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CENTRAL STATISTICAL OFFICE

NATIONAL INCOME AND EXPENDITURE

1961

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RESEARCH

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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 each of the calendar years 1950 to 1960.

In this National Income Blue Book the tables are grouped into eleven sections. Section I (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 ten 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 XII.

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.

Estimates for the years 1938, 1946 and 1947 may be found in *National Income and Expenditure*, 1956, H.M.S.O., 1956, for the year 1948 in *National Income and Expenditure*, 1959, H.M.S.O., 1959, and for the year 1949 in *National Income and Expenditure*, 1960, H.M.S.O., 1960.

Quarterly estimates of the main components of national income and expenditure are now published regularly in the *Monthly Digest of Statistics* and, together with a commentary, in *Economic Trends*.

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*, 1960) are described in Section XIII. This section also consolidates all the changes in treatment and definitions which have been made since the publication of *National Income Statistics: Sources and Methods*.

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 1960. 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 (1958).

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.

August, 1961.

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I. SUMMARY TABLES

National income and expenditure

TABLE 1

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Expenditure generating gross national product												
<i>At market prices</i>												
Consumers' expenditure	1	9,438	10,184	10,752	11,373	12,119	12,985	13,706	14,430	15,171	15,890	16,608
Public authorities' current expenditure on goods and services	2, 3	2,072	2,443	2,898	3,052	3,135	3,212	3,493	3,602	3,713	3,940	4,189
Gross fixed capital formation at home	4	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103
Value of physical increase in stocks and work in progress	5	—210	575	50	125	56	300	291	265	129	177	591
Total domestic expenditure at market prices		13,000	15,086	15,802	16,905	17,852	19,294	20,594	21,676	22,508	23,732	25,491
Exports and income received from abroad	6	3,879	4,508	4,684	4,573	4,785	5,160	5,683	5,988	6,036	6,218	6,475
less Imports and income paid abroad	7	—3,542	—4,906	—4,633	—4,530	—4,655	—5,317	—5,454	—5,722	—5,677	—6,091	—6,734
less Taxes on expenditure	8, 9	—2,062	—2,271	—2,291	—2,373	—2,484	—2,623	—2,831	—2,956	—3,036	—3,200	—3,405
Subsidies	10, 11	477	470	420	365	425	347	367	413	400	382	489(2)
Gross national expenditure at factor cost (Gross national product)	12	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316
Shares in the gross national product (factor incomes)												
Income from employment	13	7,600	8,459	9,097	9,608	10,253	11,206	12,221	12,917	13,406	14,006	15,111
Income from self-employment (1)	14	1,405	1,455	1,508	1,556	1,598	1,680	1,730	1,784	1,804	1,905	2,007
Gross trading profits of companies (1)	15	2,126	2,483	2,180	2,313	2,578	2,902	2,958	3,120	3,029	3,376	3,608
Gross trading surpluses of public corporations (1)	16	196	260	277	321	354	315	344	323	341	391	522(2)
Gross profits of other public enterprises (1)	17, 18	139	117	40	63	108	112	122	127	153	165	177
Rent (1)	19	505	517	568	641	732	746	813	874	1,024	1,080	1,122
Total domestic income before providing for depreciation and stock appreciation		11,971	13,291	13,670	14,502	15,623	16,961	18,188	19,145	19,757	20,923	22,547
less Stock appreciation	20	—650	—750	50	75	—75	—196	—178	—117	22	—110	—127
Residual error	21	49	18	25	149	127	—83	111	113	191	5	—283
Gross domestic product at factor cost	22	11,370	12,559	13,745	14,726	15,675	16,682	18,121	19,141	19,970	20,818	22,137
Net income from abroad	23	382	328	237	214	248	179	238	258	261	223	179
Gross national product	12	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316
Capital consumption	24	990	1,130	1,275	1,336	1,388	1,500	1,613	1,724	1,851	1,917	2,015
National income	25	10,762	11,757	12,707	13,604	14,535	15,361	16,746	17,675	18,380	19,124	20,301

(1) Before providing for depreciation and stock appreciation.

(2) Includes £27 million of Central Government subsidy to the British Transport Commission accrued but not paid during 1960. (see note on page 72).

SUMMARY TABLES

Personal income and expenditure

TABLE 2

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income before tax												
Wages	13a	4,610	5,095	5,450	5,760	6,160	6,745	7,310	7,640	7,760	8,010	8,630
Salaries	13b	2,310	2,580	2,780	2,925	3,130	3,440	3,780	4,090	4,320	4,620	5,060
Pay in cash and kind of the Forces	13c	237	303	342	349	363	356	396	392	395	389	394
Employers' contributions:												
National insurance and health	13d	199	205	218	244	247	279	304	309	398	418	424
Other	13e	244	276	307	330	353	386	431	486	533	569	603
Total income from employment	13	7,600	8,459	9,097	9,608	10,253	11,206	12,221	12,917	13,406	14,006	15,111
Professional persons (1)	14a	232	228	230	229	240	260	270	287	288	302	327
Farmers (1)	14b	339	368	407	415	396	405	419	442	438	447	467
Other sole traders and partnerships (1)	14c	834	859	871	912	962	1,015	1,041	1,055	1,078	1,156	1,213
Total income from self-employment (1)	14	1,405	1,455	1,508	1,556	1,598	1,680	1,730	1,784	1,804	1,905	2,007
Rent, dividends and interest	26	1,240	1,290	1,315	1,380	1,483	1,631	1,715	1,800	1,927	2,070	2,340
National insurance benefits and other current grants from public authorities	28, 29	755	784	910	1,001	1,020	1,114	1,191	1,250	1,481	1,633	1,650
Total personal income (1)		11,000	11,988	12,830	13,545	14,354	15,631	16,857	17,751	18,618	19,614	21,108
Expenditure												
Consumers' expenditure	1	9,438	10,184	10,752	11,373	12,119	12,985	13,706	14,430	15,171	15,890	16,608
Remittances abroad (net)	27	—16	2	2	—11	—10	2	18	22	2	1	—
Taxes on income:												
Payments	34a	1,029	1,176	1,188	1,148	1,254	1,345	1,470	1,620	1,720	1,810	2,020
Additions to tax reserves	34b	5	40	—14	9	33	35	25	20	35	10	75
National insurance and health contributions	35	440	452	476	525	532	594	642	657	859	898	911
Total current expenditure		10,896	11,854	12,404	13,044	13,928	14,961	15,861	16,749	17,787	18,609	19,614
Balance: saving before providing for depreciation and stock appreciation	36	104	134	426	501	426	670	996	1,002	831	1,005	1,494
Total		11,000	11,988	12,830	13,545	14,354	15,631	16,857	17,751	18,618	19,614	21,108

(1) Before providing for depreciation and stock appreciation.

Corporate income appropriation account

TABLE 3

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income												
Gross trading profits of companies and trading surpluses of public corporations trading in the United Kingdom (1)	15, 16	2,322	2,743	2,457	2,634	2,932	3,217	3,302	3,443	3,370	3,767	4,130
Other corporate income:												
Income earned abroad	37a, 42a	671	681	705	676	697	705	814	870	1,069	1,051	1,018
Non-trading income earned in the United Kingdom	37b, 42b	320	340	383	418	449	486	538	575	644	658	713
Total		3,313	3,764	3,545	3,728	4,078	4,408	4,654	4,888	5,083	5,476	5,861
Allocation of income												
Dividends and interest:												
Payments	38a, 43a	719	784	813	888	962	1,073	1,157	1,258	1,345	1,483	1,745
Additions to dividend and interest reserves	38b, 43b	35	3	41	16	68	12	33	37	30	185	30
Taxes paid abroad and profits due abroad	39	257	314	391	335	324	425	488	519	652	694	675
United Kingdom taxes on income:												
Payments	40a, 44a	782	750	985	968	893	974	894	972	1,005	948	705
Additions to tax reserves	40b, 44b	73	419	—8	32	139	—4	128	4	—104	—156	347
Undistributed income after taxation but before providing for depreciation and stock appreciation	41, 45	1,447	1,494	1,323	1,489	1,692	1,928	1,954	2,098	2,155	2,322	2,359
Total		3,313	3,764	3,545	3,728	4,078	4,408	4,654	4,888	5,083	5,476	5,861

(1) Before providing for depreciation and stock appreciation.

Revenue account of Central Government including National Insurance Funds

TABLE 4

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue												
Gross trading income (1)	17	115	93	15	32	75	78	86	89	112	116	125
Rent, dividends and interest	46	101	139	168	190	214	243	281	291	336	381	409
Taxes on income	47	1,811	1,926	2,173	2,116	2,147	2,319	2,364	2,592	2,725	2,758	2,725
Taxes on capital	48	190	194	159	165	183	184	166	176	182	212	236
Taxes on expenditure	8	1,725	1,907	1,899	1,940	2,024	2,148	2,275	2,341	2,387	2,486	2,641
National insurance and health contributions	35	440	452	476	525	532	594	642	657	859	898	911
Current grants from overseas governments	49	—	4	120	105	50	46	26	21	3	—	—
Total		4,382	4,715	5,010	5,073	5,225	5,612	5,840	6,167	6,604	6,851	7,047
Expenditure												
Current expenditure on goods and services	2	1,507	1,814	2,210	2,319	2,351	2,371	2,543	2,545	2,582	2,717	2,864
Subsidies	10	463	455	402	346	405	322	338	383	371	355	436
National insurance benefits	28a	388	406	473	527	531	614	670	702	912	987	993
Other current grants to persons	28b	328	337	390	426	435	432	444	468	484	555	559
Debt interest	50	507	550	609	639	637	708	725	707	783	777	869
Current grants to local authorities	51	298	336	372	398	422	469	521	594	632	679	741
Current grants paid abroad	52	45	49	59	57	61	67	64	67	70	77	86
Transfers to capital accounts	53	161	120	111	127	98	119	113	87	99	93	114
Total expenditure		3,697	4,067	4,626	4,839	4,940	5,102	5,418	5,553	5,933	6,240	6,662
Surplus before providing for depreciation and stock appreciation	54	685	648	384	234	285	510	422	614	671	611	385
Total		4,382	4,715	5,010	5,073	5,225	5,612	5,840	6,167	6,604	6,851	7,047

(1) Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 5

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue												
Gross trading income (1)	18	24	24	25	31	33	34	36	38	41	49	52
Rent, dividends and interest	55	119	132	151	176	202	228	262	300	332	364	399
Rates	9	337	364	392	433	460	475	556	615	649	714	764
Current grants from the Central Government	51	298	336	372	398	422	469	521	594	632	679	741
Total		778	856	940	1,038	1,117	1,206	1,375	1,547	1,654	1,806	1,956
Expenditure												
Current expenditure on goods and services	3	565	629	688	733	784	841	950	1,057	1,131	1,223	1,325
Housing subsidies	11	14	15	18	19	20	25	29	30	29	27	26
Current grants to persons	29	39	41	47	48	54	68	77	80	85	91	98
Debt interest	56	81	89	104	123	142	162	189	220	243	267	289
Total current expenditure		699	774	857	923	1,000	1,096	1,245	1,387	1,488	1,608	1,738
Current surplus before providing for depreciation and stock appreciation	57	79	82	83	115	117	110	130	160	166	198	218
Total		778	856	940	1,038	1,117	1,206	1,375	1,547	1,654	1,806	1,956

(1) Before providing for depreciation and stock appreciation.

SUMMARY TABLES

Combined capital account of the United Kingdom

TABLE 6

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts												
Saving (1):												
Persons	36	104	134	426	501	426	670	996	1,002	831	1,005	1,494
Companies	41	1,329	1,352	1,178	1,312	1,479	1,746	1,756	1,928	1,988	2,142	2,067
Public corporations	45	118	142	145	177	213	182	198	170	167	180	292 (2)
Central Government:												
Surplus on revenue account	54	685	648	384	234	285	510	422	614	671	611	358 (2)
less Taxes on capital	48	—190	—194	—159	—165	—183	—184	—166	—176	—182	—212	—236
Transfers to capital accounts	53	161	120	111	127	98	119	113	87	99	93	114
Local authorities	57	79	82	83	115	117	110	130	160	166	198	218
Additions to dividend and interest reserves	38b, 43b	35	3	41	16	68	12	33	37	30	185	30
Additions to tax reserves	34b, 40b, 44b	78	459	—22	41	172	31	153	24	—69	—146	422
Total national saving before providing for depreciation and stock appreciation		2,399	2,746	2,187	2,358	2,675	3,196	3,635	3,846	3,701	4,056	4,759
less Stock appreciation	20	—650	—750	50	75	—75	—196	—178	—117	22	—110	—127
Capital transfers from abroad:												
Capital grants from overseas governments (net)	62	140	43	—	—	—	—	—	—	—	—	—
Other Central Government receipts	60	27	35	35	27	11	14	14	4	1	2	1
Residual error	21	49	18	25	149	127	—83	111	113	191	5	—283
Total		1,965	2,092	2,297	2,609	2,738	2,931	3,582	3,846	3,915	3,953	4,350
Payments												
Gross fixed capital formation at home	4	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103
Value of physical increase in stocks and work in progress	5	—210	575	50	125	56	300	291	265	129	177	591
Net investment abroad	61	475	—367	145	129	140	—166	187	202	291	51	—344
Total investment		1,965	2,092	2,297	2,609	2,738	2,931	3,582	3,846	3,915	3,953	4,350

(1) Before providing for depreciation and stock appreciation.

(2) £27 million of subsidies accrued but not paid during 1960 are included in the savings of public corporations and excluded from the Central Government surplus.

Transactions with the rest of the world

TABLE 7

£ million

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
United Kingdom debits												
Imports of merchandise	7a	2,343	3,517	3,079	2,944	3,008	3,477	3,436	3,576	3,330	3,578	4,077
Other imports of goods and services	7b	745	850	881	925	959	1,051	1,158	1,237	1,256	1,335	1,463
Property income paid abroad	7c	454	539	673	661	688	789	860	909	1,091	1,178	1,194
Imports and income paid abroad	7	3,542	4,906	4,633	4,530	4,655	5,317	5,454	5,722	5,677	6,091	6,734
Current transfers:												
To persons (net)	58	—11	8	8	—5	—4	8	25	29	10	10	10
To overseas governments and international organisations	59	40	43	53	51	55	61	57	60	62	68	76
Investment and financing:												
Net investment abroad	61	475	—367	145	129	140	—166	187	202	291	51	—344
less Capital grants from overseas governments (net)	62	—140	—43	—	—	—	—	—	—	—	—	—
Total investment and financing (1)		335	—410	145	129	140	—166	187	202	291	51	—344
Total		3,906	4,547	4,839	4,705	4,846	5,220	5,723	6,013	6,040	6,220	6,476
United Kingdom credits												
Exports and re-exports of merchandise	6a	2,261	2,735	2,769	2,683	2,785	3,073	3,377	3,509	3,392	3,509	3,711
Other exports of goods and services	6b	782	906	1,005	1,015	1,064	1,119	1,208	1,312	1,292	1,308	1,391
Property income received from abroad	6c	836	867	910	875	936	968	1,098	1,167	1,352	1,401	1,373
Exports and income received from abroad	6	3,879	4,508	4,684	4,573	4,785	5,160	5,683	5,988	6,036	6,218	6,475
Current transfers from overseas governments	49	—	4	120	105	50	46	26	21	3	—	—
Other Central Government receipts	60	27	35	35	27	11	14	14	4	1	2	1
Total		3,906	4,547	4,839	4,705	4,846	5,220	5,723	6,013	6,040	6,220	6,476

(1) Equal to the balance of payments surplus on current account as defined in the White Paper on the Balance of Payments.

Shares in the gross national product

£ million

TABLE 8

	Reference number	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income after current transfers												
Persons:												
Income from civilian employment.....	13 {	7,326	8,115	8,713	9,215	9,846	10,804	11,774	12,466	12,936	13,539	14,640
Pay in cash and kind of the Forces.....		274	344	384	393	407	402	447	451	470	467	471
Income from self-employment (1).....		1,405	1,455	1,508	1,556	1,598	1,680	1,730	1,784	1,804	1,905	2,007
Rent, dividends and interest.....	26	1,240	1,290	1,315	1,380	1,483	1,631	1,715	1,800	1,927	2,070	2,340
Current grants from public authorities.....	28, 29	755	784	910	1,001	1,020	1,114	1,191	1,250	1,481	1,633	1,650
less Remittances abroad (net).....	27	16	—2	—2	11	10	—2	—18	—22	—2	—1	—
Total.....		11,016	11,986	12,828	13,556	14,364	15,629	16,839	17,729	18,616	19,613	21,108
Companies and public corporations:												
Undistributed income of companies and public corporations (1).....	40, 41 44, 45	2,302	2,663	2,300	2,489	2,724	2,898	2,976	3,074	3,056	3,114	3,411
Public authorities:												
Gross trading income (1).....	17, 18	139	117	40	63	108	112	122	127	153	165	177
less Rent, dividends and interest paid (net).....	(2)	—368	—368	—394	—396	—363	—399	—371	—336	—358	—299	—350
less Current grants to persons.....	28, 29	—755	—784	—910	—1,001	—1,020	—1,114	—1,191	—1,250	—1,481	—1,633	—1,650
less Current grants paid abroad.....	52	—45	—49	—59	—57	—61	—67	—64	—67	—70	—77	—86
Total.....		—1,029	—1,084	—1,323	—1,391	—1,336	—1,468	—1,504	—1,526	—1,756	—1,844	—1,909
Current transfers paid abroad.....	27, 52	29	51	61	46	51	69	82	89	72	78	86
Additions to dividend and interest reserves.....	38b, 43b	35	3	41	16	68	12	33	37	30	185	30
less Stock appreciation.....	20	—650	—750	50	75	—75	—196	—178	—117	22	—110	—127
Residual error.....	21	49	18	25	149	127	—83	111	113	191	5	—283
Gross national product.....	12	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316
Income after current transfers, taxes on income and national insurance contributions												
Persons:												
Income from civilian employment.....	30 {	6,441	7,118	7,696	8,198	8,771	9,581	10,406	10,969	11,171	11,705	12,654
Pay in cash and kind of the Forces.....		250	315	354	364	379	371	413	411	426	420	425
Income from self-employment (1).....		2,095	2,153	2,216	2,322	2,412	2,640	2,749	2,859	2,976	3,163	3,464
Rent, dividends and interest.....	31 32											
Current grants from public authorities.....	33	745	774	900	988	1,006	1,100	1,177	1,235	1,466	1,618	1,634
less Remittances abroad (net).....	27	16	—2	—2	11	10	—2	—18	—22	—2	—1	—
less Additions to tax reserves.....	34b	—5	—40	14	—9	—33	—35	—25	—20	—35	—10	—75
Total disposable income.....		9,542	10,318	11,178	11,874	12,545	13,655	14,702	15,432	16,002	16,895	18,102
Companies and public corporations:												
Undistributed income of companies and public corporations (1).....	41, 45	1,447	1,494	1,323	1,489	1,692	1,928	1,954	2,098	2,155	2,322	2,359
Public authorities:												
Income less current transfers (1).....		—1,029	—1,084	—1,323	—1,391	—1,336	—1,468	—1,504	—1,526	—1,756	—1,844	—1,909
Taxes on income and national insurance and health contributions.....	35, 47	2,251	2,378	2,649	2,641	2,679	2,913	3,006	3,249	3,584	3,656	3,636
Total.....		1,222	1,294	1,326	1,250	1,343	1,445	1,502	1,723	1,828	1,812	1,727
Current transfers paid abroad.....	27, 52	29	51	61	46	51	69	82	89	72	78	86
Additions to dividend and interest reserves.....	38b, 43b	35	3	41	16	68	12	33	37	30	185	30
Additions to tax reserves.....	{ 34b, 40b 44b }	78	459	—22	41	172	31	153	24	—69	—146	422
less Stock appreciation.....	20	—650	—750	50	75	—75	—196	—178	—117	22	—110	—127
Residual error.....	21	49	18	25	149	127	—83	111	113	191	5	—283
Gross national product.....	12	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316

(1) Before providing for depreciation and stock appreciation.

(2) Item 46 plus 55 less 50 less 56.

SUMMARY TABLES

The composition of final output

TABLE 9

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income from employment.....	7,600	8,459	9,097	9,608	10,253	11,206	12,221	12,917	13,406	14,006	15,111
Gross profits and other trading income(1)	3,721	4,082	4,623	4,969	5,295	5,559	5,789	6,111	6,373	6,807	7,309
Imports of goods and services.....	3,088	4,367	3,960	3,869	3,967	4,528	4,594	4,813	4,586	4,913	5,540
Net taxes on expenditure.....	1,585	1,801	1,871	2,008	2,059	2,276	2,464	2,543	2,636	2,818	2,916
Residual error.....	49	18	25	149	127	-83	111	113	191	5	-283
Final output (2)	16,043	18,727	19,576	20,603	21,701	23,486	25,179	26,497	27,192	28,549	30,593

(1) Before providing for depreciation but after providing for stock appreciation.

(2) 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 (1)

TABLE 10

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Agriculture, forestry and fishing	686	726	770	785	775	800	822	857	868	881	907
Mining and quarrying.....	413	446	503	537	558	579	670	701	702	666	656
Manufacturing	4,169	4,731	4,744	5,120	5,611	6,156	6,492	6,872	7,007	7,506	8,128
Construction	639	697	751	828	894	977	1,099	1,124	1,168	1,240	1,319
Gas, electricity and water.....	251	273	307	335	367	401	445	474	527	560	583
Transport and communication.....	966	1,140	1,200	1,195	1,251	1,394	1,534	1,621	1,584	1,687	1,867
Distributive trades	1,661	1,808	1,733	1,837	2,005	2,185	2,319	2,422	2,495	2,652	2,869
Insurance, banking and finance (including real estate).....	332	370	363	385	445	480	490	527	565	612	646
Other services.....	1,249	1,339	1,366	1,433	1,521	1,720	1,841	1,906	1,964	2,086	2,349
Total production and trade.....	10,366	11,530	11,737	12,455	13,427	14,692	15,712	16,504	16,880	17,890	19,324
Public administration and defence.....	720	830	920	952	987	1,017	1,124	1,165	1,224	1,267	1,337
Public health and educational services	357	404	446	472	508	548	605	677	723	798	887
Ownership of dwellings.....	367	367	406	461	533	531	570	609	737	767	795
Domestic services to households.....	98	95	95	94	95	96	95	97	92	91	86
Services to private non-profit-making bodies	63	65	66	68	73	77	82	93	101	110	118
less Stock appreciation.....	-650	-750	50	75	-75	-196	-178	-117	22	-110	-127
Residual error.....	49	18	25	149	127	-83	111	113	191	5	-283
Gross domestic product at factor cost	11,370	12,559	13,745	14,726	15,675	16,682	18,121	19,141	19,970	20,818	22,137
Net income from abroad	382	328	237	214	248	179	238	258	261	223	179
Gross national product.....	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316

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

Gross national product by category of expenditure

TABLE 11

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
At market prices											
Consumers' expenditure	9,438	10,184	10,752	11,373	12,119	12,985	13,706	14,430	15,171	15,890	16,608
Public authorities' current expenditure on goods and services.....	2,072	2,443	2,898	3,052	3,135	3,212	3,493	3,602	3,713	3,940	4,189
Gross fixed capital formation at home	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103
Value of physical increase in stocks and work in progress	—210	575	50	125	56	300	291	265	129	177	591
Exports of goods and services.....	3,043	3,641	3,774	3,698	3,849	4,192	4,585	4,821	4,684	4,817	5,102
Total final expenditure.....	16,043	18,727	19,576	20,603	21,701	23,486	25,179	26,497	27,192	28,549	30,593
less Imports of goods and services (1)	—3,959	—5,363	—4,977	—4,918	—5,062	—5,662	—5,776	—6,025	—5,844	—6,247	—6,983
Gross domestic product.....	12,084	13,364	14,599	15,685	16,639	17,824	19,403	20,472	21,348	22,302	23,610
Net income from abroad.....	382	328	237	214	248	179	238	258	261	223	179
Gross national product.....	12,466	13,692	14,836	15,899	16,887	18,003	19,641	20,730	21,609	22,525	23,789
At factor cost											
Consumers' expenditure	8,051	8,667	9,187	9,697	10,412	11,081	11,660	12,313	12,959	13,534	14,158
Public authorities' current expenditure on goods and services.....	2,026	2,382	2,815	2,953	3,025	3,114	3,387	3,491	3,606	3,827	4,070
Gross fixed capital formation at home } Value of physical increase in stocks and work in progress.....	1,400	2,317	2,010	2,326	2,440	2,914	3,190	3,437	3,411	3,672	4,462
Exports of goods and services.....	2,981	3,560	3,693	3,619	3,765	4,101	4,478	4,713	4,580	4,698	4,987
Total final expenditure.....	14,458	16,926	17,705	18,595	19,642	21,210	22,715	23,954	24,556	25,731	27,677
less Imports of goods and services.....	—3,088	—4,367	—3,960	—3,869	—3,967	—4,528	—4,594	—4,813	—4,586	—4,913	—5,540
Gross domestic product.....	11,370	12,559	13,745	14,726	15,675	16,682	18,121	19,141	19,970	20,818	22,137
Net income from abroad.....	382	328	237	214	248	179	238	258	261	223	179
Gross national product.....	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316

(1) 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.

Gross national product by sector and type of income

TABLE 12

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Factor incomes analysed by sector of employment											
Personal sector:											
Income from employment (1)	984	1,038	1,079	1,100	1,144	1,183	1,239	1,252	1,263	1,284	1,333
Income from self-employment (2)	1,405	1,455	1,508	1,556	1,598	1,680	1,730	1,784	1,804	1,905	2,007
Rent (2) (3)	289	281	304	342	392	385	409	427	535	540	533
less Stock appreciation	-63	-112	-10	-7	-20	-44	-37	-24	-15	-22	-30
Total	2,615	2,662	2,881	2,991	3,114	3,204	3,341	3,439	3,587	3,707	3,843
Companies:											
Income from employment	4,394	4,784	5,098	5,464	5,929	6,697	7,371	7,820	8,173	8,625	9,493
Gross trading profits(2)	2,126	2,483	2,180	2,313	2,578	2,902	2,958	3,120	3,029	3,376	3,608
Rent (2) (3)	66	69	75	81	89	92	96	100	106	119	132
less Stock appreciation	-440	-465	22	44	-53	-119	-131	-79	34	-93	-84
Total	6,146	6,871	7,375	7,902	8,543	9,572	10,294	10,961	11,342	12,027	13,149
Public corporations:											
Income from employment	808	1,023	1,141	1,193	1,210	1,227	1,308	1,386	1,386	1,364	1,408
Gross trading surpluses (2)	196	260	277	321	354	315	344	323	341	391	522
Rent (2)	8	8	8	10	12	14	15	17	20	23	25
less Stock appreciation	-29	-80	6	6	-7	-18	-10	-14	3	5	-13
Total	983	1,211	1,432	1,530	1,569	1,538	1,657	1,712	1,750	1,783	1,942
Central Government:											
Income from employment (4):											
Forces	274	344	384	393	407	402	447	451	470	467	471
Civilians	625	690	760	791	850	924	1,000	1,064	1,114	1,183	1,243
Gross trading profits (2)	115	93	15	32	75	78	86	89	112	116	125
Rent (2)	38	42	45	48	54	46	53	56	59	67	70
less Stock appreciation	-118	-93	32	32	5	-15	—	—	—	—	—
Total	934	1,076	1,236	1,296	1,391	1,435	1,586	1,660	1,755	1,833	1,909
Local authorities:											
Income from employment (4)	515	580	635	667	713	773	856	944	1,000	1,083	1,163
Gross trading profits (2)	24	24	25	31	33	34	36	38	41	49	52
Rent (2)	104	117	136	160	185	209	240	274	304	331	362
Total	643	721	796	858	931	1,016	1,132	1,256	1,345	1,463	1,577
Residual error	49	18	25	149	127	-83	111	113	191	5	-283
Net income from abroad	382	328	237	214	248	179	238	258	261	223	179
Gross national product	11,752	12,887	13,982	14,940	15,923	16,861	18,359	19,399	20,231	21,041	22,316

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

(2) Before providing for depreciation and stock appreciation.

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

(4) For detail see Table 42.

II. OUTPUT AND EXPENDITURE AT CONSTANT PRICES

Output and expenditure at 1954 prices

TABLE 13

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revalued at 1954 market prices											
Consumers' expenditure	11,317	11,167	11,116	11,581	12,119	12,558	12,691	12,994	13,320	13,882	14,395
Public authorities' current expenditure on goods and services:											
Military defence	1,027	1,224	1,515	1,583	1,548	1,453	1,422	1,286	1,198	1,169	1,174
Health services	514	516	503	510	521	537	566	580	599	629	648
Education	322	334	344	358	373	390	416	426	446	463	485
Other	683	678	686	690	693	683	673	689	705	748	768
Total	2,546	2,752	3,048	3,141	3,135	3,063	3,077	2,981	2,948	3,009	3,075
Gross fixed capital formation at home	2,099	2,103	2,115	2,346	2,542	2,665	2,812	2,944	2,954	3,179	3,482
Value of physical increase in stocks and work in progress.....	—240	565	40	130	56	288	261	231	109	169	536
Exports of goods and services.....	3,681	3,641	3,572	3,651	3,849	4,101	4,279	4,350	4,261	4,387	4,609
Total final expenditure at market prices	19,403	20,228	19,891	20,849	21,701	22,675	23,120	23,500	23,592	24,626	26,097
less Imports of goods and services at market prices (1)	—4,592	—4,952	—4,597	—4,894	—5,062	—5,541	—5,559	—5,709	—5,797	—6,272	—6,934
Gross domestic product at market prices	14,811	15,276	15,294	15,955	16,639	17,134	17,561	17,791	17,795	18,354	19,163
Net income from abroad (2).....	444	292	215	213	248	174	229	244	261	226	180
Gross national product at market prices	15,255	15,568	15,509	16,168	16,887	17,308	17,790	18,035	18,056	18,580	19,343
<i>Index numbers (1954 = 100):</i>											
Gross domestic product at market prices	89.0	91.8	91.9	95.9	100.0	103.0	105.5	106.9	106.9	110.3	115.2
Gross national product at market prices	90.3	92.2	91.8	95.7	100.0	102.5	105.3	106.8	106.9	110.0	114.5
Revalued at 1954 factor cost											
Total final expenditure at market prices	19,403	20,228	19,891	20,849	21,701	22,675	23,120	23,500	23,592	24,626	26,097
Adjustment to factor cost (3)	—1,855	—1,935	—1,870	—1,955	—2,059	—2,140	—2,135	—2,165	—2,275	—2,465	—2,635
less Imports of goods and services at factor cost	—3,588	—3,885	—3,591	—3,843	—3,967	—4,410	—4,413	—4,552	—4,588	—4,989	—5,573
Gross domestic product at factor cost (4)	13,960	14,408	14,430	15,051	15,675	16,125	16,572	16,783	16,729	17,172	17,889
Net income from abroad (2).....	444	292	215	213	248	174	229	244	261	226	180
Gross national product at factor cost	14,404	14,700	14,645	15,264	15,923	16,299	16,801	17,027	16,990	17,398	18,069
less Capital consumption.....	—1,217	—1,256	—1,286	—1,331	—1,388	—1,435	—1,469	—1,508	—1,578	—1,638	—1,712
Net national product at factor cost	13,187	13,444	13,359	13,933	14,535	14,864	15,332	15,519	15,412	15,760	16,357
<i>Index numbers (1954 = 100):</i>											
Gross domestic product at factor cost (4)	89.1	91.9	92.1	96.0	100.0	102.9	105.7	107.1	106.7	109.6	114.1
Gross national product at factor cost	90.5	92.3	92.0	95.9	100.0	102.4	105.5	106.9	106.7	109.3	113.5
Net national product at factor cost	90.7	92.5	91.9	95.9	100.0	102.3	105.5	106.8	106.0	108.4	112.5

(1) Includes taxes on expenditure (at 1954 rates) levied on imports (or on withdrawals from bond).

(2) This item is revalued here by the price index for total imports of goods and services shown in Table 15.

(3) This represents taxes on expenditure less subsidies valued at 1954 rates.

(4) Alternative estimates of the gross domestic product at 1954 factor cost are given in Table 14.

Index numbers of output at 1954 factor cost

TABLE 14

1954 = 100

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Agriculture, forestry and fishing.....	92	94	97	99	100	99	105	107	105	110	114
Mining and quarrying.....	95	98	99	99	100	99	99	99	94	92	89
Manufacturing:											
Food, drink and tobacco.....	90	93	95	99	100	103	105	107	109	114	117
Chemicals and allied industries.....	80	84	80	89	100	106	111	115	115	131	145
Metal manufacture.....	88	93	96	94	100	108	110	111	101	106	123
Engineering and allied industries.....	84	90	90	93	100	110	108	111	112	120	128
Textiles, leather and clothing.....	101	99	85	98	100	99	99	99	91	98	102
Other manufacturing.....	87	92	82	89	100	106	103	105	105	112	123
Total manufacturing.....	88	92	88	94	100	106	106	108	107	114	123
Construction.....	91	87	90	96	100	100	106	106	105	111	118
Gas, electricity and water.....	80	85	88	92	100	105	110	114	119	123	133
Transport and communication.....	92	96	97	99	100	102	104	104	103	107	112
Distributive trades.....	94	91	89	94	100	104	105	108	110	116	121
Insurance, banking and finance.....	91	91	90	93	100	104	101	106	110	126	134
Ownership of dwellings.....	97	97	97	98	100	102	104	106	107	108	110
Professional and scientific services.....	90	93	96	97	100	103	107	111	116	120	122
Miscellaneous services.....	97	97	97	98	100	103	103	105	107	112	117
Public administration and defence.....	93	98	101	102	100	98	96	94	91	88	88
Gross domestic product (1).....	90.9	92.8	92.1	95.8	100	103.6	104.5	106.4	106.5	111.9	117.7

(1) Alternative estimates of the gross domestic product at 1954 factor cost are given in Table 13.

Index numbers of costs and prices

TABLE 15

1954 = 100

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Home costs per unit of output											
Income from employment (1).....	83	90	96	98	100	106	113	118	123	125	129
Gross profits and other trading income (2).....	79	84	95	98	100	102	103	108	113	117	121
Total (3).....	81	87	95	98	100	103	109	114	119	121	124
Price indices (4)											
Consumer goods and services.....	83	91	97	98	100	103	108	111	114	114	115
Fixed assets.....	81	90	99	100	100	105	110	115	118	117	118
All goods and services sold on the home market.....	83	91	97	98	100	104	109	113	116	117	119
Exports of goods and services.....	83	100	106	101	100	102	107	111	110	110	111
Total final output (5).....	83	93	98	99	100	104	109	113	115	116	117
Imports of goods and services.....	86	112	101	101	100	103	104	106	100	98	99

NOTE Each index in this table is based on weights of the current year and provides a direct measure of the change in costs or prices since 1954. The indices do not purport to measure changes between any two years other than 1954 and the year in question.

- (1) Derived by dividing estimates of income from employment by the estimates of the gross domestic product at 1954 factor cost given in Table 13, and expressing the result as a percentage of the same quotient for the year 1954.
- (2) Derived by dividing estimates of gross profits and other trading income (after providing for stock appreciation) by the estimates of the gross domestic product at 1954 factor cost given in Table 13, and expressing the result as a percentage of the same quotient for the year 1954.
- (3) Derived by dividing estimates of the gross domestic product at current factor cost by the estimates of the gross domestic product at 1954 factor cost given in Table 13.
- (4) Each price index is the result of dividing an estimated total for the year in question at current prices by a corresponding total revalued at 1954 prices.
- (5) Goods and services (both home produced and imported) available for private and public consumption, investment and export, valued at market prices.

III. INDUSTRIAL INPUT AND OUTPUT

Gross domestic product by industry and type of income (1)

TABLE 16

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Agriculture, forestry and fishing:											
Wages	235	246	251	259	265	272	284	293	303	305	308
Salaries	20	23	25	27	28	29	30	31	31	30	29
Employers' contributions	9	9	10	11	11	12	13	13	15	16	15
Income from employment	264	278	286	297	304	313	327	337	349	351	352
Income from self-employment and other trading income	422	448	484	488	471	487	495	520	519	530	555
Total	686	726	770	785	775	800	822	857	868	881	907
Mining and quarrying:											
Wages	317	354	408	417	438	461	502	541	532	496	475
Salaries	21	23	26	28	30	33	37	43	47	47	46
Employers' contributions	20	20	25	26	26	28	30	32	37	36	34
Income from employment	358	397	459	471	494	522	569	616	616	579	555
Gross trading surpluses of public corporations and other trading income	55	49	44	66	64	57	101	85	86	87	101
Total	413	446	503	537	558	579	670	701	702	666	656
Manufacturing:											
Wages	1,835	2,041	2,192	2,357	2,543	2,805	3,006	3,151	3,186	3,324	3,598
Salaries	625	702	784	837	902	997	1,107	1,210	1,302	1,386	1,521
Employers' contributions	118	129	141	157	167	188	209	222	261	278	292
Income from employment	2,578	2,872	3,117	3,351	3,612	3,990	4,322	4,583	4,749	4,988	5,411
Gross profits of companies and public corporations	1,463	1,733	1,505	1,648	1,875	2,035	2,034	2,152	2,124	2,376	2,563
Income from self-employment and other trading income	128	126	122	121	124	131	136	137	134	142	154
Total	4,169	4,731	4,744	5,120	5,611	6,156	6,492	6,872	7,007	7,506	8,128
Construction:											
Wages	418	455	488	529	571	623	706	720	727	751	812
Salaries	69	80	88	97	103	114	127	138	156	174	195
Employers' contributions	20	21	23	25	26	29	32	34	42	44	46
Income from employment	507	556	599	651	700	766	865	892	925	969	1,053
Gross profits of companies and income from self-employment	132	141	152	177	194	211	234	232	243	271	266
Total	639	697	751	828	894	977	1,099	1,124	1,168	1,240	1,319
Gas, electricity and water:											
Wages	90	99	107	115	123	136	147	153	157	161	167
Salaries	43	50	55	57	61	67	74	81	85	89	93
Employers' contributions	12	12	14	15	15	17	18	19	22	23	24
Income from employment	145	161	176	187	199	220	239	253	264	273	284
Gross profits of companies	7	5	7	7	8	8	9	9	11	10	10
Gross profits and trading surpluses of public enterprises	99	107	124	141	160	173	197	212	252	277	289
Total	251	273	307	335	367	401	445	474	527	560	583
Transport and communication:											
Wages	475	536	566	585	616	672	734	778	782	802	863
Salaries	160	181	199	207	217	240	267	293	298	309	330
Employers' contributions	44	48	52	55	58	66	75	82	94	97	102
Income from employment	679	765	817	847	891	978	1,076	1,153	1,174	1,208	1,295
Gross trading surpluses of public corporations	55	71	64	71	85	71	50	45	23	59	149
Gross profits and other trading income	232	304	319	277	275	345	408	423	387	420	423
Total	966	1,140	1,200	1,195	1,251	1,394	1,534	1,621	1,584	1,687	1,867

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

Gross domestic product by industry and type of income ⁽¹⁾ (continued)

TABLE 16 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Distributive trades:											
Income from employment	812	906	956	1,009	1,086	1,187	1,304	1,404	1,485	1,571	1,679
Gross profits and other trading income	849	902	777	828	919	998	1,015	1,018	1,010	1,081	1,190
Total	1,661	1,808	1,733	1,837	2,005	2,185	2,319	2,422	2,495	2,652	2,869
Insurance, banking and finance (including real estate):											
Income from employment	247	270	279	297	318	352	374	401	430	466	501
Gross profits and other income	245	287	292	305	362	402	408	430	481	519	558
Rent	120	132	143	160	178	192	219	240	261	286	297
Adjustment for net interest	-280	-319	-351	-377	-413	-466	-511	-544	-607	-659	-710
Total	332	370	363	385	445	480	490	527	565	612	646
Other services:											
Income from employment	772	860	881	912	986	1,140	1,239	1,246	1,274	1,335	1,553
Gross profits and other trading income	477	479	485	521	535	580	602	660	690	751	796
Total	1,249	1,339	1,366	1,433	1,521	1,720	1,841	1,906	1,964	2,086	2,349
Public administration and defence:											
Wages	148	158	176	186	193	208	236	242	253	260	284
Salaries	251	278	307	315	327	342	369	394	413	443	479
Pay in cash and kind of the Forces	237	303	342	349	363	356	396	392	395	389	394
Employers' contributions:											
Forces	37	41	42	44	44	46	51	59	75	78	77
Civilians	47	50	53	58	60	65	72	78	88	97	103
Income from employment	720	830	920	952	987	1,017	1,124	1,165	1,224	1,267	1,337
Public health services:											
Wages	55	61	67	72	75	80	87	95	101	109	118
Salaries	117	126	136	144	155	167	182	195	206	229	263
Employers' contributions	16	17	19	20	21	23	25	26	30	33	37
Income from employment	188	204	222	236	251	270	294	316	337	371	418
Local authority educational services:											
Teachers' salaries	128	152	170	178	196	210	235	274	289	323	357
Other salaries and wages	30	35	39	42	44	49	54	62	67	72	77
Employers' contributions	11	13	15	16	17	19	22	25	30	32	35
Income from employment	169	200	224	236	257	278	311	361	386	427	469
Ownership of dwellings:											
Rent	367	367	406	461	533	531	570	609	737	767	795
Domestic services to households:											
Income of domestic servants	98	95	95	94	95	96	95	97	92	91	86
Services to private non-profit-making bodies:											
Income from employment	63	65	66	68	73	77	82	93	101	110	118
less Stock appreciation	-650	-750	50	75	-75	-196	-178	-117	22	-110	-127
Residual error	49	18	25	149	127	-83	111	113	191	5	-283
Gross domestic product at factor cost:											
Income from employment	7,600	8,459	9,097	9,608	10,253	11,206	12,221	12,917	13,406	14,006	15,111
Gross profits and other trading income	4,371	4,832	4,573	4,894	5,370	5,755	5,967	6,228	6,351	6,917	7,436
less Stock appreciation	-650	-750	50	75	-75	-196	-178	-117	22	-110	-127
Residual error	49	18	25	149	127	-83	111	113	191	5	-283
Total	11,370	12,559	13,745	14,726	15,675	16,682	18,121	19,141	19,970	20,818	22,137

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

Wages and salaries in manufacturing industry

TABLE 17 £ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Wages											
Food, drink and tobacco	136	148	166	176	187	209	227	244	262	271	278
Chemicals and allied industries.....	87	101	108	114	127	141	155	165	168	180	192
Metal manufacture	180	195	219	221	230	263	289	306	300	311	357
Engineering and electrical goods.....	350	407	468	489	527	597	649	680	690	710	788
Shipbuilding and marine engineering	88	93	107	113	118	131	145	150	144	140	136
Vehicles	196	216	241	266	302	342	362	368	388	428	464
Metal goods not elsewhere specified	114	122	133	136	151	170	180	184	187	192	217
Textiles	224	252	217	265	284	287	295	308	293	297	308
Leather, leather goods and fur.....	17	18	18	19	20	21	21	21	21	22	22
Clothing and footwear.....	115	121	127	141	142	148	155	166	162	168	175
Bricks, pottery, glass, etc.....	87	97	104	114	119	127	133	138	135	143	154
Timber, furniture, etc.....	76	82	85	92	97	101	101	105	109	118	125
Paper, printing and publishing.....	114	130	138	147	165	184	205	223	232	245	271
Other manufacturing.....	51	59	61	64	74	84	89	93	95	99	111
Total	1,835	2,041	2,192	2,357	2,543	2,805	3,006	3,151	3,186	3,324	3,598
<i>Estimated number of wage earners employed in manufacturing industry (thousands)</i>	<i>6,060</i>	<i>6,180</i>	<i>6,090</i>	<i>6,160</i>	<i>6,230</i>	<i>6,350</i>	<i>6,300</i>	<i>6,290</i>	<i>6,110</i>	<i>6,100</i>	<i>6,310</i>
Salaries											
Food, drink and tobacco.....	58	61	70	71	76	84	91	99	108	119	125
Chemicals and allied industries.....	59	67	76	79	86	96	107	115	125	138	148
Metal manufacture	42	46	52	56	57	63	70	76	81	86	98
Engineering and electrical goods	148	171	201	213	236	262	302	340	374	404	440
Shipbuilding and marine engineering	17	18	20	22	22	24	26	28	30	32	34
Vehicles	55	63	74	86	95	112	128	140	149	157	181
Metal goods not elsewhere specified	37	42	45	48	51	57	63	68	72	75	83
Textiles	55	61	64	68	71	74	78	82	86	86	93
Leather, leather goods and fur.....	6	6	7	7	7	7	7	7	7	8	8
Clothing and footwear.....	34	36	38	38	40	41	42	45	47	47	51
Bricks, pottery, glass, etc.....	21	24	26	28	30	32	35	38	41	44	49
Timber, furniture, etc.....	20	22	23	25	26	28	29	31	33	34	39
Paper, printing and publishing.....	56	63	65	71	77	86	93	101	109	114	126
Other manufacturing	17	22	23	25	28	31	36	40	40	42	46
Total	625	702	784	837	902	997	1,107	1,210	1,302	1,386	1,521
<i>Estimated number of salary earners (1) employed in manufacturing industry (thousands)</i>	<i>1,230</i>	<i>1,290</i>	<i>1,360</i>	<i>1,390</i>	<i>1,420</i>	<i>1,490</i>	<i>1,580</i>	<i>1,600</i>	<i>1,650</i>	<i>1,660</i>	<i>1,730</i>

(1) Excludes directors paid by fee only.

	7290	7470	7450	7550	7650	7840	7880	7890	7760	7760	8040
1950 = 100	95.3	97.6	97.4	98.7	100.0	103.5	103.0	103.1	101.4	101.4	105.1
1950 = 100, wage	100.0	102.0	100.5	101.6	102.8	104.8	104.0	103.8	100.8	100.7	104.1
1950 = 100, salary	100.0	104.9	110.5	113.0	115.5	121.1	128.4	130.1	134.1	135.0	140.7

IV. THE PERSONAL SECTOR

Consumers' expenditure at current prices

TABLE 18

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Food:											
Household expenditure:											
Bread and cereals	438	478	502	482	467	472	505	551	557	558	568
Meat and bacon	529	525	679	757	852	962	1,059	1,089	1,122	1,153	1,225
Fish	77	99	96	88	96	103	120	129	138	153	149
Oils and fats	105	125	127	156	205	217	217	210	200	235	220
Sugar, preserves and confectionery	206	256	266	362	387	389	407	414	416	407	421
Dairy products	418	432	486	532	522	555	577	587	603	621	647
Fruit	157	170	158	182	204	226	240	260	246	260	257
Potatoes and vegetables	272	324	345	325	326	375	411	408	446	455	446
Beverages	106	111	131	148	185	243	242	260	258	272	276
Other manufactured food	68	81	90	88	90	99	102	115	123	139	133
Total household expenditure	2,376	2,601	2,880	3,120	3,334	3,641	3,880	4,023	4,109	4,253	4,342
Other personal expenditure	313	346	381	372	404	434	460	481	497	516	518
Total food	2,689	2,947	3,261	3,492	3,738	4,075	4,340	4,504	4,606	4,769	4,860
Alcoholic drink:											
Beer	497	510	521	526	509	531	547	574	567	551	563
Wines, spirits, cider, etc.	263	288	281	291	309	335	357	367	384	408	438
Total alcoholic drink	760	798	802	817	818	866	904	941	951	959	1,001
Tobacco:											
Cigarettes	648	687	706	723	743	769	822	863	903	930	1,002
Pipe tobacco, cigars and snuff	118	113	115	114	112	111	113	118	128	131	138
Total tobacco	766	800	821	837	855	880	935	981	1,031	1,061	1,140
Housing:											
Rent, rates and water charges	641	673	706	758	795	837	879	962	1,117	1,205	1,264
Maintenance, repairs and improvements by occupiers	152	172	198	223	255	218	227	232	241	239	249
Total housing	793	845	904	981	1,050	1,055	1,106	1,194	1,358	1,444	1,513
Fuel and light:											
Coal	151	165	178	189	208	220	246	250	271	254	284
Electricity	84	94	101	110	121	132	154	166	194	212	236
Gas	85	92	101	106	109	114	125	130	138	134	136
Other	33	37	41	42	48	56	65	64	73	75	83
Total fuel and light	353	388	421	447	486	522	590	610	676	675	739
Clothing:											
Footwear	185	199	196	195	207	215	229	242	248	261	289
Other clothing:											
Men's and boys' wear	313	325	312	316	343	376	396	411	408	427	462
Women's, girls' and infants' wear	565	592	589	604	655	706	752	786	794	817	881
Total clothing	1,063	1,116	1,097	1,115	1,205	1,297	1,377	1,439	1,450	1,505	1,632
Durable goods:											
Motor cars and motorcycles, new and secondhand	64	74	111	177	234	317	267	320	424	526	586
Furniture and floor coverings	254	276	250	279	309	293	302	331	354	390	377
Radio, electrical and other durable goods	170	204	212	249	294	332	316	355	378	436	400
Total durable goods	488	554	573	705	837	942	885	1,006	1,156	1,352	1,363
Other household goods:											
Household textiles, soft furnishings and hardware	206	224	221	230	252	280	295	313	316	333	340
Matches, soap and other cleaning materials, etc.	113	123	135	136	150	150	157	172	184	199	203
Total other household goods	319	347	356	366	402	430	452	485	500	532	543

Consumers' expenditure at current prices (*continued*)TABLE 18 (*continued*)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Books, newspapers and magazines:											
Books	35	39	39	40	40	43	50	53	56	59	66
Newspapers	71	83	92	96	99	99	114	125	146	138	143
Magazines	38	38	36	37	41	43	44	47	47	41	46
Total books, newspapers and magazines	144	160	167	173	180	185	208	225	249	238	255
Chemists' goods	135	145	151	156	165	175	189	210	219	232	245
Miscellaneous recreational goods	109	116	121	128	135	163	176	172	179	191	214
Other miscellaneous goods	137	153	152	157	163	183	188	197	205	217	233
Running costs of vehicles	117	139	159	180	198	249	278	293	345	390	445
Travel:											
Railway	98	99	107	108	110	113	122	132	133	134	147
Other	264	289	316	330	334	351	371	391	388	402	426
Total travel	362	388	423	438	444	464	493	523	521	536	573
Communication services:											
Postal	34	37	41	44	46	46	52	59	66	67	72
Telephone and telegraph	28	31	31	33	35	38	50	56	62	68	66
Total communication services	62	68	72	77	81	84	102	115	128	135	138
Entertainments:											
Cinema	108	111	112	111	112	108	106	95	85	71	65
Other	96	103	113	118	127	136	142	154	168	179	186
Total entertainments	204	214	225	229	239	244	248	249	253	250	251
Domestic service	98	95	95	94	95	96	95	97	92	91	86
Insurance	97	108	113	116	122	131	146	152	161	170	178
Other services	648	680	728	762	791	833	886	922	976	1,032	1,090
Income in kind not included elsewhere	43	56	68	71	69	67	64	60	56	51	47
less Expenditure by foreign tourists, etc. in the United Kingdom	-65	-85	-104	-117	-123	-140	-150	-159	-163	-181	-215
Consumers' expenditure in the United Kingdom	9,322	10,032	10,605	11,224	11,950	12,801	13,512	14,216	14,949	15,649	16,331
Consumers' expenditure abroad	116	152	147	149	169	184	194	214	222	241	277
Total	9,438	10,184	10,752	11,373	12,119	12,985	13,706	14,430	15,171	15,890	16,608

Consumers' expenditure at 1954 prices

TABLE 19 £ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Food:											
Household expenditure:											
Bread and cereals	527	536	526	482	467	469	464	459	461	458	465
Meat and bacon	797	658	712	790	852	886	931	947	955	970	1,021
Fish	102	112	103	92	96	99	106	109	111	117	109
Oils and fats	219	205	180	191	205	216	221	230	250	239	237
Sugar, preserves and confectionery	256	297	288	369	387	380	390	382	389	373	386
Dairy products	542	524	500	512	522	518	523	537	549	562	579
Fruit	168	186	164	190	204	218	220	234	217	245	245
Potatoes and vegetables	329	351	351	338	326	342	349	356	359	375	391
Beverages	171	168	174	183	185	208	213	218	219	229	230
Other manufactured food	78	86	93	89	90	98	100	110	117	133	125
Total household expenditure	3,189	3,123	3,091	3,236	3,334	3,434	3,517	3,582	3,627	3,701	3,788
Other personal expenditure	413	412	410	390	404	412	423	434	440	456	460
Total food	3,602	3,535	3,501	3,626	3,738	3,846	3,940	4,016	4,067	4,157	4,248
Alcoholic drink:											
Beer	521	528	526	528	509	525	526	532	519	549	573
Wines, spirits, cider, etc.	270	289	281	292	309	335	355	363	376	401	436
Total alcoholic drink	791	817	807	820	818	860	881	895	895	950	1,009
Tobacco:											
Cigarettes	662	695	706	723	743	768	785	806	820	839	871
Pipe tobacco, cigars and snuff	121	114	117	114	112	109	104	107	110	111	110
Total tobacco	783	809	823	837	855	877	889	913	930	950	981
Housing:											
Rent, rates and water charges	759	763	770	779	795	814	826	840	852	864	876
Maintenance, repairs and improvements by occupiers	195	193	207	230	255	205	202	200	204	201	199
Total housing	954	956	977	1,009	1,050	1,019	1,028	1,040	1,056	1,065	1,075
Fuel and light:											
Coal	204	204	201	202	208	202	203	193	200	184	200
Electricity	96	108	108	112	121	134	150	157	179	193	223
Gas	109	112	110	108	109	109	108	105	106	102	102
Other	42	43	43	44	48	52	55	52	62	63	69
Total fuel and light	451	467	462	466	486	497	516	507	547	542	594
Clothing:											
Footwear	231	201	191	195	207	215	219	229	234	240	256
Other clothing:											
Men's and boys' wear	382	342	328	325	343	369	377	383	374	394	421
Women's, girls' and infants' wear	614	569	577	604	655	705	747	770	773	806	860
Total clothing	1,227	1,112	1,096	1,124	1,205	1,289	1,343	1,382	1,381	1,440	1,537
Durable goods:											
Motor cars and motor cycles, new and secondhand	75	75	100	172	234	314	244	283	370	471	538
Furniture and floor coverings	306	285	248	278	309	289	278	301	321	353	335
Radio, electrical and other durable goods	181	200	191	239	294	328	294	328	358	427	396
Total durable goods	562	560	539	689	837	931	816	912	1,049	1,251	1,269
Other household goods:											
Household textiles, soft furnishings and hardware	228	200	210	230	252	274	275	290	292	309	319
Matches, soap and other cleaning materials, etc.	138	136	137	141	150	156	160	163	162	166	168
Total other household goods	366	336	347	371	402	430	435	453	454	475	487

Consumers' expenditure at 1954 prices (*continued*)TABLE 19 (*continued*)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Books, newspapers and magazines:											
Books	38	39	39	40	40	42	46	46	47	50	53
Newspapers	96	94	93	97	99	94	97	98	99	92	96
Magazines	42	43	40	41	41	40	40	40	39	33	37
Total books, newspapers and magazines	176	176	172	178	180	176	183	184	185	175	186
Chemists' goods	145	142	141	155	165	166	167	182	190	203	214
Miscellaneous recreational goods	117	116	117	126	135	157	165	158	162	179	202
Other miscellaneous goods	134	126	121	143	163	178	174	180	196	215	230
Running costs of vehicles	145	155	160	179	198	245	265	268	319	356	409
Travel:											
Railway	110	108	110	109	110	106	111	118	115	114	104
Other	328	337	338	337	334	336	334	332	318	324	333
Total travel	438	445	448	446	444	442	445	450	433	438	437
Communication services:											
Postal	42	43	45	46	46	46	48	51	50	51	54
Telephone and telegraph	32	34	33	35	35	37	39	39	40	43	43
Total communication services	74	77	78	81	81	83	87	90	90	94	97
Entertainments:											
Cinema	123	120	115	113	112	104	97	80	66	53	45
Other	109	112	118	123	127	131	134	140	145	155	161
Total entertainments	232	232	233	236	239	235	231	220	211	208	206
Domestic service	119	110	103	96	95	92	86	82	75	72	67
Insurance and other services	887	863	879	895	913	927	938	940	966	994	1025
Income in kind not included elsewhere	58	67	74	74	69	63	58	53	49	44	41
less Expenditure by foreign tourists, etc. in the United Kingdom	—78	—94	—107	—118	—123	—136	—142	—144	—143	—157	—181
Consumers' expenditure in the United Kingdom	11,183	11,007	10,971	11,433	11,950	12,377	12,505	12,781	13,112	13,651	14,133
Consumers' expenditure abroad	134	160	145	148	169	181	186	213	208	231	262
Total	11,317	11,167	11,116	11,581	12,119	12,558	12,691	12,994	13,320	13,882	14,395

446
179
172
11
362
808

Consumers' expenditure: index numbers of prices

TABLE 20

1954=100

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Food:											
Household expenditure:											
Bread and cereals	83	89	95	100	100	101	109	120	121	122	122
Meat and bacon	66	80	95	96	100	109	114	115	118	119	120
Fish	76	89	93	95	100	104	113	118	125	130	136
Oils and fats	48	61	70	82	100	101	98	91	80	98	93
Sugar, preserves and confectionery	80	86	92	98	100	103	104	109	107	109	109
Dairy products	77	82	97	104	100	107	110	109	110	111	112
Fruit	94	91	96	96	100	104	109	111	113	106	105
Potatoes and vegetables	83	92	98	96	100	110	118	115	124	122	114
Beverages	62	66	75	81	100	117	113	119	118	119	120
Other manufactured food	87	94	97	98	100	101	103	105	105	105	107
Total food (1)	75	83	93	96	100	106	110	112	113	115	114
Alcoholic drink:											
Beer	95	97	99	100	100	101	104	108	109	100	98
Wines, spirits, cider, etc.	97	100	100	100	100	100	101	101	102	102	100
Total alcoholic drink	96	98	99	100	100	101	103	105	106	101	99
Tobacco	98	99	100	100	100	100	105	107	111	112	116
Housing:											
Rent, rates and water charges	84	88	92	97	100	103	106	115	131	139	144
Maintenance, repairs and improvements by occupiers	78	89	96	97	100	106	112	116	118	119	125
Total housing	83	88	93	97	100	104	108	115	129	136	141
Fuel and light:											
Coal	74	81	89	94	100	109	121	129	136	138	142
Electricity	88	87	94	99	100	98	103	106	108	110	106
Gas	78	82	92	98	100	105	116	123	130	132	133
Total fuel and light (1)	78	83	91	96	100	105	114	120	124	125	124
Clothing:											
Footwear	80	99	103	100	100	100	105	106	106	109	113
Other clothing:											
Men's and boys' wear	82	95	95	97	100	102	105	107	109	108	110
Women's, girls' and infants' wear	92	104	102	100	100	100	101	102	103	101	102
Total clothing	87	100	100	99	100	101	103	104	105	105	106
Durable goods:											
Motor cars and motorcycles, new and secondhand	85	99	111	103	100	101	109	113	115	112	109
Furniture and floor coverings	83	97	101	100	100	101	109	110	110	110	113
Radio, electrical and other durable goods	94	102	111	104	100	101	107	108	106	102	101
Total durable goods	87	99	106	102	100	101	108	110	110	108	107
Other household goods	87	103	103	99	100	100	104	107	110	112	111
Books, newspapers and magazines	82	91	97	97	100	105	114	122	135	136	137
Running costs of vehicles	81	90	99	101	100	102	105	109	108	110	109
All other goods	96	108	112	104	100	104	109	111	110	108	107
Travel:											
Railway	89	92	97	99	100	107	110	112	116	118	140
Other	80	86	94	98	100	104	111	118	122	124	128
Total travel	83	87	94	98	100	105	111	116	120	122	131
Communication services	84	88	92	95	100	101	117	128	142	144	142
Cinemas	87	92	97	98	100	104	110	117	128	134	145
Other services (2)	84	91	95	98	100	104	110	114	118	120	124
Total consumers' expenditure (1)	83	91	97	98	100	103	108	111	114	114	115

(1) Includes items not separately distinguished.

(2) Domestic service, insurance and other services.

Taxes on expenditure and subsidies by category of consumers' expenditure

TABLE 21

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Taxes on expenditure											
Food	41	54	37	36	36	40	43	51	49	53	54
Alcoholic drink:											
Beer	262	259	253	257	252	253	256	260	254	220	219
Other	114	117	115	120	126	136	144	147	148	157	166
Total alcoholic drink	376	376	368	377	378	389	400	407	402	377	385
Tobacco	597	615	622	632	644	660	694	721	751	769	826
Housing:											
Rent, rates and water charges	186	202	218	244	258	271	281	318	342	358	377
Maintenance, repairs and improvements by occupiers	3	3	2	2	2	2	3	3	4	2	2
Total housing	189	205	220	246	260	273	284	321	346	360	379
Clothing	79	75	52	42	45	46	58	61	61	64	70
Durable goods:											
Motor cars and motor cycles, new and second hand	4	6	17	30	48	69	56	69	98	102	118
Furniture and floor coverings	24	31	24	23	23	26	37	34	31	33	34
Radio, electrical and other durable goods	31	40	40	42	49	66	70	78	79	106	91
Total durable goods	59	77	81	95	120	161	163	181	208	241	243
Other household goods:											
Household textiles, soft furnishings and hardware	28	31	21	17	16	18	30	30	22	32	31
Matches, soap and other cleaning materials, etc.	13	13	13	13	13	13	13	13	13	13	13
Total other household goods	41	44	34	30	29	31	43	43	35	45	44
Chemists' goods	34	36	37	35	33	36	46	50	48	43	45
Miscellaneous recreational goods	14	15	14	13	14	15	19	22	23	22	25
Other miscellaneous goods	40	43	38	35	35	38	45	46	43	39	42
Running costs of vehicles	32	42	50	57	63	80	87	91	105	116	136
Travel (1)	22	30	40	42	39	39	41	40	37	36	34
Communication services	4	2	2	2	2	1	1	2	4	8	8
Entertainments:											
Cinemas	37	39	38	37	36	33	34	29	16	8	2
Other	8	7	10	11	10	10	10	10	9	10	11
Total entertainments	45	46	48	48	46	43	44	39	25	18	13
Other services	29	30	32	33	36	33	34	34	39	45	50
Income in kind not included elsewhere	—	1	1	1	1	—	—	1	—	—	—
Unallocated	254	288	302	314	347	363	407	416	432	498	527
Total taxes on expenditure	1,856	1,979	1,978	2,038	2,128	2,248	2,409	2,526	2,608	2,734	2,881
Subsidies											
Food	375	368	312	260	308	234	245	290	268	252	254
Rent, rates and water charges	72	75	83	91	100	99	108	109	117	116	118
Fuel and light	—	—	—	—	—	—	—	—	—	—	—
Clothing	—	—	—	—	—	—	—	—	—	—	—
Travel	3	2	1	2	2	2	2	2	2	2	52
Other services	—	—	—	—	—	—	—	—	—	—	—
Income in kind not included elsewhere	4	5	5	3	4	3	2	2	2	2	2
Unallocated	15	12	12	6	7	6	6	6	7	6	5
Total subsidies	469	462	413	362	421	344	363	409	396	378	431
Net taxes on expenditure	1,387	1,517	1,565	1,676	1,707	1,904	2,046	2,117	2,212	2,356	2,450

(1) These estimates relate to the sub category "Other travel".

Distribution of personal income before and after tax

TABLE 22

Range of income before tax		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax	Range of income after tax		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax
		Thousands	£ million	£ million	£ million			Thousands	£ million	£ million	£ million
1954						1954					
Not under	Under					Not under	Under				
£	£					£	£				
50	250	8,750	1,440	7	1,433	50	250	8,980	1,490	9	1,481
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	107	34
800	1,000	1,280	1,125	103	1,022	6,000 and over		0.2	19	17	2
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		26,250	12,310	1,275	11,035	Total		26,250	12,310	1,275	11,035
Income not included in the classification by ranges		..	2,044	..	..	Income not included in the classification by ranges		..	2,044	..	..
Total personal income		..	14,354	..	..	Total personal income		..	14,354	..	..
1956						1956					
Not under	Under					Not under	Under				
£	£					£	£				
50	250	6,780	1,297	3	1,294	50	250	6,910	1,335	4	1,331
250	300	1,570	444	8	436	250	500	8,290	3,323	163	3,160
300	400	2,720	964	39	925	500	750	7,040	4,647	298	4,349
400	500	3,060	1,389	67	1,322	750	1,000	2,690	2,543	227	2,316
500	600	3,190	1,760	96	1,664	1,000	2,000	1,040	1,632	309	1,323
600	700	2,690	1,752	109	1,643	2,000	4,000	165	754	335	419
700	800	2,070	1,555	107	1,448	4,000	6,000	14	201	140	61
800	1,000	2,320	2,062	167	1,895	6,000 and over		0.7	38	32	6
1,000	1,500	1,100	1,309	171	1,138						
1,500	2,000	280	491	101	390						
2,000	3,000	193	463	133	330						
3,000	5,000	113	421	164	257						
5,000	10,000	50	329	172	157						
10,000	20,000	11	153	102	51						
20,000 and over		3	84	69	15						
Total		26,150	14,473	1,508	12,965	Total		26,150	14,473	1,508	12,965
Income not included in the classification by ranges		..	2,384	..	..	Income not included in the classification by ranges		..	2,384	..	..
Total personal income		..	16,867	..	..	Total personal income		..	16,857	..	..

(1) The tax rates current in the fiscal years 1954-55 and 1956-57 applied to the income in the calendar years shown.

Distribution of personal income before and after tax (continued)

TABLE 22 (continued)

Range of income before tax		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax	Range of income after tax		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax
		Thousands	£ million	£ million	£ million			Thousands	£ million	£ million	£ million
1957						1957					
Not under	Under					Not under	Under				
£	£					£	£				
50	250	6,060	1,229	2	1,227	50	250	6,150	1,252	3	1,249
250	300	1,650	452	8	444	250	500	8,130	3,236	167	3,069
300	400	2,700	944	40	904	500	750	7,390	4,907	348	4,559
400	500	2,860	1,288	65	1,223	750	1,000	2,980	2,749	229	2,520
500	600	2,950	1,622	98	1,524	1,000	2,000	1,250	1,956	347	1,609
600	700	2,850	1,847	120	1,727	2,000	4,000	181	807	327	480
700	800	2,310	1,731	123	1,608	4,000	6,000	18	240	159	81
800	1,000	2,640	2,339	188	2,151	6,000 and over		0.8	42	36	6
1,000	1,500	1,350	1,600	205	1,395						
1,500	2,000	330	567	114	453						
2,000	3,000	205	496	134	362						
3,000	5,000	126	473	172	301						
5,000	10,000	54	357	174	183						
10,000	20,000	12	160	104	56						
20,000 and over		3	84	69	15						
Total		26,100	15,189	1,616	13,573	Total		26,100	15,189	1,616	13,573
Income not included in the classification by ranges		..	2,562	..	..	Income not included in the classification by ranges		..	2,562	..	..
Total personal income		..	17,751	..	..	Total personal income		..	17,751	..	..
1958						1958					
Not under	Under					Not under	Under				
£	£					£	£				
50	250	5,310	1,143	2	1,141	50	250	5,490	1,185	2	1,183
250	300	1,690	465	8	457	250	500	8,430	3,386	185	3,201
300	400	2,890	1,012	43	969	500	750	7,710	5,137	372	4,765
400	500	2,890	1,301	72	1,229	750	1,000	3,090	2,845	237	2,608
500	600	3,040	1,674	103	1,571	1,000	2,000	1,303	2,022	356	1,666
600	700	2,960	1,922	130	1,792	2,000	4,000	209	927	375	552
700	800	2,490	1,864	138	1,726	4,000	6,000	17	238	158	80
800	1,000	2,860	2,529	203	2,326	6,000 and over		0.8	46	40	6
1,000	1,500	1,350	1,603	197	1,406						
1,500	2,000	330	555	117	438						
2,000	3,000	226	543	146	397						
3,000	5,000	139	524	189	335						
5,000	10,000	59	388	189	199						
10,000	20,000	13	170	110	60						
20,000 and over		3	93	78	15						
Total		26,250	15,786	1,725	14,061	Total		26,250	15,786	1,725	14,061
Income not included in the classification by ranges		..	2,832	..	..	Income not included in the classification by ranges		..	2,832	..	..
Total personal income		..	18,618	..	..	Total personal income		..	18,618	..	..

(1) The tax rates current in the fiscal years 1957-58 and 1958-59 applied to the income in the calendar years shown.

Distribution of personal income before and after tax (continued)

TABLE 22 (continued)

Range of income before tax	Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax	Range of income after tax	Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax
	Thousands	£ million	£ million	£ million		Thousands	£ million	£ million	£ million
1959					1959				
Not under Under					Not under Under				
£ £					£ £				
50 250	4,870	1,076	2	1,074	50 250	5,100	1,131	2	1,129
250 300	1,720	474	6	468	250 500	8,220	3,256	148	3,108
300 400	2,940	1,034	35	999	500 750	7,450	4,990	347	4,643
400 500	2,830	1,278	60	1,218	750 1,000	3,660	3,381	264	3,117
500 600	2,850	1,568	85	1,483	1,000 2,000	1,655	2,500	384	2,116
600 700	2,740	1,780	111	1,669	2,000 4,000	237	991	367	624
700 800	2,520	1,884	126	1,758	4,000 6,000	25	284	165	119
800 1,000	3,200	2,847	225	2,622	6,000 and over	3	103	81	22
1,000 1,500	1,780	2,108	236	1,872					
1,500 2,000	423	715	135	580					
2,000 3,000	247	595	154	441					
3,000 5,000	149	562	191	371					
5,000 10,000	64	424	195	229					
10,000 20,000	14	188	116	72					
20,000 and over	3	103	81	22					
Total	26,350	16,636	1,758	14,878	Total	26,350	16,636	1,758	14,878
Income not included in the classification by ranges .....	..	2,978	..	..	Income not included in the classification by ranges .....	..	2,978	..	..
Total personal income	..	19,614	..	..	Total personal income	..	19,614	..	..
1960					1960				
Not under Under					Not under Under				
£ £					£ £				
50 250	4,310	985	2	983	50 250	4,540	1,034	2	1,032
250 300	1,480	407	5	402	255 500	7,220	2,888	147	2,741
300 400	2,500	872	34	838	500 750	7,670	5,180	391	4,789
400 500	2,600	1,169	58	1,111	750 1,000	4,470	4,143	335	3,808
500 600	2,670	1,471	90	1,381	1,000 2,000	2,307	3,383	480	2,903
600 700	2,760	1,791	120	1,671	2,000 4,000	262	1,096	405	691
700 800	2,630	1,967	145	1,822	4,000 6,000	28	319	186	133
800 1,000	3,970	3,534	284	3,250	6,000 and over	3	114	89	25
1,000 1,500	2,530	3,002	323	2,679					
1,500 2,000	527	894	164	730					
2,000 3,000	269	650	162	488					
3,000 5,000	164	615	209	406					
5,000 10,000	71	473	219	254					
10,000 20,000	16	212	131	81					
20,000 and over	3	115	89	26					
Total	26,500	18,157	2,035	16,122	Total	26,500	18,157	2,035	16,122
Income not included in the classification by ranges .....	..	2,951	..	..	Income not included in the classification by ranges .....	..	2,951	..	..
Total personal income	..	21,108	..	..	Total personal income	..	21,108	..	..

(1) The tax rates in the fiscal years 1959-60 and 1960-61 applied to the income in the calendar years shown.

Categories of personal income

TABLE 23

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Households and non-profit-making bodies											
Direct income in cash from work and property:											
Wages and salaries.....	6,823	7,571	8,118	8,568	9,168	10,055	10,953	11,589	11,935	12,480	13,534
Pay in cash of the Forces.....	205	259	288	292	308	304	348	348	355	354	363
Income from self-employment (1).....	1,405	1,455	1,508	1,556	1,598	1,680	1,730	1,784	1,804	1,905	2,007
Rent, dividends and interest:											
Gross receipts.....	1,001	1,045	1,064	1,107	1,188	1,336	1,441	1,514	1,582	1,652	1,897
less Interest paid.....	-83	-95	-111	-120	-130	-159	-187	-218	-241	-270	-319
Total	9,351	10,235	10,867	11,403	12,132	13,216	14,285	15,017	15,435	16,121	17,482
Imputed income and income in kind:											
Employers' national insurance and health contributions.....	199	205	218	244	247	279	304	309	398	418	424
Income in kind.....	129	148	166	174	177	182	185	185	185	185	187
Rent of owner-occupied dwellings.....	153	160	167	177	186	195	207	222	269	295	310
Accrued interest on National savings certificates.....	30	25	22	22	23	16	-20	-22	-25	4	12
Total	511	538	573	617	633	672	676	694	827	902	933
Current grants from public authorities:											
Retirement pensions, widows' benefits, etc., and non-contributory pensions.....	302	318	363	395	403	471	506	526	677	736	758
Other current grants.....	453	466	547	606	617	643	685	724	804	897	892
Total	755	784	910	1,001	1,020	1,114	1,191	1,250	1,481	1,633	1,650
Pensions and other benefits from life assurance, superannuation schemes, etc.:											
National government service.....	44	46	48	52	53	57	65	78	96	105	109
Other public authority schemes.....	59	59	65	71	78	86	94	101	109	116	126
Other superannuation schemes, life assurance, etc.	266	286	301	319	333	368	411	446	479	500	530
Total	369	391	414	442	464	511	570	625	684	721	765
Total income of households and non-profit-making bodies	10,986	11,948	12,764	13,463	14,249	15,513	16,722	17,586	18,427	19,377	20,830
Adjustment (2) for life assurance and superannuation funds, etc.	14	40	66	82	105	118	135	165	191	237	278
Total personal income (as defined in Table 2)	11,000	11,988	12,830	13,545	14,354	15,631	16,857	17,751	18,618	19,614	21,108

(1) Before providing for depreciation and stock appreciation.

(2) Contributions of employers *plus* rent, dividends and interest *less* pensions and other benefits paid (see Table 24.)

Revenue account of life assurance and superannuation funds, etc.

TABLE 24

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Contributions of employers.....	244	276	307	330	353	386	431	486	533	569	603
Contributions of employees, individual premiums, etc.	345	371	390	415	442	477	512	559	607	654	715
Rent, dividends and interest.....	139	155	173	194	216	243	274	304	342	389	440
less Pensions and other benefits paid.....	-369	-391	-414	-442	-464	-511	-570	-625	-684	-721	-765
less Administrative costs, etc. (1).....	-89	-97	-105	-111	-120	-130	-141	-158	-168	-183	-197
Net increase in funds	270	314	351	386	427	465	506	566	630	708	796

(1) Includes tax on the investment income of life funds.

TABLE 25

Capital account of the personal sector

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Net increase in assets											
Saving before providing for depreciation and stock appreciation (from Table 2).....	104	134	426	501	426	670	996	1,002	831	1,005	1,494
plus Additions to tax reserves.....	5	40	-14	9	33	35	25	20	35	10	75
plus Capital transfer receipts.....	88	70	59	48	38	65	61	47	51	48	56
less Capital transfer payments.....	-190	-194	-159	-165	-183	-184	-166	-176	-182	-212	-236
less Stock appreciation.....	-63	-112	-10	-7	-20	-44	-37	-24	-15	-22	-30
Total net increase in assets	-56	-62	302	386	294	542	879	869	720	829	1,359
<i>of which:</i>											
Life assurance, superannuation schemes, etc.	270	314	351	386	427	465	506	566	630	708	796
Households and non-profit-making bodies	-326	-376	-49	-	-133	77	373	303	90	121	563
Households and non-profit-making bodies											
<i>Net increases in identified non-financial assets</i>											
Gross fixed capital formation at home (1):											
Unincorporated businesses (2)	199	211	205	204	242	273	249	253	294	316	330
New dwellings	50	58	99	167	221	260	292	296	314	382	466
Value of physical increase in stocks and work in progress	41	70	-15	33	44	41	33	28	14	52	62
Total increase in identified non-financial assets	290	339	289	404	507	574	574	577	622	750	858
<i>Net increases in identified investments in financial assets</i>											
Net personal deposits with London clearing banks.....	-14	-26	60	82	78	74	87	153	38	52	116
Building societies: shares and deposits	110	97	119	157	217	191	152	171	197	268	205
National savings:											
Post Office Savings Bank and trustee savings banks (ordinary departments): deposits	34	-41	-55	-76	-17	-34	-23	7	-23	72	53
Trustee savings banks (special investment departments): deposits.....	3	2	7	29	44	37	54	31	26	39	55
Premium bonds.....	-	-	-	-	-	-	54	70	75	48	48
Defence bonds and other securities on the Post Office register.....	-35	-24	-65	-49	1	-9	-35	-29	54	143	113
National savings certificates:											
Principal.....	-39	40	11	29	35	31	56	11	94	84	57
Accrued interest	30	25	22	22	23	16	-20	-22	-25	4	12
Total National savings	-7	2	-80	-45	86	41	86	68	201	390	338
Retail co-operative societies: shares.....	-7	-8	2	3	5	7	6	4	3	1	2
Tax reserve certificates.....	..	..	..	..	..	..	..	6	17	9	12
Total increase in identified investments in financial assets	82	65	101	197	386	313	331	402	456	720	673
<i>Net increases in identified debt</i>											
Hire purchase debt (3).....	..	..	..	..	..	25	-75	59	100	242	27
Insurance companies: loans on policies and personal security (4).....	3	3	7	5	3	6	9	7	6	2	4
Local authorities: loans for house purchase	10	17	17	20	32	50	50	33	27	25	26
Building societies: net advances.....	106	99	106	133	177	179	125	154	150	226	241
Total increase in identified debt	119	119	130	158	212	260	109	253	283	495	298
Net increase in assets by households and non-profit-making bodies											
Increase in identified non-financial assets	290	339	289	404	507	574	574	577	622	750	858
Increase in identified investments in financial assets	82	65	101	197	386	313	331	402	456	720	673
less Increase in identified debt.....	-119	-119	-130	-158	-212	-260	-109	-253	-283	-495	-298
plus Decrease in unidentified items.....	-579	-661	-309	-443	-814	-550	-423	-423	-705	-854	-670
Total net increase in assets by household and non-profit-making bodies	-326	-376	-49	-	-133	77	373	303	90	121	563

(1) Includes a small amount of capital formation by life assurance, superannuation schemes, etc.

(2) Includes legal fees and stamp duties on the transfer of existing dwellings and expenditure on land.

(3) Comprises hire purchase and other instalment credit for durable goods extended to consumers.

(4) Excludes loans on mortgage.

Due to residual error?

V. COMPANIES

Appropriation account

TABLE 26

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income											
Gross trading profits of companies operating in the United Kingdom (1)	2,126	2,483	2,180	2,313	2,578	2,902	2,958	3,120	3,029	3,376	3,608
Income earned abroad (2)	670	681	704	674	695	701	809	865	1,062	1,043	1,011
Non-trading income earned in the United Kingdom	296	319	357	389	415	444	495	524	594	604	652
Total	3,092	3,483	3,241	3,376	3,688	4,047	4,262	4,509	4,685	5,023	5,271
Allocation of income											
Dividends and interest:											
Payments:											
Debenture interest	31	36	41	46	50	55	64	74	81	90	98
Dividends on preference shares	104	104	102	102	104	109	109	108	107	108	112
Dividends on ordinary shares	403	443	431	474	527	579	608	640	672	800	986
Co-operative society dividends and interest	45	46	44	44	48	53	57	60	59	58	59
Interest on building society shares and deposits	32	36	41	48	54	63	84	103	112	118	126
Other interest paid by banks, etc.	13	13	36	40	31	52	79	85	92	52	83
Total payments of dividends and interest	628	678	695	754	814	911	1,001	1,070	1,123	1,226	1,464
Additions to dividend-reserves	29	—3	36	12	70	17	17	27	21	181	25
Taxes paid abroad and profits due abroad	257	314	391	335	324	425	488	519	652	694	675
United Kingdom taxes on income (3):											
Payments	779	746	982	944	856	940	864	951	989	937	693
Additions to reserves	70	396	—41	19	145	8	136	14	—88	—157	347
Undistributed income after taxation but before providing for depreciation and stock appreciation	1,329	1,352	1,178	1,312	1,479	1,746	1,756	1,928	1,988	2,142	2,067
Total	3,092	3,483	3,241	3,376	3,688	4,047	4,262	4,509	4,685	5,023	5,271

(1) Before providing for depreciation and stock appreciation.

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

(3) Total United Kingdom tax accruing on the total income of companies, including tax accruing on distributions made by companies is as follows (£ million):

1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
1,113	1,442	1,245	1,251	1,356	1,281	1,370	1,355	1,305	1,240	1,515

Appropriation account of non-nationalised companies (1)

TABLE 27

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income											
Gross trading profits of companies operating in the United Kingdom(2)	2,077	2,476	2,180	2,311	2,547	2,819	2,853	2,983	2,893	3,225	3,418
Income earned abroad (3)	670	681	704	674	695	701	809	865	1,062	1,043	1,011
Non-trading income earned in the United Kingdom	295	319	357	389	414	442	492	520	590	600	648
Total	3,042	3,476	3,241	3,374	3,656	3,962	4,154	4,368	4,545	4,868	5,077
Allocation of income											
Dividends and interest:											
Payments:											
Debenture interest	31	36	41	46	50	54	62	65	74	82	91
Dividends on preference shares	102	103	102	102	103	107	107	106	105	106	110
Dividends on ordinary shares	394	437	431	474	525	572	598	627	654	779	961
Co-operative society dividends and interest	45	46	44	44	48	53	57	60	59	58	59
Interest on building society shares and deposits	32	36	41	48	54	63	84	103	112	118	126
Other interest paid by banks, etc.	13	13	36	40	31	52	79	85	92	52	83
Total payments of dividends and interest	617	671	695	754	811	901	987	1,046	1,096	1,195	1,430
Additions to dividend reserves	29	3	36	11	67	14	12	25	19	179	22
Taxes paid abroad and profits due abroad	257	314	391	335	324	425	488	519	652	694	675
United Kingdom taxes on income:											
Payments	762	726	962	943	857	944	870	930	961	902	668
Additions to reserves	69	413	—21	20	135	—21	99	—2	—88	—147	330
Undistributed income after taxation but before providing for depreciation and stock appreciation	1,308	1,349	1,178	1,311	1,462	1,699	1,698	1,850	1,905	2,045	1,952
Total	3,042	3,476	3,241	3,374	3,656	3,962	4,154	4,368	4,545	4,868	5,077

(1) All companies except those nationalised during some part of the period 1938 to 1960.

(2) Before providing for depreciation and stock appreciation.

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

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

TABLE 28

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Appropriation account											
<i>Income</i>											
Gross trading profits of companies operating in the United Kingdom (1)	2,178	2,545	2,249	2,395	2,666	2,999	3,083	3,256	3,173	3,532	3,777
Non-trading income earned in the United Kingdom <i>plus</i> income earned abroad	692	690	715	684	709	708	813	872	1,073	1,051	1,020
Total	2,870	3,235	2,964	3,079	3,375	3,707	3,896	4,128	4,246	4,583	4,797
<i>Allocation of income</i>											
Dividend and interest payments:											
Dividends on ordinary and preference shares	451	494	476	517	574	635	659	695	718	832	1,011
Other dividends and interest	107	118	137	141	148	188	219	237	246	255	304
Total payments of dividends and interest	558	612	613	658	722	823	878	932	964	1,087	1,315
United Kingdom taxes on income <i>plus</i> taxes paid abroad and profits due abroad	1,017	1,351	1,242	1,190	1,205	1,274	1,369	1,360	1,415	1,330	1,557
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	1,295	1,272	1,109	1,231	1,448	1,610	1,649	1,836	1,867	2,166	1,925
Total	2,870	3,235	2,964	3,079	3,375	3,707	3,896	4,128	4,246	4,583	4,797
Capital account											
<i>Receipts</i>											
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	1,295	1,272	1,109	1,231	1,448	1,610	1,649	1,836	1,867	2,166	1,925
Net borrowing from taxation reserves (2)	70	396	—41	19	145	8	136	14	—88	—157	347
Net capital transfers (2)	54	32	32	42	25	27	22	11	14	9	18
Total	1,419	1,700	1,100	1,292	1,618	1,645	1,807	1,861	1,793	2,018	2,290
<i>Payments</i>											
Gross fixed capital formation at home (2)	631	627	630	671	782	964	1,184	1,356	1,413	1,453	1,647
Increase in value of stocks and work in progress (2)	417	890	—85	21	253	471	397	298	53	213	655
Net acquisition of financial assets <i>plus</i> net investment abroad	371	183	555	600	583	210	226	207	327	352	—12
Total	1,419	1,700	1,100	1,292	1,618	1,645	1,807	1,861	1,793	2,018	2,290

(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 29

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income											
Gross trading profits (1)	—30	—31	—40	—50	—57	—62	—88	—99	—109	—120	—129
Rent (<i>less</i> repairs) of property let	40	40	42	44	45	46	47	50	55	65	75
Dividends and interest from other companies	75	90	108	112	118	153	172	186	192	202	251
Other interest	218	245	284	314	336	370	426	454	520	517	554
Total	303	344	394	420	442	507	557	591	658	664	751
Allocation of income											
Debenture interest and dividend payments	133	141	153	165	175	194	222	247	268	298	326
Other interest payments	18	21	46	54	46	61	92	101	110	65	100
United Kingdom taxes on income <i>plus</i> taxes and remittances paid abroad	89	105	90	108	120	99	119	124	138	144	158
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	63	77	105	93	101	153	124	119	142	157	167
Total	303	344	394	420	442	507	557	591	658	664	751

(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.

Company trading profits by industry

TABLE 30

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Gross profits of companies operating in the United Kingdom (1)										
Forestry and fishing.....	6	9	5	4	4	7	6	6	5	5
Mining and quarrying.....	9	12	12	14	15	19	20	20	19	21
Manufacturing:										
Food, drink and tobacco.....	195	222	229	247	280	293	307	320	345	352
Chemicals and allied industries.....	128	160	128	171	218	226	243	265	256	351
Metal manufacture.....	137	113	93	78	103	194	199	235	213	247
Engineering and electrical goods.....	250	312	311	323	375	400	409	447	445	449
Shipbuilding and marine engineering.....	23	21	24	29	29	32	32	35	31	27
Vehicles.....	107	120	118	132	156	167	133	155	175	211
Metal goods not elsewhere specified.....	64	87	81	70	81	109	113	112	112	116
Textiles.....	260	256	149	187	189	162	166	157	126	174
Leather, leather goods and fur.....	17	13	8	11	9	10	8	7	7	13
Clothing and footwear.....	50	44	30	41	45	46	48	48	44	56
Bricks, pottery, glass, etc.....	46	65	59	65	75	79	73	71	73	84
Timber, furniture, etc.....	22	25	20	21	23	23	21	23	20	25
Paper, printing and publishing.....	101	151	88	105	136	148	137	134	138	147
Other manufacturing.....	41	52	31	37	44	47	45	50	46	52
Total manufacturing	1,441	1,641	1,369	1,517	1,763	1,936	1,934	2,059	2,031	2,304
Construction.....	46	53	55	70	79	86	101	98	101	114
Gas, electricity and water.....	7	5	7	7	8	8	9	9	11	10
Transport and communication.....	151	211	219	163	153	211	259	259	200	220
Distributive trades.....	388	467	418	421	460	519	520	532	509	561
Insurance, banking and finance.....	219	248	273	285	315	359	375	397	451	491
Other services.....	75	78	74	105	98	104	101	131	153	176
Adjustments	-216	-241	-252	-273	-317	-347	-367	-391	-451	-526
Total	2,126	2,483	2,180	2,313	2,578	2,902	2,958	3,120	3,029	3,376
Net profits of companies operating in the United Kingdom (2)										
Forestry and fishing.....	-2	3	1	1	1	4	3	—	—	—
Mining and quarrying.....	5	8	9	10	10	14	14	13	12	13
Manufacturing:										
Food, drink and tobacco.....	161	183	198	216	240	246	257	264	278	279
Chemicals and allied industries.....	85	112	94	132	160	165	165	173	149	231
Metal manufacture.....	105	95	80	61	75	146	152	164	128	162
Engineering and electrical goods.....	210	267	273	282	318	330	328	359	343	345
Shipbuilding and marine engineering.....	18	16	20	24	24	27	26	28	23	20
Vehicles.....	87	96	99	115	132	134	90	109	130	162
Metal goods not elsewhere specified.....	52	74	71	61	67	93	90	88	86	86
Textiles.....	219	213	124	159	155	120	122	118	85	128
Leather, leather goods and fur.....	15	11	7	10	7	8	6	5	5	10
Clothing and footwear.....	44	37	26	36	39	40	40	41	36	47
Bricks, pottery, glass, etc.....	34	50	49	53	60	62	54	51	51	62
Timber, furniture, etc.....	17	20	16	17	18	18	15	17	14	17
Paper, printing and publishing.....	83	129	73	89	115	123	107	102	99	109
Other manufacturing.....	33	43	24	30	36	37	31	36	30	35
Total manufacturing	1,163	1,346	1,154	1,285	1,446	1,549	1,483	1,555	1,457	1,693
Construction.....	32	37	40	55	58	62	71	71	70	78
Gas, electricity and water.....	3	2	3	3	3	3	2	3	4	3
Transport and communication.....	53	122	121	75	60	96	142	89	15	22
Distributive trades.....	338	408	374	377	403	459	440	445	403	453
Insurance, banking and finance.....	217	246	271	282	312	355	369	392	444	484
Other services.....	59	60	61	91	81	82	74	105	119	143
Adjustments	-216	-241	-252	-273	-317	-347	-367	-391	-451	-526
Total	1,652	1,991	1,782	1,906	2,057	2,277	2,231	2,282	2,073	2,363

(1) Before providing for depreciation and stock appreciation.

(2) 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 31

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts											
Sales:											
Revenue sales outside sector	1,524	2,119	2,387	2,501	2,458	2,402	2,425	2,532	2,538	3,000	3,131
Revenue sales inside sector	215	300	345	375	380	387	445	454	450		
Sales to own capital account	75	79	87	110	112	126	124	144	137	159	169
Subsidies	9	6	4	4	4	4	4	4	4	5	110
Total	1,823	2,504	2,823	2,990	2,954	2,919	2,998	3,134	3,129	3,164	3,410
Payments											
Wages, salaries, etc.	808	1,023	1,141	1,193	1,210	1,227	1,308	1,386	1,386	1,364	1,408
Purchases of goods and services	801	1,271	1,413	1,407	1,288	1,377	1,331	1,448	1,385	1,365	1,412
less Increase in value of stocks and work in progress	-14	-84	-45	31	62	-40	-26	-68	-33	-10	12
Rent	6	6	6	6	5	5	5	4	5	5	5
Taxes on expenditure:											
Rates	22	24	26	28	30	31	32	37	41	46	48
Motor vehicles and catering licences	4	4	5	4	5	4	4	4	4	3	3
Trading surplus before providing for depreciation and stock appreciation	196	260	277	321	354	315	344	323	341	391	522
Total	1,823	2,504	2,823	2,990	2,954	2,919	2,998	3,134	3,129	3,164	3,410

Combined appropriation account

TABLE 32

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Income											
Trading surplus before providing for depreciation and stock appreciation	196	260	277	321	354	315	344	323	341	391	522
Non-trading income	24	21	26	29	34	42	43	51	50	54	61
Income earned abroad	1	—	1	2	2	4	5	5	7	8	7
Total	221	281	304	352	390	361	392	379	398	453	590
Allocation of income											
Interest:											
Payments	91	106	118	134	148	162	156	188	222	257	281
Additions to interest reserves	6	6	5	4	—2	—5	16	10	9	4	5
United Kingdom taxes on income:											
Payments	3	4	3	24	37	34	30	21	16	11	12
Additions to tax reserves	3	23	33	13	—6	—12	—8	—10	—16	1	—
Undistributed income before providing for depreciation and stock appreciation	118	142	145	177	213	182	198	170	167	180	292
Total	221	281	304	352	390	361	392	379	398	453	590

Combined capital account

TABLE 33

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts											
Undistributed income before providing for depreciation and stock appreciation	118	142	145	177	213	182	198	170	167	180	292
Capital transfers (net receipts)	3	5	5	7	7	12	16	9	7	7	7
Total funds available for investment	121	147	150	184	220	194	214	179	174	187	299
Loans from Central Government (net)	29	61	73	38	100	142	267	602	573	615	485
Stock issued less stock redeemed	163	135	228	219	204	367	21	2	—2	—2	1
Additions to tax and interest reserves	9	29	38	17	—8	—17	8	—	—7	5	5
Total	322	372	489	458	516	686	510	783	738	805	790
Payments											
Gross fixed capital formation at home	288	358	414	488	538	570	592	659	694	757	799
Increase in value of stocks and work in progress	14	84	45	—31	—62	40	26	68	33	10	—12
Net acquisition of other financial assets and net investment abroad	20	—70	30	1	40	76	—108	56	11	38	3
Total	322	372	489	458	516	686	510	783	738	805	790

Analysis of appropriation accounts

TABLE 34 £ million

		Fuel and power industries	Iron and steel	Transport and communica- tion	Housing and new town corporations	Raw Cotton Commission	Other corporations	Total
Receipts								
Trading surplus before providing for depreciation and stock appreciation	1953	177	85	71	2	—9	—5	321
	1954	192	72	85	3	3	—1	354
	1955	194	48	70	4	—1	—	315
	1956	257	32	50	3	—	2	344
	1957	257	19	45	3	—	—1	323
	1958	297	18	23	4	—	—1	341
	1959	317	16	59	5	—	—6	391
Non-trading income	1953	9	1	7	2	—	10	29
	1954	11	2	9	3	—	9	34
	1955	14	4	10	3	—	11	42
	1956	14	4	8	5	—	12	43
	1957	16	6	9	7	—	13	51
	1958	15	7	7	8	—	13	50
	1959	16	7	10	10	—	11	54
Income earned abroad.....	1953	—	—	3	—	—	—1	2
	1954	—	—	3	—	—	—1	2
	1955	—	—	3	—	—	1	4
	1956	—	—	4	—	—	1	5
	1957	—	—	4	—	—	1	5
	1958	—	—	5	—	—	2	7
	1959	—	—	5	—	—	3	8
Total.....	1953	186	86	81	4	—9	4	352
	1954	203	74	97	6	3	7	390
	1955	208	52	83	7	—1	12	361
	1956	271	36	62	8	—	15	392
	1957	273	25	58	10	—	13	379
	1958	312	25	35	12	—	14	398
	1959	333	23	74	15	—	8	453
Payments								
Provision for interest.....	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
	1957	114	4	68	10	—	2	198
	1958	129	6	80	12	—	4	231
	1959	145	6	92	14	—	4	261
United Kingdom taxes on income.....	1953	5	30	1	—	—	1	37
	1954	1	26	1	—	—	3	31
	1955	—	18	1	—	—	3	22
	1956	5	13	1	—	—	3	22
	1957	—	8	—	—	—	3	11
	1958	—10	8	—	—	—	2	—
	1959	—	8	1	—	—	3	12
Undistributed income before providing for depreciation and stock appreciation	1953	114	45	27	1	—11	1	177
	1954	128	39	41	1	2	2	213
	1955	120	31	25	—	—1	7	182
	1956	167	19	2	—	—	10	198
	1957	159	13	—10	—	—	8	170
	1958	193	11	—45	—	—	8	167
	1959	188	9	—19	1	—	1	180
Total.....	1953	186	86	81	4	—9	4	352
	1954	203	74	97	6	3	7	390
	1955	208	52	83	7	—1	12	361
	1956	271	36	62	8	—	15	392
	1957	273	25	58	10	—	13	379
	1958	312	25	35	12	—	14	398
	1959	333	23	74	15	—	8	453

Analysis of capital accounts

TABLE 35

£ million

		Fuel and power industries	Iron and steel	Transport and communica- tion	Housing and new town corporations	Raw Cotton Commission	Other corporations	Total
Receipts								
Undistributed income before providing for depreciation and stock appreciation	1953	114	45	27	1	-11	1	177
	1954	128	39	41	1	2	2	213
	1955	120	31	25	—	-1	7	182
	1956	167	19	2	—	—	10	198
	1957	159	13	-10	—	—	8	170
	1958	193	11	-45	—	—	8	167
	1959	188	9	-19	1	—	1	180
Capital transfers (net receipts)	1953	5	—	1	1	—	—	7
	1954	5	—	1	1	—	—	7
	1955	5	—	5	2	—	—	12
	1956	6	—	9	1	—	—	16
	1957	8	—	—	1	—	—	9
	1958	7	—	—	—	—	—	7
	1959	7	—	—	—	—	—	7
Loans from Central Government (net)	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
	1957	300	56	194	35	1	16	602
	1958	281	7	244	33	-1	9	573
	1959	361	10	213	28	—	3	615
Stock issued less stock redeemed	1953	216	—	3	—	—	—	219
	1954	109	—	95	—	—	—	204
	1955	322	—	45	—	—	—	367
	1956	12	—	9	—	—	—	21
	1957	2	—	—	—	—	—	2
	1958	-1	—	-1	—	—	—	-2
	1959	-1	—	-1	—	—	—	-2
Total	1953	369	45	31	41	-52	7	441
	1954	301	65	137	38	-23	6	524
	1955	525	65	75	39	-17	16	703
	1956	326	59	70	35	-3	15	502
	1957	469	69	184	36	1	24	783
	1958	480	18	198	33	-1	17	745
	1959	555	19	193	29	—	4	800
Payments								
Gross fixed capital formation at home	1953	293	51	84	58	—	2	488
	1954	350	52	79	55	—	2	538
	1955	397	32	95	42	—	4	570
	1956	390	27	131	40	—	4	592
	1957	416	13	188	36	—	6	659
	1958	448	9	199	32	—	6	694
	1959	494	11	218	29	—	5	757
Increase in value of stocks and work in progress	1953	-13	18	-2	—	-34	—	-31
	1954	-9	-16	-8	—	-29	—	-62
	1955	17	36	—	—	-13	—	40
	1956	6	7	15	—	-2	—	26
	1957	47	9	12	—	—	—	68
	1958	32	-3	4	—	—	—	33
	1959	31	-2	-19	—	—	—	10
Net acquisition of other financial assets and net investment abroad less additions to tax and interest reserves	1953	89	-24	-51	-17	-18	5	-16
	1954	-40	29	66	-17	6	4	48
	1955	111	-3	-20	-3	-4	12	93
	1956	-70	25	-76	-5	-1	11	-116
	1957	6	47	-16	—	1	18	56
	1958	—	12	-5	1	-1	11	18
	1959	30	10	-6	—	—	-1	33
Total	1953	369	45	31	41	-52	7	441
	1954	301	65	137	38	-23	6	524
	1955	525	65	75	39	-17	16	703
	1956	326	59	70	35	-3	15	502
	1957	469	69	184	36	1	24	783
	1958	480	18	198	33	-1	17	745
	1959	555	19	193	29	—	4	800

Revenue account

TABLE 36

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue											
<i>Taxes on income</i>											
Income tax	1,420	1,504	1,670	1,714	1,762	1,964	2,020	2,190	2,285	2,328	2,285
Surtax	114	125	128	130	132	132	145	159	161	169	178
Profits tax	264	301	378	233	178	197	192	240	276	258	260
Excess profits tax, excess profits levy, etc.	13	—4 ⁽¹⁾	—3 ⁽¹⁾	39	75	26	7	3	3	3	2
Total taxes on income	1,811	1,926	2,173	2,116	2,147	2,319	2,364	2,592	2,725	2,758	2,725
<i>Taxes on capital</i>											
Death duties	184	191	157	164	182	184	166	176	182	212	236
Special contribution	6	3	2	1	1	—	—	—	—	—	—
Total taxes on capital	190	194	159	165	183	184	166	176	182	212	236
<i>Taxes on expenditure</i>											
Customs and excise duties:											
Beer	266	261	257	257	252	256	260	262	255	226	220
Wines and spirits	120	128	124	130	136	147	156	159	159	171	180
Tobacco	601	621	611	628	651	661	685	714	737	768	818
Hydrocarbon oils	123	186	260	292	301	315	335	327	341	371	400
Protective duties	69	110	84	65	77	86	88	102	110	125	154
Purchase tax	299	338	312	306	322	390	461	484	493	502	531
Entertainments	45	45	46	45	43	40	41	31	16	8	2
Betting	25	26	28	29	30	28	29	30	34	37	41
Other	35	37	32	35	32	37	35	35	43	42	41
Total customs and excise duties	1,583	1,752	1,754	1,787	1,844	1,960	2,090	2,144	2,188	2,250	2,387
Motor vehicle licence duties	59	64	67	72	77	85	91	97	105	109	123
Transport levy	—	—	—	—	4	4	4	—	—	—	—
Stamp duties	53	63	53	55	72	75	63	68	61	93	94
Post Office surplus	13	7	5	7	6	3	4	5	5	5	5
Broadcast licence revenue retained by Exchequer	1	1	3	4	4	4	4	5	6	5	5
Miscellaneous	16	20	17	15	17	17	19	22	22	24	27
Total taxes on expenditure	1,725	1,907	1,899	1,940	2,024	2,148	2,275	2,341	2,387	2,486	2,641
<i>Other revenue</i>											
National insurance and health contri- butions	440	452	476	525	532	594	642	657	859	898	911
Gross trading income (2):											
Post Office (excluding Savings Bank)	35	36	39	43	47	52	61	72	95	99	109
Other	80	57	—24	—11	28	26	25	17	17	17	16
Gross rental income (2):											
Temporary houses and Forces' married quarters	23	23	24	24	25	13	9	9	9	10	10
Other	15	19	21	24	29	33	44	47	50	57	60
Interest and dividends, etc:											
From local authorities	37	46	59	77	88	99	114	120	124	123	123
Other	26	51	64	65	72	98	114	115	153	191	216
Current grants from overseas govern- ments	—	4	120	105	50	46	26	21	3	—	—
Total	4,382	4,715	5,010	5,073	5,225	5,612	5,840	6,167	6,604	6,851	7,047

(1) Repayments exceeded receipts.

(2) Before providing for depreciation and stock appreciation.

Revenue account (continued)

TABLE 36 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Expenditure											
<i>Current expenditure on goods and services</i>											
Finance and tax collection	50	54	59	63	67	71	78	84	88	98	104
Police and justice	29	31	33	35	38	41	44	51	55	61	65
Overseas services	39	40	40	38	39	39	43	46	49	54	59
Military defence	820	1,090	1,450	1,540	1,548	1,522	1,625	1,552	1,529	1,542	1,597
Civil defence	—	5	21	22	19	14	11	9	8	9	9
Health services	414	427	436	450	464	499	549	591	626	676	733
National insurance, pensions and assistance	41	44	49	49	50	53	57	64	65	74	75
Agriculture and food	25	30	30	29	26	26	26	27	28	30	33
Industry and trade (1)	43	47	47	49	54	58	62	69	80	113	126
Other services	46	46	45	44	46	48	48	52	54	60	63
Total current expenditure on goods and services	1,507	1,814	2,210	2,319	2,351	2,371	2,543	2,545	2,582	2,717	2,864
<i>Subsidies</i>											
Housing	58	60	65	72	80	74	79	79	89	89	92
Agriculture and food	382	375	319	265	314	238	249	294	272	256	257
British Transport Commission	—	—	—	—	—	—	—	—	—	—	78
Other transport and communication	11	8	5	7	8	7	7	7	7	7	6
Other industry and trade (2)	12	12	13	2	3	3	3	3	3	3	3
Total subsidies	463	455	402	346	405	322	338	383	371	355	436
<i>Current grants to persons</i>											
Post-war credits	17	16	16	17	23	18	17	17	18	62	25
Education and child care:											
Scholarships and maintenance allowances	14	9	7	5	4	4	4	4	5	5	5
Grants to universities, schools, etc.	24	27	31	33	37	40	43	47	53	59	70
Milk and welfare food schemes	35	39	45	47	43	35	37	33	25	27	27
National insurance, pensions and assistance:											
National insurance (3) (4)	388	406	473	527	531	614	670	702	912	987	993
War pensions and service grants (4) ..	73	71	78	77	75	88	86	83	95	93	90
Non-contributory pensions	27	25	24	22	21	19	17	15	15	13	12
Assistance grants	60	71	95	104	108	102	109	117	121	141	172
Family allowances	64	66	80	108	109	111	116	129	129	133	136
Industrial services for the disabled ..	2	3	3	3	3	3	3	3	3	3	3
Other	12	10	11	10	12	12	12	20	20	19	19
Total current grants to persons	716	743	863	953	966	1,046	1,114	1,170	1,396	1,542	1,552
Debt interest	507	550	609	639	637	708	725	707	783	777	869
Current grants to local authorities (5) ..	298	336	372	398	422	469	521	594	632	679	741
Current grants to overseas governments and international organisations	40	43	53	51	55	61	57	60	62	68	76
National insurance and war pensions paid to non-residents	5	6	6	6	6	6	7	7	8	9	10
<i>Transfers to capital accounts at home</i>											
Post-war refunds of excess profits tax ..	11	7	6	8	4	5	1	—	1	1	—
Cash paid on conversion of securities ..	9	—	4	4	7	2	10	—	7	3	6
Town and country planning compensation	—	—	—	—	—	40	25	12	8	6	3
War damage compensation:											
Local authorities	5	4	3	3	2	2	2	2	2	1	1
Others	108	80	65	67	40	26	23	21	18	12	9
Capital grants to local authorities (6) ..	12	10	13	28	28	19	20	26	32	36	45
Other (7)	16	19	20	17	17	25	32	26	31	34	50
Total transfers to capital accounts at home	161	120	111	127	98	119	113	87	99	93	114
Total current expenditure on goods and services and transfers	3,697	4,067	4,626	4,839	4,940	5,102	5,418	5,553	5,933	6,240	6,662
Surplus before providing for depreciation and stock appreciation	685	648	384	234	285	510	422	614	671	611	385
Total	4,382	4,715	5,010	5,073	5,225	5,612	5,840	6,167	6,604	6,851	7,047

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

(2) Includes fuel and power.

(3) For detail see Table 39.

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

(5) For detail see Table 40.

(6) Excludes war damage compensation.

(7) For detail see Table 44.

Capital account

TABLE 37

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts											
Surplus before providing for depreciation and stock appreciation	685	648	384	234	285	510	422	614	671	611	385
Capital transfers from abroad:											
Grants under the European Recovery Programme and gifts from abroad	248	58	—	—	—	—	—	—	—	—	—
Sale of surplus war stores held abroad	6	5	5	—	—	—	—	—	—	—	—
Net receipts from settlements, etc.	21	30	30	27	11	14	14	4	1	2	1
Borrowing from overseas governments	21	5	26	—	—	—	—	89	—	37	—
Loan repayments by overseas governments	34	29	22	31	50	28	29	32	37	77	42
Net borrowing through National savings	—8	—2	—99	—71	48	4	23	41	174	364	292
Increase in fiduciary issue	25	75	125	100	100	125	125	125	50	50	150
New issues and sales of securities (net):											
Long-term securities:											
For cash	14	694	125	246	—86	—240	43	—29	140	—305	152
On acquisition of the capital of certain undertakings	46	50	50	283	20	14	2	—	—	—	—
Tax reserve certificates	39	58	—64	32	103	—84	—17	5	23	—25	35
Other	—30	—1,379	125	300	77	134	—236	—15	30	190	90
Proceeds of iron and steel disposals:											
Receipts of cash	—	—	—	12	65	57	28	47	3	2	9
Government securities redeemed	—	—	—	5	14	2	—	—	—	—	—
Receipts from certain pension "funds" (net)	17	21	25	23	23	109	24	33	35	36	44
Miscellaneous financial receipts (net) and changes in cash balances	80	47	—102	42	26	—60	27	19	—11	52	—1
Total	1,198	339	652	1,264	736	613	484	965	1,153	1,091	1,199
Payments											
Gross fixed capital formation at home :											
Military defence	32	69	100	93	57	46	56	69	57	46	28
Civil defence	—	1	5	9	11	8	7	5	2	2	1
Health	13	14	13	14	16	18	18	24	26	30	31
Agriculture, forestry and food	2	4	4	3	3	3	3	3	3	3	4
Civil aerodromes	5	4	4	3	3	5	3	5	5	3	4
Post Office	42	49	60	69	70	84	95	98	91	90	98
Factory building in Development Areas, etc.	6	5	5	4	3	6	8	6	5	4	6
Roads	2	2	2	2	2	3	7	12	30	42	43
Other	24	22	21	21	19	19	24	23	26	34	43
Total gross fixed capital formation	126	170	214	218	184	192	221	245	245	254	258
Increase in value of stocks:											
Trading bodies (1)	—68	65	3	—22	—169	—103	—5	3	5	6	13
Strategic stocks	—	127	49	42	45	3	—19	—39	—13	—16	—30
less Sales of surplus war stores in the United Kingdom	—27	—23	—7	—	—	—	—	—	—	—	—
Capital transfers abroad	108	15	—	—	—	—	—	—	—	—	—
Loans to overseas governments	18	38	6	5	16	33	10	19	22	49	61
Loan repayments to overseas governments	51	64	42	57	54	136	70	30	60	183	72
Increase in deposits with the International Monetary Fund, International Bank for Reconstruction and Development, International Finance Corporation and the European Monetary Fund	—42	10	—	57	44	2	—191	13	26	159	160
Increase in foreign reserves	683	—627	—202	231	168	—230	39	24	271	—136	175
Net lending to local authorities	262	372	409	328	260	414	91	63	—29	—34	—35
Net lending to public corporations	29	61	73	38	100	142	267	602	573	615	485
Net lending to building societies	—	—	—	—	—	—	—	—	—	8	37
Net lending to private industry, etc.:											
At home	4	3	2	5	—6	5	—3	6	—5	5	6
Abroad	—	10	12	12	4	2	2	—1	—2	—2	—3
Coal compensation:											
Payments in cash	8	4	1	3	2	1	—	—	—	—	—
Issues of stock	46	50	50	44	34	16	2	—	—	—	—
Acquisition of the capital of certain other undertakings	—	—	—	246	—	—	—	—	—	—	—
Total	1,198	339	652	1,264	736	613	484	965	1,153	1,091	1,199

(1) For detail see Table 44.

Revenue account of Central Government excluding National Insurance Funds

TABLE 38

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue											
Taxes on income.....	1,811	1,926	2,173	2,116	2,147	2,319	2,364	2,592	2,725	2,758	2,725
Taxes on capital.....	190	194	159	165	183	184	166	176	182	212	236
Taxes on expenditure.....	1,725	1,907	1,899	1,940	2,024	2,148	2,275	2,341	2,387	2,486	2,641
Gross trading income (1).....	115	93	15	32	75	78	86	89	112	116	125
Gross rental income (1).....	38	42	45	48	54	46	53	56	59	67	70
Interest, dividends, etc.....	57	88	111	128	145	179	208	215	256	293	318
National health contributions:											
From National Insurance Funds.....	41	42	41	41	41	42	41	29	—	—	—
From employers and insured persons.....	—	—	—	—	—	—	—	26	99	114	116
Current grants from overseas governments.....	—	4	120	105	50	46	26	21	3	—	—
Total	3,977	4,296	4,563	4,575	4,719	5,042	5,219	5,545	5,823	6,046	6,231
Expenditure											
Current expenditure on goods and services.....	1,480	1,787	2,179	2,287	2,319	2,338	2,509	2,505	2,541	2,669	2,817
Subsidies.....	463	455	402	346	405	322	338	383	371	355	436
Current grants to persons.....	328	337	390	426	435	432	444	468	484	555	559
Debt interest:											
To National Insurance Funds.....	27	31	33	34	34	33	35	37	39	41	43
Other.....	507	550	609	639	637	708	725	707	783	777	869
Current grants to National Insurance Funds.....	153	138	76	83	79	97	106	109	149	211	190
Current grants to local authorities.....	298	336	372	398	422	469	521	594	632	679	741
Current grants paid abroad.....	44	48	58	56	60	66	62	65	68	74	82
Transfers to capital accounts.....	161	120	111	127	98	119	113	87	99	93	114
Total expenditure	3,461	3,802	4,230	4,396	4,489	4,584	4,853	4,955	5,166	5,454	5,851
Surplus before providing for depreciation and stock appreciation.....	516	494	333	179	230	458	366	590	657	592	380
Total	3,977	4,296	4,563	4,575	4,719	5,042	5,219	5,545	5,823	6,046	6,231

(1) Before providing for depreciation and stock appreciation.

Revenue account of National Insurance Funds

TABLE 39

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue											
Contributions from employers:											
Forces	7	9	10	10	10	11	11	10	11	10	9
Other insured persons	192	196	208	234	237	268	293	294	366	382	388
Total	199	205	218	244	247	279	304	304	377	392	397
Contributions from insured persons:											
Forces	5	6	6	7	6	7	8	7	8	7	6
Other employed persons	209	213	222	243	247	274	292	285	337	347	353
Self-employed persons	22	23	24	25	26	27	30	28	32	33	34
Non-employed persons	5	5	6	6	6	7	8	7	6	5	5
Total	241	247	258	281	285	315	338	327	383	392	398
Grants from the Central Government	153	138	76	83	79	97	106	109	149	211	190
Interest	33	40	45	48	49	51	55	57	60	62	64
Total	626	630	597	656	660	742	803	797	969	1,057	1,049
Expenditure											
Current expenditure on goods and services (Costs of administration)	27	27	31	32	32	33	34	40	41	48	47
Expenditure on benefits (1):											
Retirement pensions	253	270	312	343	351	417	452	470	607	664	683
Widows' benefits and guardians' allowances	23	24	28	31	32	36	39	43	57	62	67
Unemployment benefit	20	15	28	27	20	18	22	27	49	51	35
Sickness benefit	68	70	74	90	87	98	105	109	131	140	135
Maternity benefit	9	9	9	9	13	13	15	16	20	20	21
Death grant	2	3	3	3	3	3	4	4	5	5	6
Injury benefit	9	9	10	11	11	12	13	12	17	18	18
Disablement benefit	5	7	9	13	14	17	20	21	25	27	29
Industrial death benefit	—	—	1	1	1	1	2	2	3	3	3
Total benefits	389	407	474	528	532	615	672	704	914	990	997
Contribution towards cost of National Health Service	41	42	41	41	41	42	41	29	—	—	—
Current surplus	169	154	51	55	55	52	56	24	14	19	5
Total	626	630	597	656	660	742	803	797	969	1,057	1,049

(1) Includes benefits paid to non-residents.

VIII. LOCAL AUTHORITIES

Current account

TABLE 40

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Revenue											
<i>Current grants from the Central Government</i>											
Grants not allocated to specific services	57	62	68	72	81	83	88	105	114	410	592
Police	12	14	16	15	15	19	21	21	24	26	26
Administration of justice.....	1	1	1	2	3	3	4	4	4	5	5
Civil defence.....	1	2	3	3	3	3	3	3	4	4	4
Social services:											
Education (1)	175	200	223	238	255	292	334	385	406	183	76
Child care	6	7	8	8	8	8	8	9	9	4	2
Health	18	20	22	22	23	25	26	28	32	13	3
Care of the aged, handicapped and homeless	1	1	1	1	1	1	1	1	1	1	1
Agricultural services	1	1	1	1	1	1	2	2	2	2	1
Provision of basic local services:											
Roads.....	16	19	21	22	22	25	25	26	26	26	27
Fire service	4	4	4	5	5	5	5	6	6	2	1
Sewerage and refuse disposal.....	1	—	—	—	—	—	—	—	—	—	—
Land drainage and coast protection	1	1	1	6	3	1	1	1	1	1	1
Other	4	4	3	3	2	3	3	3	3	2	2
Total current grants from the Central Government	298	336	372	398	422	469	521	594	632	679	741
Rates	337	364	392	433	460	475	556	615	649	714	764
Gross trading income (2).....	24	24	25	31	33	34	36	38	41	49	52
Gross rental income (2):											
Houses.....	69	78	92	109	125	143	162	182	199	213	229
Other land and buildings.....	35	39	44	51	60	66	78	92	105	118	133
Interest, etc.	15	15	15	16	17	19	22	26	28	33	37
Total	778	856	940	1,038	1,117	1,206	1,375	1,547	1,654	1,806	1,956
Expenditure											
<i>Current expenditure on goods and services</i>											
Rate collection	5	5	5	5	6	6	7	8	8	9	10
Police	39	44	48	50	53	57	67	72	78	82	89
Administration of justice.....	4	4	4	6	6	7	7	8	9	10	10
Civil defence.....	2	3	3	3	3	4	4	4	5	5	5
Social services:											
Education	241	280	310	331	365	398	461	529	571	628	692
Child care	13	14	16	17	17	18	19	20	22	22	23
Health	44	49	53	55	57	62	68	73	78	85	90
Care of the aged, handicapped and homeless	11	12	14	16	16	17	19	21	23	23	25
Agricultural services	2	2	2	2	2	2	2	3	3	3	3
Provision of basic local services:											
Roads.....	65	70	75	79	85	89	94	102	105	111	118
Public lighting	10	11	13	14	14	15	17	18	19	20	22
Fire service	14	16	17	18	19	20	22	24	25	27	29
Sewerage and refuse disposal.....	38	39	45	48	51	56	62	68	73	79	85
Land drainage and coast protection	5	5	6	10	8	7	7	8	8	9	10
Town and country planning, parks, etc.	20	22	24	25	27	28	32	35	37	40	42
Other	52	53	53	54	55	55	62	64	67	70	72
Total current expenditure on goods and services	565	629	688	733	784	841	950	1,057	1,131	1,223	1,325
Housing subsidies	14	15	18	19	20	25	29	30	29	27	26
Current grants to persons:											
Scholarships and grants to universities.....	13	15	17	19	20	22	25	28	32	36	39
School meals and milk	26	26	30	29	34	46	52	52	53	55	59
Debt interest:											
To Central Government	37	46	59	77	88	99	114	120	124	123	123
Other	44	43	45	46	54	63	75	100	119	144	166
Total current expenditure.....	699	774	857	923	1,000	1,096	1,245	1,387	1,488	1,608	1,738
Current surplus before providing for depreciation and stock appreciation	79	82	83	115	117	110	130	160	166	198	218
Total	778	856	940	1,038	1,117	1,206	1,375	1,547	1,654	1,806	1,956

(1) Includes grants for school meals and milk.

(2) Before providing for depreciation and stock appreciation.

Capital account

TABLE 41

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts											
Current surplus before providing for depreciation and stock appreciation	79	82	83	115	117	110	130	160	166	198	218
<i>Capital grants from the Central Government (1)</i>											
Housing (2)	5	3	2	4	4	3	2	3	2	1	1
Social services:											
Education and child care	4	2	3	3	3	3	4	5	5	5	6
Harbours, docks and aerodromes	—	—	—	—	—	—	—	—	1	1	1
Provision of basic local services:											
Roads and public lighting	2	2	2	2	3	5	8	12	17	19	26
Fire service	—	—	—	—	—	—	1	1	1	—	—
Water	2	3	5	6	7	5	3	3	3	4	4
Sewerage and refuse disposal	2	2	2	3	3	3	2	2	2	3	3
Land drainage and coast protection	1	1	1	11	8	3	2	2	2	3	3
Town and country planning, parks, etc.	1	1	1	1	1	1	1	1	1	2	2
Other	—	—	—	1	1	1	1	1	2	2	3
Total capital grants from the Central Government	17	14	16	31	30	21	22	28	34	37	46
Net borrowing from the Central Government	262	372	409	328	260	414	91	63	—29	—34	—35
Other borrowing (net)	59	10	50	154	202	49	381	360	398	395	413
Total	417	478	558	628	609	594	624	611	569	596	642
Payments											
<i>Gross fixed capital formation</i>											
Police	4	5	7	8	7	8	8	7	6	6	7
Housing (2)	264	288	352	398	363	313	296	286	247	251	261
Social services:											
Education and child care	50	62	71	72	73	81	102	120	119	117	116
Health	3	3	3	3	3	3	3	3	4	5	7
Care of the aged, handicapped and homeless	3	3	3	2	3	3	3	3	3	4	6
Agricultural services	—	1	1	1	1	1	1	1	1	1	1
Trading services (3):											
Gas and electricity	1	2	2	3	4	3	4	5	3	2	1
Road passenger transport	10	7	6	7	5	6	7	6	6	6	6
Harbours, docks and aerodromes	5	6	6	7	7	6	9	9	10	12	11
Other	4	4	3	3	4	4	6	6	6	9	12
Provision of basic local services:											
Roads and public lighting	9	11	11	13	16	22	26	28	34	43	49
Fire service	1	2	3	3	3	3	3	3	3	3	4
Water	20	24	30	33	32	31	36	33	32	32	36
Sewerage and refuse disposal	13	18	22	23	24	27	31	33	33	39	44
Land drainage and coast protection	3	4	4	14	12	7	7	6	7	7	8
Town and country planning, parks, etc.	11	13	11	12	11	12	13	11	11	13	17
Other	5	7	5	5	7	8	11	10	10	13	17
Total gross fixed capital formation	406	460	540	607	575	538	566	570	535	563	603
Capital grants to persons	1	1	1	1	2	6	8	8	7	8	13
Net lending for house purchase	10	17	17	20	32	50	50	33	27	25	26
Total	417	478	558	628	609	594	624	611	569	596	642

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

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

(3) Excludes housing and water.

IX. COMBINED PUBLIC AUTHORITIES

Analysis of current expenditure on goods and services

TABLE 42

£ million

	1955		1956		1957		1958		1959		1960	
	Wages, salaries, etc. (1)	Other payments (net)	Wages, salaries, etc. (1)	Other payments (net)	Wages, salaries, etc. (1)	Other payments (net)	Wages, salaries, etc. (1)	Other payments (net)	Wages, salaries, etc. (1)	Other payments (net)	Wages, salaries, etc. (1)	Other payments (net)
Finance and tax collection.....	56	21	62	23	66	26	70	26	76	31	82	32
Police and justice.....	83	22	95	23	104	27	112	30	118	35	128	36
Overseas services	17	22	18	25	19	27	20	29	22	32	24	35
Defence:												
Military defence (2).....	627	895	682	943	688	864	707	822	706	836	712	885
Civil defence	4	14	4	11	5	8	5	8	5	9	6	8
Housing.....	2	—	1	—	1	—	1	—	1	—	1	—
Social services:												
Education and child care	316	108	355	133	411	148	435	167	480	179	527	198
Health	274	287	301	316	325	339	345	359	378	383	394	429
National insurance, pensions and assistance	41	29	46	30	49	36	53	35	57	40	60	40
Agriculture and food.....	20	8	20	8	20	10	21	10	23	10	25	11
Promotion and regulation of industry and trade:												
Fuel and power industries...	2	2	2	2	2	2	2	2	2	1	2	1
Transport and communication	6	4	6	6	7	6	8	5	9	6	9	7
Other industry and trade.....	15	11	17	11	19	14	23	21	31	44	41	44
Employment services	17	1	18	—	18	1	19	—	20	—	22	—
Provision of basic services:												
Roads and public lighting...	62	55	67	57	71	64	77	62	83	66	82	75
Fire service.....	15	5	17	5	18	6	19	6	20	7	22	7
Sewerage and refuse disposal	33	23	36	26	39	29	41	32	43	36	46	39
Other (3)	108	7	119	8	127	6	136	5	145	6	155	4
Total (4)	1,698	1,514	1,866	1,627	1,989	1,613	2,094	1,619	2,219	1,721	2,338	1,851
of which												
Central Government	1,084	1,287	1,181	1,362	1,224	1,321	1,281	1,301	1,335	1,382	1,385	1,479
Local authorities	614	227	685	265	765	292	813	318	884	339	953	372

(1) Includes employers' contributions to national insurance, superannuation, etc.

(2) The columns "Wages, salaries, etc." include the following amounts for Forces' pay in cash and kind and the related employers' contributions (£ million):

	1955	1956	1957	1958	1959	1960
	402	447	451	470	467	471

(3) Includes land drainage, coast protection, town and country planning, parks, etc.

(4) Total wages and salaries and employers' contributions paid by public authorities are as follows (£ million):

	1955	1956	1957	1958	1959	1960
Total as shown in this table	1,698	1,866	1,989	2,094	2,219	2,338
Wages and salaries, etc., in trading services:						
Post Office (including wages, etc., charged to capital account).....	202	225	251	265	277	290
Other Central Government trading services	40	41	40	38	38	39
Local authorities' trading services	134	144	152	158	167	177
Wages and salaries, etc., charged to local authorities' capital account	25	27	27	29	32	33
Total	2,099	2,303	2,459	2,584	2,733	2,877

Combined current and capital account

TABLE 43

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Receipts (1)											
<i>Revenue or current account</i>											
Taxes on income and capital: Central Government.....	2,001	2,120	2,332	2,281	2,330	2,503	2,530	2,768	2,907	2,970	2,961
Taxes on expenditure: Central Government.....	1,725	1,907	1,899	1,940	2,024	2,148	2,275	2,341	2,387	2,486	2,641
Local authorities (2).....	337	364	392	433	460	475	556	615	649	714	764
National insurance and health con- tributions: Central Government.....	440	452	476	525	532	594	642	657	859	898	911
Gross trading income: Central Government.....	115	93	15	32	75	78	86	89	112	116	125
Local authorities.....	24	24	25	31	33	34	36	38	41	49	52
Gross rental income: Central Government.....	38	42	45	48	54	46	53	56	59	67	70
Local authorities.....	104	117	136	160	185	209	240	274	304	331	362
Interest and dividends, etc: Central Government.....	63	97	123	142	160	197	228	235	277	314	339
Local authorities.....	15	15	15	16	17	19	22	26	28	33	37
Grants from abroad: Central Government.....	—	4	120	105	50	46	26	21	3	—	—
Central Government grants to local authorities.....	298	336	372	398	422	469	521	594	632	679	741
Total as above.....	5,160	5,571	5,950	6,111	6,342	6,818	7,215	7,714	8,258	8,657	9,003
less Grants paid by the Central Government to local authorities	—298	—336	—372	—398	—422	—469	—521	—594	—632	—679	—741
less Interest paid by local authori- ties to the Central Government	—37	—46	—59	—77	—88	—99	—114	—120	—124	—123	—123
Consolidated total.....	4,825	5,189	5,519	5,636	5,832	6,250	6,580	7,000	7,502	7,855	8,139
<i>Capital account</i>											
Grants from abroad: Central Government.....	275	93	35	27	11	14	14	4	1	2	1
Central Government grants to local authorities	17	14	16	31	30	21	22	28	34	37	46
Total as above.....	292	107	51	58	41	35	36	32	35	39	47
less Grants paid by the Central Government to local authorities	—17	—14	—16	—31	—30	—21	—22	—28	—34	—37	—46
Consolidated total.....	275	93	35	27	11	14	14	4	1	2	1
<i>Combined current and capital account</i>											
Total receipts (1).....	5,100	5,282	5,554	5,663	5,843	6,264	6,594	7,004	7,503	7,857	8,140

(1) Excludes borrowing and other transactions in financial assets.

(2) Comprises rates.

Combined current and capital account (continued)

TABLE 43 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Expenditure (1)											
<i>Revenue or current account</i>											
Goods and services:											
Central Government.....	1,507	1,814	2,210	2,319	2,351	2,371	2,543	2,545	2,582	2,717	2,864
Local authorities.....	565	629	688	733	784	841	950	1,057	1,131	1,223	1,325
Subsidies and grants:											
Central Government.....	1,683	1,703	1,807	1,881	1,952	2,023	2,150	2,301	2,568	2,746	2,929
Local authorities.....	53	56	65	67	74	93	106	110	114	118	124
Debt interest:											
Central Government.....	507	550	609	639	637	708	725	707	783	777	869
Local authorities.....	81	89	104	123	142	162	189	220	243	267	289
Total as above.....	4,396	4,841	5,483	5,762	5,940	6,198	6,663	6,940	7,421	7,848	8,400
less Grants paid by the Central Government to local authorities	—315	—350	—388	—429	—452	—490	—543	—622	—666	—716	—787
less Interest paid by local authorities to the Central Government	—37	—46	—59	—77	—88	—99	—114	—120	—124	—123	—123
Consolidated total.....	4,044	4,445	5,036	5,256	5,400	5,609	6,006	6,198	6,631	7,009	7,490
<i>Capital account</i>											
Goods and services (2):											
Central Government.....	31	339	259	238	60	92	197	209	237	244	241
Local authorities.....	406	460	540	607	575	538	566	570	535	563	603
Grants:											
Central Government.....	108	15	—	—	—	—	—	—	—	—	—
Local authorities.....	1	1	1	1	2	6	8	8	7	8	13
Consolidated total.....	546	815	800	846	637	636	771	787	779	815	857
Combined current and capital account											
Debt interest.....	551	593	654	685	691	771	800	807	902	921	1,035
Goods and services, subsidies and grants (3):											
Finance and tax collection.....	92	82	90	97	107	102	113	109	122	173	145
Police and justice.....	79	87	96	103	109	118	131	142	152	165	178
Overseas services.....	179	85	77	73	75	78	82	91	95	104	120
Military defence.....	861	1,179	1,573	1,650	1,625	1,591	1,697	1,634	1,599	1,606	1,642
Civil defence.....	2	136	78	77	79	30	4	—21	2	—	—15
Housing.....	341	368	440	493	467	422	415	403	373	376	393
Education and child care (4).....	431	487	541	567	608	660	762	858	909	981	1,069
Health services.....	478	498	510	526	543	585	641	695	739	800	865
National insurance, pensions and assistance.....	674	707	825	914	922	1,016	1,087	1,144	1,374	1,480	1,522
Agriculture and food.....	384	435	356	321	219	189	289	342	327	316	322
Industry and trade (5).....	114	195	166	129	139	185	227	234	236	271	392
Roads and public lighting.....	95	104	112	119	129	142	157	175	203	234	249
Other services.....	309	304	318	348	324	356	372	372	377	397	430
Total expenditure (1).....	4,590	5,260	5,836	6,102	6,037	6,245	6,777	6,985	7,410	7,824	8,347
Net acquisition of financial assets											
Central Government (6).....	821	387	160	23	236	432	239	409	435	369	145
Local authorities (7).....	—311	—365	—442	—462	—430	—413	—422	—390	—342	—336	—352
Combined public authorities.....	510	22	—282	—439	—194	19	—183	19	93	33	—207

(1) Excludes lending and other transactions in financial assets.

(2) Comprises gross fixed capital formation and increase in value of stocks.

(3) For further detail see Table 44.

(4) Includes school meals, milk and welfare foods.

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

(6) For further detail see Table 37.

(7) For further detail see Table 41.

Analysis of expenditure (1)

TABLE 44

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Finance and tax collection:											
Current expenditure on goods and services	55	59	64	68	73	77	85	92	96	107	114
Current grants to persons	17	16	16	17	23	18	17	17	18	62	25
Capital grants	20	7	10	12	11	7	11	—	8	4	6
Total finance and tax collection	92	82	90	97	107	102	113	109	122	173	145
Police and justice:											
Police:											
Current expenditure on goods and services	57	63	69	72	76	82	94	103	111	117	126
Gross fixed capital formation at home	6	7	9	10	9	10	10	8	7	8	9
Total police	63	70	78	82	85	92	104	111	118	125	135
Prisons, courts, etc:											
Current expenditure on goods and services	15	16	16	19	21	23	24	28	31	36	38
Gross fixed capital formation at home	1	1	1	1	1	1	1	1	1	2	3
Current grants to persons	—	—	1	1	2	2	2	2	2	2	2
Total prisons, courts, etc.	16	17	18	21	24	26	27	31	34	40	43
Total police and justice	79	87	96	103	109	118	131	142	152	165	178
Overseas services:											
Current expenditure on goods and services	39	40	40	38	39	39	43	46	49	54	59
Current grants abroad	32	30	37	35	36	39	39	45	46	50	61
Capital grants	108	15	—	—	—	—	—	—	—	—	—
Total overseas services	179	85	77	73	75	78	82	91	95	104	120
Military defence:											
Current expenditure on goods and services	820	1,090	1,450	1,540	1,548	1,522	1,625	1,552	1,529	1,542	1,597
Gross fixed capital formation at home	32	69	100	93	57	46	56	69	57	46	28
Increase in value of stocks	—	6	6	—	—1	—1	—3	—3	—4	—1	1
Current grants to persons	—	—	—	—	1	1	1	1	1	2	2
Current grants abroad	7	12	15	15	18	21	16	13	14	15	12
Capital grants	2	2	2	2	2	2	2	2	2	2	2
Total military defence	861	1,179	1,573	1,650	1,625	1,591	1,697	1,634	1,599	1,606	1,642
Civil defence:											
Current expenditure on goods and services	2	8	24	25	22	18	15	13	13	14	14
Gross fixed capital formation at home	—	1	5	9	11	8	7	5	2	2	1
Increase in value of stocks	—	127	49	42	45	3	—19	—39	—13	—16	—30
Capital grants	—	—	—	1	1	1	1	—	—	—	—
Total civil defence	2	136	78	77	79	30	4	—21	2	—	—15

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

Analysis of expenditure (1) (continued)

TABLE 44 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Housing (2):											
Current expenditure on goods and services	1	1	1	2	2	2	1	1	1	1	1
Gross fixed capital formation at home	266	289	352	398	363	313	296	284	247	251	261
Subsidies	72	75	83	91	100	99	108	109	118	116	118
Capital grants	2	3	4	2	2	8	10	9	7	8	13
Total housing	341	368	440	493	467	422	415	403	373	376	393
Social services:											
Education and child care:											
Current expenditure on goods and services	261	301	333	356	390	424	488	559	602	659	725
Gross fixed capital formation at home	51	62	71	72	73	81	102	120	119	117	116
Current grants to persons	51	51	55	57	61	66	72	80	91	101	115
Capital grants	7	8	7	6	7	8	11	14	19	22	27
Total education and child care	370	422	466	491	531	579	673	773	831	899	983
School meals, milk and welfare foods:											
Current grants to persons	61	65	75	76	77	81	89	85	78	82	86
Health services:											
Current expenditure on goods and services	458	476	489	505	521	561	617	664	704	761	823
Gross fixed capital formation at home	16	17	16	17	19	21	21	27	30	35	38
Current grants to persons	—	—	—	—	—	—	—	1	1	1	1
Capital grants	4	5	5	4	3	3	3	3	4	3	3
Total health services	478	498	510	526	543	585	641	695	739	800	865
National insurance, pensions and assistance:											
Current expenditure on goods and services	52	56	63	65	66	70	76	85	88	97	100
Gross fixed capital formation at home	3	3	3	2	3	3	3	3	3	4	6
Current grants to persons (3)	614	642	753	841	847	937	1,001	1,049	1,275	1,370	1,406
Current grants abroad	5	6	6	6	6	6	7	7	8	9	10
Total national insurance, pensions and assistance	674	707	825	914	922	1,016	1,087	1,144	1,374	1,480	1,522
Total social services	1,583	1,692	1,876	2,007	2,073	2,261	2,490	2,697	3,022	3,261	3,456
Agriculture and food (4):											
Current expenditure on goods and services	27	32	32	31	28	28	28	30	31	33	36
Gross fixed capital formation at home	2	5	5	4	4	4	4	4	4	4	5
Increase in value of stocks	—32	18	—5	16	—133	—87	—	6	11	13	13
Subsidies	382	375	319	265	314	238	249	294	272	256	257
Current grants to persons	4	4	4	4	4	4	5	5	6	6	7
Capital grants	1	1	1	1	2	2	3	3	3	4	4
Total agriculture and food	384	435	356	321	219	189	289	342	327	316	322

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

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

(3) For detail see Table 36.

(4) Includes forestry and fisheries.

Analysis of expenditure ⁽¹⁾ (continued)

TABLE 44 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Promotion and regulation of industry and trade:											
Fuel and power industries:											
Current expenditure on goods and services	4	6	4	4	4	4	4	4	4	3	3
Gross fixed capital formation at home	1	2	2	3	4	3	4	5	3	2	1
Subsidies	1	—	—	—	—	—	—	—	—	—	—
Total fuel and power industries	6	8	6	7	8	7	8	9	7	5	4
Transport and communication:											
Current expenditure on goods and services	11	9	9	9	9	10	12	13	13	15	16
Gross fixed capital formation at home	62	66	76	86	85	101	114	118	112	111	119
Increase in value of stocks	—1	—	2	2	2	5	6	4	—2	—6	—1
Subsidies	11	8	5	7	8	7	7	7	7	7	84
Current grants abroad	1	1	1	1	1	1	1	1	1	1	1
Capital grants	—	—	—	—	—	5	8	—	—	—	—
Total transport and communication	84	84	93	105	105	129	148	143	131	128	219
Other industry and trade:											
Current expenditure on goods and services	12	15	17	19	24	26	28	33	44	75	85
Gross fixed capital formation at home	13	13	14	13	13	16	23	23	23	30	38
Increase in value of stocks	—35	41	—	—40	—37	—20	—8	—4	—	—	—
Subsidies	11	12	13	2	3	3	3	3	3	3	3
Current grants to persons	2	2	2	2	2	2	2	2	3	3	3
Current grants abroad	—	—	—	—	—	—	1	1	1	2	2
Capital grants	1	1	2	2	2	2	2	3	3	3	14
Total other industry and trade	4	84	48	—2	7	29	51	61	77	116	145
Employment services:											
Current expenditure on goods and services	16	17	17	17	17	18	18	19	19	20	22
Current grants to persons	4	2	2	2	2	2	2	2	2	2	2
Total employment services	20	19	19	19	19	20	20	21	21	22	24
Total promotion and regulation of industry and trade	114	195	166	129	139	185	227	234	236	271	392
Provision of basic services:											
Roads and public lighting:											
Current expenditure on goods and services	84	91	99	104	111	117	124	135	139	149	157
Gross fixed capital formation at home	11	13	13	15	18	25	33	40	64	85	92
Total roads and public lighting	95	104	112	119	129	142	157	175	203	234	249
Fire service:											
Current expenditure on goods and services	14	16	17	18	19	20	22	24	25	27	29
Gross fixed capital formation at home	1	2	3	3	3	3	3	3	3	3	4
Total fire service	15	18	20	21	22	23	25	27	28	30	33
Water, sewerage and refuse disposal:											
Current expenditure on goods and services	38	39	45	48	51	56	62	68	73	79	85
Gross fixed capital formation at home	33	42	52	56	56	58	67	66	65	71	80
Total water, sewerage and refuse disposal	71	81	97	104	107	114	129	134	138	150	165

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

Analysis of expenditure (1) (continued)

£ million

TABLE 44 (continued)

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Provision of basic services (continued)											
Land drainage and coast protection:											
Current expenditure on goods and services	5	5	6	10	8	7	7	8	8	9	10
Gross fixed capital formation at home	3	4	4	14	12	7	7	6	7	7	8
Total land drainage and coast protection	8	9	10	24	20	14	14	14	15	16	18
Total provision of basic services	189	212	239	268	278	293	325	350	384	430	465
Town and country planning, parks, etc:											
Current expenditure on goods and services	27	31	33	33	35	36	41	44	47	51	54
Gross fixed capital formation at home	11	13	11	12	11	12	13	11	11	13	17
Capital grants	—	—	—	—	—	40	25	12	8	6	3
Total town and country planning, parks, etc.	38	44	44	45	46	88	79	67	66	70	74
War damage compensation and disposal of surplus war stores in the United Kingdom:											
Increase in value of stocks	—27	—23	—7	—	—	—	—	—	—	—	—
Capital grants	108	80	65	67	40	26	23	21	18	12	9
Total war damage compensation, etc.	81	57	58	67	40	26	23	21	18	12	9
Other services:											
Current expenditure on goods and services	74	72	70	69	71	72	79	81	86	91	95
Gross fixed capital formation at home	20	21	17	17	17	18	23	22	22	26	35
Current grants to persons	2	2	2	1	1	1	—	6	4	2	1
Total other services	96	95	89	87	89	91	102	109	112	119	131
Total expenditure (1):											
Current expenditure on goods and services	2,072	2,443	2,898	3,052	3,135	3,212	3,493	3,602	3,713	3,940	4,189
Gross fixed capital formation at home	532	630	754	825	759	730	787	815	780	817	861
Increase in value of stocks	—95	169	45	20	—124	—100	—24	—36	—8	—10	—17
Subsidies	477	470	420	365	425	347	367	413	400	382	462
Current grants to persons	755	784	910	1,001	1,020	1,114	1,191	1,250	1,481	1,633	1,650
Current grants abroad	45	49	59	57	61	67	64	67	70	77	86
Capital grants	253	122	96	97	70	104	99	67	72	64	81
Total expenditure (1) by combined public authorities	4,039	4,667	5,182	5,417	5,346	5,474	5,977	6,178	6,508	6,903	7,312
of which:											
Central Government	3,014	3,521	3,888	4,009	3,911	3,996	4,347	4,433	4,721	4,991	5,247
Local authorities:											
borne by Central Government	315	350	388	429	452	490	543	622	666	716	787
borne by Local authorities	710	796	906	979	983	988	1,087	1,123	1,121	1,196	1,278

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

COMBINED PUBLIC AUTHORITIES

Housing subsidies

TABLE 45

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Central Government											
Permanent housing:											
Payments to local authorities.....	27	30	36	42	49	55	63	64	75	74	77
Payments to public corporations	1	1	1	2	2	3	4	4	4	5	5
Temporary housing:											
Annuities.....	23	23	23	23	24	12	8	8	8	8	8
less Receipts from local authorities	-3	-2	-2	-2	-2	-2	-2	-1	-1	-2	-2
Emergency housing: net payments to local authorities	9	7	6	6	6	6	6	4	3	4	4
Grants to the National Service Hostels Corporation	1	1	1	1	1	—	—	—	—	—	—
Net subsidies	58	60	65	72	80	74	79	79	89	89	92
Local authorities											
Emergency housing:											
Expenses	19	16	14	14	15	15	} 6	5	4	4	4
less Rents, etc.	-10	-9	-8	-8	-9	-9		—	—	—	—
less Receipts from Central Government	-9	-7	-6	-6	-6	-6	-6	-4	-3	-4	-4
Other housing:											
Loan charges	69	78	92	109	125	143	162	182	199	213	229
Payments to Central Government for temporary houses.....	3	2	2	2	2	2	2	1	1	2	2
Other expenses	33	38	44	48	53	60	70	72	77	80	86
less Rents, etc.	-64	-73	-84	-98	-111	-125	-142	-162	-174	-194	-214
less Subsidies from Central Government	-27	-30	-36	-42	-49	-55	-63	-64	-75	-74	-77
Net subsidies	14	15	18	19	20	25	29	30	29	27	26
Combined public authorities	72	75	83	91	100	99	108	109	118	116	118

Taxes on expenditure and subsidies

Allocation by type of expenditure

TABLE 46

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Taxes on consumers' expenditure.....	1,856	1,979	1,978	2,038	2,128	2,248	2,409	2,526	2,608	2,734	2,881
less Subsidies on consumers' expenditure	469	462	413	362	421	344	363	409	396	378	431
Net taxes on:											
Consumers' expenditure	1,387	1,517	1,565	1,676	1,707	1,904	2,046	2,117	2,212	2,356	2,450
Public authorities' current expenditure on goods and services.....	46	61	83	99	110	98	106	111	107	113	119
Gross domestic capital formation.....	90	142	142	154	158	183	205	207	213	230	232
Exports of goods and services.....	62	81	81	79	84	91	107	108	104	119	115
Total taxes on expenditure less subsidies	1,585	1,801	1,871	2,008	2,059	2,276	2,464	2,543	2,636	2,818	2,916

Taxes on income, national insurance contributions and taxes on capital

Allocation by type of income ⁽¹⁾, property and sector

TABLE 47

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Taxes on income and national insurance and health contributions											
Taxes on income (payments):											
Persons	1,029	1,176	1,188	1,148	1,254	1,345	1,470	1,620	1,720	1,810	2,020
Companies	779	746	982	944	856	940	864	951	989	937	693
Public corporations	3	4	3	24	37	34	30	21	16	11	12
National insurance and health contributions	440	452	476	525	532	594	642	657	859	898	911
Total	2,251	2,378	2,649	2,641	2,679	2,913	3,006	3,249	3,584	3,656	3,636
Rent of land and buildings:											
Income tax	114	113	118	116	112	112	108	110	116	127	129
Surtax	3	3	3	3	3	3	3	4	4	4	4
Transfer incomes ⁽²⁾ :											
Income tax	10	10	10	13	14	14	14	15	15	15	16
Dividends, interest and trading incomes:											
Income tax	824	807	972	1,066	1,068	1,180	1,143	1,196	1,206	1,208	1,027
Surtax	87	94	94	94	94	93	99	107	108	113	118
Profits tax, excess profits tax, excess profits levy, etc.	277	297	375	272	253	223	199	243	279	261	262
Insurance contributions of self-employed and non - employed persons	27	28	30	31	32	34	38	37	47	47	48
Income from employment:											
Wages and salaries:											
Income tax	460	560	556	507	556	645	740	847	926	953	1,087
Surtax	24	28	31	33	35	36	43	47	48	51	55
Employees' insurance contributions	209	213	222	243	247	274	292	304	405	424	431
Pay of the Forces:											
Income tax	12	14	14	12	12	13	15	22	22	25	26
Surtax	—	—	—	—	—	—	—	1	1	1	1
Employees' insurance contributions	5	6	6	7	6	7	8	7	9	9	8
Employers' insurance contributions:											
Forces	7	9	10	10	10	11	11	10	12	12	11
Civilian employees	192	196	208	234	237	268	293	299	386	406	413
Total	2,251	2,378	2,649	2,641	2,679	2,913	3,006	3,249	3,584	3,656	3,636
Taxes on capital											
Death duties:											
Land and buildings	25	27	21	23	24	25	22	23	24	29	35
Government and municipal securities	51	52	43	46	51	47	40	40	42	47	48
Other stocks and shares	72	73	59	60	71	76	70	77	78	93	109
Other forms of property	36	39	34	35	36	36	34	36	38	43	44
Special contribution	6	3	2	1	1	—	—	—	—	—	—
Total	190	194	159	165	183	184	166	176	182	212	236

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

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

X. FINANCIAL ACCOUNTS

The financing of investment

TABLE 48

£ million

		Private sector			Public sector				Residual error	Total
		Personal sector	Com-panies	Total	Public corporations	Central Govern-ment	Local authori-ties	Total		
Saving before providing for depreciation and stock appreciation and tax, dividend and interest re-serves (1)										
	1950	109	1,428	1,537	127	656	79	862	49	2,448
	1951	174	1,745	1,919	171	574	82	827	18	2,764
	1952	412	1,173	1,585	183	336	83	602	25	2,212
	1953	510	1,343	1,853	194	196	115	505	149	2,507
	1954	459	1,694	2,153	205	200	117	522	127	2,802
	1955	705	1,771	2,476	165	445	110	720	—83	3,113
	1956	1,021	1,909	2,930	206	369	130	705	111	3,746
	1957	1,022	1,969	2,991	170	525	160	855	113	3,959
	1958	866	1,921	2,787	160	588	166	914	191	3,892
	1959	1,015	2,166	3,181	185	492	198	875	5	4,061
	1960	1,569	2,439	4,008	297 ⁽²⁾	236 ⁽²⁾	218	751	—283	4,476
Taxes on capital										
	1950	—190	—	—190	—	190	—	190	—	—
	1951	—194	—	—194	—	194	—	194	—	—
	1952	—159	—	—159	—	159	—	159	—	—
	1953	—165	—	—165	—	165	—	165	—	—
	1954	—183	—	—183	—	183	—	183	—	—
	1955	—184	—	—184	—	184	—	184	—	—
	1956	—166	—	—166	—	166	—	166	—	—
	1957	—176	—	—176	—	176	—	176	—	—
	1958	—182	—	—182	—	182	—	182	—	—
	1959	—212	—	—212	—	212	—	212	—	—
	1960	—236	—	—236	—	236	—	236	—	—
Capital transfers (net receipts)										
	1950	88	54	142	3	6	16	25	—	167
	1951	70	32	102	5	—42	13	—24	—	78
	1952	59	32	91	5	—76	15	—56	—	35
	1953	48	42	90	7	—100	30	—63	—	27
	1954	38	25	63	7	—87	28	—52	—	11
	1955	65	27	92	12	—105	15	—78	—	14
	1956	61	22	83	16	—99	14	—69	—	14
	1957	47	11	58	9	—83	20	—54	—	4
	1958	51	14	65	7	—98	27	—64	—	1
	1959	48	9	57	7	—91	29	—55	—	2
	1960	56	18	74	7	—113	33	—73	—	1
less Provision for stock appreciation										
	1950	—63	—440	—503	—29	—118	—	—147	—	—650
	1951	—112	—465	—577	—80	—93	—	—173	—	—750
	1952	—10	22	12	6	32	—	38	—	50
	1953	—7	44	37	6	32	—	38	—	75
	1954	—20	—53	—73	—7	5	—	—2	—	—75
	1955	—44	—119	—163	—18	—15	—	—33	—	—196
	1956	—37	—131	—168	—10	—	—	—10	—	—178
	1957	—24	—79	—103	—14	—	—	—14	—	—117
	1958	—15	34	19	3	—	—	3	—	22
	1959	—22	—93	—115	5	—	—	5	—	—110
	1960	—30	—84	—114	—13	—	—	—13	—	—127
Total funds available from saving and capital transfers for gross investment										
	1950	—56	1,042	986	101	734	95	930	49	1,965
	1951	—62	1,312	1,250	96	633	95	824	18	2,092
	1952	302	1,227	1,529	194	451	98	743	25	2,297
	1953	386	1,429	1,815	207	293	145	645	149	2,609
	1954	294	1,666	1,960	205	301	145	651	127	2,738
	1955	542	1,679	2,221	159	509	125	793	—83	2,931
	1956	879	1,800	2,679	212	436	144	792	111	3,582
	1957	869	1,901	2,770	165	618	180	963	113	3,846
	1958	720	1,969	2,689	170	672	193	1,035	191	3,915
	1959	829	2,082	2,911	197	613	227	1,037	5	3,953
	1960	1,359	2,373	3,732	291	359	251	901	—283	4,350

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

(2) £27 million of subsidies accrued but not paid during 1960 are included in the saving of public corporations and excluded from the saving of Central Government.

The financing of investment (continued)

TABLE 48 (continued)

£ million

		Private sector			Public sector				Residual error	Total
		Personal sector	Com-panies	Total	Public corporations	Central Govern-ment	Local authori-ties	Total		
Gross fixed capital formation at home	1950	249	631	880	288	126	406	820	—	1,700
	1951	269	627	896	358	170	460	988	—	1,884
	1952	304	630	934	414	214	540	1,168	—	2,102
	1953	371	671	1,042	488	218	607	1,313	—	2,355
	1954	463	782	1,245	538	184	575	1,297	—	2,542
	1955	533	964	1,497	570	192	538	1,300	—	2,797
	1956	541	1,184	1,725	592	221	566	1,379	—	3,104
	1957	549	1,356	1,905	659	245	570	1,474	—	3,379
	1958	608	1,413	2,021	694	245	535	1,474	—	3,495
	1959	698	1,453	2,151	757	254	563	1,574	—	3,725
	1960	796	1,647	2,443	799	258	603	1,660	—	4,103
Value of physical increase in stocks and work in progress	1950	41	—23	18	—15	—213	—	—228	—	—210
	1951	70	425	495	4	76	—	80	—	575
	1952	—15	—63	—78	51	77	—	128	—	50
	1953	33	65	98	—25	52	—	27	—	125
	1954	44	200	244	—69	—119	—	—188	—	56
	1955	41	352	393	22	—115	—	—93	—	300
	1956	33	266	299	16	—24	—	—8	—	291
	1957	28	219	247	54	—36	—	18	—	265
	1958	14	87	101	36	—8	—	28	—	129
	1959	52	120	172	15	—10	—	5	—	177
	1960	62	571	633	—25	—17	—	—42	—	591
Net acquisition of financial assets <i>plus</i> net investment abroad	1950	—346	434	88	—172	821	—311	338	49	475
	1951	—401	260	—141	—266	387	—365	—244	18	—367
	1952	13	660	673	—271	160	—442	—553	25	145
	1953	—18	693	675	—256	23	—462	—695	149	129
	1954	—213	684	471	—264	236	—430	—458	127	140
	1955	—32	363	331	—433	432	—413	—414	—83	—166
	1956	305	350	655	—396	239	—422	—579	111	187
	1957	292	326	618	—548	409	—390	—529	113	202
	1958	98	469	567	—560	435	—342	—467	191	291
	1959	79	509	588	—575	369	—336	—542	5	51
	1960	501	155	656	—483	118	—352	—717	—283	—344
Total investment	1950	—56	1,042	986	101	734	95	930	49	1,965
	1951	—62	1,312	1,250	96	633	95	824	18	2,092
	1952	302	1,227	1,529	194	451	98	743	25	2,297
	1953	386	1,429	1,815	207	293	145	645	149	2,609
	1954	294	1,666	1,960	205	301	145	651	127	2,738
	1955	542	1,679	2,221	159	509	125	793	—83	2,931
	1956	879	1,800	2,679	212	436	144	792	111	3,582
	1957	869	1,901	2,770	165	618	180	963	113	3,846
	1958	720	1,969	2,689	170	672	193	1,035	191	3,915
	1959	829	2,082	2,911	197	613	227	1,037	5	3,953
	1960	1,359	2,373	3,732	291	359	251	901	—283	4,350

Sales of financial assets by the public sector: analysis by type of asset ⁽¹⁾

TABLE 49

£ million

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Identified items:									
Notes and coin in circulation.....	100	87	126	136	124	126	42	85	123
Deposits with the Bank of England (2).....	—23	6	29	—37	—40	—38	—7	86	8
Treasury bills.....	338	304	65	191	—179	19	47	95	—42
British government and government guaranteed securities.....	326	500	61	99	38	—31	142	—303	144
Treasury deposit receipts.....	—119	—	—	—	—	—	—	—	—
Special deposits.....	—	—	—	—	—	—	—	—	152
Tax reserve certificates.....	—64	32	103	—84	—17	5	23	—25	35
National savings.....	—99	—71	48	4	23	41	174	364	292
Local authority debt (excluding bank advances and loans)	39	129	160	62	369	351	326	354	326
Borrowing on bank advances and loans.....	19	—23	75	—132	76	—42	70	40	76
Iron and steel disposals for cash.....	—	12	65	57	28	47	3	2	9
Miscellaneous home receipts.....	23	—6	18	—4	21	—26	52	34	58
Foreign reserves.....	202	—231	—168	230	—39	—24	—271	136	—175
Inter-government loans.....	—	—31	—20	—53	—51	72	—45	—118	—91
Loans from non-territorial organisations.....	—	—57	—44	—2	191	—13	—26	—159	—160
Miscellaneous overseas receipts.....	—5	—14	—13	—8	30	—21	—7	42	13
less Loans for house purchase.....	—17	—20	—32	—50	—50	—33	—27	—33	—63
less Advances by the Bank of England to discount houses	—1	5	—50	—9	25	23	3	—20	—5
less Trade and hire purchase debt at home (net).....	—12	—	—38	—20	29	19	—8	—3	2
Total of identified items.....	707	622	385	380	578	475	491	577	702
Changes in cash balances and unidentified items.....	—154	73	73	34	1	54	—24	—35	15
Sales of financial assets (net) (3).....	553	695	458	414	579	529	467	542	717

(1) Sales of assets or increases in liabilities are shown positive; acquisitions of assets or reductions in liabilities negative.

(2) Excludes special deposits.

(3) Includes a small amount of net investment abroad in real fixed assets.

Sales of financial assets by the public sector: analysis by sector acquiring assets (1)

TABLE 50

£ million

	1952	1953	1954	1955	1956	1957	1958	1959	1960
Radcliffe banks:									
Cash and balances at Bank of England.....	19	—9	31	—3	5	30	—14	46	32
Treasury bills.....	512	75	—111	99	—138	217	—190	31	—253
Special deposits.....	—	—	—	—	—	—	—	—	152
Treasury deposit receipts.....	—108	—	—	—	—	—	—	—	—
British government and government guaranteed securities	220	260	109	—403	—59	—32	144	—418	—365
Advances and loans to public sector.....	19	—23	75	—132	76	—42	70	40	76
less Advances by the Bank of England to discount houses	—1	5	—50	—9	25	23	3	—20	—5
Total	661	308	54	—448	—91	196	13	—321	—363
Overseas sector: identified items:									
Foreign reserves.....	202	—231	—168	230	—39	—24	—271	136	—175
Official overseas holdings of Treasury bills.....	—310	208	—48	—60	—34	—106	70	65	—35
Official overseas holdings of British government and government guaranteed securities.....	—74	35	117	107	17	—19	—182	35	77
Inter-government loans.....	—	—31	—20	—53	—51	72	—45	—118	—91
Loans from certain non-territorial organisations.....	—	—57	—44	—2	191	—13	—26	—159	—160
Miscellaneous overseas receipts(2).....	—5	—14	—13	—8	30	—21	—7	42	35
Total	—187	—90	—176	214	114	—111	—461	1	—349
Private sector (3) and unidentified overseas holders:									
Notes and coin.....	72	110	128	96	75	54	51	134	101
Treasury bills.....	136	21	224	152	—7	—92	167	—1	246
British government and government guaranteed securities	180	205	—165	395	80	20	180	80	432
Tax reserve certificates.....	—64	32	103	—84	—17	5	23	—25	35
National savings.....	—99	—71	48	4	23	41	174	364	292
Local authority debt.....	39	129	160	62	369	351	326	354	304
Iron and steel disposals.....	—	12	65	57	28	47	3	2	9
Other identified receipts (4)	—2	—14	14	2	25	—22	50	25	56
less Loans for house purchase.....	—17	—20	—32	—50	—50	—33	—27	—33	—63
less Trade and hire purchase debt at home (net).....	—12	—	—38	—20	29	19	—8	—3	2
Total	233	404	507	614	555	390	939	897	1,414
Changes in cash balances and other unidentified items	—154	73	73	34	1	54	—24	—35	15
Sales of financial assets (net) (5)	553	695	458	414	579	529	467	542	717

(1) Sales of assets or increases in liabilities are shown positive; acquisitions of assets or reductions in liabilities negative.

(2) Includes for 1960 borrowing from overseas by local authorities so far as can be readily identified. In previous years the whole of local authority debt (excluding bank advances and loans) as shown in Table 49 is attributed to the private sector and unidentified overseas items in Table 50.

(3) Excluding Radcliffe banks.

(4) Miscellaneous receipts in Table 49 plus increase in deposits with the Bank of England (other than by the Radcliffe banks) and, for 1952, reduction in Treasury deposit receipts held by other than Radcliffe banks.

(5) Includes a small amount of net investment abroad in real fixed assets.

XI CAPITAL FORMATION

Gross fixed capital formation by sector at current and 1954 prices

TABLE 51

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
At current prices											
Public sector (1):											
Vehicles, ships and aircraft.....	76	69	64	78	73	93	122	158	149	151	169
Plant and machinery.....	221	314	368	407	431	456	469	478	491	540	562
Dwellings (2).....	280	317	393	459	419	353	336	315	269	265	274
Other new buildings and works, etc. (3).....	243	288	343	369	374	398	452	523	565	618	655
Total	820	988	1,168	1,313	1,297	1,300	1,379	1,474	1,474	1,574	1,660
Private sector:											
Vehicles, ships and aircraft.....	187	189	198	233	260	291	323	361	400	439	495
Plant and machinery.....	422	435	422	420	489	583	667	787	827	840	901
Dwellings (2).....	51	59	101	171	226	266	297	302	322	393	479
Other new buildings and works, etc. (3).....	220	213	213	218	270	357	438	455	472	479	568
Total	880	896	934	1,042	1,245	1,497	1,725	1,905	2,021	2,151	2,443
Total	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103
At 1954 prices											
Public sector (1):											
Vehicles, ships and aircraft.....	96	80	66	78	73	89	112	136	122	123	138
Plant and machinery.....	270	355	377	404	431	435	421	415	419	459	474
Dwellings (2).....	345	337	380	454	419	333	301	280	235	237	243
Other new buildings and works, etc. (3).....	300	317	344	368	374	374	408	453	473	521	545
Total	1,011	1,089	1,167	1,304	1,297	1,231	1,242	1,284	1,249	1,340	1,400
Private sector:											
Vehicles, ships and aircraft.....	236	218	199	233	260	289	304	320	339	380	432
Plant and machinery.....	524	504	440	424	489	558	599	673	678	683	715
Dwellings (2).....	63	62	97	169	226	251	267	266	281	351	424
Other new buildings and works, etc. (3).....	265	230	212	216	270	336	400	401	407	425	511
Total	1,088	1,014	948	1,042	1,245	1,434	1,570	1,660	1,705	1,839	2,082
Total	2,099	2,103	2,115	2,346	2,542	2,665	2,812	2,944	2,954	3,179	3,482

(1) Central Government, local authorities and public corporations.

(2) Excludes existing dwellings and land.

(3) Includes land, legal fees, stamp duties, etc.

Gross fixed capital formation by sector and type of asset

TABLE 52

£ million

		Persons (1)	Com- panies	Public corpora- tions	Central Government		Local authorities		Total
					Trading	Other	Trading	Other	
Vehicles, ships and aircraft.....	1950	49	138	62	3	1	8	2	263
	1951	55	134	57	1	2	6	3	258
	1952	63	135	51	2	3	4	4	262
	1953	65	168	64	2	2	6	4	311
	1954	74	186	60	2	2	5	4	333
	1955	89	202	78	3	3	5	4	384
	1956	88	235	104	3	4	7	4	445
	1957	89	272	143	2	1	7	5	519
	1958	102	298	134	2	2	6	5	549
	1959	111	328	137	2	3	4	5	590
	1960	125	370	152	3	3	5	6	664
Plant and machinery.....	1950	85	337	145	45	12	9	10	643
	1951	91	344	195	79	18	10	12	749
	1952	88	334	223	107	16	12	10	790
	1953	85	335	254	110	18	14	11	827
	1954	94	395	299	89	19	14	10	920
	1955	106	477	323	91	18	13	11	1,039
	1956	101	566	315	103	24	13	14	1,136
	1957	121	666	310	111	27	15	15	1,265
	1958	141	686	330	103	27	13	18	1,318
	1959	146	694	383	99	26	13	19	1,380
	1960	140	761	400	99	31	12	20	1,463
Dwellings (2)	1950	50	1	11	2	10	255	2	331
	1951	58	1	19	1	15	279	3	376
	1952	99	2	30	1	16	342	4	494
	1953	167	4	50	—	14	390	5	630
	1954	221	5	46	—	13	355	5	645
	1955	260	6	34	—	12	302	5	619
	1956	292	5	33	—	12	287	4	633
	1957	296	6	29	—	8	275	3	617
	1958	314	8	25	—	6	234	4	591
	1959	382	11	25	—	5	232	3	658
	1960	466	13	25	—	8	238	3	753
Other new buildings and works, land, legal fees, stamp duties, etc.	1950	65	155	70	19	34	32	88	463
	1951	65	148	87	21	33	36	111	501
	1952	54	159	110	32	37	40	124	556
	1953	54	164	120	33	39	41	136	587
	1954	74	196	133	24	35	41	141	644
	1955	78	279	135	24	41	43	155	755
	1956	60	378	140	28	47	51	186	890
	1957	43	412	177	34	62	50	200	978
	1958	51	421	205	34	71	51	204	1,037
	1959	59	420	212	34	85	63	224	1,097
	1960	65	503	222	26	88	72	247	1,223
Total	1950	249	631	288	69	57	304	102	1,700
	1951	269	627	358	102	68	331	129	1,884
	1952	304	630	414	142	72	398	142	2,102
	1953	371	671	488	145	73	451	156	2,355
	1954	463	782	538	115	69	415	160	2,542
	1955	533	964	570	118	74	363	175	2,797
	1956	541	1,184	592	134	87	358	208	3,104
	1957	549	1,356	659	147	98	347	223	3,379
	1958	608	1,413	694	139	106	304	231	3,495
	1959	698	1,453	757	135	119	312	251	3,725
	1960	796	1,647	799	128	130	327	276	4,103

(1) 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.

(2) Excludes existing dwellings and land.

CAPITAL FORMATION

Gross fixed capital formation by type of asset at current prices

TABLE 53

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Buses and coaches.....	35	25	21	18	20	17	19	18	19	20	23
Other road vehicles.....	115	134	149	156	165	209	219	215	250	274	332
Railway rolling stock.....	31	33	27	36	47	55	65	89	85	96	89
Ships	74	59	57	91	91	84	115	151	159	175	178
Aircraft	8	7	8	10	10	19	27	46	36	25	42
Plant and machinery.....	643	749	790	827	920	1,039	1,136	1,265	1,318	1,380	1,463
Dwellings	331	376	494	630	645	619	633	617	591	658	753
Other new buildings and works.....	412	447	511	547	601	708	846	936	993	1,047	1,168
Legal fees, stamp duties, etc. (1).....	51	54	45	40	43	47	44	42	44	50	55
Total (2)	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103

(1) Incurred in the transfer of land and buildings.

(2) Expenditure on repairs and maintenance to buildings and works carried out by contractors and by labour directly employed by public authorities (most of which is not included in gross fixed capital formation) is estimated as follows (£ million):

1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
477	519	549	560	578	611	671	691	714	772	808

Gross fixed capital formation by type of asset at 1954 prices

TABLE 54

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Buses and coaches	40	26	21	18	20	16	18	16	16	17	19
Other road vehicles.....	143	139	138	152	165	209	208	194	223	259	317
Railway rolling stock, ships and aircraft	149	133	106	141	148	153	190	246	222	227	234
Plant and machinery	794	859	817	828	920	993	1,020	1,088	1,097	1,142	1,189
Dwellings	408	399	477	623	645	584	568	546	516	588	667
Other new buildings and works.....	510	493	513	545	601	665	763	811	833	893	998
Legal fees, stamp duties, etc. (1).....	55	54	43	39	43	45	45	43	47	53	58
Total	2,099	2,103	2,115	2,346	2,542	2,665	2,812	2,944	2,954	3,179	3,482

(1) Incurred in the transfer of land and buildings.

Gross fixed capital formation by industry group at current prices

TABLE 55 £ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Agriculture, forestry and fishing.....	93	94	97	94	100	110	102	114	134	147	140
Mining and quarrying.....	33	34	46	62	79	86	91	103	105	117	91
Manufacturing (1).....	444	514	549	547	581	678	845	931	921	874	1,034
Construction (1).....	25	33	36	35	44	50	53	57	62	61	63
Gas, electricity and water.....	195	217	239	265	304	343	340	360	389	421	429
Transport and communication (2).....	215	199	205	264	275	288	363	460	467	500	535
Distribution and other services (1) (3).....	179	200	217	233	280	369	382	412	468	540	615
Dwellings	331	376	494	630	645	619	633	617	591	658	753
Social services	80	93	102	105	109	119	144	172	179	189	198
Other public services.....	54	70	72	80	82	88	107	111	135	168	190
Legal fees, stamp duties, etc.	51	54	45	40	43	47	44	42	44	50	55
Total	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes road haulage, taxis and private-hire cars.

(3) Includes road haulage, taxis and private-hire cars.

Gross fixed capital formation by industry group at 1954 prices

TABLE 56 £ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Agriculture, forestry and fishing.....	113	105	96	93	100	108	96	104	118	129	123
Mining and quarrying.....	42	40	49	61	79	82	82	88	86	96	75
Manufacturing (1).....	558	591	566	550	581	644	757	792	753	715	838
Construction (1).....	32	37	37	36	44	49	48	49	52	53	54
Gas, electricity and water.....	239	241	241	263	304	327	306	315	335	366	373
Transport and communication (2).....	269	239	218	265	275	275	332	398	382	400	425
Distribution and other services (1) (3).....	217	217	214	231	280	356	352	364	402	474	540
Dwellings	408	399	477	623	645	584	568	546	516	588	667
Social services	99	103	102	105	109	112	130	149	150	161	167
Other public services.....	67	77	72	80	82	83	96	96	113	144	162
Legal fees, stamp duties, etc.	55	54	43	39	43	45	45	43	47	53	58
Total	2,099	2,103	2,115	2,346	2,542	2,665	2,812	2,944	2,954	3,179	3,482

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes road haulage, taxis and private-hire cars.

(3) Includes road haulage, taxis and private-hire cars.

CAPITAL FORMATION

Gross fixed capital formation by industry and type of asset

TABLE 57

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
All fixed assets											
Agriculture	87	91	93	90	96	104	94	106	126	136	128
Forestry	1	1	1	1	1	1	2	2	2	3	3
Fishing	5	2	3	3	3	5	6	6	6	8	9
Coal mining	26	27	40	55	70	77	82	91	96	105	80
Other mining and quarrying	7	7	6	7	9	9	9	12	9	12	11
Manufacturing: (1)											
Food, drink and tobacco	53	58	57	56	60	73	99	107	112	106	112
Mineral oil refining	32	34	40	33	16	13	22	42	40	22	18
Other chemicals and allied industries	57	75	81	92	96	103	133	146	157	151	141
Iron and steel	49	54	55	52	69	69	85	109	129	112	167
Other metals	9	10	10	10	11	13	21	23	15	18	27
Engineering and electrical goods	62	71	88	88	97	121	156	157	155	145	310
Shipbuilding and marine engineering		6	7	8	9	9	11	17	20	20	
Motor vehicles and cycles	33	26	30	26	26	47	51	51	44	40	99
Aircraft		25	37	38	22	18	22	21	18	21	
Other vehicles		3	3	3	3	3	6	7	8	8	
Metal goods not elsewhere specified	18	17	19	20	22	29	34	32	30	36	155
Textiles	53	54	46	43	55	64	60	64	51	54	
Leather, leather goods, fur and clothing	11	9	8	10	10	11	13	13	12	13	155
Bricks, pottery, glass, etc.	20	19	18	22	24	25	33	33	32	30	
Timber, furniture, etc.	11	10	8	8	10	12	9	10	10	14	
Paper, printing and publishing	24	30	29	27	36	47	68	77	65	60	
Rubber	12	7	7	5	8	12	14	13	13	12	
Other manufacturing		6	6	6	7	9	8	9	10	12	
Total manufacturing	444	514	549	547	581	678	845	931	921	874	1,034
Construction (1)	25	33	36	35	44	50	53	57	62	61	63
Gas	33	40	46	47	53	59	52	52	50	44	44
Electricity	138	149	159	180	215	248	247	267	297	340	342
Water	24	28	34	38	36	36	41	41	42	37	43
Railways	44	44	40	54	65	69	89	124	138	167	168
Road passenger transport (2)	41	30	28	23	25	21	24	22	23	25	28
Shipping	66	54	53	85	83	76	104	140	147	161	162
Harbours, docks and canals	9	10	11	17	16	14	18	23	23	25	28
Air transport	14	13	14	17	17	26	34	55	46	33	53
Postal, telephone and radio communications	41	48	59	68	69	82	94	96	90	89	96
Wholesale trade (1)	179	200	217	233	280	369	57	57	73	86	79
Retail trade (1)							103	126	130	160	199
Other transport and services (1)							222	229	265	294	337
Dwellings	331	376	494	630	645	619	633	617	591	658	753
Education and child care	58	69	78	80	82	90	113	135	140	144	147
Health services	20	22	22	23	25	27	28	33	36	41	45
National assistance	2	2	2	2	2	2	3	4	3	4	6
Roads and public lighting	11	13	14	15	17	23	33	39	62	81	83
Sewerage and land drainage	16	22	29	39	38	35	39	39	39	46	53
Other public services	27	35	29	26	27	30	35	33	34	41	54
Total expenditure on equipment and new buildings	1,649	1,830	2,057	2,315	2,499	2,750	3,060	3,337	3,451	3,675	4,048
Legal fees, stamp duties, etc.	51	54	45	40	43	47	44	42	44	50	55
Total	1,700	1,884	2,102	2,355	2,542	2,797	3,104	3,379	3,495	3,725	4,103

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes taxis and private-hire cars.

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

TABLE 57 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Buildings and works											
Agriculture	22	22	20	23	24	26	27	25	29	38	42
Forestry	1	1	1	1	1	1	2	2	2	2	2
Fishing	—	—	1	—	—	1	1	1	1	—	1
Coal mining	8	10	15	21	26	29	32	34	38	39	32
Other mining and quarrying	1	1	—	1	1	1	1	2	1	2	1
Manufacturing: (1)											
Food, drink and tobacco	12	14	14	13	16	23	38	42	39	35	39
Mineral oil refining	11	5	10	8	3	2	5	9	7	3	5
Other chemicals and allied industries	14	20	24	26	24	27	34	35	37	30	30
Iron and steel	12	12	13	9	9	11	15	16	18	15	27
Other metals	3	2	2	2	2	4	6	7	3	4	5
Engineering and electrical goods	17	17	23	23	29	38	57	55	50	44	96
Shipbuilding and marine engineering		2	2	4	4	4	4	9	10	10	
Motor vehicles and cycles	6	4	7	5	5	16	17	15	13	8	31
Aircraft		3	7	8	6	6	8	9	8	13	
Other vehicles		1	—	—	1	1	2	1	3	2	
Metal goods not elsewhere specified	5	3	4	4	5	8	9	9	9	8	45
Textiles	13	10	9	8	12	15	13	13	11	12	
Leather, leather goods, fur and clothing	3	2	1	2	3	3	5	4	4	3	
Bricks, pottery, glass, etc.	6	5	4	5	6	7	10	10	9	8	45
Timber, furniture, etc.	3	3	2	2	3	4	4	4	3	4	
Paper, printing and publishing	3	5	6	7	8	13	22	22	18	16	
Rubber	2	1	1	1	1	3	2	2	3	2	45
Other manufacturing		2	1	1	2	2	2	2	2	2	
Total manufacturing	110	111	130	128	139	187	253	264	247	219	278
Construction (1)	4	5	5	6	8	9	11	10	8	8	8
Gas	9	12	14	16	20	24	22	23	21	21	20
Electricity	36	36	36	41	51	50	48	65	72	68	64
Water	16	19	23	25	24	24	29	29	28	25	31
Railways	9	8	10	12	10	8	15	29	46	60	70
Road passenger transport (2)	5	4	6	4	4	3	4	3	4	4	4
Shipping	1	—	1	1	1	1	1	1	1	1	1
Harbours, docks and canals	5	6	7	9	8	8	10	12	13	15	16
Air transport	4	5	4	6	6	6	6	7	8	6	8
Postal, telephone and radio communications	3	4	5	6	5	6	9	11	11	10	9
Wholesale trade (1)	72	76	90	92	113	150	18	18	23	21	23
Retail trade (1)							42	49	50	62	73
Other transport and services (1)							105	112	121	139	156
Dwellings	331	376	494	630	645	619	633	617	591	658	753
Education and child care	51	61	69	71	73	81	102	122	124	127	128
Health services	10	11	13	13	14	15	14	16	20	23	26
National assistance	1	1	2	2	2	2	3	3	3	4	5
Roads and public lighting	11	12	14	15	17	22	31	38	61	79	81
Sewerage and land drainage	15	20	27	37	36	34	37	37	37	44	50
Other public services	18	22	18	17	18	20	23	23	24	30	39
Total expenditure on new buildings and works	743	823	1,005	1,177	1,246	1,327	1,479	1,553	1,584	1,705	1,921
Legal fees, stamp duties, etc.	51	54	45	40	43	47	44	42	44	50	55
Total	794	877	1,050	1,217	1,289	1,374	1,523	1,595	1,628	1,755	1,976

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes taxis and private-hire cars.

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

TABLE 57 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Vehicles, ships and aircraft											
Agriculture	15	15	23	18	17	18	17	19	21	20	21
Forestry	—	—	—	—	—	—	—	—	—	—	—
Fishing	5	2	2	3	3	4	5	5	5	7	7
Coal mining	1	1	1	1	1	1	1	2	1	2	1
Other mining and quarrying	1	1	1	1	1	1	1	1	1	2	2
Manufacturing: (1)											
Food, drink and tobacco	7	8	8	9	8	10	11	10	14	14	16
Mineral oil refining	—	—	—	—	—	—	—	—	1	—	—
Other chemicals and allied industries	2	3	3	4	3	4	5	5	6	6	7
Iron and steel	1	1	1	1	2	2	2	2	2	1	2
Other metals	—	1	1	1	1	—	1	1	1	1	2
Engineering and electrical goods	5	6	7	6	6	8	9	8	9	10	26
Shipbuilding and marine engineering		—	—	—	—	—	—	—	—	—	
Motor vehicles and cycles	2	1	1	—	1	1	1	1	1	1	7
Aircraft		1	—	1	1	1	1	1	1	—	
Other vehicles	—	—	—	—	—	—	—	—	—	1	16
Metal goods not elsewhere specified	2	2	3	3	2	3	3	2	2	3	—
Textiles	2	3	3	2	2	3	3	3	2	3	—
Leather, leather goods, fur and clothing	2	2	2	2	2	2	2	2	2	3	—
Bricks, pottery, glass, etc.	3	2	3	2	3	3	3	3	3	4	16
Timber, furniture, etc.	3	2	2	2	2	3	2	2	3	4	
Paper, printing and publishing	1	2	2	2	2	3	2	3	3	3	—
Rubber	1	1	—	—	1	—	1	1	1	1	—
Other manufacturing		—	1	1	—	1	1	1	1	1	
Total manufacturing	31	35	37	36	36	44	47	45	52	56	76
Construction (1)	9	13	14	13	13	17	18	17	21	23	21
Gas	1	1	1	1	2	1	1	2	2	1	1
Electricity	2	2	1	1	2	2	2	1	1	2	3
Water	—	—	—	—	—	—	—	—	1	—	—
Railways	33	34	28	38	48	56	68	90	87	99	90
Road passenger transport (2)	35	25	21	18	20	16	19	18	18	20	23
Shipping	65	54	52	84	82	75	103	139	146	160	161
Harbours, docks and canals	2	2	1	3	3	3	3	5	4	3	5
Air transport	9	7	9	10	10	19	27	46	36	25	42
Postal, telephone, and radio communications	1	1	1	2	2	3	2	2	1	1	2
Wholesale trade (1)	45	56	59	72	81	111	23	23	30	32	26
Retail trade (1)							26	27	32	38	45
Other transport and services (1)	—	—	—	—	—	—	67	65	77	85	120
Dwellings	—	—	—	—	—	—	—	—	—	—	—
Education and child care	—	—	—	—	1	1	—	—	1	—	1
Health services	5	6	5	6	6	7	7	7	7	7	8
National assistance	—	—	—	—	—	—	—	—	—	—	—
Roads and public lighting	—	—	—	—	—	—	1	—	—	1	1
Sewerage and land drainage	—	—	1	—	1	—	1	1	—	—	1
Other public services	3	3	5	4	4	5	6	4	5	5	6
Total	263	258	262	311	333	384	445	519	549	590	664

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes taxis and private-hire cars.

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

TABLE 57 (continued)

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Plant and machinery											
Agriculture	50	54	50	49	55	60	50	62	76	78	65
Forestry	—	—	—	—	—	—	—	—	—	—	—
Fishing	—	—	—	—	—	—	—	—	—	1	1
Coal mining	17	16	24	33	43	47	49	55	57	64	47
Other mining and quarrying	5	5	5	5	7	7	7	9	7	8	8
Manufacturing: (1)											
Food, drink and tobacco	34	36	35	34	36	40	50	55	59	57	57
Mineral oil refining	21	29	30	25	13	11	17	33	32	19	13
Other chemicals and allied industries	41	52	54	62	69	72	94	106	114	115	104
Iron and steel	36	41	41	42	58	56	68	91	109	96	143
Other metals	6	7	7	7	8	9	14	15	11	13	20
Engineering and electrical goods	40	48	58	59	62	75	90	94	96	91	188
Shipbuilding and marine engineering		4	5	4	5	5	7	8	10	10	
Motor vehicles and cycles	25	21	22	21	20	30	33	35	30	31	61
Aircraft		21	30	29	15	11	13	11	9	8	
Other vehicles		2	3	3	2	2	4	6	5	5	
Metal goods not elsewhere specified	11	12	12	13	15	18	22	21	19	25	94
Textiles	38	41	34	33	41	46	44	48	38	39	
Leather, leather goods, fur and clothing	6	5	5	6	5	6	6	7	6	7	
Bricks, pottery, glass, etc.	11	12	11	15	15	15	20	20	20	18	94
Timber, furniture, etc.	5	5	4	4	5	5	3	4	4	6	
Paper, printing and publishing	20	23	21	18	26	31	44	52	44	41	
Rubber	9	5	6	4	6	9	11	10	9	9	
Other manufacturing		4	4	4	5	6	5	6	7	9	
Total manufacturing	303	368	382	383	406	447	545	622	622	599	680
Construction (1)	12	15	17	16	23	24	24	30	33	30	34
Gas	23	27	31	30	31	34	29	27	27	22	23
Electricity	100	111	122	138	162	196	197	201	224	270	275
Water	8	9	11	13	12	12	12	12	13	12	12
Railways	2	2	2	4	7	5	6	5	5	8	8
Road passenger transport (2)	1	1	1	1	1	2	1	1	1	1	1
Shipping	—	—	—	—	—	—	—	—	—	—	—
Harbours, docks and canals	2	2	3	5	5	3	5	6	6	7	7
Air transport	1	1	1	1	1	1	1	2	2	2	3
Postal, telephone and radio communications	37	43	53	60	62	73	83	83	78	78	85
Wholesale trade (1)	62	68	68	69	86	108	16	16	20	33	30
Retail trade (1)							35	50	48	60	81
Other transport and services (1)							50	52	67	70	61
Dwellings	—	—	—	—	—	—	—	—	—	—	—
Education and child care	7	8	9	9	8	8	11	13	15	17	18
Health services	5	5	4	4	5	5	7	10	9	11	11
National assistance	1	1	—	—	—	—	—	1	—	—	1
Roads and public lighting	—	1	—	—	—	1	1	1	1	1	1
Sewerage and land drainage	1	2	1	2	1	1	1	1	2	2	2
Other public services	6	10	6	5	5	5	6	6	5	6	9
Total	643	749	790	827	920	1,039	1,136	1,265	1,318	1,380	1,463

(1) The figures for 1956 onwards are on a business unit basis, those for earlier years on an establishment basis.

(2) Excludes taxis and private-hire cars.

Net fixed capital formation by type of asset

TABLE 58

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
At current prices											
Vehicles, ships and aircraft.....	99	68	37	64	70	101	135	183	181	215	268
Plant and machinery.....	292	353	333	334	403	476	515	585	577	596	632
Dwellings.....	151	164	257	392	405	365	373	358	327	395	482
Other new buildings and works.....	168	169	200	229	276	355	468	529	559	602	706
Total	710	754	827	1,019	1,154	1,297	1,491	1,655	1,644	1,808	2,088
At 1954 prices											
Vehicles, ships and aircraft.....	124	79	35	65	70	98	126	158	140	180	227
Plant and machinery.....	364	407	345	334	403	455	461	503	481	495	513
Dwellings.....	186	174	248	388	405	344	335	317	286	353	426
Other new buildings and works.....	208	187	201	228	276	333	421	458	469	513	604
Total	882	847	829	1,015	1,154	1,230	1,343	1,436	1,376	1,541	1,770

Net fixed capital formation by sector

TABLE 59

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Dwellings											
Persons.....	-72	-82	-56	15	69	97	119	118	132	201	280
Companies.....	1	1	2	4	5	6	5	6	8	11	13
Public corporations.....	11	18	29	48	44	32	30	26	21	21	21
Central Government.....	-12	-12	-14	-17	-17	-15	-3	3	4	3	6
Local authorities.....	223	239	296	342	304	245	222	205	162	159	162
Total	151	164	257	392	405	365	373	358	327	395	482
Other assets											
Persons.....	55	55	43	40	70	91	61	59	86	98	102
Companies.....	307	266	221	228	301	424	581	685	676	680	822
Public corporations.....	86	111	112	150	205	240	240	291	302	346	369
Central Government:											
Trading.....	23	49	80	78	44	39	51	56	41	35	22
Non-trading.....	21	23	22	23	20	22	32	43	51	63	69
Local authorities:											
Trading.....	18	18	19	23	22	20	29	28	24	35	44
Non-trading.....	49	68	73	85	87	96	124	135	137	156	178
Total	559	590	570	627	749	932	1,118	1,297	1,317	1,413	1,606
All assets											
Persons.....	-17	-27	-13	55	139	188	180	177	218	299	382
Companies.....	308	267	223	232	306	430	586	691	684	691	835
Public corporations.....	97	129	141	198	249	272	270	317	323	367	390
Central Government.....	32	60	88	84	47	46	80	102	96	101	97
Local authorities.....	290	325	388	450	413	361	375	368	323	350	384
Total	710	754	827	1,019	1,154	1,297	1,491	1,655	1,644	1,808	2,088

Capital consumption by type of asset

TABLE 60

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
At current prices											
Vehicles, ships and aircraft.....	164	190	225	247	263	283	310	336	368	375	396
Plant and machinery.....	351	396	457	493	517	563	621	680	741	784	831
Dwellings.....	180	212	237	238	240	254	260	259	264	263	271
Other new buildings and works (1).....	295	332	356	358	368	400	422	449	478	495	517
Total	990	1,130	1,275	1,336	1,388	1,500	1,613	1,724	1,851	1,917	2,015
At 1954 prices											
Vehicles, ships and aircraft.....	208	219	230	246	263	280	290	298	321	323	343
Plant and machinery.....	430	452	472	494	517	538	559	585	616	647	676
Dwellings.....	222	225	229	235	240	240	233	229	230	235	241
Other new buildings and works (1).....	357	360	355	356	368	377	387	396	411	433	452
Total	1,217	1,256	1,286	1,331	1,388	1,435	1,469	1,508	1,578	1,638	1,712

(1) Includes legal fees, stamp duties, etc.

Capital consumption by sector

TABLE 61

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Dwellings											
Persons.....	122	140	155	152	152	163	173	178	182	181	186
Public corporations.....	—	1	1	2	2	2	3	3	4	4	4
Central Government.....	24	28	31	31	30	27	15	5	2	2	2
Local authorities.....	34	43	50	53	56	62	69	73	76	76	79
Total	180	212	237	238	240	254	260	259	264	263	271
Other assets											
Persons.....	144	156	162	164	172	182	188	194	208	218	228
Companies.....	323	360	407	439	476	534	598	665	729	762	812
Public corporations.....	191	228	272	288	287	296	319	339	367	386	405
Central Government:											
Trading.....	44	52	61	67	71	79	83	91	98	100	106
Non-trading.....	26	30	34	36	36	40	43	47	49	51	53
Local authorities:											
Trading.....	31	34	37	38	38	41	42	44	46	45	45
Non-trading.....	51	58	65	66	68	74	80	85	90	92	95
Total	810	918	1,038	1,098	1,148	1,246	1,353	1,465	1,587	1,654	1,744
All assets											
Persons.....	266	296	317	316	324	345	361	372	390	399	414
Companies.....	323	360	407	439	476	534	598	665	729	762	812
Public corporations.....	191	229	273	290	289	298	322	342	371	390	409
Central Government.....	94	110	126	134	137	146	141	143	149	153	161
Local authorities.....	116	135	152	157	162	177	191	202	212	213	219
Total	990	1,130	1,275	1,336	1,388	1,500	1,613	1,724	1,851	1,917	2,015

CAPITAL FORMATION

Capital formation in stocks and work in progress at current and 1954 prices

TABLE 62

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
<i>Value of physical increase</i>											
At current prices											
Manufacturing	25	445	195	90	153	263	246	190	48	53	516
Retail trade	-235	130	-145	35	-97	34	20	47	18	47	35
Wholesale trade						3	25	47	24	11	50
Other industries								-19	39	66	-10
Total	-210	575	50	125	56	300	291	265	129	177	591
At 1954 prices											
Manufacturing	45	425	175	95	153	250	221	172	49	56	461
Retail trade	-285	140	-135	35	-97	35	15	40	15	44	34
Wholesale trade						3	25	43	16	17	46
Other industries								-24	29	52	-5
Total	-240	565	40	130	56	288	261	231	109	169	536

Capital formation in stocks and work in progress by sector (1)

TABLE 63

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Value of physical increase in stocks and work in progress											
Personal sector (2)	41	70	-15	33	44	41	33	28	14	52	62
Companies	-23	425	-63	65	200	352	266	219	87	120	571
Public corporations	-15	4	51	-25	-69	22	16	54	36	15	-25
Central Government:											
Trading	-186	-28	35	10	-164	-118	-5	3	5	6	13
Strategic stocks	—	127	49	42	45	3	-19	-39	-13	-16	-30
Disposal of surplus war stores	-27	-23	-7	—	—	—	—	—	—	—	—
Total	-213	76	77	52	-119	-115	-24	-36	-8	-10	-17
Total	-210	575	50	125	56	300	291	265	129	177	591
Stock appreciation											
Personal sector	63	112	10	7	20	44	37	24	15	22	30
Companies	440	465	-22	-44	53	119	131	79	-34	93	84
Public corporations	29	80	-6	-6	7	18	10	14	-3	-5	13
Central Government (trading)	118	93	-32	-32	-5	15	—	—	—	—	—
Total	650	750	-50	-75	75	196	178	117	-22	110	127
Increase in value of stocks and work in progress											
Personal sector (2)	104	182	-5	40	64	85	70	52	29	74	92
Companies	417	890	-85	21	253	471	397	298	53	213	655
Public corporations	14	84	45	-31	-62	40	26	68	33	10	-12
Central Government:											
Trading	-68	65	3	-22	-169	-103	-5	3	5	6	13
Strategic stocks	—	127	49	42	45	3	-19	-39	-13	-16	-30
Disposal of surplus war stores	-27	-23	-7	—	—	—	—	—	—	—	—
Total	-95	169	45	20	-124	-100	-24	-36	-8	-10	-17
Total	440	1,325	—	50	131	496	469	382	107	287	718

- (1) The value of stocks and work in progress held at the end of 1960 by each of the various sectors was as follows: personal sector £2,046 million; companies £7,102 million; public corporations £473 million; and Central Government £359 million.
- (2) Stocks held for business purposes by professional persons, farmers and other sole traders and partnerships.

Increase in value of stocks and work in progress by industry

TABLE 64

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	Value of stocks held at end of 1960
Agriculture.....	28	32	26	20	10	25	36	19	22	37	33	952
Forestry	6	8	9	9	11	9	10	11	11	12	13	408
Mining and quarrying.....	-11	14	32	-8	-1	4	5	33	35	44	-16	205
Manufacturing:												
Food, drink and tobacco:												
Materials and fuel.....	42	84	-16	-2	27	21	6	24	-10	10	9	390
Finished products and work in progress.....	17	19	9	17	2	10	19	-2	27	6	32	372
Chemicals and allied industries:												
Materials and fuel.....	17	51	-20	-12	18	13	13	12	-10	2	20	214
Finished products and work in progress.....	7	28	7	-3	19	21	17	35	8	23	40	298
Metal manufacture: (1)												
Materials and fuel.....	..	..	..	..	..	..	26	23	-10	5	30	222
Finished products and work in progress.....	..	..	..	..	..	..	13	21	5	-10	41	242
Engineering, shipbuilding and vehicles: (1)												
Materials and fuel.....	26	138	88	-14	-8	112	56	12	-33	-3	110	777
Finished products and work in progress.....	48	144	186	67	80	150	170	95	92	65	167	1,849
Textiles, leather and clo- thing:												
Materials and fuel.....	93	-3	-68	17	11	-15	11	-6	-37	33	16	308
Finished products and work in progress.....	53	69	-55	20	27	10	10	24	-7	-1	26	383
Other manufacturing:												
Materials and fuel.....	43	112	-57	-24	23	36	6	-3	-17	1	46	303
Finished products and work in progress.....	13	36	-	-4	14	18	19	18	12	6	46	288
Total manufacturing.....	359	678	74	62	213	376	366	253	20	137	583	5,646
Gas, electricity and water.....	6	21	11	-4	-7	13	-	15	-4	-12	-	116
Retail trade	80	95	-74	67	20	61	37	55	21	45	44	989
Wholesale trade.....	73	320	-110	-109	17	116	49	51	13	23	60	841
Other industries.....								-11	4	23	32	613
Central Government trading bodies (2)	-74	53	-10	-29	-177	-111	-15	-5	-2	-6	-1	62
Central Government strategic stocks	-	127	49	42	45	3	-19	-39	-13	-16	-30	148
less Disposal of Government surplus war stores.....	-27	-23	-7	-	-	-	-	-	-	-	-	-
Total increase in value.....	440	1,325	-	50	131	496	469	382	107	287	718	9,980
less Stock appreciation.....	-650	-750	50	75	-75	-196	-178	-117	22	-110	-127	..
Value of physical increase in stocks and work in progress	-210	575	50	125	56	300	291	265	129	177	591	..

(1) For the years 1950 to 1955 figures for Metal manufacture are included in engineering, shipbuilding and vehicles.

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

XII 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* ⁽¹⁾. 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 18 and 19.

2. *Current expenditure on goods and services by the Central Government, at market prices* ⁽¹⁾. 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 36.

3. *Current expenditure on goods and services by local authorities, at market prices* ⁽¹⁾. The definition corresponds to that of item 2. For further details see Table 40.

4. *Gross fixed capital formation at home, at market prices* ⁽¹⁾. 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 sector, industry and type of asset see Tables 51 to 57.

5. *Value of physical increase in stocks and work in progress, at market prices* ⁽¹⁾. 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 20). 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 62 to 64.

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

(a) *Exports and re-exports of merchandise*. The credits in item 1 in the White Paper on the Balance of Payments.

(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 above. These figures consist of the credits in items 2, 3, 5 and 7 of the White Paper on the Balance of Payments, but with *Current grants from overseas governments* (item 49) excluded.

(c) *Property income received from abroad*. Rent, interest, profits and dividends received from overseas by United Kingdom residents. This item includes the credits in item 4 of the White Paper on the Balance of Payments but reckoned before deducting foreign taxes. 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*. The debits in item 1 in the White Paper 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 above. This figure consists of the debits in items 2, 3, 5 and 7 of the White Paper on the Balance of Payments, but with Government current grants and certain Government pensions paid abroad (together making up item 52) excluded.

(c) *Property income paid abroad*. Rent, interest, profits and dividends paid overseas. This item includes the debits in item 4 of the White Paper on the Balance of Payments, but reckoned before deducting United Kingdom taxes. 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 36.

11. *Subsidies paid by local authorities*. The deficit on local authorities' housing revenue accounts. For details see Table 45.

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.

(1) 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 46.

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. The figures for salaries include directors' fees. For details see Tables 16 and 17.

(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 26 to 30.

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 31 to 35.

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. *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 63.

21. *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".

22. *Gross domestic product at factor cost.* The sum of items 13 to 19 and 21 *less* item 20. 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. This is the same as the net credit from interest, profits and dividends shown in item 4 of the White Paper on the Balance of Payments.

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 60 and 61 and for description, pages 80 to 83.

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. This is the same as item 6 in the White Paper 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 36 and 39.

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 40.

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 47.

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 25.

Other items in the appropriation account of companies

37. *Other income of companies:*

(a) *Income earned abroad.* The profits of British companies operating abroad and of foreign subsidiaries of British companies before deduction of taxes paid to overseas governments and after deduction of depreciation and non-trading income earned abroad (see Table 26).

(b) *Non-trading income earned in the United Kingdom.* 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 in the United Kingdom and dividends etc. paid by United Kingdom subsidiaries to their foreign parent companies or shareholders are excluded.

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

39. *Taxes paid abroad and profits due abroad.* The profits of foreign companies operating in the United Kingdom and of United Kingdom subsidiaries of foreign companies *plus* 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 26.

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 32.

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 the White Paper 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. This is the same as that part of item 2 of the White Paper on the Balance of Payments which is excluded from item 7b above.

53. Transfers to capital accounts. These payments appear in the capital accounts of the receiving sectors (see Tables 25, 28, 33 and 41) 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 36.

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 war pensions and national insurance benefits paid to persons abroad from item 52. This is part of pensions shown in Table 7 of the White Paper on the Balance of Payments.

59. Current transfers to overseas governments and international organisations. Item 52 less that part of it included in item 58. This is the same as economic and other grants and subscriptions to international organisations shown in Table 7 of the White Paper on the Balance of Payments.

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. In later years the principal constituents were receipts arising from the exchange of B.A.F. Special Vouchers for German currency and the sterling equivalent of local currencies used for voted services; in the White Paper on the Balance of Payments, these receipts are deducted from Government debits.

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 net lending to overseas residents, plus increases in the gold and dollar reserves and in holdings of other foreign currencies less increases in overseas holdings of sterling. Also included here is the "balancing item"—i.e. the residual total of unidentified transactions required to complete the balance of payments account; some part of this item is probably attributable to current transactions. 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.1. in the earlier White Papers on the Balance of Payments. The principal component is receipts of aid under the European Recovery Programme.

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, 1960*, H.M.S.O., 1960), 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*.

In this Blue Book the analysis by industry of incomes, expenditure and output is based, as far as possible, on the *Standard Industrial Classification (1958)*.

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 of 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 46).

Output and expenditure at constant prices

Table 13. Output and expenditure at 1954 prices.

The estimates of the gross domestic product at 1954 factor cost are derived by subtracting estimates of taxes on expenditure less subsidies, valued at average 1954 rates⁽¹⁾, and imports of goods and services, valued at average 1954 prices, from the estimates of total final expenditure valued at average 1954 market prices. The alternative way of estimating the gross domestic product, at constant factor cost, which was used in earlier Blue Books, is to value each of the various forms of final expenditure at factor cost, to aggregate these estimates, and then deduct the value of imports of goods and services valued at constant factor cost. This method, in practice, can lead

to appreciable errors because of the considerable statistical difficulties encountered in making constant factor cost estimates for each of the various forms of final expenditure separately. The procedure followed in Table 13 is more satisfactory because the estimates of total taxes on expenditure less subsidies at constant rates are more reliable than separate estimates for each category of final expenditure.

Net income from abroad revalued at average 1954 prices is derived by applying the average value index for imports of goods and services (shown in Table 15) to the current price estimates.

Table 14. Index numbers of output at 1954 factor cost.

An article giving details of the weights and indicators used in compiling the table was published in the August, 1960 issue of *Economic Trends*.

Industrial input and output

Wages and salaries

Manufacturing, construction and gas, electricity and water. The sample census of production for 1959 and subsequent years does not provide estimates of wages and salaries paid. The estimates for 1959 and 1960 in Tables 16 and 17 are obtained by projecting the figures for 1958 by referring to estimated changes in numbers employed and to estimated changes in average wages and salaries. The estimates of changes in average wage earnings are based on the six monthly inquiries into weekly wage earnings carried out by the Ministry of Labour; the estimates of changes in average salary earnings are based on the results of a new inquiry into average salary earnings in October of each year also carried out by the Ministry of Labour.

In Table 17 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 1960 was about £830.

Local authority educational services. 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 school health services 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.

(1) While this series is shown as a necessary step in arriving at the estimates at constant factor cost, it does not necessarily imply that it is, in itself, of economic significance.

The personal sector

Consumers' expenditure

The estimates of those categories of expenditure which are based on statistics of retail sales have been made in the light of information from the Census of Distribution for the latest bench mark year 1957.

Several of the component series of "Entertainments: other" and "Other services" have been revised in the light of information derived from the continuing survey of family expenditure carried out by the Social Survey and from other sources.

The estimates for fruit, potatoes and vegetables have been revised in the light of the latest information about household purchases in the National Food Survey.

The estimates of dealers' margins and hire purchase charges incurred in buying second-hand cars have been revised upwards.

In the Blue Book for 1958 several important changes in *classification* were made. These are described in the following paragraphs.

Durable goods. The present category 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 glassware, 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. Further details about this series were given in the August, 1958 issue of *Economic Trends*.

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 18 and 19. However, it is recognised that for certain purposes it is important to have estimates of these two items even though they are subject to rather wide margins of error. The separate estimates, together with estimates of expenditure on pedal cycles, are, therefore, given in the table below.

Consumers' expenditure

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
£ million											
At current prices											
Household textiles and soft furnishings	102	110	107	106	116	131	140	144	147	153	161
Hardware	104	114	114	124	136	149	155	169	169	180	179
Pedal cycles	18	18	13	11	15	19	14	15	15	16	15
At 1954 prices											
Household textiles and soft furnishings	110	80	97	106	116	131	141	144	147	153	162
Hardware	118	120	113	124	136	143	134	146	145	156	157
Pedal cycles	20	19	12	11	15	18	13	13	12	13	12

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 1954 prices. Estimates of consumers' expenditure at constant 1954 prices were published for the first time in the Blue Book for 1958. A comparison between the estimates at 1954 prices and at 1948 prices was given in the August, 1958 issue of

Economic Trends. 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 and magazines is now measured by revaluing expenditure instead of by applying a volume index based on circulation of newspapers and magazines.

The paragraphs below list some of the revisions of method which have been made since the publication of *Sources and Methods*.

Alcoholic drink: wines, spirits, cider, etc. The arbitrary allowance for business expenditure is now 10 per cent, and not 5 per cent as stated in *Sources and Methods*, page 112.

Tobacco. Estimates of the average retail prices paid for all tobacco products are now provided by the trade. Previously, H.M. Customs and Excise made estimates of average retail prices for imported products.

Rent, rates and water charges. 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 45. When these are compared with the estimates of the stock of council dwellings, they yield estimates of the average rents paid by council tenants.

The rents (excluding the element of rates estimated as described above) paid by non-council tenants in 1953-1955

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

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

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

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

From 1956 changes in expenditure on rent, rates and water charges are derived by applying to the figures 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 22. 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 valuation.
- (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 1954 are based on the special survey for 1954-55 described in the 99th Report 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*).

Personal saving.

The estimates of personal saving before providing for depreciation and stock appreciation in Table 2 have been substantially revised. These revisions result mainly from revisions to consumers' expenditure and to personal receipts of rent, dividends and interest.

Table 24. *Revenue account of life assurance and superannuation funds, etc.*

The information in this table was formerly included in the *Capital account of the personal sector*.

Table 25. *Capital account of the personal sector.*

Retail co-operative societies: shares. The figures are obtained from the *Report of the Registrar of Friendly Societies, Part 3*.

Tax reserve certificates. The estimates are based on the issue and surrender of certificates classified by type of holder.

Insurance companies: loans on policies and personal security. This represents loans made by companies established in Great Britain as shown by returns made to the Board of Trade. The figures include some loans made to non-residents but do not include similar loans to U.K. residents made by companies established outside Great Britain.

Local authorities: loans for house purchase. These are loans made for the acquisition of small dwellings (including advances under the Housing Acts). The figures are obtained from *Local Government Financial Statistics*, England and Wales, and similar documents for Scotland and Northern Ireland.

The revenue transactions of life assurance and superannuation funds etc. are now shown in a separate table (see Table 24).

Companies

In the Blue Book for 1958 the estimates of the gross trading profits of companies from 1955 onwards were put on a new basis, closer to the profits actually earned in each calendar year than 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 which was 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 million, 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 30, no deduction is made from trading profits for the tax-free allowances for depreciation (these are given in a table on page 80); 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 26.

Table 26. Appropriation account of companies.

This table has been revised in the light of the new balance of payments estimates which were published in the Balance of Payments White Paper, (Cmd. 1329). The opportunity has been taken to make fuller use of balance of payments information than in previous years.

In the upper half of the table, the item *Gross trading profits of companies operating in the United Kingdom* has been amended so as to exclude some overseas income of United Kingdom resident companies previously included as income earned in the United Kingdom. The amount of the income earned in the United Kingdom by companies resident abroad but still excluded from trading profits of companies operating in the United Kingdom is believed to be very small. As a result of the fuller use of Balance of Payments information therefore, the arbitrary element in the allocation of profits between home and overseas mentioned in *Sources and Methods*, page 157, has been virtually removed. The item *Non-trading income* has been divided into that part which arises in the United Kingdom, now shown separately, and that part which arises abroad, now included with trading profits earned abroad in the new item *Income earned abroad*. This new item represents that part of the interest, profits and dividends credit in the White Paper on the Balance of Payments which is estimated to accrue to companies. In line with other components of company income shown in the Blue Book, however, it is here reckoned before deducting tax whereas in the White Paper in the Balance of Payments it is shown net of tax. This estimate differs in some respects from that which was previously included, and which was based on statistics provided by the Board of Inland Revenue. The largest single source of difference is the changed treatment of retained profits earned abroad by companies which, for tax purposes, are treated as not resident in the United Kingdom. Broadly speaking, the Inland Revenue figures include only income remitted to the United Kingdom by these companies, but for balance of payments purposes and, therefore, in the Blue Book, if the companies are branches or subsidiaries of United Kingdom resident companies, total profits (or a proportion based on the degree of ownership) are included whether or not they are remitted to the United Kingdom.

Income from abroad as reckoned in the balance of payments is now in exact agreement with the definitions used for national income statistics, and all of it forms part of the national income of the United Kingdom. It is, therefore, no longer necessary to show the *Balance of payments adjustment* separately in the Blue Book (see *Sources and Methods*, pp. 161, 162).

In the lower half of the table the item *Taxes paid abroad and profits due abroad* is correspondingly altered. Previously, in addition to foreign taxes paid by United Kingdom companies and the whole profits of branches of foreign companies operating in the United Kingdom, it included only the dividend distributions of foreign-owned subsidiaries operating in the United Kingdom (see *Sources and Methods*, pp. 164, 165). To be in line with the new balance of payments statistics, it is now necessary to include the whole income earned in the United Kingdom of these subsidiaries whether or not it is remitted to the foreign parent.

There has also been a change in the statistical sources for *Dividend and interest payments*. From 1959 there has not been a differential rate of profits tax on distributed profits. Profits tax statistics have therefore no longer been able to provide the statistical basis for the figures of dividend payments. These have been estimated from special reports made on companies with profits over £5,000—see *Sources and Methods*, page 155—which cover foreign-owned subsidiaries in addition to United Kingdom companies. Previously such subsidiaries were exempted from the higher rate of profits tax charged on distributed profits so that their distributions were excluded from *Dividend and interest payments* in the years before 1959. From 1959 onwards, however, they would be included in the estimates of dividend and interest payments based on the special reports if these were not adjusted. The adjustment has been made using Balance of Payments information, and *Dividend and interest payments* as shown in the Blue Book excludes the dividend distributions of foreign-owned subsidiaries operating in the United Kingdom.

Corresponding revisions have been made in Tables 27 and 28.

Table 29. 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.

Public Corporations

Table 31. Combined Operating Account.

Subsidies. From 1960 the revenue deficit of the British Transport Commission was covered by a Central Government subsidy. During 1960 subsidies were received to cover the trading deficit of the first three quarters only. The subsidy to cover the trading deficit of the fourth quarter of 1960 is here included as an accrued subsidy.

Central Government including National Insurance Funds

Table 36. *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 million a year, as fixed for the purposes of the *Post Office Commercial Accounts* ⁽¹⁾.

Miscellaneous taxes on expenditure. This now includes the tithe annuities which became payable by land-owners to the Tithe Redemption Commission after landowners' liabilities for tithe rent charges 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 million 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 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*. Rental income from Board of Trade factories was formerly taken as equal to rents received less expenses (*Sources and Methods* page 196). An imputed rental income has now been included, which is equal to the depreciation and interest on capital as shown in the trading accounts for Development Areas. The amount by which this exceeds the net rents received is treated as a subsidy.

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 included in respect of the fixed assets of the United Kingdom Atomic Energy Authority (partly under the heading *Military defence* and 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 million, £53 million, £50 million, £12 million and £12 million in the financial years 1955-56 to 1959-60. 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. From 1960 the revenue deficit of the British Transport Commission was financed "above the line." Previously it had been financed by loans included under "net lending to public corporations" in the *Central Government capital account*. The subsidy payments made during 1960 covered the trading deficit of the first three quarters of the year only. In the *Combined operating account of public corporations* (Table 31) the subsidy to cover the trading deficit of the fourth quarter of 1960 is included as an accrued subsidy. In the *Central Government revenue account* it is, in effect, included in the *Surplus before providing for depreciation and stock appreciation*. The deficit on Board of Trade factories, being the excess of current expenses, including depreciation and interest charges, over revenue received from rents, interest, etc., is now included under the heading *Other industry and trade*.

Current grants to local authorities. Salaries of school teachers paid directly by the Government of Northern Ireland are now treated in the Blue Book as being paid by local education authorities. The expenditure appears in the *Central Government revenue account* as current grants to local authorities. This item formerly included the whole of grants to local authorities for the provision of school meals and milk. That part of the grant in respect of capital expenditure now appears under the heading *Capital grants to local authorities*.

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, was postponed to a later date. It has been omitted here completely in conformity with the treatment in the Balance of Payments White Paper ⁽²⁾. The error in the treatment of Post Office annuities (see *Sources and Methods*, page 202) has been corrected. One of the minor inclusions not among those noted in *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 per-

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

(2) For technical reasons, £37 million due in 1956 appears as a payment in the conventional Exchequer Account for 1956-57 and as a receipt in 1957-58.

mission; (b) the levying of development charges under the Town and Country Planning Acts, 1947⁽¹⁾; 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⁽²⁾.

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. *Capital grants to local authorities* now includes that part of the grant for school meals and milk in respect of capital expenditure. This is additional to the expenditure on school canteens mentioned in *Sources and Methods*, page 240.

Table 37. 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 million).

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. The 1959 figure comprises the balance in the German debt payment account which was converted into a Treasury Bond.

Net borrowing through National savings. This item 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⁽³⁾; 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 million to companies holding shares in Cable and Wireless, Ltd. as compensation for the transfer of the shares to Treasury ownership.

(ii) The transfer in 1953 to the Consolidated Fund of liability for the £244 million 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 75 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*.

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

(2) 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.

(3) 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.

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 million, 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 million; this is reflected on the payments side of the capital account by the inclusion of £88 million 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. *Factory building in Development Areas, etc.* now takes into account the sale of factories by the Board of Trade on mortgage terms. The loans created by the sale of factories on these terms are included in the item *Net lending to private industry, etc.*

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 million, 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 million and £5 million 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).

The figure for 1959 includes £89 million repaid to the Export-Import Bank.

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 Acts of 1956 and 1958. 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, 1958 and 1959 loans to the British Transport Commission are also included. From 1960 the revenue deficit of the British Transport Commission was financed "above the line" and the payments included in *Subsidies* in Table 36 instead of here.

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.

Net lending to building societies. This item represents advances under the House Purchase and Housing Act, 1959.

Net lending to private industry, etc.: At home. This item includes loans to industry in development areas ⁽¹⁾, loans to the White Fish Authority and Herring Industry Board, loans for the installation of fuel-saving equipment, advances to the British Sugar Corporation Ltd., until 31st March, 1957, advances to the Potato Marketing Board between 1st April, 1955 and 31st March, 1960 and other miscellaneous loans to industry, agriculture, fisheries and education.

Net lending to private industry, etc.: Abroad. This item includes loans to aluminium producers in Canada, loans to uranium producers in South Africa ⁽²⁾ and loans under the Trade Facilities Acts.

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 million in 1949).

(1) Including sales of factories on mortgage terms.

(2) Loans and repayments in respect of uranium producers in Australia are included under *Loans to overseas governments* and *Loan repayments by overseas governments*.

(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 million 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 million 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 39. 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 1958-59, tabulation of a sample of local authorities' annual returns for 1959-60, and estimates prepared by the Ministry of Housing and Local Government for 1960-61.

Scotland. The *Local Financial Returns (Scotland)* for years to 1958-59. 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 1959-60 (and forecasts for certain aggregates for 1960-61) based on a special questionnaire circulated to Scottish local authorities.

Northern Ireland. The *Local Authority Financial Returns* for years to 1958-59.

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 42 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 1959 and 1960.

Table 40. Current account.

Current grants from the Central Government. The fall in specific grants and the increase in non-specific grants in 1959 reflects the introduction of the general grant system from April, 1959. Grants under the heading *Education*

now exclude part of the grant for school meals and milk in respect of capital expenditure (see note on Table 36: *Central Government revenue account, Current grants to local authorities*.)

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 41. 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 44 (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* (1). 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 36), 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 million shown under *Harbours and docks* in 1949 represents the payments made under the War Damage (Public Utility Undertakings, etc.) Act.

This item now includes that part of the grant for school meals and milk in respect of capital expenditure. This is additional to the expenditure on school canteens mentioned in *Sources and Methods* page 240.

Gross fixed capital formation. Grants by local authorities to persons towards the cost of conversion and improvement of houses were formerly included under the heading *Housing*. Estimates of these grants now appear under the heading *Capital grants to persons*.

Capital grants to persons. This item represents grants to persons by local authorities in Great Britain for the conversion and improvement of housing under the Housing (Financial Provisions) Act, 1958, the House Purchase and Housing Act, 1959, and the Housing (Scotland) Act, 1949. Grants to persons by local authorities in Northern Ireland towards the cost of privately-built houses under the Housing and Local Government (Miscellaneous Provisions) Act, (N.I.), 1946 and Housing (No. 2) Act, (N.I.), 1946, are also included. The estimates are based on information supplied by the Ministry of Housing and Local Government and the Scottish Home Department.

Net lending for house purchase. This item is also included in Table 25 as *Local authorities: loans for house purchase*.

(1) 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.

Combined public authorities

Table 42. *Analysis of current expenditure on goods and services.*

This table provides separate figures of wages and salaries and of 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⁽¹⁾).

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⁽²⁾. 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 16 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 16, 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 76 of this Blue Book.

Table 43. *Combined current and capital account.*

This table summarises the current and capital accounts of the Central Government and local authorities (Tables 36, 37, 40 and 41 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 37 and 41) other than the items showing surpluses carried from the revenue accounts, capital grants received and paid, gross fixed capital formation and increases in value of stocks.

Table 44. *Analysis of expenditure.*

Military defence: current expenditure on goods and services. See notes on Table 36 on page 73 of this Blue Book.

Military defence: 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.

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 under the heading *Capital grants*.

Education and child care. Expenditure on libraries, museums and art galleries, together with the administrative and other costs of the Arts Council has been excluded from this item, and now appears under the heading *Other services*. £1 million of Central Government expenditure is included in 1950 under *Gross fixed capital formation* in respect of temporary school accommodation (H.O.R.S.A.) (see *Sources and Methods*, page 256, note 5).

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

(2) The amounts shown for the Post Office now exclude the remuneration of sub-postmasters.

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 36 on page 73 of this Blue Book describe an additional item included under the heading *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 under the heading *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 73 of this Blue Book.

War damage compensation and disposal of surplus war stores in the United Kingdom. See note on pages 74 and 75 of this Blue Book.

Other services. This item now includes expenditure on libraries, museums, and art galleries, together with the administrative and other costs of the Arts Council.

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."

Current grants to persons. The principal components of the figures for 1957 and 1958 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 45. *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 45.

Table 47. *Taxes: allocation by type of income, property and sector.*

Separate estimates of taxes on income paid by local authorities are not available. The amounts involved are probably small.

Financial Accounts

Sales of financial assets by the public sector.

Table 49. *Analysis by type of asset.*

Table 50. *Analysis by sector acquiring assets.*

These tables are included in the Blue Book for the first time and have been previously published in *Economic Trends* for January and June 1961: a detailed note on the definitions and sources of information used in the tables was included in the January, 1961 issue of *Economic Trends*.

The tables provide some detailed information about the item *Net acquisition of financial assets plus net investment abroad* for the public sector shown in Table 48 which is the same, apart from the change in sign, as the total sales of financial assets by the public sector, as shown in Tables 49 and 50. Table 50 shows the net acquisition by other sectors of the various types of financial assets sold by the public sector. These assets are mostly liabilities of the public sector (such as Treasury bills, or local authority debt) but also include gold, which is treated as a financial asset, and some liabilities of other sectors such as foreign exchange reserves and the deposit liabilities of banks. Any one sector may acquire such assets either directly from the public sector or from any other sector, but the total net acquisitions of each type of financial asset by all the other sectors in any given period is equal to the net sales of that type of financial asset by the public sector. The *Radcliffe banks* comprise the London clearing banks, the Scottish banks, banking offices in Northern Ireland, accepting houses which are members of the Accepting Houses Committee, discount houses which are members of the London Discount Market Association and the offices in the United Kingdom of certain overseas and foreign banks. The figures for these banks cover a very large proportion of the total banking business done in the United Kingdom, but a number of important banks, in particular the United Kingdom banking offices of certain foreign banks are not covered by the statistics. The statistics for the transactions of these other banks have therefore unavoidably been included in the figures for the private sector and unidentified overseas holders.

Gross fixed capital formation at home

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

Coal mining. The estimates cover deep mined coal only. Expenditure on equipment used in opencast coal mining is included under *Construction*.

Manufacturing. Government financed expenditure and expenditure by the new town development corporations have 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, 1954 and 1958), the estimates for individual industries may have considerable margins of error in years when there was only a sample census of production (1952, 1953, 1955, 1956, 1957 and 1959). There may also be substantial errors in the analysis of Government financed expenditure which could significantly affect the estimates for 1951, 1952 and 1953, particularly in the engineering, motor vehicles and aircraft industries. The estimates for 1960 for private capital expenditure are derived from the quarterly Board of Trade sample inquiry.

There is a break in comparability at 1956. The figures returned in the 1959 census of production related to the whole of the business—a company or a group of companies, but excluding any subsidiary companies mainly operating overseas. Where, however, a firm was engaged in a number of quite different activities, separate returns for each main activity or venture were required. In previous censuses of production the basic statistical unit for which information was collected had been the establishment, usually corresponding with the individual factory or work shop. The figures for 1956, 1957 and 1958 have been adjusted on to the “business unit” basis by methods which were described in the *Board of Trade Journal* for 17th March, 1961.

Construction. There is a break in comparability at 1956 as a result of the change in the basis of the census of production figures for 1959 (see the note under *Manufacturing* above). Small firms do not make returns to the census of production. The estimates for these firms have been revised in the light of a special enquiry into the capital expenditure of small builders by the Board of Trade. Estimates for these small firms are very rough. Since they employ about one third of the industry's total labour force the estimates for the whole industry are subject to a substantial margin of error.

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

Shipping. The estimates for 1956 and subsequent years have been made by the Board of Trade from capital expenditure figures collected from all shipping companies in respect of 1956 and 1960 and from a sample of shipping companies in respect of 1957, 1958 and 1959. Work in progress on ships not covered by progress payments is excluded and is included in the estimates of stocks and work in progress in the shipbuilding industry. The expenditure figures include payments for work in progress on ships constructed abroad; previously the figures related only to the deliveries of completed vessels.

Harbours, docks and canals. The estimates now include expenditure by private companies collected by the Board of Trade as part of their annual inquiry into the capital expenditure of distribution and other service industries. Estimates for private companies for the years 1950-1955 are no more than extrapolations of data for 1956.

Postal, telephone and radio communications. Expenditure on “shifting”—that is on rearranging telephones within existing buildings and on rearranging existing wiring—is treated as maintenance expenditure and not as capital expenditure.

Distribution and other services. There is a break in comparability at 1956 as a result of the change in the basis of the census of production figures for 1959 (see the note under *Manufacturing* above). The estimates for private investment in all types of asset for 1956 and subsequent years are now based on capital expenditure data collected by the Board of Trade, whereas previously the estimates for buildings and works were based on output data and for road vehicles on registrations. The estimates for private investment in plant and machinery for 1950-1955 are extrapolations using production data from the latest estimate for 1956, itself improved as a result of the collection of capital expenditure figures by the Board of Trade from unincorporated wholesalers and retailers in respect of 1959. The estimation of private investment in road vehicles by direct estimates of expenditure has brought a more reliable estimate of total capital expenditure on road vehicles. The expenditure figures, however, do not distinguish between cars and goods vehicles and the series for investment in cars has been discontinued.

Dwellings. The figures for public investment have been revised to exclude conversion and improvement grants to private owners. Estimates of grant-aided expenditure on conversions and improvements have been included in private investment.

Education. Includes child care, formerly shown separately.

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

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

Expenditure on repairs and maintenance. In a footnote to Table 53 estimates are given of the total value of expenditure on repairs and maintenance to buildings and works, including conversions and improvements to dwellings. Such expenditure is regarded as expenditure on current account and not as a part of fixed capital formation, apart from grant-aided conversions and improvements to dwellings. 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.

Depreciation. All figures of trading profits and fixed capital formation in the main tables (except Tables 58 and 59 and the figures of net profits in Table 30) are shown before provision for depreciation. Figures for depreciation at original cost for the years 1950 to 1960 are given in the table below. 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.

Depreciation

£ million

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Professional persons (1)	9	9	7	8	9	10	10	11	13	14	16
Farmers (1):											
Initial and investment allowances	19	19	7	9	13	16	11	14	23	26	29
Other allowances	26	28	31	36	40	44	52	51	56	58	62
Other sole traders and partnerships (1):											
Initial and investment allowances	23	24	10	10	16	18	22	19	26	34	39
Other allowances	28	29	30	34	40	47	46	53	56	59	65
Companies (1) (2):											
Initial and investment allowances	227	238	111	104	157	205	227	269	337	372	404
Other allowances	247	254	287	303	364	420	500	569	619	641	678
Public corporations (3)	110	129	145	162	173	181	197	219	242	278	314
Central Government (3) (4)	31	29	33	34	37	40	51	57	58	60	61
Local authorities (1)	8	10	9	12	14	12	15	17	16	17	19

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

(2) Excludes companies operating overseas.

(3) The sum of the depreciation provisions shown in the published trading accounts *plus* estimates of the renewals of certain fixed assets that are charged to revenue in some of these accounts.

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

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.

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 systems.

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 worn-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"⁽¹⁾. 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. 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⁽²⁾.

Capital consumption is taken to comprise depreciation by wear and tear, obsolescence and accidental damage. It does not include depletion of mineral deposits.

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 most of the Central Government non-trading assets other than houses (e.g.

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

(2) See *Sources and Methods*, page 278.

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 2 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 asset. 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 1960. 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 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 1946 to 1960 the estimates are those published in this and previous Blue Books. 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.

(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. 97, Table 251), 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 1954 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⁽¹⁾. 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.

Capital formation in stocks and work in progress

The estimates have been revised principally to take account of the results of the census of production for 1959. The basis of the census figures was changed from an "establishment" to a "business unit" basis and this affects the analysis of capital formation in stocks and work in progress between manufacturing and wholesale trade. The figures for the years 1956 onwards have been adjusted to the new basis by methods described in the *Board of Trade Journal* for 17th March, 1961. The analysis by industry shown in Table 62 for earlier years is not comparable. New methods of estimating stock appreciation in manufacturing industry are being used; they were described in the August, 1960 issue of *Economic Trends*.

Forestry. An estimate of the value of trees growing in private woodlands has been made by the Forestry Commission and incorporated in these figures.

Manufacturing industry. The results of the census of production have been used to provide estimates for 1959. The results of the Board of Trade's quarterly inquiry have been used to provide estimates for 1960.

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

Engineering and allied industries. Progress payments are deducted from the value of work in progress on ships under construction for overseas owners as well as those under construction for United Kingdom owners (See *Sources and Methods*, page 320). Only work in progress not covered by progress payments is included with stocks, the remainder is part of fixed capital formation.

Retail trade. The figures take account of the detailed results of the Census of Distribution for 1957.

Wholesale trade. Figures for the wholesale trade are distinguished separately from 1957. They have been revised in the light of the results of the Board of Trade's Annual Inquiry into the Distributive and Service Trades for 1959. Particulars of this inquiry, which for the first time covered unincorporated businesses, were given in the *Board of Trade Journal* of 7th April, 1961.

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 treated as an offsetting item to Central Government current expenditure on goods and services (See page 75 of this Blue Book).

Rent

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

	£ million
Privately owned land and buildings used by persons as consumers	383
Central Government land and buildings.....	54
Local authority land and buildings.....	185
Farm land and buildings.....	21
Land and buildings owned privately or by public corporations, rented to trading concerns or public authorities.....	89
Total	732

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

International transactions

The figures for 1958, 1959 and 1960 in Table 7 are derived from those given in the March, 1961, Balance of Payments White Paper (Cmnd. 1329). The derivation of the figures is given in the table on page 84 of this Blue Book.

Cmnd. 1329 incorporated a number of important changes in sources and methods which led to substantial revisions to figures previously published. Revised figures for earlier years have not been published; but in order to provide a consistent series in this Blue Book, the figures in Table 7 have been re-assessed to take account of the changes.

(1) See *Sources and Methods*, pages 186, 187 and 236.

Transactions with the rest of the world

Derivation of Table 7 from Balance of Payments White Paper (Cmnd. 1329)

				£ million			
Balance of Payments White Paper	1958	1959	1960	Blue Book	1958	1959	1960
<i>United Kingdom debits</i>				<i>United Kingdom debits</i>			
Imports (f.o.b.) (Table 1)	3,330	3,578	4,077	Imports of merchandise	3,330	3,578	4,077
Invisibles:							
Government (" ")	278	275	332				
less pensions (part) (Table 7)	—8	—9	—10				
less grants and subscriptions (" ")	—62	—68	—76				
Shipping (Table 1)	615	650	669				
Travel (" ")	155	173	205				
Other services (" ")	277	312	342				
	1,255	1,333	1,462	... .. plus Government capital receipts (1) (Table 37)	1,255	1,333	1,462
					1	2	1
				Other imports of goods and services	1,256	1,335	1,463
Interest, profits and dividends (net of local tax) (Table 1)	415	420	455	... ..	415	420	455
				U.K. tax on property income paid abroad plus foreign tax paid on property income received from abroad	676	758	739
				Property income paid abroad	1,091	1,178	1,194
Migrant's funds, gifts etc. (net) (Table 1)	2	1	—				
Pensions (part) (Table 7)	8	9	10				
	10	10	10	Current transfers to persons (net)	10	10	10
				Current transfers to overseas governments and international organisations (Table 36)	62	68	76
Government grants and subscriptions (Table 7)	62	68	76				
				Net investment abroad	+291	+51	—344
Current balance	+291	+51	—344		6,040	6,220	6,476
Total	5,363	5,460	5,736	Total			
<i>United Kingdom credits</i>				<i>United Kingdom credits</i>			
Exports and re-exports (f.o.b.) (Table 1)	3,392	3,509	3,711	Exports and re-exports of merchandise	3,392	3,509	3,711
Invisibles:							
Government (Table 1)	56	41	45				
less defence aid (Table B)	—3	—	—				
Shipping (Table 1)	637	625	644				
Travel (" ")	138	153	188				
Other services (" ")	464	489	514				
	1,292	1,308	1,391	Other exports of goods and services	1,292	1,308	1,391
				... ..	676	643	634
Interest, profits and dividends (net of local tax) (Table 1)	676	643	634	U.K. tax on property income paid abroad plus foreign tax paid on property income received from abroad	676	758	739
				Property income received from abroad	1,352	1,401	1,373
				Current transfers from overseas governments	3	—	—
Defence aid (Table B)	3	—	—	Other Central Government receipts	1	2	1
				Total	6,040	6,220	6,476
Total	5,363	5,460	5,736				

(1) Deducted from Government current debits in the Balance of Payments White Paper.

INPUT—OUTPUT TABLES FOR THE UNITED KINGDOM 1954

The tables in this publication show the extent to which each industry was dependent on others for the sale of its output and for its purchases of inputs in 1954 (the latest year for which a census of production has been taken in sufficient detail for this type of analysis). They also show how far each industry's sales were dependent upon consumption, investment and exports.

The input-output tables give details of the purchases and the sales of 46 industry groups, of which 38 are in manufacturing industry. Summary figures are also given for 12 major industry groups. For each industry group, figures are given of its purchases from each of the other industry groups and from abroad and its payments to factors of production. For each industry group, figures are also given of its sales to each of the other industry groups and its sales for final consumption by personal consumers and public authorities and its sales for investment and exports.

The various input-output relationships, both direct and indirect, are set out in 17 tables and are accompanied by 30 pages of text which describe them and explain their uses and limitations and the sources and methods used in compiling them.

The tables present transactions between different industries and between industries and final buyers, which are not normally shown in statistics of national income and expenditure although the national income is itself an end result of these transactions.

Summary input-output tables for 1954 were included in the 1958 edition of the National Income Blue Book. The extended analysis now available in this new publication, which has been prepared by the Board of Trade and the Central Statistical Office, should therefore be of particular interest and value to readers of the Blue Book.

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