

FINANCIAL STATEMENT (1956-57)

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RETURN to an Order of the Honourable The House of Commons  
dated 17 April, 1956:—*for*

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

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Treasury Chambers,  
17 April 1956 } HENRY BROOKE

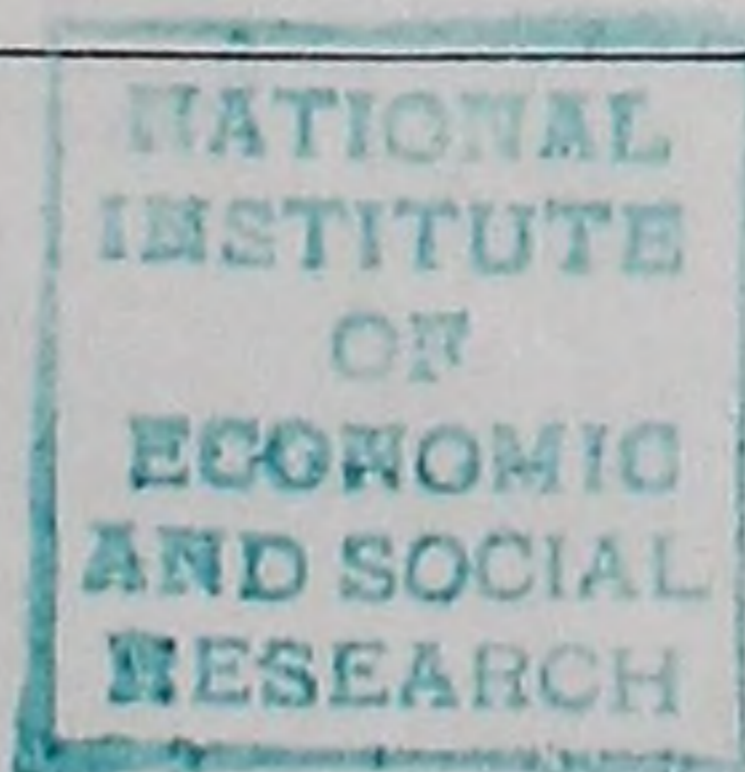
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*(Mr. Henry Brooke)*

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*Ordered by The House of Commons to be Printed  
17 April, 1956*

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LONDON  
HER MAJESTY'S STATIONERY OFFICE  
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4,304,726	4,304,726	94,258	4,261,875	Total Ordinary Expenditure	4,304,726
243,600	203,100	2,750	257,350	Self-Balancing Expenditure	243,600
2,186	2,300	—	2,500	Post Office	2,186
267,265	205,600	2,750	259,850	Total Self-Balancing Expenditure	267,265

\* In addition £19,214,000 for interest on the National Debt was met from receipts under various authorisations each year.

† This item is made up of—

(1) £24,444,000 being proceeds of reserved taxes in Northern Ireland after deduction of Federal Contributions and cost of reserved services in Northern Ireland, estimated as follows—

Gross proceeds of reserved taxes	£11,000
Less cost of reserved services	(8,750)
Net proceeds of reserved taxes	£2,250

(2) £14,000 being loans under the Disabled Persons (Employment) Act, 1944, and the Employment and Training Act, 1948.

(3) £4,572,000 being loans under the Social Services (Northern Ireland) Agreement Act, 1947.

1955-56

TABLE I.—Comparison of Exchequer Issues with Estimated Expenditure

1954-55 Exchequer Issues		1955-56			
		Total Expenditure provided for in the Budget	Supplementary and Excess Votes sub- sequently granted	Total Estimated Expenditure	Exchequer Issues
	<b>Ordinary Expenditure</b>				
£000	CONSOLIDATED FUND SERVICES	£000	£000	£000	£000
569,723	Interest and Management of the National Debt ...	600,000	—	600,000	637,884*
36,067	Sinking Funds ...	36,000	—	36,000	36,489†
50,191	Payments to Northern Ireland Exchequer ...	53,000	—	53,000	59,153‡
8,812	Other Consolidated Fund Services ...	10,000	—	10,000	10,173
664,793	Total ...	699,000	—	699,000	743,699
	<b>SUPPLY SERVICES</b>				
496,701	Army Votes ...	484,000	—	484,000	467,900
356,271	Navy Votes ...	347,000	—	347,000	340,700
494,578	Air Votes ...	540,400	—	540,400	445,485
133,000	Ministry of Supply (Defence)	147,500	9,400	156,900	157,900
16,500	Ministry of Defence ...	18,300	—	18,300	15,300
1,497,050		1,537,200	9,400	1,546,600	1,427,285
61,150	Less American Aid receipts appropriated in aid of Defence Votes ...	43,000	—	43,000	22,385
1,435,900	Total Defence (net) ...	1,494,200	9,400	1,503,600	1,404,900
2,157,741	Civil Votes (excluding Minis- try of Supply (Defence))	2,315,279	74,100	2,389,379	2,285,958
46,292	Customs and Excise and Inland Revenue Votes ...	49,051	609	49,660	49,015
—	Balance of Post Office Vote	4,345	10,449	14,794	12,469
3,639,933	Total Supply Services ...	3,862,875	94,558	3,957,433	3,752,342
4,304,726	<b>Total Ordinary Expenditure</b>	<b>4,561,875</b>	<b>94,558</b>	<b>4,656,433</b>	<b>4,496,041</b>
	<b>Self-Balancing Expenditure</b>				
243,600	Post Office ...	257,350	5,750	263,100	264,900
5,186	Excess Profits Tax, Post-war refunds (part deducted for tax) ...	2,500	—	2,500	2,365
248,786	<b>Total Self-Balancing Expen- diture ...</b>	<b>259,850</b>	<b>5,750</b>	<b>265,600</b>	<b>267,265</b>

\* In addition £119,214,000 for Interest on the National Debt was met from receipts under various Acts authorising such application.

† Viz:—

Principal of Terminable Annuities ...	£000
3½ per cent. Conversion Loan Sinking Fund ...	942
3 per cent. Funding Loan Sinking Fund ...	13,500
4 per cent. Funding Loan Sinking Fund ...	6,578
Victory Bonds Sinking Fund ...	8,234
	7,235
<b>Total ...</b>	<b>36,489</b>

‡ This item is made up of:—

(1) £54,444,000, being proceeds of reserved taxes in Northern Ireland after deduction of Imperial Contribution and cost of reserved services in Northern Ireland, estimated as follows:—

Gross proceeds of reserved taxes ...	£000
Add under-issue in 1953-54 ...	71,593
Less cost of reserved services ...	249
Less Northern Ireland contribution to Imperial services ...	6,398
	11,000

(2) £34,000, being issues under the Disabled Persons (Employment) Act, 1944, and the Employment and Training Act, 1948.

(3) £4,675,000, being issues under the Social Services (Northern Ireland Agreement) Act, 1949.

1955-56

TABLE II.—Comparison of Exchequer Receipts with Budget Estimates

1954-55 Exchequer Receipts		1955-56		
		Budget Estimate (April 1955)	Exchequer Receipts	+ Increase or - Decrease
£000	Ordinary Revenue	£000	£000	£000
	<b>INLAND REVENUE</b>			
1,892,965	Income Tax ... ..	1,877,400	1,942,902	+ 65,502
134,700	Surtax ... ..	136,000	138,600	+ 2,600
187,900	Death Duties ... ..	185,000	175,700	- 9,300
75,100	Stamps ... ..	74,000	70,600	- 3,400
	Profits Tax and Excess Profits Tax ... ..	180,000	192,500	+ 12,500
172,800	Excess Profits Levy ... ..	25,000	18,450	- 6,550
76,500	Other Inland Revenue Duties	1,000	770	- 230
1,280				
<b>2,541,245</b>		<b>2,478,400</b>	<b>2,539,522</b>	<b>+ 61,122</b>
	<b>CUSTOMS AND EXCISE</b>			
1,100,049	Customs ... ..	1,131,700	1,148,598	+ 16,898
771,637	Excise ... ..	796,050	864,511	+ 68,461
<b>1,871,686</b>		<b>1,927,750</b>	<b>2,013,109</b>	<b>+ 85,359</b>
78,980	<b>MOTOR VEHICLE DUTIES</b> ...	80,000	86,987	+ 6,987
<b>4,491,911</b>	<b>TOTAL RECEIPTS FROM TAXES</b>	<b>4,486,150</b>	<b>4,639,618</b>	<b>+ 153,468</b>
5,100	Post Office (Net Receipt) ...	—	—	—
22,300	Broadcast Receiving Licences	25,000	25,800	+ 800
23,024	Receipts from Sundry Loans	24,000	29,858	+ 5,858
195,558	Miscellaneous ... ..	175,000	197,867*	+ 22,867
<b>4,737,893</b>	<b>Total Ordinary Revenue</b> ...	<b>4,710,150</b>	<b>4,893,143</b>	<b>+ 182,993</b>
	<b>Self-Balancing Revenue</b>			
243,600	Post Office ... ..	257,350	264,900	+ 7,550
	Income Tax deducted from Excess Profits Tax, Post-war refunds ... ..	2,500	2,365	- 135
5,186				
<b>248,786</b>	<b>Total Self-Balancing Revenue</b>	<b>259,850</b>	<b>267,265</b>	<b>+ 7,415</b>

\* Viz.:—

Surplus Appropriations-in-Aid ... ..	£000	24,094
Local Loans Fund—Interest on advances under Finance Act, 1935 ... ..		10,730
Surplus receipts from trading services of Ministry of Food ... ..		47,319
Surplus receipts from trading services of Board of Trade ... ..		37,052
Other items ... ..		78,672
		<u>197,867</u>

NOTE: *Post-war Credits*.—The total amount of Income Tax post-war credits outstanding at 31st March, 1956, was about £523 million.

*Refund of Excess Profits Tax*.—The total amount of Excess Profits Tax post-war refunds outstanding at the same date was about £6 million gross or £3 million after deduction of Income Tax.

1955-56

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1955-56

	Receipts	£000
Ordinary Revenue ... ..		4,893,143
Self-Balancing Revenue ... ..		267,265
Receipts applicable under various Acts to Interest on the National Debt ... ..		119,214
Money raised by creation of Debt (Total 812,303):—		
National Savings Certificates ... ..		183,500
3½ per cent. Defence Bonds ... ..		31,768
4 per cent. Defence Bonds ... ..		48,285
4 per cent. Conversion Stock, 1957-58 ... ..		248,750
5 per cent. Exchequer Stock, 1957 ... ..		300,000
Repayments under the following Acts:—		
Land Settlement (Facilities) Acts, 1919 and 1921 ... ..		158
Tithe Act, 1936 (S. 26) ... ..		2,213
Export Guarantees Act, 1949 (S. 3) ... ..		1,688
Housing (Temporary Accommodation) Act, 1944 (S. 8) and Requisitioned Houses and Housing (Amendment) Act, 1955 (S. 15) ... ..		6,727
Housing (Scotland) Act, 1950 (S. 94 (4)) ... ..		264
Armed Forces (Housing Loans) Act, 1949 (S. 1) ... ..		124
Local Authorities Loans Act, 1945 (S. 3 (4)) ... ..		33,710
Miscellaneous Financial Provisions Act, 1950 (S. 2 (4)):—		
Northern Ireland Exchequer ... ..		69
New Towns Act, 1946 (S. 12 (5)) ... ..		513
Post Office and Telegraph (Money) Act, 1953 (S. 1 (4)) ... ..		1,188
Cinematograph Film Production (Special Loans) Act, 1949 (S. 8 (1)) ... ..		200
Coal Industry Nationalisation Act, 1946 (S. 28 (2)) ... ..		8,089
Cotton (Centralised Buying) Act, 1947 (S. 21 (3)) ... ..		15,472
Iron and Steel Act, 1953 (S. 22 (6)) ... ..		25,000
Overseas Resources Development Act, 1948 (S. 18 (1)):—		
Colonial Development ... ..		250
Overseas Food ... ..		96
Town and Country Planning Act, 1954 (S. 64 (3) and (4)) and Town and Country Planning (Scotland) Act, 1954 (S. 64 (3) and (4)) ... ..		6,400
Miscellaneous Financial Provisions Acts, 1946, 1950 and 1955 and Civil Contingencies Fund Act, 1952 ... ..		50,000
European Payments Union (Financial Provisions) Act, 1950 (S. 3) ... ..		2,200
Anglo-Turkish (Armaments Credit) Agreement Act, 1938 (S. 1 (2)) ... ..		1,078
Suez Canal Drawn Shares ... ..		206
Exchequer Balance on 31st March, 1955 ... ..		3,445
		6,251,015

\* Viz.:—

## Internal Debt—

	Increase £000	Decrease £000
Bretton Woods Agreement Act, 1945—International Bank and Monetary Fund—Interest Free Notes ... ..	—	4,000
Bank of England (Treasury Special Account)—Interest Free Notes ... ..	—	925
Government of India—Agreement of 26th September, 1942 ... ..	—	927
—Agreement of 7th March, 1955 ... ..	—	4,000
Government of Pakistan—Financial Agreement of 9th July, 1948 (Cmd. 7479) ... ..	—	262
European Payments Union Credit ... ..	15,291	—
Government of Northern Ireland—Ulster Saving Certificates ... ..	—	1,446
Government of Portugal—Repayment of Loan ... ..	—	4,404
Miscellaneous ... ..	—	566

## External Debt—

United States—Government Loan under Agreement of 6th December, 1945 (Cmd. 6708) ... ..	—	20,384
Government of Canada—Loan under Financial Agreement of 6th March, 1946 (Cmd. 6904) ... ..	—	5,455
—Loan Free of Interest ... ..	—	10,812
Government of Belgium—Loan under Agreement of 30th June, 1952 (Cmd. 8627) ... ..	—	1,002
Government of Ceylon—Repayment of 3 per cent. Defence Loan ... ..	—	110
Government of Mauritius—Repayment of Loan Free of Interest ... ..	—	300
European Payments Union Credit ... ..	—	8,881

15,291	63,474
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Net Decrease ...

48,183

1955-56

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1955-56—*continued*

	Payments	£000
Ordinary Expenditure ...	...	4,496,041
Self-Balancing Expenditure ...	...	267,265
Interest on the National Debt met from receipts under various Acts ...	...	119,214
Issues for Redemption of Debt (Total 673,882):—		
National Savings Certificates (Principal only) ...	...	162,900
2½ per cent. Defence Bonds ...	...	17,585
3 per cent. Defence Bonds ...	...	65,329
3½ per cent. Defence Bonds ...	...	26,108
4 per cent. Defence Bonds ...	...	139
3 per cent. Serial Funding Stock, 1955 ...	...	97,720
2½ per cent. Terminable Annuities (National Debt Commissioners) ...	...	7,036
3 per cent. Terminable Annuities (National Debt Commissioners) ...	...	38,180
3½ per cent. Terminable Annuity (National Debt Commissioners) ...	...	1,135
Treasury Bills (net) ...	...	143,228
Tax Reserve Certificates (net) ...	...	45,729
Ways and Means Advances (net) ...	...	20,610
Other Debt under the National Loans Act, 1939 (net) ...	...	48,183*
Excess Profits Tax, Post-war refunds (balance after deduction of tax) ...	...	2,892
Issue to National Debt Commissioners:—		
Suez Canal Drawn Shares ...	...	206
Issues under the following Acts:—		
Tithe Act, 1936—Temporary advances to Redemption Annuities Account ...	...	2,195
Export Guarantees Act, 1949—Acquisition of Guaranteed Securities ...	...	2,030
Housing (Temporary Accommodation) Acts, 1944 and 1947—Provision of temporary houses ...	...	1
Housing (Scotland) Acts, 1950 to 1955—Advances to Scottish Special Housing Association ...	...	5,280
Armed Forces (Housing Loans) Acts, 1949 and 1953—Provision of additional married quarters for the Armed Forces ...	...	1,350
Local Authorities Loans Act, 1945—Issues to Local Loans Fund for loans to Local Authorities ...	...	330,700
Miscellaneous Financial Provisions Acts, 1950 and 1955—Northern Ireland Government loans ...	...	4,800
New Towns Acts, 1946 and 1955—Capital advances to Development Corporations ...	...	31,820
Post Office and Telegraph (Money) Acts, 1953 and 1955—Post Office capital expenditure ...	...	70,200
Television Act, 1954—Loans to Independent Television Authority ...	...	500
Development of Inventions Acts, 1948 and 1954—Capital advances to National Research Development Corporation ...	...	75
Coal Industry Acts, 1946 to 1951—Advances to National Coal Board for capital expenditure, &c. ...	...	86,050
Cotton (Centralised Buying) Act, 1947, and Cotton Act, 1954—Advances to Raw Cotton Commission (in liquidation) for working balances ...	...	600
Overseas Resources Development Act, 1948—		
Capital advances to Colonial Development Corporation ...	...	8,500
Miscellaneous Financial Provisions Act, 1946—		
War Damage Payments—Board of Trade ...	...	126
War Damage Payments—War Damage Commission ...	...	27,000
Miscellaneous Financial Provisions Act, 1955—Loans to Potato Marketing Board ...	...	350
Town and Country Planning Act, 1947 and Town and Country Planning (Scotland) Act, 1947—Payments in respect of certain war-damaged properties ...	...	200
Town and Country Planning Act, 1954 and Town and Country Planning (Scotland) Act, 1954—Compensation payments ...	...	49,179
Miscellaneous Financial Provisions Acts, 1946, 1950 and 1955 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 ...	...	17,195
Bretton Woods Agreements Act, 1945—Maintenance of value of sterling subscription to International Bank for Reconstruction and Development ...	...	1
Exchequer Balance on 31st March, 1956 ...	...	3,363
		<u>6,251,015</u>

\* See note on page 6.

TABLE IV.—NATIONAL DEBT

	31st March, 1955	31st March, 1956 (approximate figures)
	£000	£000
<i>Internal Debt:</i>		
2½% Consols, &c. ... ..	312,917	312,910
4% Consols, 1957 or after ... ..	386,131	384,455
3½% Conversion Loan, 1961 or after ... ..	679,245	661,818
2½% Treasury Stock, 1975 or after ... ..	482,013	482,013
3% Treasury Stock, 1966 or after ... ..	58,192	58,192
3½% War Loan ... ..	1,909,860	1,909,839
Terminable Annuities ... ..	11,614	11,020
2% Conversion Stock, 1958-59 ... ..	591,940	591,940
3½% Conversion Stock, 1969 ... ..	340,558	340,558
4% Conversion Stock, 1957-58 ... ..	—	676,079
2% Exchequer Stock, 1960 ... ..	448,347	448,347
2½% Exchequer Stock, 1963-64 ... ..	274,217	274,217
3% Exchequer Stock, 1960 ... ..	200,000	200,000
3% Exchequer Stock, 1962-63 ... ..	341,278	341,278
5% Exchequer Stock, 1957 ... ..	—	300,000
2½% Funding Loan, 1956-61 ... ..	796,174	796,174
2¼% Funding Loan, 1952-57 ... ..	100,556	100,556
3% Funding Loan, 1959-69 ... ..	305,615	297,765
4% Funding Loan, 1960-90 ... ..	256,162	247,307
3% Funding Stock, 1966-68 ... ..	540,350	540,350
3½% Funding Stock, 1999-2004 ... ..	143,270	143,270
2½% National War Bonds, 1954-56 ... ..	823,719	823,719
2½% Savings Bonds, 1964-67 ... ..	752,428	752,428
3% Savings Bonds, 1955-65 ... ..	712,549	712,548
3% Savings Bonds, 1960-70 ... ..	1,024,514	1,024,514
3% Savings Bonds, 1965-75 ... ..	1,073,018	1,073,018
2¼% Serial Funding Stock, 1957 ... ..	502,920	502,920
3% Serial Funding Stock, 1955 ... ..	523,799	—
2½% Treasury Stock, 1986-2016 ... ..	78,457	78,457
3½% Treasury Stock, 1977-80 ... ..	241,446	259,347
3½% Treasury Stock, 1979-81 ... ..	234,780	232,967
4% Victory Bonds (repayable by annual drawings ending 1976) ... ..	227,136	220,042
3% War Loan, 1955-59 ... ..	302,461	302,459
2½% Terminable Annuities* ... ..	194,527	187,491
3% Terminable Annuities* ... ..	971,741	933,562
3½% Terminable Annuity* ... ..	44,379	43,244
2½% Defence Bonds ... ..	170,462	152,877
3% Defence Bonds ... ..	312,282	166,934
3½% Defence Bonds ... ..	322,473	408,962
4% Defence Bonds ... ..	—	48,146
National Savings Certificates† ... ..	1,813,577	1,834,178
Tax Reserve Certificates ... ..	387,507	341,778
Treasury Bills ... ..	4,931,390	4,788,020
Ways and Means Advances ... ..	315,210	294,600
Carried forward ... ..	24,139,214	24,300,299

\* Issued to National Debt Commissioners.

† Shown at issue price, exclusive of accrued interest amounting approximately to £552 million at 31st March, 1955 and £566 million at 31st March, 1956.



TABLE IV.—NATIONAL DEBT—*continued*

	31st March, 1955	31st March, 1956 (approximate figures)
	£000	£000
<i>Internal Debt—continued:</i>		
Brought forward ... ..	24,139,214	24,300,299
<i>Other Debt:</i>		
International Bank for Reconstruction and Development—Interest-free Notes ... ..	76,575	72,575
International Monetary Fund—Interest-free Notes ...	375,175	375,175
Bank of England (Treasury Special Account)—Interest-free Notes ... ..	4,075	3,150
European Payments Union ... ..	58,447	73,738
Government of Portugal ... ..	81,000	76,596
Government of India ... ..	131,706	126,779*
Government of Pakistan ... ..	6,171	5,908
Miscellaneous ... ..	16,908	14,485
	<u>24,889,271</u>	<u>25,048,705</u>
<i>Deduct:</i>		
Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled ... ..	85,927	83,506
<i>Total Internal Debt (net)</i> ... ..	<u>24,803,344</u>	<u>24,965,199</u>
<i>Debt payable in External Currencies:</i>		
United States—Government Loan ... ..	1,477,924	1,457,541
E.C.A. and M.S.A. Loans ... ..	137,428	137,428
Canadian Government Loans ... ..	451,641	426,639
European Payments Union ... ..	59,234	50,353
Other Debt (payable in external currency) ... ..	4,125	2,716
<i>Total External Debt</i> ... ..	<u>2,130,352</u>	<u>2,074,677</u>
<i>Total National Debt (net)</i> ... ..	<u>26,933,696</u>	<u>27,039,876</u>

\* The amount of this debt is due to be reduced when the value of certain pensionary liabilities, taken over by the Government of the United Kingdom from the Government of India, has been finally determined—(Pensions (India, Pakistan and Burma) Act, 1955).

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
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	423,478‡
1954-55 ... ..	4,321,220	—	4,321,220	438,870‡
1955-56 ... ..	4,496,041 §	—	4,496,041	¶454,870‡

\* Including Sinking Fund payments when met from Revenue.

† As measured by rates collected.

‡ Estimated.

§ Exchequer Issues.

¶ *Viz.*, England and Wales £403,000,000, Scotland £51,870,000.

1956-57

TABLE VI.—Comparison of Estimated EXPENDITURE under Budget heads

Service	Budget Estimate 1955-56	Estimate 1956-57	+ Increase or - Decrease
	£000	£000	£000
<b>Ordinary Expenditure</b>			
<b>CONSOLIDATED FUND SERVICES</b>			
Interest and Management of the National Debt ... ..	600,000	670,000	+ 70,000
Sinking Funds ... ..	36,000	37,000	+ 1,000
Payments to Northern Ireland Exchequer	53,000	61,000	+ 8,000
Other Consolidated Fund Services ...	10,000	10,000	—
<b>TOTAL ... ..</b>	<b>699,000</b>	<b>778,000</b>	<b>+ 79,000</b>
<b>SUPPLY SERVICES</b>			
Army Votes ... ..	484,000	479,000	- 5,000
Navy Votes ... ..	347,000	351,000	+ 4,000
Air Votes ... ..	540,400	517,500	- 22,900
Ministry of Supply (Defence) ... ..	147,500	185,000	+ 37,500
Ministry of Defence ... ..	18,300	16,200	- 2,100
	1,537,200	1,548,700	+ 11,500
Less American Aid receipts appropriated in aid of Defence Votes ... ..	43,000	50,000	- 7,000
<b>Total Defence (net) ... ..</b>	<b>1,494,200</b>	<b>1,498,700</b>	<b>+ 4,500</b>
Civil Votes (excluding Ministry of Supply (Defence)) ... ..	2,315,279	2,428,215*	+ 112,936
Customs and Excise and Inland Revenue Votes ... ..	49,051	52,770	+ 3,719
Post Office Vote (Excess over Revenue)	4,345	—	- 4,345
<b>TOTAL SUPPLY SERVICES ... ..</b>	<b>3,862,875</b>	<b>3,979,685</b>	<b>+ 116,810</b>
<b>Total Ordinary Expenditure ... ..</b>	<b>4,561,875</b>	<b>4,757,685</b>	<b>+ 195,810</b>
<b>Self-Balancing Expenditure</b>			
Post Office ... ..	257,350	287,298	+ 29,948
Excess Profits Tax Post-war refunds (part deducted for tax) ... ..	2,500	1,600	- 900
<b>Total Self-Balancing Expenditure ... ..</b>	<b>259,850</b>	<b>288,898</b>	<b>+ 29,048</b>

\* This figure does not take account of the net saving, estimated at £13 million in 1956-57, resulting from the reduction in the bread and milk subsidies announced on 17th February, 1956, partly offset by the effect of the Annual Review and Determination of Guarantees, 1956 (Cmd. 9721).

1956-57

TABLE VII.—Classified Statement of Estimated EXPENDITURE

£ million

	Budget Estimate 1955-56	Estimate 1956-57	+ Increase or - Decrease
<b>1. DEBT SERVICES:—</b>			
Interest and Management ...	600·0	670·0	
Sinking Funds ... ..	36·0	37·0	
	636·0	707·0	+ 71·0
<b>2. DEFENCE PREPARATIONS:—</b>			
Army ... ..	484·0	479·0	
Navy ... ..	347·0	351·0	
Air ... ..	540·4	517·5	
Ministry of Supply (defence expenditure) ... ..	147·5	185·0	
Ministry of Defence ... ..	18·3	16·2	
<b>TOTAL DEFENCE PROGRAMME ...</b>	<b>1,537·2</b>	<b>1,548·7</b>	
Less American Aid receipts appropriated in aid of Defence Votes ... ..	43·0	50·0	
<b>TOTAL DEFENCE PROGRAMME (NET)</b>	<b>1,494·2</b>	<b>1,498·7</b>	
Defence Expenditure by Civil Departments ... ..	56·7	37·0	
Industrial Capacity (defence) ...	5·9	2·1	
<b>TOTAL DEFENCE PREPARATIONS ...</b>	<b>1,556·8</b>	<b>1,537·8</b>	<b>- 19·0</b>
<b>3. ASSISTANCE TO LOCAL SERVICES (for details see Table VII (a)) ... ..</b>	<b>632·2</b>	<b>695·7</b>	<b>+ 63·5</b>
<b>4. HEALTH, INSURANCE, PENSIONS, &amp;c., SERVICES (for details see Table VII (b))* ... ..</b>	<b>883·3</b>	<b>934·8</b>	<b>+ 51·5</b>
<b>5. AGRICULTURAL AND FOOD SUBSIDIES*</b>	<b>279·8†</b>	<b>260·5‡</b>	<b>- 19·3</b>
<b>6. OTHER SERVICES:—</b>			
Ministry of Supply (civil expendi- ture) ... ..	35·1	32·1	
Assistance to Industry and Trading Services ... ..	6·3	2·8	
Atomic Energy ... ..	50·6	68·3	
General (for details see Table VII (c)) ... ..	481·8	518·7	
	573·8	621·9	+ 48·1
<b>TOTAL ORDINARY EXPENDITURE ... ..</b>	<b>4,561·9</b>	<b>4,757·7</b>	<b>+ 195·8</b>
<b>7. SELF-BALANCING SERVICES:—</b>			
Post Office ... ..	257·4	287·3	+ 29·9
Excess Profits Tax, Post-war refunds (part deducted for tax) ... ..	2·5	1·6	- 0·9
<b>TOTAL SELF-BALANCING EXPENDITURE</b>	<b>259·9</b>	<b>288·9</b>	<b>+ 29·0</b>

\* For 1956-57, provision for welfare foods (including welfare milk) has been included in item 4 instead of in item 5. An appropriate adjustment has been made in the 1955-56 figures in respect of welfare milk (£31·1 million), but no such adjustment can be made in respect of other welfare foods, the cost of which was met by a trading deficit (£5·1 million).

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

‡ See note on page 11.

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TABLE VII (a).—ASSISTANCE TO LOCAL SERVICES

		£ million		
		Budget Estimate 1955-56	Estimate 1956-57	+ Increase or - Decrease
<b>(a) General grant for Local Services:—</b>				
Exchequer Grants to Local Revenue ... ..		78.3	83.9	+ 5.6
<b>(b) Specific services (in addition to provision included in the first item above):—</b>				
Education (excluding Universities)* ... ..		310.8	348.2	+ 37.4
Universities ... ..		32.3	34.4	+ 2.1
Health Services ... ..		24.1	25.2	+ 1.1
Housing:—				
(i) Permanent Housing ... ..		58.1	63.8	+ 5.7
(ii) Temporary Housing ... ..		6.4	6.4	—
(iii) Emergency Housing† ... ..		8.6	7.0	- 1.6
Police ... ..		38.6	45.4	+ 6.8
Fire Services ... ..		5.2	5.7	+ 0.5
Roads (including Trunk Roads) ... ..		44.3	52.7	+ 8.4
Development Areas ... ..		8.4	6.8	- 1.6
Child Care ... ..		9.7	9.4	- 0.3
Miscellaneous ... ..		7.4	6.8	- 0.6
<b>TOTAL ... ..</b>		<b>632.2</b>	<b>695.7</b>	<b>+ 63.5</b>

\* 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, &amp;C., SERVICES

		£ million		
		Budget Estimate 1955-56	Estimate 1956-57	+ Increase or - Decrease
National Health Service* ... ..		438.4	476.0	+ 37.6
Welfare Foods ... ..		31.1†	35.9	+ 4.8†
Contributions to National Insurance and Pensions Schemes:—				
National Insurance Fund ... ..		92.0	96.8	+ 4.8
National Insurance (Industrial Injuries) Fund ... ..		8.1	8.3	+ 0.2
Family Allowances ... ..		106.2	108.2	+ 2.0
War Pensions ... ..		89.3	88.8	- 0.5
Non-contributory Old Age Pensions ... ..		17.6	15.2	- 2.4
National Assistance ... ..		100.6	105.6	+ 5.0
<b>TOTAL ... ..</b>		<b>883.3†</b>	<b>934.8</b>	<b>+ 51.5†</b>

\* Excluding grants to local health authorities and Civil Defence.

† See note \* on previous page.

1956-57

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

		£ million		
		Budget Estimate 1955-56	Estimate 1956-57	+ Increase or - Decrease
Agriculture, Fisheries, Food and Forestry*†	... ..	39.6	43.5	+ 3.9
Broadcasting	... ..	27.8	28.5	+ 0.7
Transport and Civil Aviation*	... ..	17.0	16.8	- 0.2
Superannuation, &c.¶	... ..	16.0	25.6	+ 9.6
Colonial Development and Welfare	... ..	17.8	17.8	-
Commonwealth and Foreign Services*	... ..	79.9	71.7	- 8.2
Employment, Transference, Training and Resettlement*		19.6	20.3	+ 0.7
Irish Services‡	... ..	60.9	69.1	+ 8.2
Prisons, &c.*	... ..	9.0	9.1	+ 0.1
Research and Development§	... ..	20.6	22.5	+ 1.9
Tax Collection:—				
Customs and Excise	... ..	11.3	12.1	+ 0.8
Inland Revenue	... ..	32.5	34.8	+ 2.3
Common Services (Works, Stationery, &c., and Central Office of Information)*	... ..	61.7	70.3	+ 8.6
Museums, Libraries, and Galleries	... ..	2.0	2.2	+ 0.2
Miscellaneous	... ..	66.1	74.4	+ 8.3
TOTAL	... ..	481.8	518.7	+ 36.9

\* Including cost of administration.

† Excluding agricultural and food subsidies (see item 5 of Table VII), but including the White Fish subsidy.

‡ 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.

¶ Includes both civil and defence service pensions paid by the Commonwealth Relations Office under the Pensions (India, Pakistan and Burma) Act, 1955, but excludes pensions paid by the Post Office and Service Departments.

1956-57

TABLE VIII.—Comparison of Estimated RECEIPTS from Revenue in 1956-57 with Exchequer Receipts in 1955-56

On the basis of existing Taxation

	Exchequer Receipts in 1955-56	Estimate for 1956-57 on the basis of existing Taxation	+ Increase or - Decrease
	£000	£000	£000
<b>Ordinary Revenue</b>			
INLAND REVENUE			
Income Tax ... ..	1,942,902	2,102,000	+ 159,098
Surtax ... ..	138,600	144,000	+ 5,400
Death Duties ... ..	175,700	170,000	- 5,700
Stamps ... ..	70,600	63,000	- 7,600
Profits Tax and Excess Profits Tax ...	192,500	216,000	+ 23,500
Excess Profits Levy ... ..	18,450	4,000	- 14,450
Other Inland Revenue Duties ... ..	770	1,000	+ 230
	2,539,522	2,700,000	+ 160,478
CUSTOMS AND EXCISE			
Customs ... ..	1,148,598	1,177,000	+ 28,402
Excise ... ..	864,511	953,000	+ 88,489
	2,013,109	2,130,000	+ 116,891
MOTOR VEHICLE DUTIES ... ..	86,987	92,000	+ 5,013
<b>TOTAL RECEIPTS FROM TAXES</b> ... ..	<b>4,639,618</b>	<b>4,922,000</b>	<b>+ 282,382</b>
Post Office (Net Receipt) ... ..	—	10,000	+ 10,000
Broadcast Receiving Licences ... ..	25,800	28,000	+ 2,200
Receipts from Sundry Loans ... ..	29,858	30,000	+ 142
Miscellaneous ... ..	197,867	200,000	+ 2,133
<b>Total Ordinary Revenue</b> ... ..	<b>4,893,143</b>	<b>5,190,000</b>	<b>+ 296,857</b>
Self-Balancing Revenue			
Post Office ... ..	264,900	287,298	+ 22,398
Income Tax deducted from Excess Profits Tax, Post-war refunds ... ..	2,365	1,600	- 765
<b>Total Self-Balancing Revenue</b> ... ..	<b>267,265</b>	<b>288,898</b>	<b>+ 21,633</b>

TABLE IX.—1955-56 OUTTURN AND 1956-57 ESTIMATES  
before 1956-57 Budget changes

£ million

Revenue	ABOVE THE LINE			Expenditure	1955-56			1956-57
	1955-56	1956-57	1955-56		1955-56	1956-57		
	April Estimate	Outturn	Estimate		April Estimate	Outturn	Estimate	
Inland Revenue ...	2,478	2,539	2,700	Interest on Debt ...	600	638	670	
Customs and Excise ...	1,928	2,013	2,130	Sinking Funds ...	36	37	37	
Motor Duties ...	80	87	92	Northern Ireland ...	53	59	61	
				Miscellaneous ...	10	10	10	
<b>TOTAL TAX REVENUE</b>	<b>4,486</b>	<b>4,639</b>	<b>4,922</b>	<b>TOTAL CONSOLIDATED FUND SERVICES ...</b>	<b>699</b>	<b>744</b>	<b>778</b>	
Post Office (Net Receipt)	—	—	10	Supply: Defence... ..	1,494	1,405	1,499	
Broadcast Licences ...	25	26	28	Civil ... ..	2,315	2,286	2,428	
Sundry Loans ...	24	30	30	Tax Collection ...	54	61	53	
Miscellaneous ...	175	198	200	<b>TOTAL SUPPLY ...</b>	<b>3,863</b>	<b>3,752</b>	<b>3,980</b>	
<b>Total Revenue ...</b>	<b>4,710</b>	<b>4,893</b>	<b>5,190</b>	<b>Total Expenditure ...</b>	<b>4,562</b>	<b>4,496</b>	<b>4,758</b>	
				Net saving in Agricultural and Food Subsidies ...	—	—	— 13*	
				<b>Surplus ... ..</b>	<b>148</b>	<b>397</b>	<b>445</b>	
	<b>4,710</b>	<b>4,893</b>	<b>5,190</b>		<b>4,710</b>	<b>4,893</b>	<b>5,190</b>	

## BELOW THE LINE†

Receipts				Payments			
Interest outside Budget ...	120	119	150	Interest outside Budget ...	120	119	150
Export Guarantees—				Export Guarantees ...	6	2	7
Repayments ...	2	2	2	Post-war Credits ...	19	17	18
Housing receipts from Votes ...	7	7	7	Excess Profits Tax Refunds	3	3	2
Local Authorities—				War Damage ...	24	27	24
Repayments ...	34	34	44	Scottish Special Housing	8	5	7
Post Office capital repayments from Votes ...	1	1	3	Armed Forces—Housing	7	1	8
Raw Cotton Commission: Net repayments ...	12	15	1	Loans to Local Authorities	320	331	220
National Coal Board—				Loans to Northern Ireland Exchequer ...	—	5	4
Repayments ...	9	8	7	Loans for New Towns Development ...	36	32	35
Iron and Steel ...	—	25	—	Post Office capital expenditure ...	72	70	78
New Towns—				Loans to Independent Television Authority ...	1	1	1
Repayments ...	—	—	1	Loans for Development of Inventions ...	1	—	—
Town and Country Planning Acts—				Town and Country Planning Acts—			
Repayments ...	5	6	7	Compensation payments	57	49	30
Potato Marketing Board—				Overseas Resources—			
Repayments ...	—	—	1	Colonial Development	7	9	9
Anglo-Turkish Armaments Credit—				Loans to Potato Marketing Board ...	—	—	5
Repayments ...	1	1	1	Loans to Sugar Board ...	—	—	10
Other repayments ...	1	1	1	National Coal Board—			
				Capital Expenditure, &c.	95	86	70
<b>Total Receipts ...</b>	<b>192</b>	<b>219</b>	<b>225</b>	<b>Total Payments ...</b>	<b>776</b>	<b>757</b>	<b>678</b>
Net Sum borrowed or met from Surplus ...	584	538	453		776	757	678
	776	757	678		776	757	678
<b>Total Receipts ...</b>	<b>4,902</b>	<b>5,112</b>	<b>5,415</b>	<b>Total Payments ...</b>	<b>5,338</b>	<b>5,253</b>	<b>5,423</b>

\* See note on page 11.

† 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 exempt from income tax (but not from surtax) the first £15 of interest received in respect of deposits in the Post Office Savings Bank or in the Ordinary Department of a Trustee Savings Bank.

It is proposed to exempt from tax that portion of each payment under a purchased life annuity which represents a return of part of the original purchase price.

It is proposed to give relief from tax in respect of premiums paid to provide retirement annuities in the case of self-employed persons, controlling directors and employees not in pensionable employment. The relief will be limited to premiums not exceeding £500 or 10 per cent. of earned income in any one year.

It is proposed to exempt from tax the investment income of life assurance companies to the extent that it relates to the provision of retirement annuities for self-employed persons, &c., or to the reinsurance of superannuation funds approved under Section 379 of the Income Tax Act, 1952.

It is proposed to modify the basis of liability to tax of employees and holders of offices in certain cases where there is an overseas element in the office or employment.

## INCOME TAX AND PROFITS TAX

It is proposed to introduce capital allowances in respect of expenditure on cutting and tunnelling land in connection with the construction of an industrial building or on dredging in connection with a dock.

## PROFITS TAX

It is proposed, as from 1st April, 1956, to increase the rate of profits tax on undistributed profits to 3 per cent. and on distributed profits to 30 per cent.

It is proposed to amend the law relating to the giving and effect of grouping notices by principal companies in respect of their subsidiaries.

It is proposed to amend the law relating to the extent to which sums applied in reducing share capital or in repaying loans are treated as distributions.

TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*INLAND REVENUE—*continued*

## ESTATE DUTY

It is proposed to modify the charge to duty where settled property burdened with an annuity passes on a life tenant's death and the deceased life tenant was not himself the settlor of the property.

It is proposed that, in cases in which land is acquired by a public authority compulsorily within three years of death, duty may be charged by reference to the compensation paid if that is less than the value of the land at the date of the death.

It is proposed that these changes in estate duty shall take effect in respect of deaths occurring after the passing of the Finance Bill.

## STAMP DUTY

It is proposed, as from 1st August, 1956, to reduce the rates of stamp duty on conveyances of property other than stocks and marketable securities to 10s. 0d. per cent. where the consideration exceeds £500 but does not exceed £3,500, to £1 per cent. where the consideration exceeds £3,500 but does not exceed £4,250 and to £1 10s. 0d. per cent. where the consideration exceeds £4,250 but does not exceed £5,000.

It is proposed, with effect from the date of the passing of the Finance Bill, to modify the charge to stamp duty on grants or contracts for payment of purchased life annuities to the rate of 1s. 0d. for every £5 or fractional part of £5 of the annuity.

TABLE X.—PROPOSED CHANGES IN TAXATION—*continued*

## CUSTOMS AND EXCISE

## CUSTOMS

*Tobacco.*—It is proposed to increase the Customs duties on imported tobacco, with effect from 18th April, 1956. The proposed duties, compared with the existing duties, will be as follows:—

	Existing Duties			Proposed Duties		
	Full Rate			Preferential Rate		
	£	s.	d.	£	s.	d.
	per lb.			per lb.		
<i>Tobacco, unmanufactured—</i>						
Containing 10 per cent. or more moisture—						
Unstripped ... ..	2	18	2	2	16	7½
Stripped ... ..	2	18	2½	2	16	7½
Containing less than 10 per cent. moisture—						
Unstripped ... ..	2	19	2	2	17	5½
Stripped ... ..	2	19	2½	2	17	5½
<i>Tobacco, manufactured—</i>						
Cigars ... ..	3	7	9	3	4	9½
Cigarettes ... ..	3	3	8	3	1	3½
Cavendish or Negrohead ...	3	2	8	3	0	5
Cavendish or Negrohead manufactured in bond ...	3	0	8	2	18	8½
Other manufactured tobacco	3	0	11	2	18	11½
<i>Snuff—</i>						
Containing more than 13 per cent. moisture ... ..	3	0	2	2	18	3½
Containing not more than 13 per cent. moisture ...	3	2	8	3	0	5

## EXCISE

*Tobacco.*—It is proposed to increase the Excise duties on tobacco, with effect from 18th April, 1956, by 3s. 0d. a lb. (corresponding to the increase in the Customs duties).

*British Wine.*—It is proposed, with effect from 18th April, 1956, to extend the definition of British wine to include cider or perry of an alcoholic strength of 15 degrees of proof or more, unless it has been made by simple fermentation of natural apple or pear juice and contains no ethyl alcohol derived from other materials.

*Purchase Tax.*—It is proposed, with effect from 1st June, 1956, that Purchase Tax shall be payable on certain mechanically-propelled road vehicles, of chargeable types, produced in circumstances which do not attract a charge of tax under existing law.

TABLE XI.—ESTIMATED EFFECT OF CHANGES IN TAXATION

	Estimate for 1956-57	Estimate for a full year
<b>INLAND REVENUE</b>		
<i>Income Tax—</i>		
Exemption of the first £15 of Savings Bank interest ... ..	— 8,000,000	— 10,000,000
Exemption of capital element in purchased annuities ... ..	— 1,000,000	— 2,000,000
Relief for premiums for retirement annuities	— 7,000,000*	— 30,000,000 to — 50,000,000*
Exemption of investment income of funds for retirement annuities and reassured superannuation funds ... ..	— 500,000†	— 1,500,000†
<i>Profits Tax—</i>		
Increase in rates to 3% and 30% ...	+ 750,000	+ 30,000,000
<i>Stamp Duty—</i>		
Reduction in certain rates of stamp duties on conveyances of property other than stocks and marketable securities ... ..	— 4,000,000	— 6,350,000
Reduction in stamp duty on certain purchased life annuities... ..	— 100,000	— 150,000
<b>TOTAL INLAND REVENUE ... ..</b>	<b>— 19,850,000</b>	<b>— 20,000,000 to — 40,000,000</b>
<b>CUSTOMS AND EXCISE</b>		
<i>Customs—</i>		
Tobacco ... ..	+ 27,000,000	+ 28,000,000
<b>TOTAL CUSTOMS ... ..</b>	<b>+ 27,000,000</b>	<b>+ 28,000,000</b>
<i>Excise—</i>		
Tobacco ... ..	Negligible	Negligible
British Wine ... ..	+ 350,000	+ 400,000
Purchase Tax ... ..	‡	‡
<b>TOTAL EXCISE ... ..</b>	<b>+ 350,000</b>	<b>+ 400,000</b>
<b>TOTAL CUSTOMS AND EXCISE ... ..</b>	<b>+ 27,350,000</b>	<b>+ 28,400,000</b>
<b>Total ... ..</b>	<b>+ 7,500,000</b>	...

\* The cost of this relief will depend on the extent to which those eligible take advantage of it.

† These figures cover only the cost in respect of existing reassured superannuation funds. The additional cost in future years in respect of funds for retirement annuities cannot be estimated.

‡ The effect of the change under this head cannot be estimated accurately in terms of increased revenue yield, but it is unlikely to be substantial.

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

Head of Duty	1955-56		1956-57 Estimate
	Budget Estimate	Receipts (provisional)	
	£000	£000	£000
Spirits ... ..	26,000	27,970	27,500
	94,000	97,466	102,500
Total Spirits	120,000	125,436	130,000
Beer ... ..	13,000	14,825	14,000
	232,000	243,681	241,000
Total Beer	245,000	258,506	255,000
Wine ... ..	20,000	20,641	21,000
British Wine	3,500	3,502	4,000
Tea ... ..	250	277	250
Cocoa ... ..	1,300	1,108	1,200
Coffee and Chicory	150	212	200
Sugar, Molasses, Glucose and Saccharin ...	8,000	7,945	7,500
	4,000	4,001	4,000
Total Sugar, &c.	12,000	11,946	11,500
Dried Fruits	500	284	500
Tobacco ... ..	660,000	668,175	707,000
Matches and Mechanical Lighters	4,000	4,223	4,000
	8,750	8,780	8,750
Total Matches, &c.	12,750	13,003	12,750
Silk and Artificial Silk	5,500	5,982	6,250

233.47

231.17

2.30

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

Head of Duty	1955-56		1956-57 Estimate
	Budget Estimate	Receipts (provisional)	
	£000	£000	£000
Oil ... .. C	309,500	314,909	330,000
Oil, &c. ... .. E	10,500	9,872	10,000
Total Oil, &c. ... ..	320,000	324,781	340,000
Entertainments ... .. E	41,000	39,518	39,250
Liquor Licences—			
Duties ... .. E	5,150	5,261	5,200
Monopoly Values ... .. E	600	938	800
Other Licences ... .. E	250	217	250
Playing Cards ... .. E	50	55	50
Key Industry Duty ... .. C	4,000	4,591	5,000
Duties under Import Duties Act, 1932 ... .. C	70,000	67,389	71,000
Ottawa Duties ... .. C	6,500	5,455	5,500
Beef and Veal ... .. C	3,000	3,509	3,000
Purchase Tax ... .. E	367,750	418,802	510,000
Betting ... .. E	28,500	28,207	27,500
Other Articles and Deposits ... .. C	—	613	100
... .. E	—	140	50
Total Other Articles, &c. ... ..	—	753	150
Difference between payments into Exchequer and actual receipts ... .. C	—	+ 490	—
... .. E	—	+ 4,071	—
Total Difference ... ..	—	+ 4,561	—
Total Revenue ... .. Customs ...	1,131,700	1,148,598	1,204,000
... .. Excise ...	796,050	864,511	953,350
TOTAL ... ..	1,927,750	2,013,109	2,157,350

TABLE XIII.—1955-56 OUTTURN AND 1956-57 ESTIMATES  
after 1956-57 Budget changes

£ million

Revenue		ABOVE THE LINE		Expenditure		1955-56		1956-57	
		1955-56	1956-57			Outturn	Estimate	Outturn	Estimate
Inland Revenue ... ..	2,539	2,680	Interest on Debt ... ..	638	670	638	670		
Customs and Excise ... ..	2,013	2,158	Sinking Funds ... ..	37	37	37	37		
Motor Duties ... ..	87	92	Northern Ireland ... ..	59	61	59	61		
			Miscellaneous ... ..	10	10	10	10		
<b>TOTAL TAX REVENUE ... ..</b>	<b>4,639</b>	<b>4,930</b>	<b>TOTAL CONSOLIDATED FUND SERVICES ... ..</b>	<b>744</b>	<b>778</b>	<b>744</b>	<b>778</b>		
Post Office (Net Receipt) ... ..	—	10	Supply: Defence ... ..	1,405	1,499	1,405	1,499		
Broadcast Licences ... ..	26	28	Civil ... ..	2,286	2,428	2,286	2,428		
Sundry Loans ... ..	30	30	Tax Collection ... ..	61	53	61	53		
Miscellaneous ... ..	198	200	<b>TOTAL SUPPLY ... ..</b>	<b>3,752</b>	<b>3,980</b>	<b>3,752</b>	<b>3,980</b>		
			Reduction in Supply expenditure	—	— 20*	—	— 20*		
<b>Total Revenue ... ..</b>	<b>4,893</b>	<b>5,198</b>	<b>Total Expenditure ... ..</b>	<b>4,496</b>	<b>4,738</b>	<b>4,496</b>	<b>4,738</b>		
			Surplus ... ..	397	460	397	460		
	<b>4,893</b>	<b>5,198</b>		<b>4,893</b>	<b>5,198</b>	<b>4,893</b>	<b>5,198</b>		
Receipts		BELOW THE LINE†		Payments		1955-56		1956-57	
		1955-56	1956-57			1955-56	1956-57	1955-56	1956-57
Interest outside Budget ... ..	119	150	Interest outside Budget ... ..	119	150	119	150		
Export Guarantees—			Export Guarantees ... ..	2	7	2	7		
Repayments ... ..	2	2	Post-war Credits ... ..	17	18	17	18		
Housing receipts from Votes ... ..	7	7	Excess Profits Tax Refunds ... ..	3	2	3	2		
Local Authorities—			War Damage ... ..	27	24	27	24		
Repayments ... ..	34	44	Scottish Special Housing ... ..	5	7	5	7		
Post Office capital repayments from Votes ... ..	1	3	Armed Forces—Housing ... ..	1	8	1	8		
Raw Cotton Commission—			Loans to Local Authorities ... ..	331	220	331	220		
Net repayments ... ..	15	1	Loans to Northern Ireland Exchequer ... ..	5	4	5	4		
National Coal Board—			Loans for New Towns Development ... ..	32	35	32	35		
Repayments ... ..	8	7	Post Office capital expenditure	70	78	70	78		
Iron and Steel ... ..	25	—	Loans to Independent Television Authority ... ..	1	1	1	1		
New Towns—Repayments ... ..	—	1	Town and Country Planning Acts—						
Town and Country Planning Acts—Repayments ... ..	6	7	Compensation payments ... ..	49	30	49	30		
Potato Marketing Board—			Overseas Resources—						
Repayments ... ..	—	1	Colonial Development ... ..	9	9	9	9		
Anglo-Turkish Armaments Credit—Repayments ... ..	1	1	Loans to Potato Marketing Board ... ..	—	5	—	5		
Other repayments ... ..	1	1	Loans to Sugar Board ... ..	—	10	—	10		
			National Coal Board—						
<b>Total Receipts ... ..</b>	<b>219</b>	<b>225</b>	Capital expenditure, &c. ... ..	86	70	86	70		
Net Sum borrowed or met from Surplus ... ..	538	803	Loans to other Nationalised Industries ... ..	—	350	—	350		
	<b>757</b>	<b>1,028</b>	<b>Total Payments ... ..</b>	<b>757</b>	<b>1,028</b>	<b>757</b>	<b>1,028</b>		
<b>Total Receipts ... ..</b>	<b>5,112</b>	<b>5,423</b>		<b>5,253</b>	<b>5,766</b>	<b>5,253</b>	<b>5,766</b>		

\* See note † on page 24.

† 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.

**BUDGET ESTIMATES, 1956-57**  
**A.—ORDINARY REVENUE AND EXPENDITURE**

TABLE XIV

Estimated Revenue				Estimated Expenditure				
	£000	£000						£000
<i>Inland Revenue—</i>				<i>Interest and Management of the National Debt</i>	...	...	...	670,000*
Income Tax	2,085,500			Sinking Funds	...	...	...	37,000
Surtax	144,000			Payments to Northern Ireland Exchequer	...	...	...	61,000
Death Duties	170,000			Other Consolidated Fund Services	...	...	...	10,000
Stamps	58,900			<b>Total</b>	...	...	...	<b>778,000</b>
Profits Tax and Excess Profits Tax	216,750							
Excess Profits Levy	4,000			<i>Supply Services—</i>				
Other Inland Revenue Duties	1,000			Defence—				
<b>Total Inland Revenue</b>		<b>2,680,150</b>		Army Votes	...	...	...	479,000
				Navy Votes	...	...	...	351,000
				Air Votes	...	...	...	517,500
				Ministry of Supply (Defence)	...	...	...	185,000
				Ministry of Defence	...	...	...	16,200
								<b>1,548,700</b>
				<i>Less—American Aid receipts appropriated in aid of Defence Votes</i>	...	...	...	50,000
				<i>Civil—</i>				
<i>Customs and Excise—</i>				I. Central Government and Finance	...	...	...	20,850
Customs	1,204,000			II. Commonwealth and Foreign	...	...	...	90,469
Excise	953,350			III. Home Department, Law and Justice	...	...	...	89,214
<b>Total Customs and Excise</b>		<b>2,157,350</b>		IV. Education and Broadcasting	...	...	...	413,571
				V. Health, Housing and Local Government	...	...	...	728,732
				VI. Trade, Labour and Supply	...	...	...	72,507
				VII. Common Services (Works, Stationery, &c.)	...	...	...	74,392
<i>Motor Vehicle Duties</i>				VIII. Agriculture and Food	...	...	...	324,078
				IX. Transport, Fuel, Power, and Industrial Research	...	...	...	158,649
				X. Pensions, National Insurance and National Assistance	...	...	...	455,753
				<i>Tax Collection—</i>				
				Customs and Excise and Inland Revenue Votes	...	...	...	52,770
				<i>Less—Net reduction in Supply Expenditure</i>	...	...	...	20,000†
				<b>TOTAL EXPENDITURE</b>				<b>3,979,685</b>
								<b>4,737,685</b>
				<b>SURPLUS</b>				<b>459,815</b>
								<b>5,197,500</b>
<i>Post Office (Net Receipt)</i>								
Broadcast Receiving Licences		10,000						
Receipts from Sundry Loans		28,000						
Miscellaneous		30,000						
		200,000						
<b>TOTAL REVENUE</b>		<b>5,197,500</b>						

\* In addition £150 million for Interest on the National Debt will be met from receipts under various Acts authorising such application.

† This represents the saving expected to accrue in 1956-57 from the reductions in the bread and milk subsidies, partly offset by the cost of the Agricultural Price Review and the increase in Family Allowances.



## B.—SELF-BALANCING REVENUE AND EXPENDITURE

											£000
Post Office Revenue required to meet Post Office expenditure ...	...	...	...	...	...	...	...	...	...	...	287,298
Excess Profits Tax, Post-war refunds (part deducted for tax) ...	...	...	...	...	...	...	...	...	...	...	1,600
											<hr/>
										Total	288,898
											<hr/>

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