

## Exchequer financing and National Debt 1945-51

The evidence submitted by the Treasury and the Bank of England to the Committee on the Working of the Monetary System (Radcliffe Committee) included a number of new series of figures relating to Exchequer financing and to the National Debt for the period from 1951 to 1958, many of which have been continued since and now appear as regular features in Government statistical publications and in the *Quarterly Bulletins* of the Bank of England. The Radcliffe Committee confined its review (for reasons which it explained in paragraph 399 of its Report) to the years from 1951. But the Committee added:

"We should not, however, wish it to be supposed that a study of the earlier years would be irrelevant. On the contrary, there has often been in our minds some comparison with the earlier post-war years, and we suspect that a thorough study of these would be instructive. We hope that some such study will receive every encouragement in official quarters."

In order to facilitate such a study the Treasury and the Bank of England have prepared the tables which follow, carrying back to 1945 (so far as possible) certain of the statistical information which they made available to the Radcliffe Committee. This article introduces these tables and shows briefly their relationship to one another, indicates the relationship of the new figures to the figures supplied to the Radcliffe Committee and to the series which are currently published, and indicates the main general differences in presentation and coverage between the figures now being published for the first time and those previously published. More detailed notes are attached to the tables themselves.

The Exchequer financing table (Table 1) shows the methods by which the Exchequer was financed quarter by quarter during the financial years from 1945/46 to 1950/51. The table is in the form of that submitted to the Radcliffe Committee (Memoranda of Evidence, Volume 1, pages 78-81) and reproduced in *Economic Trends* for October, 1959. It thus differs in certain respects from the current series on Exchequer financing published in the *Monthly Digest of Statistics* (see *Monthly Digest of Statistics* for July 1960). The figures in *Economic Trends* for October 1959 were preceded by an article describing the financing of the Exchequer and discussing the items in the table. That article stands as an introduction to the table for 1945-51; notes on three aspects in respect of which that article needs qualifying in relation to the earlier period follow at the end of this article.

This table is followed by two tables which give additional information about Government stock operations in the gilt-edged market during the period. The figures in Table 1 of Government stock issued and redeemed for cash are repeated in Table 2(a) and supplemented with figures of conversion operations and of Government stocks issued as compensation in connection with nationalisation operations. A further column shows compensation issues of guaranteed nationalised industry stocks. Thus this table shows, in addition to stock operations for cash, figures for stock operations which did not involve any cash transaction. These figures do not appear in the financing table (Table 1),

but the transactions are none the less relevant to the course and management of the gilt-edged market during the period.

The final column of Table 2(a) shows transactions in gilt-edged securities by identified (official) overseas holders. The difference between the total net sales of marketable securities (item 6(d) of the main Exchequer financing table) and net purchases of securities by the overseas official holders represents the net purchases of securities by all domestic holders (other than "the departments") and by unidentified overseas holders. The figures of transactions in gilt-edged securities by overseas official holders correspond with those given to the Radcliffe Committee (Memoranda of Evidence, Volume 2, Statistical Appendix, Table 17). Later figures, covering slightly different quarterly periods, have been published in the Bank of England's *Quarterly Bulletin*.

Table 2(b) repeats from Table 1 the figures of changes in market Treasury bills outstanding, shows changes in the Treasury bill holdings of identified (official) overseas holders, and gives such information as is available about changes of holdings of the domestic banks. The final column thus represents changes in holdings of domestic holders (excluding the London clearing and Scottish banks) and of unidentified overseas holders. The analysis corresponds with that given to the Radcliffe Committee (Memoranda of Evidence, Volume 1, pages 56-64, Table III) and now published in the Bank of England's *Quarterly Bulletin*, though the figures for the period from 1945 to 1951 are slightly affected by dating complications (see detailed notes), and do not include separate figures in respect of the holdings of the discount market, which are not available for that period.

Tables 3 and 4 provide information about the distribution of market Government debt by maturity and by type of holder. Table 3 gives an analysis of departmental and other holdings of marketable gilt-edged securities by maturity for 31st March each year from 1945 to 1951. It corresponds with the analysis given to the Radcliffe Committee (Memoranda of Evidence, Volume 1, page 125) and continued in the *Annual Abstract of Statistics* for 1961 (Table 298), save that 2½% London Electric Transport Finance Corporation Limited Debenture Stock 1950/55 and 2½% Railway Finance Corporation Limited Debenture Stock 1951/52 have been excluded from the figures for the period from 1945 to 1951.

Table 4 supplements this with information (partly estimated) about the distribution by type of holder of Treasury bills, marketable gilt-edged securities, National savings and other forms of National Debt (excluding debt payable in external currencies) at 31st March, 1946, 1947, 1948 and 1951. The main object of this table is to give an indication of the shifts in holdings of Government debt between 1946 and 1951; but figures are given for each of the three years immediately after the end of the war because of the number and size of stock operations during those years. These analyses correspond broadly with those given to the Radcliffe Committee (Memoranda of Evidence, Volume 1, page 111). No figures have been published for years after 1957, but it is hoped that later figures will be published in due course.

H.M. Treasury



## APPENDIX

**Table 1: Exchequer financing**

Additional notes to those appearing in *Economic Trends*  
for October 1959

The items in this table are set out and numbered so as to correspond with the table published in *Economic Trends* for October 1959, even where that means apparent inconsistencies in numbering (for example, the omission of item 3(b): the Iron and Steel Realisation Account did not come into being until 1953).

**Item 4(b): External: American aid: sterling receipts (net)**

Between 1948/9 and 1951/2 the greater part of these receipts were applied to the redemption of debt, as follows: (£ million) 1948/9, 107; 1949/50, 92; 1950/1, 275; 1951/2, 55.

**Item 6(cc): Borrowing from the public: other non-marketable**

This is an additional item, of which the main constituents are net transactions in connection with interest-free loans to

the Exchequer by the public, loans from the proceeds of Ulster savings certificates, and deposits with the Exchequer by the Special Investments Departments of the Trustee Savings Banks and by certain other savings banks. After 1950/1 these transactions were negligible, and are not shown separately in tables for later years.

**Item 6(d)(ii): Borrowing from the public: marketable stocks: Government stock: redemptions (including Sinking funds)**

This item includes the redemption of 3% Local Loans Stock for which issues were made from the Exchequer under Section 30(1) of the Finance Act, 1935. The stock was redeemed on 6th January, 1947 and issues were made as follows: (£ million) 1946/7, 427; 1947/8, 2.



# EXCHEQUER FINANCING

Financial years ended 31 March

TABLE 1

£ million

	1945/6	1946/7	1947/8	1948/9	1949/50	1950/1
<b>REQUIREMENTS</b>						
<b>1. Budget</b>						
(a) Ordinary revenue ... ..	3,284	3,341	3,845	4,007	3,924	3,978
(b) Ordinary expenditure (including Sinking funds)	— 5,491	— 3,927	— 3,209	— 3,176	— 3,375	— 3,258
(c) Above the line surplus ... ..	— 2,207	— 586	636	831	549	720
(d) Below the line deficit ... ..	— 32	— 518	— 651	— 451	— 487	— 473
(e) Overall deficit ... ..	— 2,239	— 1,104	— 15	380	62	247
<b>2. Nationalised industries and Post Office—capital requirements</b>						
(a) Issues of guaranteed stocks ... ..	—	—	— 5	— 100	—	— 149
(b) Issues of guaranteed stocks to National Debt Commissioners ... ..	—	— 16	—	— 25	— 62	— 15
(c) Post Office capital expenditure:						
(i) Advances by National Debt Commissioners ... ..	— 7	— 14	— 24	— 24	— 32	— 32
(ii) Repayments to National Debt Commissioners ... ..	12	12	12	12	12	13
	5	— 18	— 17	— 137	— 82	— 183
<b>Total Requirements</b> ... ..	— 2,234	— 1,122	— 32	243	— 20	64
<b>FINANCING</b>						
<b>3. Receipts from extra-budgetary funds, etc.</b>						
(a) National Insurance Funds ... ..	78	54	69	136	162	168
(c) Issue Department income ... ..	14	9	10	13	7	11
(d) Departmental balances... ..	— 3	195	— 273	— 63	56	51
(e) Sinking funds ... ..	16	17	22	23	19	19
<b>Total extra-budgetary funds, etc.</b> ... ..	105	275	— 172	109	244	249
<b>4. External</b>						
(a) Exchange Equalisation Account: sterling receipts ... ..	49	— 19	53	81	— 141	— 613
(b) American aid: sterling receipts (net) ... ..	—	—	—	209	249	179
(c) Loans taken by United Kingdom Government: sterling receipts (net)						
(i) E.P.U. credit ... ..	—	—	—	—	—	— 161
(ii) United States and Canadian loans ... ..	— 24	395	711	— 10	18	— 24
(iii) I.B.R.D. and I.M.F. ... ..	—	— 91	73	— 6	27	— 10
(iv) Other loans ... ..	39	— 8	65	154	— 62	— 32
	15	296	849	138	— 17	— 227
<b>Total sterling receipts from external items...</b>	64	277	902	428	91	— 661
<b>5. Increase in fiduciary note issue</b> ... ..	150	50	— 150	—	—	50
<b>6. Borrowing from the public</b>						
(a) Small savings ... ..	660	377	73	— 5	— 8	— 31
(b) Tax reserve certificates ... ..	— 35	— 119	— 103	— 70	— 39	68
(c) Treasury deposit receipts ... ..	— 300	— 102	— 166	— 155	— 670	— 182
(cc) Other non-marketable ... ..	— 22	— 20	— 5	— 3	— 1	— 2
<b>Total non-marketable securities, etc.</b> ... ..	303	136	— 201	— 233	— 718	— 147
(d) Marketable stocks, etc.						
(i) Government stocks: issues ... ..	1,414	901	—	—	—	350
(ii) Government stocks: redemptions (including Sinking funds) ... ..	— 282	— 853	— 325	— 20	— 70	— 139
(iii) Guaranteed stocks, etc. (net issues) ... ..	— 5	18	17	137	82	183
	1,127	66	— 308	117	12	394
(iv) less Increase in holding of Issue Department and National Debt Commissioners ... ..	— 135	— 104	— 155	— 50	— 335	— 313
<b>Total marketable stocks, etc.</b> ... ..	992	— 38	— 463	67	— 323	81
(e) Increase in market Treasury bills ... ..	620	422	116	— 614	726	364
<b>Total borrowing from the public</b> ... ..	1,915	520	— 548	— 780	— 315	298
<b>Total Financing</b> ... ..	2,234	1,122	32	— 243	20	— 64



## EXCHEQUER FINANCING

£ million

TABLE 1 (continued)

	Quarters ended							
	June 1945	Sept. 1945	Dec. 1945	March 1946	June 1946	Sept. 1946	Dec. 1946	March 1947
<b>REQUIREMENTS</b>								
<b>1. Budget</b>								
(a) Ordinary revenue ... ..	612	751	668	1,253	629	712	738	1,262
(b) Ordinary expenditure (including Sinking funds) ...	-1,309	-1,450	-1,389	-1,343	-904	-924	-864	-1,235
(c) Above the line surplus ... ..	- 697	- 699	- 721	- 90	-275	-212	-126	27
(d) Below the line deficit ... ..	- 9	- 3	- 14	- 6	-108	-149	-129	132
(e) Overall deficit ... ..	- 706	- 702	- 735	- 96	-383	-361	-255	105
<b>2. Nationalised industries and Post Office—capital requirements</b>								
(a) Issues of guaranteed stocks ... ..	—	—	—	—	—	—	—	—
(b) Issues of guaranteed stocks to National Debt Commissioners ... ..	—	—	—	—	6	—	—	10
(c) Post Office capital expenditure:								
(i) Advances to National Debt Commissioners ... ..	- 2	- 1	- 2	- 2	- 3	- 3	- 4	- 4
(ii) Repayments to National Debt Commissioners ... ..	3	3	3	3	3	3	3	3
	1	2	1	1	- 6	—	- 1	11
<b>Total Requirements</b> ... ..	- 705	- 700	- 734	- 95	-389	-361	-256	116
<b>FINANCING</b>								
<b>3. Receipts from extra-budgetary funds, etc.</b>								
(a) National Insurance Funds ... ..	17	21	17	23	10	19	17	8
(c) Issue Department income ... ..	2	5	3	4	2	3	2	2
(d) Departmental balances ... ..	- 47	- 3	21	26	6	32	- 56	213
(e) Sinking funds ... ..	2	5	3	6	2	6	3	6
<b>Total extra-budgetary funds, etc.</b> ... ..	- 26	28	44	59	20	60	- 34	229
<b>4. External</b>								
(a) Exchange Equalisation Account: sterling receipts	- 3	24	15	13	13	- 99	- 5	72
(b) American aid: sterling receipts (net) ... ..	—	—	—	—	—	—	—	—
(c) Loans taken by United Kingdom Government: sterling receipts (net)								
(i) E.P.U. credit ... ..	—	—	—	—	—	—	—	—
(ii) United States and Canadian loans ... ..	- 4	- 1	- 11	- 8	28	134	88	145
(iii) I.B.R.D. and I.M.F. ... ..	—	—	—	—	—	6	2	83
(iv) Other loans ... ..	- 1	- 2	58	- 16	- 2	- 2	- 1	3
	- 5	- 3	47	- 24	26	126	85	59
<b>Total sterling receipts from external items</b> ... ..	- 8	21	62	- 11	39	27	80	131
<b>5. Increase in fiduciary note issue</b> ... ..	50	50	50	—	—	—	50	—
<b>6. Borrowing from the public</b>								
(a) Small savings ... ..	119	132	204	205	138	45	105	89
(b) Tax reserve certificates ... ..	55	17	46	- 153	8	—	12	- 139
(c) Treasury deposit receipts ... ..	216	47	- 486	- 77	-169	389	-102	220
(cc) Other non-marketable ... ..	3	- 6	- 15	- 4	- 7	- 4	- 4	- 5
<b>Total non-marketable securities, etc.</b> ... ..	393	190	- 251	- 29	- 30	430	11	- 275
(d) Marketable stocks, etc.								
(i) Government stocks: issues ... ..	232	396	783	3	288	130	153	330
(ii) Government stocks: redemptions (including Sinking funds) ... ..	- 2	- 271	- 3	- 6	- 33	-383	- 4	- 433
(iii) Guaranteed stocks, etc. (net issues) ... ..	- 1	- 2	- 1	- 1	6	—	1	11
	229	123	779	- 4	261	-253	150	- 92
(iv) less Increase in holdings of Issue Department and National Debt Commissioners	- 88	43	- 124	34	- 61	162	-190	15
<b>Total marketable stocks, etc.</b> ... ..	141	166	655	30	200	- 91	- 40	- 107
(e) Increase in market Treasury bills ... ..	155	245	174	46	160	- 65	189	138
<b>Total borrowing from the public</b> ... ..	689	601	578	47	330	274	160	- 244
<b>Total Financing</b> ... ..	705	700	734	95	389	361	256	116



# EXCHEQUER FINANCING

TABLE 1 (continued)

£ million

	Quarters ended							
	June 1947	Sept. 1947	Dec. 1947	March 1948	June 1948	Sept. 1948	Dec. 1948	March 1949
<b>REQUIREMENTS</b>								
<b>1. Budget</b>								
(a) Ordinary revenue ... ..	840	808	761	1,436	795	831	803	1,578
(b) Ordinary expenditure (including Sinking funds) ...	-622	-814	-739	-1,034	-616	-757	-795	-1,008
(c) Above the line surplus ... ..	218	- 6	22	402	179	74	8	570
(d) Below the line deficit ... ..	- 41	-166	-258	- 186	-146	- 90	-123	- 92
(e) Overall deficit ... ..	177	-172	-236	216	33	- 16	-115	478
<b>2. Nationalised industries and Post Office—capital requirements</b>								
(a) Issues of guaranteed stocks ... ..	—	- 3	- 2	—	—	—	- 35	- 65
(b) Issues of guaranteed stocks to National Debt Commissioners ... ..	—	—	—	—	—	- 6	- 6	- 13
(c) Post office capital expenditure:								
(i) Advances by National Debt Commissioners	- 4	- 6	- 6	- 8	- 6	- 6	- 6	- 6
(ii) Repayments to National Debt Commissioners	3	3	3	3	3	3	3	3
	- 1	- 6	- 5	- 5	- 3	- 9	- 44	- 81
<b>Total Requirements</b> ... ..	176	-178	-241	211	30	- 25	-159	397
<b>FINANCING</b>								
<b>3. Receipts from extra-budgetary funds, etc.</b>								
(a) National Insurance Funds ... ..	12	23	17	17	15	45	37	39
(c) Issue Department income ... ..	2	1	4	3	3	2	2	6
(d) Departmental balances ... ..	-264	- 45	- 30	66	- 81	- 17	- 42	77
(e) Sinking funds ... ..	2	6	3	11	2	6	3	12
<b>Total extra-budgetary funds, etc.</b> ... ..	-248	- 15	- 6	97	- 61	36	—	134
<b>4. External</b>								
(a) Exchange Equalisation Account: sterling receipts	- 9	11	80	- 29	76	36	- 21	- 10
(b) American aid: sterling receipts (net) ... ..	—	—	—	—	22	38	98	51
(c) Loans taken by United Kingdom Government: sterling receipts (net)								
(i) E.P.U. credit ... ..	—	—	—	—	—	—	—	—
(ii) United States and Canadian loans ... ..	245	343	48	75	- 5	- 2	- 5	2
(iii) I.B.R.D. and I.M.F. ... ..	- 2	15	45	15	—	—	- 6	—
(iv) Other loans ... ..	- 10	—	- 1	76	- 1	170	- 3	- 12
	233	358	92	166	- 6	168	- 14	- 10
<b>Total sterling receipts from external items</b> ...	224	369	172	137	92	242	63	31
<b>5. Increase in fiduciary note issue</b> ... ..	—	—	—	- 150	—	—	25	- 25
<b>6. Borrowing from the public</b>								
(a) Small savings ... ..	31	- 19	1	60	- 27	- 25	- 8	55
(b) Tax reserve certificates ... ..	- 6	- 6	25	- 116	4	45	44	- 163
(c) Treasury deposit receipts ... ..	- 15	-149	110	- 112	177	- 18	62	- 376
(cc) Other non-marketable ... ..	—	- 1	- 1	- 3	—	- 1	- 1	- 1
<b>Total non-marketable securities, etc.</b> ... ..	10	-175	135	- 171	154	1	97	- 485
(d) Marketable stocks, etc.								
(i) Government stocks: issues ... ..	—	—	—	—	—	—	—	—
(ii) Government stocks: redemptions (including Sinking funds) ... ..	- 4	- 6	- 3	- 312	- 4	- 6	- 3	- 7
(iii) Guaranteed stocks, etc. (net issues) ...	1	6	5	5	3	9	44	81
	- 3	—	2	- 307	- 1	3	41	74
(iv) less Increase in holdings of Issue Department and National Debt Commissioners	- 22	-104	- 83	54	- 31	- 22	- 13	16
<b>Total marketable stocks, etc.</b> ... ..	- 25	-104	- 81	- 253	- 32	- 19	28	90
(e) Increase in market Treasury bills ... ..	-137	103	21	129	-183	-235	- 54	- 142
<b>Total borrowing from the public</b> ... ..	-152	-176	75	- 295	- 61	-253	71	- 537
<b>Total Financing</b> ... ..	-176	178	241	- 211	- 30	25	159	- 397



# EXCHEQUER FINANCING

TABLE 1 (continued)

£ million

	Quarters ended							
	June 1949	Sept. 1949	Dec. 1949	March 1950	June 1950	Sept 1950	Dec. 1950	March 1951
<b>REQUIREMENTS</b>								
<b>1. Budget</b>								
(a) Ordinary revenue ... ..	757	821	811	1,535	769	813	792	1,604
(b) Ordinary expenditure (including Sinking funds) ... ..	-756	-839	-821	-959	-724	-788	-808	-938
(c) Above the line surplus ... ..	1	-18	-10	576	45	25	-16	666
(d) Below the line deficit ... ..	-172	-122	-122	-71	-111	-109	-123	-130
(e) Overall deficit ... ..	-171	-140	-132	505	-66	-84	-139	536
<b>2. Nationalised industries and Post Office—capital requirements</b>								
(a) Issues of guaranteed stocks ... ..	—	—	—	—	-53	-67	-29	—
(b) Issues of guaranteed stocks to National Debt Commissioners ... ..	-48	-6	-8	—	—	-12	-3	—
(c) Post Office capital expenditure:								
(i) Advances by National Debt Commissioners ... ..	-8	-8	-7	-9	-7	-7	-8	-10
(ii) Repayments to National Debt Commissioners ... ..	3	3	3	3	3	3	4	3
	-53	-11	-12	-6	-57	-83	-36	-7
<b>Total Requirements</b> ... ..	-224	-151	-144	499	-123	-167	-175	529
<b>FINANCING</b>								
<b>3. Receipts from extra-budgetary funds, etc.</b>								
(a) National Insurance Funds ... ..	37	46	41	38	41	47	43	37
(c) Issue Department income ... ..	1	2	1	3	1	4	2	4
(d) Departmental balances ... ..	-23	22	-37	94	-26	34	5	38
(e) Sinking funds ... ..	2	6	4	7	2	6	4	7
<b>Total extra-budgetary funds, etc.</b> ... ..	17	76	9	142	18	91	54	86
<b>4. External</b>								
(a) Exchange Equalisation Account: sterling receipts	69	22	-124	-108	-161	-154	-163	-135
(b) American aid: sterling receipts (net) ... ..	60	65	78	46	67	35	47	30
(c) Loans taken by United Kingdom Government: sterling receipts (net)								
(i) E.P.U. credit ... ..	—	—	—	—	—	—	-134	-27
(ii) United States and Canadian loans ... ..	4	4	10	—	2	-7	-11	-8
(iii) I.B.R.D. and I.M.F. ... ..	—	—	-15	42	—	—	—	10
(iv) Other loans ... ..	-47	-7	-4	-4	-4	-2	-5	-21
	-43	-3	-9	38	-2	-9	-150	-66
<b>Total sterling receipts from external items</b> ... ..	86	84	-55	-24	-96	-128	-266	-171
<b>5. Increase in fiduciary note issue</b> ... ..	—	—	50	-50	50	—	25	-25
<b>6. Borrowing from the public</b>								
(a) Small savings ... ..	5	-16	-20	23	-20	-22	-20	31
(b) Tax reserve certificates ... ..	26	23	64	-152	45	69	77	-123
(c) Treasury deposit receipts ... ..	108	-332	-39	-407	-115	155	20	-242
(cc) Other non-marketable ... ..	—	-1	—	—	-1	—	-2	1
<b>Total non-marketable securities, etc.</b> ... ..	139	-326	5	-536	-91	202	75	-333
(d) Marketable stocks, etc.								
(i) Government stocks: issues ... ..	—	—	—	—	100	—	250	—
(ii) Government stocks: redemptions (including Sinking funds) ... ..	-2	-6	-4	-58	-3	-6	-4	-126
(iii) Guaranteed stocks, etc. (net issues) ... ..	53	11	12	6	57	83	36	7
	51	5	8	-52	154	77	282	-119
(iv) less Increase in holdings of Issue Department and National Debt Commissioners	-38	-48	-340	91	-155	-15	-211	68
<b>Total marketable stocks, etc.</b> ... ..	13	-43	-332	39	-1	62	71	-51
(e) Increase in market Treasury bills ... ..	-31	360	467	-70	243	-60	216	-35
<b>Total borrowing from the public</b> ... ..	121	-9	140	-567	151	204	362	-419
<b>Total Financing</b> ... ..	224	151	144	-499	123	167	175	-529



# EXCHEQUER FINANCING

Additional information regarding transactions in marketable stocks

TABLE 2(a)

£ million

	British government stocks						Nationalised industries stocks issued as compensation in connection with nationalisation operations (2)	Transactions in British government and nationalised industries' stocks by overseas official holders (3)
	Total maturities	Cash redemptions (1)	Conversions	Issued for cash	Issued as compensation in connection with nationalisation operations	Total issues		
Financial years ended 31 March								
1945/6 ... ..	282	282	—	1,414	58	1,472	—	+ 121
1946/7 ... ..	1,647	853	794	901	78	1,773	—	+ 17
1947/8 ... ..	325	325	—	—	—	—	1,059	+ 3
1948/9 ... ..	20	20	—	—	32	32	412	+ 59
1949/50 ... ..	805	70	735	—	—	735	223	— 79
1950/1 ... ..	733	139	594	350	46	990	244	+ 189
Quarters ended								
1945 June ... ..	2	2	—	232	—	232	—	+ 48
September ...	271	271	—	396	—	396	—	— 35
December ...	3	3	—	783	—	783	—	+ 80
1946 March ...	6	6	—	3	58	61	—	+ 28
1946 June ... ..	209	33	176	288	—	464	—	+ 29
September ...	1,001	383	618	130	—	748	—	— 29
December ...	4	4	—	153	—	153	—	+ 16
1947 March ...	433	433	—	330	78	408	—	+ 1
1947 June ... ..	4	4	—	—	—	—	—	+ 12
September ...	6	6	—	—	—	—	—	— 10
December ...	3	3	—	—	—	—	—	+ 12
1948 March ...	312	312	—	—	—	—	1,059	— 11
1948 June ... ..	4	4	—	—	—	—	4	+ 28
September ...	6	6	—	—	—	—	383	+ 14
December ...	3	3	—	—	—	—	25	+ 12
1949 March ...	7	7	—	—	32	32	—	+ 5
1949 June ... ..	2	2	—	—	—	—	—	+ 32
September ...	6	6	—	—	—	—	138	+ 18
December ...	4	4	—	—	—	—	—	— 140
1950 March ...	793	58	735	—	—	735	85	+ 11
1950 June ... ..	3	3	—	100	19	119	—	+ 37
September ...	6	6	—	—	—	—	10	+ 25
December ...	510	4	506	250	27	783	3	+ 64
1951 March ...	214	126	88	—	—	88	231	+ 63

(1) Including stocks redeemed through the operation of contractual sinking funds.

(2) Net issues of nationalised industries' stocks for cash appear as item 6(d)(iii) in the main tables.

(3) This column gives an estimate of the net cash value of transactions (purchases and subscriptions to new issues, +; sales and redemptions, —) in British government and government guaranteed stocks issued by the nationalised industries, by overseas official holders (that is overseas central banks, Currency boards and certain other official bodies). The figures are mainly derived from the change in the nominal value of each holding. In a few isolated cases these holdings include, indistinguishably, United Kingdom securities other than those issued by the British government or by nationalised industries.



# EXCHEQUER FINANCING

Changes in market holdings of Treasury bills<sup>(1)</sup>

TABLE 2(b)

£ million

	Total market	Overseas official holders (2)	Bank of England Banking Department	London clearing banks (3)	Scottish banks (3)	Other home (including discount market) and overseas non-official holders (4)
Financial years ended 31 March						
1945/6 ... ..	+ 620	+ 323	— 12	+ 231	— 2	+ 80
1946/7 ... ..	+ 422	— 100	+ 106	+ 344	+ 2	+ 70
1947/8 ... ..	+ 116	+ 29	+ 28	+ 14	+ 3	+ 42
1948/9 ... ..	— 614	— 510	— 10	+ 52	— 4	— 142
1949/50 ... ..	+ 726	+ 196	+ 2	+ 246	+ 2	+ 280
1950/1 ... ..	+ 364	+ 138	+ 16	+ 154	— 2	+ 58
Quarters ended						
1945 June ... ..	+ 155	+ 36	+ 158	— 12	+ 3	— 30
September ... ..	+ 245	+ 177	— 129	+ 83	+ 1	+ 113
December ... ..	+ 174	+ 69	+ 160	+ 149	— 5	— 199
1946 March ... ..	+ 46	+ 41	— 201	+ 11	— 1	+ 196
1946 June ... ..	+ 160	— 42	+ 198	+ 130	+ 1	— 127
September ... ..	— 65	— 37	— 96	— 112	+ 1	+ 179
December ... ..	+ 189	— 52	+ 42	+ 193	+ 2	+ 4
1947 March ... ..	+ 138	+ 31	— 38	+ 133	— 2	+ 14
1947 June ... ..	— 137	+ 25	+ 31	— 83	—	— 110
September ... ..	+ 103	— 8	— 24	+ 74	—	+ 61
December ... ..	+ 21	+ 7	— 3	+ 8	+ 6	+ 3
1948 March ... ..	+ 129	+ 5	+ 24	+ 15	— 3	+ 88
1948 June ... ..	— 183	— 37	+ 21	— 146	— 2	— 19
September ... ..	— 235	— 317	— 32	+ 44	—	+ 70
December ... ..	— 54	— 95	+ 87	+ 29	+ 3	— 78
1949 March ... ..	— 142	— 61	— 86	+ 125	— 5	— 115
1949 June ... ..	— 31	— 70	+ 41	— 68	—	+ 66
September ... ..	+ 360	+ 61	— 44	+ 174	+ 1	+ 168
December ... ..	+ 467	+ 176	+ 84	+ 143	+ 3	+ 61
1950 March ... ..	— 70	+ 29	— 79	— 3	— 2	— 15
1950 June ... ..	+ 243	— 58	+ 22	+ 226	— 2	+ 55
September ... ..	— 60	— 57	— 63	+ 15	+ 1	+ 44
December ... ..	+ 216	+ 69	+ 104	+ 33	+ 5	+ 5
1951 March ... ..	— 35	+ 184	— 47	— 120	— 6	— 46

(1) Treasury bills other than those held by the National Debt Commissioners, the Exchange Equalisation Account, other Government departments and the Issue Department of the Bank of England.

(2) Overseas central banks, Currency boards and certain other official bodies.

(3) The figures for clearing banks and Scottish banks relate to three-monthly periods between the banks' make-up dates in March, June, September and December. Up to the end of 1946 the clearing banks made up their figures on dates in the second half of each month which varied between individual banks; from 1947 onwards they all made up on 30 June and 31 December and on the third Wednesday of other months. The Scottish banks made up on varying dates throughout the period.

(4) A residual which includes any error arising from differences of timing in the figures for other categories in the table.



# NATIONAL DEBT

Market securities<sup>(1)</sup>  
Analysis between official and other holdings

At 31 March

TABLE 3

£ million nominal

	1945	1946	1947	1948	1949	1950	1951
<b>Total</b>							
Up to 5 years ... ..	1,672	1,531	1,501	2,025	2,834	2,782	2,068
5 to 15 years ... ..	3,072	3,498	2,984	2,160	1,350	1,350	2,827
Over 15 years (including undated)	6,331	7,239	8,354	9,403	9,950	10,215	10,116
Total ...	11,075	12,268	12,839	13,588	14,134	14,347	15,011
<b>Official Holdings<sup>(2)</sup></b>							
Up to 5 years ... ..	375	565	201	289	433	682	344
5 to 15 years ... ..	423	427	374	291	162	178	507
Over 15 years (including undated)	640	616	1,330	1,478	1,545	1,588	1,890
Total ...	1,438	1,608	1,905	2,058	2,140	2,448	2,741
<b>Other Holdings</b>							
Up to 5 years ... ..	1,297	966	1,300	1,736	2,401	2,100	1,724
5 to 15 years ... ..	2,649	3,071	2,610	1,869	1,188	1,172	2,320
Over 15 years (including undated)	5,691	6,623	7,024	7,925	8,405	8,627	8,226
Total ...	9,637	10,660	10,934	11,530	11,994	11,899	12,270

(1) Government securities and Government guaranteed stocks issued by nationalised industries and undertakings (as defined by Section 42 of the Finance Act, 1956) together with 3½% British Iron and Steel Stock 1979-81, but excluding securities tendered in payment of death duties and held by the National Debt Commissioners until redeemed. Securities with optional maturity dates are classified according to final maturity date; 4% Victory bonds are classified according to average life to maturity.

(2) Holdings of the National Debt Commissioners and the Issue Department of the Bank of England.



# NATIONAL DEBT

Estimated distribution of the National debt and  
nationalised industries loans guaranteed by H.M. Government<sup>(1)</sup>

At 31 March

TABLE 4

£ million nominal

	1946					1947				
	Total	Treasury bills	Market securities <sup>(2)</sup>	National savings, etc. <sup>(3)</sup>	Other <sup>(4)</sup>	Total	Treasury bills	Market securities <sup>(2)</sup>	National savings, etc. <sup>(3)</sup>	Other <sup>(4)</sup>
National Debt Commissioners	2,755	32	1,425	—	1,298	3,124	17	1,743	—	1,365
Bank of England Issue Department ... ..	1,395	1,201	183	—	11	1,454	1,281	162	—	11
	4,150	1,233	1,608	—	1,309	4,578	1,298	1,905	—	1,376
Exchange Equalisation Account and other public departments <sup>(5)</sup> ... ..	1,011	299	411	11	290	1,409	328	503	14	564
Nationalised industries <sup>(6)</sup> ... ..	—	..	—	—	—	—	..	—	—	—
Local authorities <sup>(7)</sup> ... ..	265	..	265	..	—	225	..	225	..	—
London clearing banks <sup>(8)</sup> ... ..	2,986	363	1,180	..	1,443	3,404	707	1,380	..	1,317
Bank of England Banking Department <sup>(9)</sup> ... ..	229	160	54	1	14	322	266	55	1	—
Scottish banks <sup>(8)</sup> ... ..	401	3	344	..	54	446	5	381	..	60
Insurance and other public companies and provident societies <sup>(10)</sup> ... ..	2,082	..	2,082	..	—	2,092	..	2,092	..	—
Overseas official <sup>(11)</sup> ... ..	2,640	1,789	727	..	124	2,849	1,689	761	..	399
Other (including residual errors) ... ..	9,508	576	5,597	3,200	135	9,558	592	5,537	3,298	130
Total ... ..	23,272	4,423	12,268	3,212	3,369	24,883	4,885	12,839	3,313	3,846

(1) The National debt here excludes debt payable in external currencies (as detailed in the *Finance Accounts of the United Kingdom*) and securities tendered in payment of death duties and held by the National Debt Commissioners until redeemed. The Nationalised industries are here defined as follows: British Electricity Authority, North of Scotland Hydro-Electric Board, Gas Council, British Transport Commission, British Overseas Airways Corporation, British European Airways Corporation and the Iron & Steel Corporation of Great Britain. Their stock issues (4 in 1946, 20 in 1947, 1,084 in 1948, 2,304 in 1951) fall wholly under the heading "Market Securities".

(2) Includes unquoted securities (4 in 1946, 99 in 1947, 99 in 1948, 156 in 1951) mostly issued direct to the National Debt Commissioners.

(3) National savings certificates, Defence bonds and Tax reserve certificates. No general analysis can be made by holders.

(4) Consists mainly of:

- (i) Treasury deposit receipts (1,559 in 1946, 1,457 in 1947, 1,291 in 1948, 284 in 1951) held principally by the London clearing banks and Scottish banks.
- (ii) Terminable annuities (1,122 in 1946, 1,340 in 1947, 1,307 in 1948, 1,383 in 1951) issued to the National Debt Commissioners between 1943 and 1950 as a security for the investment of Post Office and Trustee Savings Banks' funds.
- (iii) Ways and Means advances to the Exchequer (505 in 1946, 613 in 1947, 341 in 1948, 447 in 1951) largely made by other public departments.
- (iv) Other debt issued under the National Loans Act, 1939 (156 in 1946, 410 in 1947, 486 in 1948, 843 in 1951) consisting mostly of interest-free notes issued to the International Monetary Fund and the International Bank for Reconstruction and Development, and debts to the Governments of India and Portugal.



# NATIONAL DEBT

**Estimated distribution of the National debt and  
nationalised industries loans guaranteed by H.M. Government<sup>(1)</sup>**

At 31 March

TABLE 4 (continued)

£ million nominal

	1948					1951				
	Total	Treasury bills	Market securities <sup>(2)</sup>	National savings, etc. <sup>(3)</sup>	Other <sup>(4)</sup>	Total	Treasury bills	Market securities <sup>(2)</sup>	National savings, etc. <sup>(3)</sup>	Other <sup>(4)</sup>
National Debt Commissioners	3,259	23	1,899	—	1,337	3,843	19	2,391	—	1,433
Bank of England Issue Department ... ..	1,322	1,152	159	—	11	1,354	993	350	—	11
	4,581	1,175	2,058	—	1,348	5,197	1,012	2,741	—	1,444
Exchange Equalisation Account and other public departments <sup>(5)</sup> ... ..	1,021	316	408	14	283	985	120	473	11	381
Nationalised industries <sup>(6)</sup> ... ..	180	..	180	—	—	113	..	113	—	—
Local authorities <sup>(7)</sup> ... ..	200	..	200	..	—	185	..	185	..	—
London clearing banks <sup>(8)</sup> ... ..	3,286	721	1,412	..	1,153	2,878	1,173	1,471	..	234
Bank of England Banking Department <sup>(9)</sup> ... ..	355	294	54	1	6	384	302	66	1	15
Scottish banks <sup>(8)</sup> ... ..	452	8	390	..	54	411	4	394	..	13
Insurance and other public companies and provident societies <sup>(10)</sup> ... ..	1,934	..	1,934	..	—	2,006	..	2,006	..	—
Overseas official <sup>(11)</sup> ... ..	2,972	1,718	776	..	478	3,320	1,542	957	..	821
Other (including residual errors) ... ..	10,170	678	6,176	3,186	130	10,554	857	6,605	3,018	74
<b>Total</b> ... ..	<b>25,151</b>	<b>4,910</b>	<b>13,588</b>	<b>3,201</b>	<b>3,452</b>	<b>26,033</b>	<b>5,010</b>	<b>15,011</b>	<b>3,030</b>	<b>2,982</b>

<sup>(5)</sup> Includes public corporations (other than those listed in note (1)).

<sup>(6)</sup> As defined in note (1).

<sup>(7)</sup> Local authorities are here defined as those public authorities or bodies who are required to make financial returns under Part XI of the Local Government Act 1933. They therefore include certain authorities with special functions (for example Local Harbour Boards) as well as those with more general administrative functions. Exceptionally, the Metropolitan Police (who come under the Act) are not included here but in item 3 "Other Public Departments". The figures are estimates derived from information supplied by a sample of local authorities.

<sup>(8)</sup> Book values at March make-up days.

<sup>(9)</sup> Book values.

<sup>(10)</sup> Includes:

- (i) Insurance companies: estimates based on a sample analysis and on statements published by the Board of Trade under the various Assurance Companies Acts; these relate mainly to holdings at 31 December of the previous year.
- (ii) Other public companies: estimates based largely upon the samples of public companies' balance sheets at varying dates published quarterly by *The Economist*.
- (iii) Provident Societies: estimates of holdings based mainly on the reports of the Registrar of Friendly Societies, the reports of the Industrial Assurance Commissioner, and balance sheets of Building Societies, mainly at 31 December of the previous year. Most figures included in this item relate to book, not nominal values.

<sup>(11)</sup> Overseas central banks, Currency boards and certain other official bodies.







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