

FINANCIAL STATEMENT (1955-56)

RETURN to an Order of the Honourable The House of Commons
dated 19 April, 1955:—*for*

COPY of “STATEMENT of REVENUE and EXPENDITURE as laid
before the House by the CHANCELLOR OF THE EXCHEQUER
when opening the BUDGET”

Treasury Chambers,
19 April, 1955 } HENRY BROOKE

(*Mr. Henry Brooke*)

Ordered by The House of Commons to be Printed
19 April, 1955



LONDON
HER MAJESTY'S STATIONERY OFFICE

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1954-55

TABLE I.—Comparison of Exchequer Issues with Estimated Expenditure

1953-54 Exchequer Issues	—	1954-55			
		Total Expenditure provided for in the Budget	Supplementary and Excess Votes sub- sequently granted	Total Estimated Expenditure	Exchequer Issues
	Ordinary Expenditure				
£000	CONSOLIDATED FUND SERVICES	£000	£000	£000	£000
579,760	Interest and Management of the National Debt ...	570,000	—	570,000	569,723*
35,625	Sinking Funds ...	36,000	—	36,000	36,067†
50,064	Payments to Northern Ireland Exchequer ...	51,000	—	51,000	50,191‡
9,324	Other Consolidated Fund Services ...	10,000	—	10,000	8,812
674,773	Total ...	667,000	—	667,000	664,793
	SUPPLY SERVICES				
537,800	Army Votes ...	561,000	—	561,000	496,701
357,100	Navy Votes ...	367,000	—	367,000	356,271
458,400	Air Votes ...	537,000	—	537,000	494,578
119,100	Ministry of Supply (Defence)	151,000	—	151,000	133,000
17,100	Ministry of Defence ...	23,904	—	23,904	16,500
1,489,500		1,639,904	—	1,639,904	1,497,050
125,000	Less American Aid receipts appropriated in aid of Defence Votes ...	85,360	—	85,360	61,150
1,364,500	Total Defence (net) ...	1,554,544	—	1,554,544	1,435,900
2,190,125	Civil Votes (excluding Minis- try of Supply (Defence))	2,253,625	35,924	2,289,549	2,157,741
44,214	Customs and Excise and Inland Revenue Votes ...	46,890	219	47,109	46,292
880	Balance of Post Office Vote	340	340§	—	—
3,599,719	Total Supply Services ...	3,855,399	35,803	3,891,202	3,639,933
4,274,492	Total Ordinary Expenditure	4,522,399	35,803	4,558,202	4,304,726
	Self-Balancing Expenditure				
232,000	Post Office ...	237,800	6,860	244,660	243,600
5,940	Excess Profits Tax, Post-war refunds (part deducted for tax) ...	2,500	—	2,500	5,186
237,940	Total Self-Balancing Expen- diture ...	240,300	6,860	247,160	248,786

* In addition £103,942,000 for Interest on the National Debt was met from receipts under various Acts authorising such application.

† Viz:—

	£000
Capital of Terminable Annuities ...	987
4 per cent. Funding Loan Sinking Fund ...	7,932
3 per cent. Funding Loan Sinking Fund ...	6,374
3½ per cent. Conversion Loan Sinking Fund ...	13,817
Victory Bonds Sinking Fund ...	6,957
Total ...	36,067

‡ This item is made up of:—

(1) £47,186,000, being proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland, estimated as follows:—

	£000
Gross proceeds of reserved taxes ...	65,425
Add under-issue in 1952-53 ...	10
Less cost of reserved services ...	5,749
Less Northern Ireland contribution to Imperial services ...	12,500

(2) £44,000, being issues under the Disabled Persons (Employment) Act, 1944, and the Employment and Training Act, 1948.

(3) £2,961,000, being issues under the Social Services (Northern Ireland Agreement) Act, 1949.

§ Transferred to Self-Balancing Expenditure.

1954-55

TABLE II.—Comparison of Exchequer Receipts with Budget Estimates

1953-54 Exchequer Receipts		1954-55		
		Budget Estimate	Exchequer Receipts	+ Increase or — Decrease
£000	Ordinary Revenue	£000	£000	£000
	INLAND REVENUE			
1,730,991	Income Tax	1,800,000	1,892,965	+ 92,965
132,400	Surtax	132,000	134,700	+ 2,700
164,500	Death Duties	164,375	187,900	+ 23,525
56,600	Stamps	55,000	75,100	+ 20,100
	Profits Tax and Excess Profits			
188,400	Tax	172,000	172,800	+ 800
65,850	Excess Profits Levy	60,000	76,500	+ 16,500
1,390	Other Inland Revenue Duties	1,000	1,280	+ 280
2,340,131		2,384,375	2,541,245	+ 156,870
	CUSTOMS AND EXCISE			
1,042,396	Customs	1,062,500	1,100,049	+ 37,549
721,975	Excise	719,000	771,637	+ 52,637
1,764,371		1,781,500	1,871,686	+ 90,186
73,115	MOTOR VEHICLE DUTIES ...	77,000	78,980	+ 1,980
4,177,617	TOTAL RECEIPTS FROM TAXES	4,242,875	4,491,911	+ 249,036
—	Post Office (Net Receipt) ...	—	5,100	+ 5,100
16,409	Broadcast Receiving Licences	21,000	22,300	+ 1,300
38,014	Receipts from Sundry Loans	24,000	23,024	— 976
136,099	Miscellaneous	245,000	195,558*	— 49,442
4,368,130	Total Ordinary Revenue ...	4,532,875	4,737,893	+ 205,018
	Self-Balancing Revenue			
232,000	Post Office	237,800	243,600	+ 5,800
5,940	Income Tax deducted from Excess Profits Tax, Post-war refunds	2,500	5,186	+ 2,686
237,940	Total Self-Balancing Revenue	240,300	248,786	+ 8,486

* Viz.:—

£000

Surplus Appropriations-in-Aid	24,516
Local Loans Fund—Interest on advances under Finance Act, 1935	10,730
Surplus receipts from trading services of Ministry of Food	62,000
Surplus receipts from trading services of Ministry of Materials	37,262
Other items	61,050
	<u>195,558</u>

NOTE: *Post-war Credits*.—The total amount of Income Tax post-war credits outstanding at 31st March, 1955, was about £540 million.

Refund of Excess Profits Tax.—The total amount of Excess Profits Tax post-war refunds outstanding at the same date was about £11 million gross or £6 million after deduction of Income Tax.

1954-55

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1954-55

	Receipts	£000
Ordinary Revenue	4,737,893
Self-Balancing Revenue	248,786
Receipts applicable under various Acts to Interest on the National Debt	103,942
Money raised by creation of Debt (Total 1,036,087):—		
National Savings Certificates	182,700
3½ per cent. Defence Bonds	95,290
3 per cent. Defence Bonds	27
2 per cent., Conversion Stock, 1958-59	298,500
Tax Reserve Certificates (net)	18,704
Treasury Bills (net)	440,866
Receipts under the Marine and Aviation Insurance (War Risks) Act, 1952 (S. 5 (3))	...	2,000
Repayments, &c., under:—		
Land Settlement (Facilities) Acts, 1919 and 1921	154
Tithe Act, 1936 (S. 26)	2,295
Export Guarantees Act, 1949 (S. 3)	1,612
Housing (Temporary Accommodation) Act, 1944 (S. 8)	21,870
Housing (Scotland) Act, 1950 (S. 94 (4))	221
Building Materials and Housing Act, 1945 (S. 4)	2,330
Armed Forces (Housing Loans) Act, 1949 (S. 1)	115
Local Authorities Loans Act, 1945 (S. 3 (4))	25,012
Miscellaneous Financial Provisions Act, 1950 (S. 2 (4)):—		
Northern Ireland Exchequer	60
New Towns Act, 1946 (S. 12 (5))	365
Cinematograph Film Production (Special Loans) Act, 1949 (S. 8 (1))	697
Coal Industry Nationalisation Act, 1946 (S. 28 (2))	7,966
Cotton (Centralised Buying) Act, 1947 (S. 21 (3))	34,673
Overseas Resources Development Act, 1948 (S. 18 (1)):—		
Colonial Development	450
Overseas Food	553
Miscellaneous Financial Provisions Acts, 1946 and 1950 and Civil Contingencies Fund Act, 1952	55,000
European Payments Union (Financial Provisions) Act, 1950 (S. 3)	2,200
Anglo-Turkish (Armaments Credit) Agreement Act, 1938 (S. 1 (2))	1,064
Suez Canal Drawn Shares	203
Exchequer Balance on 31st March, 1954	3,242
		6,288,790

* Viz:—

Internal Debt—

	Increase £000	Decrease £000
Bretton Woods Agreement Act, 1945—International Bank and Monetary Fund—Interest Free Notes	—	43,975
Bank of England (Treasury Special Account)—Interest Free Notes	3,125	—
Government of India—Agreement of 26th September, 1942	—	906
—Financial Agreement of 9th July, 1948 (Cmd. 7472)	—	5,293
Government of Pakistan—Financial Agreement of 9th July, 1948 (Cmd. 7479)	—	267
European Payments Union Credit	—	37,670
United States—Sterling Loan under Agreement of 26th June, 1953 (East African Ports) (Cmd. 8965)	2,390	—
Government of Northern Ireland—Ulster Saving Certificates	—	937
Deposits by Trustee Savings Banks, &c.	—	3,226
Government of Cyprus—Repayment of 2½ per cent. Loan, 1954	—	500
Miscellaneous	—	209

External Debt—

	Increase £000	Decrease £000
United States—Government Loan under Agreement of 6th December, 1945 (Cmd. 6708)	—	19,876
Government of Canada—Loan under Financial Agreement of 6th March, 1946 (Cmd. 6904)	—	5,446
—Loan Free of Interest	—	10,976
Government of Belgium—Loan under Agreement of 30th June, 1952 (Cmd. 8627)	—	3,478
Government of Ceylon—Repayment of 2½ per cent. War Loan, 1954	—	2,057
Governments of East Africa—Repayment of 2½ per cent. War Bonds, 1952-54	—	3,638
European Payments Union Credit (see Note * on page 9)	—	41,445
Miscellaneous	—	162

5,515

180,061

Net Decrease ...

174,546

1954-55

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1954-55—*continued*

	Payments	£000
Ordinary Expenditure	4,304,726
Self-Balancing Expenditure	248,786
Interest on the National Debt met from receipts under various Acts	103,942
Issues for Redemption of Debt (Total 677,857):—		
National Savings Certificates (Principal only)	136,850
2½ per cent. Defence Bonds	18,230
3 per cent. Defence Bonds	46,942
3½ per cent. Defence Bonds	8,855
1¾ per cent. Serial Funding Stock, 1954	121,511
2½ per cent. National War Bonds, 1952-54	450
3 per cent. National Defence Loan, 1954-58	28,870
2¼ per cent. Exchequer Stock, 1955	83,849
2½ per cent. Terminable Annuities (National Debt Commissioners)	6,864
3 per cent. Terminable Annuities (National Debt Commissioners)	37,059
3½ per cent. Terminable Annuity (National Debt Commissioners)	1,096
Ways and Means Advances (net)	12,735
Other Debt under the National Loans Act, 1939 (net)	174,546*
Excess Profits Tax, Post-war refunds (balance after deduction of tax)	6,338
Issue to National Debt Commissioners:—		
Suez Canal Drawn Shares	203
Issues under the following Acts:—		
Tithe Act, 1936—Temporary advances to Redemption Annuities Account	2,195
Export Guarantees Act, 1949—Acquisition of Guaranteed Securities	3,072
Housing (Temporary Accommodation) Acts, 1944 and 1947—Provision of temporary houses	13
Housing (Scotland) Act, 1950—Advances to Scottish Special Housing Association	5,561
Armed Forces (Housing Loans) Acts, 1949 and 1953—Provision of additional married quarters for the Armed Forces	1,060
Local Authorities Loans Act, 1945—Issues to Local Loans Fund for loans to Local Authorities	353,100
Miscellaneous Financial Provisions Act, 1950—Northern Ireland Government Loans	1,100
New Towns Acts, 1946 to 1953—Capital advances to Development Corporations	29,980
Post Office and Telegraph (Money) Act, 1953—Post Office capital expenditure	45,100
Cinematograph Film Production (Special Loans) Acts, 1949 to 1954—Advances to National Film Finance Corporation for loans	881
Television Act, 1954—Loans to Independent Television Authority	55
Development of Inventions Acts, 1948 and 1954—Capital advances to National Research Development Corporation	300
Coal Industry Acts, 1946 to 1951—Advances to National Coal Board for working capital, &c.	75,250
Cotton (Centralised Buying) Act, 1947, and Cotton Act, 1954—Advances to Raw Cotton Commission for working balances	9,500
Overseas Resources Development Act, 1948—Capital advances to Colonial Development Corporation	4,400
Miscellaneous Financial Provisions Act, 1946—War Damage Payments—Board of Trade	175
War Damage Payments—War Damage Commission	30,000
Town and Country Planning Act, 1947 and Town and Country Planning (Scotland) Act, 1947—Payments in respect of certain war-damaged properties	800
Town and Country Planning Act, 1954 and Town and Country Planning (Scotland) Act, 1954—Compensation payments	7,100
Miscellaneous Financial Provisions Acts, 1946 and 1950 and Civil Contingencies Fund Act, 1952—Temporary increase of capital of Fund	50,000
Finance Acts, 1946, 1947 and 1954—Repayment of Post-war Credits	23,850
Bretton Woods Agreements Act, 1945—Maintenance of value of sterling subscription to International Bank for Reconstruction and Development	1
Issues to the Exchange Equalisation Account	300,000
Exchequer Balance on 31st March, 1955	3,445
		6,288,790

* See note on page 6.

TABLE IV.—NATIONAL DEBT

	31st March, 1954	31st March, 1955 (approximate figures)
<i>Internal Debt:</i>	£000	£000
2½% Consols, &c.	312,917	312,917
4% Consols, 1957 or after	389,195	386,131
3½% Conversion Loan, 1961 or after	694,739	679,245
2½% Treasury Stock, 1975 or after	482,013	482,013
3% Treasury Stock, 1966 or after	58,192	58,192
3½% War Loan	1,909,893	1,909,860
Terminable Annuities	11,500	11,575
2% Conversion Stock, 1958-59	—	591,940
3½% Conversion Stock, 1969	340,558	340,558
2% Exchequer Stock, 1960	—	448,347
2½% Exchequer Stock, 1955	734,275	—
2½% Exchequer Stock, 1963-64	—	274,217
3% Exchequer Stock, 1960	200,000	200,000
3% Exchequer Stock, 1962-63	341,278	341,278
2½% Funding Loan, 1956-61	804,174	796,174
2½% Funding Loan, 1952-57	100,556	100,556
3% Funding Loan, 1959-69	312,250	305,615
4% Funding Loan, 1960-90	263,840	256,162
3% Funding Stock, 1966-68	338,272	540,350
3½% Funding Stock, 1999-2004	—	143,270
3% National Defence Loan, 1954-58	320,810	—
2½% National War Bonds, 1952-54	450	—
2½% National War Bonds, 1954-56	823,719	823,719
2½% Savings Bonds, 1964-67	752,428	752,428
3% Savings Bonds, 1955-65	712,551	712,549
3% Savings Bonds, 1960-70	1,024,520	1,024,514
3% Savings Bonds, 1965-75	1,073,021	1,073,018
1½% Serial Funding Stock, 1954	534,825	—
2½% Serial Funding Stock, 1957	502,920	502,920
3% Serial Funding Stock, 1955	523,799	523,799
2½% Treasury Stock, 1986-2016	78,457	78,457
3½% Treasury Stock, 1977-80	206,098	241,446
3½% Treasury Stock, 1979-81	240,133	234,780
4% Victory Bonds (repayable by annual drawings ending 1976)	233,956	227,136
3% War Loan, 1955-59	302,461	302,461
2½% Terminable Annuities*	201,391	194,527
3% Terminable Annuities*	1,008,801	971,741
3½% Terminable Annuity*	45,475	44,379
2½% Defence Bonds	188,786	170,556
3% Defence Bonds	409,963	311,735
3½% Defence Bonds	184,408	322,678
National Savings Certificates†	1,767,560	1,813,410
Tax Reserve Certificates	368,803	387,507
Treasury Bills	4,491,420	4,931,390
Ways and Means Advances	327,945	315,210
Carried forward	23,618,352	24,138,760

* Issued to National Debt Commissioners.

† Shown at issue price, exclusive of accrued interest amounting approximately to £530 million at 31st March, 1954, and £553 million at 31st March, 1955.

TABLE IV.—NATIONAL DEBT—*continued*

	31st March, 1954	31st March, 1955 (approximate figures)
	£000	£000
<i>Internal Debt—continued:</i>		
Brought forward	23,618,352	24,138,760
<i>Other Debt:</i>		
International Bank for Reconstruction and Development—Interest-free Notes	80,550	76,575
International Monetary Fund—Interest-free Notes ...	415,175	375,175
Bank of England (Treasury Special Account)—Interest-free Notes	950	4,075
European Payments Union	196,796	58,447*
Government of Portugal	81,000	81,000
Government of India	137,905	131,706
Government of Pakistan	6,438	6,171
Miscellaneous	19,811	16,908
	<u>24,556,977</u>	<u>24,888,817</u>
<i>Deduct:</i>		
Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled	88,492	85,927
<i>Total Internal Debt (net)</i>	<u>24,468,485</u>	<u>24,802,890</u>
<i>Debt payable in External Currencies:</i>		
United States—Government Loan	1,497,801	1,477,924
E.C.A. and M.S.A. Loans	137,428	137,428
Canadian Government Loans	465,865	451,641
European Payments Union	—	59,234*
Other Debt (payable in external currency)	13,454	4,125
<i>Total External Debt</i>	<u>2,114,548</u>	<u>2,130,352</u>
<i>Total National Debt (net)</i>	<u>26,583,033</u>	<u>26,933,242</u>

* Arising from certain bilateral Agreements to repay in gold or external currencies £100,679,000 of the debt to the European Payments Union, that part of the debt was reclassified as External Debt, with effect from July, 1954. (Cmds. 9254, 9264, 9266, 9268, 9278, 9279.)

TABLE V.—Central and Local Government Expenditure

Year	Expenditure by Central Government			Expenditure by Local Authorities less Government grants [†]
	Ordinary Expenditure [*]	Issues under Defence Loans Acts, 1937 and 1939	Total of Columns 2 and 3	
(1)	(2)	(3)	(4)	(5)
	£000	£000	£000	£000
1938-39	941,381	128,050	1,069,431	212,578
1939-40	1,275,756	491,750	1,767,506	223,536
1940-41	3,818,719	—	3,818,719	226,267
1941-42	4,839,849	—	4,839,849	220,968
1942-43	5,433,296	—	5,433,296	222,496
1943-44	5,797,498	—	5,797,498	226,320
1944-45	6,036,815	—	6,036,815	230,501
1945-46	5,648,652	—	5,648,652	248,414
1946-47	3,836,287	—	3,836,287	270,915
1947-48	3,212,661	—	3,212,661	313,805
1948-49	3,198,792	—	3,198,792	298,591
1949-50	3,345,350	—	3,345,350	310,990
1950-51	3,245,636	—	3,245,636	322,424 [‡]
1951-52	4,120,420	—	4,120,420	353,614 [‡]
1952-53	4,340,303	—	4,340,303	378,618 [‡]
1953-54	4,280,240	—	4,280,240	424,737 [‡]
1954-55	4,304,726 [§]	—	4,304,726	¶439,870 [‡]

* Including Sinking Fund payments when met from Revenue.

† As measured by rates collected.

‡ Estimated.

§ Exchequer Issues.

¶ Viz., England and Wales £393,000,000, Scotland £46,870,000.

1955-56

TABLE VI.—Comparison of Estimated EXPENDITURE under Budget heads

Service	Budget Estimate 1954-55	Estimate 1955-56	+ Increase or — Decrease
	£000	£000	£000
Ordinary Expenditure			
CONSOLIDATED FUND SERVICES			
Interest and Management of the National Debt	570,000	600,000	+ 30,000
Sinking Funds	36,000	36,000	—
Payments to Northern Ireland Exchequer	51,000	53,000	+ 2,000
Other Consolidated Fund Services ...	10,000	10,000	—
TOTAL	667,000	699,000	+ 32,000
SUPPLY SERVICES			
Army Votes	561,000	484,000	— 77,000
Navy Votes	367,000	347,000	— 20,000
Air Votes	537,000	540,400	+ 3,400
Ministry of Supply (Defence)	151,000	147,500	— 3,500
Ministry of Defence	23,904	18,300	— 5,604
	1,639,904	1,537,200	— 102,704
Less American Aid receipts appropriated in aid of Defence Votes	85,360	43,000	+ 42,360
Total Defence (net)	1,554,544	1,494,200	— 60,344
Civil Votes (excluding Ministry of Supply (Defence))	2,253,625	2,315,279	+ 61,654
Post Office Vote (Excess over Revenue)	340	4,345	+ 4,005
Customs and Excise and Inland Revenue Votes	46,890	49,051	+ 2,161
TOTAL SUPPLY SERVICES	3,855,399	3,862,875	+ 7,476
Total Ordinary Expenditure	4,522,399	4,561,875	+ 39,476
Self-Balancing Expenditure			
Post Office	237,800	257,350	+ 19,550
Excess Profits Tax Post-war refunds (part deducted for tax)	2,500	2,500	—
Total Self-Balancing Expenditure	240,300	259,850	+ 19,550

1955-56

TABLE VII.—Classified Statement of Estimated EXPENDITURE

					£ million
		Budget Estimate 1954-55	Estimate 1955-56		+ Increase or — Decrease
1. DEBT SERVICES:—					
Interest and Management ...		570·0		600·0	
Sinking Funds ...		36·0		36·0	
			606·0	636·0	+ 30·0
2. DEFENCE PREPARATIONS:—					
Army ...		561·0		484·0	
Navy ...		367·0		347·0	
Air ...		537·0		540·4	
Ministry of Supply (defence expenditure) ...		151·0		147·5	
Ministry of Defence ...		23·9		18·3	
TOTAL DEFENCE PROGRAMME ...		1,639·9		1,537·2	
Less American Aid receipts appropriated in aid of Defence Votes ...		85·4		43·0	
TOTAL DEFENCE PROGRAMME (NET)		1,554·5		1,494·2	
Defence Expenditure by Civil Departments ...		93·3		56·7	
Industrial Capacity (defence) ...		20·2		5·9	
TOTAL DEFENCE PREPARATIONS ...			1,668·0	1,556·8	— 111·2
3. ASSISTANCE TO LOCAL SERVICES (<i>for details see Table VII (a)</i>) ...			602·1	632·2	+ 30·1
4. HEALTH, INSURANCE, PENSIONS, &c., SERVICES (<i>for details see Table VII (b)</i>) ...			797·8	852·2	+ 54·4
5. AGRICULTURAL AND FOOD SUBSIDIES			337·3*	310·9*†	— 26·4
6. OTHER SERVICES:—					
Ministry of Supply (civil expendi- ture) ...		46·8		35·1	
Assistance to Industry and Trading Services ...		Cr. 43·9		6·3	
Atomic Energy ...		53·7		50·6	
General (<i>for details see Table VII (c)</i>) ...		454·6		481·8	
			511·2	573·8	+ 62·6
TOTAL ORDINARY EXPENDITURE ...			4,522·4	4,561·9	+ 39·5
7. SELF-BALANCING SERVICES:—					
Post Office ...			237·8	257·4	+ 19·6
Excess Profits Tax, Post-war refunds (part deducted for tax) ...			2·5	2·5	—
TOTAL SELF-BALANCING EXPENDITURE			240·3	259·9	+ 19·6

* The basis of calculation for 1955-56 has been changed and the comparable figure for 1954-55 is £271 million, with a trading deficit on services in implementation of price guarantees, welfare schemes, &c. of £11·9 million.

† In addition, a trading deficit of £11·5 million on services in implementation of price guarantees, welfare schemes, &c., is expected to be incurred.

1955-56

TABLE VII (a).—ASSISTANCE TO LOCAL SERVICES

	£ million		
	Budget Estimate 1954-55	Estimate 1955-56	+ Increase or - Decrease
(a) General grant for Local Services:—			
Exchequer Contributions to Local Revenue ...	77.4	78.3	+ 0.9
(b) Specific services (in addition to provision included in the first item above):—			
Education (excluding Universities)* ...	279.1	310.8	+ 31.7
Universities ...	27.9	32.3	+ 4.4
Health Services ...	23.8	24.1	+ 0.3
Housing:—			
(i) Permanent Housing ...	52.0	58.1	+ 6.1
(ii) Temporary Housing ...	21.7	6.4	- 15.3
(iii) Emergency Housing† ...	9.1	8.6	- 0.5
Police ...	37.9	38.6	+ 0.7
Fire Services ...	4.9	5.2	+ 0.3
Roads (including Trunk Roads) ...	38.5	44.3	+ 5.8
Development Areas ...	8.6	8.4	- 0.2
Child Care ...	9.9	9.7	- 0.2
Miscellaneous ...	11.3	7.4	- 3.9
TOTAL ...	602.1	632.2	+ 30.1

* Including administration, teachers' pensions and the cost of the milk-in-schools scheme.

† Including certain terminal and miscellaneous services.

TABLE VII (b).—HEALTH, INSURANCE, PENSIONS, &C., SERVICES

	£ million		
	Budget Estimate 1954-55	Estimate 1955-56	+ Increase or - Decrease
National Health Service* ...	407.2	438.4	+ 31.2
Contributions to National Insurance and Pensions Schemes:—			
National Insurance Fund ...	71.0	92.0	+ 21.0
National Insurance (Industrial Injuries) Fund ...	6.7	8.1	+ 1.4
Family Allowances ...	105.5	106.2	+ 0.7
War Pensions ...	81.0	89.3	+ 8.3
Non-contributory Old Age Pensions ...	18.7	17.6	- 1.1
National Assistance ...	107.7	100.6	- 7.1
TOTAL ...	797.8	852.2	+ 54.4

* Excluding grants to local health authorities and Civil Defence.

1955-56

TABLE VII (c).—OTHER SERVICES (GENERAL)

						£ million		
						Budget Estimate 1954-55	Estimate 1955-56	+ Increase or — Decrease
Agriculture, Fisheries and Forestry*†	...	...	...	...	...	36.8	34.5	— 2.3
Broadcasting	...	...	...	...	...	18.9	27.8	+ 8.9
Transport and Civil Aviation*	...	...	...	...	...	17.1	17.0	— 0.1
Civil Superannuation, &c. (other than Service Departments and Post Office)	...	...	...	...	...	14.3	16.0	+ 1.7
Colonial Development and Welfare	...	...	...	...	...	16.7	17.8	+ 1.1
Commonwealth and Foreign Services*	...	...	...	...	...	90.2	79.9	— 10.3
Employment, Transference, Training and Resettlement*	...	...	...	...	...	19.4	19.6	+ 0.2
Irish Services‡	...	...	...	...	...	58.9	60.9	+ 2.0
Prisons, &c.*	...	...	...	...	...	8.4	9.0	+ 0.6
Research and Development§	...	...	...	...	...	19.1	20.6	+ 1.5
Tax Collection:—								
Customs and Excise	...	...	...	...	...	10.8	11.3	+ 0.5
Inland Revenue	...	...	...	...	...	31.7	32.5	+ 0.8
Common Services (Works, Stationery, &c., and Central Office of Information)*	...	...	...	...	...	62.0	61.7	— 0.3
Miscellaneous||	...	...	...	...	...	50.3	73.2	+ 22.9
TOTAL	...	...	...	...	...	454.6	481.8	+ 27.2

* Including cost of administration.

† Excluding agricultural and food subsidies (*see* item 5 of Table VII), but including the White Fish subsidy and certain expenditure on floods and sea defence.

‡ Excluding food and agriculture expenditure borne on United Kingdom Votes.

§ Excluding expenditure by the Ministry of Supply, the Defence Departments and the Atomic Energy Department.

|| Including general administration.

1955-56

TABLE VIII.—Comparison of Estimated RECEIPTS from Revenue in 1955-56 with Exchequer Receipts in 1954-55

On the basis of existing Taxation

	Exchequer Receipts in 1954-55	Estimate for 1955-56 on the basis of existing Taxation	+ Increase or - Decrease
	£000	£000	£000
Ordinary Revenue			
INLAND REVENUE			
Income Tax	1,892,965	2,009,000	+ 116,035
Surtax	134,700	136,000	+ 1,300
Death Duties	187,900	185,000	- 2,900
Stamps	75,100	74,000	- 1,100
Profits Tax and Excess Profits Tax ...	172,800	180,000	+ 7,200
Excess Profits Levy	76,500	25,000	- 51,500
Other Inland Revenue Duties	1,280	1,000	- 280
	2,541,245	2,610,000	+ 68,755
CUSTOMS AND EXCISE			
Customs	1,100,049	1,131,700	+ 31,651
Excise	771,637	798,300	+ 26,663
	1,871,686	1,930,000	+ 58,314
MOTOR VEHICLE DUTIES	78,980	80,000	+ 1,020
TOTAL RECEIPTS FROM TAXES	4,491,911	4,620,000	+ 128,089
Post Office (Net Receipt)	5,100	—	- 5,100
Broadcast Receiving Licences	22,300	25,000	+ 2,700
Receipts from Sundry Loans	23,024	24,000	+ 976
Miscellaneous	195,558	175,000	- 20,558
Total Ordinary Revenue	4,737,893	4,844,000	+ 106,107
Self-Balancing Revenue			
Post Office	243,600	257,350	+ 13,750
Income Tax deducted from Excess Profits Tax, Post-war refunds	5,186	2,500	- 2,686
Total Self-Balancing Revenue	248,786	259,850	+ 11,064

TABLE IX.—1954-55 OUTTURN AND 1955-56 ESTIMATES
before 1955-56 taxation changes

£ million

			ABOVE THE LINE					
Revenue			1954-55		1955-56	Expenditure		
	Estimate	Outturn	Estimate			Estimate	Outturn	Estimate
Inland Revenue ...	2,384	2,541	2,610	Interest on Debt ...		570	570	600
Customs and Excise ...	1,782	1,872	1,930	Sinking Funds ...		36	36	36
Motor Duties ...	77	79	80	Northern Ireland ...		51	50	53
				Miscellaneous ...		10	9	10
TOTAL TAX REVENUE	4,243	4,492	4,620	TOTAL CONSOLIDATED FUND SERVICES ...		667	665	699
Post Office (Net Receipt)	—	5	—	Supply: Defence ...		1,555	1,436	1,494
Broadcast Licences ...	21	22	25	Civil ...		2,254	2,158	2,315
Sundry Loans ...	24	23	24	Tax Collection ...		47	46	54
Miscellaneous ...	245	196	175	TOTAL SUPPLY ...		3,856	3,640	3,863
Total Revenue ...	4,533	4,738	4,844	Total Expenditure ...		4,523	4,305	4,562
				Surplus ...		10	433	282
	4,533	4,738	4,844			4,533	4,738	4,844

			BELOW THE LINE*					
Receipts			1954-55		1955-56	Payments		
	Estimate	Outturn	Estimate			Estimate	Outturn	Estimate
Interest outside Budget...	105	104	120	Interest outside Budget ...		105	104	120
Export Guarantees—				Export Guarantees ...		4	3	6
Repayments ...	4	2	2	Post-war Credits ...		36	24	19
Housing receipts from				Excess Profits Tax Refunds		3	6	3
Votes ...	24	24	7	War Damage ...		28	30	24
Local Authorities—				Scottish Special Housing		8	6	8
Repayments ...	25	25	34	Armed Forces—Housing		10	1	7
Post Office capital repay-				Loans to Local Authorities		300	353	320
ments from Votes ...	—	—	1	Loans to Northern Ireland				
Raw Cotton Commission:				Exchequer ...		1	1	—
Net repayments ...	25	25	12	Loans for New Towns				
Coal Nationalisation—				Development ...		36	30	36
Repayments ...	5	8	9	Post Office capital expen-			45	72
Film Corporation—				diture ...		—		
Repayments ...	1	1	—	Loans to Film Corporation		1	1	—
Overseas Resources—				Loans to Independent				
Repayments ...	—	1	—	Television Authority ...		—	—	1
Town and Country Plan-				Loans for Development of				
ning Acts—				Inventions ...		—	—	1
Repayments ...	—	—	5	Town and Country Planning				
Anglo-Turkish Arma-				Acts—				
ments Credit—				Compensation payments		—	8	57
Repayments ...	1	1	1	Coal Nationalisation—				
Other repayments ...	1	—	1	Working capital, &c. ...		59	75	95
				Overseas Resources—				
				Colonial Development		7	5	7
Total Receipts ...	191	191	192	Total Payments ...		598	692	776
Net Sum borrowed or met								
from Surplus ...	407	501	584					
	598	692	776			598	692	776
Total Receipts ...	4,724	4,929	5,036	Total Payments ...		5,121	4,997	5,338

* Items below the line are:—

1. Receipts applicable by statute to debt interest which would otherwise be paid out of revenue.
2. Receipts applicable to debt redemption.
3. Payments for which the Treasury has power to borrow.

TABLE X.—PROPOSED CHANGES IN TAXATION

INLAND REVENUE

INCOME TAX

It is proposed to reduce the standard rate of income tax by 6d., from 9s. to 8s. 6d., and to reduce each of the reduced rates by 3d., i.e., from 7s., 5s. and 2s. 6d. to 6s. 9d., 4s. 9d. and 2s. 3d. respectively.

It is proposed to increase the single allowance from £120 to £140, the married allowance from £210 to £240 and the child allowance from £85 to £100 and to reduce the band of taxable income charged at the lowest reduced rate from £100 to £60.

It is proposed to increase the income limit for small income relief (whereby relief from tax is given on two-ninths of total income instead of on two-ninths of earned income only) from £250 to £300.

It is proposed to increase the income limits for the dependent relative allowance so that the full allowance will be given where the relative's income does not exceed £105, the allowance thereafter being reduced by £1 for each £ by which the relative's income exceeds that figure.

It is proposed to remove the special emoluments limit of £52 which at present applies to child allowance in respect of a child undergoing training for a trade, profession or occupation, so that child allowance may be claimed in such cases provided the child's income does not exceed £85 a year.

SURTAX

It is proposed that the rates of surtax for 1954-55, payable on 1st January, 1956, and for 1955-56, payable on 1st January, 1957, shall be the same as those for 1953-54.

CUSTOMS AND EXCISE

EXCISE

Purchase Tax.—It is proposed to reduce to 25 per cent. the rate of tax on tissues and fabrics, on domestic textile articles and on domestic soft furnishings of the kinds at present chargeable at the rate of 50 per cent. under Groups 5 and 6 of the Purchase Tax Schedule, other than tissues and fabrics of woollen material and articles made wholly or mainly of woollen material. Woollen material means textile material containing more than 15 per cent. by weight of fibre (whether or not subjected to any process of manufacture or recovery) from the coat or fleece of alpaca, camel, goat, hare, lamb, llama, rabbit, sheep, vicuna or yak, or of horsehair.

It is also proposed to reduce from 50 per cent. to 25 per cent. the rate of tax chargeable on plastic sheeting under Group 7 of the Schedule.

These changes apply to goods delivered by registered manufacturers and wholesalers, or imported by unregistered persons, after 19th April, 1955.

TABLE XI.—ESTIMATED EFFECT OF CHANGES IN TAXATION

	Estimate for 1955-56	Estimate for a full year
	£	£
INLAND REVENUE		
<i>Income Tax—</i>		
Reduction of 6d. in the standard rate and of 3d. in each of the reduced rates ...	— 102,000,000	— 116,000,000
Increase in the single allowance to £140 and in the married allowance to £240 and reduction of the first reduced rate band from £100 to £60	— 14,000,000	— 17,000,000
Increase in the child allowance to £100 ...	— 15,000,000	— 18,000,000
Increase in the income limit for small income relief to £300	Negligible	— 750,000
Increase in the income limits for the dependent relative allowance	— 200,000	— 250,000
Removal of "emoluments" limit for appren- tices, &c., otherwise qualifying for child allowance	— 400,000	— 500,000
TOTAL INLAND REVENUE	— 131,600,000	— 152,500,000
CUSTOMS AND EXCISE		
<i>Excise—</i>		
Purchase Tax	— 2,250,000	— 3,000,000
TOTAL CUSTOMS AND EXCISE	— 2,250,000	— 3,000,000
Total	— 133,850,000	— 155,500,000

TABLE XII.—INCOME TAX

Amount of tax and effective rate of tax per pound of income for specimen incomes.

(1) Single Persons

The Table shows the tax payable by single persons after deduction of the personal allowance and, in the case of earned income, the earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income	Income all Earned Income				Income all Investment Income*			
	Charge for 1954-55		Proposed Charge 1955-56		Charge for 1954-55		Proposed Charge 1955-56	
	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
150	—	—	—	—	—	—	—	—
175	2 0 3	— 3	—	—	2 0 3	— 3	—	—
200	4 8 10	— 5½	1 15 0	— 2	4 8 10	— 5½	1 15 0	— 2
225	6 17 6	— 7½	3 18 9	— 4	6 17 6	— 7½	3 18 9	— 4
250	9 6 1	— 9	6 2 6	— 6	9 6 1	— 9	6 2 6	— 6
300	15 16 8	1 0½	14 13 4	— 11½	29 6 1	1 11½	14 13 4	— 11½
350	25 11 1	1 5½	23 18 0	1 4½	45 0 0	2 7	37 3 4	2 1½
400	35 5 6	1 9	33 2 9	1 8	60 10 0	3 0½	59 5 0	2 11½
500	56 12 2	2 3	55 10 0	2 2½	95 10 0	3 10	93 0 0	3 8½
600	83 16 8	2 9½	81 15 0	2 8½	138 10 0	4 7½	135 10 0	4 6
700	113 10 0	3 3	111 17 9	3 2½	183 10 0	5 3	178 0 0	5 1
800	148 10 0	3 8½	144 18 10	3 7½	228 10 0	5 8½	220 10 0	5 6
900	183 10 0	4 1	178 0 0	3 11½	273 10 0	6 1	263 0 0	5 10
1,000	218 10 0	4 4½	211 1 1	4 2½	318 10 0	6 4½	305 10 0	6 1½
1,250	306 0 0	4 11	293 13 10	4 8½	431 0 0	6 11	411 15 0	6 7
1,500	393 10 0	5 3	376 6 8	5 0	543 10 0	7 3	518 0 0	6 11
2,000	568 10 0	5 8	541 12 2	5 5	768 10 0	7 8	730 10 0	7 3½
2,500	841 0 0	6 8½	801 15 0	6 5	1,043 10 0	8 4	993 0 0	7 11½
3,000	1,128 10 0	7 6½	1,076 15 0	7 2	1,331 0 0	8 10½	1,268 0 0	8 5½
4,000	1,753 10 0	8 9	1,676 15 0	8 4½	1,956 0 0	9 9½	1,868 0 0	9 4
5,000	2,428 10 0	9 8½	2,326 15 0	9 3½	2,631 0 0	10 6½	2,518 0 0	10 1
6,000	3,153 10 0	10 6	3,026 15 0	10 1	3,356 0 0	11 2	3,218 0 0	10 8½
7,000	3,928 10 0	11 2½	3,776 15 0	10 9½	4,131 0 0	11 9½	3,968 0 0	11 4
8,000	4,703 10 0	11 9	4,526 15 0	11 4	4,906 0 0	12 3	4,718 0 0	11 9½
9,000	5,528 10 0	12 3½	5,326 15 0	11 10	5,731 0 0	12 9	5,518 0 0	12 3
10,000	6,353 10 0	12 8½	6,126 15 0	12 3	6,556 0 0	13 1½	6,318 0 0	12 7½
12,000	8,103 10 0	13 6	7,826 15 0	13 0½	8,306 0 0	13 10	8,018 0 0	13 4½
15,000	10,878 10 0	14 6	10,526 15 0	14 0½	11,081 0 0	14 9½	10,718 0 0	14 3½
20,000	15,628 10 0	15 7½	15,151 15 0	15 2	15,831 0 0	15 10	15,343 0 0	15 4
25,000	20,378 10 0	16 3½	19,776 15 0	15 10	20,581 0 0	16 5½	19,968 0 0	15 11½
30,000	25,128 10 0	16 9	24,401 15 0	16 3	25,331 0 0	16 10½	24,593 0 0	16 4½
40,000	34,628 10 0	17 4	33,651 15 0	16 10	34,831 0 0	17 5	33,843 0 0	16 11
50,000	44,128 10 0	17 8	42,901 15 0	17 2	44,331 0 0	17 9	43,093 0 0	17 3
100,000	91,628 10 0	18 4	89,151 15 0	17 10	91,831 0 0	18 4½	89,343 0 0	17 10½

* Age Relief.—Where the taxpayer is over 65 and his total income does not exceed £600, age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

TABLE XII.—INCOME TAX—*continued*

(2) Married Couples without Children

The Table shows the tax payable by married couples without children after deduction of the married allowance and, in the case of earned income, the earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income	Income all Earned Income				Income all Investment Income*			
	Charge for 1954-55		Proposed Charge 1955-56		Charge for 1954-55		Proposed Charge 1955-56	
	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
250	—	—	—	—	—	—	—	—
300	2 18 4	— 2½	—	—	11 5 0	— 9	—	—
350	7 15 6	— 5½	3 12 6	— 2½	22 10 0	1 3½	18 12 6	1 1
400	12 15 6	— 7½	9 7 9	— 5½	35 0 0	1 9	30 10 0	1 6½
500	32 4 5	1 3½	27 17 2	1 1½	64 0 0	2 6½	59 5 0	2 4½
600	52 6 8	1 9	48 0 0	1 7	99 0 0	3 3½	93 0 0	3 1
700	79 11 1	2 3½	74 5 0	2 1½	143 0 0	4 1	135 10 0	3 10½
800	108 0 0	2 8½	102 8 10	2 6½	188 0 0	4 8½	178 0 0	4 5½
900	143 0 0	3 2	135 10 0	3 0	233 0 0	5 2	220 10 0	4 11
1,000	178 0 0	3 6½	168 11 1	3 4½	278 0 0	5 6½	263 0 0	5 3
1,250	265 10 0	4 3	251 3 10	4 0	390 10 0	6 3	369 5 0	5 11
1,500	353 0 0	4 8½	333 16 8	4 5½	503 0 0	6 8½	475 10 0	6 4
2,000	528 0 0	5 3½	499 2 2	5 0	728 0 0	7 3½	688 0 0	6 10½
2,500	800 10 0	6 5	759 5 0	6 1	1,003 0 0	8 0½	950 10 0	7 7
3,000	1,088 0 0	7 3	1,034 5 0	6 10½	1,290 10 0	8 7	1,225 10 0	8 2
4,000	1,713 0 0	8 7	1,634 5 0	8 2	1,915 10 0	9 7	1,825 10 0	9 1½
5,000	2,388 0 0	9 6½	2,284 5 0	9 1½	2,590 10 0	10 4½	2,475 10 0	9 11
6,000	3,113 0 0	10 4½	2,984 5 0	9 11½	3,315 10 0	11 0½	3,175 10 0	10 7
7,000	3,888 0 0	11 1½	3,734 5 0	10 8	4,090 10 0	11 8	3,925 10 0	11 2½
8,000	4,663 0 0	11 8	4,484 5 0	11 2½	4,865 10 0	12 2	4,675 10 0	11 8½
9,000	5,488 0 0	12 2½	5,284 5 0	11 9	5,690 10 0	12 7½	5,475 10 0	12 2
10,000	6,313 0 0	12 7½	6,084 5 0	12 2	6,515 10 0	13 0½	6,275 10 0	12 6½
12,000	8,063 0 0	13 5½	7,784 5 0	12 11½	8,265 10 0	13 9½	7,975 10 0	13 3½
15,000	10,838 0 0	14 5½	10,484 5 0	13 11½	11,040 10 0	14 8½	10,675 10 0	14 3
20,000	15,588 0 0	15 7	15,109 5 0	15 1½	15,790 10 0	15 9½	15,300 10 0	15 3½
25,000	20,338 0 0	16 3	19,734 5 0	15 9½	20,540 10 0	16 5	19,925 10 0	15 11½
30,000	25,088 0 0	16 8½	24,359 5 0	16 3	25,290 10 0	16 10½	24,550 10 0	16 4½
40,000	34,588 0 0	17 3½	33,609 5 0	16 9½	34,790 10 0	17 4½	33,800 10 0	16 11
50,000	44,088 0 0	17 7½	42,859 5 0	17 1½	44,290 10 0	17 8½	43,050 10 0	17 2½
100,000	91,588 0 0	18 4	89,109 5 0	17 10	91,790 10 0	18 4½	89,300 10 0	17 10½

* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £600, age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

TABLE XII.—INCOME TAX—*continued*

(3) Married Couples with one Child

The Table shows the tax payable by married couples with one child after deduction of the married allowance and allowance for one child and, in the case of earned income, the earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income	Income all Earned Income				Income all Investment Income*			
	Charge for 1954-55		Proposed Charge 1955-56		Charge for 1954-55		Proposed Charge 1955-56	
	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
295	—	—	—	—	—	—	—	—
300	—	—	—	—	— 12 6	— 0½	—	—
350	—	—	—	—	6 17 6	— 4½	1 2 6	— 1
400	2 0 3	— 1	—	—	13 15 0	— 8	6 15 0	— 4
500	11 14 8	— 5½	5 10 0	— 2½	38 15 0	1 6½	30 10 0	1 2½
600	30 8 4	1 0	22 11 8	— 9	69 5 0	2 3½	59 5 0	1 11½
700	49 17 2	1 5	41 1 1	1 2	104 15 0	3 0	93 0 0	2 8
800	77 0 6	1 11	66 15 0	1 8	149 15 0	3 9	135 10 0	3 4½
900	104 15 0	2 4	93 0 0	2 1	194 15 0	4 4	178 0 0	3 11½
1,000	139 15 0	2 9½	126 1 1	2 6½	239 15 0	4 9½	220 10 0	4 5
1,250	227 5 0	3 7½	208 13 10	3 4	352 5 0	5 7½	326 15 0	5 2½
1,500	314 15 0	4 2½	291 6 8	3 10½	464 15 0	6 2½	433 0 0	5 9½
2,000	489 15 0	4 11	456 12 2	4 7	689 15 0	6 11	645 10 0	6 5½
2,500	762 5 0	6 1	716 15 0	5 9	964 15 0	7 8½	908 0 0	7 3
3,000	1,049 15 0	7 0	991 15 0	6 7½	1,252 5 0	8 4	1,183 0 0	7 10½
4,000	1,674 15 0	8 4½	1,591 15 0	7 11½	1,877 5 0	9 4½	1,783 0 0	8 11
5,000	2,349 15 0	9 5	2,241 15 0	8 11½	2,552 5 0	10 2½	2,433 0 0	9 9
6,000	3,074 15 0	10 3	2,941 15 0	9 9½	3,277 5 0	10 11	3,133 0 0	10 5½
7,000	3,849 15 0	11 0	3,691 15 0	10 6½	4,052 5 0	11 7	3,883 0 0	11 1
8,000	4,624 15 0	11 6½	4,441 15 0	11 1½	4,827 5 0	12 1	4,633 0 0	11 7
9,000	5,449 15 0	12 1½	5,241 15 0	11 8	5,652 5 0	12 6½	5,433 0 0	12 1
10,000	6,274 15 0	12 6½	6,041 15 0	12 1	6,477 5 0	12 11½	6,233 0 0	12 5½
12,000	8,024 15 0	13 4½	7,741 15 0	12 11	8,227 5 0	13 8½	7,933 0 0	13 2½
15,000	10,799 15 0	14 5	10,441 15 0	13 11	11,002 5 0	14 8	10,633 0 0	14 2
20,000	15,549 15 0	15 6½	15,066 15 0	15 1	15,752 5 0	15 9	15,258 0 0	15 3
25,000	20,299 15 0	16 3	19,691 15 0	15 9	20,502 5 0	16 5	19,883 0 0	15 11
30,000	25,049 15 0	16 8½	24,316 15 0	16 2½	25,252 5 0	16 10	24,508 0 0	16 4
40,000	34,549 15 0	17 3½	33,566 15 0	16 9½	34,752 5 0	17 4½	33,758 0 0	16 10½
50,000	44,049 15 0	17 7½	42,816 15 0	17 1½	44,252 5 0	17 8½	43,008 0 0	17 2½
100,000	91,549 15 0	18 3½	89,066 15 0	17 10	91,752 5 0	18 4	89,258 0 0	17 10

* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £600, age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

TABLE XII.—INCOME TAX—*continued*

(4) Married Couples with two Children

The Table shows the tax payable by married couples with two children after deduction of the married allowance and allowance for two children and, in the case of earned income, the earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income	Income all Earned Income				Income all Investment Income*			
	Charge for 1954-55		Proposed Charge 1955-56		Charge for 1954-55		Proposed Charge 1955-56	
	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
380	—	—	—	—	—	—	—	—
400	—	—	—	—	2 10 0	11½	—	—
500	1 2 2	0½	—	—	17 10 0	8½	6 15 0	3
600	10 16 8	4½	3 0 0	1	42 10 0	1 5	30 10 0	1 0
700	28 12 2	10	17 6 1	6	74 10 0	2 1½	59 5 0	1 8½
800	48 1 1	2½	35 15 6	10½	111 10 0	2 9½	93 0 0	2 4
900	74 10 0	8	59 5 0	4	156 10 0	3 5½	135 10 0	3 0
1,000	101 14 5	0½	85 10 0	8½	201 10 0	4 0½	178 0 0	3 6½
1,250	189 0 0	0½	166 3 10	8	314 0 0	5 0½	284 5 0	4 6½
1,500	276 10 0	8	248 16 8	4	426 10 0	5 8	390 10 0	5 2½
2,000	451 10 0	6	414 2 2	1½	651 10 0	6 6	603 0 0	6 0½
2,500	724 0 0	9½	674 5 0	4½	926 10 0	7 5	865 10 0	6 11
3,000	1,011 10 0	9	949 5 0	4	1,214 0 0	8 1	1,140 10 0	7 7
4,000	1,636 10 0	2	1,549 5 0	9	1,839 0 0	9 2½	1,740 10 0	8 8½
5,000	2,311 10 0	3	2,199 5 0	9½	2,514 0 0	10 0½	2,390 10 0	9 6½
6,000	3,036 10 0	1½	2,899 5 0	8	3,239 0 0	10 9½	3,090 10 0	10 3½
7,000	3,811 10 0	10½	3,649 5 0	5	4,014 0 0	11 5½	3,840 10 0	10 11½
8,000	4,586 10 0	5½	4,399 5 0	0	4,789 0 0	11 11½	4,590 10 0	11 5½
9,000	5,411 10 0	0½	5,199 5 0	6½	5,614 0 0	12 5½	5,390 10 0	11 11½
10,000	6,236 10 0	5½	5,999 5 0	0	6,439 0 0	12 10½	6,190 10 0	12 4½
12,000	7,986 10 0	3½	7,699 5 0	10	8,189 0 0	13 8	7,890 10 0	13 2
15,000	10,761 10 0	4	10,399 5 0	10½	10,964 0 0	14 7½	10,590 10 0	14 1½
20,000	15,511 10 0	6	15,024 5 0	0½	15,714 0 0	15 8½	15,215 10 0	15 2½
25,000	20,261 10 0	2½	19,649 5 0	8½	20,464 0 0	16 4½	19,840 10 0	15 10½
30,000	25,011 10 0	8	24,274 5 0	2	25,214 0 0	16 9½	24,465 10 0	16 3½
40,000	34,511 10 0	3	33,524 5 0	9	34,714 0 0	17 4½	33,715 10 0	16 10½
50,000	44,011 10 0	7½	42,774 5 0	1½	44,214 0 0	17 8	42,965 10 0	17 2
100,000	91,511 10 0	3½	89,024 5 0	9½	91,714 0 0	18 4	89,215 10 0	17 10

* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £600, age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

TABLE XII.—INCOME TAX—*continued*

(5) Married Couples with three Children

The Table shows the tax payable by married couples with three children after deduction of the married allowance and allowance for three children and, in the case of earned income, the earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the Table.

Income	Income all Earned Income				Income all Investment Income*			
	Charge for 1954-55		Proposed Charge 1955-56		Charge for 1954-55		Proposed Charge 1955-56	
	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate	Income Tax (and Sur-tax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
465	—	—	—	—	—	—	—	—
500	—	—	—	—	4 7 6	— 2	—	—
600	— 4 2	—	—	—	21 5 0	— 8½	6 15 0	— 2½
700	9 18 7	— 3½	— 10 0	—	46 5 0	1 4	30 10 0	— 10½
800	26 16 1	— 8	12 0 6	— 3½	79 15 0	2 0	59 5 0	1 6
900	46 5 0	1 0½	30 10 0	— 8	118 5 0	2 7½	93 0 0	2 1
1,000	71 19 5	1 5½	51 15 0	1 0½	163 5 0	3 3	135 10 0	2 8½
1,250	150 15 0	2 5	123 13 10	1 11½	275 15 0	4 5	241 15 0	3 10½
1,500	238 5 0	3 2	206 6 8	2 9	388 5 0	5 2	348 0 0	4 7½
2,000	413 5 0	4 1½	371 12 2	3 8½	613 5 0	6 1½	560 10 0	5 7½
2,500	685 15 0	5 6	631 15 0	5 0½	888 5 0	7 1½	823 0 0	6 7
3,000	973 5 0	6 6	906 15 0	6 0½	1,175 15 0	7 10	1,098 0 0	7 4
4,000	1,598 5 0	8 0	1,506 15 0	7 6½	1,800 15 0	9 0	1,698 0 0	8 6
5,000	2,273 5 0	9 1	2,156 15 0	8 7½	2,475 15 0	9 11	2,348 0 0	9 4½
6,000	2,998 5 0	10 0	2,856 15 0	9 6½	3,200 15 0	10 8	3,048 0 0	10 2
7,000	3,773 5 0	10 9½	3,606 15 0	10 3½	3,975 15 0	11 4½	3,798 0 0	10 10
8,000	4,548 5 0	11 4½	4,356 15 0	10 10½	4,750 15 0	11 10½	4,548 0 0	11 4½
9,000	5,373 5 0	11 11½	5,156 15 0	11 5½	5,575 15 0	12 4½	5,348 0 0	11 10½
10,000	6,198 5 0	12 5	5,956 15 0	11 11	6,400 15 0	12 9½	6,148 0 0	12 3½
12,000	7,948 5 0	13 3	7,656 15 0	12 9	8,150 15 0	13 7	7,848 0 0	13 1
15,000	10,723 5 0	14 3½	10,356 15 0	13 9½	10,925 15 0	14 7	10,548 0 0	14 1
20,000	15,473 5 0	15 5½	14,981 15 0	15 0	15,675 15 0	15 8	15,173 0 0	15 2
25,000	20,223 5 0	16 2	19,606 15 0	15 8	20,425 15 0	16 4	19,798 0 0	15 10
30,000	24,973 5 0	16 8	24,231 15 0	16 2	25,175 15 0	16 9½	24,423 0 0	16 3½
40,000	34,473 5 0	17 3	33,481 15 0	16 9	34,675 15 0	17 4	33,673 0 0	16 10
50,000	43,973 5 0	17 7	42,731 15 0	17 1	44,175 15 0	17 8	42,923 0 0	17 2
100,000	91,473 5 0	18 3½	88,981 15 0	17 9½	91,675 15 0	18 4	89,173 0 0	17 10

* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £600, age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

TABLE XIII.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty

Head of Duty							1954-55		1955-56 Estimate
							Budget Estimate	Receipts (provisional)	
							£000	£000	£000
Spirits	...	...	...	...	...	C E	25,000	26,322	26,000
							80,000	90,110	94,000
Total Spirits	...	...	...	...	...	...	105,000	116,432	120,000
Beer	...	...	...	...	...	C E	13,000	13,557	13,000
							242,000	237,482	232,000
Total Beer	...	...	...	...	...	...	255,000	251,039	245,000
Wine	...	...	...	...	...	C	18,000	19,629	20,000
British Wine	...	...	...	...	...	E	3,000	3,296	3,500
Tea	...	...	...	...	...	C	150	314	250
Cocoa	...	...	...	...	...	C	1,200	1,229	1,300
Coffee and Chicory	...	...	...	...	...	C	200	135	150
Sugar, Molasses, Glucose and Saccharin	...	...	...	...	...	C E	8,750	7,752	8,000
							3,500	4,030	4,000
Total Sugar, &c.	...	...	...	...	...	...	12,250	11,782	12,000
Dried Fruits	...	...	...	...	...	C	300	471	500
Tobacco	...	...	...	...	...	C and E	633,000	650,156	660,000
Matches and Mechanical Lighters	...	...	...	...	...	C E	3,400	4,050	4,000
							9,350	8,775	8,750
Total Matches, &c.	...	...	...	...	...	...	12,750	12,825	12,750
Silk and Artificial Silk	...	...	...	...	...	C	4,000	5,103	5,500

TABLE XIII.—CUSTOMS AND EXCISE REVENUE under the several heads of Duty—*continued*

Head of Duty	1954-55		1955-56 Estimate
	Budget Estimate	Receipts (provisional)	
	£000	£000	£000
Oil C	290,000	294,730	309,500
Oil, &c. E	10,000	9,948	10,500
Total Oil, &c.	300,000	304,678	320,000
Entertainments E	40,500	41,280	41,000
Liquor Licences— Duties E	5,200	5,176	5,150
Monopoly Values E	600	672	600
Other Licences E	200	217	250
Playing Cards E	50	59	50
Key Industry Duty C	2,500	3,610	4,000
Duties under Import Duties Act, 1932 C	56,000	62,304	70,000
Ottawa Duties C	5,000	5,788	6,500
Beef and Veal C	2,000	2,519	3,000
Purchase Tax E	295,000	341,836	367,750
Betting E	29,500	28,944	28,500
Other Articles and Deposits C	—	977	—
... .. E	100	67	—
Total Other Articles, &c.	100	1,044	—
Difference between payments into Exchequer and actual receipts C	—	+ 1,403	—
... .. E	—	— 255	—
Total Difference	—	+ 1,148	—
Total Revenue Customs ...	1,062,500	1,100,049	1,131,700
... .. Excise ...	719,000	771,637	796,050
TOTAL	1,781,500	1,871,686	1,927,750

TABLE XIV.—1954-55 OUTTURN AND 1955-56 ESTIMATES

after 1955-56 taxation changes

£ million

ABOVE THE LINE					
Revenue	1954-55	1955-56	Expenditure	1954-55	1955-56
	Outturn	Estimate		Outturn	Estimate
Inland Revenue	2,541	2,478	Interest on Debt	570	600
Customs and Excise	1,872	1,928	Sinking Funds	36	36
Motor Duties	79	80	Northern Ireland	50	53
			Miscellaneous	9	10
TOTAL TAX REVENUE ...	4,492	4,486	TOTAL CONSOLIDATED FUND SERVICES ...	665	699
Post Office (Net Receipt) ...	5	—	Supply: Defence	1,436	1,494
Broadcast Licences	22	25	Civil	2,158	2,315
Sundry Loans	23	24	Tax Collection	46	54
Miscellaneous	196	175	TOTAL SUPPLY ...	3,640	3,863
Total Revenue	4,738	4,710	Total Expenditure ...	4,305	4,562
			Surplus	433	148
	4,738	4,710		4,738	4,710
BELOW THE LINE*					
Receipts			Payments		
Interest outside Budget ...	104	120	Interest outside Budget ...	104	120
Export Guarantees—			Export Guarantees	3	6
Repayments	2	2	Post-war Credits	24	19
Housing receipts from Votes ...	24	7	Excess Profits Tax Refunds ...	6	3
Local Authorities—			War Damage	30	24
Repayments	25	34	Scottish Special Housing ...	6	8
Post Office capital repayments from Votes	—	1	Armed Forces—Housing ...	1	7
Raw Cotton Commission—			Loans to Local Authorities ...	353	320
Net repayments	25	12	Loans to Northern Ireland Exchequer	1	—
Coal Nationalisation—			Loans for New Towns Development	30	36
Repayments	8	9	Post Office capital expenditure ...	45	72
Film Corporation—			Loans to Film Corporation ...	1	—
Repayments	1	—	Loans to Independent Television Authority	—	1
Overseas Resources—			Loans for Development of Inventions	—	1
Repayments	1	—	Town and Country Planning Acts—		
Town and Country Planning Acts—Repayments	—	5	Compensation payments ...	8	57
Anglo-Turkish Armaments Credit—Repayments ...	1	1	Coal Nationalisation—		
Other repayments	—	1	Working capital, &c. ...	75	95
			Overseas Resources—		
Total Receipts	191	192	Colonial Development ...	5	7
Net Sum borrowed or met from Surplus	501	534	Total Payments	692	776
	692	776		692	776
Total Receipts	4,929	4,902	Total Payments	4,997	5,338

* Items below the line are:—

1. Receipts applicable by statute to debt interest which would otherwise be paid out of revenue.
2. Receipts applicable to debt redemption.
3. Payments for which the Treasury has power to borrow.

A.—ORDINARY REVENUE AND EXPENDITURE

* In addition £120 million for Interest on the National Debt will be met from receipts under various Acts authorising such application.

* In addition £120 million for Interest on the National Debt will be met from receipts under various Acts authorising such application.

B.—SELF-BALANCING REVENUE AND EXPENDITURE

	£000
Post Office expenditure corresponding to Revenue	257,350
Excess Profits Tax, Post-war refunds (part deducted for tax)	2,500
Total	259,850