
| Local authorities .....   | 100        | 263        | 282        | 300        | 335        | 399        | 463          | 427          | 380          | 395          | 387          |
| <b>Total</b> .....        | <b>297</b> | <b>565</b> | <b>670</b> | <b>730</b> | <b>775</b> | <b>841</b> | <b>1,028</b> | <b>1,159</b> | <b>1,313</b> | <b>1,480</b> | <b>1,628</b> |



## Capital consumption by type of asset

£ million

TABLE 64

|  | 1938  | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>At current prices</b>                       |       |       |       |       |       |       |       |       |       |       |       |
| Vehicles, ships and aircraft                   | 69    | 135   | 146   | 169   | 199   | 239   | 259   | 280   | 307   | 333   | 359   |
| Plant and machinery .....                      | 119   | 309   | 334   | 361   | 411   | 476   | 517   | 547   | 599   | 659   | 708   |
| Dwellings .....                                | 54    | 170   | 174   | 180   | 212   | 237   | 238   | 240   | 253   | 259   | 268   |
| Other buildings and works <sup>(1)</sup> ..... | 117   | 276   | 282   | 289   | 324   | 346   | 350   | 357   | 386   | 413   | 439   |
| <b>Total</b> .....                             | 359   | 890   | 936   | 999   | 1,146 | 1,298 | 1,364 | 1,424 | 1,545 | 1,664 | 1,774 |
| <b>At 1954 prices</b>                          |       |       |       |       |       |       |       |       |       |       |       |
| Vehicles, ships and aircraft                   | 218   | 187   | 197   | 214   | 227   | 242   | 258   | 280   | 302   | 311   | 319   |
| Plant and machinery .....                      | 348   | 401   | 421   | 445   | 472   | 494   | 520   | 547   | 574   | 594   | 619   |
| Dwellings .....                                | 179   | 214   | 218   | 222   | 225   | 229   | 235   | 240   | 239   | 234   | 239   |
| Other buildings and works <sup>(1)</sup> ..... | 328   | 346   | 350   | 357   | 356   | 346   | 348   | 357   | 365   | 374   | 389   |
| <b>Total</b> .....                             | 1,073 | 1,148 | 1,186 | 1,238 | 1,280 | 1,311 | 1,361 | 1,424 | 1,480 | 1,513 | 1,566 |

<sup>(1)</sup> Includes legal fees, stamp duties, etc. *less* destruction of buildings.

## Capital consumption by sector

£ million

TABLE 65

|                           | 1938 | 1948 | 1949 | 1950 | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  |
|---------------------------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| <b>Dwellings</b>          |      |      |      |      |       |       |       |       |       |       |       |
| Personal sector .....     | 46   | 118  | 119  | 122  | 140   | 155   | 152   | 152   | 162   | 172   | 176   |
| Public corporations ..... | —    | —    | —    | —    | 1     | 1     | 2     | 2     | 2     | 3     | 3     |
| Central Government .....  | —    | 23   | 23   | 24   | 28    | 31    | 31    | 30    | 27    | 15    | 5     |
| Local authorities .....   | 8    | 29   | 32   | 34   | 43    | 50    | 53    | 56    | 62    | 69    | 84    |
| <b>Total</b> .....        | 54   | 170  | 174  | 180  | 212   | 237   | 238   | 240   | 253   | 259   | 268   |
| <b>Other assets</b>       |      |      |      |      |       |       |       |       |       |       |       |
| Personal sector .....     | 44   | 138  | 147  | 151  | 167   | 173   | 178   | 187   | 199   | 202   | 213   |
| Companies .....           | 176  | 296  | 300  | 330  | 369   | 427   | 461   | 503   | 563   | 631   | 679   |
| Public corporations ..... | 8    | 141  | 176  | 191  | 228   | 271   | 288   | 287   | 306   | 333   | 357   |
| Central Government:       |      |      |      |      |       |       |       |       |       |       |       |
| Trading .....             | 15   | 39   | 43   | 47   | 55    | 63    | 69    | 73    | 78    | 82    | 86    |
| Non-trading .....         | 16   | 26   | 27   | 28   | 33    | 36    | 38    | 40    | 45    | 49    | 57    |
| Local authorities:        |      |      |      |      |       |       |       |       |       |       |       |
| Trading .....             | 31   | 44   | 32   | 33   | 37    | 41    | 40    | 40    | 43    | 44    | 46    |
| Non-trading .....         | 15   | 36   | 37   | 39   | 45    | 50    | 52    | 54    | 58    | 64    | 68    |
| <b>Total</b> .....        | 305  | 720  | 762  | 819  | 934   | 1,061 | 1,126 | 1,184 | 1,292 | 1,405 | 1,506 |
| <b>All assets</b>         |      |      |      |      |       |       |       |       |       |       |       |
| Personal sector .....     | 90   | 256  | 266  | 273  | 307   | 328   | 330   | 339   | 361   | 374   | 389   |
| Companies .....           | 176  | 296  | 300  | 330  | 369   | 427   | 461   | 503   | 563   | 631   | 679   |
| Public corporations ..... | 8    | 141  | 176  | 191  | 229   | 272   | 290   | 289   | 308   | 336   | 360   |
| Central Government .....  | 31   | 88   | 93   | 99   | 116   | 130   | 138   | 143   | 150   | 146   | 148   |
| Local authorities .....   | 54   | 109  | 101  | 106  | 125   | 141   | 145   | 150   | 163   | 177   | 198   |
| <b>Total</b> .....        | 359  | 890  | 936  | 999  | 1,146 | 1,298 | 1,364 | 1,424 | 1,545 | 1,664 | 1,774 |



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

TABLE 66

£ million

|   | Increase in value of stocks and work in progress |      |      |       |      |      |      |      |      |      | Value of stocks held at end of 1957 |
|---|--|------|------|-------|------|------|------|------|------|------|-------------------------------------|
|   | 1948   | 1949 | 1950 | 1951  | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |                                     |
| Agriculture and forestry .....                                  | 30   | 34   | 34   | 40    | 35   | 29   | 21   | 29   | 38   | 33   | 955                                 |
| Mining and quarrying .....                                      | 13   | 9    | -11  | 14    | 32   | -8   | -1   | 4    | 5    | 33   | 142                                 |
| Manufacturing:  |  |      |      |       |      |      |      |      |      |      |                                     |
| Chemicals and allied trades:                                    |  |      |      |       |      |      |      |      |      |      |                                     |
| Materials and fuel .....  | 6  | -3   | 17   | 51    | -20  | -12  | 18   | 13   | 11   | 5    | 169                                 |
| Finished products and work in progress .....                    | 10   | 5    | 7    | 28    | 7    | -3   | 19   | 21   | 14   | 31   | 190                                 |
| Metals, engineering and vehicles:                               |  |      |      |       |      |      |      |      |      |      |                                     |
| Materials and fuel .....  | 56   | 7    | 26   | 138   | 88   | -14  | -9   | 127  | 82   | 80   | 939                                 |
| Finished products and work in progress .....                    | 87   | 34   | 48   | 144   | 186  | 67   | 78   | 151  | 174  | 134  | 1,651                               |
| Textiles, leather and clothing:                                 |  |      |      |       |      |      |      |      |      |      |                                     |
| Materials and fuel .....  | 36   | 31   | 93   | -3    | -68  | 17   | 11   | -15  | 13   | 1    | 307                                 |
| Finished products and work in progress .....                    | 36   | 19   | 53   | 69    | -55  | 20   | 27   | 10   | 10   | 31   | 340                                 |
| Food, drink and tobacco:  |  |      |      |       |      |      |      |      |      |      |                                     |
| Materials and fuel .....  | 11   | 22   | 42   | 84    | -16  | -2   | 27   | 22   | 6    | 19   | 373                                 |
| Finished products and work in progress .....                    | 23   | 13   | 17   | 19    | 9    | 17   | 3    | 10   | 16   | 15   | 260                                 |
| Other manufacturing:  |  |      |      |       |      |      |      |      |      |      |                                     |
| Materials and fuel .....  | 19   | -4   | 43   | 112   | -57  | -24  | 23   | 36   | 6    | -4   | 264                                 |
| Finished products and work in progress .....                    | 18   | 6    | 13   | 36    | —    | -4   | 14   | 18   | 16   | 11   | 195                                 |
| Total manufacturing .....                                       | 302  | 130  | 359  | 678   | 74   | 62   | 211  | 393  | 348  | 323  | 4,688                               |
| Retail trade .....  | 11   | 20   | 77   | 87    | -78  | 59   | 13   | 54   | 37   | 44   | 836                                 |
| Gas, electricity and water .....                                | 186  | 9    | 6    | 21    | 11   | -4   | -7   | 13   | —    | 15   | 140                                 |
| Other industries and services .....                             |  | 123  | 75   | 329   | -105 | -100 | 20   | 116  | 31   | 145  | 1,983                               |
| Central Government trading bodies <sup>(1)</sup> ....           | 18   | -28  | -73  | 52    | -11  | -30  | -176 | -112 | -15  | -4   | 69                                  |
| Central Government strategic stocks .....                       | —  | —    | —    | 127   | 49   | 42   | 44   | 3    | -19  | -39  | 207                                 |
| less Disposal of Government surplus war stores .....            | -60  | -32  | -27  | -23   | -7   | —    | —    | —    | —    | —    | —                                   |
| Total increase in value .....                                   | 500  | 265  | 440  | 1,325 | —    | 50   | 125  | 500  | 425  | 550  | 9,020                               |
| less Stock appreciation .....                                   | -325   | -200 | -650 | -750  | 50   | 75   | -75  | -200 | -150 | -100 |                                     |
| Value of physical increase in stocks and work in progress ..... | 175  | 65   | -210 | 575   | 50   | 125  | 50   | 300  | 275  | 450  |                                     |

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



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

£ million

TABLE 67

|   |      | Personal sector<br>( <sup>1</sup> ) | Companies | Public corpora-<br>tions | Central Government |                  |                                |       | Total |
|---|------|-------------------------------------|-----------|--------------------------|--------------------|------------------|--------------------------------|-------|-------|
|   |      |                                     |           |                          | Trading            | Strategic stocks | Disposal of surplus war 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 | 44                                  | 195       | -69                      | -164               | 44               | —                              | -120  | 50    |
|   | 1955 | 42                                  | 353       | 21                       | -119               | 3                | —                              | -116  | 300   |
|   | 1956 | 33                                  | 253       | 13                       | -5                 | -19              | —                              | -24   | 275   |
|   | 1957 | 52                                  | 372       | 57                       | 8                  | -39              | —                              | -31   | 450   |
| 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 | 40                                  | 127       | 18                       | 15                 | —                | —                              | 15    | 200   |
|   | 1956 | 28                                  | 110       | 12                       | —                  | —                | —                              | —     | 150   |
|   | 1957 | 18                                  | 70        | 12                       | —                  | —                | —                              | —     | 100   |
| 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 | 64                                  | 248       | -62                      | -169               | 44               | —                              | -125  | 125   |
|   | 1955 | 82                                  | 480       | 39                       | -104               | 3                | —                              | -101  | 500   |
|   | 1956 | 61                                  | 363       | 25                       | -5                 | -19              | —                              | -24   | 425   |
|   | 1957 | 70                                  | 442       | 69                       | 8                  | -39              | —                              | -31   | 550   |
| Value of stocks and work in progress held at end of 1957 .....  |      | 1,768                               | 6,402     | 451                      | 192                | 207              | —                              | 399   | 9,020 |

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



# XI DEFINITION OF ITEMS IN SUMMARY TABLES

The following notes provide a brief description of the items appearing in Tables 1 to 8 of the Summary Tables. A full description is given in *National Income Statistics : Sources and Methods*, H.M.S.O., 1956. Each item is given a *reference number*. Whenever the item appears in one of these summary tables, either alone or in combination with another item, its reference number is shown against it.

## Items of national expenditure

1. *Consumers' expenditure, at market prices*<sup>(1)</sup>. Expenditure on consumers' goods and services by persons and non-profit-making bodies, *plus* the value of income in kind. All business expenditure, reckoned as current costs of production, is, so far as possible, excluded. For further details see Tables 26 to 28.

2. *Current expenditure on goods and services by the Central Government, at market prices*<sup>(1)</sup>. Current expenditure by the Central Government (other than trading bodies but including the National Insurance Funds) constituting a direct demand for goods and services, including the services of Government employees. The figures exclude (a) expenditure on grants, subsidies, interest payments and all other transfers, (b) expenditure on fixed capital assets and stocks (which are included under items 4 and 5), and (c) loans and loan repayments. For further details see Table 44.

3. *Current expenditure on goods and services by local authorities, at market prices*<sup>(1)</sup>. The definition corresponds to that of item 2. For further details see Table 47.

4. *Gross fixed capital formation at home, at market prices*<sup>(1)</sup>. Expenditure on fixed capital assets (buildings, vehicles, plant and machinery, etc.) either for replacing or adding to the stock of existing fixed assets. Expenditure on maintenance and repair is excluded. For details of gross fixed capital formation by industry, sector and type of asset see Tables 56 to 61.

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 Central Government for strategic purposes, valued at average prices of the year. Calculation of the value of the physical increase in stocks is related to the calculation of stock appreciation (item 21). Considerable uncertainty attaches to the division of the change in value of stocks between these two elements. For further details of changes in stocks and work in progress see Tables 66 and 67.

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

(a) *Exports and re-exports of merchandise*. Item A.7 in the White Papers on the Balance of Payments (the latest is Cmnd. 399).

(b) *Other exports of goods and services*. Sales of goods and services by United Kingdom residents to the rest of the world, other than those included in item 6a. This figure is an estimate of the value of goods and services contained in the "invisible" exports shown in items A.8, 10, 11 and 12 of the White Papers on the Balance of Payments.

(c) *Property income received from abroad*. Rent, interest, profits and dividends received from overseas by United Kingdom residents. This item includes the elements of property income in items A.9 and 12 of the White Papers on the Balance of Payments. It also includes taxes paid by foreigners to the United Kingdom Government.

7. *Imports and income paid abroad*:

(a) *Imports of merchandise at factor cost*. 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 item 7a. This figure is an estimate of the value of goods and services contained in the "invisible" imports shown in items A.2, 4, 6 and 12 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 items A.3 and 12 of the White Papers on the Balance of Payments. It also includes taxes paid to foreign governments.

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.

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; housing subsidies and the financing of losses on public trading services are included. For details see Table 44.

11. *Subsidies paid by local authorities*. The deficit on local authorities' housing revenue accounts. For details see Table 52.

<sup>(1)</sup> In Table 11 each form of expenditure is also shown at factor cost. This is the market price value *less* the taxes on expenditure *plus* the subsidies falling on each form of expenditure. The allocation of these taxes and subsidies between the different forms of final expenditure is shown in Table 53.



12. *Gross national product.* The sum of items 1 to 6, 10 and 11 less items 7, 8 and 9. It is also equal to item 22 plus item 23.

### Items of factor income

#### 13. *Income from employment :*

(a) *Wages.*

(b) *Salaries.*

Cash earnings of wage-earners and salaried employees, before deduction of income tax, surtax or insurance contributions, plus income in kind, less expenses of employment. For details see Tables 15 and 16.

(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 and health contributions.* Employers' contributions to the national insurance scheme and to the National Health Service are regarded 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 Central Government employees and to retired policemen and firemen). This item also includes compensation payments by employers to injured employees or to their dependants.

#### 14. *Income from self-employment (before providing for depreciation and stock appreciation).* This is measured before deduction of tax or interest payments :

(a) *Professional persons.* Income of professional workers from practice on their own account.

(b) *Farmers.* Income of farmers with holdings of one acre or more ; companies engaged in agriculture are also included. Before 1955 the figures included for Northern Ireland relate to holdings of one-quarter of an acre or more.

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

15. *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. For details see Tables 34 to 38.

16. *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 nationalised industries and public boards engaged in providing coal, electricity, gas, transport, etc. For details of the operations of public corporations see Tables 39 to 43.

17. *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 before making any provision for interest payments. The Post Office is the principal trading enterprise.

18. *Gross trading income of local authority trading bodies (before providing for depreciation and stock appreciation).* The trading surpluses, before charging interest, of the local authority undertakings engaged in providing water, passenger transport, harbour, docks, etc.

19. *Rent (before providing for depreciation).* Gross receipts from ownership of land and buildings (including the imputed rent of owner-occupied dwelling houses and farms), less actual expenditure by the owners on repairs and insurance. Imputed income from owner-occupied trading property (other than farms) is included in trading income (items 14a and 14c to 18) and not as part of rent.

20. *Residual error.* The estimates of the gross national product (item 12) are built up from largely independent data on incomes and final expenditure. The *residual error*—the difference between the two 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. It is, however, carried into the combined capital account (Table 6) as a form of "saving".

21. *Stock appreciation.* This is 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 estimates of the value of stocks, and are highly uncertain. An approximate analysis of stock appreciation by sector is given in Table 67.

22. *Gross domestic product at factor cost.* The sum of items 13 to 20 less item 21. It is also equal to the sum of items 1 to 5, 6a, 6b, 10 and 11, less items 7a, 7b, 8 and 9. The item is a measure of the value of the goods and services produced in the United Kingdom before providing for depreciation or capital consumption.

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

24. *Capital consumption.* This item is a measure of the amount of fixed capital resources used up in the process of production during the year. It is deducted from the gross national product to obtain a measure of the national income, and from gross fixed capital formation at home to obtain a measure of net fixed



capital formation at home. Capital consumption is not an identifiable set of transactions : it is an imputed transaction which can be measured only by a system of conventions. Mainly for this reason the estimates of capital consumption are not fully incorporated in the Summary Tables. For details of capital consumption see Tables 64 and 65 and for description, pages 82 to 84.

25. *National income.* Item 12 less item 24. This item represents the aggregate of incomes arising from current production of goods and services, after providing for capital consumption and stock appreciation, plus net income from abroad.

#### Other items of personal income and expenditure

26. *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.

27. *Remittances abroad (net) by persons.* Net remittances abroad by persons, including legacies and funds taken abroad by emigrants ; it is the same as item A.5 in the White Papers on Balance of Payments.

28. *Grants paid to persons by the Central Government:*

(a) *National insurance benefits.*

(b) *Other.* National assistance, family allowances, war pensions, etc. ; grants to non-profit-making bodies serving persons (e.g. grants to universities) are also included. Details are given in Tables 44 and 46.

29. *Grants paid to persons by local authorities.* The main items are scholarships and the net cost of providing school meals and milk. Details are given in Table 47.

30. *Income from employment after tax payments.* Item 13 less the appropriate parts of items 34a and 35.

31. *Income from self-employment after tax payments.* Item 14 less the appropriate parts of items 34a and 35.

32. *Personal income from rent, dividends and interest after tax payments.* Item 26 less the appropriate parts of items 34a and 35.

33. *Personal receipts of current grants by public authorities, after tax payments.* Items 28 and 29 less the appropriate parts of items 34a and 35.

The estimates of the incidence of tax on the different forms of income, which are only approximate, are shown in more detail in Table 54.

34. *Taxes on income:*

(a) *Payments.*

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

35. *National insurance and health contributions.* Contributions by employers (item 13d), employees and self-employed persons.

36. *Balance: saving before providing for depreciation and stock appreciation.* This figure is obtained as the residual difference in Table 2 between total personal income and total personal current expenditure; both the absolute amount in each year, and the changes from year to year, are subject to large margins of error. Saving, as here defined, includes increases in the funds of life assurance companies and superannuation schemes, etc. A summary of statistics relating to different channels of saving is given in Table 33.

#### Other items in the appropriation account of companies

37. *Other income of companies:*

(a) *Trading profits earned abroad.* The profits of British companies operating abroad, before deduction of taxes paid to overseas governments and after deduction of depreciation. The "balance of payments adjustment" is included (see Table 34).

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

38. *Company dividends and interest:*

(a) *Payments.* Dividends and interest paid out during the year reckoned before deduction of income tax. Dividends etc. paid by one company to another are excluded.

(b) *Additions to dividend reserves.* The excess of accruals of dividends over payments in the year.

39. *Taxes and remittances paid abroad by companies.* Remittances abroad by foreign companies operating in the United Kingdom and taxes paid to overseas governments by British companies in respect of income earned abroad. This item is part of item 7c.

40. *United Kingdom taxes on income:*

(a) *Payments.* Income tax, profits tax and excess profits taxes paid by companies. Taxes on dividends and interest deducted at source are excluded.

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

41. *Undistributed income of companies after taxation but before providing for depreciation and stock appreciation.* The balancing item in Table 34.

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

42. *Other income of public corporations:*

(a) *Income earned abroad.*

(b) *Non-trading income.*

This item corresponds to item 37 for companies.

43. *Public corporation interest:*

(a) *Payments.*

(b) *Additions to interest reserves.*

This item corresponds to item 38 for companies.



44. *United Kingdom taxes on income:*

(a) *Payments.*

(b) *Additions to tax reserves.*

This item corresponds to item 40 for companies.

45. *Undistributed income of public corporations after taxation but before providing for depreciation and stock appreciation.* The balancing item in Table 40.

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

46. *Rent, dividends and interest received by Central Government.* The largest item is interest on loans to local authorities and public corporations. Interest received by one part of the Central Government from another part is excluded (e.g. National Debt interest received by the National Insurance Funds).

47. *Taxes on income.* Receipts from income tax, surtax, profits tax and excess profits taxes. The sum of items 34a, 40a and 44a.

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

49. *Current grants from overseas governments.* Defence Aid grants from the United States and Canada less United States share of counterpart, as stated in item A.11a of the White Papers on the Balance of Payments.

50. *Debt interest paid by Central Government.* This item excludes interest on securities held within the Central Government (e.g. securities held by the National Insurance Funds).

51. *Current grants to local authorities.* Includes equalisation grants and grants towards specific services. Capital grants are excluded.

52. *Current grants paid abroad.* Grants to colonial governments for welfare, development, the maintenance of internal security, etc.; financial assistance to certain overseas governments; contributions to international organisations; war pensions and national insurance benefits paid to persons abroad.

53. *Transfers to capital accounts.* These payments appear in the capital accounts of the receiving sectors (see Tables 33, 36, 41 and 48) and not in their current accounts. Important components of this item are war

damage compensation and town and country planning compensation. For details see Table 44.

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

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

55. *Rent, dividends and interest received by local authorities.* The greater part of this item represents the imputed rental income in respect of houses and non-trading property owned by local authorities.

56. *Debt interest paid by local authorities.* This includes interest paid on loans from the Central Government.

57. *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**

58. *Current transfers to persons.* Item 27 plus part of item 52.

59. *Current transfers to overseas governments and international organisations.* Item 52 less the part of it included in item 58.

60. *Other Central Government receipts.* This item includes a variety of capital receipts arising from Government operations abroad. In the early post-war years the main constituents were settlements of debts and claims arising out of the war and sales of surplus war stores held abroad.

61. *Net investment abroad.* This represents the net change in the value of overseas assets (both real and financial) of United Kingdom residents. It is the sum of the net increase in overseas investment in real assets plus increases in the gold and dollar reserves and in holdings of other foreign currencies less increases in overseas holdings of sterling plus increases in net lending to overseas residents. The item is equal to the sum of items 13, 14, 15a and 15b and also to the sum of items 15c, 16, 17, 18, 19 and 20 of the White Papers on the Balance of Payments (the latest is Cmnd. 399). Net investment abroad less capital grants from overseas governments is equal to the balance of payments surplus on current account.

62. *Capital grants from overseas governments (net).* Item B.I. in the earlier White Papers on the Balance of Payments. The principal component is receipts of aid under the European Recovery Programme.



## XII NOTES

This section describes (a) the principal revisions which have been made to the estimates contained in last year's National Income Blue Book (*National Income and Expenditure, 1957*, H.M.S.O., 1957), and (b), the changes in treatment and definitions which have been made since the publication of *National Income Statistics: Sources and Methods*, H.M.S.O., 1956 (subsequently referred to as *Sources and Methods*). The notes which follow are designed to help the reader to keep up to date the description of sources, methods and definitions given in *Sources and Methods*.

### Summary tables

*Table 11. Gross national product by category of expenditure.*

In this table estimates of the gross domestic product and of imports of goods and services are given at both market prices and factor cost. The estimates of domestic expenditure at market prices, in the upper part of the table, are the same as items 1 to 5 in Table 1. The estimates of exports of goods and services at market prices are the same as items 6a and 6b of Table 7. The estimates of imports of goods and services at market prices are obtained by adding to the factor cost figures (items 7a and 7b of Table 7) the amounts paid in customs duty on imports of merchandise arriving in the country or on withdrawals from bond. (See *Sources and Methods*, pages 347 and 348). They do not include excise duties (e.g. purchase tax) on imports since separate figures are not available, but the amounts involved are small. Thus, the estimates at market prices of the gross domestic and national products, which exclude imports, also exclude customs duties on imports. In the lower part of the table, the estimates of the gross domestic product at factor cost are the same as item 22 of Table 1. The estimates of expenditure at factor cost are obtained by deducting from the market price figures estimates of the net taxes on expenditure falling on each of the various kinds of expenditure. (See also Table 53).

### Output and expenditure at constant prices

*Table 14. Index numbers of output at 1948 factor cost.*

In the Blue Book for 1956 a revision was made to the method of estimating the gross domestic product at 1948 factor cost. This revision was designed to improve consistency with the estimates in Table 13.

The output of building and contracting and of some other industries in Table 14 includes repair work done on current account for trading enterprises. Changes in the input of such work by the industries concerned are 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 gross domestic product in Table 14, an estimate of the volume of repair work done for trading enterprises is now deducted. 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 estimates of gross domestic product in the later years.

### Industrial input and output

Tables 18 to 24 are new tables which were not included in last year's Blue Book. Tables 18, 19, 22 and 23 are similar to those for the year 1950 previously published in the Blue Book for 1956 and described in *Sources and Methods*, pages 52 to 55. Table 20 is derived by applying net output/gross output ratios to the coefficients in Table 19 of this Blue Book and to an amended version of Table 18 of the Blue Book for 1956 (see below). Table 21 is derived by applying the coefficients in Table 20 to the estimates of final expenditure given in Table 18. Table 24 is derived from Table 9 of this Blue Book.

The input-output table for 1954 is more firmly based than the one previously published for 1950, nevertheless, several of the estimates given in the table are necessarily very rough. Some of the estimates for 1950 have now been found to be incorrect, so it would be quite wrong to make detailed comparisons of the two input-output tables. However, the estimates for 1950 given in Tables 20 and 23 have been adjusted wherever possible to make them comparable with those for 1954.

### Wages and salaries.

Revisions have been made to the industrial allocation of the wage and salary bill in Table 15. The principal changes are listed below:—

(a) *Manufacturing.* Revisions have been made in the light of more complete information becoming available from the censuses of production. The figures for the years 1954 to 1956 are consistent with those published in the *Board of Trade Journal* of 20th December, 1957.

(b) *Building and contracting.* Building and maintenance workers directly employed by undertakings in transport and communication are no longer classified to the building and contracting industry. (See *Sources and Methods*, page 85).

(c) *Public administration and defence.* The estimates for local government service have been revised.

(d) *Public health and educational services.* It is now possible to show figures for health and education



separately. The series for local authority educational services covers teachers and other staff directly employed by local authorities, including staff employed in the administration of local educational services. Teachers and other staff employed in direct grant schools and other non-maintained schools and establishments are excluded. Staff employed in school canteens and in the school health service are also excluded. The figures of teachers' salaries are provided by the Education Departments. Salaries and wages of other staff are estimated from various sources, including the *Local Government Financial Statistics* and the annual reports of the various Education Departments.

(e) *Domestic servants*. This series has been revised and is now somewhat more firmly based.

(f) *Other services*. This series is obtained as a residue and the revisions result mainly from those noted above.

In Table 16 estimates are given of the salaries paid and of the number of salary earners employed in manufacturing industry. The two are not precisely comparable as the figures of salaries include rough estimates of the amounts paid in fees to directors, whereas the estimates of numbers do not include those directors paid by fee only. If directors' fees are excluded, the average annual salary in manufacturing industry in 1957 was about £710.

## The personal sector

### Consumers' expenditure.

Several important changes in classification have been made. These are described in the notes below.

*Durable goods*. This new series differs considerably from the former category *Durable household goods*. The main changes are the inclusion of motor cars and motor and pedal cycles (formerly included under *Private motoring and cycling*), and the omission of hardware, minor electrical goods and household textiles and soft furnishings. The new category *Furniture and floor*

*coverings* also includes mattresses. The new category *Radio, electrical and other durable goods* includes radio and television sets, gramophones, musical instruments, household appliances (e.g., electric and gas fires, paraffin heaters, washing machines, cookers, refrigerators, vacuum cleaners, sewing machines, lawn mowers), perambulators and pedal cycles.

The intention is to include under the category *Durable goods* all those goods which constitute a volatile element in consumers' expenditure and goods which are relatively costly and which are generally available on credit terms. The category has been defined in the light of the information available and consequently excludes certain goods which could satisfy this criterion (e.g., expensive crockery and glass ware, jewellery, watches and items of clothing such as fur coats).

The Board of Trade's statistics of retail sales are the principal source of information for making the estimates of consumers' expenditure on durable goods.

*Other household goods*. Two additional groups of goods are now included under this heading:

(i) *Household textiles and soft furnishings*. These, together with the new item *Furniture and floor coverings*, previously comprised *Furniture and furnishings*.

(ii) *Hardware, etc.* This comprises hardware, pottery, glassware, cutlery and minor radio and electrical goods. This item was previously under *Hardware, radio and electrical goods*.

The estimates of these two categories are based on the Board of Trade's statistics of retail sales. But the individual estimates are not considered sufficiently reliable to be shown separately in Tables 26 and 27. However, it is recognised that for certain purposes it is important to have estimates of these two items even though they are subject to very wide margins of error. The separate estimates, together with estimates of expenditure on pedal cycles, are, therefore, given in the table below.

Consumers' expenditure <sup>(1)</sup>

£ million

|   | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|---|------|------|------|------|------|------|------|------|------|------|
| <b>At current prices</b>                |      |      |      |      |      |      |      |      |      |      |
| Household textiles and soft furnishings | 77   | 89   | 102  | 104  | 96   | 90   | 95   | 101  | 106  | 108  |
| Hardware .....                          | 103  | 102  | 104  | 114  | 114  | 124  | 136  | 154  | 157  | 169  |
| Pedal cycles .....                      | 14   | 14   | 18   | 18   | 13   | 11   | 15   | 19   | 14   | 15   |
| <b>At 1954 prices</b>                   |      |      |      |      |      |      |      |      |      |      |
| Household textiles and soft furnishings | 96   | 106  | 110  | 76   | 87   | 90   | 95   | 101  | 107  | 108  |
| Hardware .....                          | 118  | 117  | 118  | 120  | 113  | 124  | 136  | 148  | 136  | 148  |
| Pedal cycles .....                      | 15   | 16   | 20   | 19   | 12   | 11   | 15   | 18   | 13   | 13   |

<sup>(1)</sup> The estimates in this table are subject to very wide margins of error.



*Miscellaneous recreational goods.* This category corresponds to the former series *Other recreational goods plus* gramophone records (previously included in the category *Hardware, radio and electrical goods*) less musical instruments (now included in the category *Radio, electrical and other durable goods*). The estimate of expenditure on gramophone records is based on the value of deliveries by manufacturers.

*Other miscellaneous goods.* This category includes clocks which were formerly included under *Hardware, radio and electrical goods*.

*Consumers' expenditure revalued at constant prices.* Estimates of consumers' expenditure at constant 1954 prices are given for the first time in Table 27. Estimates of expenditure at 1948 prices classified according to the old basis are given in Table 28. The constant price estimates of expenditure on travel and on newspapers have been revised. The constant price series for railway travel are now consistent with the British Transport Commission's estimates of passenger miles travelled. Expenditure at constant prices on newspapers is now measured by revaluing expenditure instead of by applying a volume index based on the circulation of national papers.

In previous Blue Books several revisions of method were made. These are described below.

*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-occupied 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, demolitions, 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 52. 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, give 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).

For 1956 and 1957, changes in expenditure on rent, rates and water charges are 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.* This is now based on sample survey results and is no longer related to movements in total repairs expenditure (see *Sources and Methods*, page 114).



Table 31. *Distribution of personal income before and after tax.*

The income tax and surtax records kept by the Inland Revenue provide the basic information for the distribution of personal incomes above the income tax exemption limit. Income, as defined for income tax purposes, includes all pensions and annuities and excludes employers' and most of employees' contributions to national insurance and superannuation schemes (i.e. the amounts which are not liable to income tax).

The incomes shown in the classification by ranges include the following in addition to income covered by the Inland Revenue data:

- (i) Incomes below the exemption limit, except the incomes of persons receiving less than £50 a year.
- (ii) National assistance grants and those national insurance benefits and grants which are not liable to tax (unemployment, sickness, maternity, injury, disablement and death benefits and grants).
- (iii) Income in kind of domestic servants and agricultural workers.

Estimates of each of these items have been allocated to what seem to be the most appropriate income ranges.

The following types of income, which all form part of personal income (as defined in Table 2), are excluded from the classification by ranges:

- (a) Income in kind other than that of domestic servants and agricultural workers.
- (b) Certain non-taxable grants from public authorities (milk and welfare foods, grants to universities and schools, etc. and industrial services for the disabled).
- (c) Investment incomes of non-profit-making bodies and of life assurance and superannuation funds.
- (d) The amount by which the imputed rent of owner-occupied dwellings exceeds the Schedule A valuations.
- (e) Any other differences between the incomes shown in the Inland Revenue returns and the corresponding estimates included in personal income.
- (f) That part of the income of self-employed persons which is covered by allowances for depreciation.
- (g) Accrued interest on National Savings Certificates.
- (h) Post-war credits.
- (i) Incomes of persons receiving less than £50 a year.
- (j) Employers' and most of employees' contributions to national insurance and superannuation schemes.

The difference between total personal income and the total income shown by ranges, which in the table is called *Income not included in the classification by ranges*, is the sum of the above items (a) to (j) less the total of pensions and annuities derived from private superannuation schemes. The incomes shown in the distribution by ranges include these pensions and annuities, and exclude most of the corresponding contributions and premiums. As these constitute

transfers within the personal sector, they do not affect total personal income.

The *total number of incomes* in each year is estimated by deducting from the total population of the United Kingdom the estimated number of persons having incomes of under £50 in the year and the estimated number of married couples—since the incomes of husband and wife are counted as one income. The income of a juvenile, even if he is partly dependent on his parents, is counted separately. The numbers relate to all persons receiving incomes for the whole or any part of the year. A woman who is single or divorced for part of the year is counted as having a separate income of the amount received while she was single or divorced. For this reason, and also because of deaths which occur during the year, the number of small incomes is larger than it would be if incomes were measured by their annual rates at a given point of time.

The figures for 1938, 1949 and 1954 are based on the special surveys for 1937-38, 1949-50 and 1954-55 described in the 83rd, 94th and 99th Reports of the Commissioners of Inland Revenue. The figures for later years are provisional and subject to revision.

#### *Rent, dividends and interest received by persons.*

This item now includes United Kingdom taxes on income paid by non-residents. These taxes were previously included in the item *Rent, dividends and interest received by the Central Government* (These taxes are also included in *Taxes on income paid by persons*).

#### **Companies**

The estimates of the gross trading profits of companies from 1955 onwards are on a new basis and are much closer to the profits actually earned in each calendar year than are the estimates for the earlier years. For the years up to and including 1954, the figures of profits in each year are in fact an aggregation of the profits earned in varying accounting years which on average end about the beginning of December (see *Sources and Methods*, page 153). For each year from 1955 the profit figures have been adjusted to allow for this variation in accounting years and they have been put, as far as possible, on to a true calendar year basis. The adjustment has been based on the new series of quarterly profits now being published, described in the July, 1958 issue of *Economic Trends*. The estimate for company trading profits in 1955 calculated on the old unadjusted basis would be £28 millions, or 1 per cent, lower. The figures for dividend and interest payments and tax payments are not affected by the change. The estimates of tax accruals necessarily still relate to the profits corresponding to the aggregate of accounting years since this is the basis for tax assessments.

In comparing the figures of company incomes with those of United Kingdom taxes, it should be noted that, except in Table 38, no deduction is made from trading profits for the tax-free allowances for depreciation (these are given in a table on page 82); 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 dividends and interests 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 a footnote to Table 34.

*Table 37. Appropriation account of companies in insurance, banking and finance.*

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. Certain gains and losses on transactions in securities held as investments are omitted from the table, although they affect the figure for United Kingdom taxes. The estimates are rough and relate to a wide variety of concerns including insurance companies, banks, acceptance houses, discount houses, 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.

#### Central Government including National Insurance Funds

*Table 44. Revenue account.*

*Income tax.* Net receipts of income tax from non-resident taxpayers are now included in this item and not under *Interest and dividends, etc.*

*Post Office surplus.* From 1 April, 1956 this item represents the Post Office's contribution to the Exchequer of £5 millions a year, as fixed for the purposes of the *Post Office Commercial Accounts*.<sup>(1)</sup>

*Miscellaneous taxes on expenditure.* This now includes the tithe annuities which became payable by landowners to the Tithe Redemption Commission after landowners' liabilities for tithe rentcharges had been extinguished by the Tithe Act, 1936. Lump sum payments by landowners in commutation of annuities are included.

*National insurance and national health contributions.* From September, 1957, this item includes employers' and employees' contributions towards the National Health Service. These contributions are omitted from the *Revenue account of the National Insurance Funds*.

#### *Gross trading income:*

*Post Office (excluding Savings Bank).* Until 31 March, 1956 this represents the depreciation (at historical cost) and interest on the capital employed in the Post Office (as described in *Sources and Methods*, pages 186-187). From 1 April, 1956, the item represents the Post Office's trading surplus, before deducting depreciation and interest, but after deducting the Post Office's fixed contribution to the Exchequer of £5 millions a year.

*Other.* This includes the gross trading income of the Post Office Savings Bank; the error in the treatment of the latter (see *Sources and Methods*, page 199) has been corrected.

*Gross rental income, other.* An imputed rental income is now included in respect of the fixed assets of the United Kingdom Atomic Energy Authority. It is measured by the depreciation (at historical cost) and interest on the capital employed, as shown in the Authority's annual report and balance sheet. An equal amount is included in *Central Government current expenditure on goods and services*.

*Interest and dividends, etc.* Income tax received from non-resident taxpayers is now excluded. The error in the treatment of the Post Office Savings Bank (referred to in *Sources and Methods*, page 199) has been corrected.

*Current expenditure on goods and services.* An imputed rental payment is now included in respect of the fixed assets of the United Kingdom Atomic Energy Authority (mainly under the heading *Military defence* but partly under *Other industry and trade*); see note on *Gross rental income* above. The figures for *Military defence* are net after deducting the contributions towards the cost of British forces made by the German Federal Republic; these contributions totalled £54 millions in the financial year 1955/56 and £53 millions in 1956/57. An alternative treatment would have been to show expenditure on *Military defence* gross, and to include the German contribution as a current grant from an overseas government on the revenue side of the account.

*Subsidies.* Lump sum payments towards the cost of newly-built houses have been excluded; they are now treated as capital grants.

*Current grants to persons.*

*Current grants to local authorities.*

Salaries of school teachers paid directly by the Government of Northern Ireland are treated in the Blue Book as being paid by the school authorities, i.e., local authorities or voluntary school managers as the case may be. The expenditure appears in the *Central Government revenue account* as current grants to local authorities or current grants to persons.

*Debt interest.* Under an agreement with the United States and Canadian Governments, payment of interest on the United States and Canadian loans, originally due in 1956 and 1957, has been postponed to a later date. It has been omitted here completely in conformity with the treatment in the Balance of Payments White Paper<sup>(2)</sup>. The error in the treatment of Post Office annuities (see *Sources and Methods*, page 202)

<sup>(1)</sup> See *Report on Post Office Development and Finance*, 1955, Cmd. 9576.

<sup>(2)</sup> For technical reasons, £37 millions due in 1956 appears as a payment in the conventional Exchequer Account for 1956/57 and as a receipt in 1957/58.



has been corrected. One of the minor inclusions not among those noted in the *Sources and Methods* (page 202, fourth paragraph) is interest on Redemption Stock issued under the Tithe Act, 1936. From 1957, prizes on Premium Bonds are included.

#### *Transfers to capital accounts at home:*

*Town and country planning compensation.* This represents payments made by the Ministry of Housing and Local Government, the Department of 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>(1)</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>(2)</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 includes also 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 were made mainly in 1950.

#### *Capital grants to local authorities.*

##### *Other capital grants.*

Both these items now include lump sum contributions towards the cost of newly built houses (mainly in Northern Ireland), paid in lieu of annual contributions over a period of years; these payments were previously treated as subsidies.

Table 45. *Capital account.*

*Net receipts from settlements, etc.* As explained in *Sources and Methods*, page 206, the estimates for this item were formerly 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 figures from 1953 onwards are now derived from the accounts of the Central Government.

Major components of the figures in 1953 and later years are (i) receipts from the disposal of ex-German and ex-Japanese assets, (ii) 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 and civilian personnel, (iii) 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, and (iv) receipts from the Korean Operations Pool Account—a scheme whereby the cost of maintaining Commonwealth forces in Korea was shared between the Governments concerned (mainly in 1953 in which year the figure was £15 millions).

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

*Borrowing from overseas governments.* The figure for 1957 represents drawing from the Export-Import Bank line of credit.

*Net borrowing through National Savings.* This item now includes receipts from Ulster Savings Certificates (*less* repayments of principal) and, starting in 1956, receipts from Premium Bonds (*less* repayments of principal).

*New issues and sales of securities (net): long-term securities.* Separate series are 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>(3)</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 referred to in *Sources and Methods* namely:

- (i) 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.

<sup>(1)</sup> Development charges were in general abolished for development begun on or after 18 November, 1952.

<sup>(2)</sup> 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.

<sup>(3)</sup> The series for coal compensation stock now refers to the *market* value of the stock and not, as stated in *Sources and Methods*, to the nominal value of stock.



(ii) The transfer in 1953 to the Consolidated Fund of liability for the £244 millions of 3½ per cent Guaranteed Stock, 1979-81 of the Iron and Steel Corporation of Great Britain (renamed 3½ per cent Treasury Stock, 1979-81); 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 two issues of stock are balanced by an item on the payments side of the Central Government capital account, namely *Acquisition of the capital of certain other undertakings* (see page 78 of this Blue Book).

The capital element of loan charges transferred to the Health Ministers when local authority hospitals were vested in the National Health Service, hitherto deducted in arriving at this item (see *Sources and Methods*, page 208), is now dealt with under the item *Net lending to local authorities*.

*Receipts from certain pension "funds" (net)*. In the Blue Book, 1955, this item was 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 provisionally 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 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. The negative item shown against *Temporary houses* in 1957 represents the sale of such houses to local authorities.

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

The figures for 1956 and 1957 include £23 millions and £5 millions respectively, representing the return to the United States of the 88 million ozs. of silver bullion originally transferred by the United States Government to the United Kingdom under Lend-Lease arrangements. These are balanced by similar amounts included on the receipts side of the Government capital account under the heading *Miscellaneous financial receipts (net) and changes in cash balances* (see *Sources and Methods*, page 210, item g).

*Increase in deposits with the I.M.F., I.B.R.D. and International Finance Corporation*. The 1956 figure includes £5 millions representing the dollar subscription to the International Finance Corporation.

*Net lending to local authorities*. The figures now include also (a) advances to local authorities (*less* repayments) from the Northern Ireland Government Loans Fund, and (b) the annual amounts by which the Health Ministers are repaying their capital liabilities to local authorities. The latter liabilities arose from the vesting of local authority hospitals in the National Health Service; the repayments were previously dealt with in the Blue Book under the item *New issues and sales of securities*.

*Net lending to public corporations*. From 1956 certain public corporations ceased to raise capital by the issue of stock, and instead advances were made to them from the Exchequer (through the appropriate departmental accounts) under the Finance Act, 1956 (Section 42).

The public corporations concerned were the British Transport Commission, Gas Council, Central Electricity Authority, North of Scotland Hydro-Electric Board, South of Scotland Electricity Board, British Overseas Airways Corporation and British European Airways Corporation. This explains the substantial increase in Government lending to public corporations in the years 1956 and 1957. In 1957 loans to the British Transport Commission under the Transport (Railways Finances) Act, 1957 to finance the deficit on railway operations are also included.

A component of this item not referred to in *Sources and Methods* is net lending by the Northern Ireland Exchequer (in some cases through the Government Loans Fund) to the Northern Ireland Housing Trust, the Electricity Board for Northern Ireland and the Ulster Transport Authority.

*Coal compensation: issues of stock*. The series now refers to the market value of the stock issued and not, as stated in *Sources and Methods*, to the nominal value of the stock.



### *Acquisition of the capital of certain other undertakings.*

This comprises:

- (i) The acquisition of the capital of Cable and Wireless, Ltd. (£32 millions in 1949).
- (ii) The transfer under which the Exchequer became entitled to the net revenue of the Iron and Steel Holding and Realisation Agency and to the proceeds of iron and steel disposals (£244 millions in 1953).
- (iii) The Northern Ireland Government's share of the compensation paid when the Great Northern Railway of Ireland was jointly acquired by the Government of Northern Ireland and the Government of the Irish Republic (£2 millions in 1953).

Items (i) and (ii) are 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*.

*Table 46. Revenue account of National Insurance Funds.*

Contributions by the National Insurance Funds towards the cost of the National Health Service ceased from September, 1957 when direct contributions by employers and employees to the Health Service became payable. These direct contributions are excluded from the table.

### **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 1955/56, tabulation of a sample of local authorities' annual returns for 1956/57, and estimates prepared by the Ministry of Housing and Local Government for 1957/58.

*Scotland.* The *Local Financial Returns (Scotland)* for years to 1954/55. 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 1956/57 (and forecasts for certain aggregates for 1957/58) based on a special questionnaire circulated to Scottish local authorities.

*Northern Ireland.* The *Local Authority Financial Returns* for years to 1955/56.

A quarterly sample inquiry on wages and salaries paid by local authorities in England, Wales and Scotland was instituted from the beginning of the financial year 1956/57. In this inquiry wages and salaries are analysed under eight headings (police, education, roads, other non-trading services, housing, other trading services, capital account and agency services). Since wages and salaries represent a large proportion of local authorities' current expenditure (see Table 51 of this Blue Book), the results of the wages and salaries

questionnaire have been taken into account in assessing the trend of local authorities' current expenditure on goods and services in 1956 and 1957.

*Table 47. Current account.*

*Interest.* The payment of interest on loans in respect of hospitals and gas and electricity undertakings taken over by national authorities is now included in the expenditure item *Debt interest*. Correspondingly, the reimbursements made by the Central Government and nationalised industries are now included in the revenue item *Interest, etc.*

*Table 48. Capital account.*

*Capital grants from the Central Government.* The grants are 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 50 (described in Chapter X of *Sources and Methods*). For years up to and including 1952, 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 is based mainly 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 44), 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.

### **Combined public authorities**

*Table 49. Combined current and capital account.*

This table summarizes the current and capital accounts of the Central Government and local authorities (Tables 44, 45, 47 and 48 of this Blue Book), and also gives a consolidated account for combined public authorities. The process of consolidation has not been carried to its furthest extent. Examples of transactions which have not been eliminated on consolidation are interest received by local authorities from the Central Government (e.g. interest on holdings of Government stock); taxes on expenditure levied by the Central Government and falling on local authority expenditure; and payments by the Central Government in lieu of local authority rates.

*Net acquisition of financial assets.* This represents the net balance of borrowing and lending transactions, that is the net balance of all items in the two capital accounts (Tables 45 and 48) other than the items showing surpluses carried from the revenue accounts, capital grants

<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.



received and paid, gross fixed capital formation and increases in value of stocks.

Table 50. *Analysis of expenditure.*

The two right hand columns of this table 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 50. This treatment follows that adopted in analysing capital grants from the Central Government in the local authority capital account.

*Military defence: current expenditure on goods and services.* See notes on Table 44 on page 75 of this Blue Book.

*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.

*Housing.* Lump sum payments by the Central Government towards the cost of newly-built houses (mainly in Northern Ireland) are no longer treated as *Subsidies*, and, to the extent that these payments have been to persons, companies and public corporations, they now appear in the column *Capital grants*. Lump sum payments to local authorities appear only in the two right hand columns of the table (positively in one of them and negatively in the other).

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

*Health: current grants to persons.* This item includes grants by the Medical Research Council to research institutions and research workers and grants paid under the National Health Service towards the running costs of invalid chairs and cars operated by disabled persons.

*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 ship-owners under the Tonnage replacement schemes (also referred to in *Sources and Methods*, page 263) are not 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.* The notes on Table 44 on page 75 of this Blue Book describe an additional item included in the column *Current expenditure on goods and services*. The principal component of the figures for *Subsidies* in the years 1954 and later is the subsidy on coal paid by the Ministry of Commerce to certain industrial undertakings in Northern Ireland. The entry in the column *Current grants abroad* represents the United Kingdom's contribution to the European Organisation for Nuclear Research.

*Town and country planning, parks, etc.: capital grants.* The item is defined on page 76 of this Blue Book.

*War damage compensation and disposal of surplus war stores in the United Kingdom.* See notes on pages 76 and 77 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".

*Other services: current grants to persons.* The principal components of the figure for 1957 are payments to or in respect of British subjects who have had to leave Egypt, or who were dependent upon assets in Egypt, and are now in distress.

Table 51. *Analysis of current expenditure on goods and services.*

This table analyses the left hand column of Table 50 between wages and salaries and all other payments (net). The statistics of wages and salaries include employers' contributions (i.e. employers' national insurance and health contributions and employers' contributions to pension funds—or in many cases actual pension payments). In conformity with the definition of Central Government employed in the Blue Book, the figures of Central Government wages and salaries include wages and salaries paid by the United Kingdom Atomic Energy Authority, the Metropolitan Police, Regional Hospital Boards and Boards of Governors of Teaching Hospitals, etc. (including hospital consultants' fees but not general practitioners' remuneration in the National Health Service<sup>(1)</sup>).

(1) This treatment of hospital consultants and general practitioners corresponds with the Inland Revenue distinction between Schedules E and D.



The estimates of wages and salaries given in the table exclude wages and salaries paid in respect of trading services and wages and salaries of those directly employed on capital works. The amounts so excluded appear as a footnote to the table<sup>(1)</sup>. Nevertheless, the figures of wages and salaries shown in the main part of the table are considerably wider in scope than the figures shown in Table 15 under the headings *Public administration and defence*, *Public health services* and *Local authority educational services*. The difference is due mainly to public authorities' employees classified to other headings in Table 15, principally persons employed by the following: the United Kingdom Atomic Energy Authority; H.M. Stationery Office; Service departments' industrial establishments (e.g. Admiralty shipbuilding, engineering and explosives establishments, Army R.E.M.E. establishments and Air Ministry Maintenance Units); Service departments' building and contracting units; and some local authorities' building and contracting departments.

Attention is drawn to one point in the classification by service of Central Government wages and salaries. Wages and salaries paid by a Government non-trading department A (e.g. Ministry of Labour) in providing services for another department B (e.g. National Insurance Funds) have been classified in the table according to the category of public service provided by A (e.g. against *Employment services* and not against *National insurance, pensions and assistance*). The payments made by B to A for these services, whether real or imputed as allied services, then appear in the column headed *Other payments (net)*—positively against the service provided by B and negatively against the service provided by A. The most important examples are wages and salaries paid by the Ministry of Works and H.M. Stationery Office, which appear against the service headed *Other* in the table and not against the public services receiving office accommodation, stationery, etc. from these two departments. This explains why the figures in the columns headed *Other payments (net)* shown against the service headed *Other* are so small.

The figures of Central Government wages and salaries in the table have been compiled mainly from an analysis of the *Estimates*, *Appropriation Accounts*, *Trading Accounts* and *Balance Sheets*, summary accounts of Regional Hospital Boards and so on. It follows that the statistics of Central Government wages and salaries exclude wages and salaries not identified as such in the *Estimates*, etc. (e.g. any wages included under a heading "maintenance"). For the most recent year advance estimates of wage and salary payments have been provided by Departments. The figures for local authority wages and salaries have been derived from the wage and salary table in the *Local Government Financial Statistics* for England and Wales, an approximate addition being made to cover Scotland and Northern Ireland. From 1956 the figures of local authority wages and salaries have been based in part on the quarterly wages and salaries questionnaire referred to on page 78 of this Blue Book.

Table 52. *Housing subsidies.*

This table is a revised version of that given on page 255 of *Sources and Methods*, for which detailed notes are given on page 254.

There are two changes of treatment. Firstly, lump sum contributions by the Central Government towards the cost of newly-built houses, paid to local authorities and others in lieu of annual contributions over a period of years, are excluded; these payments are now treated as capital grants. Secondly, the presentation of the emergency housing transactions has been altered. Prior to 6 June, 1955, local authorities acted as agents of the Central Government in the management of emergency housing, but from that date full responsibility for some emergency housing passed to local authorities (see *Sources and Methods*, page 253). It has, therefore, seemed preferable to show all emergency housing transactions in the local authority section of Table 52.

### Gross fixed capital formation at home

*Buses and coaches.* This category corresponds to the former category *Public road passenger vehicles*.

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

*Coal mining.* The estimates have been amended and now cover deep mined coal only. Expenditure on equipment used in opencast coal mining is included under *Building and contracting*.

*Manufacturing.* The detailed estimates have been revised in the light of fuller information from the censuses of production. Government financed expenditure and expenditure by the new town development corporations have now been allocated by industry. In the case of government financed factories in Development Areas, estimates of expenditure on factories used by the engineering industries have been supplemented by figures of expenditure on factories used by other industries based on statistics of factory space completed. Figures of areas completed have also been used to analyse by industry factories financed by the new town development corporations and by the Northern Ireland Ministry of Commerce. Ministry of Supply expenditure has been allocated on the basis of information provided by the Ministry, including a sample drawn from machine-tool records, together with census of production data relating to Royal Ordnance Factories.

The analysis by industry should be used with caution. Although the detailed results for private manufacturing 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

<sup>(1)</sup> The amounts shown for the Post Office now exclude the remuneration of sub-postmasters.



of production (1952, 1953, 1955 and 1956). There may also be substantial errors in the analysis of Government financed expenditure which could significantly affect the estimates for 1948, 1951, 1952 and 1953, particularly in the engineering, motor vehicles and aircraft industries. The estimates for 1957 for private capital expenditure are derived from the quarterly Board of Trade sample enquiry.

*Railways.* Expenditure on plant and buildings in railway manufacturing and repair establishments is now excluded from this industry and included under *Manufacturing*.

*Shipping.* Results of the Board of Trade's enquiry into capital expenditure in the shipping industry have been used for 1956. For 1957 a provisional estimate from returns covering most of the industry has been used. The estimates for the earlier years have now been revised to align with the expenditure data used for 1956 and 1957. Work in progress on ships not covered by progress payments is now excluded and is included in the estimates of stocks and work in progress in the shipbuilding industry. The substantial revisions to the estimates result mainly from the fact that the expenditure figures now include payments for work in progress on ships constructed abroad, whereas previously the figures related only to the deliveries of completed vessels.

*Distribution and other services.* The estimates of expenditure on plant and machinery have been revised. They now take account of the results of the Board of Trade's enquiry into capital expenditure in 1956. *Broadcasting* is now included.

*Dwellings.* The revisions to the figures for the years 1954 to 1956 result from revisions to the estimates of the average price paid for newly built private houses.

*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 on 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*.

*Destruction of buildings.* A deduction is now made for the amount of insurance compensation received for buildings destroyed by fire. The corresponding adjustment previously made to trading incomes to allow for insurance claims now becomes unnecessary (see *Sources and Methods*, page 160).

*Expenditure on repairs and maintenance.* In a footnote to Table 56 estimates are given of the total value of expenditure on repairs and maintenance to buildings and works. Such expenditure is regarded as expenditure on current account and not as a part of fixed capital formation. The figures are, however, given because (a) variations in the amount of this expenditure may be of some importance; and (b), some other countries (and the United Kingdom until 1952) treat such expenditure as a part of gross fixed capital formation in their national accounts, and estimates of the amount involved may thus help international comparisons.

*Gross fixed capital formation at home revalued at constant prices.* Estimates of gross fixed capital formation at constant 1954 prices are given for the first time in Tables 57 and 59. The price indices used to revalue the current price estimates of expenditure on plant and machinery have been constructed in more detail than previously. In obtaining the constant price estimates of *Legal fees and stamp duties, etc.*, a rough allowance has been made for changes in legal charges and not merely, as previously, for changes in rates of stamp duty and development charges.

*Depreciation.* All figures of trading profits and fixed capital formation in the main tables (except Tables 62 and 63 and the figures of net profits in Table 38) are shown before provision for depreciation. Figures for depreciation at original cost for the year 1938 and for the years 1948 to 1957 are given in the table overleaf. 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.

### Capital consumption

Estimates of capital consumption were published for the first time in the Blue Book for 1956. The following notes describe the nature of these estimates and the methods of calculation used.

#### *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.



# Depreciation

£ million

|  | 1938 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| Professional persons <sup>(1)</sup> .....              | 1    | 6    | 8    | 9    | 9    | 7    | 8    | 9    | 10   | 10   | 9    |
| Farmers <sup>(1)</sup> :                               |      |      |      |      |      |      |      |      |      |      |      |
| Initial and investment allowances.....                 | —    | 8    | 16   | 19   | 19   | 7    | 9    | 13   | 16   | 13   | 14   |
| Other allowances.....                                  | —    | 20   | 24   | 26   | 28   | 31   | 36   | 40   | 43   | 49   | 52   |
| Other sole traders and partnerships <sup>(1)</sup> :   |      |      |      |      |      |      |      |      |      |      |      |
| Initial and investment allowances.....                 | —    | 12   | 20   | 23   | 24   | 10   | 10   | 16   | 18   | 18   | 18   |
| Other allowances.....                                  | 13   | 28   | 28   | 28   | 29   | 30   | 34   | 40   | 46   | 52   | 56   |
| Companies <sup>(1)</sup> <sup>(2)</sup> :              |      |      |      |      |      |      |      |      |      |      |      |
| Initial and investment allowances.....                 | —    | 95   | 185  | 227  | 238  | 111  | 104  | 157  | 187  | 206  | 232  |
| Other allowances.....                                  | 142  | 208  | 220  | 247  | 254  | 287  | 303  | 363  | 415  | 480  | 516  |
| Public corporations <sup>(3)</sup> .....               | 3    | 72   | 96   | 109  | 128  | 144  | 161  | 169  | 179  | 196  | 213  |
| Central Government <sup>(3)</sup> <sup>(4)</sup> ..... | 10   | 28   | 32   | 34   | 32   | 36   | 37   | 40   | 42   | 54   | 61   |
| Local authorities <sup>(1)</sup> .....                 | 8    | 10   | 8    | 8    | 10   | 9    | 12   | 13   | 12   | 13   | 13   |

<sup>(1)</sup> The statutory allowances for income tax. From 1954, the figures include investment allowances.

<sup>(2)</sup> Excludes companies operating overseas.

<sup>(3)</sup> 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.

<sup>(4)</sup> From 1st April, 1956, the figures included for the Post Office relate to replacement cost.

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>(1)</sup>. The present estimates are a 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>(2)</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 fixed capital formation at home. Provision for depreciation on assets situated overseas is already deducted from income earned abroad.<sup>(3)</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 81).

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, including farm buildings and most of the Central Government non-trading assets other than houses (e.g. hospitals) for which the data are not available. An approximate addition has

been made to the estimates of capital consumption in respect of these items. This addition now represents 3 per cent of gross fixed capital formation.

##### *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 constant prices used are those for the year 1948.

(iii) Assumptions are made about the length 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 1957. 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 and into 1954 prices.

There is thus produced a series of estimates of capital consumption in 1938 and in 1948 to 1957, both at 1954 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 and at the current prices of each year, so as to yield estimates of net fixed capital formation.

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

For 1938 and 1948 to 1957 the estimates are those published in this Blue Book. For earlier years the principal sources are as follows:

(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.

<sup>(1)</sup> *Journal of the Royal Statistical Society. Series A (General)*, Volume 118, Part 2, 1955.

<sup>(2)</sup> The special treatment of capital expenditure on roads is described on page 84. For the reasons given there, the whole of capital expenditure on roads is regarded as net capital formation.

<sup>(3)</sup> See *Sources and Methods*, page 278.



(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.

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 as follows:

(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. 94*, Table 247), 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 until 31 March, 1956) 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 estimates of capital consumption with the figures of gross fixed capital formation, it should be remembered that, as noted in *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.

#### *Capital formation in stocks and work in progress*

The detailed estimates have been revised principally to take account of fuller information from the censuses of production. The results of the Board of Trade's quarterly enquiry have been used to provide the estimates for manufacturing industry for 1957.

*Food, drink and tobacco.* The figures for stocks of materials and fuel include tobacco held in bonded warehouses.

*Other industries and services.* The estimates take account of the provisional results of the Board of Trade's enquiry into the distributive and service trades for 1956.

*Disposal of Government surplus war stocks.* 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 offsetting item to Central Government current expenditure on goods and services (see page 77 of this Blue Book).

#### *Rent*

The table in *Sources and Methods*, page 336, showing

<sup>(1)</sup> See *Sources and Methods*, pages 186, 187 and 236.



the composition of rental income in 1954 should now read as follows:

|   | £ million |
|---|-----------|
| Privately owned land and buildings used by persons as consumers .....   | 382       |
| Central Government land and buildings .....   | 52        |
| Local authority land and buildings .....  | 185       |
| Farm land and buildings .....   | 16        |
| Land and buildings owned privately or by public corporations, rented to trading concerns or public authorities..... | 90        |
| Total .....   | 725       |

The allocation of rent by sector is shown in Table 12.

## International transactions

The figures in Table 7 are derived from those given in the Balance of Payments White Papers, Cmnd. 122 and Cmnd. 399. The adjustments made to the figures given in the White Papers to bring them on to the definitions used in this Blue Book are summarised in the notes in Section XI. In Tables 11 and 13 imports of goods and services are valued at both market prices and at factor cost. The factor cost figures are the same as those appearing in Table 7; the market price figures are obtained by adding to the factor cost figures the amounts paid in customs duties on imports of merchandise arriving in the country or, on withdrawals from bond. (See page 71 of this Blue Book).



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