

C. L. Lawton

# FINANCIAL STATEMENT (1957-58)

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RETURN to an Order of the Honourable The House of Commons  
dated 9 April, 1957:—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,  
9 April, 1957 } J. ENOCH POWELL

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*(Mr. J. Enoch Powell)*

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*Ordered by The House of Commons to be Printed*  
*9 April, 1957*

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1956-57

TABLE I.—Comparison of Exchequer Issues with Estimated Expenditure

1955-56 Exchequer Issues		1956-57			
		Budget Estimate	Revised, Supplemen- tary and Excess Votes	Total Estimated Expenditure	Exchequer Issues
	<b>Ordinary Expenditure</b>				
£000	CONSOLIDATED FUND SERVICES	£000	£000	£000	£000
637,884	Interest and Management of the National Debt ...	670,000	—	670,000	710,634*
36,489	Sinking Funds ...	37,000	—	37,000	36,985
59,153	Payments to Northern Ireland Exchequer ...	61,000	—	61,000	66,444†
10,173	Other Consolidated Fund Services ...	10,000	—	10,000	9,669
743,699	TOTAL ...	778,000	—	778,000	823,732
	<b>SUPPLY SERVICES</b>				
467,900	Army Votes ...	479,000	28,000	507,000	505,490
340,700	Navy Votes ...	351,000	2,840	353,840	347,293
445,485	Air Votes ...	517,500	Less 2,050	515,450	489,967
157,900	Ministry of Supply (Defence)	185,000	7,800	192,800	195,300
15,300	Ministry of Defence ...	16,200	1,650	17,850	16,800
1,427,285		1,548,700	38,240	1,586,940	1,554,850
22,385	Less American Aid receipts appropriated in aid of Defence Votes ...	50,000	—	50,000	29,750
1,404,900	Total Defence (net) ...	1,498,700	38,240	1,536,940	1,525,100
2,285,958	Civil Votes (excluding Minis- try of Supply (Defence))	2,428,215	67,040	2,495,255	2,464,049
49,015	Customs and Excise and Inland Revenue Votes ...	52,770	2,960	55,730	55,150
12,469	Balance of Post Office Vote	—	—	—	—
—	Less—Net reduction in Supply Expenditure ...	20,000	20,000	—	—
3,752,342	TOTAL SUPPLY SERVICES	3,959,685	128,240	4,087,925	4,044,299
<b>4,496,041</b>	<b>Total Ordinary Expenditure</b>	<b>4,737,685</b>	<b>128,240</b>	<b>4,865,925</b>	<b>4,868,031</b>
	<b>SELF-BALANCING EXPENDITURE</b>				
264,900	Post Office ...	287,298	17,121	304,419	304,036
2,365	Excess Profits Tax, Post-war refunds (part deducted for tax) ...	1,600	—	1,600	599
267,265	TOTAL SELF-BALANCING EX- PENDITURE...	288,898	17,121	306,019	304,635

\* In addition £146,726,000 for Interest on the National Debt was met from receipts under various Acts authorising such application.

† This item is made up of:—

(1) £61,981,000, 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 1954-55 ...	81,113
Less cost of reserved services ...	249
Less Northern Ireland contribution to Imperial services ...	6,881
	12,500

(2) £38,000, being issues under the Disabled Persons (Employment) Act, 1944, and the Employment and Training Act, 1948.

(3) £4,425,000, being issues under the Social Services (Northern Ireland Agreement) Act, 1949.



1956-57

TABLE II.—Comparison of Exchequer Receipts with Budget Estimates

1955-56 Exchequer Receipts		1956-57		
		Budget Estimate	Exchequer Receipts	+ Increase or - Decrease
	<b>Ordinary Revenue</b>			
£000		£000	£000	£000
	<b>INLAND REVENUE</b>			
1,942,902	Income Tax ... ..	2,085,500	2,114,173	+ 28,673
138,600	Surtax ... ..	144,000	158,000	+ 14,000
175,700	Death Duties ... ..	170,000	169,000	- 1,000
70,600	Stamps ... ..	58,900	63,000	+ 4,100
192,500	Profits Tax and Excess Profits Tax ... ..	216,750	195,000	- 21,750
18,450	Excess Profits Levy ... ..	4,000	5,000	+ 1,000
770	Other Inland Revenue Duties	1,000	640	- 360
2,539,522		2,680,150	2,704,813	+ 24,663
	<b>CUSTOMS AND EXCISE</b>			
1,148,598	Customs ... ..	1,204,000	1,198,882	- 5,118
864,511	Excise ... ..	953,350	901,735	- 51,615
2,013,109		2,157,350	2,100,617	- 56,733
86,987	MOTOR VEHICLE DUTIES ...	92,000	90,610	- 1,390
4,639,618	<b>TOTAL RECEIPTS FROM TAXES</b>	4,929,500	4,896,040	- 33,460
—	Post Office (Net Receipt) ...	10,000	4,464	- 5,536
25,800	Broadcast Receiving Licences	28,000	28,400	+ 400
29,858	Receipts from Sundry Loans	30,000	32,714	+ 2,714
197,867	Miscellaneous ... ..	200,000	196,195*	- 3,805
4,893,143	<b>Total Ordinary Revenue ...</b>	<b>5,197,500</b>	<b>5,157,813</b>	<b>- 39,687</b>
	<b>SELF-BALANCING REVENUE</b>			
264,900	Post Office ... ..	287,298	304,036	+ 16,738
2,365	Income Tax deducted from Excess Profits Tax, Post-war refunds ... ..	1,600	599	- 1,001
267,265	<b>TOTAL SELF - BALANCING REVENUE ... ..</b>	288,898	304,635	+ 15,737

\* Viz.:—

Surplus Appropriations-in-Aid	£000
Local Loans Fund—Interest on advances under Finance Act, 1935	25,324
Surplus receipts from trading services	10,730
Sales of strategic reserves	28,523
Ministry of Supply (Purchasing (Repayment) Services)	35,853
Other items	20,419
	75,346
	196,195

NOTE: *Post-war Credits*.—The total amount of Income Tax post-war credits outstanding at 31st March, 1957, was estimated at about £466 million. An explanation of the revised basis for this figure is given in the Report of the Inland Revenue for the year 1955-56 (Cmnd. 54).



1956-57

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1956-57

	<i>Receipts</i> £000	<i>Payments</i> £000
Ordinary Revenue and Expenditure ... ..	5,157,813	4,868,031
Self-Balancing Revenue and Expenditure ... ..	304,635	304,635
Receipts applicable under various Acts to Interest on the National Debt	146,726	146,726
Creation and Redemption of Debt:—		
National Savings Certificates ... ..	331,900	259,900
2½% Defence Bonds ... ..	—	29,449
3% Defence Bonds ... ..	—	43,782
3½% Defence Bonds ... ..	—	80,944
4% Defence Bonds ... ..	5,536	11,748
4½% Defence Bonds ... ..	126,085	1,329
Premium Savings Bonds ... ..	65,200	220
3½% Funding Stock, 1999-2004 ... ..	240,000	—
2½% National War Bonds, 1954-56 ... ..	—	165,563
3½% Treasury Stock, 1979-81 ... ..	202,500	—
Terminable Annuities (National Debt Commissioners) ... ..	—	47,722
Treasury Bills (net) ... ..	—	592,718
Tax Reserve Certificates (net) ... ..	20,993	—
Ways and Means Advances (net) ... ..	—	17,710
Other Debt (net) ... ..	137,849*	—
Excess Profits Tax, Post-war refunds (balance after deduction of tax) ...	—	731
Issues and Repayments under the following Acts:—		
Land Settlement (Facilities) Acts, 1919 and 1921 ... ..	127	—
Tithe Act, 1936—Temporary Advances to Redemption Annuities Account ... ..	2,295	2,270
Export Guarantees Act, 1949—Acquisition of Guaranteed Securities	2,102	5,170
Housing (Temporary Accommodation) Act, 1944 and Requisitioned Houses and Housing (Amendment) Act, 1955—Repayment of cost of temporary houses ... ..	6,894	—
Housing (Scotland) Acts, 1950 to 1955—Advances to Scottish Special Housing Association ... ..	300	5,215
Armed Forces (Housing Loans) Acts, 1949 and 1953—Provision of additional married quarters for the Armed Forces ... ..	132	5,650
Local Authorities Loans Act, 1945—Issues to Local Loans Fund for loans to Local Authorities ... ..	42,281	109,400
Miscellaneous Financial Provisions Acts, 1950 and 1955—Northern Ireland Government loans ... ..	84	1,000
New Towns Acts, 1946 and 1955—Capital Advances to Development Corporations ... ..	634	31,616
Post Office and Telegraph (Money) Acts, 1953 and 1955—Post Office capital expenditure ... ..	3,242	79,000
Cinematograph Film Production (Special Loans) Acts, 1949 to 1954—Loans to National Film Finance Corporation ... ..	957	1,157
Television Act, 1954—Loans to Independent Television Authority ... ..	45	—
Development of Inventions Acts, 1948 and 1954—Capital advances to National Research Development Corporation ... ..	—	535
Coal Industry Acts, 1946 to 1956—Advances to National Coal Board for capital expenditure ... ..	332,580	358,450
Finance Act, 1956—Loans to—Central Electricity Authority ... ..	—	148,000
Gas Council ... ..	—	24,000
British Transport Commission ... ..	—	70,000
Other Nationalised Industries &c. ... ..	—	42,100
Carried forward ... ..	7,130,910	7,454,771

\* See note on page 7.



1956-57

TABLE III.—EXCHEQUER RECEIPTS AND PAYMENTS, 1956-57—*continued*

	<i>Receipts</i> £000	<i>Payments</i> £000
Brought forward ... ..	7,130,910	7,454,771
<i>Issues and Repayments under the following Acts—continued:—</i>		
Transport (Railway Finances) Act, 1957—Loans to British Transport Commission ... ..	—	52,000
Cotton (Centralised Buying) Act, 1947 and Cotton Act, 1954—Advances to Raw Cotton Commission (in liquidation) for working balances ... ..	2,835	1,300
Overseas Resources Development Act, 1948—Advances to Colonial Development Corporation ... ..	250	6,634
Overseas Food—Repayments ... ..	96	—
Miscellaneous Financial Provisions Act, 1946—War Damage Payments—Board of Trade ... ..	—	110
War Damage Commission ... ..	—	25,000
Miscellaneous Financial Provisions Act, 1955—Loans to Potato Marketing Board ... ..	476	2,667
Sugar Act, 1956—Loans to Sugar Board ... ..	4,415	17,605
Town and Country Planning Act, 1954 and Town and Country Planning (Scotland) Act, 1954—Compensation payments ...	7,746	17,350
Miscellaneous Financial Provisions Acts, 1946 and 1955—Temporary increase of capital of Civil Contingencies Fund ... ..	45,000	45,000
Finance Acts 1946, 1947 and 1954—Repayment of Post-war Credits	—	17,413
European Payments Union (Financial Provisions) Act, 1950—Loan to Denmark ... ..	2,200	—
Anglo-Turkish (Armaments Credit) Agreement Act, 1938—Loan to Turkey ... ..	1,071	—
International Finance Corporation Act, 1955—Subscription ...	—	5,174
Suez Canal Drawn Shares ... ..	271	271
Exchange Equalisation Account—Repayment of capital ... ..	450,000	—
Exchequer Balance ... ..	3,363	3,338
	<u>7,648,633</u>	<u>7,648,633</u>

\* *Viz.*:—

	<i>Increase</i> £000	<i>Decrease</i> £000
<i>Internal Debt—</i>		
Bretton Woods Agreements Act, 1945—Interest Free Notes—		
International Monetary Fund ... ..	201,850	—
International Bank for Reconstruction and Development ...	—	7,000
Bank of England (Treasury Special Account)—Interest Free Notes ...	—	2,950
Government of India—Agreement of 26th September, 1942 ...	—	703
—Agreement of 7th March, 1955... ..	—	4,000
Government of Pakistan—Financial Agreement of 9th July, 1948 (Cmd. 7479) ... ..	—	257
European Payments Union Credit ... ..	26,609	17,209
Government of Northern Ireland—Ulster Saving Certificates ...	—	1,903
Government of Portugal—Repayment of Loan ... ..	—	4,404
Miscellaneous ... ..	—	238
<i>External Debt—</i>		
United States—Government Loan under Agreement of 6th December 1945 (Cmd. 6708) ... ..	—	20,890
—E.C.A Loan under Agreements with the Export-Import Bank of Washington (Cmd. 8126) ... ..	—	301
Government of Canada—Loan under Financial Agreement of 6th March, 1946 (Cmd. 6904)... ..	—	5,605
—Loan Free of Interest ... ..	—	11,070
European Payments Union Credit ... ..	—	14,080
	<u>228,459</u>	<u>90,610</u>
<i>Net Increase</i> ... ..	<u>137,849</u>	



TABLE IV.—NATIONAL DEBT

	31st March, 1956	31st March, 1957 (approximate figures)
	£000	£000
<i>Internal Debt:</i>		
2½% Consols, &c. ... ..	312,910	312,898
4% Consols ... ..	384,455	382,857
3½% Conversion Loan, 1961 or after ... ..	661,818	643,337
2½% Treasury Stock, 1975 or after ... ..	482,013	482,013
3% Treasury Stock, 1966 or after ... ..	58,192	58,192
3½% War Loan ... ..	1,909,839	1,909,836
Terminable Annuities ... ..	10,918	10,420
2% Conversion Stock, 1958–59 ... ..	591,940	591,940
3½% Conversion Stock, 1969 ... ..	340,558	340,558
4% Conversion Stock, 1957–58 ... ..	676,079	676,079
4½% Conversion Stock, 1962 ... ..	—	658,157
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	300,000
2½% Funding Loan, 1956–61 ... ..	796,174	796,174
2¾% Funding Loan, 1952–57 ... ..	100,556	100,556
3% Funding Loan, 1959–69 ... ..	297,765	289,228
4% Funding Loan, 1960–90 ... ..	247,307	237,557
3% Funding Stock, 1966–68 ... ..	540,350	540,350
3½% Funding Stock, 1999–2004 ... ..	143,270	443,270
2½% National War Bonds, 1954–56 ... ..	823,719	—
2½% Savings Bonds, 1964–67 ... ..	752,428	752,428
3% Savings Bonds, 1955–65 ... ..	712,548	712,548
3% Savings Bonds, 1960–70 ... ..	1,024,514	1,024,513
3% Savings Bonds, 1965–75 ... ..	1,073,018	1,073,018
2¼% Serial Funding Stock, 1957 ... ..	502,920	502,920
2½% Treasury Stock, 1986–2016 ... ..	78,457	78,457
3½% Treasury Stock, 1977–80 ... ..	259,347	261,966
3½% Treasury Stock, 1979–81 ... ..	232,967	482,967
4% Victory Bonds (repayable by annual drawings ending 1976) ... ..	220,042	212,663
3% War Loan, 1955–59 ... ..	302,459	302,459
2½% Terminable Annuities* ... ..	187,491	180,277
3% Terminable Annuities* ... ..	933,562	894,228
3½% Terminable Annuity* ... ..	43,244	42,070
2½% Defence Bonds ... ..	152,986	98,589
3% Defence Bonds ... ..	167,524	72,532
3½% Defence Bonds ... ..	408,073	327,129
4% Defence Bonds ... ..	48,325	94,242
Carried forward ... ..	17,041,610	17,150,270

\* Issued to National Debt Commissioners.



TABLE IV.—NATIONAL DEBT—*continued*

	31st March, 1956	31st March, 1957 (approximate figures)
	£000	£000
<i>Internal Debt—continued:</i>		
Brought forward ... ..	17,041,610	17,150,270
4½% Defence Bonds ... ..	—	149,556
Premium Savings Bonds ... ..	—	64,980
National Savings Certificates* ... ..	1,833,294	1,905,294
Tax Reserve Certificates ... ..	341,778	362,771
Treasury Bills ... ..	4,788,020	4,195,295
Ways and Means Advances ... ..	294,600	276,890
<i>Other Debt:</i>		
International Bank for Reconstruction and Development—Interest-free Notes ... ..	72,575	65,575
International Monetary Fund—Interest-free Notes ... ..	375,175	577,025
Bank of England (Treasury Special Account)—Interest-free Notes ... ..	3,150	200
European Payments Union ... ..	73,738	61,710†
Government of Portugal ... ..	76,596	72,192
Government of India ... ..	126,779‡	122,076‡
Government of Pakistan ... ..	5,908	5,651
Miscellaneous ... ..	14,485	12,344
	<u>25,047,708</u>	<u>25,021,829</u>
<i>Deduct:</i>		
Victory Bonds, &c., purchased by National Debt Commissioners, but not yet cancelled ... ..	83,506	81,824
<b>Total Internal Debt (net) ... ..</b>	<u>24,964,202</u>	<u>24,940,005</u>
<i>Debt payable in External Currencies:</i>		
United States—Government Loan ... ..	1,457,541	1,436,753
E.C.A. and M.S.A. Loans ... ..	137,428	137,128
Canadian Government Loans ... ..	426,639	431,038
European Payments Union ... ..	50,353	57,702†
Other Debt (payable in external currency) ... ..	2,716	2,715
<b>Total External Debt ... ..</b>	<u>2,074,677</u>	<u>2,065,336</u>
<b>Total National Debt (net) ... ..</b>	<u>27,038,879</u>	<u>27,005,341</u>

\* Shown at issue price, exclusive of accrued interest amounting approximately to £565 million at 31st March, 1956, and £535 million at 31st March, 1957.

† Arising from certain bilateral Agreements to repay in gold or external currencies £21,429,000 of the debt to the European Payments Union, that part of the debt was reclassified as External Debt, with effect from July 1956.

‡ The amount of this debt is due to be reduced with effect from 1st April, 1955, 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).



1957-58

TABLE V.—Comparison of Estimated EXPENDITURE under Budget heads

Service	Budget Estimate 1956-57	Estimate 1957-58	+ Increase or - Decrease
	£000	£000	£000
<b>Ordinary Expenditure</b>			
<b>CONSOLIDATED FUND SERVICES</b>			
Interest and Management of the National Debt ... ..	670,000	640,000	- 30,000
Sinking Funds ... ..	37,000	38,000	+ 1,000
Payments to Northern Ireland Exchequer	61,000	69,000	+ 8,000
Other Consolidated Fund Services ...	10,000	10,000	—
<b>TOTAL ... ..</b>	<b>778,000</b>	<b>757,000</b>	<b>- 21,000</b>
<b>SUPPLY SERVICES</b>			
Army Votes ... ..	519,000	445,500	- 73,500
Navy Votes ... ..	351,500	316,150	- 35,350
Air Votes ... ..	527,000	506,150	- 20,850
Ministry of Supply (Defence) ... ..	185,000	197,600	+ 12,600
Ministry of Defence ... ..	16,200	17,634	+ 1,434
	1,598,700	1,483,034	- 115,666
<i>Less</i> Receipts from the United States and Germany appropriated in aid of Defence Votes ... ..	100,000	62,750	+ 37,250
<b>Total Defence (net) ... ..</b>	<b>1,498,700</b>	<b>1,420,284</b>	<b>- 78,416</b>
Civil Votes (excluding Ministry of Supply (Defence)) ... ..	2,408,215	2,601,492	+ 193,277
<i>Less</i> Net reduction in Supply expenditure	—	10,000*	- 10,000
Customs and Excise and Inland Revenue Votes ... ..	52,770	58,101	+ 5,331
<b>TOTAL SUPPLY SERVICES ... ..</b>	<b>3,959,685</b>	<b>4,069,877</b>	<b>+ 110,192</b>
<b>Total Ordinary Expenditure ... ..</b>	<b>4,737,685</b>	<b>4,826,877</b>	<b>+ 89,192</b>
<b>SELF-BALANCING EXPENDITURE</b>			
Post Office ... ..	287,298	307,604	+ 20,306
Excess Profits Tax, Post-war refunds (part deducted for tax) ... ..	1,600	—	- 1,600
<b>TOTAL SELF-BALANCING EXPENDITURE</b>	<b>288,898</b>	<b>307,604</b>	<b>+ 18,706</b>

\* This represents the net saving expected to accrue in 1957-58 from the receipt of £20 million from the National Health Service contribution announced on 19th February, 1957, and the additional cost of the Agricultural Price Review (£10 million).



1957-58

TABLE VI.—Classified Statement of Estimated EXPENDITURE

£ million

	Budget Estimate 1956-57		Estimate 1957-58		+ Increase or - Decrease
<b>1. DEBT SERVICES:—</b>					
Interest and Management ...	670.0		640.0		
Sinking Funds ... ..	37.0		38.0		
		707.0		678.0	- 29.0
<b>2. DEFENCE PREPARATIONS:—</b>					
Army ... ..	519.0		445.5		
Navy ... ..	351.5		316.1		
Air ... ..	527.0		506.2		
Ministry of Supply (defence expenditure) ... ..	185.0		197.6		
Ministry of Defence ... ..	16.2		17.6		
<b>TOTAL DEFENCE PROGRAMME</b> ...	1,598.7	<del>1575</del>	1,483.0	- 115	
Less Receipts from the United States and Germany appro- priated in aid of Defence Votes ... ..	100.0	30 US outlets	62.8		
<b>TOTAL DEFENCE PROGRAMME (NET)</b>	1,498.7	1525	1,420.2		
Defence Expenditure by Civil Departments ... ..	37.0		18.9		
Industrial Capacity (defence) ...	2.1		1.9		
<b>TOTAL DEFENCE PREPARATIONS</b> ...		1,537.8		1,441.0	- 96.8
<b>3. ASSISTANCE TO LOCAL SERVICES (for details see Table VI (a))</b> ... ..		695.7		798.6	+ 102.9
<b>4. NATIONAL HEALTH SERVICE, INSUR- ANCE, PENSIONS, &amp;C. (for details see Table VI (b))</b> ... ..		939.8		968.4*	+ 28.6
<b>5. AGRICULTURAL AND FOOD SUBSIDIES</b>		235.5		243.6†	+ 8.1
<b>6. OTHER SERVICES:—</b>					
Ministry of Supply (civil expendi- ture) ... ..	32.1		47.0		
Assistance to Industry and Trading Services ... ..	2.8		1.8		
Atomic Energy ... ..	68.3		98.8		
General (for details see Table VI (c)) ... ..	518.7		549.7		
		621.9		697.3	+ 75.4
<b>TOTAL ORDINARY EXPENDITURE</b> ... ..		4,737.7		4,826.9	+ 89.2
<b>7. SELF-BALANCING SERVICES:—</b>					
Post Office ... ..		287.3		307.6	+ 20.3
Excess Profits Tax, Post-war refunds (part deducted for tax) ... ..		1.6		—	- 1.6
<b>TOTAL SELF-BALANCING EXPENDITURE</b>		288.9		307.6	+ 18.7

\* Adjusted to take account of the receipt of £20 million from the National Health Service contribution announced on 19th February 1957.

† Including £10 million for the additional cost of the Agricultural Price Review.



1957-58

TABLE VI (a).—ASSISTANCE TO LOCAL SERVICES

						£ million		
						Budget Estimate 1956-57	Estimate 1957-58	+ Increase or - Decrease
(a) Exchequer Equalisation Grant	...	...	...	...	...	83.9	104.8	+ 20.9
(b) Specific Grants:—								
Education (excluding Universities)*	...	...	...	...	...	348.2	405.5	+ 57.3
Universities	...	...	...	...	...	34.4	39.8	+ 5.4
Health Services	...	...	...	...	...	25.2	27.8	+ 2.6
Housing:—								
(i) Permanent Housing	...	...	...	...	...	63.8	67.5	+ 3.7
(ii) Temporary Housing	...	...	...	...	...	6.4	6.7	+ 0.3
(iii) Emergency Housing†	...	...	...	...	...	7.0	5.1	- 1.9
Police	...	...	...	...	...	45.4	47.9	+ 2.5
Fire Services	...	...	...	...	...	5.7	6.1	+ 0.4
Roads (including Trunk Roads)	...	...	...	...	...	52.7	65.7	+ 13.0
Development Areas	...	...	...	...	...	6.8	5.1	- 1.7
Child Care	...	...	...	...	...	9.4	10.0	+ 0.6
Miscellaneous	...	...	...	...	...	6.8	6.6	- 0.2
TOTAL	...	...	...	...	...	695.7	798.6	+ 102.9

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

† Including certain terminal and miscellaneous services.

TABLE VI (b).—NATIONAL HEALTH SERVICE, INSURANCE, PENSIONS, &amp;C.

						£ million		
						Budget Estimate 1956-57	Estimate 1957-58	+ Increase or - Decrease
National Health Service*	...	...	...	...	...	476.0	501.8†	+ 25.8
Welfare Foods	...	...	...	...	...	35.9	27.5	- 8.4
Contributions to:—								
National Insurance Fund	...	...	...	...	...	96.8	95.5	- 1.3
National Insurance (Industrial Injuries) Fund	...	...	...	...	...	8.3	8.4	+ 0.1
Family Allowances	...	...	...	...	...	113.2	121.5	+ 8.3
War Pensions	...	...	...	...	...	88.8	88.0	- 0.8
Non-contributory Old Age Pensions	...	...	...	...	...	15.2	13.9	- 1.3
National Assistance	...	...	...	...	...	105.6	111.8	+ 6.2
TOTAL	...	...	...	...	...	939.8	968.4	+ 28.6

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

† Adjusted to take account of the receipt of £20 million from the National Health Service contribution.



1957-58

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

		£ million		
		Budget Estimate 1956-57	Estimate 1957-58	+ Increase or - Decrease
Agriculture, Fisheries, Food and Forestry*†	...	43.5	49.5	+ 6.0
Broadcasting	...	28.5	30.4	+ 1.9
Transport and Civil Aviation*	...	16.8	20.8	+ 4.0
Superannuation, &c.‡	...	25.6	27.7	+ 2.1
Colonial Development and Welfare	...	17.8	18.5	+ 0.7
Commonwealth and Foreign Services*	...	71.7	67.2	- 4.5
Employment, Transference, Training and Resettlement*	...	20.3	19.9	- 0.4
Irish Services‡	...	69.1	77.3	+ 8.2
Prisons, &c.*	...	9.1	10.3	+ 1.2
Research and Development§	...	22.5	24.5	+ 2.0
Tax Collection:—				
Customs and Excise	...	12.1	13.4	+ 1.3
Inland Revenue	...	34.8	38.2	+ 3.4
Common Services (Works, Stationery, &c., and Central Office of Information)*	...	70.3	74.4	+ 4.1
Museums, Libraries, and Galleries	...	2.2	2.4	+ 0.2
Miscellaneous,	...	74.4	75.2	+ 0.8
TOTAL	...	518.7	549.7	+ 31.0

\* Including cost of administration.

† Excluding agricultural and food subsidies (see item 5 of Table VI), 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 Authority.

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



1957-58

TABLE VII.—Comparison of Estimated RECEIPTS from Revenue in 1957-58 with Exchequer Receipts in 1956-57

On the basis of existing Taxation

	Exchequer Receipts in 1956-57	Estimate for 1957-58 on the basis of existing Taxation	+ Increase or - Decrease
	£000	£000	£000
<b>Ordinary Revenue</b>			
<b>INLAND REVENUE</b>			
Income Tax ... ..	2,114,173	2,230,000	+ 115,827
Surtax ... ..	158,000	155,000	- 3,000
Death Duties ... ..	169,000	170,000	+ 1,000
Stamps ... ..	63,000	60,000	- 3,000
Profits Tax, Excess Profits Tax and Excess Profits Levy ... ..	200,000	260,000	+ 60,000
Other Inland Revenue Duties ... ..	640	500	- 140
	<b>2,704,813</b>	<b>2,875,500</b>	<b>+ 170,687</b>
<b>CUSTOMS AND EXCISE</b>			
Customs ... ..	1,198,882	1,214,250	+ 15,368
Excise ... ..	901,735	935,750	+ 34,015
	<b>2,100,617</b>	<b>2,150,000</b>	<b>+ 49,383</b>
<b>MOTOR VEHICLE DUTIES ... ..</b>	<b>90,610</b>	<b>93,000</b>	<b>+ 2,390</b>
<b>TOTAL RECEIPTS FROM TAXES ... ..</b>	<b>4,896,040</b>	<b>5,118,500</b>	<b>+ 222,460</b>
Post Office (Net Receipt) ... ..	4,464	20,000	+ 15,536
Broadcast Receiving Licences ... ..	28,400	31,000	+ 2,600
Receipts from Sundry Loans ... ..	32,714	32,000	- 714
Miscellaneous ... ..	196,195	185,000	- 11,195
<b>Total Ordinary Revenue ... ..</b>	<b>5,157,813</b>	<b>5,386,500</b>	<b>+ 228,687</b>
<b>SELF-BALANCING REVENUE</b>			
Post Office ... ..	304,036	307,604	+ 3,568
Income Tax deducted from Excess Profits Tax, Post-war refunds ... ..	599	—	- 599
<b>TOTAL SELF-BALANCING REVENUE ... ..</b>	<b>304,635</b>	<b>307,604</b>	<b>+ 2,969</b>



TABLE VIII.—1956-57 OUTTURN AND 1957-58 ESTIMATES  
before 1957-58 Budget changes

£ million

ABOVE THE LINE							
Revenue	1956-57		1957-58	Expenditure	1956-57		1957-58
	Estimate	Outturn	Estimate		Estimate	Outturn	Estimate
Inland Revenue ...	2,680	2,705	2,876	Interest on Debt ...	670	711	640
Customs and Excise ...	2,158	2,101	2,150	Sinking Funds ...	37	37	38
Motor Duties ...	92	91	93	Northern Ireland ...	61	66	69
				Miscellaneous ...	10	10	10
<b>TOTAL TAX REVENUE</b>	<b>4,930</b>	<b>4,897</b>	<b>5,119</b>	<b>TOTAL CONSOLIDATED FUND SERVICES ...</b>	<b>778</b>	<b>824</b>	<b>757</b>
Post Office (Net Receipt)	10	4	20	Supply: Defence... ..	1,499	1,525	1,420
Broadcast Licences ...	28	28	31	Civil (including Tax Collection)	2,461	2,519	2,650*
Sundry Loans ...	30	33	32	<b>TOTAL SUPPLY...</b>	<b>3,960</b>	<b>4,044</b>	<b>4,070</b>
Miscellaneous ...	200	196	185	<b>Total Expenditure ...</b>	<b>4,738</b>	<b>4,868</b>	<b>4,827</b>
<b>Total Revenue ...</b>	<b>5,198</b>	<b>5,158</b>	<b>5,387</b>	<b>Surplus ... ..</b>	<b>460</b>	<b>290</b>	<b>560</b>
	<b>5,198</b>	<b>5,158</b>	<b>5,387</b>		<b>5,198</b>	<b>5,158</b>	<b>5,387</b>
BELOW THE LINE							
Receipts			Payments				
Interest outside Budget	150	147	175	Interest outside Budget ...	150	147	175
Export Guarantees—				Export Guarantees ...	7	5	7
Repayments ... ..	2	2	5	Post-war Credits ... ..	18	17	17
Housing receipts from				Excess Profits Tax Refunds	2	1	—
Votes ... ..	7	7	7	War Damage ... ..	24	25	22
Local Authorities—				Scottish Special Housing	7	5	6
Repayments ... ..	44	42	48	Armed Forces—Housing	8	6	6
Post Office capital repay-				Loans to Local Authorities	220	109	100
ments from Votes ...	3	3	6	Loans to Northern Ireland			
Film Corporation—				Exchequer ... ..	4	1	3
Repayments ... ..	—	1	1	Loans for New Towns			
Raw Cotton Commission:				Development ... ..	35	32	33
Net repayments ... ..	1	2	—	Post Office capital expen-			
Nationalised Industries				diture ... ..	78	79	75
(other than National				Loans to Film Corporation	—	1	1
Coal Board)—				Loans to Independent			
Repayments ... ..	—	—	14	Television Authority ...	1	—	1
New Towns—				Loans for Development of			
Repayments ... ..	1	1	1	Inventions ... ..	—	1	—
Town and Country Plan-				Town and Country			
ning Acts—				Planning Acts—			
Repayments ... ..	7	8	5	Compensation payments	30	17	2
Potato Marketing Board—				Overseas Resources—			
Repayments ... ..	1	—	3	Colonial Development	9	7	15
Anglo-Turkish Arma-				Loans to Potato Mar-			
ments Credit—				keting Board ... ..	5	3	6
Repayments ... ..	1	1	1	Loans to Sugar Board (net)	10	13	—
Other repayments ...	1	1	1	National Coal Board—			
				Capital Expenditure (net)	63	26	45
				Loans to other Nationalised			
				Industries ... ..	350	284	290
				Transport (Railway			
				Finances) Loans	—	52	50
				International Finance Cor-			
				poration: Subscription	—	5	—
<b>Total Receipts ...</b>	<b>218</b>	<b>215</b>	<b>267</b>	<b>Total Payments ...</b>	<b>1,021</b>	<b>836</b>	<b>854</b>
<b>Net Sum borrowed or met</b>							
<b>    from Surplus ... ..</b>	<b>803</b>	<b>621</b>	<b>587</b>				
	<b>1,021</b>	<b>836</b>	<b>854</b>		<b>1,021</b>	<b>836</b>	<b>854</b>
<b>Total Receipts ...</b>	<b>5,416</b>	<b>5,373</b>	<b>5,654</b>	<b>Total Payments ...</b>	<b>5,759</b>	<b>5,704</b>	<b>5,681</b>

\* Adjusted to take account of the net saving of £10 million referred to in the Note on page 10.



TABLE IX.—PROPOSED CHANGES IN TAXATION

## INLAND REVENUE

## INCOME TAX

It is proposed to extend the earned income relief at the present rate of two-ninths to the first £4,005 of earned incomes with a further extension at one-ninth up to £9,945, giving a maximum allowance of tax on £1,550.

It is proposed to increase the child allowance from £100 to £125 for children aged over 11 and to £150 for children aged over 16.

It is proposed to exempt from tax single persons aged 65 and over whose total income does not exceed £250 and married couples, where either husband or wife is aged 65 or over, whose total income does not exceed £400. Where the total income slightly exceeds £250 or £400 the tax payable will be limited to one-half of the amount by which the total income exceeds these limits.

It is proposed to raise the income limit for age relief from £600 to £700.

These changes will operate for the whole of the year. Effect will be given to them for P.A.Y.E. purposes as quickly as possible and in any case not later than the first pay day after 21st June.

## SURTAX

It is proposed to allow the amount by which the personal allowances exceed the single allowance (£140) to be deducted from total income in computing the income chargeable to surtax. The allowances to be taken into account for this purpose will be the single allowance, the married allowance, the child allowance, the dependent relative allowance and the housekeeper allowance.

## INCOME TAX AND PROFITS TAX

It is proposed to make provision for the exemption from income tax and profits tax of the trading profits of "overseas trade corporations".

It is proposed that the investment allowance in respect of expenditure incurred after 9th April, 1957, on the construction of ships shall be made at the rate of 40 per cent. instead of 20 per cent.

It is proposed to remedy a defect in the law relating to capital allowances whereby an investment allowance or initial allowance might, in certain circumstances, be given twice over in respect of the same machinery or plant.

## ESTATE DUTY

It is proposed to make certain changes, in the case of deaths occurring after the passing of the Finance Bill, in the law governing the charge of estate duty on gifts *inter vivos*.



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

## CUSTOMS AND EXCISE

## CUSTOMS

*Hydrocarbon Oil.*—It is proposed to remove the additional duty of 1s. 0d. a gallon imposed by the Hydrocarbon Oil Duties (Temporary Increase) Act, 1956. This will alter the duty and rebates on imported hydrocarbon oil, so as to reduce the effective charge on light oils (motor spirit, &c.) and on heavy oils used as fuel in road vehicles, from 3s. 6d. to 2s. 6d. a gallon, from 6 p.m. on 9th April, 1957.

*Customs Duty on Ingredients of Composite Goods.*—It is proposed to simplify the method of charging Customs duty on the ingredients of composite goods. The existing law requires a precise assessment of the quantity of the ingredient in each importation. It is proposed to take power to secure substantially the same amount of revenue by the adoption, where appropriate, of average rates of duty for broad classes of goods.

## EXCISE

*Hydrocarbon Oils, &c.*—In consequence of the removal of the additional duty of 1s. 0d. a gallon imposed by the Hydrocarbon Oil Duties (Temporary Increase) Act, 1956, the duty and rebate which apply to hydrocarbon oils, other than those on which Customs duty is chargeable, will be altered so as to reduce the effective charge on light oils (motor spirit, &c.) and on heavy oils used as fuel in road vehicles, from 2s. 3d. a gallon to 1s. 3d. a gallon. The duty on petrol substitutes will also be reduced from 2s. 3d. to 1s. 3d. a gallon and the duty on power methylated spirits (power alcohol) from 3s. 6d. to 2s. 6d. a gallon. (Petrol substitutes are defined as any liquid intended to take the place of petrol as fuel for internal combustion piston engines, being neither a hydrocarbon oil nor power methylated spirits).

These changes take effect from 6 p.m. on 9th April, 1957.



TABLE IX.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*EXCISE—*continued*

*Entertainments Duty.*—It is proposed to repeal the First and Second Scales of duty (applicable to theatres, music-halls, &c. and to sports, racing, &c., respectively).

It is also proposed to replace the Third Scale of duty (applicable to cinemas, &c.) by a duty of one-half of the amount (if any) by which the payment for admission including duty exceeds 11*d.* The new duty will apply to entertainments which consist wholly or partly of a cinematograph or television show. The practical effect as regards a number of typical cinema admission prices is shown in the following table:—

Admission price (inclusive of duty)	Present duty	Proposed duty
<i>s.</i> <i>d.</i> —    10	<i>s.</i> <i>d.</i> —    ½	<i>s.</i> <i>d.</i> Nil
1    0	—    1½	—    ½
1    6	—    5½	—    3½
1    10	—    7¾	—    5½
2    4	—    10½	—    8½
2    6	—    11½	—    9½
2    9	1    0¼	—    11
3    6	1    5	1    3½
5    0	2    2½	2    0½
6    6	2    10	2    9½

It is proposed to extend the scope of the exemption from duty granted for certain entertainments held in rural areas. The areas to which the exemption at present applies include any borough, urban district or rural parish (or in Scotland any small burgh, or landward parish, or the landward part of a parish partly landward and partly burghal) with a population not exceeding 2,000. Subject to the same conditions, the exemption will apply to such areas with a population not exceeding 3,000.

The above changes will apply to entertainments held on or after 5th May, 1957.

*Television Duty.*—It is proposed to charge on television receiving licences issued on or after 1st August, 1957, a duty at the yearly rate of £1 (with appropriate rates for licences of special types).



TABLE IX.—PROPOSED CHANGES IN TAXATION—*continued*CUSTOMS AND EXCISE—*continued*EXCISE—*continued*

*Purchase Tax.*—It is proposed that the classes of goods shown in the following table, at present chargeable at 30 per cent. of the wholesale value, shall become chargeable at 15 per cent. of the wholesale value.

*Group under  
8th Schedule of  
Finance Act, 1948*

*Description of Goods*

8	Floor coverings including lined sheepskin floor rugs (but not including other fur rugs which are at present liable at the rate of 50 per cent.).
11	Furniture (other than domestic furniture at present liable at the rate of 5 per cent. and mirrors liable at the rate of 60 per cent.), hardware, ironmongery, turnery, table-ware, kitchen-ware and toilet-ware, of kinds used for domestic or office purposes.
12	Domestic appliances and domestic apparatus (other than sewing machines) not designed for operation by electricity or gas.
13	Cutlery suitable for domestic or personal use, and spoons, forks and similar articles suitable for domestic use.

These changes apply to goods delivered by registered manufacturers and wholesalers, or imported by unregistered persons, after 9th April, 1957.



TABLE X.—ESTIMATED EFFECT OF CHANGES IN TAXATION

	Estimate for 1957-58	Estimate for a full year
<b>INLAND REVENUE</b>		
	£	£
<i>Income Tax—</i>		
Extension of earned income relief at two-ninths to £4,005 and one-ninth to £9,945 ...	— 17,000,000	— 24,500,000
Increase in the child allowance to £125 for children aged over 11 and £150 for children aged over 16 ...	— 14,500,000	— 17,500,000
Exemption of incomes not exceeding £250 for single persons aged 65 or over and not exceeding £400 for married couples where either husband or wife is aged 65 or over ...	— 1,500,000	— 2,500,000
Increase in the income limit for age relief to £700 ...	— 750,000	— 1,750,000
<i>Surtax—</i>		
Deduction from total income of personal allowances in excess of £140 ...	— 6,000,000	— 9,750,000
<i>Income Tax and Profits Tax—</i>		
Exemption of "overseas trade corporations"	— 25,000,000*	— 35,000,000†
Increase in investment allowance for ships to 40 per cent. ...	Negligible	— 11,500,000‡
<b>TOTAL INLAND REVENUE</b> ...	<b>— 64,750,000</b>	<b>— 102,500,000</b>
<b>CUSTOMS AND EXCISE</b>		
<i>Customs—</i>		
Hydrocarbon oils ...	— 10,000,000§	Nil
Calculation of duty on composite goods ...	Nil	Nil
<b>TOTAL CUSTOMS</b> ...	<b>— 10,000,000</b>	<b>Nil</b>
<i>Excise—</i>		
Entertainments duty ...	— 11,200,000	— 12,200,000
Television duty ...	+ 6,300,000	+ 8,000,000
Purchase Tax ...	— 18,000,000	— 24,000,000
<b>TOTAL EXCISE</b> ...	<b>— 22,900,000</b>	<b>— 28,200,000</b>
<b>TOTAL CUSTOMS AND EXCISE</b> ...	<b>— 32,900,000</b>	<b>— 28,200,000</b>
<b>Total</b> ...	<b>— 97,650,000</b>	<b>— 130,700,000</b>

\* Divided as follows—Income tax: £20,000,000; Profits tax: £5,000,000.

† The precise cost will depend on the extent to which companies operating both in the United Kingdom and abroad rearrange their affairs so as to qualify as "overseas trade corporations."

‡ The cost in 1958-59 will be £7,000,000.

§ This is a non-recurrent loss of revenue arising from the removal of the temporary increase of duty in advance of the ending of petrol rationing and, being a round figure, has been allocated wholly to Customs.



TABLE XI.—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 1956-57		Proposed Charge 1957-58		Charge for 1956-57		Proposed Charge 1957-58	
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
180								
200†	1 15 0	— 2	1 15 0	— 2	1 15 0	— 2	1 15 0	— 2
225†	3 18 9	— 4	3 18 9	— 4	3 18 9	— 4	3 18 9	— 4
250†	6 2 6	— 6	6 2 6	— 6	6 2 6	— 6	6 2 6	— 6
300	14 13 4	— 11½	14 13 4	— 11½	14 13 4	— 11½	14 13 4	— 11½
350	23 18 0	1 4½	23 18 0	1 4½	37 3 4	2 1½	37 3 4	2 1½
400	33 2 9	1 8	33 2 9	1 8	59 5 0	2 11½	59 5 0	2 11½
500	55 10 0	2 2½	55 10 0	2 2½	93 0 0	3 8½	93 0 0	3 8½
600	81 15 0	2 8½	81 15 0	2 8½	135 10 0	4 6	135 10 0	4 6
700	111 17 9	3 2½	111 17 9	3 2½	178 0 0	5 1	178 0 0	5 1
800	144 18 10	3 7½	144 18 10	3 7½	220 10 0	5 6	220 10 0	5 6
900	178 0 0	3 11½	178 0 0	3 11½	263 0 0	5 10	263 0 0	5 10
1,000	211 1 1	4 2½	211 1 1	4 2½	305 10 0	6 1½	305 10 0	6 1½
1,250	293 13 10	4 8½	293 13 10	4 8½	411 15 0	6 7	411 15 0	6 7
1,500	376 6 8	5 0	376 6 8	5 0	518 0 0	6 11	518 0 0	6 11
2,000	541 12 2	5 5	541 12 2	5 5	730 10 0	7 3½	730 10 0	7 3½
2,500	801 15 0	6 5	756 17 9	6 0½	993 0 0	7 11½	993 0 0	7 11½
3,000	1,076 15 0	7 2	984 13 4	6 7	1,268 0 0	8 5½	1,268 0 0	8 5½
4,000	1,676 15 0	8 4½	1,490 4 5	7 5½	1,868 0 0	9 4	1,868 0 0	9 4
5,000	2,326 15 0	9 3½	2,092 15 3	8 4½	2,518 0 0	10 1	2,518 0 0	10 1
6,000	3,026 15 0	10 1	2,745 10 10	9 2	3,218 0 0	10 8½	3,218 0 0	10 8½
7,000	3,776 15 0	10 9½	3,448 6 4	9 10	3,968 0 0	11 4	3,968 0 0	11 4
8,000	4,526 15 0	11 4	4,151 1 11	10 4½	4,718 0 0	11 9½	4,718 0 0	11 9½
9,000	5,326 15 0	11 10	4,903 17 6	10 11	5,518 0 0	12 3	5,518 0 0	12 3
10,000	6,126 15 0	12 3	5,659 5 0	11 4	6,318 0 0	12 7½	6,318 0 0	12 7½
12,000	7,826 15 0	13 0½	7,359 5 0	12 3	8,018 0 0	13 4½	8,018 0 0	13 4½
15,000	10,526 15 0	14 0½	10,059 5 0	13 5	10,718 0 0	14 3½	10,718 0 0	14 3½
20,000	15,151 15 0	15 2	14,684 5 0	14 8	15,343 0 0	15 4	15,343 0 0	15 4
25,000	19,776 15 0	15 10	19,309 5 0	15 5½	19,968 0 0	15 11½	19,968 0 0	15 11½
30,000	24,401 15 0	16 3	23,934 5 0	15 11½	24,593 0 0	16 4½	24,593 0 0	16 4½
40,000	33,651 15 0	16 10	33,184 5 0	16 7	33,843 0 0	16 11	33,843 0 0	16 11
50,000	42,901 15 0	17 2	42,434 5 0	16 11½	43,093 0 0	17 3	43,093 0 0	17 3
100,000	89,151 15 0	17 10	88,684 5 0	17 9	89,343 0 0	17 10½	89,343 0 0	17 10½

\* Age Relief.—Where the taxpayer is over 65 and his total income does not exceed £700 (£600 for 1956-57) age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £700, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

† Age Exemption.—Where the taxpayer is over 65 and his total income does not exceed £250 no tax is payable for 1957-58. Where the total income slightly exceeds £250 marginal relief is given so that the full tax is not payable until the marginal relief runs out.



TABLE XI.—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 1956-57		Proposed Charge 1957-58		Charge for 1956-57		Proposed Charge 1957-58		
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	
300									
350†	3 12 6	— 2½	3 12 6	— 2½	18 12 6	1 1	18 12 6	1 1	
400†	9 7 9	— 5½	9 7 9	— 5½	30 10 0	1 6½	30 10 0	1 6½	
500	27 17 2	1 1½	27 17 2	1 1½	59 5 0	2 4½	59 5 0	2 4½	
600	48 0 0	1 7	48 0 0	1 7	93 0 0	3 1	93 0 0	3 1	
700	74 5 0	2 1½	74 5 0	2 1½	135 10 0	3 10½	135 10 0	3 10½	
800	102 8 10	2 6½	102 8 10	2 6½	178 0 0	4 5½	178 0 0	4 5½	
900	135 10 0	3 0	135 10 0	3 0	220 10 0	4 11	220 10 0	4 11	
1,000	168 11 1	3 4½	168 11 1	3 4½	263 0 0	5 3	263 0 0	5 3	
1,250	251 3 10	4 0	251 3 10	4 0	369 5 0	5 11	369 5 0	5 11	
1,500	333 16 8	4 5½	333 16 8	4 5½	475 10 0	6 4	475 10 0	6 4	
2,000	499 2 2	5 0	499 2 2	5 0	688 0 0	6 10½	688 0 0	6 10½	
2,500	759 5 0	6 1	704 7 9	5 7½	950 10 0	7 7	940 10 0	7 6½	
3,000	1,034 5 0	6 10½	929 13 4	6 2½	1,225 10 0	8 2	1,213 0 0	8 1	
4,000	1,634 5 0	8 2	1,430 4 5	7 2	1,825 10 0	9 1½	1,808 0 0	9 0½	
5,000	2,284 5 0	9 1½	2,027 15 3	8 1½	2,475 10 0	9 11	2,453 0 0	9 9½	
6,000	2,984 5 0	9 11½	2,675 10 10	8 11	3,175 10 0	10 7	3,148 0 0	10 6	
7,000	3,734 5 0	10 8	3,373 6 4	9 7½	3,925 10 0	11 2½	3,893 0 0	11 1½	
8,000	4,484 5 0	11 2½	4,076 1 11	10 2½	4,675 10 0	11 8½	4,643 0 0	11 7½	
9,000	5,284 5 0	11 9	4,823 17 6	10 8½	5,475 10 0	12 2	5,438 0 0	12 1	
10,000	6,084 5 0	12 2	5,579 5 0	11 2	6,275 10 0	12 6½	6,238 0 0	12 5½	
12,000	7,784 5 0	12 11½	7,274 5 0	12 1½	7,975 10 0	13 3½	7,933 0 0	13 2½	
15,000	10,484 5 0	13 11½	9,969 5 0	13 3½	10,675 10 0	14 3	10,628 0 0	14 2	
20,000	15,109 5 0	15 1½	14,591 15 0	14 7	15,300 10 0	15 3½	15,250 10 0	15 3	
25,000	19,734 5 0	15 9½	19,216 15 0	15 4½	19,925 10 0	15 11½	19,875 10 0	15 11	
30,000	24,359 5 0	16 3	23,841 15 0	15 10½	24,550 10 0	16 4½	24,500 10 0	16 4	
40,000	33,609 5 0	16 9½	33,091 15 0	16 6½	33,800 10 0	16 11	33,750 10 0	16 10½	
50,000	42,859 5 0	17 1½	42,341 15 0	16 11	43,050 10 0	17 2½	43,000 10 0	17 2½	
100,000	89,109 5 0	17 10	88,591 15 0	17 8½	89,300 10 0	17 10½	89,250 10 0	17 10	

\* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £700 (£600 for 1956-57) age relief is given: this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £700, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

† Age Exemption.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £400 no tax is payable for 1957-58. Where the total income slightly exceeds £400 marginal relief is given so that the full tax is not payable until the marginal relief runs out.



TABLE XI.—INCOME TAX—continued

(3)—Married Couples with one Child—Earned Income

The Table shows the tax payable by married couples with one child after deduction of the married allowance and allowance for one child and 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								
	Charge for 1956-57		Proposed Charge 1957-58*						
			One Child not over 11		One Child over 11 but not over 16		One Child over 16		
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	
£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.		
£ 435	—	—	—	—	—	—	—	—	
500	5 10 0	— 2½	5 10 0	— 2½	2 13 9	— 1½	—	—	
600	22 11 8	— 9	22 11 8	— 9	16 12 11	— 6½	10 14 2	— 4½	
700	41 1 1	1 2	41 1 1	1 2	35 2 4	1 0	29 3 7	— 10	
800	66 15 0	1 8	66 15 0	1 8	58 6 3	1 5½	49 17 6	1 3	
900	93 0 0	2 1	93 0 0	2 1	84 11 3	1 10½	76 2 6	1 8½	
1,000	126 1 1	2 6½	126 1 1	2 6½	115 8 7	2 3½	104 16 1	2 1	
1,250	208 13 10	3 4	208 13 10	3 4	198 1 4	3 2	187 8 10	3 0	
1,500	291 6 8	3 10½	291 6 8	3 10½	280 14 2	3 9	270 1 8	3 7	
2,000	456 12 2	4 7	456 12 2	4 7	445 19 8	4 5½	435 7 2	4 4	
2,500	716 15 0	5 9	651 17 9	5 2½	641 5 3	5 1½	630 12 9	5 0½	
3,000	991 15 0	6 7½	874 13 4	5 10	864 0 10	5 9	853 8 4	5 8½	
4,000	1,591 15 0	7 11½	1,370 4 5	6 10	1,359 11 11	6 9½	1,348 19 5	6 9	
5,000	2,241 15 0	8 11½	1,962 15 3	7 10	1,952 2 9	7 9½	1,941 10 3	7 9	
6,000	2,941 15 0	9 9½	2,605 10 10	8 8	2,594 18 4	8 8	2,584 5 10	8 7½	
7,000	3,691 15 0	10 6½	3,298 6 4	9 5	3,287 13 10	9 4½	3,277 1 4	9 4½	
8,000	4,441 15 0	11 1½	4,001 1 11	10 0	3,990 9 5	9 11½	3,979 16 11	9 11½	
9,000	5,241 15 0	11 8	4,743 17 6	10 6½	4,733 5 0	10 6	4,722 12 6	10 6	
10,000	6,041 15 0	12 1	5,499 5 0	11 0	5,488 12 6	10 11½	5,478 0 0	10 11½	
12,000	7,741 15 0	12 11	7,189 5 0	12 0	7,178 12 6	11 11½	7,168 0 0	11 11½	
15,000	10,441 15 0	13 11	9,879 5 0	13 2	9,868 12 6	13 2	9,858 0 0	13 1½	
20,000	15,066 15 0	15 1	14,499 5 0	14 6	14,488 12 6	14 6	14,478 0 0	14 5½	
25,000	19,691 15 0	15 9	19,124 5 0	15 3½	19,113 12 6	15 3½	19,103 0 0	15 3½	
30,000	24,316 15 0	16 2½	23,749 5 0	15 10	23,738 12 6	15 10	23,728 0 0	15 10	
40,000	33,566 15 0	16 9½	32,999 5 0	16 6	32,988 12 6	16 6	32,978 0 0	16 6	
50,000	42,816 15 0	17 1½	42,249 5 0	16 11	42,238 12 6	16 10½	42,228 0 0	16 10½	
100,000	89,066 15 0	17 10	88,499 5 0	17 8½	88,488 12 6	17 8½	88,478 0 0	17 8½	

\* The "Proposed charge, 1957-58" comprises income tax for 1957-58 and surtax (if any) for 1956-57, payable in 1957-58. The increases in child allowance for older children have therefore been taken into account in these figures only for income tax and not for surtax.



TABLE XI.—INCOME TAX—*continued*

## (4) Married Couples with two Children—Earned Income

The Table shows the tax payable by married couples with two children after deduction of the married allowance and allowance for two children and 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																			
	Charge for 1956-57			Proposed Charge 1957-58*																
				Two Children not over 11		Two Children over 11 but not over 16		Two Children over 16												
	Income Tax (and Surtax if any)		Effective Rate	Income Tax (and Surtax if any)		Effective Rate	Income Tax (and Surtax if any)		Effective Rate	Income Tax (and Surtax if any)		Effective Rate								
£	s.	d.	s.	d.	£	s.	d.	s.	d.	£	s.	d.	s.	d.	£	s.	d.	s.	d.	
565	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
600	3	0	0	—	1	3	0	0	—	1	—	—	—	—	—	—	—	—	—	—
700	17	6	1	—	6	17	6	1	—	6	6	2	6	—	2	—	10	0	—	—
800	35	15	6	—	10½	35	15	6	—	10½	23	18	0	—	7	12	0	6	—	3½
900	59	5	0	1	4	59	5	0	1	4	42	7	6	—	11½	30	10	0	—	8
1,000	85	10	0	1	8½	85	10	0	1	8½	68	12	6	1	4½	51	15	0	1	0½
1,250	166	3	10	2	8	166	3	10	2	8	144	18	10	2	4	123	13	10	1	11½
1,500	248	16	8	3	4	248	16	8	3	4	227	11	8	3	0½	206	6	8	2	9
2,000	414	2	2	4	1½	414	2	2	4	1½	392	17	2	3	11	371	12	2	3	8½
2,500	674	5	0	5	4½	599	7	9	4	9½	578	2	9	4	7½	556	17	9	4	5½
3,000	949	5	0	6	4	819	13	4	5	5½	798	8	4	5	4	777	3	4	5	2
4,000	1,549	5	0	7	9	1,310	4	5	6	6½	1,288	19	5	6	5½	1,267	14	5	6	4
5,000	2,199	5	0	8	9½	1,897	15	3	7	7	1,876	10	3	7	6	1,855	5	3	7	5
6,000	2,899	5	0	9	8	2,535	10	10	8	5½	2,514	5	10	8	4½	2,493	0	10	8	3½
7,000	3,649	5	0	10	5	3,223	6	4	9	2½	3,202	1	4	9	2	3,180	16	4	9	1
8,000	4,399	5	0	11	0	3,926	1	11	9	10	3,904	16	11	9	9	3,883	11	11	9	8½
9,000	5,199	5	0	11	6½	4,663	17	6	10	4½	4,642	12	6	10	4	4,621	7	6	10	3
10,000	5,999	5	0	12	0	5,419	5	0	10	10	5,398	0	0	10	9½	5,376	15	0	10	9
12,000	7,699	5	0	12	10	7,104	5	0	11	10	7,083	0	0	11	9½	7,061	15	0	11	9
15,000	10,399	5	0	13	10½	9,789	5	0	13	0½	9,768	0	0	13	0½	9,746	15	0	13	0
20,000	15,024	5	0	15	0½	14,406	15	0	14	5	14,385	10	0	14	4½	14,364	5	0	14	4½
25,000	19,649	5	0	15	8½	19,031	15	0	15	2½	19,010	10	0	15	2½	18,989	5	0	15	2½
30,000	24,274	5	0	16	2	23,656	15	0	15	9½	23,635	10	0	15	9	23,614	5	0	15	9
40,000	33,524	5	0	16	9	32,906	15	0	16	5½	32,885	10	0	16	5½	32,864	5	0	16	5
50,000	42,774	5	0	17	1½	42,156	15	0	16	10½	42,135	10	0	16	10½	42,114	5	0	16	10
100,000	89,024	5	0	17	9½	88,406	15	0	17	8	88,385	10	0	17	8	88,364	5	0	17	8

\* The "Proposed charge, 1957-58" comprises income tax for 1957-58 and surtax (if any) for 1956-57, payable in 1957-58. The increases in child allowance for older children have therefore been taken into account in these figures only for income tax and not for surtax.



TABLE XI.—INCOME TAX—continued

(5) Married Couples with three Children—Earned Income

The Table shows the tax payable by married couples with three children after deduction of the married allowance and allowance for three children and 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										
	Charge for 1956-57		Proposed Charge 1957-58*								
			Three Children not over 11		Three Children over 11 but not over 16		Three Children over 16				
	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	Income Tax (and Surtax if any)	Effective Rate	
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	
690	—	—	—	—	—	—	—	—	—	—	—
700	— 10 0	—	— 10 0	—	—	—	—	—	—	—	—
800	12 0 6	— 3½	12 0 6	— 3½	— 16 3	—	—	—	—	—	—
900	30 10 0	— 8	30 10 0	— 8	12 13 9	— 3½	—	—	—	—	—
1,000	51 15 0	1 0½	51 15 0	1 0½	31 3 2	— 7½	1 2 6	— 0½	13 6 11	— 3	—
1,250	123 13 10	1 11½	123 13 10	1 11½	92 1 3	1 5½	66 15 0	1 1	307 17 2	3 1	—
1,500	206 6 8	2 9	206 6 8	2 9	174 9 2	2 4	142 11 8	1 11	483 2 9	3 10½	—
2,000	371 12 2	3 8½	371 12 2	3 8½	339 14 8	3 5	307 17 2	3 1	700 18 4	4 8	—
2,500	631 15 0	5 0½	546 17 9	4 4½	515 0 3	4 1½	483 2 9	3 10½	1,186 9 5	5 11	—
3,000	906 15 0	6 0½	764 13 4	5 1	732 15 10	4 10½	700 18 4	4 8	1,800 17 9	7 2½	—
4,000	1,506 15 0	7 6½	1,250 4 5	6 3	1,218 6 11	6 1	1,186 9 5	5 11	1,800 17 9	7 2½	—
5,000	2,156 15 0	8 7½	1,832 15 3	7 4	1,800 17 9	7 2½	1,769 0 3	7 1	2,433 13 4	8 1½	—
6,000	2,856 15 0	9 6½	2,465 10 10	8 2½	2,433 13 4	8 1½	2,401 15 10	8 0	3,116 8 10	8 11	—
7,000	3,606 15 0	10 3½	3,148 6 4	9 0	3,116 8 10	8 11	3,084 11 4	8 10	3,819 4 5	9 6½	—
8,000	4,356 15 0	10 10½	3,851 1 11	9 7½	3,819 4 5	9 6½	3,787 6 11	9 5½	4,552 0 0	10 1½	—
9,000	5,156 15 0	11 5½	4,583 17 6	10 2	4,552 0 0	10 1½	4,520 2 6	10 0½	5,307 7 6	10 7½	—
10,000	5,956 15 0	11 11	5,339 5 0	10 8	5,307 7 6	10 7½	5,275 10 0	10 6½	6,987 7 6	11 7½	—
12,000	7,656 15 0	12 9	7,019 5 0	11 8½	6,987 7 6	11 7½	6,955 10 0	11 7	9,667 7 6	12 10½	—
15,000	10,356 15 0	13 9½	9,699 5 0	12 11	9,667 7 6	12 10½	9,635 10 0	12 10	14,282 7 6	14 3½	—
20,000	14,981 15 0	15 0	14,314 5 0	14 4	14,282 7 6	14 3½	14,250 10 0	14 3	18,907 7 6	15 1½	—
25,000	19,606 15 0	15 8	18,939 5 0	15 2	18,907 7 6	15 1½	18,875 10 0	15 1	23,532 7 6	15 8½	—
30,000	24,231 15 0	16 2	23,564 5 0	15 8½	23,532 7 6	15 8½	23,500 10 0	15 8	32,782 7 6	16 4½	—
40,000	33,481 15 0	16 9	32,814 5 0	16 5	32,782 7 6	16 4½	32,750 10 0	16 4½	42,032 7 6	16 10	—
50,000	42,731 15 0	17 1	42,064 5 0	16 10	42,032 7 6	16 10	42,000 10 0	16 9½	88,282 7 6	17 8	—
100,000	88,981 15 0	17 9½	88,314 5 0	17 8	88,282 7 6	17 8	88,250 10 0	17 8			

\* The "Proposed charge, 1957-58" comprises income tax for 1957-58 and surtax (if any) for 1956-57, payable in 1957-58. The increases in child allowance for older children have therefore been taken into account in these figures only for income tax and not for surtax.



TABLE XIII.—1956-57 OUTTURN AND 1957-58 ESTIMATES  
after 1957-58 Budget changes

£ million

ABOVE THE LINE					
Revenue			Expenditure		
	1956-57	1957-58		1956-57	1957-58
	Outturn	Estimate		Outturn	Estimate
Inland Revenue ... ..	2,705	2,811	Interest on Debt ... ..	711	640
Customs and Excise ... ..	2,101	2,117	Sinking Funds ... ..	37	38
Motor Duties ... ..	91	93	Northern Ireland ... ..	66	69
			Miscellaneous ... ..	10	10
<b>TOTAL TAX REVENUE ...</b>	<b>4,897</b>	<b>5,021</b>	<b>TOTAL CONSOLIDATED FUND SERVICES ... ..</b>	<b>824</b>	<b>757</b>
Post Office (Net Receipt) ...	4	20	Supply: Defence ... ..	1,525	1,420
Broadcast Licences ... ..	28	31	Civil (including Tax Collection) ...	2,519	2,650*
Sundry Loans ... ..	33	32			
Miscellaneous ... ..	196	185	<b>TOTAL SUPPLY ... ..</b>	<b>4,044</b>	<b>4,070</b>
<b>Total Revenue ... ..</b>	<b>5,158</b>	<b>5,289</b>	<b>Total Expenditure ... ..</b>	<b>4,868</b>	<b>4,827</b>
			<b>Surplus ... ..</b>	<b>290</b>	<b>462</b>
	<b>5,158</b>	<b>5,289</b>		<b>5,158</b>	<b>5,289</b>
BELOW THE LINE					
Receipts			Payments		
	1956-57	1957-58		1956-57	1957-58
Interest outside Budget ...	147	175	Interest outside Budget ...	147	175
Export Guarantees—			Export Guarantees ... ..	5	7
Repayments ... ..	2	5	Post-war Credits ... ..	17	17
Housing receipts from Votes ...	7	7	Excess Profits Tax Refunds ...	1	—
Local Authorities—			War Damage ... ..	25	22
Repayments ... ..	42	48	Scottish Special Housing ...	5	6
Post Office capital repayments from Votes ... ..	3	6	Armed Forces—Housing ...	6	6
Film Corporation—			Loans to Local Authorities ...	109	100
Repayments ... ..	1	1	Loans to Northern Ireland Exchequer ... ..	1	3
Raw Cotton Commission—			Loans for New Towns Development ... ..	32	33
Net repayments ... ..	2	—	Post Office capital expenditure	79	75
Nationalised Industries (other than National Coal Board)—			Loans to Film Corporation ...	1	1
Repayments ... ..	—	14	Loans to Independent Television Authority ... ..	—	1
New Towns—Repayments ...	1	1	Loans for Development of Inventions ... ..	1	—
Town and Country Planning Acts—Repayments ... ..	8	5	Town and Country Planning Acts—		
Potato Marketing Board—			Compensation payments ...	17	2
Repayments ... ..	—	3	Overseas Resources—		
Anglo-Turkish Armaments Credit—Repayments ... ..	1	1	Colonial Development ...	7	15
Other repayments ... ..	1	1	Loans to Potato Marketing Board ... ..	3	6
			Loans to Sugar Board (net) ...	13	—
<b>Total Receipts ... ..</b>	<b>215</b>	<b>267</b>	National Coal Board—		
Net Sum borrowed or met from Surplus ... ..	621	587	Capital expenditure (net) ...	26	45
	836	854	Loans to other Nationalised Industries ... ..	284	290
			Transport (Railway Finances)—		
<b>Total Receipts ... ..</b>	<b>5,373</b>	<b>5,556</b>	Loans ... ..	52	50
			International Finance Corporation: Subscription ... ..	5	—
			<b>Total Payments ... ..</b>	<b>836</b>	<b>854</b>
				<b>836</b>	<b>854</b>
			<b>Total Payments ... ..</b>	<b>5,704</b>	<b>5,681</b>

\* Adjusted to take account of the net saving of £10 million referred to in the Note on page 10.







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