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Geoffrey J D Hewings
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CENTRAL STATISTICAL OFFICE

NATIONAL INCOME
AND
EXPENDITURE

1967

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INTRODUCTION

THIS PUBLICATION has been prepared by the Central Statistical Office in collaboration with other government departments and the Bank of England. It contains estimates of the national product, income and expenditure of the United Kingdom for each of the calendar years 1956 to 1966. In addition, Tables 1 to 7 are extended to cover 1938 and 1946 to 1955 on a consistent basis and Tables 14 and 15 are carried back to 1948. Where tables relate to years other than 1956 to 1966 the years covered are noted in the list of contents.

The tables are grouped into twelve sections. Those in Section I (Summary Tables) summarise the more important statistics of national product, income and expenditure. These tables show the principal categories normally used in national accounting. The tables in the other eleven sections either show the composition of these aggregates in more detail or present them in alternative forms. Each item appearing in Tables 1 to 7 and 9 is given a *reference number* and is defined in Section XIII.

A general description of the statistics given in this publication, together with a detailed description of the sources, methods and definitions used in making the estimates, is given in *National Income Statistics: Sources and Methods*, H.M.S.O., 1956.

Quarterly estimates of the main components of national income and expenditure for the last two or three years are published regularly in the *Monthly Digest of Statistics* and, together with a commentary, in the January, April, July and October issues of *Economic Trends*. A longer run of quarterly estimates, consistent with the annual figures in the Blue Book, is published in the October issue of *Economic Trends*. Quarterly capital accounts and financial accounts for each sector are published regularly in *Financial Statistics*.

Revisions and changes in content

The principal revisions which have been made to the estimates contained in the previous National Income Blue Book (*National Income and Expenditure, 1966*) are described in the notes in Section XIV. This section also consolidates all the changes in treatment and definitions which have been made since the publication of *National Income Statistics: Sources and Methods*.

The section on summary tables includes for the first time estimates of employment in the private and public sectors.

Reliability of the estimates

All the estimates are expressed in terms of a precise number of £ million, but this does not imply that they can be regarded as accurate to the last digit. Some of the figures are provisional and may be revised later; this applies particularly to many of the detailed figures for 1966.

Symbols and conventions used

Prices. Except where otherwise stated, all estimates of expenditure are valued at market prices.

Industrial classification. Analyses by industry are based, as far as possible, on the *Standard Industrial Classification (1958)*.

Symbols. The following symbols are used throughout:

.. = not available.

— = nil or less than £500,000.

Central Statistical Office,
Great George Street,
London, S.W.1.

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I. SUMMARY TABLES

Gross national product

TABLE 1

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Expenditure												
Consumers' expenditure.....	1	4,394	7,273	8,028	8,609	8,969	9,461	10,215	10,766	11,475	12,164	13,113
Public authorities' current expenditure on goods and services.....	2, 3	772	2,282	1,735	1,756	1,975	2,062	2,423	2,883	3,025	3,108	3,171
Gross domestic fixed capital formation.....	4	656	925	1,199	1,422	1,577	1,700	1,889	2,106	2,359	2,552	2,829
Value of physical increase in stocks and work in progress	5	—	—126	269	175	65	—210	575	50	125	56	300
Total domestic expenditure at market prices.....		5,822	10,354	11,231	11,962	12,586	13,013	15,102	15,805	16,984	17,880	19,413
Exports and property income from abroad	6	976	1,775	2,067	2,758	3,067	3,807	4,497	4,590	4,495	4,671	5,045
less Imports and property income paid abroad.....	7	—1,038	—2,085	—2,493	—2,761	—3,050	—3,492	—4,838	—4,511	—4,414	—4,545	—5,175
less Taxes on expenditure	8, 9,	—622	—1,573	—1,816	—2,013	—1,993	—2,065	—2,270	—2,292	—2,365	—2,501	—2,652
Subsidies	10, 11	37	384	469	571	523	474	467	417	362	419	347
Gross national product at factor cost	12	5,175	8,855	9,458	10,517	11,133	11,737	12,958	14,009	15,062	15,924	16,978
Factor incomes												
Income from employment	13	3,022	5,758	6,227	6,785	7,246	7,627	8,501	9,107	9,634	10,284	11,244
Income from self-employment (1)	14	647	1,126	1,210	1,305	1,375	1,389	1,437	1,490	1,539	1,578	1,661
Gross trading profits of companies (1)	15	690	1,476	1,694	1,793	1,843	2,126	2,483	2,180	2,313	2,583	2,904
Gross trading surplus of public corporations (1) ...	16	10	20	36	117	155	196	260	277	321	354	315
Gross trading surplus of other public enterprises(1)	17, 18	64	86	119	103	103	139	117	40	63	108	112
Rent (3)	19	470	429	472	456	463	539	552	598	671	737	791
Total domestic income before providing for depreciation and stock appreciation		4,903	8,895	9,758	10,559	11,185	12,016	13,350	13,692	14,541	15,644	17,027
less Stock appreciation	20	80	—125	—450	—325	—200	—650	—750	50	75	—75	—196
Residual error	21	—	—	—	48	—71	—25	16	15	217	105	—27
Gross domestic product at factor cost	22	4,983	8,770	9,308	10,282	10,914	11,341	12,616	13,757	14,833	15,674	16,804
Net property income from abroad	23	192	85	150	235	219	396	342	252	229	250	174
Gross national product	12	5,175	8,855	9,458	10,517	11,133	11,737	12,958	14,009	15,062	15,924	16,978
Capital consumption	24	359	..	..	848	893	953	1,101	1,240	1,289	1,340	1,461
National income	25	4,816	..	..	9,669	10,240	10,784	11,857	12,769	13,773	14,584	15,517

(1) Before providing for depreciation and stock appreciation.

(2) After deduction of payments of selective employment tax and before allowing for refunds or premiums due but not yet received.

(3) Before providing for depreciation.

Gross national product

TABLE 1 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Expenditure												
Consumers' expenditure.....	1	13,829	14,599	15,386	16,196	17,006	17,917	18,966	20,141	21,492	22,851	24,116
Public authorities' current expenditure on goods and services	2, 3	3,428	3,585	3,673	3,920	4,164	4,499	4,824	5,083	5,399	5,883	6,391
Gross domestic fixed capital formation	4	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635
Value of physical increase in stocks and work in progress	5	259	238	111	174	602	334	83	228	649	416	209
Total domestic expenditure at market prices.....		20,619	21,803	22,662	24,026	25,892	27,369	28,603	30,355	33,396	35,469	37,351
Exports and property income from abroad	6	5,564	5,855	5,837	6,017	6,312	6,590	6,849	7,249	7,653	8,252	8,640
less Imports and property income paid abroad.....	7	-5,291	-5,548	-5,420	-5,786	-6,479	-6,474	-6,601	-6,987	-7,869	-8,150	-8,455
less Taxes on expenditure	8, 9	-2,827	-2,966	-3,040	-3,200	-3,391	-3,643	-3,896	-4,048	-4,458	-4,998	-5,596
Subsidies	10, 11	359	407	385	369	487	586	600	560	509	564	558
Gross national product at factor cost	12	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498
Factor incomes												
Income from employment	13	12,262	12,968	13,470	14,097	15,159	16,387	17,274	18,145	19,617	21,089	22,437
Income from self-employment (1)	14	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470(2)
Gross trading profits of companies (1).....	15	2,949	3,102	3,010	3,348	3,771	3,676	3,629	4,143	4,645	4,867	4,646(2)
Gross trading surplus of public corporations (1)...	16	345	323	340	391	539	645	751	846	931	995	1,038
Gross trading surplus of other public enterprises(1)	17, 18	122	128	155	164	180	98	73	78	91	99	98
Rent (3)	19	853	913	1,061	1,153	1,248	1,344	1,429	1,526	1,629	1,789	1,949
Total domestic income before providing for depreciation and stock appreciation		18,244	19,207	19,816	21,037	22,902	24,255	25,299	26,941	29,265	31,323	32,638
less Stock appreciation	20	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Residual error	21	159	282	309	213	-187	82	58	-2	-101	-278	-160
Gross domestic product at factor cost	22	18,195	19,302	20,130	21,160	22,581	24,165	25,209	26,727	28,822	30,690	32,127
Net property income from abroad	23	229	249	294	266	240	263	346	402	409	447	371
Gross national product	12	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498
Capital consumption	24	1,584	1,691	1,791	1,844	1,933	2,065	2,197	2,318	2,483	2,681	2,920
National income	25	16,840	17,860	18,633	19,582	20,888	22,363	23,358	24,811	26,748	28,456	29,578

See footnotes on page 2.

SUMMARY TABLES

Personal income and expenditure

TABLE 2

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Income before tax												
Income from employment ⁽¹⁾	13	3,022	5,758	6,227	6,785	7,246	7,627	8,501	9,107	9,634	10,284	11,244
Income from self-employment ⁽¹⁾⁽²⁾	14	647	1,126	1,210	1,305	1,375	1,389	1,437	1,490	1,539	1,578	1,661
Rent, dividends and net interest ⁽¹⁾	26	1,134	1,274	1,357	1,217	1,204	1,268	1,268	1,285	1,393	1,451	1,542
Current transfers to charities from companies	27	..	..	..	..	..	..	..	..	..	9	9
National insurance benefits and other current grants from public authorities..	28, 29	275	672	682	705	745	756	785	911	1,002	1,021	1,115
Total personal income ⁽²⁾		5,078	8,830	9,476	10,012	10,570	11,040	11,991	12,793	13,568	14,343	15,571
Expenditure												
Consumers' expenditure.....	1	4,394	7,273	8,028	8,609	8,969	9,461	10,215	10,766	11,475	12,164	13,113
Transfers abroad (net) and taxes paid abroad	30, 31	2	—15	34	31	18	—11	8	8	—6	—4	9
United Kingdom taxes on income:												
Payments	32a	292	1,067	983	971	996	1,017	1,162	1,177	1,134	1,236	1,330
Additions to tax reserves	32b	19	63	85	25	25	5	40	—14	9	33	35
National insurance and health contributions	33	109	170	232	335	436	440	452	476	525	532	594
Total current expenditure		4,816	8,558	9,362	9,971	10,444	10,912	11,877	12,413	13,137	13,961	15,081
Balance: saving ⁽²⁾	34	262	272	114	41	126	128	114	380	431	382	490
Total		5,078	8,830	9,476	10,012	10,570	11,040	11,991	12,793	13,568	14,343	15,571

(1) Details formerly shown in this table are given in Table 22.

(2) Before providing for depreciation and stock appreciation.

Corporate income appropriation account⁽¹⁾

TABLE 3

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Income												
Income arising in the United Kingdom:												
Gross trading profits of companies and trading surplus of public corporations ⁽²⁾	15, 16	700	1,496	1,730	1,910	1,998	2,322	2,743	2,457	2,634	2,937	3,219
Rent and non-trading income	39a, 44a	190	247	280	308	307	332	357	407	449	487	569
Total		890	1,743	2,010	2,218	2,305	2,654	3,100	2,864	3,083	3,424	3,788
Income from abroad ⁽⁴⁾	39b, 44b	158	270	338	471	475	674	734	726	683	706	737
Total income		1,048	2,013	2,348	2,689	2,780	3,328	3,834	3,590	3,766	4,130	4,525
Allocation of income												
Dividends and interest:												
Payments	40a, 45a	617	624	662	685	696	722	787	816	892	967	1,079
Additions to dividend and interest reserves	40b, 45b	7	31	21	—1	—3	35	3	41	16	68	12
Current transfers to charities from companies.....	27	..	..	..	..	..	..	..	..	..	9	9
Profits due abroad ⁽⁴⁾ , net of United Kingdom tax, and taxes paid abroad..	41	33	178	179	222	241	254	316	360	342	332	408
United Kingdom taxes on income:												
Payments	6e, 42a 46a	92	653	517	629	788	782	750	985	968	893	972
Additions to tax reserves	42b, 42c 46b	3	—103	161	117	—40	73	419	—8	32	139	—2
Balance: undistributed income after taxation ⁽²⁾	43, 47	296	630	808	1,037	1,098	1,462	1,559	1,396	1,516	1,722	2,047
Total		1,048	2,013	2,348	2,689	2,780	3,328	3,834	3,590	3,766	4,130	4,525

(1) From April 1961 the Post Office is treated as a public corporation not as part of central government.

(2) Before providing for depreciation and stock appreciation.

(3) After deduction of payments of selective employment tax and before allowing for refunds or premiums due but not yet received.

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

Personal income and expenditure

TABLE 2 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income before tax												
Income from employment (1)	13	12,262	12,968	13,470	14,097	15,159	16,387	17,274	18,145	19,617	21,089	22,437
Income from self-employment (1)(2)	14	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470
Rent, dividends and net interest (1)	26	1,559	1,647	1,853	2,062	2,371	2,595	2,683	2,891	3,230	3,516	3,598
Current transfers to charities from companies	27	11	12	13	15	17	19	21	24	26	28	30
National insurance benefits and other current grants from public authorities	28, 29	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
Total personal income (2)		16,738	17,652	18,600	19,694	21,205	22,908	24,102	25,497	27,594	29,846	31,508
Expenditure												
Consumers' expenditure	1	13,829	14,599	15,386	16,196	17,006	17,917	18,966	20,141	21,492	22,851	24,116
Transfers abroad (net) and taxes paid abroad	30, 31	26	28	4	8	5	1	8	22	31	42	70
United Kingdom taxes on income:												
Payments	32a	1,452	1,602	1,696	1,776	1,991	2,249	2,458	2,510	2,801	3,373	3,646
Additions to tax reserves	32b	20	—	50	15	95	20	—30	17	95	150	35
National insurance and health contributions	33	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Total current expenditure		15,969	16,886	17,995	18,892	20,010	21,259	22,599	23,993	25,863	28,101	29,664
Balance: saving (2)	34	769	766	605	802	1,195	1,649	1,503	1,504	1,731	1,745	1,844
Total		16,738	17,652	18,600	19,694	21,205	22,908	24,102	25,497	27,594	29,846	31,508

See footnotes on page 4.

Corporate income appropriation account (1)

TABLE 3 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income												
Income arising in the United Kingdom:												
Gross trading profits of companies and trading surplus of public corporations (2)	15, 16	3,294	3,425	3,350	3,739	4,310	4,321	4,380	4,989	5,576	5,862	5,684(3)
Rent and non-trading income	39a, 44a	673	760	791	781	912	984	981	986	1,128	1,315	1,442
Total		3,967	4,185	4,141	4,520	5,222	5,305	5,361	5,975	6,704	7,177	7,126
Income from abroad (4)	39b, 44b	828	874	969	1,000	966	996	1,095	1,188	1,276	1,421	1,370
Total income		4,795	5,059	5,110	5,520	6,188	6,301	6,456	7,163	7,980	8,598	8,496
Allocation of income												
Dividends and interest:												
Payments	40a, 45a	1,158	1,275	1,374	1,508	1,848	2,098	2,191	2,217	2,641	3,011	3,128
Additions to dividend and interest reserves	40b, 45b	47	47	128	207	70	28	40	213	66	—37	—50
Current transfers to charities from companies	27	11	12	13	15	17	19	21	24	26	28	30
Profits due abroad (4), net of United Kingdom tax, and taxes paid abroad	41	444	501	524	609	561	547	591	633	710	785	768
United Kingdom taxes on income:												
Payments	6e, 42a, 46a	894	972	1,010	968	715	813	981	857	71	629	788
Additions to tax reserves	42b, 42c, 46b	127	39	—140	—186	318	102	—155	—24	306	56	311
Balance: undistributed income after taxation (2)	43, 47	2,114	2,213	2,201	2,399	2,659	2,694	2,787	3,243	3,521	4,126	3,521
Total		4,795	5,059	5,110	5,520	6,188	6,301	6,456	7,163	7,980	8,598	8,496

See footnotes on page 4.

SUMMARY TABLES

Current account of central government including National Insurance Funds

TABLE 4

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Receipts												
Gross trading surplus (1)(2)	17	} 38 {	42	75	74	80	115	93	15	32	75	78
Rent, dividends and interest	48		—8	—15	83	107	108	147	176	198	222	251
Taxes on income	49		386	1,728	1,508	1,610	1,795	1,811	1,926	2,173	2,116	2,147	2,319
Taxes on expenditure	8	410	1,304	1,509	1,696	1,667	1,728	1,906	1,900	1,932	2,041	2,177
National insurance and health contributions	33	109	170	232	335	436	440	452	476	525	532	594
Current grants from overseas governments	50	—	—	—	—	—	—	4	120	105	50	46
Total		943	3,236	3,309	3,798	4,085	4,202	4,528	4,860	4,908	5,067	5,465
Expenditure												
Current expenditure on goods and services	2	454	1,812	1,208	1,223	1,428	1,491	1,788	2,189	2,286	2,320	2,325
Subsidies	10	32	375	457	557	509	460	452	399	343	399	322
National insurance benefits	28a	124	133	272	334	379	388	406	473	527	531	614
Other current grants to personal sector	28b	126	504	368	333	330	329	338	391	427	436	433
Debt interest	51	213	486	519	509	507	507	550	609	639	637	708
Current grants to local authorities	52	142	255	275	294	302	313	352	389	416	441	490
Current grants paid abroad	53	8	104	55	41	40	51	65	69	69	70	70
Total current expenditure		1,099	3,669	3,154	3,291	3,495	3,539	3,951	4,519	4,707	4,834	4,962
Balance: current surplus before providing for depreciation and stock appreciation	54	—156	—433	155	507	590	663	577	341	201	233	503
Total		943	3,236	3,309	3,798	4,085	4,202	4,528	4,860	4,908	5,067	5,465

(1) Before providing for depreciation and stock appreciation.

(2) From April 1961 the Post Office is treated as a public corporation not as part of central government.

Current account of local authorities

TABLE 5

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Receipts												
Gross trading surplus (1)	18	} 137 {	44	44	29	23	24	24	25	31	33	34
Rent, dividends and interest	55		77	80	89	99	110	122	140	164	187	212
Rates	9		212	269	307	317	326	337	364	392	433	460	475
Current grants from central government	52	142	255	275	294	302	313	352	389	416	441	490
Total		491	645	706	729	750	784	862	946	1,044	1,121	1,211
Expenditure												
Current expenditure on goods and services	3	318	470	527	533	547	571	635	694	739	788	846
Housing subsidies	11	5	9	12	14	14	14	15	18	19	20	25
Current grants to personal sector	29	25	35	42	38	36	39	41	47	48	54	68
Debt interest	56	68	61	61	66	72	81	89	104	123	142	161
Total current expenditure		416	575	642	651	669	705	780	863	929	1,004	1,100
Balance: current surplus before providing for depreciation and stock appreciation	57	75	70	64	78	81	79	82	83	115	117	111
Total		491	645	706	729	750	784	862	946	1,044	1,121	1,211

(1) Before providing for depreciation and stock appreciation.

Current account of central government including National Insurance Funds

TABLE 4 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts												
Gross trading surplus (1)(2)	17	86	90	113	116	129	46	17	17	24	24	15
Rent, dividends and interest	48	288	300	348	394	426	505	602	558	610	662	769
Taxes on income	49	2,364	2,592	2,725	2,758	2,725	3,078	3,455	3,385	3,529	4,023	4,449
Taxes on expenditure	8	2,271	2,351	2,390	2,486	2,620	2,812	2,980	3,034	3,359	3,766	4,243
National insurance and health contributions	33	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Current grants from overseas governments	50	26	21	3	—	—	—	—	—	—	—	—
Total		5,677	6,011	6,438	6,651	6,813	7,513	8,251	8,297	8,966	10,160	11,273
Expenditure												
Current expenditure on goods and services	2	2,475	2,534	2,545	2,707	2,865	3,065	3,236	3,341	3,530	3,814	4,111
Subsidies	10	330	377	356	341	456	544	561	522	465	492	476
National insurance benefits	28a	670	702	912	987	992	1,125	1,213	1,413	1,497	1,775	1,894
Other current grants to personal sector	28b	446	470	486	557	563	569	646	686	718	775	871
Debt interest	51	723	705	780	774	861	897	878	931	943	969	1,041
Current grants to local authorities	52	544	621	660	711	780	828	926	1,031	1,159	1,248	1,479
Current grants paid abroad	53	73	75	77	82	94	118	121	132	163	178	182
Total current expenditure		5,261	5,484	5,816	6,159	6,611	7,146	7,581	8,056	8,475	9,251	10,054
Balance: current surplus before providing for depreciation and stock appreciation	54	416	527	622	492	202	367	670	241	491	909	1,219
Total		5,677	6,011	6,438	6,651	6,813	7,513	8,251	8,297	8,966	10,160	11,273

See footnotes on page 6.

Current account of local authorities

TABLE 5 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts												
Gross trading surplus (1)	18	36	38	42	48	51	52	56	61	67	75	83
Rent, dividends and interest	55	242	273	302	329	359	396	430	468	523	593	671
Rates	9	556	615	650	714	771	831	916	1,014	1,099	1,232	1,353
Current grants from central government	52	544	621	660	711	780	828	926	1,031	1,159	1,248	1,479
Total		1,378	1,547	1,654	1,802	1,961	2,107	2,328	2,574	2,848	3,148	3,586
Expenditure												
Current expenditure on goods and services	3	953	1,051	1,128	1,213	1,299	1,434	1,588	1,742	1,869	2,069	2,280
Housing subsidies	11	29	30	29	28	31	42	39	38	44	72	82
Current grants to personal sector	29	77	80	86	92	98	108	122	135	154	179	208
Debt interest	56	193	221	241	262	287	335	364	392	445	519	600
Total current expenditure		1,252	1,382	1,484	1,595	1,715	1,919	2,113	2,307	2,512	2,839	3,170
Balance: current surplus before providing for depreciation and stock appreciation	57	126	165	170	207	246	188	215	267	336	309	416
Total		1,378	1,547	1,654	1,802	1,961	2,107	2,328	2,574	2,848	3,148	3,586

See footnote on page 6.

SUMMARY TABLES

Combined capital account

TABLE 6

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Receipts												
Savings (1):												
Personal sector	34	262	272	114	41	126	128	114	380	431	382	490
Companies	43	292	616	791	979	1,017	1,344	1,417	1,251	1,339	1,510	1,866
Public corporations	47	4	14	17	58	81	118	142	145	177	212	181
Central government	54	-156	-433	155	507	590	663	577	341	201	233	503
Local authorities	57	75	70	64	78	81	79	82	83	115	117	111
Additions to dividend and interest reserves:												
Companies	40b	7	30	7	-21	-5	29	-3	36	12	70	17
Public corporations	45b	—	1	14	20	2	6	6	5	4	-2	-5
Additions to tax reserves:												
Personal sector	32b	19	63	85	25	25	5	40	-14	9	33	35
Companies	42b, 42c	3	-103	162	118	-43	70	396	-41	19	145	8
Public corporations	46b	—	—	-1	-1	3	3	23	33	13	-6	-10
Total saving before providing for depreciation and stock appreciation		506	530	1,408	1,804	1,877	2,445	2,794	2,219	2,320	2,694	3,196
less Stock appreciation:												
Personal sector .....	..	..	..	..	-59	-39	-63	-112	-10	-7	-20	-44
Companies .....	..	..	..	..	-200	-170	-440	-465	22	44	-53	-119
Public corporations .....	..	..	..	..	-42	—	-29	-80	6	6	-7	-18
Central government .....	..	..	..	..	-24	9	-118	-93	32	32	5	-15
Total	20	80	-125	-450	-325	-200	-650	-750	50	75	-75	-196
Capital transfers from abroad	59	—	164	129	96	35	27	35	35	17	1	1
Capital grants from overseas governments (net)	62	—	—	30	138	154	140	43	—	—	—	—
Residual error	21	—	—	—	48	-71	-25	16	15	217	105	-27
Total		586	569	1,117	1,761	1,795	1,937	2,138	2,319	2,629	2,725	2,974
Payments												
Gross domestic fixed capital formation:												
Personal sector .....	..	..	..	..	224	243	247	264	296	360	454	522
Companies .....	..	..	..	..	533	573	633	637	642	686	801	981
Public corporations .....	..	..	..	..	180	264	288	358	414	488	538	571
Central government .....	..	..	..	..	113	114	126	170	214	218	184	192
Local authorities .....	..	..	..	..	372	383	406	460	540	607	575	563
Total	4	656	925	1,199	1,422	1,577	1,700	1,889	2,106	2,359	2,552	2,829
Value of physical increase in stocks and work in progress:												
Personal sector .....	..	..	..	..	35	30	41	70	-15	33	44	41
Companies .....	..	..	..	..	212	49	-24	426	-62	65	200	352
Public corporations .....	..	..	..	..	-10	33	-15	4	51	-25	-69	22
Central government .....	..	..	..	..	-62	-47	-212	75	76	52	-119	-115
Total	5	—	-126	269	175	65	-210	575	50	125	56	300
Net investment abroad	61	-70	-230	-351	164	153	447	-326	163	145	117	-155
Total investment		586	569	1,117	1,761	1,795	1,937	2,138	2,319	2,629	2,725	2,974

(1) Before providing for depreciation and stock appreciation.

Combined capital account

TABLE 6 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts												
Savings (1):												
Personal sector	34	769	766	605	802	1,195	1,649	1,503	1,504	1,731	1,745	1,844
Companies	43	1,916	2,044	2,037	2,220	2,357	2,337	2,357	2,703	2,923	3,478	2,878
Public corporations	47	198	169	164	179	302	357	430	540	598	648	643
Central government	54	416	527	622	492	202	367	670	241	491	909	1,219
Local authorities	57	126	165	170	207	246	188	215	267	336	309	416
Additions to dividends and interest reserves:												
Companies	40b	31	39	122	202	64	19	63	173	56	-45	-62
Public corporations	45b	16	8	6	5	6	9	-23	40	10	8	12
Additions to tax reserves:												
Personal sector	32b	20	—	50	15	95	20	-30	17	95	150	35
Companies	42b, 42c	136	50	-119	-187	317	104	-150	-21	306	52	336
Public corporations	46b	-9	-11	-21	1	1	-2	-5	-3	—	4	-25
Total saving before providing for depreciation and stock appreciation		3,619	3,757	3,636	3,936	4,785	5,048	5,030	5,461	6,546	7,258	7,296
less Stock appreciation:												
Personal sector		-39	-32	-16	-25	-31	-45	-45	-40	-63	-69	-72
Companies		-159	-141	18	-66	-89	-115	-100	-163	-271	-282	-273
Public corporations		-10	-14	3	1	-14	-12	-3	-9	-8	-4	-6
Central government		—	—	—	—	—	—	—	—	—	—	—
Total	20	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Capital transfers from abroad	59	—	—	—	—	—	—	—	—	—	—	—
Capital grants from overseas governments (net)	62	—	—	—	—	—	—	—	—	—	—	—
Residual error	21	159	282	309	213	-187	82	58	-2	-101	-278	-160
Total		3,570	3,852	3,950	4,059	4,464	4,958	4,940	5,247	6,103	6,625	6,785
Payments												
Gross domestic fixed capital formation:												
Personal sector		498	496	552	619	740	813	777	829	902	962	916
Companies		1,228	1,411	1,457	1,525	1,732	1,982	1,991	1,942	2,373	2,557	2,601
Public corporations		589	660	694	758	788	905	933	1,024	1,187	1,295	1,447
Central government		221	245	245	252	256	217	215	225	281	299	341
Local authorities		567	569	544	582	604	702	814	883	1,113	1,206	1,330
Total	4	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635
Value of physical increase in stocks and work in progress:												
Personal sector		32	30	14	39	68	51	17	59	99	61	19
Companies		235	190	69	134	576	279	55	199	529	331	130
Public corporations		16	54	36	11	-25	-3	-1	-40	4	1	35
Central government		-24	-36	-8	-10	-17	7	12	10	17	23	25
Total	5	259	238	111	174	602	334	83	228	649	416	209
Net investment abroad	61	208	233	347	149	-258	5	127	116	-402	-110	-59
Total investment		3,570	3,852	3,950	4,059	4,464	4,958	4,940	5,247	6,103	6,625	6,785

See footnote on page 8.

SUMMARY TABLES

International transactions

TABLE 7

£ million

	Reference number	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
United Kingdom credits												
Exports and re-exports of goods	6a	533	960	1,180	1,639	1,863	2,261	2,735	2,769	2,683	2,785	3,073
Exports of services	6b	190	470	472	557	632	734	913	991	1,004	1,052	1,104
Property income from abroad	6c	247	292	362	499	508	738	772	768	728	755	788
U.K. taxes paid by non-residents on portfolio income	6d	2	8	8	10	11	12	14	11	14	18	17
U.K. taxes paid on profits due abroad	6e	4	45	45	53	53	62	63	51	66	61	63
Exports and property income from abroad	6	976	1,775	2,067	2,758	3,067	3,807	4,497	4,590	4,495	4,671	5,045
Current transfers:												
To personal sector	58	.. (1)	53	55	57	52	64	62	63	72	76	80
To central government	50	—	—	—	—	—	—	4	120	105	50	46
Capital transfers from abroad	59	—	164	129	96	35	27	35	35	17	1	1
Total		976	1,992	2,251	2,911	3,154	3,898	4,598	4,808	4,689	4,798	5,172
United Kingdom debits												
Imports of goods	7a	835	1,063	1,541	1,790	2,000	2,312	3,424	3,048	2,927	2,989	3,386
Imports of services	7b	142	762	687	644	697	764	907	885	908	972	1,095
Property income paid abroad	7c	43	166	164	188	196	236	288	310	346	369	423
Foreign taxes paid by U.K. residents	7d	18	94	101	139	157	180	219	268	233	215	271
Imports and property income paid abroad	7	1,038	2,085	2,493	2,761	3,050	3,492	4,838	4,511	4,414	4,545	5,175
Current transfers:												
From personal sector	60	.. (1)	33	84	83	65	48	64	65	61	66	82
From central government	53	8	104	55	41	40	51	65	69	69	70	70
Investment and financing:												
Net investment abroad	61	—70	—230	—351	164	153	447	—326	163	145	117	—155
less Capital grants from overseas governments (net)	62	—	—	—30	—138	—154	—140	—43	—	—	—	—
Total (2)		—70	—230	—381	26	—1	307	—369	163	145	117	—155
Total		976	1,992	2,251	2,911	3,154	3,898	4,598	4,808	4,689	4,798	5,172

(1) In 1938 net transfers abroad by the personal sector are assumed to be nil.

(2) Equal to the current balance in the balance of payments accounts.

Gross domestic product at factor cost (1)

1958 = 100

TABLE 8

	1948	1949	1950	1951	1952	1953	1954	1955	1956
At current prices									
Based on expenditure data	51.1	54.2	56.3	62.7	68.3	73.7	77.9	83.5	90.4
Based on income data	51.6	55.4	57.3	63.6	69.3	73.7	78.5	84.9	91.0
At 1958 prices									
Based on expenditure data	78.0	80.4	83.0	86.0	86.0	90.0	93.2	96.4	98.3
Based on income data	78.8	82.2	84.5	87.2	87.2	90.1	94.1	98.1	98.9
Based on output data	79.8	82.6	85.7	87.6	87.0	90.5	94.3	97.5	98.4

(1) Explanatory notes on this table are given on page 100.

International transactions

TABLE 7 (continued)

£ million

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
United Kingdom credits												
Exports and re-exports of goods	6a	3,377	3,509	3,407	3,522	3,733	3,892	3,994	4,287	4,471	4,784	5,110
Exports of services	6b	1,221	1,327	1,300	1,326	1,414	1,476	1,512	1,537	1,647	1,749	1,829
Property income from abroad	6c	884	939	1,044	1,078	1,055	1,087	1,196	1,289	1,382	1,535	1,496
U.K. taxes paid by non-residents on portfolio income	6d	18	18	19	14	19	16	16	18	18	21	15
U.K. taxes paid on profits due abroad	6e	64	62	67	77	91	119	131	118	135	163	190
Exports and property income from abroad	6	5,564	5,855	5,837	6,017	6,312	6,590	6,849	7,249	7,653	8,252	8,640
Current transfers:												
To personal sector	58	91	90	103	100	104	109	111	114	131	131	121
To central government	50	26	21	3	—	—	—	—	—	—	—	—
Capital transfers from abroad	59	—	—	—	—	—	—	—	—	—	—	—
Total		5,681	5,966	5,943	6,117	6,416	6,699	6,960	7,363	7,784	8,383	8,761
United Kingdom debits												
Imports of goods	7a	3,324	3,538	3,378	3,640	4,141	4,045	4,098	4,370	5,016	5,065	5,262
Imports of services	7b	1,230	1,240	1,206	1,243	1,413	1,470	1,506	1,594	1,727	1,813	1,863
Property income paid abroad	7c	424	414	475	487	548	557	567	579	643	739	774
Foreign taxes paid by U.K. residents	7d	313	356	361	416	377	402	430	444	483	533	556
Imports and property income paid abroad	7	5,291	5,548	5,420	5,786	6,479	6,474	6,601	6,987	7,869	8,150	8,455
Current transfers:												
From personal sector	60	109	110	99	100	101	102	111	128	154	165	183
From central government	53	73	75	77	82	94	118	121	132	163	178	182
Investment and financing:												
Net investment abroad	61	208	233	347	149	—258	5	127	116	—402	—110	—59
less Capital grants from overseas governments (net)	62	—	—	—	—	—	—	—	—	—	—	—
Total (2)		208	233	347	149	—258	5	127	116	—402	—110	—59
Total		5,681	5,966	5,943	6,117	6,416	6,699	6,960	7,363	7,784	8,383	8,761

See footnote on page 10.

Gross domestic product at factor cost ⁽¹⁾

1958 = 100

TABLE 8 (continued)

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices										
Based on expenditure data	95.9	100.0	105.1	112.2	120.0	125.2	132.8	143.2	152.5	159.6
Based on income data	96.0	100.0	105.7	114.9	121.5	126.9	134.9	145.9	156.2	162.9
At 1958 prices										
Based on expenditure data	100.2	100.0	103.5	108.7	112.7	113.7	118.4	125.3	128.6	130.6
Based on income data	100.3	100.0	104.0	111.3	114.1	115.2	120.3	127.7	131.8	133.3
Based on output data	100.1	100.0	104.5	110.1	112.1	113.5	117.3	124.4	127.6	129.6

See footnote on page 10.

SUMMARY TABLES

Shares in the gross national product

£ million

TABLE 9

	Reference number	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income after current transfers												
Personal sector:												
Income from civilian employment.....	13	11,815	12,517	13,000	13,630	14,688	15,922	16,795	17,647	19,084	20,535	21,828
Pay in cash and kind of H.M. Forces		447	451	470	467	471	465	479	498	533	554	609
Income from self-employment (1).....	14	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470
Rent, dividends and net interest.....	26	1,559	1,647	1,853	2,062	2,371	2,595	2,683	2,891	3,230	3,516	3,598
Current transfers to charities from companies.....	27	11	12	13	15	17	19	21	24	26	28	30
Current grants from public authorities.....	28, 29	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
less Transfers abroad (net).....	30	-18	-20	4	-	3	7	-	-14	-23	-34	-62
Total.....		16,720	17,632	18,604	19,694	21,208	22,915	24,102	25,483	27,571	29,812	31,446
Companies and public corporations:												
Undistributed income of companies and public corporations (1).....	{ 6e 42, 43 46, 47 }	3,135	3,224	3,071	3,181	3,692	3,609	3,613	4,076	4,537	4,811	4,620
Public authorities:												
Gross trading surplus(1).....	17, 18	122	128	155	164	180	98	73	78	91	99	98
less Rent, dividends and interest paid (net).....	(2)	-386	-353	-371	-313	-363	-331	-210	-297	-255	-233	-201
less Current grants to personal sector.....	28, 29	-1,193	-1,252	-1,484	-1,636	-1,653	-1,802	-1,981	-2,234	-2,369	-2,729	-2,973
less Current grants paid abroad (net).....	53 less 50	-47	-54	-74	-82	-94	-118	-121	-132	-163	-178	-182
Total.....		-1,504	-1,531	-1,774	-1,867	-1,930	-2,153	-2,239	-2,585	-2,696	-3,041	-3,258
Current transfers paid abroad (net).....	{ 30, 53 less 50 }	65	74	70	82	91	111	121	146	186	212	244
Additions to dividend and interest reserves.....	40b, 45b	47	47	128	207	70	28	40	213	66	-37	-50
Taxes paid by non-residents on portfolio income less taxes paid abroad by personal sector.....	6d, 31	10	10	11	6	11	8	8	10	10	13	7
less Stock appreciation.....	20	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Residual error.....	21	159	282	309	213	-187	82	58	-2	-101	-278	-160
Gross national product at factor cost.....	12	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498
Income after current transfers, taxes on income and national insurance contributions												
Personal sector:												
Income from civilian employment.....	35	10,447	11,019	11,232	11,794	12,696	13,610	14,210	19,437	20,966	22,044	23,076
Pay in cash and kind of H.M. Forces		413	412	427	421	426	421	432				
Income from self-employment (1).....	36	2,586	2,705	2,896	3,163	3,518	3,745	3,814				
Rent, dividends and net interest.....	37											
Current transfers to charities from companies.....	27	11	12	13	15	17	19	21	24	26	28	30
Current grants from public authorities.....	38	1,179	1,237	1,469	1,620	1,636	1,784	1,962	2,215	2,349	2,708	2,951
less Transfers abroad (net).....	30	-18	-20	4	-	3	7	-	-14	-23	-34	-62
less Additions to tax reserves.....	32b	-20	-	-50	-15	-95	-20	30	-17	-95	-150	-35
Total disposable income.....		14,598	15,365	15,991	16,998	18,201	19,566	20,469	21,645	23,223	24,596	25,960
Companies and public corporations:												
Undistributed income of companies and public corporations (1).....	43, 47	2,114	2,213	2,201	2,399	2,659	2,694	2,787	3,243	3,521	4,126	3,521
Public authorities:												
Income less current transfers (1).....		-1,504	-1,531	-1,774	-1,867	-1,930	-2,153	-2,239	-2,585	-2,696	-3,041	-3,258
Taxes on income and national insurance and health contributions.....	33, 49	3,006	3,249	3,584	3,655	3,638	4,150	4,652	4,688	4,973	5,708	6,246
Total.....		1,502	1,718	1,810	1,788	1,708	1,997	2,413	2,103	2,277	2,667	2,988
Current transfers paid abroad (net).....	{ 30, 53 less 50 }	65	74	70	82	91	111	121	146	186	212	244
Additions to dividend and interest reserves.....	40b, 45b	47	47	128	207	70	28	40	213	66	-37	-50
Additions to tax reserves.....	{ 32b, 42b 42c, 46b }	147	39	-90	-171	413	122	-185	-7	401	206	346
less Stock appreciation.....	20	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Residual error.....	21	159	282	309	213	-187	82	58	-2	-101	-278	-160
Gross national product at factor cost.....	12	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498

(1) Before providing for depreciation and stock appreciation.

(2) Item 48 plus 55 less 51 less 56.

The composition of final output

TABLE 10

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income from employment.....	12,262	12,968	13,470	14,097	15,159	16,387	17,274	18,145	19,617	21,089	22,437
Gross profits and other trading income ⁽¹⁾	5,774	6,052	6,351	6,850	7,609	7,696	7,877	8,584	9,306	9,879	9,850
Imports of goods and services.....	4,554	4,778	4,584	4,883	5,554	5,515	5,604	5,964	6,743	6,878	7,125
Taxes on expenditure <i>less</i> subsidies.....	2,468	2,559	2,655	2,831	2,904	3,057	3,296	3,488	3,949	4,434	5,038
Residual error.....	159	282	309	213	-187	82	58	-2	-101	-278	-160
Total final output ⁽²⁾	25,217	26,639	27,369	28,874	31,039	32,737	34,109	36,179	39,514	42,002	44,290

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

(2) The value, at market prices, of home produced and imported goods and services available for private and public consumption, investment and export.

Gross national product by industry ⁽¹⁾

TABLE 11

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Agriculture, forestry and fishing.....	825	864	872	878	913	953	988	982	1,022	1,057	1,053
Mining and quarrying.....	678	710	713	677	675	695	730	735	734	703	701
Manufacturing.....	6,515	6,904	7,019	7,470	8,185	8,443	8,557	9,041	9,969	10,810	11,139
Construction.....	1,100	1,127	1,180	1,253	1,388	1,509	1,670	1,781	2,051	2,208	2,288
Gas, electricity and water.....	446	474	525	571	619	677	743	835	915	1,017	1,071
Transport.....	1,255	1,305	1,221	1,295	1,535	1,581	1,641	1,772	1,910	2,009	2,042
Communication.....	304	340	377	393	421	447	478	520	580	648	703
Distributive trades.....	2,274	2,375	2,436	2,585	2,771	2,883	3,025	3,199	3,399	3,590	3,641
Insurance, banking and finance (including real estate).....	503	525	567	630	691	781	859	919	991	1,026	1,074
Ownership of dwellings.....	594	638	765	835	905	970	1,028	1,109	1,194	1,325	1,447
Public administration and defence.....	1,117	1,158	1,220	1,262	1,323	1,384	1,462	1,548	1,667	1,803	1,952
Public health and educational services	626	700	749	822	907	976	1,081	1,184	1,269	1,422	1,560
Other services.....	2,007	2,087	2,172	2,366	2,569	2,956	3,037	3,316	3,564	3,705	3,967
<i>less</i> Stock appreciation.....	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Residual error.....	159	282	309	213	-187	82	58	-2	-101	-278	-160
Gross domestic product at factor cost	18,195	19,302	20,130	21,160	22,581	24,165	25,209	26,727	28,822	30,690	32,127
Net property income from abroad.....	229	249	294	266	240	263	346	402	409	447	371
Gross national product at factor cost.....	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498

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

SUMMARY TABLES

Gross national product by category of expenditure

TABLE 12

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At market prices											
Consumers' expenditure	13,829	14,599	15,386	16,196	17,006	17,917	18,966	20,141	21,492	22,851	24,116
Public authorities' current expenditure on goods and services.....	3,428	3,585	3,673	3,920	4,164	4,499	4,824	5,083	5,399	5,883	6,391
Gross domestic fixed capital formation	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635
Value of physical increase in stocks and work in progress	259	238	111	174	602	334	83	228	649	416	209
Exports of goods and services.....	4,598	4,836	4,707	4,848	5,147	5,368	5,506	5,824	6,118	6,533	6,939
Total final expenditure.....	25,217	26,639	27,369	28,874	31,039	32,737	34,109	36,179	39,514	42,002	44,290
less Imports of goods and services (1)	-4,554	-4,778	-4,584	-4,883	-5,554	-5,515	-5,604	-5,964	-6,743	-6,878	-7,125
Gross domestic product (2)	20,663	21,861	22,785	23,991	25,485	27,222	28,505	30,215	32,771	35,124	37,165
Net property income from abroad.....	229	249	294	266	240	263	346	402	409	447	371
Gross national product (2)	20,892	22,110	23,079	24,257	25,725	27,485	28,851	30,617	33,180	35,571	37,536
At factor cost											
Consumers' expenditure	11,801	12,492	13,184	13,848	14,614	15,408	16,244	17,238	18,231	19,192	20,010
Public authorities' current expenditure on goods and services.....	3,295	3,446	3,540	3,782	4,019	4,348	4,663	4,925	5,226	5,687	6,106
Gross domestic fixed capital formation	3,154	3,408	3,384	3,676	4,460	4,674	4,530	4,848	6,144	6,291	6,344
Value of physical increase in stocks and work in progress.....											
Exports of goods and services.....	4,499	4,734	4,606	4,737	5,042	5,250	5,376	5,680	5,964	6,398	6,792
Total final expenditure.....	22,749	24,080	24,714	26,043	28,135	29,680	30,813	32,691	35,565	37,568	39,252
less Imports of goods and services.....	-4,554	-4,778	-4,584	-4,883	-5,554	-5,515	-5,604	-5,964	-6,743	-6,878	-7,125
Gross domestic product.....	18,195	19,302	20,130	21,160	22,581	24,165	25,209	26,727	28,822	30,690	32,127
Net property income from abroad.....	229	249	294	266	240	263	346	402	409	447	371
Gross national product.....	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498

(1) Excluding taxes on expenditure levied on imports.

(2) Including taxes on expenditure levied on imports. See notes on pages 100 and 101.

Gross national product by sector and type of income and employment by sector

TABLE 13

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Factor incomes analysed by sector of employment											
Personal sector:											
Income from employment ⁽¹⁾	1,297	1,324	1,339	1,380	1,422	1,493	1,586	1,697	1,896	2,011	2,098
of which											
Income of domestic servants	103	105	103	101	98	96	100	100	102	100	102
Income from services to private non-profit-making bodies	115	131	140	152	167	179	206	231	257	287	314
Income from self-employment (2)	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470
Rent (3)(4)	430	453	552	602	648	689	738	799	849	928	1,004
less Stock appreciation	-39	-32	-16	-25	-31	-45	-45	-40	-63	-69	-72
Total	3,401	3,518	3,655	3,841	4,044	4,242	4,422	4,659	5,034	5,354	5,500
Companies:											
Income from employment	7,354	7,801	8,162	8,624	9,411	10,327	10,840	11,323	12,274	13,253	14,144
Gross trading profits (2)	2,949	3,102	3,010	3,348	3,771	3,676	3,629	4,143	4,645	4,867	4,646
Rent (3)(4)	126	130	144	153	163	170	174	179	184	194	200
less Stock appreciation	-159	-141	18	-66	-89	-115	-100	-163	-271	-282	-273
Total	10,270	10,892	11,334	12,059	13,256	14,058	14,543	15,482	16,832	18,032	18,717
Public corporations (5):											
Income from employment	1,308	1,386	1,387	1,364	1,415	1,690	1,845	1,907	2,001	2,125	2,213
Gross trading surplus (2)	345	323	340	391	539	645	751	846	931	995	1,038
Rent (3)	15	17	20	23	26	28	30	35	38	42	45
less Stock appreciation	-10	-14	3	1	-14	-12	-3	-9	-8	-4	-6
Total	1,658	1,712	1,750	1,779	1,966	2,351	2,623	2,779	2,962	3,158	3,290
Central government (5):											
Income from employment (6):											
H.M. Forces	447	451	470	467	471	465	479	498	533	554	609
Civilians	980	1,040	1,089	1,156	1,248	1,102	1,087	1,146	1,227	1,337	1,411
Gross trading surplus (2)	86	90	113	116	129	46	17	17	24	24	15
Rent (3)	62	66	71	80	89	101	105	97	94	92	96
less Stock appreciation	—	—	—	—	—	—	—	—	—	—	—
Total	1,575	1,647	1,743	1,819	1,937	1,714	1,688	1,758	1,878	2,007	2,131
Local authorities:											
Income from employment (6)	876	966	1,023	1,106	1,192	1,310	1,437	1,574	1,686	1,809	1,962
Gross trading surplus (2)	36	38	42	48	51	52	56	61	67	75	83
Rent (3)	220	247	274	295	322	356	382	416	464	533	604
Total	1,132	1,251	1,339	1,449	1,565	1,718	1,875	2,051	2,217	2,417	2,649
Residual error	159	282	309	213	-187	82	58	-2	-101	-278	-160
Net property income from abroad	229	249	294	266	240	263	346	402	409	447	371
Gross national product	18,424	19,551	20,424	21,426	22,821	24,428	25,555	27,129	29,231	31,137	32,498
Employment (7) analysed by sector of employment (thousands)											
Private sector (8)	18,432	18,511	18,344	18,487	19,016	19,305	19,416	19,430	19,703	19,941	20,030
Public sector:											
Public corporations (5)	2,084	2,072	2,038	1,961	1,861	2,196	2,192	2,132	2,080	2,023	1,969
Central government:											
H.M. Forces	761	702	614	565	518	474	442	427	424	423	417
Civilians (5)	1,644	1,624	1,618	1,625	1,642	1,302	1,329	1,346	1,350	1,373	1,405
Local authorities	1,588	1,628	1,656	1,703	1,737	1,782	1,848	1,913	1,981	2,040	2,134
Total	6,077	6,026	5,926	5,854	5,758	5,754	5,811	5,818	5,835	5,859	5,925
Total working population in employment	24,509	24,537	24,270	24,341	24,774	25,059	25,227	25,248	25,538	25,800	25,955

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

(2) Before providing for depreciation and stock appreciation.

(3) Before providing for depreciation.

(4) The allocation of rent income between the personal sector and companies is very approximate.

(5) From April 1961 the Post Office is treated as a public corporation not as part of central government.

(6) For details see Table 48.

(7) At June in each year. Part-time employees are counted as one person.

(8) Including self-employed.

II. EXPENDITURE AND OUTPUT AT CONSTANT PRICES

Expenditure and output at 1958 prices

TABLE 14

£ million

	1948	1949	1950	1951	1952	1953	1954	1955	1956
At 1958 market prices									
Consumers' expenditure	12,509	12,747	13,098	12,919	12,855	13,433	13,983	14,551	14,683
Public authorities' current expenditure on goods and services:									
Military defence	1,372	1,361	1,334	1,575	1,933	1,999	1,930	1,787	1,719
National health service	361	558	615	620	606	617	629	647	663
Education	370	390	400	414	424	441	461	479	516
Other	969	946	906	893	894	905	927	919	908
Total	3,072	3,255	3,255	3,502	3,857	3,962	3,947	3,832	3,806
Gross domestic fixed capital formation	2,135	2,333	2,459	2,469	2,479	2,748	2,982	3,150	3,294
Value of physical increase in stocks and work in progress	250	90	-275	615	65	135	54	313	244
Exports of goods and services	3,113	3,454	3,947	3,907	3,825	3,985	4,210	4,470	4,665
Total final expenditure at market prices	21,079	21,879	22,484	23,412	23,081	24,263	25,176	26,316	26,692
less Imports of goods and services (1)	-3,328	-3,589	-3,620	-3,873	-3,584	-3,867	-4,009	-4,413	-4,426
Gross domestic product at market prices (2)	17,751	18,290	18,864	19,539	19,497	20,396	21,167	21,903	22,266
Net property income from abroad (3)	321	292	466	306	230	231	253	171	223
Gross national product at market prices (2)	18,072	18,582	19,330	19,845	19,727	20,627	21,420	22,074	22,489
<i>Index numbers (1958 = 100) :</i>									
Gross domestic product at market prices (2)	77.9	80.3	82.8	85.8	85.6	89.5	92.9	96.1	97.7
Gross national product at market prices (2)	78.3	80.5	83.8	86.0	85.5	89.4	92.8	95.6	97.4
At 1958 factor cost									
Gross domestic product at market prices (2)	17,751	18,290	18,864	19,539	19,497	20,396	21,167	21,903	22,266
Adjustment to factor cost (4)	-2,053	-2,099	-2,148	-2,229	-2,192	-2,282	-2,397	-2,493	-2,481
Gross domestic product at factor cost	15,698	16,191	16,716	17,310	17,305	18,114	18,770	19,410	19,785
Net property income from abroad (3)	321	292	466	306	230	231	253	171	223
Gross national product at factor cost	16,019	16,483	17,182	17,616	17,535	18,345	19,023	19,581	20,008
less Capital consumption	-1,267	-1,313	-1,361	-1,405	-1,440	-1,493	-1,556	-1,623	-1,671
Net national product at factor cost	14,752	15,170	15,821	16,211	16,095	16,852	17,467	17,958	18,337
<i>Index numbers (1958 = 100) :</i>									
Gross domestic product at factor cost (5)	78.0	80.4	83.0	86.0	86.0	90.0	93.2	96.4	98.3
Gross national product at factor cost	78.4	80.7	84.1	86.3	85.9	89.8	93.1	95.9	98.0
Net national product at factor cost	79.2	81.4	84.9	87.0	86.4	90.4	93.7	96.4	98.4

(1) Excluding taxes on expenditure levied on imports.

(2) Including taxes on expenditure levied on imports. See notes on page 101.

(3) This item is revalued here by the price index for total imports of goods and services shown in Table 16.

(4) This represents taxes on expenditure less subsidies valued at 1958 rates.

(5) Alternative estimates of the gross domestic product are given in Table 8.

EXPENDITURE AND OUTPUT AT CONSTANT PRICES

Expenditure and output at 1958 prices

TABLE 14 (continued)

£ million

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At 1958 market prices										
Consumers' expenditure	14,999	15,386	16,106	16,761	17,156	17,529	18,374	19,078	19,410	19,723
Public authorities' current expenditure on goods and services:										
Military defence.....	1,608	1,466	1,458	1,479	1,524	1,593	1,586	1,580	1,621	1,621
National health service	678	694	719	742	746	761	779	810	859	895
Education	533	553	584	597	632	643	675	699	727	760
Other	932	960	983	1,006	1,062	1,094	1,113	1,140	1,155	1,236
Total	3,751	3,673	3,744	3,824	3,964	4,091	4,153	4,229	4,362	4,512
Gross domestic fixed capital formation	3,469	3,492	3,768	4,132	4,524	4,499	4,579	5,363	5,571	5,634
Value of physical increase in stocks and work in progress.....	250	111	179	601	335	87	221	590	365	200
Exports of goods and services	4,784	4,707	4,834	5,107	5,259	5,350	5,580	5,789	6,065	6,289
Total final expenditure at market prices	27,253	27,369	28,631	30,425	31,238	31,556	32,907	35,049	35,773	36,358
less Imports of goods and services (1)	-4,537	-4,584	-4,886	-5,478	-5,444	-5,546	-5,753	-6,291	-6,371	-6,489
Gross domestic product at market prices (2)	22,716	22,785	23,745	24,947	25,794	26,010	27,154	28,758	29,402	29,869
Net property income from abroad (3)	236	294	265	237	260	343	388	382	414	338
Gross national product at market prices (2)	22,952	23,079	24,010	25,184	26,054	26,353	27,542	29,140	29,816	30,207
<i>Index numbers (1958 = 100) :</i>										
<i>Gross domestic product at market prices (2)</i>	99.7	100.0	104.2	109.5	113.2	114.2	119.2	126.2	129.0	131.1
<i>Gross national product at market prices (2)</i>	99.4	100.0	104.0	109.1	112.9	114.2	119.3	126.3	129.2	130.9
At 1958 factor cost										
Gross domestic product at market prices (2)	22,716	22,785	23,745	24,947	25,794	26,010	27,154	28,758	29,402	29,869
Adjustment to factor cost (4)	-2,538	-2,655	-2,918	-3,073	-3,109	-3,118	-3,318	-3,527	-3,508	-3,570
Gross domestic product at factor cost	20,178	20,130	20,827	21,874	22,685	22,892	23,836	25,231	25,894	26,299
Net property income from abroad (3)	236	294	265	237	260	343	388	382	414	338
Gross national product at factor cost	20,414	20,424	21,092	22,111	22,945	23,235	24,224	25,613	26,308	26,637
less Capital consumption.....	-1,730	-1,791	-1,857	-1,936	-2,019	-2,093	-2,179	-2,290	-2,389	-2,506
Net national product factor cost	18,684	18,633	19,235	20,175	20,926	21,142	22,045	23,323	23,919	24,131
<i>Index numbers (1958 = 100) :</i>										
<i>Gross domestic product at factor cost (5)</i>	100.2	100.0	103.5	108.7	112.7	113.7	118.4	125.3	128.6	130.6
<i>Gross national product at factor cost</i>	100.0	100.0	103.3	108.3	112.3	113.8	118.6	125.4	128.8	130.4
<i>Net national product at factor cost</i>	100.3	100.0	103.2	108.3	112.3	113.5	118.3	125.2	128.4	129.5

See footnotes on page 16.

Index numbers of output at constant factor cost

1958 = 100

TABLE 15

	1948	1949	1950	1951	1952	1953	1954	1955	1956
Agriculture, forestry and fishing	80	86	88	90	92	94	96	95	100
Industrial production:									
Mining and quarrying	96	99	101	104	105	105	106	105	105
Manufacturing:									
Food, drink and tobacco	80	83	82	85	87	90	91	94	96
Chemicals and allied industries	59	61	69	73	69	78	87	92	96
Metal manufacture	82	83	87	92	95	93	99	107	109
Engineering and allied industries	66	71	75	80	80	83	89	98	96
Textiles, leather and clothing	96	103	111	108	93	108	110	109	108
Other manufacturing	68	74	82	87	78	85	95	101	98
Total	72.3	76.9	82.2	85.7	82.6	87.7	93.6	99.6	99.1
Construction	83	86	86	83	86	92	95	96	101
Gas, electricity and water	58	62	67	72	74	77	84	88	92
Total industrial production	74.3	78.6	83.1	85.8	83.9	88.7	94.1	98.9	99.3
Transport and communication (1)	85	87	89	93	94	96	97	99	101
Distributive trades	76	81	85	83	81	86	91	95	96
Insurance, banking and finance	75	76	80	81	81	84	89	92	92
Ownership of dwellings	88	89	89	89	89	90	92	94	96
Professional and scientific services	72	75	79	81	83	85	88	90	94
Miscellaneous services	100	95	94	93	92	94	95	97	97
Public administration and defence	109	106	103	108	111	112	110	107	106
Gross domestic product (2)	79.8	82.6	85.7	87.6	87.0	90.5	94.3	97.5	98.4

(1) Covers all road goods vehicles including those owned by other industries.

(2) A measure of changes in the volume of goods and services produced. Alternative estimates of the gross domestic product are given in Table 8.

Index numbers of output at constant factor cost

1958 = 100

TABLE 15 (continued)

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Agriculture, forestry and fishing	102	100	104	111	111	115	120	126	129	128
Industrial production:										
Mining and quarrying	104	100	97	94	93	95	95	95	92	86
Manufacturing:										
Food, drink and tobacco	98	100	104	107	110	112	115	118	121	124
Chemicals and allied industries ..	100	100	111	123	125	129	139	152	159	165
Metal manufacture	110	100	104	121	114	108	113	128	134	125
Engineering and allied industries	99	100	105	113	114	115	119	128	133	136
Textiles, leather and clothing	108	100	107	113	111	109	112	119	121	120
Other manufacturing	100	100	108	118	119	120	125	139	142	143
Total	101.3	100.0	106.0	114.6	114.8	115.3	120.0	129.5	133.8	135.6
Construction	101	100	106	111	120	121	121	135	138	139
Gas, electricity and water	96	100	103	110	116	125	133	137	145	151
Total industrial production	101.1	100.0	105.1	112.5	113.9	115.1	119.0	128.2	131.9	133.3
Transport and communication (1)	101	100	104	110	112	113	117	124	129	132
Distributive trades	98	100	106	110	113	113	117	121	124	126
Insurance, banking and finance	96	100	110	116	120	122	128	137	140	145
Ownership of dwellings	98	100	102	104	106	108	110	112	115	117
Professional and scientific services	97	100	103	105	110	114	116	119	124	128
Miscellaneous services	98	100	103	108	111	113	117	125	126	127
Public administration and defence.....	104	100	98	97	97	97	99	100	101	104
Gross domestic product (2).....	100.1	100.0	104.5	110.1	112.1	113.5	117.3	124.4	127.6	129.6

See footnotes on page 18.

EXPENDITURE AND OUTPUT AT CONSTANT PRICES

Index numbers of costs and prices (1)

1958 = 100

TABLE 16

	1948	1949	1950	1951	1952	1953	1954	1955	1956
Home costs per unit of output (1)									
Total home costs	65.5	67.4	67.8	72.9	79.5	81.9	83.5	86.6	92.0
Income from employment	63.9	65.4	67.0	72.4	77.5	79.4	81.2	85.1	92.0
Gross profits and other trading income	68.9	71.6	69.7	74.0	83.7	87.1	88.5	89.7	91.9
Price indices (1)									
Consumer goods and services	68.8	70.4	72.2	79.1	83.7	85.4	87.0	90.1	94.2
Fixed assets	67	68	69	77	85	86	86	90	94
All final goods and services sold on the home market	66.6	68.3	70.2	77.4	82.1	83.8	85.3	88.9	93.6
Exports of goods and services	71	72	76	93	98	93	91	93	99
Total final output	67.2	68.9	71.2	80.1	84.8	85.2	86.3	89.6	94.5
Imports of goods and services	73	75	85	112	110	99	99	102	103

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Home costs per unit of output (1)										
Total home costs	95.7	100.0	101.6	103.2	106.5	110.1	112.1	114.2	118.5	122.2
Income from employment	96.0	100.0	100.6	101.1	106.7	111.3	112.0	114.0	118.8	124.9
Gross profits and other trading income.....	95.0	100.0	103.7	107.7	106.2	107.6	112.4	114.7	118.0	116.3
Price indices (1)										
Consumer goods and services	97.3	100.0	100.6	101.5	104.4	108.2	109.6	112.7	117.7	122.3
Fixed assets	97	100	99	100	102	105	107	109	113	118
All final goods and services sold on the home market	97.0	100.0	101.0	102.3	105.4	109.1	111.1	114.1	119.4	124.2
Exports of goods and services.....	101	100	100	101	102	103	104	106	108	110
Total final output	97.7	100.0	100.8	102.0	104.8	108.1	109.9	112.7	117.4	121.8
Imports of goods and services	105	100	100	101	101	101	104	107	108	110

(1) The index number for any year shown in this table is based on weights of that year and provides a direct measure of the change in costs or prices between that year and 1958. Comparisons other than with 1958 may be affected by differences in the weights which are generally more important over longer than over shorter periods. Further explanatory notes on these index numbers are given on pages 101 and 102.

III. INDUSTRIAL INPUT AND OUTPUT

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

TABLE 17

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Agriculture, forestry and fishing:											
Wages	274	283	292	293	297	295	295	298	299	296	295
Salaries	30	31	31	30	29	28	33	38	37	39	40
Employers' contributions	13	13	15	16	15	16	16	17	18	20	20
Income from employment	317	327	338	339	341	339	344	353	354	355	355
Income from self-employment and other trading income	508	537	534	539	572	614	644	629	668	702	698
Total	825	864	872	878	913	953	988	982	1,022	1,057	1,053
Mining and quarrying:											
Wages	509	548	538	502	481	483	484	481	481	472	469
Salaries	38	44	49	49	50	53	54	55	56	60	63
Employers' contributions	31	33	38	38	39	41	44	46	46	50	50
Income from employment	578	625	625	589	570	577	582	582	583	582	582
Gross profits and other trading income	100	85	88	88	105	118	148	153	151	121	119
Total	678	710	713	677	675	695	730	735	734	703	701
Manufacturing:											
Wages (2)	3,017	3,167	3,205	3,337	3,630	3,824	3,877	3,960	4,334	4,695	4,922
Salaries (2)	1,104	1,209	1,304	1,378	1,501	1,643	1,733	1,804	1,969	2,182	2,368
Employers' contributions	220	234	271	282	299	342	374	404	441	500	540
Income from employment	4,341	4,610	4,780	4,997	5,430	5,809	5,984	6,168	6,744	7,377	7,830
Gross profits of companies and trading surplus of public corporations	2,058	2,178	2,129	2,364	2,640	2,513	2,454	2,746	3,086	3,275	3,140
Income from self-employment and other trading income	116	116	110	109	115	121	119	127	139	158	169
Total	6,515	6,904	7,019	7,470	8,185	8,443	8,557	9,041	9,969	10,810	11,139
Construction:											
Wages	708	723	730	764	837	930	1,024	1,045	1,198	1,270	1,311
Salaries	127	138	156	172	191	184	225	249	277	321	365
Employers' contributions	34	36	44	46	49	58	66	70	78	92	102
Income from employment	869	897	930	982	1,077	1,172	1,315	1,364	1,553	1,683	1,778
Gross profits of companies and income from self-employment	231	230	250	271	311	337	355	417	498	525	510
Total	1,100	1,127	1,180	1,253	1,388	1,509	1,670	1,781	2,051	2,208	2,288
Gas, electricity and water:											
Wages	148	153	159	163	170	183	198	210	225	242	263
Salaries	74	81	84	89	101	108	117	128	142	160	178
Employers' contributions	18	19	22	24	25	29	31	35	37	42	45
Income from employment	240	253	265	276	296	320	346	373	404	444	486
Gross profits of companies	9	9	10	18	27	27	18	19	21	20	22
Gross trading surplus of public enterprises	197	212	250	277	296	330	379	443	490	553	563
Total	446	474	525	571	619	677	743	835	915	1,017	1,071
Transport:											
Wages	616	653	645	666	727	763	789	830	865	942	973
Salaries	207	220	224	227	258	273	287	302	320	347	359
Employers' contributions	44	48	55	58	61	70	79	86	91	98	104
Income from employment	867	921	924	951	1,046	1,106	1,155	1,218	1,276	1,387	1,436
Gross profits of companies and income from self-employment	316	317	250	259	302	294	308	339	399	388	354
Gross trading surplus of public enterprises	72	67	47	85	187	181	178	215	235	234	252
Total	1,255	1,305	1,221	1,295	1,535	1,581	1,641	1,772	1,910	2,009	2,042

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

(2) Figures for separate industries are given in Table 18.

INDUSTRIAL INPUT AND OUTPUT

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

TABLE 17 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Communication:											
Income from employment	240	265	279	291	306	336	358	385	432	471	501
Gross profits and other trading income.....	64	75	98	102	115	111	120	135	148	177	202
Total	304	340	377	393	421	447	478	520	580	648	703
Distributive trades:											
Income from employment	1,277	1,371	1,446	1,537	1,615	1,715	1,834	1,924	2,021	2,139	2,246
Gross profits and other trading income	997	1,004	990	1,048	1,156	1,168	1,191	1,275	1,378	1,451	1,395
Total	2,274	2,375	2,436	2,585	2,771	2,883	3,025	3,199	3,399	3,590	3,641
Insurance, banking and finance (including real estate):											
Income from employment.....	375	402	431	467	527	570	623	687	757	796	841
Gross profits and other income.....	457	510	524	534	634	711	742	765	893	1,045	1,118
Rent	235	251	271	292	315	343	367	381	397	423	459
Adjustment for net interest.....	-564	-638	-659	-663	-785	-843	-873	-914	-1,056	-1,238	-1,344
Total	503	525	567	630	691	781	859	919	991	1,026	1,074
Ownership of dwellings:											
Rent	594	638	765	835	905	970	1,028	1,109	1,194	1,325	1,447
Public administration and defence:											
Wages	248	253	267	276	293	322	347	371	391	421	443
Salaries	351	377	395	422	458	491	524	553	608	680	739
Pay in cash and kind of H.M. Forces	396	392	395	389	393	385	401	419	450	467	513
Employers' contributions:											
H.M. Forces.....	51	59	75	78	78	80	78	79	83	87	96
Civilians	71	77	88	97	101	106	112	126	135	148	161
Income from employment	1,117	1,158	1,220	1,262	1,323	1,384	1,462	1,548	1,667	1,803	1,952
Public health services:											
Wages	87	95	101	105	110	121	131	140	151	170	191
Salaries	174	187	199	222	254	266	286	310	336	371	403
Employers' contributions	23	24	28	31	37	40	43	48	52	60	65
Income from employment.....	284	306	328	358	401	427	460	498	539	601	659
Local authority educational services:											
Teachers' salaries	235	274	289	323	357	383	441	485	507	574	620
Other salaries and wages.....	84	93	100	106	111	124	134	148	165	176	192
Employers' contributions	23	27	32	35	38	42	46	53	58	71	89
Income from employment.....	342	394	421	464	506	549	621	686	730	821	901
Other services:											
Income from employment.....	1,415	1,439	1,483	1,584	1,721	2,083	2,190	2,359	2,557	2,630	2,870
Gross profits and other trading income	592	648	689	782	848	873	847	957	1,007	1,075	1,097
Total	2,007	2,087	2,172	2,366	2,569	2,956	3,037	3,316	3,564	3,705	3,967
All industries:											
Income from employment.....	12,262	12,968	13,470	14,097	15,159	16,387	17,274	18,145	19,617	21,089	22,437
Gross profits and other trading income	5,982	6,239	6,346	6,940	7,743	7,868	8,025	8,796	9,648	10,234	10,201
less Stock appreciation.....	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351
Residual error.....	159	282	309	213	-187	82	58	-2	-101	-278	-160
Gross domestic product at factor cost	18,195	19,302	20,130	21,160	22,581	24,165	25,209	26,727	28,822	30,690	32,127

See footnote on page 21.

Wages and salaries in manufacturing industries

TABLE 18

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Wages											
Food, drink and tobacco	227	244	263	272	292	315	331	343	359	392	423
Chemicals and allied industries.....	156	167	171	177	190	194	195	204	215	234	249
Metal manufacture	289	309	302	313	353	368	348	359	411	446	453
Engineering and electrical goods.....	652	683	693	720	796	868	883	887	988	1,083	1,158
Shipbuilding and marine engineering	146	150	145	138	137	140	137	125	135	149	158
Vehicles	364	370	392	421	448	447	457	473	506	536	532
Metal goods not elsewhere specified	180	185	188	198	223	236	237	243	274	305	319
Textiles	296	309	294	298	319	333	327	337	362	379	396
Leather, leather goods and fur.....	21	21	21	22	22	24	24	25	26	28	29
Clothing and footwear.....	155	168	163	169	180	189	192	194	205	213	225
Bricks, pottery, glass, cement, etc.	134	138	135	141	154	166	174	176	198	212	218
Timber, furniture, etc.....	102	106	110	118	126	133	139	141	158	173	175
Paper, printing and publishing.....	206	224	232	246	271	286	302	313	339	374	401
Other manufacturing industries.....	89	93	96	104	119	125	131	140	158	171	186
Total	3,017	3,167	3,205	3,337	3,630	3,824	3,877	3,960	4,334	4,695	4,922
<i>Estimated number of wage earners employed in manufacturing industries (thousands)</i>	6,320	6,290	6,110	6,100	6,155	6,120	6,055	6,020	6,065	6,105	6,025
Salaries											
Food, drink and tobacco.....	91	99	108	119	124	133	144	149	163	175	197
Chemicals and allied industries.....	107	115	125	136	146	159	167	173	186	204	231
Metal manufacture	70	76	81	86	95	102	111	112	127	145	150
Engineering and electrical goods	302	340	375	400	435	482	519	540	588	673	730
Shipbuilding and marine engineering	26	28	30	30	31	31	31	31	32	36	39
Vehicles	127	140	149	158	180	201	197	209	240	256	271
Metal goods not elsewhere specified	63	68	72	74	80	88	93	95	104	118	129
Textiles	78	81	86	86	91	99	100	103	107	116	124
Leather, leather goods and fur.....	7	7	7	8	8	8	8	8	8	9	10
Clothing and footwear.....	42	45	47	48	52	55	58	59	62	67	69
Bricks, pottery, glass, cement, etc.	34	38	41	43	47	52	57	59	65	72	78
Timber, furniture, etc.....	29	31	33	34	39	41	43	46	49	53	58
Paper, printing and publishing.....	92	101	110	114	123	136	146	154	166	178	196
Other manufacturing industries	36	40	40	42	50	56	59	66	72	80	86
Total	1,104	1,209	1,304	1,378	1,501	1,643	1,733	1,804	1,969	2,182	2,368
<i>Estimated number of salary earners (1) employed in manufacturing industries (thousands)</i>	1,570	1,600	1,650	1,660	1,730	1,815	1,845	1,840	1,895	1,950	2,010

(1) Excluding directors paid by fee only. If directors' fees are excluded from salaries, the average annual salary in manufacturing industries in 1966 was about £1,110.

TABLE 19

Purchases by		Agri- culture, forestry and fishing	Coal mining	Other mining and quarry- ing	Food, drink and tobacco	Mineral oil refining	Other chemi- cals and allied indus- tries	Metal manu- facture	Vehicles (including aircraft) and ship- building	Other engin- eering	Textiles, leather and clothing
Sales by		1	2	3	4	5	6	7	8	9	10
Agriculture, forestry and fishing	1	—	5	—	571	—	—	—	—	—	28
Coal mining	2	1	—	1	14	—	156	12	5	9	16
Other mining and quarrying	3	—	—	—	3	2	9	19	—	19	—
Food, drink and tobacco	4	315	—	—	—	—	35	—	—	—	2
Mineral oil refining	5	19	1	1	9	—	78	20	6	14	7
Other chemicals and allied industries	6	91	9	12	156	48	—	95	69	140	34
Metal manufacture	7	—	48	—	8	—	23	—	374	781	2
Vehicles (including aircraft) and shipbuilding	8	10	1	1	4	—	3	8	—	41	2
Other engineering	9	26	42	14	100	2	83	98	545	—	40
Textiles, leather and clothing	10	10	8	—	10	—	8	1	21	27	—
Other manufacturing	11	42	49	7	143	12	83	21	198	289	28
Construction	12	30	18	—	12	—	11	8	11	22	7
Gas, electricity and water	13	16	25	3	42	5	60	60	40	93	35
Services	14	281	40	51	404	84	232	212	247	510	148
Public administration, etc (2)	15	—	—	—	—	—	—	—	—	—	—
Imports of goods and services	16	151	5	1	507	284	284	315	107	221	436
Sales by final buyers to one another	17	—	—	1	8	—	5	66	22	22	8
Goods and services (1 to 17)	18	992	251	92	1,991	437	1,070	935	1,645	2,188	793
Taxes on expenditure less subsidies	19	—252	9	10	59	7	32	37	28	73	28
Income from employment	20	353	535	47	546	25	388	502	890	1,877	771
Gross profits and other trading income (3)	21	601	117	34	473	29	312	249	244	714	286
Total input (18 to 21)	22	1,694	912	183	3,069	498	1,802	1,723	2,807	4,852	1,878

(1) Explanatory notes on this table are given on pages 102 and 103.

(2) Public administration and defence, public health and educational services, ownership of dwellings, domestic services to households and services to private non-profit-making bodies serving persons.

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

(4) Including the Residual error shown in Table 1.

transactions matrix, 1963 (1)

TABLE 19 (continued)

£ million

Other manufacturing	Construction	Gas, electricity and water	Services	Public administration, etc. (2)	Total intermediate output (1 to 15)	Final buyers					Total final output (17 to 21)	Total output (16 plus 22)	
						Current expenditure		Gross domestic capital formation		Exports			
						Personal sector	Public authorities	Fixed	Stocks				
11	12	13	14	15	16	17	18	19	20	21	22	23	
9	—	—	4	—	617	987	14	9	24	43	1,077	1,694	1
51	—	345	37	—	647	208	26	21	—23	33	265	912	2
58	54	—	2	—	166	—	—	—	—	17	17	183	3
3	—	—	76	—	431	2,290	49	—	56	243	2,638	3,069	4
18	20	30	64	—	287	61	15	8	2	125	211	498	5
156	96	22	124	—	1,052	244	135	—	—19	390	750	1,802	6
18	127	29	14	—	1,424	—	5	40	—27	281	299	1,723	7
7	9	2	313	—	401	484	598	437	67	820	2,406	2,807	8
128	192	68	217	—	1,555	353	284	1,322	81	1,257	3,297	4,852	9
76	5	—	42	—	208	1,145	37	—	15	473	1,670	1,878	10
—	465	25	647	—	2,009	631	151	42	13	318	1,155	3,164	11
14	—	8	118	—	259	387	303	2,170	21	10	2,891	3,150	12
83	9	—	236	—	707	653	81	158	—	4	896	1,603	13
410	202	160	—	—	2,981	6,787	742	437	2	1,473	9,441	12,422	14
—	—	—	—	—	—	1,440	2,732	—	—	—	4,172	4,172	15
451	143	17	680	—	3,602	1,656	186	242	16	262	2,362	5,964	16
13	—	—	74	—	219	167	—366	—95	—	75	—219	—	17
1,495	1,322	706	2,648	—	16,565	17,493	4,992	4,791	228	5,824	33,328	49,893	18
70	55	69	412	—	637	2,648	91	112	—	—	2,851	3,488	19
1,169	1,364	373	6,242	3,063	18,145	—	—	—	—	—	—	18,145	20
430	409	455	3,120(4)	1,109	8,582	—	—	—	—	—	—	8,582	21
3,164	3,150	1,603	12,422	4,172	43,929	20,141	5,083	4,903	228	5,824	36,179	80,108	22

**Total requirements per £100 of final industrial output
in terms of gross output, 1963 (1)**

TABLE 20

£

		Agriculture, forestry and fishing	Coal mining	Other mining and quarrying	Food, drink and tobacco	Mineral oil refining	Other chemicals and allied industries	Metal manufacture
		1	2	3	4	5	6	7
Agriculture, forestry and fishing	1	104	1	—	19	—	—	—
Coal mining	2	1	101	2	2	1	10	2
Other mining and quarrying	3	—	—	100	—	1	1	1
Food, drink and tobacco	4	20	—	—	104	—	2	—
Mineral oil refining	5	2	—	1	1	101	5	2
Other chemicals and allied industries	6	8	2	8	7	10	102	7
Metal manufacture	7	1	7	2	2	1	3	102
Vehicles (including aircraft) and shipbuilding	8	1	—	1	1	1	1	1
Other engineering	9	4	6	10	5	2	6	7
Textiles, leather and clothing	10	1	1	—	1	—	1	—
Other manufacturing	11	6	7	7	8	4	7	3
Construction	12	2	2	1	1	—	1	1
Gas, electricity and water	13	2	4	3	3	2	5	4
Services	14	23	8	32	21	20	18	16

		Vehicles (including aircraft) and shipbuilding	Other engineering	Textiles, leather and clothing	Other manufacturing	Construction	Gas, electricity and water	Services
		8	9	10	11	12	13	14
Agriculture, forestry and fishing	1	—	—	2	—	—	—	—
Coal mining	2	2	2	2	3	1	22	1
Other mining and quarrying	3	1	1	—	2	2	—	—
Food, drink and tobacco	4	—	—	1	—	—	—	1
Mineral oil refining	5	1	1	1	1	1	2	1
Other chemicals and allied industries	6	5	5	2	6	5	3	2
Metal manufacture	7	17	17	1	2	6	4	1
Vehicles (including aircraft) and shipbuilding	8	101	1	—	1	1	1	3
Other engineering	9	22	102	3	6	8	6	3
Textiles, leather and clothing	10	1	1	100	3	1	—	1
Other manufacturing	11	10	8	3	102	16	4	6
Construction	12	1	1	1	1	100	1	1
Gas, electricity and water	13	3	3	2	4	2	101	2
Services	14	16	16	10	16	12	14	102

(1) Each entry represents the value of the gross output of the 'row' industry required to produce £100 of final output by the 'column' industry. The input-output coefficients have been derived from Table 19. See notes on page 103.

**Total requirements per £100 of final industrial output
in terms of net output, 1963 (1)**

TABLE 21

£

		Agriculture, forestry and fishing	Coal mining	Other mining and quarrying	Food, drink and tobacco	Mineral oil refining	Other chemicals and allied industries	Metal manufacture
		1	2	3	4	5	6	7
Agriculture, forestry and fishing	1	58	—	—	11	—	—	—
Coal mining	2	1	72	2	1	1	7	2
Other mining and quarrying	3	—	—	44	—	—	—	1
Food, drink and tobacco	4	7	—	—	35	—	1	—
Mineral oil refining	5	—	—	—	—	11	1	—
Other chemicals and allied industries	6	3	1	3	3	4	40	3
Metal manufacture	7	1	3	1	1	1	1	44
Vehicles (including aircraft) and ship-building	8	1	—	1	—	—	—	—
Other engineering	9	2	3	5	3	1	3	4
Textiles, leather and clothing	10	1	1	—	—	—	1	—
Other manufacturing	11	3	4	4	4	2	4	2
Construction	12	1	1	—	1	—	1	1
Gas, electricity and water	13	1	2	2	1	1	2	2
Services	14	17	6	25	15	15	13	12
Sales by final buyers	15	—	—	—	1	—	1	4
Imports of goods and services	16	18	5	6	24	61	22	22
Taxes on expenditure less subsidies	17	—14	2	7	—	3	3	3
Total	18	100	100	100	100	100	100	100

		Vehicles (including aircraft) and shipbuilding	Other engineering	Textiles leather and clothing	Other manufacturing	Construction	Gas, electricity and water	Services
		8	9	10	11	12	13	14
Agriculture, forestry and fishing	1	—	—	1	—	—	—	—
Coal mining	2	1	1	1	2	1	16	1
Other mining and quarrying	3	—	—	—	1	1	—	—
Food, drink and tobacco	4	—	—	—	—	—	—	—
Mineral oil refining	5	—	—	—	—	—	—	—
Other chemicals and allied industries	6	2	2	1	2	2	1	1
Metal manufacture	7	7	7	—	1	3	2	—
Vehicles (including aircraft) and ship-building	8	41	1	—	—	—	—	1
Other engineering	9	12	55	2	3	4	3	2
Textiles, leather and clothing	10	1	1	56	2	—	—	—
Other manufacturing	11	5	4	1	52	8	2	3
Construction	12	—	—	—	—	57	1	1
Gas, electricity and water	13	2	2	1	2	1	53	1
Services	14	12	12	8	12	9	11	77
Sales by final buyers	15	2	1	1	1	—	—	1
Imports of goods and services	16	12	11	26	19	11	6	8
Taxes on expenditure less subsidies	17	3	3	2	3	3	5	4
Total	18	100	100	100	100	100	100	100

(1) Each entry represents the value of the net output (including depreciation) of the 'row' industry required to produce £100 of final output by the 'column' industry. The input-output coefficients have been derived from Table 19. See notes on page 103.

IV. THE PERSONAL SECTOR

Income and expenditure account

TABLE 22

£ million

	1938	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Income before tax											
Wages	1,920	3,305	3,750	4,190	4,440	4,625	5,115	5,450	5,770	6,180	6,765
Salaries	910	1,645	1,790	2,005	2,160	2,310	2,590	2,780	2,930	3,130	3,445
Pay in cash and kind of H.M. Forces	66	577	395	233	223	237	303	342	349	363	356
Employers' contributions:											
National insurance and health	54	84	113	157	197	199	205	218	244	247	279
Other	72	147	179	200	226	256	288	317	341	364	399
Total income from employment	3,022	5,758	6,227	6,785	7,246	7,627	8,501	9,107	9,634	10,284	11,244
Professional persons (1)	118	166	186	199	213	222	218	220	219	231	251
Farmers (1)	69	233	251	311	354	349	377	416	425	407	417
Other sole traders and partnerships (1)	460	727	773	795	808	818	842	854	895	940	993
Total income from self-employment (1)	647	1,126	1,210	1,305	1,375	1,389	1,437	1,490	1,539	1,578	1,661
Rent, dividends and net interest:											
Receipts by life assurance and superannuation funds .....	..	..	..	118	128	139	155	173	194	216	244
Other receipts .....	..	..	..	1,099	1,076	1,129	1,113	1,112	1,199	1,235	1,298
Total	1,134	1,274	1,357	1,217	1,204	1,268	1,268	1,285	1,393	1,451	1,542
Current transfers to charities from companies .....	..	..	..	..	..	..	..	..	..	9	9
National insurance benefits and other current grants from public authorities	275	672	682	705	745	756	785	911	1,002	1,021	1,115
Total personal income (1)	5,078	8,830	9,476	10,012	10,570	11,040	11,991	12,793	13,568	14,343	15,571
Expenditure											
Consumers' expenditure	4,394	7,273	8,028	8,609	8,969	9,461	10,215	10,766	11,475	12,164	13,113
Transfers abroad (net)	—	—20	29	26	13	—16	2	2	—11	—10	2
Taxes paid abroad	2	5	5	5	5	5	6	6	5	6	7
United Kingdom taxes on income:											
Payments	292	1,067	983	971	996	1,017	1,162	1,177	1,134	1,236	1,330
Additions to tax reserves	19	63	85	25	25	5	40	—14	9	33	35
National insurance and health contributions	109	170	232	335	436	440	452	476	525	532	594
Total current expenditure	4,816	8,558	9,362	9,971	10,444	10,912	11,877	12,413	13,137	13,961	15,081
Balance: saving before providing for depreciation and stock appreciation	262	272	114	41	126	128	114	380	431	382	490
Total	5,078	8,830	9,476	10,012	10,570	11,040	11,991	12,793	13,568	14,343	15,571

(1) Before providing for depreciation and stock appreciation.

Income and expenditure account

TABLE 22 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income before tax											
Wages	7,335	7,670	7,795	8,050	8,605	9,250	9,590	9,940	10,730	11,385	11,935
Salaries	3,785	4,100	4,340	4,665	5,115	5,585	6,020	6,415	6,960	7,570	8,185
Pay in cash and kind of H.M. Forces	396	392	395	389	393	385	401	419	450	467	513
Employers' contributions:											
National insurance and health	304	309	398	418	425	503	557	611	682	831	902
Other	442	497	542	575	621	664	706	760	795	836	902
Total income from employment	12,262	12,968	13,470	14,097	15,159	16,387	17,274	18,145	19,617	21,089	22,437
Professional persons (1)	261	278	294	328	355	363	371	387	415	438	449
Farmers (1)	431	454	448	452	486	522	548	534	565	596	595
Other sole traders and partnerships (1)	1,021	1,041	1,038	1,104	1,164	1,220	1,224	1,282	1,372	1,450	1,426
Total income from self-employment (1)	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470
Rent, dividends and net interest:											
Receipts by life assurance and superannuation funds	274	306	343	395	449	515	573	634	712	798	870
Other receipts	1,285	1,341	1,510	1,667	1,922	2,080	2,110	2,257	2,518	2,718	2,728
Total	1,559	1,647	1,853	2,062	2,371	2,595	2,683	2,891	3,230	3,516	3,598
Current transfers to charities from companies	11	12	13	15	17	19	21	24	26	28	30
National insurance benefits and other current grants from public authorities	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
Total personal income (1)	16,738	17,652	18,600	19,694	21,205	22,908	24,102	25,497	27,594	29,846	31,508
Expenditure											
Consumers' expenditure	13,829	14,599	15,386	16,196	17,006	17,917	18,966	20,141	21,492	22,851	24,116
Transfers abroad (net)	18	20	—4	—	—3	—7	—	14	23	34	62
Taxes paid abroad	8	8	8	8	8	8	8	8	8	8	8
United Kingdom taxes on income:											
Payments	1,452	1,602	1,696	1,776	1,991	2,249	2,458	2,510	2,801	3,373	3,646
Additions to tax reserves	20	—	50	15	95	20	—30	17	95	150	35
National insurance and health contributions	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Total current expenditure	15,969	16,886	17,995	18,892	20,010	21,259	22,599	23,993	25,863	28,101	29,664
Balance: saving before providing for depreciation and stock appreciation	769	766	605	802	1,195	1,649	1,503	1,504	1,731	1,745	1,844
Total	16,738	17,652	18,600	19,694	21,205	22,908	24,102	25,497	27,594	29,846	31,508

See footnote on page 28.

Capital account

TABLE 23

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Saving before providing for depreciation and stock appreciation	769	766	605	802	1,195	1,649	1,503	1,504	1,731	1,745	1,844
Additions to tax reserves	20	—	50	15	95	20	—30	17	95	150	35
Capital transfers (net)	60	51	54	57	64	74	93	102	125	151	155
Total	849	817	709	874	1,354	1,743	1,566	1,623	1,951	2,046	2,034
Payments											
Gross domestic fixed capital formation:											
Dwellings (1)	289	296	314	382	466	520	522	541	669	688	649
Purchases less sales of land and existing buildings	209	200	238	—97	—93	—109	—146	—171	—287	—268	—288
Other				334	367	402	401	459	520	542	555
Increase in value of stocks and work in progress	71	62	30	64	99	96	62	99	162	130	91
Taxes on capital	166	176	182	212	236	259	266	308	308	290	317
Net acquisition of financial assets including net investment abroad.....	114	83	—55	—21	279	575	461	387	579	664	710
Total	849	817	709	874	1,354	1,743	1,566	1,623	1,951	2,046	2,034

(1) Excluding existing dwellings and land.

Revenue account of life assurance and superannuation funds

TABLE 24

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Contributions of employers	442	497	542	575	621	664	706	760	795	836	902
Contributions of employees, individual premiums, etc.	523	572	621	664	722	775	852	953	1,046	1,044	1,121
Rent, dividends and interest receipts	274	306	343	395	449	515	573	634	712	798	870
less Pensions and other benefits paid.....	—574	—629	—688	—727	—778	—872	—944	—1,017	—1,107	—1,194	—1,340
less Administrative costs, etc. (1).....	—150	—167	—169	—190	—198	—213	—246	—264	—290	—318	—355
Net increase in funds	515	579	649	717	816	869	941	1,066	1,156	1,166	1,198

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

Categories of personal income

TABLE 25

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Households and private non-profit-making bodies											
Direct income in cash from work and property:											
Wages and salaries.....	10,959	11,602	11,957	12,533	13,532	14,643	15,405	16,143	17,471	18,728	19,886
Pay in cash of H.M. Forces.....	348	348	355	354	362	356	372	387	417	432	475
Income from self-employment (1)	1,713	1,773	1,780	1,884	2,005	2,105	2,143	2,203	2,352	2,484	2,470
Rent, dividends and interest:											
Gross receipts.....	1,219	1,289	1,429	1,551	1,840	2,020	2,018	2,103	2,407	2,687	2,751
less Interest paid.....	-203	-235	-258	-284	-348	-400	-419	-428	-503	-607	-668
Total	14,036	14,777	15,263	16,038	17,391	18,724	19,519	20,408	22,144	23,724	24,914
Imputed income and income in kind:											
Employers' national insurance and health contributions.....	304	309	398	418	425	503	557	611	682	831	902
Income in kind.....	209	212	218	217	219	221	234	244	252	262	272
Rent of owner-occupied dwellings	289	309	364	397	418	444	488	541	578	626	687
Accrued interest on national savings certificates	-20	-22	-25	3	12	16	23	41	36	12	-42
Total	782	808	955	1,035	1,074	1,184	1,302	1,437	1,548	1,731	1,819
Current transfers to charities from companies.....	11	12	13	15	17	19	21	24	26	28	30
Current grants from public authorities:											
Retirement pensions, widows' benefits, etc., and non-contributory pensions	506	526	677	736	758	858	912	1,035	1,136	1,342	1,431
Other current grants.....	687	726	807	900	895	944	1,069	1,199	1,233	1,387	1,542
Total	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
Pensions and other benefits from life assurance and superannuation schemes:											
National government service.....	66	80	99	107	110	114	116	123	129	135	147
Other public authority schemes.....	95	102	111	119	130	139	145	163	183	198	220
Other superannuation schemes, life assurance, etc.	413	447	478	501	538	619	683	731	795	861	973
Total	574	629	688	727	778	872	944	1,017	1,107	1,194	1,340
Total income of households and private non-profit-making bodies	16,596	17,478	18,403	19,451	20,913	22,601	23,767	25,120	27,194	29,406	31,076
Adjustment (2) for life assurance and superannuation funds	142	174	197	243	292	307	335	377	400	440	432
Total personal income (as defined in Table 2)	16,738	17,652	18,600	19,694	21,205	22,908	24,102	25,497	27,594	29,846	31,508

(1) Before providing for depreciation and stock appreciation.

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

PERSONAL SECTOR

Distribution of personal income before and after tax

TABLE 26

Range of income		1959				1963			
		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax	Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax
		Thousands	£ million			Thousands	£ million		
Income before tax									
Not under	Under								
£	£								
50	250	5,760	953	1	952	4,330	815	—	815
250	300	1,710	470	5	465	1,655	454	—	454
300	400	2,680	933	31	902	2,360	832	12	820
400	500	2,640	1,186	52	1,134	2,230	1,000	34	966
500	600	2,710	1,492	77	1,415	2,115	1,163	58	1,105
600	700	2,560	1,657	89	1,568	2,140	1,391	82	1,309
700	800	2,250	1,688	101	1,587	2,035	1,525	99	1,426
800	1,000	2,970	2,642	193	2,449	3,850	3,446	244	3,202
1,000	1,500	2,250	2,634	299	2,335	4,785	5,732	523	5,209
1,500	2,000	445	755	136	619	1,075	1,817	257	1,560
2,000	3,000	287	688	161	527	475	1,133	231	902
3,000	5,000	156	588	190	398	225	846	228	618
5,000	10,000	65	430	195	235	100	666	240	426
10,000	20,000	14	181	111	70	20	277	146	131
20,000 and over		3	99	77	22	5	158	116	42
Total		26,500	16,396	1,718	14,678	27,400	21,255	2,270	18,985
Income not included in the classification by ranges		..	3,298	..	..	..	4,242	..	..
Total personal income .....		..	19,694	..	..	..	25,497	..	..
Income after tax									
Not under	Under								
£	£								
50	250	6,200	1,051	2	1,049	4,330	815	—	815
250	500	7,440	2,920	128	2,792	7,075	2,785	79	2,706
500	750	6,630	4,382	274	4,108	5,895	3,971	246	3,725
750	1,000	3,880	3,600	276	3,324	5,045	4,766	346	4,420
1,000	2,000	2,052	2,981	431	2,550	4,540	6,540	783	5,757
2,000	4,000	267	1,061	360	701	428	1,504	406	1,098
4,000	6,000	28	301	170	131	72	558	207	351
6,000 and over		3	100	77	23	15	316	203	113
Total		26,500	16,396	1,718	14,678	27,400	21,255	2,270	18,985
Income not included in the classification by ranges		..	3,298	..	..	..	4,242	..	..
Total personal income .....		..	19,694	..	..	..	25,497	..	..

(1) The tax rates current in the fiscal years 1959/60, 1963/64, 1964/65 and 1965/66 applied to the income in the calendar years shown.

Distribution of personal income before and after tax

TABLE 26 (continued)

Range of income		1964				1965			
		Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax	Number of incomes	Income before tax	Income tax and surtax at current rates (1)	Income after tax
		Thousands	£ million			Thousands	£ million		
Income before tax									
Not under £	Under £								
50	250	4,054	791	—	791	3,006	616	—	616
250	300	1,608	439	—	439	1,586	438	—	438
300	400	2,408	849	11	838	2,417	856	11	845
400	500	2,149	967	37	930	2,279	1,037	35	1,002
500	600	1,957	1,076	58	1,018	1,901	1,045	48	997
600	700	1,917	1,246	83	1,163	1,829	1,188	73	1,115
700	800	1,935	1,451	106	1,345	1,832	1,374	92	1,282
800	1,000	3,679	3,298	259	3,039	3,815	3,427	262	3,165
1,000	1,500	5,447	6,536	624	5,912	5,957	7,123	699	6,424
1,500	2,000	1,385	2,359	328	2,031	1,821	3,059	456	2,603
2,000	3,000	560	1,327	268	1,059	702	1,735	354	1,381
3,000	5,000	253	949	254	695	286	1,083	304	779
5,000	10,000	116	773	279	494	132	893	338	555
10,000	20,000	27	360	190	170	30	409	230	179
20,000 and over		5	187	138	49	7	226	178	48
Total		27,500	22,608	2,635	19,973	27,600	24,509	3,080	21,429
Income not included in the classification by ranges		..	4,986	..	..	..	5,337	..	..
Total personal income .....		..	27,594	..	..	..	29,846	..	..
Income after tax									
Not under £	Under £								
50	250	4,054	791	—	791	3,006	616	—	616
250	500	6,884	2,680	76	2,604	6,841	2,609	74	2,535
500	750	5,750	3,818	298	3,520	5,431	3,630	272	3,358
750	1,000	4,608	4,300	376	3,924	5,153	4,809	401	4,408
1,000	2,000	5,641	8,382	971	7,411	6,460	9,515	1,129	8,386
2,000	4,000	465	1,637	439	1,198	595	2,100	590	1,510
4,000	6,000	75	602	239	363	84	682	281	401
6,000 and over		23	398	236	162	30	548	333	215
Total		27,500	22,608	2,635	19,973	27,600	24,509	3,080	21,429
Income not included in the classification by ranges		..	4,986	..	..	..	5,337	..	..
Total personal income .....		..	27,594	..	..	..	29,846	..	..

See footnote on page 32.

Consumers' expenditure at current prices (1)

TABLE 27

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Food (household expenditure) (2):											
Bread and cereals	498	543	548	548	558	576	610	630	653	674	688
Meat and bacon	1,004	1,032	1,065	1,086	1,140	1,176	1,221	1,247	1,334	1,387	1,476
Fish	125	132	140	155	153	151	157	159	180	190	196
Oils and fats	221	215	204	240	220	208	227	237	247	250	245
Sugar, preserves and confectionery.....	401	409	411	402	413	416	450	467	476	492	500
Dairy products.....	592	602	623	640	665	687	690	734	749	788	810
Fruit	235	256	249	260	260	282	291	280	299	306	328
Potatoes and vegetables	404	402	440	449	437	482	528	533	533	551	602
Beverages	236	256	253	271	270	277	281	292	308	309	320
Other manufactured food	104	115	121	133	139	144	140	148	153	158	164
Total	3,820	3,962	4,054	4,184	4,255	4,399	4,595	4,727	4,932	5,105	5,329
Alcoholic drink:											
Beer	547	575	567	551	563	618	665	694	761	837	887
Wines, spirits, cider, etc.	319	331	344	369	391	436	451	483	558	581	630
Total	866	906	911	920	954	1,054	1,116	1,177	1,319	1,418	1,517
Tobacco:											
Cigarettes	822	863	903	930	1,002	1,074	1,086	1,129	1,171	1,242	1,316
Other.....	113	118	128	131	138	143	156	157	172	186	188
Total	935	981	1,031	1,061	1,140	1,217	1,242	1,286	1,343	1,428	1,504
Housing:											
Rent, rates and water charges (1)	947	1,034	1,198	1,297	1,367	1,459	1,575	1,729	1,861	2,047	2,263
Maintenance, repairs and improvements by occupiers	236	242	251	272	293	320	353	393	420	468	502
Total	1,183	1,276	1,449	1,569	1,660	1,779	1,928	2,122	2,281	2,515	2,765
Fuel and light:											
Coal and coke	280	282	307	288	323	325	359	379	348	357	369
Electricity	154	166	197	212	236	269	328	384	402	456	490
Gas	125	130	138	134	136	145	159	173	183	206	233
Other.....	38	40	47	52	56	57	65	74	67	68	67
Total	597	618	689	686	751	796	911	1,010	1,000	1,087	1,159
Clothing:											
Footwear.....	229	242	248	261	289	299	304	319	332	348	356
Other clothing:											
Men's and boys' wear	396	410	406	424	457	470	483	506	529	559	573
Women's, girls' and infants' wear	753	787	800	831	901	940	958	1,008	1,058	1,127	1,152
Total	1,378	1,439	1,454	1,516	1,647	1,709	1,745	1,833	1,919	2,034	2,081
Durable goods:											
Motor cars and motor cycles, new and secondhand.....	268	320	425	506	568	515	569	733	843	799	773
Furniture and floor coverings	301	331	362	411	410	430	439	447	486	510	502
Radio, electrical and other durable goods (2)	315	354	388	462	442	443	456	497	515	528	523
Total	884	1,005	1,175	1,379	1,420	1,388	1,464	1,677	1,844	1,837	1,798
Other household goods:											
Household textiles, soft furnishings and hardware (2)	284	303	305	321	330	349	355	365	395	412	430
Matches, soap and other cleaning materials, etc.(2).....	157	169	173	183	185	194	205	207	211	225	230
Total	441	472	478	504	515	543	560	572	606	637	660

See footnotes on page 35.

Consumers' expenditure at current prices (1)

TABLE 27 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Books, newspapers and magazines:											
Books	44	47	49	51	57	59	59	65	71	76	92
Newspapers	115	121	137	130	134	150	158	161	172	196	203
Magazines.....	42	46	50	46	56	58	61	61	63	67	72
Total	201	214	236	227	247	267	278	287	306	339	367
Chemists' goods.....	189	210	219	232	244	263	272	284	305	321	339
Miscellaneous recreational goods	264	268	285	309	342	364	379	394	428	454	482
Other miscellaneous goods	189	198	205	216	233	249	251	264	295	317	332
Running costs of motor vehicles	273	289	344	393	451	524	611	666	775	929	1,052
Travel:											
Rail	122	132	133	134	145	152	156	158	165	170	179
Bus, coach and tram	286	297	294	302	312	326	337	346	361	370	381
Other.....	90	103	102	109	115	126	140	160	177	196	218
Total	498	532	529	545	572	604	633	664	703	736	778
Communication services:											
Postal	54	59	66	68	72	74	73	78	81	94	102
Telephone and telegraph	48	55	62	64	67	72	82	88	98	110	122
Total	102	114	128	132	139	146	155	166	179	204	224
Entertainment and recreational services:											
Cinema	106	95	85	71	67	63	61	61	63	65	63
Other.....	142	154	177	193	218	241	263	271	285	310	338
Total	248	249	262	264	285	304	324	332	348	375	401
Domestic service	103	105	103	101	98	96	100	100	102	100	104
Catering (meals and accommodation).....	771	836	875	929	964	1,021	1,098	1,164	1,240	1,312	1,377
Wages, salaries, etc. paid by private non-profit-making bodies(3).....	96	105	112	123	137	148	173	197	223	254	285
Insurance	130	144	143	162	166	179	206	220	238	255	274
Other services (1).....	545	564	591	636	682	752	798	840	914	969	1,070
Income in kind not included elsewhere	64	60	56	50	46	44	44	46	47	50	53
less Expenditure by foreign tourists, etc. in the United Kingdom	-155	-164	-165	-176	-201	-205	-209	-213	-214	-215	-242
Consumers' expenditure in the United Kingdom	13,622	14,383	15,164	15,962	16,747	17,641	18,674	19,815	21,133	22,461	23,709
Consumers' expenditure abroad (1).....	207	216	222	234	259	276	292	326	359	390	407
Total (1)	13,829	14,599	15,386	16,196	17,006	17,917	18,966	20,141	21,492	22,851	24,116

(1) Estimates for 1946 to 1955 were given in the 1964 National Income Blue Book but have since been revised, the main revisions being to rent, to items within Other services and to Consumer's expenditure abroad. The revised series are shown below, together with estimates from 1952 of the new categories (£million):

Rent, rates and water charges.....	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Catering (meals and accommodation)	581	616	643	661	686	720	757	812	852	897
Wages, salaries, etc., paid by private non-profit-making bodies (3)							67	72	79	86
Other services (as defined above)							466	486	513	529
Other services (as defined in the 1964 Blue Book)	663	695	693	666	674	716				
Consumers' expenditure abroad.....	124	124	103	103	116	152	150	152	175	192
Total	7,273	8,028	8,609	8,969	9,461	10,215	10,766	11,475	12,164	13,113

(2) For estimates of total household and other personal expenditure on food, pedal cycles, household textiles and soft furnishings, hardware and matches see page 105.

(3) Excluding catering.

Consumers' expenditure at 1958 prices (£)

TABLE 28

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Food (household expenditure) (2) :											
Bread and cereals	555	547	548	546	551	546	555	564	559	557	546
Meat and bacon	1,051	1,061	1,065	1,070	1,115	1,151	1,185	1,198	1,196	1,196	1,225
Fish	135	138	140	152	143	139	145	143	154	153	154
Oils and fats	187	192	204	198	194	198	204	200	202	200	200
Sugar, preserves and confectionery.....	411	403	411	393	405	408	411	402	394	403	409
Dairy products.....	593	604	623	632	650	664	676	685	704	704	708
Fruit	251	264	249	285	283	287	288	290	305	304	312
Potatoes and vegetables	431	440	440	458	479	494	481	496	520	527	532
Beverages	243	253	253	269	271	280	275	284	295	289	298
Other manufactured food	106	115	121	133	135	137	127	134	137	137	143
Total	3,963	4,017	4,054	4,136	4,226	4,304	4,347	4,396	4,466	4,470	4,527
Alcoholic drink:											
Beer	574	581	567	600	625	655	655	658	690	691	707
Wines, spirits, cider, etc.	325	333	344	369	390	425	429	457	501	478	497
Total	899	914	911	969	1,015	1,080	1,084	1,115	1,191	1,169	1,204
Tobacco:											
Cigarettes	864	888	903	925	964	983	938	973	950	916	942
Other.....	122	124	128	129	128	125	129	128	131	126	124
Total	986	1,012	1,031	1,054	1,092	1,108	1,067	1,101	1,081	1,042	1,066
Housing:											
Rent, rates and water charges (1).....	1,155	1,176	1,198	1,220	1,246	1,271	1,296	1,319	1,342	1,376	1,412
Maintenance, repairs and improvements by occupiers	249	244	251	270	286	298	319	352	364	394	408
Total	1,404	1,420	1,449	1,490	1,532	1,569	1,615	1,671	1,706	1,770	1,820
Fuel and light:											
Coal and coke	315	298	307	286	309	293	303	303	273	269	257
Electricity	166	173	197	213	246	279	333	381	381	417	435
Gas	141	137	138	132	133	134	145	159	167	194	223
Other.....	39	38	47	52	56	55	59	65	58	60	58
Total	661	646	689	683	744	761	840	908	879	940	973
Clothing:											
Footwear.....	234	245	248	257	275	281	274	281	290	298	293
Other clothing:											
Men's and boys' wear	410	415	406	426	456	458	453	467	480	494	491
Women's, girls' and infants' wear	769	792	800	841	903	928	927	964	996	1,041	1,043
Total	1,413	1,452	1,454	1,524	1,634	1,667	1,654	1,712	1,766	1,833	1,827
Durable goods:											
Motor cars and motor cycles, new and secondhand.....	282	325	425	522	600	546	620	891	1,032	976	935
Furniture and floor coverings	306	334	362	410	402	409	397	398	417	420	402
Radio, electrical and other durable goods (2)	309	346	388	477	463	464	484	544	552	556	544
Total	897	1,005	1,175	1,409	1,465	1,419	1,501	1,833	2,001	1,952	1,881
Other household goods:											
Household textiles, soft furnishings and hardware (2)	285	304	305	324	332	343	340	347	368	373	379
Matches, soap and other cleaning materials, etc. (2).....	175	178	173	175	175	181	183	183	183	184	185
Total	460	482	478	499	507	524	523	530	551	557	564

See footnotes on page 37.

Consumers' expenditure at 1958 prices (1)

TABLE 28 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Books, newspapers and magazines:											
Books	48	48	49	51	54	55	52	56	58	59	68
Newspapers	145	141	137	129	133	132	132	131	132	131	132
Magazines	49	49	50	43	50	49	47	45	43	44	46
Total	242	238	236	223	237	236	231	232	233	234	246
Chemists' goods	192	211	219	235	246	252	255	270	282	292	300
Miscellaneous recreational goods	278	274	285	317	352	364	368	376	399	418	424
Other miscellaneous goods	183	189	205	225	241	250	243	254	272	286	290
Running costs of motor vehicles	283	283	344	390	444	500	564	608	699	774	841
Travel:											
Rail	130	137	133	131	124	119	113	111	113	109	109
Bus, coach and tram	323	311	294	299	296	292	286	284	280	275	267
Other	92	104	102	107	114	121	137	152	171	188	212
Total	545	552	529	537	534	532	536	547	564	572	588
Communication services:											
Postal	63	67	66	68	72	72	67	68	68	72	71
Telephone and telegraph	59	60	62	64	68	73	78	83	92	104	116
Total	122	127	128	132	140	145	145	151	160	176	187
Entertainment and recreational services:											
Cinema	122	100	85	70	63	58	52	49	47	45	42
Other	153	160	177	200	225	248	269	287	306	322	332
Total	275	260	262	270	288	306	321	336	353	367	374
Domestic service	112	109	103	98	93	86	85	81	79	72	68
Catering, insurance and other services(1)	1,651	1,695	1,721	1,803	1,859	1,928	2,019	2,099	2,217	2,286	2,350
Income in kind not included elsewhere	67	61	56	50	45	43	41	43	43	44	45
less Expenditure by foreign tourists, etc. in the United Kingdom	-167	-170	-165	-173	-190	-186	-185	-185	-178	-172	-185
Consumers' expenditure in the United Kingdom	14,466	14,777	15,164	15,871	16,504	16,888	17,254	18,078	18,764	19,082	19,390
Consumers' expenditure abroad (1)	217	222	222	235	257	268	275	296	314	328	333
Total (1) (3)	14,683	14,999	15,386	16,106	16,761	17,156	17,529	18,374	19,078	19,410	19,723

(1) Estimates for 1946 to 1955 were given in the 1964 National Income Blue Book but have been since revised, the main revisions being to rent, to items within Insurance and other services (as defined formerly) and to Consumers' expenditure abroad. The revised series are (£ million):

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Rent, rates and water charges	1,002	1,019	1,035	1,045	1,053	1,059	1,069	1,082	1,103	1,131
Insurance and other services (as defined in the 1964 Blue Book)	1,176	1,211	1,169	1,102	1,091	1,063	1,081	1,104	1,138	1,170
Consumers' expenditure abroad	210	172	161	147	153	179	170	173	194	207
Total	12,116	12,524	12,509	12,747	13,098	12,919	12,855	13,433	13,983	14,551

(2) For estimates of total household and other personal expenditure on food, pedal cycles, household textiles and soft furnishings, hardware and matches see page 105.

(3) The price index for consumer goods and services derived by dividing the estimates of total consumers' expenditure at current prices by the corresponding estimates at 1958 prices is shown in Table 16.

PERSONAL SECTOR

Taxes on expenditure and subsidies allocated to consumers' expenditure (1)

TABLE 29

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966(2)
Taxes on expenditure											
Food (household expenditure).....	38	46	44	51	52	50	66	80	83	90	110
Alcoholic drink:											
Beer	256	258	251	222	216	237	253	252	286	326	357
Wines, spirits, cider, etc.	145	148	148	155	163	181	192	206	244	262	294
Total	401	406	399	377	379	418	445	458	530	588	651
Tobacco	681	709	732	763	813	853	874	889	937	995	1,026
Housing:											
Rent, rates and water charges.....	282	319	345	364	386	413	452	505	545	611	692
Maintenance, repairs and improvements by occupiers	4	4	3	2	3	3	2	2	3	2	6
Total	286	323	348	366	389	416	454	507	548	613	698
Fuel and light.....	—	—	—	—	—	2	4	5	4	5	7
Clothing	55	55	54	56	63	69	101	114	127	141	153
Durable goods:											
Motor cars and motor cycles, new and secondhand.....	57	72	99	108	122	111	106	90	115	120	119
Furniture and floor coverings.....	31	26	24	22	24	26	30	33	38	42	45
Radio, electrical and other durable goods	63	76	68	82	67	69	64	63	68	69	70
Total	151	174	191	212	213	206	200	186	221	231	234
Other household goods:											
Household textiles, soft furnishings and hardware	24	21	20	20	21	24	22	23	27	34	35
Matches, soap and other cleaning materials, etc.....	14	15	15	15	15	14	15	14	14	15	14
Total	38	36	35	35	36	38	37	37	41	49	49
Books, newspapers and magazines	—	—	—	—	—	—	—	—	—	—	1
Chemists' goods	43	46	41	37	40	46	46	37	40	43	49
Miscellaneous recreational goods.....	21	24	26	24	28	31	32	31	36	43	46
Other miscellaneous goods.....	45	46	39	37	39	42	41	42	47	53	58
Running costs of motor vehicles.....	93	98	116	130	150	178	211	234	269	341	385
Travel	41	40	37	36	34	35	38	40	42	48	50
Communication services.....	1	2	2	2	2	1	—	—	1	1	1
Entertainment and recreational services:											
Cinema	34	29	16	8	2	—	—	—	—	—	—
Other	24	27	23	31	26	26	24	18	11	10	13
Total	58	56	39	39	28	26	24	18	11	10	13
Other services (including catering)....	62	65	72	92	96	99	95	86	87	86	118
Income in kind not included elsewhere	—	1	—	—	—	—	—	—	—	—	—
Not allocated to categories.....	371	385	410	458	481	544	613	659	708	842	970
Total taxes on expenditure.....	2,385	2,512	2,585	2,715	2,843	3,054	3,281	3,423	3,732	4,179	4,619
Subsidies											
Food (household expenditure).....	216	255	234	216	216	274	288	258	214	208	180
Rent, rates and water charges.....	105	108	110	114	120	133	127	126	138	174	190
Travel	6	6	6	6	34	40	42	39	36	50	61
Other services (including catering)....	26	31	28	27	27	34	36	33	27	27	23
Income in kind not included elsewhere	2	2	2	2	1	1	2	1	1	1	1
Not allocated to categories.....	2	3	3	2	53	63	64	63	55	60	58
Total subsidies	357	405	383	367	451	545	559	520	471	520	513
Net taxes on expenditure.....	2,028	2,107	2,202	2,348	2,392	2,509	2,722	2,903	3,261	3,659	4,106

(1) Net taxes allocated to the other categories of final expenditure are shown in Table 50.

(2) The allocation of selective employment tax is described in notes on page 110.

V. COMPANIES

Appropriation account

TABLE 30

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income											
Income arising in the United Kingdom:											
Gross trading profits (1) (2)	2,949	3,102	3,010	3,348	3,771	3,676	3,629	4,143	4,645	4,867	4,646(3)
Rent and non-trading income	630	709	741	726	846	914	908	921	1,057	1,231	1,351
Total	3,579	3,811	3,751	4,074	4,617	4,590	4,537	5,064	5,702	6,098	5,997
Income from abroad (4)	824	870	964	994	960	988	1,087	1,181	1,268	1,413	1,362
Total	4,403	4,681	4,715	5,068	5,577	5,578	5,624	6,245	6,970	7,511	7,359
Allocation of income											
Dividends and interest:											
Payments:											
Debenture interest	64	75	85	96	107	120	141	162	184	200	230
Dividends on preference shares	110	109	108	108	112	117	119	121	124	124	121
Dividends on ordinary shares	601	645	685	799	1,020	1,149	1,146	1,235	1,490	1,688	1,633
Co-operative society dividends and interest	57	60	59	59	58	57	54	52	50	50	51
Interest on building society shares and deposits	82	101	108	115	127	149	172	184	211	265	314
Other interest paid by banks, etc.	87	95	104	75	134	159	137	128	186	260	303
Total	1,001	1,085	1,149	1,252	1,558	1,751	1,769	1,882	2,245	2,587	2,652
Additions to dividend reserves	31	39	122	202	64	19	63	173	56	—45	—62
Current transfers to charities	11	12	13	15	17	19	21	24	26	28	30
Profits due abroad net of United Kingdom tax (4)	139	153	171	201	192	153	169	197	235	260	220
United Kingdom taxes on income (5):											
Payments on profits due abroad	64	62	67	77	91	119	131	118	135	163	190
Payments on other profits	800	888	922	880	612	682	842	733	569	463	567
Additions to reserves on profits due abroad	—7	—6	17	32	40	—4	2	39	75	—25	—40
Additions to reserves on other profits	143	56	—136	—219	277	108	—152	—60	231	77	376
Taxes paid abroad	305	348	353	408	369	394	422	436	475	525	548
Balance: undistributed income after taxation (1)	1,916	2,044	2,037	2,220	2,357	2,337	2,357	2,703	2,923	3,478	2,878
Total	4,403	4,681	4,715	5,068	5,577	5,578	5,624	6,245	6,970	7,511	7,359

(1) Before providing for depreciation and stock appreciation.

(2) Including United Kingdom branches and subsidiaries of non-resident parent companies.

(3) After deduction of payments of selective employment tax and before allowing for refunds or premiums due but not yet received.

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

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

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Accruals	1,360	1,397	1,332	1,238	1,550	1,485	1,435	1,528	1,825	1,525	1,910
Payments	1,216	1,331	1,393	1,382	1,216	1,377	1,563	1,489	1,458	1,524	1,675

Capital account

TABLE 31

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Undistributed income after taxation(1)	1,916	2,044	2,037	2,220	2,357	2,337	2,357	2,703	2,923	3,478	2,878
Additions to dividend reserves	31	39	122	202	64	19	63	173	56	—45	—62
Additions to tax reserves	136	50	—119	—187	317	104	—150	—21	306	52	336
Capital transfers (net)	18	11	10	7	15	9	12	9	13	18	21
Total	2,101	2,144	2,050	2,242	2,753	2,469	2,282	2,864	3,298	3,503	3,173
Payments											
Gross domestic fixed capital formation	1,228	1,411	1,457	1,525	1,732	1,982	1,991	1,942	2,373	2,557	2,601
Increase in value of stocks and work in progress	394	331	51	200	665	394	155	362	800	613	403
Net acquisition of financial assets including net investment abroad	479	402	542	517	356	93	136	560	125	333	169
Total	2,101	2,144	2,050	2,242	2,753	2,469	2,282	2,864	3,298	3,503	3,173

(1) Before providing for depreciation and stock appreciation.

Appropriation and capital accounts of industrial and commercial companies (1)

TABLE 32

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Appropriation account											
<i>Income</i>											
Gross trading profits of companies operating in the United Kingdom (2)	3,092	3,266	3,176	3,520	3,969	3,863	3,819	4,343	4,869	5,119	4,933 ⁽³⁾
Rent and non-trading income arising in the United Kingdom <i>plus</i> income from abroad.....	950	1,008	1,119	1,161	1,146	1,201	1,290	1,394	1,501	1,681	1,639
Total	4,042	4,274	4,295	4,681	5,115	5,064	5,109	5,737	6,370	6,800	6,572
<i>Allocation of income</i>											
Dividend and interest payments:											
Dividends on ordinary and preference shares	682	729	769	878	1,096	1,232	1,223	1,313	1,564	1,761	1,708
Other	214	235	249	267	332	378	388	408	498	619	677
Total	896	964	1,018	1,145	1,428	1,610	1,611	1,721	2,062	2,380	2,385
Current transfers to charities (4)	11	12	13	15	17	19	21	24	26	28	30
United Kingdom taxes on income <i>plus</i> taxes paid abroad and profits due abroad	1,304	1,346	1,235	1,229	1,386	1,235	1,205	1,260	1,497	1,205	1,594
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	1,831	1,952	2,029	2,292	2,284	2,200	2,272	2,732	2,785	3,187	2,563
Total	4,042	4,274	4,295	4,681	5,115	5,064	5,109	5,737	6,370	6,800	6,572
Capital account											
<i>Receipts</i>											
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	..	..	..	2,292	2,284	2,200	2,272	2,732	2,785	3,187	2,563
Additions to tax reserves (4) .....	..	..	..	—187	317	104	—150	—21	306	52	336
Capital transfers (net receipts) (4) .....	..	..	..	7	15	9	12	9	13	18	21
Total .....	..	..	..	2,112	2,616	2,313	2,134	2,720	3,104	3,257	2,920
<i>Payments</i>											
Gross domestic fixed capital formation .....	..	..	..	1,450	1,652	1,886	1,886	1,833	2,247	2,401	2,418
Increase in value of stocks and work in progress (4)	..	..	..	200	665	394	155	362	800	613	403
Net acquisition of financial assets including net investment abroad .....	..	..	..	462	299	33	93	525	57	243	99
Total .....	..	..	..	2,112	2,616	2,313	2,134	2,720	3,104	3,257	2,920

(1) Including property companies but not banks and other financial institutions.

(2) Before providing for depreciation and stock appreciation.

(3) After deduction of payments of selective employment tax and before allowing for refunds or premiums due but not yet received.

(4) These figures relate to all companies since separate estimates for financial companies are not available.

Appropriation and capital accounts of financial companies

TABLE 33

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Appropriation account											
<i>Income</i>											
Gross trading profits (1)	-143	-164	-166	-172	-198	-187	-190	-200	-224	-252	-287
Rent, dividends and interest from industrial and commercial companies	167	180	192	206	278	317	309	317	409	531	565
Other rent and non-trading income arising in the United Kingdom <i>plus</i> income from abroad	530	601	620	585	700	748	745	745	882	1,047	1,167
Total	554	617	646	619	780	878	864	862	1,067	1,326	1,445
<i>Allocation of income</i>											
Debenture interest and dividend payments	189	211	224	242	278	303	334	354	410	483	533
Other interest payments	109	120	133	97	170	202	173	161	240	339	392
United Kingdom taxes on income <i>plus</i> taxes paid abroad and profits due abroad	140	155	159	150	195	217	209	203	223	258	267
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves	116	131	130	130	137	156	148	144	194	246	253
Total	554	617	646	619	780	878	864	862	1,067	1,326	1,445
Capital account											
<i>Receipts</i>											
Saving before providing for depreciation and stock appreciation <i>plus</i> additions to dividend reserves ..	..	..	..	130	137	156	148	144	194	246	253
<i>Payments</i>											
Gross domestic fixed capital formation (2).....	..	..	..	75	80	96	105	109	126	156	183
Net acquisition of financial assets including net investment abroad .....	..	..	..	55	57	60	43	35	68	90	70
Total .....	..	..	..	130	137	156	148	144	194	246	253

(1) This represents the contribution of financial companies to the gross domestic product. It is the difference between bank charges, commissions, etc. on the one hand and management expenses on the other.

(2) Including gross domestic fixed capital formation financed from funds of life assurance and superannuation schemes.

Appropriation account of non-nationalised companies (1)

TABLE 34

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income											
Income arising in the United Kingdom:											
Gross trading profits (2) (3)	2,844	2,965	2,874	3,195	3,596	3,543	3,519	4,017	4,495	4,726	4,511 ⁽⁴⁾
Rent and non-trading income.....	626	704	736	721	841	908	902	915	1,050	1,223	1,343
Total	3,470	3,669	3,610	3,916	4,437	4,451	4,421	4,932	5,545	5,949	5,854
Income from abroad (5)	824	870	964	994	960	988	1,087	1,181	1,268	1,413	1,362
Total	4,294	4,539	4,574	4,910	5,397	5,439	5,508	6,113	6,813	7,362	7,216
Allocation of income											
Dividends and interest:											
Payments:											
Debenture interest	62	66	77	89	100	113	133	154	176	193	223
Dividends on preference shares	108	107	106	106	110	115	117	119	122	122	119
Dividends on ordinary shares.....	591	632	665	776	995	1,119	1,118	1,210	1,454	1,647	1,601
Co-operative society dividends and interest	57	60	59	59	58	57	54	52	50	50	51
Interest on building society shares and deposits	82	101	108	115	127	149	172	184	211	265	314
Other interest paid by banks, etc.	87	95	104	75	134	159	137	128	186	260	303
Total	987	1,061	1,119	1,220	1,524	1,712	1,731	1,847	2,199	2,537	2,611
Additions to dividend reserves	26	37	119	201	61	19	65	166	54	—39	—62
Current transfers to charities.....	11	12	13	15	17	19	21	24	26	28	30
Profits due abroad net of United Kingdom tax (5)	139	153	171	201	192	153	169	197	235	260	220
United Kingdom taxes on income:											
Payments on profits due abroad	64	62	67	77	91	119	131	118	135	163	190
Payments on other profits	806	867	894	845	588	655	809	722	575	470	547
Additions to reserves on profits due abroad	—7	—6	17	32	40	—4	2	39	75	—25	—40
Additions to reserves on other profits	106	40	—135	—211	266	124	—115	—51	217	55	391
Taxes paid abroad	305	348	353	408	369	394	422	436	475	525	548
Balance: undistributed income after taxation but before providing for depreciation and stock appreciation	1,857	1,965	1,956	2,122	2,249	2,248	2,273	2,615	2,822	3,388	2,781
Total	4,294	4,539	4,574	4,910	5,397	5,439	5,508	6,113	6,813	7,362	7,216

(1) All companies except those nationalised during some part of the period 1938 to 1966.

(2) Before providing for depreciation and stock appreciation.

(3) Including United Kingdom branches and subsidiaries of non-resident parent companies.

(4) After deduction of payments of selective employment tax and before allowing for refunds or premiums due but not yet received.

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

Trading profits by industry

TABLE 35

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Gross profits of companies operating in the United Kingdom (1)										
Forestry and fishing.....	6	6	5	5	5	7	7	7	9	6
Mining and quarrying.....	20	20	19	22	25	26	27	32	40	38
Manufacturing:										
Food, drink and tobacco.....	307	320	340	358	380	405	425	476	465	517
Chemicals and allied industries.....	243	265	249	282	319	300	305	331	381	412
Metal manufacture.....	199	235	217	265	315	269	224	241	297	302
Engineering and electrical goods.....	409	447	428	451	478	486	496	538	628	655
Shipbuilding and marine engineering.....	32	35	32	30	22	21	12	10	10	9
Vehicles.....	133	155	176	203	204	148	169	227	250	254
Metal goods not elsewhere specified.....	113	112	112	105	130	126	119	125	153	175
Textiles.....	166	157	124	167	185	170	170	218	204	216
Leather, leather goods and fur.....	8	7	7	11	11	9	9	10	12	11
Clothing and footwear.....	48	48	44	53	63	56	50	59	62	68
Bricks, pottery, glass, cement, etc.....	73	71	74	90	106	105	101	108	147	143
Timber, furniture, etc.....	21	23	20	24	28	24	25	29	37	38
Paper, printing and publishing.....	137	134	138	153	182	161	170	183	203	223
Other manufacturing industries.....	45	50	45	53	65	63	62	75	94	102
Total.....	1,934	2,059	2,006	2,245	2,488	2,343	2,337	2,630	2,943	3,125
Construction.....	101	98	111	116	133	138	152	181	222	224
Gas, electricity and water.....	9	9	10	18	27	27	18	19	21	20
Transport and communication.....	259	259	193	195	232	219	241	266	318	311
Distributive trades.....	520	533	519	571	637	646	680	775	842	893
Insurance, banking and finance (2).....	407	458	476	483	565	633	654	677	792	948
Other services.....	101	131	154	192	214	220	192	270	279	303
Adjustments.....	-408	-471	-483	-499	-555	-583	-679	-714	-821	-1,001
Total.....	2,949	3,102	3,010	3,348	3,771	3,676	3,629	4,143	4,645	4,867
Net profits of companies operating in the United Kingdom (3)										
Forestry and fishing.....	3	—	—	-1	-1	2	—	—	2	—
Mining and quarrying.....	14	13	12	13	13	14	13	16	20	17
Manufacturing:										
Food, drink and tobacco.....	257	264	273	282	293	312	315	347	313	359
Chemicals and allied industries.....	165	173	134	183	206	162	162	157	170	167
Metal manufacture.....	152	164	135	166	201	136	85	82	127	125
Engineering and electrical goods.....	328	359	327	335	348	323	328	346	396	415
Shipbuilding and marine engineering.....	26	28	23	20	12	12	4	—	—	—
Vehicles.....	90	109	134	136	135	62	78	92	116	103
Metal goods not elsewhere specified.....	90	88	85	79	99	91	82	83	101	122
Textiles.....	122	118	82	119	126	108	107	124	103	115
Leather, leather goods and fur.....	6	5	5	9	9	6	7	7	9	7
Clothing and footwear.....	40	41	36	44	53	45	39	46	47	56
Bricks, pottery, glass, cement, etc.....	54	51	51	64	74	69	57	63	88	75
Timber, furniture, etc.....	15	17	14	17	20	16	17	18	24	26
Paper, printing and publishing.....	107	102	99	110	135	108	112	114	120	145
Other manufacturing industries.....	31	36	28	36	43	39	36	40	53	60
Total.....	1,483	1,555	1,426	1,600	1,754	1,489	1,429	1,519	1,667	1,775
Construction.....	71	71	79	76	85	81	92	102	125	139
Gas, electricity and water.....	2	3	2	5	13	7	5	—	—	—
Transport and communication.....	142	89	7	6	37	44	51	71	73	57
Distributive trades.....	440	446	404	448	496	487	504	557	588	639
Insurance, banking and finance(2).....	401	453	469	474	552	618	635	652	753	905
Other services.....	74	105	122	151	164	165	128	184	162	182
Adjustments.....	-408	-471	-483	-499	-555	-583	-679	-714	-821	-1,001
Total.....	2,222	2,264	2,038	2,273	2,558	2,324	2,178	2,387	2,569	2,713

(1) Before providing for depreciation and stock appreciation.

(2) Including net receipts of interest.

(3) Net profits are equal to gross profits less the statutory depreciation allowances granted for purposes of income tax assessment.

VI. PUBLIC CORPORATIONS

Operating account

TABLE 36

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Sales:											
Revenue sales outside sector	2,441	2,550	2,559	2,613	2,718	3,147	3,479	3,671	3,939	} 4,708	4,905
Revenue sales inside sector	445	454	450	415	435	490	522	545	550		
Sales to own capital account	124	144	137	158	171	239	268	289	316		349	358
Subsidies	4	4	4	5	121	143	148	142	130	145	151
Total	3,014	3,152	3,150	3,191	3,445	4,019	4,417	4,647	4,935	5,202	5,414
Payments											
Wages, salaries, etc.	1,308	1,386	1,387	1,364	1,415	1,690	1,845	1,907	2,001	2,125	2,213
Purchases of goods and services	1,336	1,453	1,391	1,374	1,402	1,606	1,728	1,763	1,911	1,972	2,082
less Increase in value of stocks and work in progress	-26	-68	-33	-10	11	-9	-2	31	-12	-5	-41
Taxes on expenditure:											
Rates	32	37	41	46	49	55	61	59	60	65	69
Motor vehicle, catering licences, etc.	4	4	4	3	3	4	4	6	6	8	8
Balance: gross trading surplus and rent before providing for depreciation and stock appreciation	360	340	360	414	565	673	781	881	969	1,037	1,083
Total	3,014	3,152	3,150	3,191	3,445	4,019	4,417	4,647	4,935	5,202	5,414

Appropriation account

TABLE 37

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Income											
Gross trading surplus before providing for depreciation and stock appreciation	345	323	340	391	539	645	751	846	931	995	1,038
Rent	15	17	20	23	26	28	30	35	38	42	45
Non-trading income	28	34	30	32	40	42	43	30	33	42	46
Income from abroad	4	4	5	6	6	8	8	7	8	8	8
Total	392	378	395	452	611	723	832	918	1,010	1,087	1,137
Allocation of income											
Interest and dividends:											
Payments:											
On loans from central government	31	46	76	97	136	185	252	241	291	304	371
Other	126	144	149	159	154	162	170	94	105	120	105
Additions to interest and dividend reserves	16	8	6	5	6	9	-23	40	10	8	12
United Kingdom taxes on income:											
Payments	30	22	21	11	12	12	8	6	6	3	31
Additions to tax reserves	-9	-11	-21	1	1	-2	-5	-3	-	4	-25
Balance: undistributed income before providing for depreciation and stock appreciation	198	169	164	179	302	357	430	540	598	648	643
Total	392	378	395	452	611	723	832	918	1,010	1,087	1,137

Capital account

TABLE 38

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Undistributed income before providing for depreciation and stock appreciation	198	169	164	179	302	357	430	540	598	648	643
Additions to interest and dividend reserves	16	8	6	5	6	9	-23	40	10	8	12
Additions to tax reserves	-9	-11	-21	1	1	-2	-5	-3	—	4	-25
Capital transfers (net):											
On writing-off debt	—	—	—	—	—	—	10	432	—	525	—
Other	16	9	7	7	7	8	9	10	10	11	11
<i>Transactions in financial assets</i>											
Loans from central government (net):											
On writing-off debt	—	—	—	—	—	—	-10	957	—	-473	—
Other	267	602	576	616	483	542	492	432	577	667	867
Stock issued less stock redeemed:											
On transfer of liability to central government	—	—	—	—	—	—	—	-1,444	—	-52	—
Other	21	2	-2	-2	1	-3	-4	3	-2	5	-12
Total	509	779	730	806	800	911	899	967	1,193	1,343	1,496
Payments											
Gross domestic fixed capital formation	589	660	694	758	788	905	933	1,024	1,187	1,295	1,447
Increase in value of stocks and work in progress	26	68	33	10	-11	9	2	-31	12	5	41
<i>Transactions in financial assets</i>											
Net lending to private sector	—	11	-3	2	1	2	-1	8	-12	4	8
Net lending and investment abroad	9	7	6	6	7	22	7	1	6	7	6
Cash expenditure on company securities, etc. (net) .....	..	..	..	..	..	..	..	..	1	7	22
Net acquisition of other financial assets	-115	33	—	30	15	-27	-42	-35	-1	25	-28
Total	509	779	730	806	800	911	899	967	1,193	1,343	1,496

Analysis of appropriation accounts by industry

TABLE 39

£ million

		1959	1960	1961	1962	1963	1964	1965
Income								
Gross trading surplus before providing for depreciation and stock appreciation	Fuel and power	318	348	391	469	529	559	592
	Iron and steel	16	18	13	3	6	12	13
	Transport and communication	59	161	235	265	315	346	370
	Housing and new town corporations	4	5	6	6	6	7	8
	Other corporations	-6	7	-	8	-10	7	12
	Total	391	539	645	751	846	931	995
Rent and non-trading income								
	Fuel and power	16	18	19	20	22	23	25
	Iron and steel	7	8	3	4	2	1	1
	Transport and communication	10	12	13	16	15	16	18
	Housing and new town corporations	10	12	13	14	16	18	20
	Other corporations	12	16	22	19	10	13	20
	Total	55	66	70	73	65	71	84
Income from abroad								
	Fuel and power	-	-	-	-	-	-	-
	Iron and steel	-	-	-	-	-	-	-
	Transport and communication	4	4	4	4	2	3	2
	Housing and new town corporations	-	-	-	-	-	-	-
	Other corporations	2	2	4	4	5	5	6
	Total	6	6	8	8	7	8	8
Total								
	Fuel and power	334	366	410	489	551	582	617
	Iron and steel	23	26	16	7	8	13	14
	Transport and communication	73	177	252	285	332	365	390
	Housing and new town corporations	14	17	19	20	22	25	28
	Other corporations	8	25	26	31	5	25	38
	Total	452	611	723	832	918	1,010	1,087
Allocation of income								
Provision for interest and dividends	Fuel and power	145	163	178	193	206	227	240
	Iron and steel	6	6	4	10	9	8	9
	Transport and communication	92	103	142	163	133	139	144
	Housing and new town corporations	14	16	17	19	21	24	27
	Other corporations	4	8	15	14	6	8	12
	Total	261	296	356	399	375	406	432
United Kingdom taxes on income								
	Fuel and power	-	-	-	-	-	-	-
	Iron and steel	8	8	5	-1	-1	1	1
	Transport and communication	1	1	1	1	3	5	1
	Housing and new town corporations	-	-	-	-	-	-	-
	Other corporations	3	4	4	3	1	-	5
	Total	12	13	10	3	3	6	7
Balance: undistributed income before providing for depreciation and stock appreciation								
	Fuel and power	189	203	232	296	345	355	377
	Iron and steel	9	12	7	-2	-	4	4
	Transport and communication	-20	73	109	121	196	221	245
	Housing and new town corporations	-	1	2	1	1	1	1
	Other corporations	1	13	7	14	-2	17	21
	Total	179	302	357	430	540	598	648
Total								
	Fuel and power	334	366	410	489	551	582	617
	Iron and steel	23	26	16	7	8	13	14
	Transport and communication	73	177	252	285	332	365	390
	Housing and new town corporations	14	17	19	20	22	25	28
	Other corporations	8	25	26	31	5	25	38
	Total	452	611	723	832	918	1,010	1,087

Analysis of capital accounts by industry

TABLE 40

£ million

		1959	1960	1961	1962	1963	1964	1965
Receipts								
Undistributed income before providing for depreciation and stock appreciation	Fuel and power	189	203	232	296	345	355	377
	Iron and steel	9	12	7	-2	—	4	4
	Transport and communication	-20	73	109	121	196	221	245
	Housing and new town corporations	—	1	2	1	1	1	1
	Other corporations	1	13	7	14	-2	17	21
	Total	179	302	357	430	540	598	648
Capital transfers (net)	Fuel and power	7	7	8	8	8	9	424(1)
	Iron and steel	—	—	—	—	—	—	—
	Transport and communication	—	—	—	10	432(1)	—	110(1)
	Housing and new town corporations	—	—	—	—	1	—	—
	Other corporations	—	—	—	1	1	1	2
	Total	7	7	8	19	442(1)	10	536(1)
Loans from central government (net)	Fuel and power	361	246	225	269	305	419	44(1)
	Iron and steel	10	11	75	48	19	7	1
	Transport and communication	214	199	186	135	1,011(1)	115	95(1)
	Housing and new town corporations	29	26	27	31	37	48	54
	Other corporations	2	1	29	-1	17	-12	—
	Total	616	483	542	482	1,389(1)	577	194(1)
Stock issued less stock redeemed	Fuel and power	-2	2	-2	-3	4	-1	5
	Iron and steel	—	—	—	—	—	—	—
	Transport and communication	—	-1	-1	-1	-1,445(1)	-1	-52(1)
	Housing and new town corporations	—	—	—	—	—	—	—
	Other corporations	—	—	—	—	—	—	—
	Total	-2	1	-3	-4	-1,441(1)	-2	-47(1)
Total	Fuel and power	555	458	463	570	662	782	850
	Iron and steel	19	23	82	46	19	11	5
	Transport and communication	194	271	294	265	194	335	398
	Housing and new town corporations	29	27	29	32	39	49	55
	Other corporations	3	14	36	14	16	6	23
	Total	800	793	904	927	930	1,183	1,331
Payments								
Gross domestic fixed capital formation	Fuel and power	493	463	496	551	668	783	841
	Iron and steel	11	47	76	39	8	6	3
	Transport and communication	218	245	297	296	298	337	379
	Housing and new town corporations	31	27	29	36	39	53	60
	Other corporations	5	6	7	11	11	8	12
	Total	758	788	905	933	1,024	1,187	1,295
Increase in value of stocks and work in progress	Fuel and power	31	-15	-10	12	-29	14	2
	Iron and steel	-2	3	4	4	7	2	—
	Transport and communication	-19	1	15	-14	-9	-4	3
	Housing and new town corporations	—	—	—	—	—	—	—
	Other corporations	—	—	—	—	—	—	—
	Total	10	-11	9	2	-31	12	5
Net acquisition of other financial assets including net investment abroad less additions to tax and interest and dividend reserves	Fuel and power	31	10	-23	7	23	-15	7
	Iron and steel	10	-27	2	3	4	3	2
	Transport and communication	-5	25	-18	-17	-95	2	16
	Housing and new town corporations	-2	—	—	-4	—	-4	-5
	Other corporations	-2	8	29	3	5	-2	11
	Total	32	16	-10	-8	-63	-16	31
Total	Fuel and power	555	458	463	570	662	782	850
	Iron and steel	19	23	82	46	19	11	5
	Transport and communication	194	271	294	265	194	335	398
	Housing and new town corporations	29	27	29	32	39	49	55
	Other corporations	3	14	36	14	16	6	23
	Total	800	793	904	927	930	1,183	1,331

(1) Including financial transactions on writing-off debt. See Table 38 and notes on pages 115 and 117.

VII. CENTRAL GOVERNMENT INCLUDING NATIONAL INSURANCE FUNDS

Current account

TABLE 41

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Taxes on income:											
Income tax	2,020	2,190	2,285	2,328	2,285	2,565	2,846	2,823	2,942	3,373	4,119
Surtax	145	159	161	169	178	196	230	174	179	184	210
Profits tax	192	240	276	258	260	315	378	387	407	465	135
Excess profits tax, excess profits levy, etc.	7	3	3	3	2	2	1	1	1	1	—
Corporation tax	—	—	—	—	—	—	—	—	—	—	23
less Overspill relief	—	—	—	—	—	—	—	—	—	—	—38
Total	2,364	2,592	2,725	2,758	2,725	3,078	3,455	3,385	3,529	4,023	4,449
Taxes on expenditure:											
Customs and excise duties:											
Beer	260	262	255	226	220	241	257	257	292	332	361
Wines and spirits	156	159	159	171	180	200	210	225	267	285	314
Tobacco	685	714	737	768	818	858	879	894	942	1,000	1,029
Hydrocarbon oils (1)	333	326	341	371	401	480	547	572	640	771	856
Protective duties	88	102	110	126	154	151	148	153	183	176	182
Temporary charge on imports	—	—	—	—	—	—	—	—	26	167	133
Purchase tax (1) (2)	458	494	497	501	510	521	571	565	633	647	686
Entertainments	41	31	16	8	2	—	—	—	—	—	—
Television licence	—	4	9	10	11	12	13	8	—	—	—
Television advertisement	—	—	—	—	—	4	8	8	3	—	—
Betting	29	30	34	37	41	40	36	29	33	33	43
Other	36	32	34	32	29	33	18	10	15	14	13
Total	2,086	2,154	2,192	2,250	2,366	2,540	2,687	2,721	3,034	3,425	3,617
Motor vehicle licence duties (1)	92	98	106	112	125	141	164	182	194	239	270
less Export rebates	—	—	—	—	—	—	—	—	—	—47	—96
Selective employment tax (2)	—	—	—	—	—	—	—	—	—	—	307
Transport levy	4	—	—	—	—	—	—	—	—	—	—
Stamp duties	63	68	61	93	94	97	95	92	83	76	78
Post Office contribution to the Exchequer	4	5	5	5	5	2	1	1	2	2	2
Broadcast licence revenue retained by Exchequer	2	3	3	3	2	—	—	—	—	—	—
Miscellaneous	20	23	23	23	28	32	33	38	46	71	65
Total (2)	2,271	2,351	2,390	2,486	2,620	2,812	2,980	3,034	3,359	3,766	4,243
National insurance contributions	642	657	760	784	795	930	1,034	1,138	1,275	1,518	1,613
National health contributions			99	113	118	142	163	165	169	166	166
Redundancy Fund contributions			—	—	—	—	—	—	—	—	1	18
Gross trading surplus (3) (4):											
Post Office (excluding Savings Bank)	61	72	95	99	111	27	—	—	—	—	—
Other	25	18	18	17	18	19	17	17	24	24	15
Rent (5):											
Temporary houses and Forces' married quarters	9	9	9	10	10	10	4	2	3	3	4
Other	53	57	62	70	79	91	101	95	91	89	92
Interest and dividends, etc.:											
On loans to local authorities	114	120	124	123	123	124	124	123	125	142	171
On loans to public corporations	31	46	76	97	136	185	252	241	291	304	371
Other	81	68	77	94	78	95	121	97	100	124	131
Current grants from overseas govern- ments	26	21	3	—	—	—	—	—	—	—	—
Total	5,677	6,011	6,438	6,651	6,813	7,513	8,251	8,297	8,966	10,160	11,273

(1) Before deducting Export rebates.

(2) See note on page 113.

(3) Before providing for depreciation and stock appreciation.

(4) Excluding Post Office from April 1961.

(5) Before providing for depreciation.

Current account

TABLE 41 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Expenditure											
Current expenditure on goods and services:											
Military defence	1,544	1,521	1,466	1,512	1,583	1,683	1,804	1,849	1,925	2,066	2,162
Civil defence	11	9	8	9	9	9	9	10	11	11	10
External relations	43	45	49	54	58	62	66	73	82	87	97
Roads and public lighting	13	15	16	17	18	18	20	24	23	23	28
Transport and communication	12	13	13	15	16	16	16	16	17	15	12
Employment services	18	19	19	20	22	22	22	23	25	30	31
Other industry and trade	15	16	18	20	22	26	32	35	42	49	61
Research	32	38	43	53	65	74	85	90	86	84	91
Agriculture, fishing and food	25	26	27	29	32	33	35	36	39	42	44
Police and prisons	13	15	18	20	23	25	26	29	33	36	38
Parliament and law courts	9	10	10	11	12	14	15	16	18	22	23
National health service	555	597	632	683	747	800	823	875	941	1,057	1,158
Social security benefits	57	64	65	74	76	79	88	92	105	110	118
Finance and tax collection	77	83	86	97	102	106	111	115	117	123	144
Records, registrations and surveys	6	7	7	8	8	9	9	11	11	12	14
Other	45	56	68	85	72	89	75	47	55	47	80
Total	2,475	2,534	2,545	2,707	2,865	3,065	3,236	3,341	3,530	3,814	4,111
Subsidies:											
Housing (1)	76	78	81	86	89	91	88	88	94	102	108
Agriculture and food	245	290	266	246	245	311	328	294	244	238	204
Nationalised transport undertakings (2)	—	—	—	—	115	137	141	136	123	138	142
Other transport and communication	6	6	6	6	5	3	2	1	1	11	18
Other	3	3	3	3	2	2	2	3	3	3	4
Total	330	377	356	341	456	544	561	522	465	492	476
Current grants to personal sector:											
Post-war credits	17	17	18	62	25	18	54	30	17	18	17
Education:											
Scholarships and maintenance allowances	4	4	5	5	5	7	12	13	14	15	16
Grants to universities, colleges, etc.	28	31	35	39	47	47	62	77	95	114	138
Grants to other private non-profit-making bodies	14	15	17	19	22	23	24	23	26	29	31
Child care	2	2	2	2	2	2	3	3	3	3	4
Milk and welfare food schemes	37	33	25	27	27	29	29	33	36	40	43
Social security benefits:											
National insurance (3) (4)	670	702	912	987	992	1,125	1,213	1,413	1,497	1,775	1,894
War pensions and service grants (4)	86	83	95	93	90	95	96	100	104	111	114
Non-contributory pensions	17	15	15	13	12	10	9	7	6	5	5
Supplementary benefits (5)	109	117	121	141	172	169	187	218	224	245	273
Family allowances	116	129	129	133	136	140	140	146	149	152	154
Employment services	5	5	5	5	5	5	5	6	6	8	29
Other	11	19	19	18	20	24	25	30	38	35	47
Total	1,116	1,172	1,398	1,544	1,555	1,694	1,859	2,099	2,215	2,550	2,765
Debt interest	723	705	780	774	861	897	878	931	943	969	1,041
Current grants to local authorities (6)	544	621	660	711	780	828	926	1,031	1,159	1,248	1,479
Current grants to overseas countries and international organisations	66	68	69	73	84	108	110	120	151	163	165
National insurance and war pensions paid to non-residents	7	7	8	9	10	10	11	12	12	15	17
Total current expenditure	5,261	5,484	5,816	6,159	6,611	7,146	7,581	8,056	8,475	9,251	10,054
Balance: current surplus before providing for depreciation and stock appreciation	416	527	622	492	202	367	670	241	491	909	1,219
Total	5,677	6,011	6,438	6,651	6,813	7,513	8,251	8,297	8,966	10,160	11,273

(1) For detail see Table 49.

(2) See note on page 114.

(3) For detail see Table 44.

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

(5) Assistance grants up to 27 November 1966.

(6) For detail see Table 45.

Capital account

TABLE 42

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Current surplus before providing for depreciation and stock appreciation	416	527	622	492	202	367	670	241	491	909	1,219
Taxes on capital	166	176	182	212	236	259	266	308	308	290	317
<i>Transactions in financial assets</i>											
Proceeds of iron and steel disposals.....	28	47	3	2	9	87	10	22	18	—	—
Receipts from certain pension 'funds' (net).....	22	31	33	34	43	52	46	68	56	52	64
Northern Ireland central government:											
Net sales of securities	—1	—	—	—1	—1	11	12	6	—1	5	6
Increase in other debt.....	—	—	—	4	3	2	2	—1	12	—2	8
Adjustment for purchase tax (1)	3	—10	—4	1	21	—12	—15	—7	—14	1	—7
Adjustment for subsidies (1)	—2	—	—6	—2	38	8	—46	7	26	4	—2
Transactions in marketable securities on acquisition of the capital of certain undertakings	2	—	—	—	—	—	—	1,402	—	52	—
Miscellaneous financial receipts (net) and changes in cash balances	—20	30	—35	27	22	—92	57	69	22	—61	21
Net balance (2) :											
Increase in net indebtedness to Bank of England, Banking Department	—4	—27	—1	63	164	91	—253	—32	68	152	44
Increase in notes and coin in circulation.....	124	126	42	85	123	97	6	154	157	193	148
Increase in non-marketable debt:											
National savings	28	37	178	357	283	145	133	185	209	—28	—202
Tax reserve certificates	—17	5	23	—25	35	6	—56	—59	—37	—106	79
Receipts from market transactions:											
Treasury bills	—196	21	47	95	—42	—178	—269	24	—375	—39	—10
Government and government guaranteed securities	14	—29	132	—305	148	—218	599	—137	—114	222	230
Direct borrowing (net) from overseas governments and institutions:											
Borrowing from overseas governments	—	89	—	37	—	18	—	—	—	—	51
less Repayments to overseas governments.....	—70	—30	—60	—183	—72	—82	—44	—45	—36	—16	—48
Increase in holdings of interest-free notes by the International Monetary Fund	202	2	—10	97	—151	373	—379	5	359	496	159
less Capital subscriptions to the International Monetary Fund and European Fund	—	—	—	—236	1	—	—	—	—	—	—175
Other.....	—	—	—	35	—7	—2	—	—	70	—31	—24
less Increase in gold and currency reserves	—39	—24	—271	136	—175	—30	184	53	122	—246	282
Net balance	42	170	80	156	307	220	—79	148	423	597	534
Total	656	971	875	925	880	902	923	2,263	1,341	1,847	2,160

(1) For definition see note on page 115.

(2) The Net balance is equal to government borrowing less any increase (or plus any decrease) in its holdings of gold and currency reserves.

Capital account

TABLE 42 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Payments											
Gross domestic fixed capital formation:											
Military defence	56	69	57	44	32	25	20	19	25	18	29
Civil defence	7	5	2	2	1	1	3	2	2	2	2
Roads	7	12	30	42	40	51	73	79	108	106	121
Civil aerodromes	3	5	5	3	3	5	5	8	9	10	11
Post Office (1).....	95	98	91	90	98	34	—	—	—	—	—
Other industry and trade	10	7	6	4	5	5	4	4	5	11	16
Research	8	11	13	17	19	23	25	21	20	24	22
Agriculture, forestry and food	3	3	3	3	4	4	4	4	4	5	5
National health service	18	24	26	30	32	38	46	50	65	78	90
Police and prisons	2	2	2	3	4	5	6	7	8	7	6
Other services	12	9	10	14	18	26	29	31	35	38	39
Total	221	245	245	252	256	217	215	225	281	299	341
Increase in value of stocks:											
Trading bodies (2)	—5	3	5	6	12	16	19	18	20	24	27
Strategic stocks	—19	—39	—13	—16	—29	—9	—7	—8	—3	—1	—2
Total	—24	—36	—8	—10	—17	7	12	10	17	23	25
Capital transfers:											
Capital grants to private sector (2):											
Grants to universities, colleges, etc.	8	11	15	20	22	27	37	51	65	82	93
Town and Country Planning compensation	25	12	8	6	3	3	1	—	—	—	—
War damage compensation	23	21	18	12	9	7	6	5	3	3	3
Other	20	18	23	25	39	39	53	48	61	74	71
Capital grants to local authorities (3):											
War damage compensation	2	2	2	1	1	1	1	1	1	1	1
Other	20	26	31	34	43	44	54	61	72	77	81
Capital grants to public corporations (4):											
On writing-off debt	—	—	—	—	—	—	10	432	—	525	—
Other	10	1	—	—	—	1	1	1	1	2	2
Total	108	91	97	98	117	122	163	599	203	764	251
Transactions in financial assets											
Net lending:											
Net lending to private sector:											
Industry and trade	—5	2	—6	3	3	34	48	18	17	42	15
Building societies	—	—	—	8	37	46	—9	—7	—3	—2	—3
Housing associations	—	—	—	—	—	—	—	2	3	6	6
Other	2	4	1	4	4	5	3	2	3	2	2
Net lending to public sector:											
Local authorities	90	62	—31	—35	—36	—21	—35	—31	172	455	546
Public corporations:											
Loans written-off	—	—	—	—	—	—	—10	—487	—	—525	—
Transfer of liability for stock	—	—	—	—	—	—	—	1,444	—	52	—
Other	267	602	576	616	483	542	492	432	577	667	867
Net lending to overseas sector:											
Loans to overseas governments	9	16	21	48	61	61	62	66	84	74	95
less Repayments by overseas governments	—29	—32	—37	—76	—41	—109	—15	—14	—19	—24	—30
Drawings from United Kingdom subscriptions to international lending bodies	11	15	17	21	19	1	1	7	7	16	10
Other	4	2	—	—4	—6	—3	—4	—3	—1	—2	2
Total net lending	349	671	541	585	524	556	533	1,429	840	761	1,510
Cash expenditure on company securities (net)	—	—	—	—	—	—	—	—	—	—	33
Coal compensation: issues of stock	2	—	—	—	—	—	—	—	—	—	—
Total	656	971	875	925	880	902	923	2,263	1,341	1,847	2,160

(1) From April 1961 the Post Office is treated as a public corporation.

(2) For functional analysis see Table 53.

(3) For functional analysis see Table 46.

(4) For analysis by industry see Table 40.

Current account of central government excluding National Insurance Funds

TABLE 43

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Taxes on income.....	2,364	2,592	2,725	2,758	2,725	3,078	3,455	3,385	3,529	4,023	4,449
Taxes on expenditure	2,271	2,351	2,390	2,486	2,620	2,812	2,980	3,034	3,359	3,766	4,243
Gross trading surplus (1).....	86	90	113	116	129	46	17	17	24	24	15
Rent (2).....	62	66	71	80	89	101	105	97	94	92	96
Interest and dividends, etc.	206	214	256	293	316	384	477	446	503	557	661
National health contributions:											
From National Insurance Funds....	41	29	—	—	—	—	—	—	—	—	—
From employers and insured persons	—	26	99	113	118	142	163	165	169	166	166
Redundancy Fund contributions.....	—	—	—	—	—	—	—	—	—	1	18
Current grants from overseas governments	26	21	3	—	—	—	—	—	—	—	—
Total	5,056	5,389	5,657	5,846	5,997	6,563	7,197	7,144	7,678	8,629	9,648
Expenditure											
Current expenditure on goods and services	2,441	2,494	2,504	2,659	2,817	3,015	3,182	3,279	3,465	3,743	4,037
Subsidies	330	377	356	341	456	544	561	522	465	492	476
Current grants to personal sector	446	470	486	557	563	569	646	686	718	775	871
Debt interest:											
To National Insurance Funds.....	35	37	39	41	43	47	48	53	57	60	64
Other	723	705	780	774	861	897	878	931	943	969	1,041
Current grants to National Insurance Funds	106	109	149	211	190	187	201	226	235	292	306
Current grants to local authorities.....	544	621	660	711	780	828	926	1,031	1,159	1,248	1,479
Current grants abroad	71	73	75	79	90	114	116	127	157	170	172
Total expenditure	4,696	4,886	5,049	5,373	5,800	6,201	6,558	6,855	7,199	7,749	8,446
Balance: current surplus before providing for depreciation and stock appreciation	360	503	608	473	197	362	639	289	479	880	1,202
Total	5,056	5,389	5,657	5,846	5,997	6,563	7,197	7,144	7,678	8,629	9,648

(1) Before providing for depreciation and stock appreciation.

(2) Before providing for depreciation.

Current account of National Insurance Funds

TABLE 44

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Contributions from employers:											
H.M. Forces.....	11	10	11	10	9	10	9	9	10	12	13
Other insured persons	293	294	366	382	389	461	513	566	635	782	835
Total	304	304	377	392	398	471	522	575	645	794	848
Contributions from insured persons:											
H.M. Forces.....	8	7	8	7	6	7	8	9	10	12	12
Other employed persons	292	285	337	347	352	410	456	499	560	645	677
Self-employed persons	30	28	32	33	34	37	39	43	47	52	58
Non-employed persons	8	7	6	5	5	5	5	5	5	6	7
Total	338	327	383	392	397	459	508	556	622	715	754
Payments in lieu of graduated contributions	—	—	—	—	—	—	4	7	8	9	11
Grants from central government	106	109	149	211	190	187	201	226	235	292	306
Interest	55	57	60	62	64	67	68	68	70	73	76
Total	803	797	969	1,057	1,049	1,184	1,303	1,432	1,580	1,883	1,995
Expenditure											
Current expenditure on goods and services	34	40	41	48	48	50	54	62	65	71	74
Current grants to personal sector:											
Retirement pensions	450	468	605	661	679	769	816	930	1,022	1,204	1,282
Widows' benefits and guardians' allowances	39	43	57	62	67	79	87	98	108	133	144
Unemployment benefit	22	27	49	51	35	36	55	82	53	55	65
Sickness benefit	105	109	131	140	135	154	163	198	199	247	264
Maternity benefit	15	16	20	20	21	24	26	28	31	36	37
Death grant	4	4	5	5	6	6	6	7	7	8	8
Injury benefit	13	12	17	18	18	20	20	25	27	34	33
Disablement benefit	20	21	25	27	28	33	36	40	44	51	54
Industrial death benefit.....	2	2	3	3	3	4	4	5	6	7	7
Total	670	702	912	987	992	1,125	1,213	1,413	1,497	1,775	1,894
Current grants abroad	2	2	2	3	4	4	5	5	6	8	10
Contribution towards cost of national health service	41	29	—	—	—	—	—	—	—	—	—
Balance: current surplus.....	56	24	14	19	5	5	31	—48	12	29	17
Total	803	797	969	1,057	1,049	1,184	1,303	1,432	1,580	1,883	1,995

VIII. LOCAL AUTHORITIES

Current account

TABLE 45

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Current grants from central government:											
Grants not allocated to specific services	88	105	114	410	594	632	720	788	900	967	1,166
Civil defence	3	3	4	4	4	5	5	7	7	7	8
Roads	25	26	26	26	28	30	33	41	42	43	46
Agricultural services	2	2	2	2	1	1	1	1	1	1	1
Police	44	47	50	56	59	68	67	82	89	96	109
Administration of justice	4	4	4	5	5	6	7	8	9	10	12
Fire service	5	6	6	2	1	—	—	—	—	—	—
Social services:											
Education (1)	334	385	406	183	77	75	81	89	94	105	119
National health service	26	28	32	13	3	1	1	1	1	1	1
Child care	8	9	9	4	1	1	1	2	2	2	2
Other specific services	5	6	7	6	7	9	10	12	14	16	15
Total	544	621	660	711	780	828	926	1,031	1,159	1,248	1,479
Rates	556	615	650	714	771	831	916	1,014	1,099	1,232	1,353
Gross trading surplus (2)	36	38	42	48	51	52	56	61	67	75	83
Rent (3):											
Houses	162	181	198	211	229	252	268	287	320	366	410
Other land and buildings	58	66	76	84	93	104	114	129	144	167	194
Interest, etc.	22	26	28	34	37	40	48	52	59	60	67
Total	1,378	1,547	1,654	1,802	1,961	2,107	2,328	2,574	2,848	3,148	3,586
Expenditure											
Current expenditure on goods and services:											
Civil defence	4	4	5	5	5	6	7	8	9	10	11
Roads	89	95	99	104	109	121	132	153	158	169	178
Public lighting	16	16	17	18	18	20	21	21	21	23	24
Employment services	3	3	4	4	4	4	5	5	5	5	6
Agricultural services	3	3	3	3	3	3	3	3	3	3	3
Environmental services:											
Sewerage and refuse disposal	62	68	73	79	85	95	103	111	122	137	152
Public health services	15	16	17	18	19	21	23	25	27	30	34
Land drainage and coast protection	7	8	8	9	9	10	11	12	12	14	16
Parks, pleasure grounds, etc.	25	27	29	30	32	36	40	42	46	51	57
Libraries, museums and arts	14	16	18	19	21	24	26	28	31	36	40
Police	90	96	103	110	116	139	147	161	174	184	203
Administration of justice	8	8	9	10	10	12	13	15	17	19	21
Fire service	22	24	26	27	29	32	36	39	43	47	52
Social services:											
Education	446	508	547	601	654	711	799	874	936	1,042	1,151
National health service	54	58	62	67	72	79	86	94	102	114	127
Local welfare services	18	20	21	23	26	29	33	36	40	44	49
Child care	19	20	22	22	23	26	28	30	33	37	42
Rate collection	7	8	8	9	9	10	11	11	12	14	15
Records, registrations and surveys	3	3	4	4	4	4	4	5	5	5	5
Other	48	50	53	51	51	52	60	69	73	85	94
Total	953	1,051	1,128	1,213	1,299	1,434	1,588	1,742	1,869	2,069	2,280
Housing subsidies	29	30	29	28	31	42	39	38	44	72	82
Current grants to personal sector:											
Scholarships and grants to universities, colleges, etc.	26	29	33	37	40	44	52	63	75	89	106
School meals and milk	51	51	53	55	58	63	69	71	78	88	100
Legal aid	—	—	—	—	—	1	1	1	1	2	2
Debt interest:											
On loans from central government	114	120	124	123	123	124	124	123	125	142	171
Other	79	101	117	139	164	211	240	269	320	377	429
Total current expenditure	1,252	1,382	1,484	1,595	1,715	1,919	2,113	2,307	2,512	2,839	3,170
Balance: current surplus before providing for depreciation and stock appreciation	126	165	170	207	246	188	215	267	336	309	416
Total	1,378	1,547	1,654	1,802	1,961	2,107	2,328	2,574	2,848	3,148	3,586

(1) Including grants for school meals and milk.

(2) Before providing for depreciation and stock appreciation.

(3) Before providing for depreciation.

Capital account

TABLE 46

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
Current surplus before providing for depreciation and stock appreciation	126	165	170	207	246	188	215	267	336	309	416
Capital grants from central government (1):											
Roads and public lighting	8	12	17	17	25	26	30	35	42	41	47
Harbours, docks and aerodromes ...	—	—	1	1	1	1	1	1	1	1	—
Housing (2)	2	3	2	1	1	1	1	1	1	1	1
Environmental services:											
Water, sewerage and refuse disposal	3	3	3	4	4	4	4	5	6	7	7
Land drainage and coast protection	2	2	2	3	3	3	3	4	5	6	6
Fire service	1	1	1	—	—	—	—	—	—	—	—
Education (3)	4	5	5	5	5	6	7	7	8	9	10
Other	2	2	2	4	5	4	9	9	10	13	11
Total	22	28	33	35	44	45	55	62	73	78	82
Net borrowing from central government	90	62	—31	—35	—36	—21	—35	—31	172	455	546
Other identified borrowing (net)						496	600	638	566	560	408
Miscellaneous financial receipts (net) and changes in cash balances	388	357	407	409	405	75	42	22	105	—24	—97
Total	626	612	579	616	659	783	877	958	1,252	1,378	1,355
Payments											
Gross domestic fixed capital formation:											
Civil defence	—	—	—	—	—	1	1	1	1	1	1
Roads and public lighting	26	29	35	47	54	66	73	85	105	103	107
Trading services (4):											
Road passenger transport	7	6	6	6	6	7	8	10	10	9	11
Harbours, docks and aerodromes	9	11	12	13	12	15	14	12	14	21	40
Gas and electricity	4	4	3	2	1	1	1	1	1	2	3
Other	6	6	7	9	10	15	16	15	22	21	20
Agricultural services	1	1	1	1	1	1	—	—	—	—	—
Housing (2)	294	282	241	253	255	273	321	365	495	560	636
Environmental services:											
Water	36	34	35	37	39	42	47	45	52	55	60
Sewerage and refuse disposal	33	34	35	41	44	54	65	66	74	72	83
Public health services	1	1	1	2	2	3	3	3	4	4	4
Land drainage and coast protection	7	6	7	7	8	9	11	9	9	11	10
Parks, pleasure grounds, etc.	4	4	4	6	8	10	11	14	18	19	12
Libraries, museums and arts	1	1	1	1	2	3	4	4	5	6	5
Police	8	7	7	7	7	9	11	12	15	18	26
Fire service	3	3	3	4	4	5	6	6	6	7	6
Social services:											
Education	101	118	122	117	114	136	161	159	180	177	193
National health service	2	2	3	4	5	7	9	10	11	12	12
Local welfare services	3	4	4	5	6	8	10	11	13	14	14
Child care	1	1	1	1	1	1	1	2	2	3	3
Other	20	15	16	19	25	36	41	53	76	91	84
Total	567	569	544	582	604	702	814	883	1,113	1,206	1,330
Capital grants to personal sector	8	8	7	8	13	14	16	16	18	19	18
Net lending for house purchase	51	35	28	26	42	67	47	59	121	153	7
Total	626	612	579	616	659	783	877	958	1,252	1,378	1,355

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

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

(3) Including grants for school meals service.

(4) Excluding housing and water.

IX. COMBINED PUBLIC AUTHORITIES

Combined current and capital account

TABLE 47

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
<i>Current account</i>											
Taxes on income:											
Central government	2,364	2,592	2,725	2,758	2,725	3,078	3,455	3,385	3,529	4,023	4,449
Taxes on expenditure:											
Central government	2,271	2,351	2,390	2,486	2,620	2,812	2,980	3,034	3,359	3,766	4,243
Local authorities (1)	556	615	650	714	771	831	916	1,014	1,099	1,232	1,353
National insurance and health contributions:											
Central government	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Gross trading surplus:											
Central government	86	90	113	116	129	46	17	17	24	24	15
Local authorities	36	38	42	48	51	52	56	61	67	75	83
Rent:											
Central government	62	66	71	80	89	101	105	97	94	92	96
Local authorities	220	247	274	295	322	356	382	416	464	533	604
Interest and dividends, etc.:											
Central government (2)	112	114	153	191	214	280	373	338	391	428	502
Local authorities	22	26	28	34	37	40	48	52	59	60	67
Grants from abroad:											
Central government	26	21	3	—	—	—	—	—	—	—	—
Total	6,397	6,817	7,308	7,619	7,871	8,668	9,529	9,717	10,530	11,918	13,209
<i>Capital account</i>											
Taxes on capital:											
Central government	166	176	182	212	236	259	266	308	308	290	317
Changes in financial assets and liabilities (3):											
Central government (4)	101	300	108	297	483	385	2	339	561	620	654
Local authorities	388	357	407	409	405	571	642	660	671	536	311
Total	655	833	697	918	1,124	1,215	910	1,307	1,540	1,446	1,282
<i>Combined current and capital account</i>											
Total receipts	7,052	7,650	8,005	8,537	8,995	9,883	10,439	11,024	12,070	13,364	14,491

(1) Rates.

(2) Excluding interest on loans to local authorities.

(3) Other than those shown on the expenditure side of the capital account; excluding central government lending to local authorities.

(4) Excluding transactions on writing-off debt of public corporations.

Combined current and capital account

TABLE 47 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Expenditure											
<i>Current account</i>											
Goods and services:											
Central government	2,475	2,534	2,545	2,707	2,865	3,065	3,236	3,341	3,530	3,814	4,111
Local authorities	953	1,051	1,128	1,213	1,299	1,434	1,588	1,742	1,869	2,069	2,280
Subsidies and grants:											
Central government (1)	1,519	1,624	1,831	1,967	2,105	2,356	2,541	2,753	2,843	3,220	3,423
Local authorities	106	110	115	120	129	150	161	173	198	251	290
Debt interest:											
Central government	723	705	780	774	861	897	878	931	943	969	1,041
Local authorities (2)	79	101	117	139	164	211	240	269	320	377	429
Total	5,855	6,125	6,516	6,920	7,423	8,113	8,644	9,209	9,703	10,700	11,574
<i>Capital account</i>											
Goods and services (3):											
Central government	197	209	237	242	239	224	227	235	298	322	366
Local authorities	567	569	544	582	604	702	814	883	1,113	1,206	1,330
Grants :											
Central government (1)(4)	86	63	64	63	73	77	98	105	130	161	169
Local authorities	8	8	7	8	13	14	16	16	18	19	18
Financial assets (5):											
Central government (4)	288	641	609	696	601	686	593	517	687	803	1,027
Local authorities	51	35	28	26	42	67	47	59	121	153	7
Total	1,197	1,525	1,489	1,617	1,572	1,770	1,795	1,815	2,367	2,664	2,917
<i>Combined current and capital account</i>											
Total expenditure	7,052	7,650	8,005	8,537	8,995	9,883	10,439	11,024	12,070	13,364	14,491

(1) Excluding grants to local authorities.

(2) Excluding interest on loans from central government.

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

(4) Excluding transactions on writing-off debt of public corporations.

(5) Comprises net lending to the private sector and public corporations, loans to overseas governments, drawings from United Kingdom subscriptions to international lending bodies, other net lending abroad and cash expenditure on company securities (net).

Analysis of current expenditure on goods and services

TABLE 48

£ million

	1960			1961			1962			1963		
	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)
Defence:												
Military defence (2)	709	3	871	728	3	952	763	3	1,038	774	4	1,071
Civil defence	6	—	8	7	—	8	7	—	9	8	—	10
External relations	23	—	35	24	—	38	25	—	41	27	—	46
Roads and public lighting	85	—	60	95	—	64	102	—	71	114	—	84
Transport and communication	8	—	8	9	—	7	9	—	7	10	—	6
Employment services	25	—	1	25	—	1	26	—	1	27	—	1
Other industry and trade	13	—	9	14	—	12	15	—	17	16	—	19
Research	26	9	30	28	14	32	31	18	36	34	20	36
Agriculture, fishing and food	24	2	9	26	2	8	26	2	10	27	2	10
Housing and environmental services:												
Sewerage and refuse disposal	45	23	17	49	26	20	52	29	22	56	33	22
Public health services	14	1	4	16	1	4	17	1	5	18	1	6
Parks, pleasure grounds, etc.	29	3	2	32	4	2	34	4	4	37	4	3
Other (3)	68	12	—12	72	14	—16	77	15	—12	90	16	—16
Libraries, museums and arts	19	1	7	21	1	8	23	1	9	25	1	11
Police	99	4	19	120	5	21	127	5	22	134	5	29
Prisons	11	—	6	12	—	6	14	—	5	14	—	8
Parliament and law courts	18	—	4	20	—	6	21	—	7	23	—	8
Fire service	22	2	5	24	2	6	27	2	7	29	2	8
Social services:												
Education (4)	482	41	139	522	45	152	594	49	164	656	53	173
National health service	402	15	402	435	16	428	464	18	427	503	19	447
Local welfare services	18	2	6	20	3	6	22	3	8	24	3	9
Child care	11	1	11	12	1	13	12	1	15	13	1	16
Social security benefits	42	—	34	44	—	35	48	—	40	51	—	41
Finance and tax collection	81	—	30	87	—	29	91	—	31	94	—	32
Records, registrations and surveys	10	—	2	11	—	2	12	—	1	13	—	3
Other services	48	40	—40	48	46	—29	48	46	—45	61	45	—87
Total current expenditure on goods and services (5)	2,338	159	1,667	2,501	183	1,815	2,687	197	1,940	2,878	209	1,996
of which												
Central government	1,386	65	1,414	1,451	77	1,537	1,523	83	1,630	1,598	86	1,657
Local authorities	952	94	253	1,050	106	278	1,164	114	310	1,280	123	339

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

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

(£ million): 1960 1961 1962 1963
 471 465 479 498

(3) Including housing, land drainage and coast protection, and miscellaneous local government services.

(4) Including the administrative costs of school meals, milk and welfare foods.

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

	1960	1961	1962	1963
Total as shown in this table	2,338	2,501	2,687	2,878
Wages and salaries, etc., in trading services:				
Post Office	290	73	—	—
Other central government trading services	39	39	39	40
Local authorities' trading services	175	190	202	214
Wages and salaries, etc., charged to capital accounts:				
Central government	4	4	4	6
Local authorities	35	37	35	41
Other wages and salaries	30	33	36	39
Total	2,911	2,877	3,003	3,218

Analysis of current expenditure on goods and services

TABLE 48 (continued)

£ million

	1964			1965			1966			
	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)	Wages, salaries, etc. (1)	Imputed rents	Other payments (net)	Wages, salaries, etc. (1)	Selective employment tax	Imputed rents	Other payments (net)
Defence:										
Military defence (2).....	841	5	1,079	891	5	1,170	946	7	5	1,204
Civil defence	9	—	11	10	—	11	10	—	—	11
External relations	31	—	51	35	—	52	37	1	—	59
Roads and public lighting	123	—	79	130	—	85	139	2	—	89
Transport and communication	9	—	8	9	—	6	8	—	—	4
Employment services	27	—	3	28	—	7	31	—	—	6
Other industry and trade	16	—	26	17	—	32	17	—	—	44
Research	39	16	31	46	17	21	47	1	14	29
Agriculture, fishing and food	30	2	10	32	2	11	33	—	3	11
Housing and environmental services:										
Sewerage and refuse disposal	59	39	24	64	46	27	69	2	54	27
Public health services	19	1	7	21	1	8	23	1	2	8
Parks, pleasure grounds, etc.	39	6	3	44	7	2	47	1	8	4
Other (3)	98	22	—24	104	26	—18	113	2	31	—18
Libraries, museums and arts	26	1	15	27	2	20	29	1	2	22
Police	147	6	28	149	6	36	162	2	7	40
Prisons	15	—	11	17	—	12	18	1	—	11
Parliament and law courts	26	1	8	27	1	13	29	—	1	14
Fire service	34	3	6	36	3	8	39	1	4	8
Social services:										
Education (4).....	695	57	193	746	64	243	808	11	71	273
National health service	541	21	481	589	23	559	642	12	26	605
Local welfare services	27	4	9	29	6	9	31	1	7	10
Child care	15	1	17	16	1	20	17	1	1	23
Social security benefits.....	53	—	52	53	—	57	58	1	—	59
Finance and tax collection	93	—	36	104	—	33	111	1	—	47
Records, registrations and surveys.....	13	—	3	14	—	3	16	—	—	3
Other services	60	44	—82	63	38	—93	64	—	35	—66
Total current expenditure on goods and services (5)	3,085	229	2,085	3,301	248	2,334	3,544	49	271	2,527
of which										
Central government	1,713	83	1,734	1,836	79	1,899	1,960	23	75	2,053
Local authorities	1,372	146	351	1,465	169	435	1,584	26	196	474

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

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

1964	1965	1966
533	554	609

(3) Including housing, land drainage and coast protection, and miscellaneous local government services.

(4) Including the administrative costs of school meals, milk and welfare foods.

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

	1964	1965	1966
Total as shown in this table	3,085	3,301	3,544
Wages and salaries, etc., in trading services:			
Post Office	—	—	—
Other central government trading services	41	50	53
Local authorities' trading services	224	243	264
Wages and salaries, etc., charged to capital accounts:			
Central government	6	5	6
Local authorities	47	53	62
Other wages and salaries	43	48	53
Total	3,446	3,700	3,982

Housing subsidies

TABLE 49

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Central government											
Permanent housing:											
Subsidies to local authorities.....	60	63	67	71	73	76	78	81	86	95	100
Subsidies to public corporations	4	4	4	5	6	6	7	6	7	7	8
Temporary housing:											
Annuities.....	8	8	8	8	8	8	2	—	—	—	—
less Receipts from local authorities	—2	—1	—1	—2	—2	—2	—1	—1	—1	—1	—1
Emergency housing: net payments to local authorities	6	4	3	4	4	3	2	2	2	1	1
Net subsidies	76	78	81	86	89	91	88	88	94	102	108
Local authorities											
Emergency housing:											
Expenses less Rents, etc.....	6	5	4	4	4	3	2	2	2	1	1
less Receipts from central government	—6	—4	—3	—4	—4	—3	—2	—2	—2	—1	—1
Other housing:											
Loan charges	162	181	198	211	229	252	268	287	320	366	410
Payments to central government for temporary houses.....	2	1	1	2	2	2	1	1	1	1	1
Other expenses	69	72	74	78	83	91	101	114	116	134	140
less Rents, etc.	—144	—162	—178	—192	—210	—227	—253	—283	—307	—334	—369
less Subsidies from central government	—60	—63	—67	—71	—73	—76	—78	—81	—86	—95	—100
Net subsidies	29	30	29	28	31	42	39	38	44	72	82
Combined public authorities.....	105	108	110	114	120	133	127	126	138	174	190

Taxes on expenditure and subsidies
Allocation by type of expenditure

TABLE 50

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Taxes on consumers' expenditure(1).....	2,385	2,512	2,585	2,715	2,843	3,054	3,281	3,423	3,732	4,179	4,619
less Subsidies on consumers' expenditure(1).....	—357	—405	—383	—367	—451	—545	—559	—520	—471	—520	—513
Net taxes on:											
Consumers' expenditure	2,028	2,107	2,202	2,348	2,392	2,509	2,722	2,903	3,261	3,659	4,106
Public authorities' current expenditure on goods and services.....	133	139	133	138	145	151	161	158	173	196	285
Gross domestic capital formation	208	211	219	234	262	279	283	283	361	444	500
Exports of goods and services.....	99	102	101	111	105	118	130	144	154	135	147
Total taxes on expenditure less subsidies	2,468	2,559	2,655	2,831	2,904	3,057	3,296	3,488	3,949	4,434	5,038

(1) An analysis by category of expenditure is given in Table 29.

Taxes on income, national insurance contributions and taxes on capital
Allocation by sector, type of income (1), and property

TABLE 51

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Taxes on income and national insurance and health contributions											
Taxes on income (payments):											
Personal sector	1,452	1,602	1,696	1,776	1,991	2,249	2,458	2,510	2,801	3,373	3,646
Companies	800	888	922	880	612	682	842	733	569	463	567
Public corporations	30	22	21	11	12	12	8	6	6	3	31
Non-residents	82	80	86	91	110	135	147	136	153	184	205
National insurance and health contributions	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Total	3,006	3,249	3,584	3,655	3,638	4,150	4,652	4,688	4,973	5,708	6,246
Income tax:											
Wages and salaries	740	847	926	952	1,086	1,241	1,375	1,414	1,597	1,968	2,192
Pay of H.M. Forces	15	22	22	25	26	24	26	28	31	37	40
Rent of land and buildings	108	110	116	128	125	134	145	165	140	150	165
Dividends, interest and trading incomes	1,143	1,196	1,206	1,207	1,031	1,148	1,281	1,197	1,154	1,197	1,700
Transfer incomes (2)	14	15	15	16	17	18	19	19	20	21	22
Surtax:											
Wages and salaries	43	48	51	55	61	71	89	174	179	184	210
Rent of land and buildings	3	3	3	3	3	4	5				
Dividends, interest and trading incomes	99	108	107	111	114	121	136				
Profits tax, excess profits tax, excess profits levy, etc.	199	243	279	261	262	317	379	388	408	466	135
Corporation tax	—	—	—	—	—	—	—	—	—	—	23
less Overspill relief	—	—	—	—	—	—	—	—	—	—	—38
National insurance and health contributions:											
Employers:											
Civilian employees	293	299	386	406	414	492	547	601	671	818	888
H.M. Forces	11	10	12	12	11	11	10	10	11	13	14
Employees (3):											
Civilians	292	304	405	423	431	508	574	621	686	770	803
H.M. Forces	8	7	9	9	8	9	11	12	13	15	15
Self-employed and non-employed persons	38	37	47	47	49	52	55	59	63	69	77
Total	3,006	3,249	3,584	3,655	3,638	4,150	4,652	4,688	4,973	5,708	6,246
Taxes on capital											
Death duties:											
Land and buildings	21	22	23	31	30	30	27	38	40	41	44
Government and local authority debt	26	26	26	28	28	32	35	36	35	32	34
Company and overseas securities	77	84	89	101	122	136	138	158	155	133	143
Other interest-bearing securities	9	10	10	12	13	14	15	18	19	21	22
Other forms of property	33	34	34	40	43	47	51	58	58	60	66
Other taxes on capital	—	—	—	—	—	—	—	—	1	3	8
Total	166	176	182	212	236	259	266	308	308	290	317

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

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

(3) Including payments in lieu of graduated contributions.

X. THE PUBLIC SECTOR

Current and capital accounts

TABLE 52

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Receipts											
<i>Current account</i>											
Taxes on income	2,334	2,570	2,704	2,747	2,713	3,066	3,447	3,379	3,523	4,020	4,418
Taxes on expenditure:											
Central government	2,271	2,351	2,390	2,486	2,620	2,812	2,980	3,034	3,359	3,766	4,243
Local authorities(1)	556	615	650	714	771	831	916	1,014	1,099	1,232	1,353
National insurance and health contributions	642	657	859	897	913	1,072	1,197	1,303	1,444	1,685	1,797
Gross trading surplus:											
Central government and local authorities	122	128	155	164	180	98	73	78	91	99	98
Public corporations	345	323	340	391	539	645	751	846	931	995	1,038
Rent	297	330	365	398	437	485	517	548	596	667	745
Interest and dividends, etc.:											
Central government	81	68	77	94	78	95	121	97	100	124	131
Local authorities	22	26	28	34	37	40	48	52	59	60	67
Public corporations	32	38	35	38	46	50	51	37	41	50	54
Grants from abroad	26	21	3	—	—	—	—	—	—	—	—
Total	6,728	7,127	7,606	7,963	8,334	9,194	10,101	10,388	11,243	12,698	13,944
<i>Capital account</i>											
Current surplus before providing for depreciation and stock appreciation and additions to tax and interest reserves	747	858	941	884	757	919	1,287	1,085	1,435	1,878	2,265
Taxes on capital	166	176	182	212	236	259	266	308	308	290	317
Capital transfers from private sector	6	8	7	7	7	7	8	9	9	9	9
Proceeds of iron and steel disposals	28	47	3	2	9	87	10	22	18	—	—
Receipts from certain pension 'funds' (net)	22	31	33	34	43	52	46	68	56	52	64
Loan repayments by overseas governments	29	32	37	76	41	109	15	14	19	24	30
Net borrowing, changes in debtors, creditors and cash balances:											
Central government:											
Net balance (2)	42	170	80	156	307	220	—79	148	423	597	534
Other financial receipts (net) (2)	—20	20	—45	29	83	—83	10	32	45	—53	26
Local authorities:											
Identified borrowing (net)						496	600	638	566	560	408
Miscellaneous financial receipts (net)	388	357	407	409	405	75	42	22	105	—24	—97
Public corporations	136	—31	—2	—32	—14	24	38	38	—1	—20	16
Total	1,544	1,668	1,643	1,777	1,874	2,165	2,243	2,384	2,983	3,313	3,572
<i>Combined current and capital account</i>											
Receipts on current account	6,728	7,127	7,606	7,963	8,334	9,194	10,101	10,388	11,243	12,698	13,944
Receipts on capital account	797	810	702	893	1,117	1,246	956	1,299	1,548	1,435	1,307
Total	7,525	7,937	8,308	8,856	9,451	10,440	11,057	11,687	12,791	14,133	15,251

(1) Rates.

(2) For further detail see Table 42.

Current and capital accounts

TABLE 52 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Expenditure											
<i>Current account</i>											
Current expenditure on goods and services (1)	3,428	3,585	3,673	3,920	4,164	4,499	4,824	5,083	5,399	5,883	6,391
Subsidies	359	407	385	369	487	586	600	560	509	564	558
Current grants to personal sector	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
Current grants abroad	73	75	77	82	94	118	121	132	163	178	182
Total current expenditure excluding debt interest	5,053	5,319	5,619	6,007	6,398	7,005	7,526	8,009	8,440	9,354	10,104
Debt interest:											
Central government	723	705	780	774	861	897	878	931	943	969	1,041
Local authorities	79	101	117	139	164	211	240	269	320	377	429
Public corporations	126	144	149	159	154	162	170	94	105	120	105
Total current expenditure	5,981	6,269	6,665	7,079	7,577	8,275	8,814	9,303	9,808	10,820	11,679
Current surplus before providing for depreciation and stock appreciation and additions to tax and interest reserves	747	858	941	884	757	919	1,287	1,085	1,435	1,878	2,265
Total	6,728	7,127	7,606	7,963	8,334	9,194	10,101	10,388	11,243	12,698	13,944
<i>Capital account</i>											
Gross domestic fixed capital formation:											
Central government	221	245	245	252	256	217	215	225	281	299	341
Local authorities	567	569	544	582	604	702	814	883	1,113	1,206	1,330
Public corporations	589	660	694	758	788	905	933	1,024	1,187	1,295	1,447
Total	1,377	1,474	1,483	1,592	1,648	1,824	1,962	2,132	2,581	2,800	3,118
Increase in value of stocks:											
Central government	-24	-36	-8	-10	-17	7	12	10	17	23	25
Public corporations	26	68	33	10	-11	9	2	-31	12	5	41
Capital grants to private sector	84	70	71	71	86	90	113	120	147	178	185
Net lending to private sector	48	52	20	43	87	154	88	82	129	205	35
Loans to overseas governments	9	16	21	48	61	61	62	66	84	74	95
Drawings from United Kingdom subscriptions to international lending bodies	11	15	17	21	19	1	1	7	7	16	10
Other net lending and investment abroad	13	9	6	2	1	19	3	-2	5	5	8
Cash expenditure on company securities, etc. (net) .....	..	..	..	..	..	..	..	..	1	7	55
Total capital expenditure	1,544	1,668	1,643	1,777	1,874	2,165	2,243	2,384	2,983	3,313	3,572
<i>Combined current and capital account</i>											
Current expenditure excluding debt interest	5,053	5,319	5,619	6,007	6,398	7,005	7,526	8,009	8,440	9,354	10,104
Capital expenditure	1,544	1,668	1,643	1,777	1,874	2,165	2,243	2,384	2,983	3,313	3,572
Total public expenditure excluding debt interest (2)	6,597	6,987	7,262	7,784	8,272	9,170	9,769	10,393	11,423	12,667	13,676
Debt interest	928	950	1,046	1,072	1,179	1,270	1,288	1,294	1,368	1,466	1,575
Total public expenditure	7,525	7,937	8,308	8,856	9,451	10,440	11,057	11,687	12,791	14,133	15,251

(1) Excluding current expenditure on goods and services on operating account of public corporations and other public enterprises.

(2) For functional analysis see Table 53.

Analysis of public expenditure (1)

TABLE 53

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Military defence:											
Current expenditure on goods and services	1,544	1,521	1,466	1,512	1,583	1,683	1,804	1,849	1,925	2,066	2,162
Gross domestic fixed capital formation	56	69	57	44	32	25	20	19	25	18	29
Increase in value of stocks	-3	-3	-4	-1	-1	-1	-	-	-	-	1
Current grants to personal sector	1	1	1	2	2	2	1	-	-	-	-
Current grants abroad	25	21	21	20	13	15	13	22	38	25	25
Capital grants to private sector	2	2	2	2	1	1	1	2	2	2	3
Total	1,625	1,611	1,543	1,579	1,630	1,725	1,839	1,892	1,990	2,111	2,220
Civil defence:											
Current expenditure on goods and services	15	13	13	14	14	15	16	18	20	21	21
Gross domestic fixed capital formation	7	5	2	2	1	2	4	3	3	3	3
Increase in value of stocks	-19	-39	-13	-24	-33	-10	-7	-8	-3	-1	-2
Capital grants to private sector	1	-	-	-	-	-	-	-	-	-	-
Total	4	-21	2	-8	-18	7	13	13	20	23	22
External relations:											
Current expenditure on goods and services	43	45	49	54	58	62	66	73	82	87	97
Gross domestic fixed capital formation	-	-	-	-	-	-	-	-	1	1	1
Current grants abroad	40	46	47	51	68	90	91	91	104	115	115
Loans to overseas governments	9	16	21	48	61	61	62	66	84	74	95
Drawings from United Kingdom subscriptions to international lending bodies	11	15	17	21	19	1	1	7	7	16	10
Other net lending and investment abroad	9	7	6	6	7	22	11	1	6	7	8
Total	112	129	140	180	213	236	231	238	284	300	326
Roads and public lighting:											
Current expenditure on goods and services	118	126	132	139	145	159	173	198	202	215	230
Gross domestic fixed capital formation	33	41	65	89	94	117	146	164	213	209	228
Total	151	167	197	228	239	276	319	362	415	424	458
Transport and communication:											
Current expenditure on goods and services	12	13	13	15	16	16	16	16	17	15	12
Gross domestic fixed capital formation:											
Central government and local authorities	114	120	114	112	119	61	27	30	33	40	62
Public corporations	131	188	199	218	245	297	296	298	337	379	388
Increase in value of stocks	22	16	2	-25	-	15	-14	-9	-4	3	16
Subsidies	6	6	6	6	120	140	143	137	124	149	160
Current grants abroad	-	-	-	-	-	-	-	-	1	2	1
Cash expenditure on company securities, etc. (net) .....	..	..	..	..	..	..	..	..	1	6	16
Total	285	343	334	326	500	529	468	472	509	594	655
Employment services:											
Current expenditure on goods and services	21	22	23	24	26	26	27	28	30	35	37
Current grants to personal sector	5	5	5	5	5	5	5	6	6	8	29
Current grants abroad	-	-	-	-	-	-	-	-	-	-	1
Total	26	27	28	29	31	31	32	34	36	43	67

(1) Excluding debt interest.

Analysis of public expenditure (1)

TABLE 53 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Other industry and trade:											
Current expenditure on goods and services	15	16	18	20	22	26	32	35	42	49	61
Gross domestic fixed capital formation:											
Central government and local authorities	20	17	16	15	16	21	21	20	28	34	39
Public corporations	417	430	457	504	510	572	590	676	789	844	988
Increase in value of stocks	2	52	29	37	-9	-6	17	-23	15	2	25
Subsidies	3	3	3	3	2	2	2	3	3	3	3
Capital grants to private sector	1	2	2	2	14	8	13	12	20	32	28
Net lending to private sector	-5	13	-10	4	3	35	46	25	4	43	15
Cash expenditure on company securities, etc. (net) .....	..	..	..	..	..	..	..	..	—	1	39
Total	453	533	515	585	558	658	721	748	901	1,008	1,198
Research:											
Current expenditure on goods and services	32	38	43	53	65	74	85	90	86	84	91
Gross domestic fixed capital formation	8	11	13	17	19	23	25	21	20	24	22
Subsidies	—	—	—	—	—	—	—	—	—	—	1
Current grants to personal sector	4	5	5	7	8	9	11	12	13	13	22
Current grants abroad	1	1	1	2	3	3	4	5	6	19	22
Capital grants to private sector	1	1	1	1	1	1	1	1	1	1	5
Net lending to private sector	—	—	1	1	1	1	1	1	1	2	3
Total	46	56	64	81	97	111	127	130	127	143	166
Agriculture, forestry, fishing and food:											
Current expenditure on goods and services	28	29	30	32	35	36	38	39	42	45	47
Gross domestic fixed capital formation	4	4	4	4	5	5	4	4	4	5	5
Increase in value of stocks	—	6	11	13	15	18	18	19	21	24	26
Subsidies	245	290	266	246	245	311	328	294	244	238	204
Current grants to personal sector	3	3	4	4	4	4	4	4	5	6	4
Current grants abroad	—	—	—	—	—	—	1	1	1	1	—
Capital grants to private sector	7	7	9	14	16	16	17	17	18	17	19
Net lending to private sector	2	3	3	4	4	4	1	—	—	—	—
Total	289	342	327	317	324	394	411	378	335	336	305
Housing and environmental services:											
Housing:											
Current expenditure on goods and services	1	1	1	1	1	1	1	1	1	1	2
Gross domestic fixed capital formation:											
Local authorities	294	282	241	253	255	273	321	365	495	560	636
Public corporations	37	36	32	31	27	29	36	39	53	60	61
Subsidies	105	108	110	114	120	133	127	126	138	174	190
Capital grants to private sector	8	8	7	8	13	14	16	16	18	19	18
Net lending to private sector	51	35	28	34	79	113	38	54	121	158	15
Total	496	470	419	441	495	563	539	601	826	972	922
Water, sewerage and refuse disposal:											
Current expenditure on goods and services	62	68	73	79	85	95	103	111	122	137	152
Gross domestic fixed capital formation	69	68	70	78	83	96	112	111	126	127	143
Total	131	136	143	157	168	191	215	222	248	264	295

(1) Excluding debt interest.

Analysis of public expenditure (1)

TABLE 53 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Housing and environmental services (continued):											
Public health services:											
Current expenditure on goods and services	15	16	17	18	19	21	23	25	27	30	34
Gross domestic fixed capital formation	1	1	1	2	2	3	3	3	4	4	4
Total	16	17	18	20	21	24	26	28	31	34	38
Land drainage and coast protection:											
Current expenditure on goods and services	7	8	8	9	9	10	11	12	12	14	16
Gross domestic fixed capital formation	7	6	7	7	8	9	11	9	9	11	10
Total	14	14	15	16	17	19	22	21	21	25	26
Parks, pleasure grounds, etc.:											
Current expenditure on goods and services	26	29	31	32	34	38	42	44	48	53	60
Gross domestic fixed capital formation	4	4	4	6	8	10	11	14	18	19	12
Total	30	33	35	38	42	48	53	58	66	72	72
Miscellaneous local government services:											
Current expenditure on goods and services	53	55	59	57	58	59	68	77	83	97	110
Gross domestic fixed capital formation	20	15	16	19	25	36	41	53	76	91	84
Total	73	70	75	76	83	95	109	130	159	188	194
Total housing and environmental services	760	740	705	748	826	940	964	1,060	1,351	1,555	1,547
Libraries, museums and arts:											
Current expenditure on goods and services	18	20	23	24	27	30	33	37	42	49	54
Gross domestic fixed capital formation	1	1	1	1	2	3	4	4	5	6	5
Current grants to personal sector	—	1	1	1	1	1	1	1	1	1	1
Total	19	22	25	26	30	34	38	42	48	56	60
Police:											
Current expenditure on goods and services	93	100	108	115	122	146	154	168	181	191	211
Gross domestic fixed capital formation	9	8	8	8	8	10	12	13	16	19	27
Total	102	108	116	123	130	156	166	181	197	210	238
Prisons:											
Current expenditure on goods and services	10	11	13	15	17	18	19	22	26	29	30
Gross domestic fixed capital formation	1	1	1	2	3	4	5	6	7	6	5
Total	11	12	14	17	20	22	24	28	33	35	35

(1) Excluding debt interest.

Analysis of public expenditure (1)

TABLE 53 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Parliament and law courts:											
Current expenditure on goods and services	17	18	19	21	22	26	28	31	35	41	44
Current grants to personal sector	2	2	2	2	2	5	6	7	8	9	11
Total	19	20	21	23	24	31	34	38	43	50	55
Fire service:											
Current expenditure on goods and services	22	24	26	27	29	32	36	39	43	47	52
Gross domestic fixed capital formation	3	3	3	4	4	5	6	6	6	7	6
Total	25	27	29	31	33	37	42	45	49	54	58
Social services:											
Education:											
Current expenditure on goods and services	452	515	553	607	661	718	806	881	944	1,052	1,162
Gross domestic fixed capital formation	101	118	122	117	114	136	161	159	180	177	193
Current grants to personal sector	72	79	90	100	114	121	150	176	210	247	291
Capital grants to private sector	11	14	19	22	26	36	54	64	82	101	104
Net lending to private sector	—	1	1	1	1	1	1	1	2	2	2
Total	636	727	785	847	916	1,012	1,172	1,281	1,418	1,579	1,752
National health service:											
Current expenditure on goods and services	609	655	694	750	819	879	909	969	1,043	1,171	1,285
Gross domestic fixed capital formation	20	26	29	34	37	45	55	60	76	90	102
Current grants to personal sector	1	1	1	1	2	3	3	3	3	4	4
Current grants abroad	—	—	—	—	—	—	1	1	1	1	1
Capital grants to private sector	3	3	4	3	3	3	3	3	3	3	4
Total	633	685	728	788	861	930	971	1,036	1,126	1,269	1,396
Local welfare services:											
Current expenditure on goods and services	18	20	21	23	26	29	33	36	40	44	49
Gross domestic fixed capital formation	3	4	4	5	6	8	10	11	13	14	14
Total	21	24	25	28	32	37	43	47	53	58	63
Child care:											
Current expenditure on goods and services	19	20	22	22	23	26	28	30	33	37	42
Gross domestic fixed capital formation	1	1	1	1	1	1	1	2	2	3	3
Current grants to personal sector	2	2	2	2	2	2	3	3	3	3	4
Capital grants to private sector	—	—	—	—	—	—	—	—	—	—	1
Total	22	23	25	25	26	29	32	35	38	43	50
School meals, milk and welfare foods:											
Current expenditure on goods and services	1	1	1	1	1	1	1	1	1	1	1
Current grants to personal sector	88	84	78	82	85	92	98	104	114	128	143
Total	89	85	79	83	86	93	99	105	115	129	144

(1) Excluding debt interest.

Analysis of public expenditure (1)

TABLE 53 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Social services (continued):											
Social security benefits:											
Current expenditure on goods and services	57	64	65	74	76	79	88	92	105	110	118
Current grants to personal sector (2)	998	1,046	1,272	1,367	1,402	1,539	1,645	1,884	1,980	2,288	2,440
Current grants abroad	7	7	8	9	10	10	11	12	12	15	17
Total	1,062	1,117	1,345	1,450	1,488	1,628	1,744	1,988	2,097	2,413	2,575
Total social services	2,463	2,661	2,987	3,221	3,409	3,729	4,061	4,492	4,847	5,491	5,980
Finance and tax collection:											
Current expenditure on goods and services	84	91	94	106	111	116	122	126	129	137	159
Current grants to personal sector	17	17	18	62	25	18	54	30	17	18	17
Capital grants to private sector	2	—	1	1	—	1	1	—	—	—	—
Total	103	108	113	169	136	135	177	156	146	155	176
Records, registrations and surveys:											
Current expenditure on goods and services	9	10	11	12	12	13	13	16	16	17	19
War damage and Town and Country Planning compensation:											
Capital grants to private sector	48	33	26	18	12	10	7	5	3	3	3
Other services:											
Current expenditure on goods and services	27	36	47	64	48	65	49	19	22	8	33
Gross domestic fixed capital formation:											
Central government	12	9	10	14	18	26	29	31	35	38	39
Public corporations	4	6	6	5	6	7	11	11	7	11	9
Current grants to personal sector	—	6	5	1	1	1	—	4	9	4	7
Net lending to private sector	—	—	—3	—1	—1	—	1	1	1	—	—
Other net lending and investment abroad	4	2	—	—4	—6	—3	—8	—3	—1	—2	—
Total	47	59	65	79	66	96	82	63	73	59	88
Total public expenditure (1):											
Current expenditure on goods and services	3,428	3,585	3,673	3,920	4,164	4,499	4,824	5,083	5,399	5,883	6,391
Gross domestic fixed capital formation	1,377	1,474	1,483	1,592	1,648	1,824	1,962	2,132	2,581	2,800	3,118
Increase in value of stocks	2	32	25	—	—28	16	14	—21	29	28	66
Subsidies	359	407	385	369	487	586	600	560	509	564	558
Current grants to personal sector	1,193	1,252	1,484	1,636	1,653	1,802	1,981	2,234	2,369	2,729	2,973
Current grants abroad	73	75	77	82	94	118	121	132	163	178	182
Capital grants to private sector	84	70	71	71	86	90	113	120	147	178	185
Net lending to private sector	48	52	20	43	87	154	88	82	129	205	35
Loans to overseas governments	9	16	21	48	61	61	62	66	84	74	95
Drawings from United Kingdom subscriptions to international lending bodies	11	15	17	21	19	1	1	7	7	16	10
Other net lending and investment abroad	13	9	6	2	1	19	3	—2	5	5	8
Cash expenditure on company securities, etc. (net) .....	..	..	..	..	..	..	..	..	1	7	55
Total	6,597	6,987	7,262	7,784	8,272	9,170	9,769	10,393	11,423	12,667	13,676

(1) Excluding debt interest.

(2) For detail see Tables 41 and 44.

XI. CAPITAL FORMATION

Gross fixed capital formation at current and 1958 prices by sector

TABLE 54

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices											
Private sector:											
Vehicles, ships and aircraft	303	340	381	423	470	454	404	409	519	507	532
Plant and machinery	679	805	833	846	942	1,123	1,099	1,099	1,298	1,487	1,546
Dwellings (1)	297	302	322	393	479	538	547	564	696	713	673
Other new buildings and works, etc. (2)	447	460	473	482	581	680	718	699	762	812	766
Total	1,726	1,907	2,009	2,144	2,472	2,795	2,768	2,771	3,275	3,519	3,517
Public sector:											
Vehicles, ships and aircraft	123	158	149	151	171	151	121	110	115	126	104
Plant and machinery	468	483	495	542	560	640	666	771	858	924	1,092
Dwellings (1)	337	314	264	268	271	291	344	380	514	572	636
Other new buildings and works, etc. (2)	449	519	575	631	646	742	831	871	1,094	1,178	1,286
Total	1,377	1,474	1,483	1,592	1,648	1,824	1,962	2,132	2,581	2,800	3,118
<i>of which</i>											
Public authorities	788	814	789	834	860	919	1,029	1,108	1,394	1,505	1,671
Public corporations	589	660	694	758	788	905	933	1,024	1,187	1,295	1,447
Total	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635
At 1958 prices											
Private sector:											
Vehicles, ships and aircraft	337	355	381	432	486	463	410	443	551	534	556
Plant and machinery	733	832	833	845	925	1,067	1,024	1,016	1,169	1,273	1,271
Dwellings (1)	305	304	322	400	484	527	515	512	625	616	553
Other new buildings and works, etc. (2)	471	470	473	494	598	700	716	682	759	792	740
Total	1,846	1,961	2,009	2,171	2,493	2,757	2,665	2,653	3,104	3,215	3,120
Public sector:											
Vehicles, ships and aircraft	132	163	149	151	167	145	114	104	108	115	96
Plant and machinery	488	491	495	539	555	615	631	722	784	808	909
Dwellings (1)	345	317	264	274	274	286	324	345	462	494	522
Other new buildings and works, etc. (2)	483	537	575	633	643	721	765	755	905	939	987
Total	1,448	1,508	1,483	1,597	1,639	1,767	1,834	1,926	2,259	2,356	2,514
<i>of which</i>											
Public authorities	822	832	789	836	854	887	950	973	1,182	1,222	1,293
Public corporations	626	676	694	761	785	880	884	953	1,077	1,134	1,221
Total	3,294	3,469	3,492	3,768	4,132	4,524	4,499	4,579	5,363	5,571	5,634

(1) Excluding existing dwellings and land.

 (2) Including purchases *less* sales of land and existing buildings.

Gross fixed capital formation by sector and type of asset

TABLE 55

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Vehicles, ships and aircraft											
Personal sector (1)	71	74	86	97	105	110	97	105	123	123	130
Companies	232	266	295	326	365	344	307	304	396	384	402
Public corporations	104	143	134	136	153	133	104	90	94	104	80
Central government:											
Trading	3	2	2	2	3	2	—	—	—	—	—
Non-trading	4	1	2	2	3	2	2	2	3	3	3
Local authorities:											
Trading	7	7	6	5	5	6	6	9	9	9	9
Non-trading	5	5	5	6	7	8	9	9	9	10	12
Total	426	498	530	574	641	605	525	519	634	633	636
Plant and machinery											
Personal sector (1)	94	111	131	133	137	150	145	168	184	196	203
Companies	585	694	702	713	805	973	954	931	1,114	1,291	1,343
Public corporations	316	318	336	388	401	528	575	680	769	840	990
Central government:											
Trading	103	111	103	99	97	40	11	9	3	6	7
Non-trading	24	27	27	25	32	39	42	43	38	31	42
Local authorities:											
Trading	9	10	9	8	7	7	9	8	10	9	9
Non-trading	16	17	20	22	23	26	29	31	38	38	44
Total	1,147	1,288	1,328	1,388	1,502	1,763	1,765	1,870	2,156	2,411	2,638
Dwellings (2)											
Personal sector (1)	289	296	314	382	466	520	522	541	669	688	649
Companies	8	6	8	11	13	18	25	23	27	25	24
Public corporations	34	29	25	25	24	25	27	31	43	46	48
Central government:											
Trading	—	—	—	—	—	—	—	—	—	—	—
Non-trading	12	8	6	5	8	10	15	11	21	20	24
Local authorities:											
Trading	286	273	229	235	236	253	298	333	446	502	560
Non-trading	5	4	4	3	3	3	4	5	4	4	4
Total	634	616	586	661	750	829	891	944	1,210	1,285	1,309
Other new buildings and works											
Personal sector (1)	424	450	453	104	125	142	159	186	213	223	222
Companies	136	165	197	362	441	542	575	555	637	693	654
Public corporations	78	92	109	208	215	222	222	220	271	306	342
Central government	214	230	245	124	116	126	149	159	211	229	249
Local authorities				265	275	333	387	393	465	481	527
Total	852	937	1,004	1,063	1,172	1,365	1,492	1,513	1,797	1,932	1,994
Purchases less sales of land and existing buildings											
Personal sector (1)				—97	—93	—109	—146	—171	—287	—268	—288
Companies:											
Financial companies	23	10	20	38	35	39	34	39	36	55	78
Property companies				46	57	33	53	76	120	25	100
Other				29	16	33	43	14	43	84	
Public corporations	—1	5	2	1	—5	—3	5	3	10	—1	—13
Central government	—3	4	—4	—5	—3	—2	—4	1	5	10	16
Local authorities	25	23	26	38	48	66	72	95	132	153	165
Total	44	42	44	50	55	57	57	57	59	58	58

(1) Expenditure by persons on land and dwellings; capital expenditure for business purposes by professional persons, farmers, other sole traders and partnerships; and capital expenditure by private non-profit-making bodies serving persons.

(2) Excluding existing dwellings and land.

Gross fixed capital formation by sector and type of asset

TABLE 55 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
All fixed assets											
Personal sector (1)	498	496	552	619	740	813	777	829	902	962	916
Companies	1,228	1,411	1,457	1,525	1,732	1,982	1,991	1,942	2,373	2,557	2,601
Public corporations	589	660	694	758	788	905	933	1,024	1,187	1,295	1,447
Central government:											
Trading	134	147	139	135	128	61	29	23	25	25	28
Non-trading	87	98	106	117	128	156	186	202	256	274	313
Local authorities:											
Trading	356	343	304	320	323	353	407	448	594	668	770
Non-trading	211	226	240	262	281	349	407	435	519	538	560
Total	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635

See footnote on page 70.

Gross fixed capital formation at current prices by type of asset

TABLE 56

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Buses and coaches	19	18	18	20	22	23	27	29	29	29	28
Other road vehicles	200	194	232	257	307	324	296	323	393	410	455
Railway rolling stock	65	89	85	96	92	81	65	48	41	48	34
Ships	115	151	159	176	177	144	116	92	130	106	99
Aircraft	27	46	36	25	43	33	21	27	41	40	20
Plant and machinery	1,147	1,288	1,328	1,388	1,502	1,763	1,765	1,870	2,156	2,411	2,638
Dwellings	634	616	586	661	750	829	891	944	1,210	1,285	1,309
Other new buildings and works	852	937	1,004	1,063	1,172	1,365	1,492	1,513	1,797	1,932	1,994
Transfer costs of land and buildings	44	42	44	50	55	57	57	57	59	58	58
Total (1)	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635

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

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
	671	691	714	772	808	843	880	931	993	1,058	1,137

Gross fixed capital formation at 1958 prices by type of asset

TABLE 57

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Buses and coaches	21	19	18	20	21	23	26	28	27	27	25
Other road vehicles	209	196	232	268	327	339	304	358	426	441	488
Railway rolling stock, ships and aircraft	239	303	280	295	305	246	194	161	206	181	139
Plant and machinery	1,221	1,323	1,328	1,384	1,480	1,682	1,655	1,738	1,953	2,081	2,180
Dwellings	650	621	586	674	758	813	839	857	1,087	1,110	1,075
Other new buildings and works	914	966	1,004	1,076	1,187	1,367	1,429	1,383	1,609	1,677	1,673
Transfer costs of land and buildings	40	41	44	51	54	54	52	54	55	54	54
Total	3,294	3,469	3,492	3,768	4,132	4,524	4,499	4,579	5,363	5,571	5,634

CAPITAL FORMATION

Gross fixed capital formation at current prices by industry group

TABLE 58

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Agriculture, forestry and fishing.....	102	114	134	151	157	168	163	176	180	181	188
Mining and quarrying.....	91	103	105	116	95	106	99	90	105	109	117
Manufacturing.....	854	947	922	867	1,021	1,239	1,168	1,044	1,216	1,401	1,456
Construction.....	53	57	62	62	70	86	74	110	130	144	148
Gas, electricity and water.....	342	359	387	429	427	455	523	648	758	826	979
Transport and communication (1).....	363	460	468	500	541	507	447	433	517	549	565
Distributive trades.....	160	183	203	250	270	301	300	327	383	381	355
Other service industries (2).....	205	214	254	284	347	401	435	459	552	591	606
Dwellings.....	634	616	586	661	750	829	891	944	1,210	1,285	1,309
Social services.....	147	172	184	191	196	234	289	310	366	391	423
Other public services.....	108	114	143	175	191	236	284	305	380	403	431
Transfer costs of land and buildings.....	44	42	44	50	55	57	57	57	59	58	58
Total.....	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635

(1) Excluding road haulage, and, before 1960, taxi and private-hire car businesses.

(2) Including road haulage, and, before 1960, taxi and private-hire car businesses.

Gross fixed capital formation at 1958 prices by industry group

TABLE 59

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Agriculture, forestry and fishing.....	108	117	134	151	157	165	157	168	170	166	166
Mining and quarrying.....	99	106	105	117	94	103	93	83	95	95	100
Manufacturing.....	925	978	922	871	1,016	1,195	1,098	964	1,092	1,203	1,205
Construction.....	57	58	62	63	72	85	73	107	125	132	135
Gas, electricity and water.....	359	367	387	431	429	447	503	613	701	738	834
Transport and communication (1).....	395	479	468	496	530	489	425	404	479	482	476
Distributive trades.....	388	407	203	255	275	300	291	317	364	352	322
Other service industries (2).....			254	288	355	404	421	440	518	540	540
Dwellings.....	650	621	586	674	758	813	839	857	1,087	1,110	1,075
Social services.....	157	177	184	194	198	233	275	288	333	344	359
Other public services.....	116	118	143	177	194	236	272	284	344	355	368
Transfer costs of land and buildings.....	40	41	44	51	54	54	52	54	55	54	54
Total.....	3,294	3,469	3,492	3,768	4,132	4,524	4,499	4,579	5,363	5,571	5,634

(1) Excluding road haulage, and, before 1960, taxi and private-hire car businesses.

(2) Including road haulage, and, before 1960, taxi and private-hire car businesses.

Gross fixed capital formation by industry and type of asset

TABLE 60

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Vehicles, ships and aircraft											
Agriculture	17	19	21	21	24	24	20	19	20	19	19
Forestry	—	—	—	—	—	1	1	1	—	—	—
Fishing	5	5	5	7	8	7	7	4	4	6	6
Coal mining	1	2	1	2	1	1	1	1	1	—	—
Other mining and quarrying	1	1	1	2	3	3	2	2	3	4	5
Manufacturing:											
Food, drink and tobacco	11	9	14	14	17	17	15	15	17	18	21
Mineral oil refining	—	—	1	—	—	—	—	1	—	—	—
Other chemicals and allied industries	5	5	6	6	7	7	6	7	9	11	16
Iron and steel	2	2	2	1	2	2	2	2	2	2	3
Other metals	1	1	1	1	1	1	1	1	1	2	3
Engineering and electrical goods.....	7	7	9	9	13	12	10	13	16	18	18
Shipbuilding and marine engineering.....	1	—	—	—	1	—	—	—	1	—	
Motor vehicles	1	1	1	1	2	2	2	2	2	2	4
Aircraft	1	1	1	—	1	1	—	1	1	1	
Other vehicles	—	—	—	1	—	—	1	—	—	—	
Metal goods not elsewhere specified	3	2	3	3	4	4	4	4	5	5	4
Textiles	2	2	2	3	4	4	3	3	4	4	9
Leather, leather goods, fur and clothing	2	2	2	3	3	3	2	3	3	3	
Paper, printing and publishing.....	2	2	3	3	5	5	4	5	6	6	8
Bricks, pottery, glass, etc.	3	3	3	4	5	5	5	7	9	9	22
Rubber	1	—	—	1	1	1	1	1	1	1	
Timber, furniture, etc.	2	2	3	4	4	3	3	4	4	1	
Other manufacturing	1	1	1	1	1	1	1	1	8	9	
Total manufacturing	45	40	52	55	71	68	60	69	85	91	108
Construction	18	17	21	23	28	34	28	35	41	37	50
Gas	1	2	2	1	1	1	1	1	—	1	1
Electricity	2	1	1	2	2	2	2	2	2	3	4
Water	—	—	—	—	1	1	1	1	1	1	1
Railways	68	90	87	98	93	80	65	47	40	46	36
Road passenger transport (1)	19	18	18	20	26	28	30	33	34	36	35
Shipping	103	139	146	160	161	132	106	82	121	96	88
Harbours, docks and canals	3	5	4	4	5	4	3	4	4	3	4
Air transport	27	46	36	25	43	33	21	27	41	40	20
Postal, telephone and radio communications	2	2	1	1	2	4	3	3	5	6	6
Wholesale distribution	23	23	30	32	36	36	39	39	49	50	49
Retail distribution	26	27	32	38	40	45	41	44	51	52	54
Insurance, banking and finance	51	49	60	3	2	3	4	4	5	9	6
Other transport and services (1)				65	78	81	73	83	108	113	122
Dwellings	—	—	—	—	—	—	—	—	—	—	—
Universities, colleges, etc.	—	—	—	—	—	—	—	—	—	—	—
Other education	—	—	—	—	—	—	—	—	—	1	1
Health services.....	7	7	6	8	9	9	8	9	8	8	8
Local welfare services	—	—	—	—	—	—	—	—	—	—	—
Roads, etc.	1	1	1	1	1	2	2	2	2	2	2
Sewerage and land drainage.....	—	—	—	—	—	—	—	1	1	1	1
Other public services	6	4	5	6	6	6	7	6	8	8	10
Total	426	498	530	574	641	605	525	519	634	633	636

(1) Before 1960 taxi and private-hire car businesses are included under Other transport and services, from 1960 under Road passenger transport.

CAPITAL FORMATION

Gross fixed capital formation by industry and type of asset

TABLE 60 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Plant and machinery											
Agriculture	50	62	76	81	76	79	74	86	86	86	88
Forestry	—	—	—	1	1	1	—	1	1	1	1
Fishing	—	—	—	1	1	1	—	1	1	1	1
Coal mining	49	55	57	64	46	53	53	51	61	56	59
Other mining and quarrying	7	9	7	8	11	15	14	11	16	26	34
Manufacturing:											
Food, drink and tobacco	50	57	59	57	67	74	76	80	89	98	91
Mineral oil refining	17	33	32	20	11	19	15	23	25	24	43
Other chemicals and allied industries	95	110	114	109	96	124	124	100	134	181	213
Iron and steel	71	95	109	96	138	189	154	82	76	70	70
Other metals	14	16	11	13	16	16	21	18	19	27	32
Engineering and electrical goods	89	92	96	90	115	123	117	126	158	178	187
Shipbuilding and marine engineering	6	8	10	10	8	7	8	6	6	4	
Motor vehicles	42	45	30	31	36	58	52	52	47	60	79
Aircraft	13	12	9	8	11	13	11	9	11	10	
Other vehicles	5	6	5	5	4	5	4	1	2	3	
Metal goods not elsewhere specified	21	21	18	25	29	35	30	29	33	38	41
Textiles	44	48	39	38	49	65	57	56	73	91	101
Leather, leather goods, fur and clothing	7	7	6	7	9	10	10	8	12	13	
Paper, printing and publishing	42	49	44	41	45	52	51	53	64	74	73
Bricks, pottery, glass, etc.	19	20	21	18	27	33	37	32	35	50	102
Rubber	11	10	9	9	10	9	11	13	20	21	
Timber, furniture, etc.	4	4	4	6	7	6	5	9	26	30	
Other manufacturing	5	6	7	9	12	15	14	14			
Total manufacturing	555	639	623	592	690	853	797	711	830	972	1,032
Construction	24	30	33	31	33	42	37	59	75	87	73
Gas	29	28	28	24	23	20	28	46	40	53	102
Electricity	199	209	229	272	275	299	333	428	496	524	593
Water	2	2	2	2	2	3	4	4	5	5	5
Railways	6	5	5	9	8	8	4	5	8	10	10
Road passenger transport	1	1	1	1	1	1	1	2	2	1	1
Shipping	—	—	—	—	—	—	—	—	—	—	—
Harbours, docks and canals	5	6	6	6	6	5	5	5	5	5	6
Air transport	1	2	2	2	3	4	4	5	5	8	8
Postal, telephone and radio communications	83	83	78	78	85	101	112	131	147	175	204
Wholesale distribution	16	16	20	37	40	42	36	43	47	55	52
Retail distribution	35	50	48	60	69	86	82	95	108	102	84
Insurance, banking and finance	55	57	76	12	15	16	30	31	49	58	72
Other transport and services				68	70	79	82	82	95	102	111
Dwellings	—	—	—	—	—	—	—	—	—	—	—
Universities, colleges, etc.	1	1	2	2	4	5	11	13	16	20	27
Other education	11	13	16	16	17	20	23	25	30	29	32
Health services	8	10	9	11	12	16	19	19	11	12	12
Local welfare services	—	—	—	—	1	1	1	1	1	1	1
Roads, etc.	2	2	2	2	2	2	2	2	3	2	2
Sewerage and land drainage	2	2	2	3	3	3	3	3	3	3	3
Other public services	6	6	6	6	9	9	10	11	16	18	25
Total	1,147	1,288	1,328	1,388	1,502	1,763	1,765	1,870	2,156	2,411	2,638

Gross fixed capital formation by industry and type of asset

TABLE 60 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
New buildings and works											
Agriculture	27	25	29	38	45	54	58	62	65	64	69
Forestry	2	2	2	3	3	2	2	2	3	3	2
Fishing	1	1	1	—	—	—	1	1	1	2	2
Coal mining	32	34	38	39	32	32	27	23	21	19	16
Other mining and quarrying	1	2	1	1	2	2	2	2	3	4	3
Manufacturing:											
Food, drink and tobacco	39	43	40	35	44	49	51	50	60	62	54
Mineral oil refining	5	9	7	3	4	5	2	3	3	5	7
Other chemicals and allied industries	34	35	37	30	31	36	40	29	31	36	25
Iron and steel	17	18	18	15	27	39	37	16	14	14	17
Other metals	8	8	3	4	5	6	7	6	5	6	11
Engineering and electrical goods.....	54	54	50	45	47	61	52	46	58	63	} 62
Shipbuilding and marine engineering	4	7	10	10	6	5	4	4	6	4	
Motor vehicles	16	15	13	8	18	25	24	26	18	22	} 27
Aircraft	8	9	8	13	5	3	6	6	5	4	
Other vehicles	2	3	3	2	2	2	1	2	3	7	
Metal goods not elsewhere specified	9	9	9	8	9	14	12	11	11	15	16
Textiles	13	13	11	12	15	17	14	12	19	24	} 27
Leather, leather goods, fur and clothing	5	4	3	3	5	7	7	5	9	7	
Paper, printing and publishing	22	22	18	16	18	20	24	22	23	26	18
Bricks, pottery, glass, etc.	9	9	9	8	11	16	16	11	16	25	} 52
Rubber	3	3	3	2	3	3	3	4	6	5	
Timber, furniture, etc.	4	4	3	4	6	6	6	6	6	5	
Other manufacturing	2	3	2	2	4	4	5	5	14	13	
Total manufacturing.....	254	268	247	220	260	318	311	264	301	338	316
Construction	11	10	8	8	9	10	9	16	14	20	25
Gas	21	23	21	21	20	21	28	35	47	49	83
Electricity	48	56	67	67	61	63	77	80	109	127	121
Water	40	38	37	40	42	45	49	51	58	63	69
Railways	15	29	46	60	70	65	49	44	59	64	63
Road passenger transport	4	3	4	4	4	5	4	5	5	4	5
Shipping	1	1	1	1	1	—	1	2	2	4	3
Harbours, docks and canals	10	12	14	15	16	16	16	12	13	19	40
Air transport	6	7	8	6	8	10	10	13	13	17	17
Postal, telephone and radio communications	9	11	11	10	9	11	13	13	13	15	19
Wholesale distribution	18	18	23	21	22	27	31	33	40	41	44
Retail distribution	42	49	50	62	63	65	71	73	88	81	72
Insurance, banking and finance	} 99	108	118	52	72	96	115	122	134	161	159
Other transport and services				84	110	126	131	137	161	148	136
Dwellings	634	616	586	661	750	829	891	944	1,210	1,285	1,309
Universities, colleges, etc.	7	9	12	17	19	20	26	33	43	58	58
Other education	97	112	116	111	106	128	157	154	172	169	182
Health services	13	16	19	21	23	29	36	46	73	81	90
Local welfare services	3	4	4	5	5	6	8	10	12	12	12
Roads, etc. (1)	28	36	60	78	82	102	126	141	185	188	201
Sewerage and land drainage.....	36	36	38	44	46	57	68	66	75	76	83
Other public services	27	27	29	35	42	55	66	73	87	105	104
Total expenditure on new buildings and works	1,486	1,553	1,590	1,724	1,922	2,194	2,383	2,457	3,007	3,217	3,303
Transfer costs of land and buildings	44	42	44	50	55	57	57	57	59	58	58
Total.....	1,530	1,595	1,634	1,774	1,977	2,251	2,440	2,514	3,066	3,275	3,361

(1) Including public lighting and local authority car parks.

CAPITAL FORMATION

Gross fixed capital formation by industry and type of asset

TABLE 60 (continued)

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
All fixed assets											
Agriculture	94	106	126	140	145	157	152	167	171	169	176
Forestry	2	2	2	3	3	3	3	3	3	3	3
Fishing	6	6	6	8	9	8	8	6	6	9	9
Coal mining	82	91	96	105	79	86	81	75	83	75	75
Other mining and quarrying	9	12	9	11	16	20	18	15	22	34	42
Manufacturing:											
Food, drink and tobacco	100	109	113	106	128	140	142	145	166	178	166
Mineral oil refining	22	42	40	23	15	24	17	27	28	29	50
Other chemicals and allied industries	134	150	157	145	134	167	170	136	174	228	254
Iron and steel	90	115	129	112	167	230	193	100	92	86	90
Other metals	23	25	15	18	22	23	29	25	25	35	46
Engineering and electrical goods	150	153	155	144	175	196	179	185	232	259	} 267
Shipbuilding and marine engineering	11	15	20	20	15	12	12	10	13	8	
Motor vehicles	59	61	44	40	56	85	78	80	67	84	} 110
Aircraft	22	22	18	21	17	17	17	15	17	15	
Other vehicles	7	9	8	8	6	7	6	3	5	10	
Metal goods not elsewhere specified	33	32	30	36	42	53	46	44	49	58	61
Textiles	59	63	52	53	68	86	74	71	96	119	} 137
Leather, leather goods, fur and clothing	14	13	11	13	17	20	19	16	24	23	
Paper, printing and publishing	66	73	65	60	68	77	79	80	93	106	99
Bricks, pottery, glass, etc.	31	32	33	30	43	54	58	50	60	84	} 176
Rubber	15	13	12	12	14	13	15	18	27	27	
Timber, furniture, etc.	10	10	10	14	17	15	14	19	} 48	52	
Other manufacturing	8	10	10	12	17	20	20	20			
Total manufacturing	854	947	922	867	1,021	1,239	1,168	1,044	1,216	1,401	1,456
Construction	53	57	62	62	70	86	74	110	130	144	148
Gas	51	53	51	46	44	42	57	82	87	103	186
Electricity	249	266	297	341	338	364	412	510	607	654	718
Water	42	40	39	42	45	49	54	56	64	69	75
Railways	89	124	138	167	171	153	118	96	107	120	109
Road passenger transport (1)	24	22	23	25	31	34	35	40	41	41	41
Shipping	104	140	147	161	162	132	107	84	123	100	91
Harbours, docks and canals	18	23	24	25	27	25	24	21	22	27	50
Air transport	34	55	46	33	54	47	35	45	59	65	45
Postal, telephone and radio communications	94	96	90	89	96	116	128	147	165	196	229
Wholesale distribution	57	57	73	90	98	105	106	115	136	146	145
Retail distribution	103	126	130	160	172	196	194	212	247	235	210
Insurance, banking and finance	} 205	214	254	67	89	115	149	157	188	228	237
Other transport and services (1)				217	258	286	286	302	364	363	369
Dwellings	634	616	586	661	750	829	891	944	1,210	1,285	1,309
Universities, colleges, etc.	8	10	14	19	23	25	37	46	59	78	85
Other education	108	125	132	127	123	148	180	179	202	199	215
Health services	28	33	34	40	44	54	63	74	92	101	110
Local welfare services	3	4	4	5	6	7	9	11	13	13	13
Roads, etc. (2)	31	39	63	81	85	106	130	145	190	192	205
Sewerage and land drainage	38	38	40	47	49	60	71	70	79	80	87
Other public services	39	37	40	47	57	70	83	90	111	131	139
Total expenditure on equipment and new buildings	3,059	3,339	3,448	3,686	4,065	4,562	4,673	4,846	5,797	6,261	6,577
Transfer costs of land and buildings	44	42	44	50	55	57	57	57	59	58	58
Total	3,103	3,381	3,492	3,736	4,120	4,619	4,730	4,903	5,856	6,319	6,635

(1) Before 1960 taxi and private-hire car businesses are included under Other transport and services, from 1960 under Road passenger transport.

(2) Including public lighting and local authority car parks.

Capital consumption by type of asset

TABLE 61

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices											
Vehicles, ships and aircraft.....	314	333	352	357	373	401	423	429	460	491	530
Plant and machinery.....	634	689	738	774	822	899	959	1,026	1,115	1,220	1,345
Dwellings	266	275	283	284	290	296	310	327	341	367	398
Other buildings and works (1).....	370	394	418	429	448	469	505	536	567	603	647
Total	1,584	1,691	1,791	1,844	1,933	2,065	2,197	2,318	2,483	2,681	2,920
At 1958 prices											
Vehicles, ships and aircraft.....	332	340	352	361	381	403	425	444	474	496	526
Plant and machinery.....	675	708	738	771	810	857	897	942	995	1,045	1,100
Dwellings	273	278	283	289	293	291	296	307	317	327	327
Other buildings and works (1).....	391	404	418	436	452	468	480	497	514	531	553
Total	1,671	1,730	1,791	1,857	1,936	2,019	2,093	2,179	2,290	2,389	2,506

(1) Including transfer costs of land and buildings, wholly written off in the year incurred.

Capital consumption by sector

TABLE 62

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Dwellings											
Personal sector.....	173	178	182	182	187	197	210	221	229	245	263
Companies	—	—	—	—	1	1	1	2	2	2	2
Public corporations	3	3	4	4	4	4	5	5	6	7	8
Central government	23	23	24	23	20	11	5	3	3	3	3
Local authorities	67	71	73	75	78	83	89	96	101	110	122
Total	266	275	283	284	290	296	310	327	341	367	398
Other fixed assets											
Personal sector.....	193	195	205	213	224	237	248	253	271	284	299
Companies	581	637	680	706	746	812	867	912	983	1,071	1,177
Public corporations	324	347	372	388	409	493	549	591	640	695	769
Central government:											
Trading	76	83	89	90	96	51	33	33	33	34	31
Non-trading	38	42	44	44	46	49	53	56	60	64	69
Local authorities:											
Trading	44	46	47	47	47	47	50	52	54	58	60
Non-trading	62	66	71	72	75	80	87	94	101	108	117
Total	1,318	1,416	1,508	1,560	1,643	1,769	1,887	1,991	2,142	2,314	2,522
All fixed assets											
Personal sector.....	366	373	387	395	411	434	458	474	500	529	562
Companies	581	637	680	706	747	813	868	914	985	1,073	1,179
Public corporations	327	350	376	392	413	497	554	596	646	702	777
Central government	137	148	157	157	162	111	91	92	96	101	103
Local authorities	173	183	191	194	200	210	226	242	256	276	299
Total	1,584	1,691	1,791	1,844	1,933	2,065	2,197	2,318	2,483	2,681	2,920

CAPITAL FORMATION

Net fixed capital formation by type of asset

TABLE 63

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices											
Vehicles, ships and aircraft.....	112	165	178	217	268	204	102	90	174	142	106
Plant and machinery.....	513	599	590	614	680	864	806	844	1,041	1,191	1,293
Dwellings	368	341	303	377	460	533	581	617	869	918	911
Other new buildings and works	526	585	630	684	779	953	1,044	1,034	1,289	1,387	1,405
Total	1,519	1,690	1,701	1,892	2,187	2,554	2,533	2,585	3,373	3,638	3,715
At 1958 prices											
Vehicles, ships and aircraft.....	137	178	178	222	272	205	99	103	185	153	126
Plant and machinery.....	546	615	590	613	670	825	758	796	958	1,036	1,080
Dwellings	377	343	303	385	465	522	548	561	780	793	748
Other new buildings and works	563	603	630	691	789	953	1,001	940	1,150	1,200	1,174
Total	1,623	1,739	1,701	1,911	2,196	2,505	2,406	2,400	3,073	3,182	3,128

Net fixed capital formation by sector

TABLE 64

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Dwellings											
Personal sector	116	118	132	200	279	323	312	320	440	443	386
Companies	8	6	8	11	12	17	24	21	25	23	22
Public corporations	31	26	21	21	20	21	22	26	37	39	40
Central government	-11	-15	-18	-18	-12	-1	10	8	18	17	21
Local authorities	224	206	160	163	161	173	213	242	349	396	442
Total	368	341	303	377	460	533	581	617	869	918	911
Other fixed assets											
Personal sector	16	5	33	24	50	56	7	35	-38	-10	-32
Companies	639	768	769	808	973	1,152	1,099	1,007	1,363	1,461	1,400
Public corporations	231	284	297	345	355	387	357	402	504	554	630
Central government:											
Trading	58	64	50	45	32	10	-4	-10	-8	-9	-3
Non-trading	37	48	56	68	74	97	118	135	175	190	220
Local authorities:											
Trading	26	24	28	38	40	53	59	63	94	108	150
Non-trading	144	156	165	187	203	266	316	336	414	426	439
Total	1,151	1,349	1,398	1,515	1,727	2,021	1,952	1,968	2,504	2,720	2,804
All fixed assets											
Personal sector	132	123	165	224	329	379	319	355	402	433	354
Companies	647	774	777	819	985	1,169	1,123	1,028	1,388	1,484	1,422
Public corporations	262	310	318	366	375	408	379	428	541	593	670
Central government	84	97	88	95	94	106	124	133	185	198	238
Local authorities	394	386	353	388	404	492	588	641	857	930	1,031
Total	1,519	1,690	1,701	1,892	2,187	2,554	2,533	2,585	3,373	3,638	3,715

Net capital stock at current replacement cost by sector and type of asset (1)

TABLE 65

£ thousand million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Vehicles, plant and machinery											
Personal sector	1.2	1.3	1.4	1.5	1.6	1.8	1.9	2.0	2.2	2.4	2.6
Companies	8.1	9.1	9.5	9.8	10.7	11.6	12.2	12.7	13.7	14.8	15.9
Public corporations (2)	3.0	3.3	3.5	3.7	4.0	5.5(2)	5.7	6.1	6.6	7.3	7.8
Central government (2)	1.0	1.0	1.1	1.1	1.1	0.1(2)	0.1	0.1	0.2	0.3	0.3
Local authorities	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	1.0	1.2	1.4
Total	13.9	15.3	16.1	16.7	18.1	19.7	20.7	21.7	23.7	26.0	28.0
Buildings											
Personal sector	9.7	10.2	10.4	10.4	11.2	11.9	12.8	13.5	14.5	15.9	17.7
Companies	6.1	6.6	6.9	6.9	7.3	7.9	8.7	9.3	10.0	10.9	12.0
Public corporations (2)	2.6	2.8	2.9	2.9	3.1	3.4(2)	3.7	3.9	4.2	4.7	5.2
Central government (2)	1.3	1.4	1.5	1.6	1.7	1.5(2)	1.7	1.9	2.1	2.4	2.7
Local authorities	9.6	10.3	10.6	10.6	11.2	11.9	12.8	13.8	14.6	15.7	16.9
Total	29.3	31.3	32.3	32.4	34.5	36.6	39.7	42.4	45.4	49.6	54.5
All fixed assets											
Personal sector	10.9	11.5	11.8	11.9	12.8	13.7	14.7	15.5	16.7	18.3	20.3
Companies	14.2	15.7	16.4	16.7	18.0	19.5	20.9	22.0	23.7	25.7	27.9
Public corporations (2)	5.6	6.1	6.4	6.6	7.1	8.9(2)	9.4	10.0	10.8	12.0	13.0
Central government (2)	2.3	2.4	2.6	2.7	2.8	1.6(2)	1.8	2.0	2.3	2.7	3.0
Local authorities	10.2	10.9	11.2	11.2	11.9	12.6	13.6	14.6	15.6	16.9	18.3
Total	43.2	46.6	48.4	49.1	52.6	56.3	60.4	64.1	69.1	75.6	82.5

(1) For an account of the principles of valuation, see pages 124-126. Figures relate to end of year.

(2) From April 1961 the Post Office is treated as a public corporation not as part of central government.

CAPITAL FORMATION

Gross capital stock at 1958 replacement cost ⁽¹⁾, by industry and type of asset

TABLE 66

£ thousand million

	1948	1951	1954	1958	1961	1962	1963	1964	1965	1966
By industry										
Agriculture (2).....	0.4	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.8	0.8
Mining and quarrying	1.0	1.0	1.1	1.3	1.5	1.5	1.5	1.5	1.5	1.5
Manufacturing, excluding textiles:										
Food, drink and tobacco	1.3	1.5	1.6	1.9	2.2	2.3	2.4	2.5	2.6	2.7
Chemicals and allied industries	1.4	1.7	2.1	2.7	3.1	3.3	3.4	3.6	3.8	4.0
Iron and steel	1.2	1.4	1.6	1.9	2.3	2.5	2.5	2.6	2.6	2.7
Other metals, engineering and allied industries	4.9	5.4	6.0	7.0	7.8	8.1	8.3	8.6	8.9	9.2
Bricks, pottery, glass, cement, etc.	0.3	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.9	0.9
Timber, furniture, etc.	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Paper, printing and publishing	1.0	1.1	1.1	1.3	1.4	1.5	1.5	1.6	1.7	1.7
Leather, clothing and other manufacturing	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.3
Total	11.1	12.6	14.0	16.6	18.8	19.7	20.3	21.1	22.0	22.9
Construction	0.3	0.4	0.5	0.7	0.9	0.9	1.0	1.1	1.2	1.3
Gas	0.7	0.7	0.8	1.0	1.0	1.1	1.1	1.2	1.2	1.3
Electricity	2.5	2.9	3.3	4.1	4.9	5.2	5.5	6.0	6.5	7.0
Water	2.0	2.0	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.3
Railways.....	5.7	5.5	5.4	5.4	5.5	5.5	5.5	5.5	5.5	5.5
Road passenger transport (3)	0.3	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Shipping	2.0	2.2	2.2	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Harbours, docks and canals	1.2	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Air transport.....	0.1	0.1	0.2	0.4	0.5	0.5	0.5	0.5	0.6	0.6
Postal, telephone and radio communications	1.2	1.3	1.5	1.8	2.0	2.1	2.2	2.2	2.3	2.4
Distribution and other services (4)	5.2	5.6	6.1	7.0	8.4	9.0	9.6	10.3	11.1	11.8
Private dwellings	17.0	17.0	17.3	18.1	19.2	19.6	20.0	20.5	21.0	21.5
Public dwellings.....	4.3	5.5	6.9	8.2	8.9	9.1	9.4	9.8	10.3	10.8
Roads (5)	1.6	1.6	1.6	1.7	1.9	2.1	2.2	2.3	2.4	2.5
Other public social services (6)	4.0	4.3	4.7	5.4	6.0	6.2	6.5	6.7	6.9	7.1
Other industries (7)	4.6	4.8	5.0	4.6	4.5	4.5	4.5	4.5	4.5	4.5
Total gross capital stock	65.2	69.5	74.9	82.9	90.8	93.8	96.7	100.2	104.0	107.7
By type of asset										
Road vehicles	1.0	1.4	1.8	2.1	2.5	2.7	2.8	2.9	3.0	3.1
Railway rolling stock, ships and aircraft	3.4	3.6	3.7	4.0	4.4	4.4	4.4	4.4	4.4	4.4
Plant and machinery	15.2	17.0	18.8	21.9	24.7	25.8	26.8	28.2	29.7	31.2
Dwellings.....	21.3	22.5	24.2	26.3	28.1	28.7	29.4	30.3	31.3	32.3
Other buildings and works	24.3	25.0	26.4	28.6	31.1	32.2	33.3	34.4	35.6	36.7
Total gross capital stock	65.2	69.5	74.9	82.9	90.8	93.8	96.7	100.2	104.0	107.7

(1) For an account of the principles of valuation, see pages 124-126. Figures relate to end of year.

(2) Plant and machinery only.

(3) Excluding taxis and private-hire cars.

(4) Distributive trades, insurance, banking and finance, professional and scientific services, miscellaneous services, road haulage, taxis and private-hire cars, miscellaneous transport services and storage.

(5) Excluding the non-renewable element more than 75 years old.

(6) Education, sewerage, prisons, etc.; hospitals, universities and private schools are not included.

(7) Textiles, hospitals, universities, private schools, agricultural buildings and vehicles.

Gross capital stock at 1958 replacement cost ⁽¹⁾Analysis for manufacturing ⁽²⁾, construction, distribution and other services

TABLE 67

£ thousand million

	1948	1951	1954	1958	1961	1962	1963	1964	1965	1966
Plant and machinery										
Manufacturing, excluding textiles:										
Food, drink and tobacco	0.51	0.63	0.72	0.88	1.03	1.08	1.12	1.18	1.25	1.32
Chemicals and allied industries	0.87	1.11	1.38	1.83	2.15	2.26	2.35	2.48	2.63	2.80
Iron and steel	0.73	0.86	1.00	1.25	1.61	1.73	1.78	1.83	1.87	1.91
Other metals, engineering and allied industries	3.12	3.46	3.91	4.51	4.97	5.14	5.31	5.51	5.65	5.80
Bricks, pottery, glass, cement, etc.	0.18	0.22	0.25	0.31	0.38	0.41	0.43	0.46	0.49	0.53
Timber, furniture, etc.	0.05	0.06	0.07	0.09	0.10	0.10	0.11	0.11	0.12	0.13
Paper, printing and publishing	0.62	0.67	0.71	0.82	0.89	0.92	0.96	1.00	1.05	1.10
Leather, clothing and other manufacturing	0.35	0.38	0.40	0.44	0.49	0.50	0.52	0.55	0.59	0.63
Total	6.43	7.39	8.44	10.13	11.62	12.14	12.58	13.12	13.65	14.22
Construction	0.11	0.17	0.24	0.34	0.43	0.46	0.51	0.57	0.63	0.68
Distribution and other services ⁽³⁾	1.28	1.40	1.50	1.80	2.23	2.39	2.56	2.77	3.01	3.25
Buildings										
Manufacturing, excluding textiles:										
Food, drink and tobacco	0.69	0.74	0.79	0.91	1.02	1.06	1.11	1.15	1.20	1.25
Chemicals and allied industries	0.49	0.57	0.68	0.82	0.92	0.96	0.98	1.01	1.05	1.07
Iron and steel	0.52	0.56	0.59	0.63	0.70	0.73	0.74	0.75	0.75	0.77
Other metals, engineering and allied industries	1.74	1.86	2.02	2.39	2.67	2.76	2.85	2.94	3.05	3.14
Bricks, pottery, glass, cement, etc.	0.16	0.18	0.20	0.23	0.26	0.28	0.29	0.30	0.32	0.34
Timber, furniture, etc.	0.12	0.13	0.13	0.15	0.16	0.16	0.17	0.18	0.18	0.19
Paper, printing and publishing	0.35	0.36	0.38	0.44	0.49	0.51	0.53	0.55	0.57	0.58
Leather, clothing and other manufacturing	0.44	0.46	0.46	0.49	0.51	0.52	0.53	0.54	0.56	0.57
Total	4.51	4.86	5.25	6.06	6.73	6.98	7.20	7.42	7.68	7.91
Construction	0.12	0.14	0.16	0.19	0.22	0.23	0.24	0.25	0.27	0.29
Distribution and other services ⁽³⁾	3.34	3.52	3.78	4.33	5.06	5.37	5.68	6.05	6.41	6.74

(1) For an account of the principles of valuation, see pages 124-126. Figures relate to end of year.

(2) Excluding textiles.

(3) Distributive trades, insurance, banking and finance, professional and scientific services, miscellaneous services, road haulage, taxis and private-hire cars, miscellaneous transport services and storage. The estimates are much less reliable than those for manufacturing.

Increase in the book value of stocks and work in progress by industry

TABLE 68

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	Book value of stocks held at end of 1966
Agriculture	36	19	22	34	38	38	28	33	47	50	42	1,235
Forestry	10	11	11	12	15	18	18	19	20	24	25	551
Mining and quarrying	5	33	35	44	-16	-26	6	-44	1	—	-5	137
Manufacturing:												
Food, drink and tobacco:												
Materials and fuel	-1	15	-8	9	12	1	7	45	-6	4	-21	422
Work in progress.....	4	5	4	6	15	15	15	13	20	18	23	268
Finished products.....	22	1	21	1	9	9	6	33	-4	9	16	269
Chemicals and allied industries:												
Materials and fuel	14	14	-10	2	22	6	10	-4	19	9	5	263
Work in progress.....	4	2	1	5	2	3	3	4	4	6	5	70
Finished products.....	11	31	10	18	17	7	-16	-11	20	9	9	244
Metal manufacture:												
Materials and fuel	24	19	-11	5	38	-4	-19	5	26	14	1	253
Work in progress.....	8	9	-2	-4	31	11	3	4	30	24	-7	228
Finished products.....	8	16	6	-6	14	11	—	2	12	8	8	124
Engineering, shipbuilding and vehicles:												
Materials and fuel	53	13	-31	-2	112	66	-20	-14	99	72	60	1,045
Work in progress.....	121	102	45	45	107	115	54	98	201	155	128	2,127
Finished products.....	48	-1	42	21	98	37	60	20	67	91	54	836
Textiles, leather and clothing:												
Materials and fuel	13	-5	-37	33	14	-14	-17	28	18	-3	-27	289
Work in progress.....	6	3	-16	14	11	-2	-5	9	11	3	2	173
Finished products.....	5	20	9	-15	11	21	—	-2	21	12	52	326
Other manufacturing:												
Materials and fuel	5	-2	-15	-1	33	1	-20	9	35	15	-5	320
Work in progress.....	3	4	1	6	13	5	1	9	5	13	9	143
Finished products.....	15	14	12	—	32	24	16	2	15	30	31	304
Total manufacturing	363	260	21	137	591	312	78	250	593	489	343	7,704
of which												
Materials and fuel	108	54	-112	46	231	56	-59	69	191	111	13	2,592
Work in progress.....	146	125	33	72	179	147	71	137	271	219	160	3,009
Finished products.....	109	81	100	19	181	109	66	44	131	159	170	2,103
Gas, electricity and water	—	15	-4	-12	—	16	7	15	13	1	28	195
Retail distribution	37	55	21	45	44	61	45	63	90	66	44	1,362
Wholesale distribution (1):												
Wholesale distributors .....	..	48	3	9	34	32	19	29	81	35	31	812
Dealers in coal, industrial materials and machinery .....	..	6	3	13	28	21	26	36	64	40	-13	470
Total .....	..	54	6	22	62	53	45	65	145	75	18	1,282
Other industries (1).....	50	22	9	4	33	44	10	48	85	67	67	938
Central government:												
Trading bodies (2)	-15	-5	-2	-6	-2	-1	1	-1	—	—	—	1
Strategic stocks.....	-19	-39	-13	-16	-29	-9	-7	-8	-3	-1	-2	119
Total	467	425	106	264	736	506	231	440	991	771	560	13,524
less Stock appreciation	-208	-187	5	-90	-134	-172	-148	-212	-342	-355	-351	
Value of physical increase in stocks and work in progress	259	238	111	174	602	334	83	228	649	416	209	

(1) Figures for wholesale distribution for 1956 are included in Other industries.

(2) Excluding stocks of the Forestry Commission, Northern Ireland Forestry, Royal Ordnance Factories, Royal Mint and (after 31 March 1961) the Post Office, which are included in the appropriate industries above.

Value of physical increase in stocks and work in progress at current prices by industry

TABLE 69

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Manufacturing:											
Food, drink and tobacco:											
Materials and fuel.....	-9	6	-21	13	16	-3	1	17	8	-2	-29
Work in progress.....	—	3	2	11	15	5	15	9	12	1	13
Finished products.....	15	—	13	3	9	5	-2	29	-12	—	9
Chemicals and allied industries:											
Materials and fuel.....	2	11	-5	8	24	7	13	-6	16	10	5
Work in progress.....	3	1	2	6	2	4	3	4	3	5	4
Finished products.....	6	25	12	17	15	6	-13	-10	17	4	5
Metal manufacture:											
Materials and fuel.....	16	6	-12	3	38	-5	-19	1	10	5	-7
Work in progress.....	2	2	-3	-6	31	10	1	—	15	14	-15
Finished products.....	7	13	5	-8	14	8	-1	—	3	3	4
Engineering, shipbuilding and vehicles:											
Materials and fuel.....	38	-12	-34	-12	110	53	-32	-27	51	45	19
Work in progress.....	99	60	28	29	73	76	27	77	134	65	24
Finished products.....	40	-16	38	21	88	26	50	11	47	70	34
Textiles, leather and clothing:											
Materials and fuel.....	-14	5	-11	6	11	-10	-16	7	27	-15	-29
Work in progress.....	-3	5	-4	3	11	—	-7	1	11	—	1
Finished products.....	-2	18	20	-23	7	22	1	-10	15	6	49
Other manufacturing:											
Materials and fuel.....	-1	-2	-8	-3	22	4	-17	4	24	10	-8
Work in progress.....	1	3	2	6	10	3	3	8	—	11	7
Finished products.....	13	11	13	—	27	21	12	-1	7	23	25
Total manufacturing	213	139	37	74	523	232	19	114	388	255	111
<i>of which</i>											
Materials and fuel.....	32	14	-91	15	221	46	-70	-4	136	53	-49
Work in progress.....	102	74	27	49	142	98	42	99	175	96	34
Finished products.....	79	51	101	10	160	88	47	19	77	106	126
Retail distribution	20	47	16	47	35	28	14	57	52	47	5
Wholesale distribution (1):											
Wholesale distributors .....	..	36	1	9	25	24	6	19	58	17	14
Dealers in coal, industrial materials and machinery.....	..	5	13	3	26	18	24	27	45	28	-15
Total.....	..	41	14	12	51	42	30	46	103	45	-1
Other industries (1)	26	11	44	41	-7	32	20	11	106	69	94
Total	259	238	111	174	602	334	83	228	649	416	209

(1) Figures for wholesale distribution for 1956 are included in Other industries

CAPITAL FORMATION

Value of physical increase in stocks and work in progress at 1958 prices by industry

TABLE 70

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Manufacturing:											
Food, drink and tobacco:											
Materials and fuel.....	-11	—	-21	12	16	-1	10	20	5	-8	-21
Work in progress.....	-2	4	2	11	15	5	15	10	10	4	12
Finished products.....	14	5	13	3	12	5	-3	26	-10	—	9
Chemicals and allied industries:											
Materials and fuel.....	3	13	-5	8	25	5	13	-5	17	10	11
Work in progress.....	2	2	2	6	2	3	2	4	3	5	4
Finished products.....	5	33	12	17	15	8	-13	-10	17	2	5
Metal manufacture:											
Materials and fuel.....	15	10	-12	3	36	-4	-19	1	11	4	-8
Work in progress.....	2	4	-3	-6	30	9	1	—	15	13	-13
Finished products.....	7	14	5	-7	13	8	-1	—	3	3	3
Engineering, shipbuilding and vehicles:											
Materials and fuel.....	39	-24	-34	-12	108	50	-31	-25	45	29	15
Work in progress.....	101	53	28	28	69	72	24	70	116	57	22
Finished products.....	41	-14	38	20	86	26	48	12	44	62	28
Textiles, leather and clothing:											
Materials and fuel.....	-15	12	-11	8	12	-10	-16	8	25	-8	-22
Work in progress.....	-4	6	-4	3	10	—	-6	2	10	—	1
Finished products.....	-4	17	20	-23	7	19	—	-10	14	6	44
Other manufacturing:											
Materials and fuel.....	-1	—	-8	-3	22	4	-17	4	23	9	-6
Work in progress.....	1	5	2	5	9	4	3	7	—	9	6
Finished products.....	12	13	13	—	27	21	12	-1	6	20	22
Total manufacturing	205	153	37	73	514	224	22	113	354	217	112
<i>of which</i>											
Materials and fuel.....	30	11	-91	16	219	44	-60	3	126	36	-31
Work in progress.....	100	74	27	47	135	93	39	93	154	88	32
Finished products.....	75	68	101	10	160	87	43	17	74	93	111
Retail distribution	12	44	16	49	37	29	14	55	47	43	6
Wholesale distribution (1):											
Wholesale distributors.....	..	37	1	10	28	30	8	18	51	17	14
Dealers in coal, industrial materials and machinery.....	..	5	13	5	26	16	27	26	37	25	-12
Total.....	..	42	14	15	54	46	35	44	88	42	2
Other industries (1)	27	11	44	42	-4	36	16	9	101	63	80
Total	244	250	111	179	601	335	87	221	590	365	200

(1) Figures for wholesale distribution for 1956 are included in Other industries.

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

TABLE 71

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Value of physical increase in stocks and work in progress											
Personal sector (2)	32	30	14	39	68	51	17	59	99	61	19
Companies	235	190	69	134	576	279	55	199	529	331	130
Public corporations	16	54	36	11	-25	-3	-1	-40	4	1	35
Central government:											
Trading bodies	-5	3	5	6	12	16	19	18	20	24	27
Strategic stocks	-19	-39	-13	-16	-29	-9	-7	-8	-3	-1	-2
Total	-24	-36	-8	-10	-17	7	12	10	17	23	25
Total	259	238	111	174	602	334	83	228	649	416	209
Stock appreciation											
Personal sector(2).....	39	32	16	25	31	45	45	40	63	69	72
Companies	159	141	-18	66	89	115	100	163	271	282	273
Public corporations	10	14	-3	-1	14	12	3	9	8	4	6
Total	208	187	-5	90	134	172	148	212	342	355	351
Increase in book value of stocks and work in progress											
Personal sector (2)	71	62	30	64	99	96	62	99	162	130	91
Companies	394	331	51	200	665	394	155	362	800	613	403
Public corporations	26	68	33	10	-11	9	2	-31	12	5	41
Central government:											
Trading bodies	-5	3	5	6	12	16	19	18	20	24	27
Strategic stocks	-19	-39	-13	-16	-29	-9	-7	-8	-3	-1	-2
Total	-24	-36	-8	-10	-17	7	12	10	17	23	25
Total	467	425	106	264	736	506	231	440	991	771	560

(1) The value of stocks and work in progress held at the end of 1966 by each of the various sectors was as follows: personal sector £2,694 million; companies £9,901 million; public corporations £522 million; and central government £407 million.

(2) Stocks held for business purposes by professional persons, farmers and other sole traders and partnerships.

XII. FINANCIAL ACCOUNTS

Net acquisition of financial assets: Summary analysis by sector

TABLE 72

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Personal sector:											
Saving (1)	789	766	655	817	1,290	1,669	1,473	1,521	1,826	1,895	1,879
Capital transfers <i>less</i> taxes on capital <i>less</i> Gross domestic fixed capital formation (2)	-106	-125	-128	-155	-172	-185	-173	-206	-183	-139	-162
<i>less</i> Increase in value of stocks and work in progress	-498	-496	-552	-619	-740	-813	-777	-829	-902	-962	-916
	-71	-62	-30	-64	-99	-96	-62	-99	-162	-130	-91
Net acquisition of financial assets	114	83	-55	-21	279	575	461	387	579	664	710
Companies:											
Industrial and commercial companies:											
Saving (1) .....	..	..	..	2,105	2,601	2,304	2,122	2,711	3,091	3,239	2,899
Capital transfers (net) .....	..	..	..	7	15	9	12	9	13	18	21
<i>less</i> Gross domestic fixed capital formation .....	..	..	..	-1,450	-1,652	-1,886	-1,886	-1,833	-2,247	-2,401	-2,418
<i>less</i> Increase in value of stocks and work in progress .....	..	..	..	-200	-665	-394	-155	-362	-800	-613	-403
Net acquisition of financial assets .....	..	..	..	462	299	33	93	525	57	243	99
Financial companies:											
Saving (1) .....	..	..	..	130	137	156	148	144	194	246	253
<i>less</i> Gross domestic fixed capital formation (2) .....	..	..	..	-75	-80	-96	-105	-109	-126	-156	-183
Net acquisition of financial assets .....	..	..	..	55	57	60	43	35	68	90	70
All companies:											
Saving (1)	2,083	2,133	2,040	2,235	2,738	2,460	2,270	2,855	3,285	3,485	3,152
Capital transfers (net)	18	11	10	7	15	9	12	9	13	18	21
<i>less</i> Gross domestic fixed capital formation	-1,228	-1,411	-1,457	-1,525	-1,732	-1,982	-1,991	-1,942	-2,373	-2,557	-2,601
<i>less</i> Increase in value of stocks and work in progress	-394	-331	-51	-200	-665	-394	-155	-362	-800	-613	-403
Net acquisition of financial assets	479	402	542	517	356	93	136	560	125	333	169
Public corporations:											
Saving (1)	205	166	149	185	309	364	402	577	608	660	630
Capital transfers (net)	16	9	7	7	7	8	19	442(3)	10	536(3)	11
<i>less</i> Gross domestic fixed capital formation	-589	-660	-694	-758	-788	-905	-933	-1,024	-1,187	-1,295	-1,447
<i>less</i> Increase in value of stocks and work in progress	-26	-68	-33	-10	11	-9	-2	31	-12	-5	-41
Net acquisition of financial assets	-394	-553	-571	-576	-461	-542	-514	26	-581	-104	-847
Central government:											
Saving (1)	416	527	622	492	202	367	670	241	491	909	1,219
Taxes on capital <i>plus</i> capital transfers <i>less</i> Gross domestic fixed capital formation	58	85	85	114	119	137	103	-291(3)	105	-474(3)	66
<i>less</i> Increase in value of stocks and work in progress	-221	-245	-245	-252	-256	-217	-215	-225	-281	-299	-341
	24	36	8	10	17	-7	-12	-10	-17	-23	-25
Net acquisition of financial assets	277	403	470	364	82	280	546	-285	298	113	919
Local authorities:											
Saving (1)	126	165	170	207	246	188	215	267	336	309	416
Capital transfers (net)	14	20	26	27	31	31	39	46	55	59	64
<i>less</i> Gross domestic fixed capital formation	-567	-569	-544	-582	-604	-702	-814	-883	-1,113	-1,206	-1,330
Net acquisition of financial assets	-427	-384	-348	-348	-327	-483	-560	-570	-722	-838	-850
Overseas sector:											
Net acquisition of assets (4)	-208	-233	-347	-149	258	-5	-127	-116	402	110	59
Net acquisition of financial assets:											
Private sector	593	485	487	496	635	668	597	947	704	997	879
Public sector	-544	-534	-449	-560	-706	-745	-528	-829	-1,005	-829	-778
Overseas sector	-208	-233	-347	-149	258	-5	-127	-116	402	110	59
Residual error	159	282	309	213	-187	82	58	-2	-101	-278	-160

(1) Before providing for depreciation, stock appreciation and additions to reserves.

(2) The figures for the personal sector exclude, and those for financial companies include, gross domestic fixed capital formation financed from funds of life assurance and superannuation schemes.

(3) Including financial transactions on writing-off debt. See Tables 38 and 42 and notes on pages 115 and 117.

(4) Equals, apart from the change in sign, net investment abroad.

Transactions in financial assets (1)
Analysis by sector and type of asset, 1966

TABLE 73

£ million

	Private sector					Public sector	Overseas sector	Unallocated
	Personal sector	Industrial and commercial companies	Financial institutions					
			Banks	Insurance companies and superannuation funds	Other			
Capital account								
Saving (2)	1,879	2,899	253			2,265		
Capital transfers (net)	-162	21	—			141		
less Gross domestic fixed capital formation	-916	-2,418	-183			-3,118		
less Increase in value of stocks and work in progress	-91	-403	—			-66		
Net acquisition of financial assets	710	99	70			-778	59	-160 (3)
Financial transactions account								
Notes and coin	37	29	82	—	—	-148	—	—
Treasury bills	—	-16	-209	-4	-2	10	221	—
British government and government guaranteed securities	-4 (4)	—	119	59	64	-230	-8	—
National savings:								
Deposits	94	—	—	—	-167	73	—	—
Certificates and bonds	-129	—	—	—	—	129	—	—
Tax reserve certificates	17	-23	85	—	—	-79	—	—
Net Exchequer indebtedness to Bank of England, Banking Department	—	—	44	—	—	-44	—	—
Local authority debt:								
Temporary borrowing	5	-58	—	-4	55	17	-30	—
Quoted securities	—	—	81	2	38	-106	—	97
Other long-term borrowing	131	-23	—	—	113	-310	-8	—
Deposits with banking sector	260	-7	-1,212	—	66	13	742	138
Deposits with building societies	726	-2	—	—	-724	—	—	—
Deposits, etc. with hire purchase finance companies	18	6	—	—	-19	—	-5	—
Deposits with other financial institutions	—	—	—	—	-36	—	36	—
Bank lending (except to local authorities):								
Advances	97	-204	1,040	—	56	-14	-975	—
Commercial bills	—	-40	74	—	-7	—	-27	—
Money at call and short notice	-31	-3	37	—	—	—	-3	—
Hire purchase debt	102	-13	—	—	-72	-17	—	—
Trade debt (net) of public corporations	-28	114	—	—	—	-86	—	—
Loans for house purchase:								
Local authorities	-7	—	—	—	—	7	—	—
Other public sector	-11	—	—	—	—	11	—	—
Financial institutions	-709	—	-19	61	667	—	—	—
Other loans by public sector to private sector	-2	-18	—	—	3	17	—	—
Loans by superannuation funds to parent organisation	—	-8	—	84	—	-76	—	—
Other loans and mortgages by financial institutions (excluding banks)	-33	-143	—	81	95	—	—	—
Unit trust units	105	—	—	—	-105	—	—	—
Company and overseas securities:								
Capital issues	—	-568	-20	-11	-95	—	16	—
Other	—	321	26	670	130	55	50	—
Funds of life assurance and superannuation schemes	1,198	—	—	-1,198	—	—	—	—
Miscellaneous short-term home assets (net)	-21	-32	—	—	—	53	—	—
Other identified home assets	—	—	2	89	4	-16	—	-79
Gold and currency reserves	—	—	—	—	—	-282	282	—
Inter-government loans	—	—	—	—	—	62	-62	—
Transactions with International Monetary Fund, etc.	—	—	—	—	—	26	-26	—
Other identified overseas assets:								
Short-term	—	-14	—	—	3	34	-23	—
Long-term	—	112	—	1	—	7	-120	—
Total identified assets	1,241	-590	130	-170	67	-894	60	156
Unidentified items	-531	689	43			116	-1(5)	-316
Net acquisition of financial assets (1)	710	99	70			-778	59	-160 (3)

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Before providing for depreciation, stock appreciation and additions to reserves.

(3) The Residual error shown in Table 1.

(4) Residual, including unidentified transactions by industrial and commercial companies.

(5) The balancing item in the balance of payments accounts.

Transactions in financial assets (1): Personal sector

TABLE 74

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Notes and coin.....	37	27	25	67	51	49	3	46	75	77	37
British government and government guaranteed securities .....	..	..	..	..	..	..	-36	-236	-97	-90	-4
National savings:											
Deposits with Post Office Savings Bank and ordinary departments of trustee savings banks	-22	7	-23	72	53	47	43	71	66	43	-73
Deposits with the investment account of the Post Office Savings Bank	—	—	—	—	—	—	—	—	—	—	53
Deposits with special investment departments of trustee savings banks	54	31	26	39	55	66	107	133	149	102	114
Premium savings bonds	54	70	75	48	48	43	41	44	53	52	45
Defence bonds	-40	-29	57	149	113	46	21	36	-55	-153	-333
National development bonds	—	—	—	—	—	—	—	—	135	142	191
National savings certificates:											
Principal	56	11	94	85	57	-7	5	-7	-26	-124	10
Interest accrued	-20	-22	-25	3	12	16	23	41	36	12	-42
Total	82	68	204	396	338	211	240	318	358	74	-35
Tax reserve certificates .....	..	6	17	9	12	11	-4	2	7	13	17
Local authority debt:											
Temporary .....	..	..	..	..	..	40	-3	22	78	65	5
Longer-term (2) .....	..	..	..	..	..	139	188	82	42	152	131
Deposits with banking sector (3)	87	153	38	52	116	271	84	367	447	504	260
Deposits with building societies	168	173	201	266	211	209	372	490	501	657	726
Deposits with hire purchase finance companies .....	..	..	..	..	..	..	..	10	23	29	18
Bank lending:											
Advances (4).....	..	..	..	..	..	..	..	-150	-191	97	116
Money at call and short notice .....	..	..	..	..	..	..	..	5	27	-49	-31
Hire purchase debt	63	-37	-82	-224	-22	21	1	-69	-109	-63	102
Loans for house purchase:											
Local authorities	-51	-35	-28	-26	-42	-67	-47	-59	-121	-153	-7
Other public sector	—	—	—	—	—	—	—	-2	-3	-7	-11
Building societies	-126	-155	-149	-231	-240	-221	-276	-422	-546	-459	-667
Insurance companies.....	..	-39	-35	-35	-68	-81	-61	-34	-53	-91	-61
Other loans by central government.....	-2	-4	-1	-4	-4	-5	-3	-2	-3	-2	-2
Other loans and mortgages by financial institutions	-9	-7	-6	-2	-6	-10	-4	-12	-12	-21	-33
Unit trust units .....	..	..	..	..	13	7	34	60	77	59	105
Shares of retail co-operative societies.....	6	4	2	1	1	1	—	-6	-2	—	-6
Company and overseas securities .....	..	..	..	..	..	..	-400	-572	-652	-726	-568
Funds of life assurance and superannuation schemes	515	579	649	717	816	869	941	1,066	1,156	1,166	1,198
Miscellaneous short-term home assets (net)(5).....	..	..	..	..	-8	-18	4	-13	-8	-36	-49
Unidentified items.....	-656	-650	-890	-1,007	-889	-851	-572	-504	-415	-532	-531
Net acquisition of financial assets (1)	114	83	-55	-21	279	575	461	387	579	664	710

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Excluding quoted securities.

(3) Up to 1962, the figures relate to personal deposits with, less advances by, London clearing banks.

(4) Including loans for house purchase (£ million): 1963 1964 1965 1966

-52 -39 15 19

(5) Including estimates of trade credit given by public corporations.

Transactions in financial assets (1): Industrial and commercial companies

TABLE 75

£ million

	1960	1961	1962	1963	1964	1965	1966
Notes and coin	50	48	-73	26	134	118	29
Treasury bills .....	..	..	..	-30	-82	-25	-16
Tax reserve certificates	23	-5	-52	-61	-44	-119	-23
Local authority debt:							
Temporary .....	..	74	-12	103	67	-68	-58
Longer-term (2) .....	..	-25	39	30	-4	-12	-23
Deposits with banking sector .....	..	..	..	367	59	178	-7
Deposits with building societies	-6	-5	..	5	2	-6	-2
Deposits, etc. with hire purchase finance companies .....	..	..	..	47	29	52	6
Bank lending:							
Advances and loans .....	..	..	..	-391	-630	-416	-204
Commercial bills .....	..	..	..	-78	-70	-45	-40
Money at call and short notice .....	..	..	..	1	3	-6	-3
Hire purchase debt .....	..	..	..	29	-25	-22	-13
Trade credit to public corporations	1	17	10	61	82	32	114
Loans from public sector	-4	-36	-47	-26	-5	-45	-18
Loans by superannuation funds to parent organisation	-9	-9	-9	-9	-8	-9	-8
Other loans and mortgages by financial institutions (excluding banks) .....	..	..	..	-79	-138	-171	-143
Shares of retail co-operative societies	-1	-1	-	6	2	-	6
Company and overseas securities:							
Capital issues (net) (3):							
Ordinary shares	-238	-320	-152	-118	-158	-63	-122
Debenture and preference shares	-81	-108	-164	-212	-248	-336	-446
Cash expenditure on acquiring subsidiaries and trade investments:							
In the United Kingdom	230	240	213	209	353	355	261
Overseas	80	82	64	61	82	58	54
Miscellaneous short-term home assets (net)	23	-10	-7	-6	-2	-6	-32
Other identified overseas assets:							
Short-term	-288	320	24	63	82	46	-14
Long-term	124	118	77	50	196	175	112
Unidentified items .....	..	..	..	477	380	578	689
Net acquisition of financial assets (1)	299	33	93	525	57	243	99

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Excluding quoted securities.

(3) Capital issues by quoted public companies only.

Transactions in financial assets (1): Banking sector

TABLE 76

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Notes and coin.....	49	72	-9	-49	22	—	76	82	-52	-2	82
Treasury bills.....	-138	217	-190	31	-253	43	-110	-35	-331	85	-209
British government and government guaranteed securities.....	-59	-32	144	-418	-365	-162	328	-12	-215	73	119
Tax reserve certificates.....	—	—	—	—	—	—	—	—	—	—	85
Net Exchequer indebtedness to Bank of England, Banking Department.....	-4	-27	-1	63	164	91	-253	-32	68	152	44
Local authority debt:											
Securities (quoted and unquoted).....	..	..	..	..	..	..	..	-5	32	59	77
Bills.....	..	..	..	..	..	..	..	2	1	—	28
Advances and loans.....	1	-1	58	25	72	25	72	68	119	58	-24
Deposits received:											
Private sector:											
Personal sector.....											
Industrial and commercial com- panies.....	24	-271	-282	-579	-199	-100	-534	-367	-447	-504	-260
Other financial institutions.....								-367	-59	-178	7
Public sector.....								-40	-6	-55	-66
Overseas sector.....	83	13	-171	-159	-424	-66	-361	-10	-10	-39	-13
less Cheques in course of collection and items in transit.....	-30	97	59	135	118	-65	153	-378	-530	-412	-742
Net deposits.....	77	-161	-394	-603	-505	-231	-742	-1,003	-918	-1,132	-1,212
Advances and loans (except to local authorities):											
Private sector:											
Personal sector (3).....											
Industrial and commercial com- panies.....	22	2	395	807	647	127	361	150	191	-97	-116
Other financial institutions.....								391	630	416	204
Public sector.....	75	-41	12	15	6	-17	2	41	30	40	-56
Overseas sector.....	2	8	37	108	299	106	225	5	-7	7	14
Total.....	99	-31	444	930	952	216	588	274	385	311	975
Commercial bills (2).....	55	-10	-8	76	12	170	41	117	157	94	76
Money at call and short notice.....	1	14	4	13	-3	33	62	-1	-22	57	37
Company and overseas securities:											
Capital issues.....	-2	-2	-3	-54	-22	-52	-48	-24	-24	-2	-20
Other.....	-18	18	34	15	13	-18	37	32	22	26	26
Net acquisition of financial assets (iden- tified items) (1).....	61	57	79	29	87	115	51	50	66	145	130

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Including small amounts of Treasury bills of the Northern Ireland government.

(3) Including loans for house purchase (£ million):

1963	1964	1965	1966
52	39	-15	-19

Transactions in financial assets (1): Financial institutions other than banks

TABLE 77

£ million

	1960	1961	1962	1963	1964	1965	1966
Treasury bills ..	..	-11	-1	-2	12	-12	-6
British government and government guaranteed securities ..	..	..	305	120	102	241	123
Local authority debt (2):							
Temporary ..	..	..	5	35	85	14	51
Longer-term (3) ..	..	..	155	199	103	254	153
Deposits with banking sector ..	..	..	..	40	6	55	66
Deposits received by the investment account of the Post Office Savings Bank ..	—	—	—	—	—	—	-53
Deposits received by special investment departments of trustee savings banks ..	-55	-66	-107	-133	-149	-102	-114
Deposits received by building societies ..	-205	-204	-372	-495	-503	-651	-724
Deposits, etc. received by hire purchase finance companies ..	..	..	..	-43	-65	-131	-19
Deposits received by other financial institutions from overseas residents ..	..	..	..	-31	-4	-32	-36
Bank lending:							
Advances and loans ..	..	..	..	-41	-30	-40	56
Commercial bills ..	..	..	15	3	-49	-3	-7
Hire purchase debt ..	..	..	-52	30	127	83	-72
Loans for house purchase ..	308	302	337	456	599	550	728
Loans by central government to building societies ..	-37	-46	9	7	3	2	3
Loans by superannuation funds to parent organisation(2) ..	60	72	67	89	75	70	84
Other loans and mortgages ..	..	..	..	91	150	192	176
Unit trust units ..	-13	-7	-34	-60	-77	-59	-105
Company and overseas securities:							
Capital issues (net) (4) ..	-90	-102	-75	-87	-84	-36	-106
Other ..	..	..	..	782	787	656	800
Funds of life assurance and superannuation schemes ..	-816	-869	-941	-1,066	-1,156	-1,166	-1,198
Other identified assets ..	..	..	..	48	47	35	93
Other identified overseas assets ..	..	..	..	10	4	-3	4
Net acquisition of financial assets (identified items) (1) ..	..	..	..	-48	-17	-83	-103

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Loans by local authority superannuation funds to parent authority are included under local authority debt.

(3) Including quoted securities.

(4) Capital issues by quoted public companies only.

Transactions in financial assets (1) : Public sector

TABLE 78

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Notes and coin.....	-124	-126	-42	-85	-123	-97	-6	-154	-157	-193	-148
Treasury bills.....	180	-20	-48	-95	42	178	269	-24	375	39	10
British government and government guaranteed securities	-37	33	-131	307	-144	238	-599	121	114	-222	-230
National savings (2):											
Deposits	22	-7	23	-72	-53	-47	-43	-71	-66	-43	73
Certificates and bonds	-50	-30	-201	-285	-230	-98	-90	-114	-143	71	129
Tax reserve certificates	17	-5	-23	25	-35	-6	56	59	37	106	-79
Net Exchequer indebtedness to Bank of England, Banking Department	4	27	1	-63	-164	-91	253	32	-68	-152	-44
Local authority debt (3) (4):											
Temporary borrowing						-279	-65	-207	-358	-5	17
Quoted securities						-30	-138	-87	-52	-141	-106
Other long-term						-193	-396	-342	-151	-412	-310
Deposits with banking sector.....	..	..	..	..	..	..	..	10	10	39	13
Bank lending (3)	-75	41	-12	-15	-6	17	-2	-5	7	-7	-14
Trade and hire purchase debt at home (net).....	-29	-19	8	12	16	-1	-12	-41	-58	-3	-103
Loans for house purchase:											
Local authorities	51	35	28	26	42	67	47	59	121	153	7
Other public sector	—	—	—	—	—	—	—	2	3	7	11
Other loans by public sector to the private sector	-3	17	-8	17	45	87	41	21	5	45	17
Loans by superannuation funds to parent organisation (4)	-33	-44	-41	-42	-51	-63	-58	-80	-67	-61	-76
Company securities	-28	-47	-3	-2	-9	-87	-10	-22	-17	7	55
Miscellaneous short-term home assets (net).....	..	..	..	..	..	15	1	8	-10	15	53
Other identified home assets	10	65	4	3	-37	-9	-13	-11	-11	-10	-16
Gold and currency reserves	39	24	271	-136	175	30	-184	-53	-122	246	-282
Inter-government loans (net).....	50	-75	44	118	92	16	91	97	101	66	62
Capital subscriptions to the International Monetary Fund and European Fund Drawings from United Kingdom sub- scriptions to international lending bodies	—	—	—	236	-1	—	—	—	—	—	175
Holdings of interest-free notes by the International Monetary Fund	11	15	17	21	19	1	1	7	7	16	10
Other identified overseas assets	-4	25	19	-22	-4	39	-9	-2	-57	34	41
Unidentified items.....	34	-94	28	-18	-41	-59	-41	-27	-89	72	116
Net acquisition of financial assets (1)	-544	-534	-449	-560	-706	-745	-528	-829	-1,005	-829	-778

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Excluding deposits with the investment account of the Post Office Savings Bank and the special investment departments of the trustee savings banks.

(3) Bank advances to local authorities are included under Local authority debt, not under Bank lending.

(4) Loans by local authority superannuation funds to parent authority are included under Local authority debt.

Transactions in financial assets (1): Overseas sector

TABLE 79

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Treasury bills (2)	-34	-106	70	67	-35	153	-53	91	26	-87	221
British government and government guaranteed securities (2)	4	-18	-183	10	23	-111	2	7	96	-2	-8
Local authority debt	13	-1	1	25	40	53	51	-1	28	-15	-38
Gold and currency reserves	-39	-24	-271	136	-175	-30	184	53	122	-246	282
Inter-government loans (net)	-50	75	-44	-118	-92	-16	-91	-97	-101	-66	-62
United Kingdom subscriptions to the International Monetary Fund and European Fund	—	—	—	-236	1	—	—	—	—	—	-175
Drawings from United Kingdom sub- scriptions to international lending bodies	-11	-15	-17	-21	-19	-1	-1	-7	-7	-16	-10
Holdings of interest-free notes by the International Monetary Fund	202	2	-10	97	-151	373	-379	5	359	496	159
Other public sector assets and liabilities:											
Short-term	17	-16	-13	24	5	-19	13	1	63	-28	-34
Long-term	-13	-9	-6	-2	-1	-20	-4	1	-6	-6	-7
Deposits with banking sector	-83	-13	171	159	424	66	361	378	530	412	742
Deposits with other financial institutions	..	..	..	..	..	..	..	17	17	82	31
Bank lending:											
Advances and loans	-2	-8	-37	-108	-299	-106	-225	-274	-385	-311	-975
Commercial bills	-25	-21	17	-4	26	-54	-4	-42	-34	-48	-27
Money at call and short notice .....	..	..	..	..	..	..	..	-5	-8	-2	-3
Company and overseas securities .....	..	..	..	..	55	179	60	-49	-61	61	66
Other private sector assets:											
Short-term	} -229	-159	-89	-150	288	-320	-22	-71	-84	-40	11
Long-term					-124	-118	-79	-52	-198	-178	-113
Unidentified items (3)	42	80	64	-28	292	-34	60	-71	45	104	-1
Net acquisition of financial assets (1) (4)	-208	-233	-347	-149	258	-5	-127	-116	402	110	59

(1) Acquisition of assets or reduction in liabilities by the overseas sector is shown positive; sale of assets or increase in liabilities negative.

(2) The figures for Treasury bills up to 1962, and for government securities up to 1959, relate to overseas official holdings.

(3) The balancing item in the balance of payments accounts.

(4) Equals, apart from the change in sign, the current balance in the balance of payments accounts.

Transactions in financial assets of the public sector
Analysis by sector acquiring assets (1)

TABLE 80

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Banking sector											
Notes and coin.....	49	72	-9	-49	22	—	76	82	-52	-2	82
Treasury bills.....	-138	217	-190	31	-253	43	-110	-35	-331	85	-209
British government and government guaranteed securities	-59	-32	144	-418	-365	-162	328	-12	-215	73	119
Tax reserve certificates.....	—	—	—	—	—	—	—	—	—	—	85
Net Exchequer indebtedness to Bank of England, Banking Department...	-4	-27	-1	63	164	91	-253	-32	68	152	44
Local authority debt	1	-1	58	25	72	25	72	65	152	117	81
Deposits by the public sector .....	..	..	..	..	..	..	..	-10	-10	-39	-13
Advances and loans (except to local authorities).....	75	-41	12	15	6	-17	2	5	-7	7	14
Total.....	-76	188	14	-333	-354	-20	115	63	-395	393	203
Other financial institutions											
Treasury bills.....	..	..	..	..	..	-11	-1	-2	12	-12	-6
British government and government guaranteed securities .....	..	..	..	..	..	..	305	120	102	241	123
Local authority debt (2).....	..	..	..	..	..	..	160	234	188	268	204
Central government loans to building societies.....	—	—	—	-8	-37	-46	9	7	3	2	3
Loans by superannuation funds to parent organisation (2)	33	44	41	42	51	63	58	80	67	61	76
Total (3) .....	..	..	..	..	..	..	531	439	372	560	400
Other private sector											
Notes and coin.....	75	54	51	134	101	97	-70	72	209	195	66
Treasury bills (4)	-8	-91	168	-3	246	-363	-105	-30	-82	-25	-16
British government and government guaranteed securities	92	17	170	101	486	35	-36	-236	-97	-90	-4
National savings	28	37	178	357	283	145	133	185	209	-28	-202
Tax reserve certificates	-17	5	23	-25	35	6	-56	-59	-37	-106	-6
Local authority debt.....	363	349	334	343	278	424	316	338	193	188	152
Trade and hire purchase debt at home (net).....	29	19	-8	-12	-16	1	12	41	58	3	103
Loans for house purchase.....	-51	-35	-28	-26	-42	-67	-47	-61	-124	-160	-18
Other loans by public sector to the private sector	3	-17	8	-9	-8	-41	-50	-28	-8	-47	-20
Company securities.....	28	47	3	2	9	87	10	22	17	-7	-55
Miscellaneous short-term home assets (net).....	..	..	..	..	..	-15	-1	-8	10	-15	-53
Other identified home assets	-10	-65	-4	-3	37	9	13	11	11	10	16
Total (3).....	565	364	936	893	1,423	324	119	247	359	-82	-37
Overseas sector											
Treasury bills(5).....	-34	-106	70	67	-35	153	-53	91	26	-87	221
British government and government guaranteed securities(5).....	4	-18	-183	10	23	-111	2	7	96	-2	-8
Local authority debt	13	-1	1	25	40	53	51	-1	28	-15	-38
Gold and currency reserves	-39	-24	-271	136	-175	-30	184	53	122	-246	282
Inter-government loans (net)	-50	75	-44	-118	-92	-16	-91	-97	-101	-66	-62
Transactions with International Mon- etary Fund, etc.....	191	-13	-27	-160	-169	372	-380	-2	352	480	-26
Other identified overseas assets	4	-25	-19	22	4	-39	9	2	57	-34	-41
Total.....	89	-112	-473	-18	-404	382	-278	53	580	30	328
Unidentified items	-34	94	-28	18	41	59	41	27	89	-72	-116
Net acquisition of financial assets of the public sector by other sectors (1).....	544	534	449	560	706	745	528	829	1,005	829	778

(1) Acquisition of assets or reduction in liabilities is shown positive; sale of assets or increase in liabilities negative.

(2) Loans by local authority superannuation funds to parent authority are included under Local authority debt.

(3) Totals of the identified assets of financial institutions for years 1956 to 1961 are included in the totals for other private sector.

(4) Including unidentified acquisition by overseas holders.

(5) The figures for Treasury bills up to 1962, and for government securities up to 1959, relate to official overseas holdings only.

XIII. DEFINITIONS OF ITEMS IN SUMMARY TABLES

THE FOLLOWING NOTES provide a brief description of the main aggregates and of the items appearing in Tables 1 to 7 and 9 of the Summary Tables. A full description is given in *National Income Statistics: Sources and Methods*, H.M.S.O., 1956. The items are given a *reference number*. Whenever the item appears in one of these summary tables, either alone or in combination with another item, its reference number is shown against it.

The main aggregates

Gross national product at factor cost. The total income of residents of the United Kingdom, before providing for depreciation or capital consumption. It is equal to the value at factor cost of the goods and services produced by United Kingdom residents *plus* their income from economic activity abroad and from property held abroad *less* the corresponding income of non-residents. Item 12 in Table 1.

Gross domestic product at factor cost. The total value at factor cost of the goods and services produced by United Kingdom residents before providing for depreciation or capital consumption. Item 22 in Table 1.

National income. The total income of residents of the United Kingdom after providing for capital consumption. It is equal to the gross national product at factor cost *less* capital consumption. Item 25 in Table 1.

Gross domestic product at market prices. The value of the goods and services produced by United Kingdom residents, including taxes on expenditure, on both home produced and imported goods and services, and deducting subsidies. Item 22 *plus* items 8 and 9 *less* items 10 and 11. See Table 12.

Total domestic expenditure at market prices. The value of expenditure by United Kingdom residents on consumption and investment. The sum of items 1 to 5. See Table 1.

Total final expenditure at market prices. The value of expenditure by United Kingdom residents on consumption and investment, *plus* expenditure by non-residents on goods and services produced by United Kingdom residents. The sum of items 1 to 5, 6a and 6b. It is equal to the value of the goods and services produced by United Kingdom residents *plus* the value of imported goods and services, including taxes on expenditure and deducting subsidies. Item 22 *plus* items 7a and 7b, *plus* items 8 and 9, *less* items 10 and 11. See Table 12.

Total final output. The value, at market prices, of home produced and imported goods and services available for private and public consumption, investment and export. It is equal to total final expenditure at market prices. See Table 10.

Items of expenditure

1. *Consumers' expenditure, at market prices* ⁽¹⁾. Expenditure on consumers' goods and services by persons and non-profit-making bodies, *plus* the value of income in kind. All business expenditure, reckoned as current costs of production, is, so far as possible, excluded. For further details see Tables 27 and 28.

2. *Current expenditure on goods and services by central government, at market prices* ⁽¹⁾. Current expenditure by the central government (other than trading bodies but including the National Insurance Funds) constituting a direct demand for goods and services, including the services of government employees. The figures exclude (a) expenditure on grants, subsidies, interest payments and all other transfers, (b) expenditure on fixed capital assets and stocks (which are included under items 4 and 5), and (c) loans and loan repayments. For further details see Table 41.

3. *Current expenditure on goods and services by local authorities, at market prices* ⁽¹⁾. The definition corresponds to that of item 2. For further details see Table 45.

4. *Gross domestic fixed capital formation, at market prices* ⁽¹⁾. Expenditure on fixed capital assets (buildings, vehicles, plant and machinery, etc.) either for replacing or adding to the stock of existing fixed assets. Expenditure on maintenance and repairs is excluded. For details of gross fixed capital formation by sector, industry and type of asset see Tables 54 to 60.

5. *Value of physical increase in stocks and work in progress, at market prices* ⁽¹⁾. Increase in the quantity of stocks and work in progress held by trading enterprises, or by the central government for strategic purposes, valued at average prices of the year. Calculation of the value of the physical increase in stocks is related to the calculation of stock appreciation (item 20). Considerable uncertainty attaches to the division of the change in value of stocks between these two elements. For further details of changes in stocks and work in progress see Tables 68 to 71.

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

(a) *Exports and re-exports of goods.* This is the same as exports and re-exports (f.o.b.) in Table 2 of *United Kingdom Balance of Payments, 1967*.

(b) *Exports of services.* Sales by United Kingdom residents to the rest of the world, other than those included in item 6a above. This figure is the same as

(1) In Table 12 each form of expenditure is also shown at factor cost. This is the market price value *less* the taxes on expenditure *plus* the subsidies falling on each form of expenditure. The allocation of these taxes and subsidies between the different forms of final expenditure is shown in Table 50.

receipts from overseas for government services in Table 7 of *United Kingdom Balance of Payments, 1967*, plus the credits for transport, travel and other services in Table 2 of *United Kingdom Balance of Payments, 1967*.

(c) *Property income from abroad.* Rent, interest, profits and dividends received from overseas by United Kingdom residents. This is the same as the credits for interest, profits and dividends in Table 2 of *United Kingdom Balance of Payments, 1967*, but reckoned before the deduction of foreign taxes. Profits are reckoned after deducting depreciation allowances but before providing for stock appreciation. From 1963 the net earnings of United Kingdom insurance companies from their overseas branches and subsidiaries are included. For earlier years they are included with exports of services because information is not available to separate them from other earnings from insurance transactions overseas.

(d) *United Kingdom taxes paid by non-residents on portfolio income.* Income tax paid by non-residents to the United Kingdom government on their receipts of dividends and interest from portfolio investments in United Kingdom securities.

(e) *United Kingdom taxes paid on company profits due abroad.* Income tax, corporation tax, profits tax and excess profits taxes paid on profits earned in the United Kingdom by foreign-owned branches and subsidiaries.

7. *Imports and property income paid abroad:*

(a) *Imports of goods.* This is the same as imports (f.o.b.) in Table 2 of *United Kingdom Balance of Payments, 1967*.

(b) *Imports of services.* Purchases from abroad by United Kingdom residents, other than those included in item 7a above. This figure is the same as expenditure overseas on government services in Table 7 of *United Kingdom Balance of Payments, 1967*, plus the debits for transport, travel and other services in Table 2 of *United Kingdom Balance of Payments, 1967*.

(c) *Property income paid abroad.* Rent, interest, profits and dividends paid overseas. This is the same as the debits for interest, profits and dividends in Table 2 of *United Kingdom Balance of Payments, 1967*, but reckoned before the deduction of United Kingdom taxes. Profits are reckoned after deducting depreciation allowances but before providing for stock appreciation.

(d) *Foreign taxes paid by United Kingdom residents.* Taxes paid to overseas governments by United Kingdom resident companies operating abroad and by persons. The taxes are those levied by central governments on the basis of income; they do not include local taxes, mining royalties, etc., which are treated as operating expenses.

8. *Central government taxes on expenditure.* Actual receipts of 'indirect' taxes related to the volume of production of, or trade in, particular goods and services as distinct from taxes related to the income or capital resources of particular individuals, companies, etc. plus the excess of purchase tax charged by registered traders in the year over actual receipts by the central government in the year. For details see Table 41.

9. *Local authority taxes on expenditure.* Accruals of local rates and payments in lieu of rates.

10. *Central government subsidies.* Payments made to a producer or trader with the object of reducing his selling price below the factor cost of production plus the excess of subsidies accrued in the year over the actual payments by the central government in the year for subsidies to the British Transport Commission (from January 1963 the British Railways Board and the British Waterways Board) and for housing subsidies. The financing of losses on public trading and services is included. For details see Table 41.

11. *Local authority subsidies.* The deficit on local authorities' housing revenue accounts. For details see Table 49.

12. *Gross national product at factor cost.* The sum of items 1 to 6, 10 and 11 less items 7, 8 and 9. It is also equal to item 22 plus item 23.

Items of factor income

13. *Income from employment.* This comprises the following items, given separately in Table 22:

(a) *Wages.*

(b) *Salaries.*

Cash earnings of wage-earners and salaried employees, before deduction of income tax, surtax or insurance contributions, plus income in kind, less expenses of employment. The figures for salaries include directors' fees. For details see Tables 17 and 18.

(c) *Pay in cash and kind of H.M. Forces.* The pay and cash allowances of, and the cost of issues of food and clothing to, 'effective' members of the Armed Forces and auxiliary services, excluding those on release leave but including those serving in government departments.

(d) *Employers' national insurance and health contributions.* Employers' contributions to the national insurance scheme, to the national health service and to the Redundancy Fund are regarded as part of employees' income deducted at source.

(e) *Other employers' contributions.* This item represents employers' contributions to superannuation and other pension funds, and, in the case of unfunded schemes, pensions and gratuities actually paid to retired employees (principally payments to former central government employees and to retired policemen and firemen). This item also includes compensation payments by employers to injured employees or to their dependants and redundancy payments made by employers which are not covered by rebates from the Redundancy Fund.

14. *Income from self-employment (before providing for depreciation and stock appreciation).* This is measured before deduction of tax or interest payments, and comprises the following items, given separately in Table 22:

(a) *Professional persons.* Income of professional workers from practice on their own account.

(b) *Farmers.* Income of farmers with holdings of one acre or more; companies engaged in agriculture are also included. Before 1955 the figures included for Northern

Ireland relate to holdings of one-quarter of an acre or more.

(c) *Other sole traders and partnerships.* Trading profits of non-corporate enterprises other than those engaged in providing professional services or in farming.

15. *Gross trading profits of companies (before providing for depreciation and stock appreciation).* Trading profits, before deduction of tax or interest payments, of companies and co-operative societies operating in the United Kingdom including United Kingdom branches and subsidiaries of non-resident parent companies. For details see Tables 30 and 32 to 35.

16. *Gross trading surplus of public corporations (before providing for depreciation and stock appreciation).* The trading surpluses, before deduction of tax or interest payments, of the nationalised industries and public boards engaged in providing coal, electricity, gas, transport, etc. The Post Office is treated as a public corporation from April 1961. For details of the operations of public corporations see Tables 36 to 40.

17. *Gross trading surplus of central government trading bodies (before providing for depreciation and stock appreciation).* The surpluses of the trading departments of the central government before making any provision for interest payments. The Post Office was the principal trading enterprise until March 1961, after which it is treated as a public corporation.

18. *Gross trading surplus of local authority trading bodies (before providing for depreciation and stock appreciation).* The trading surpluses, before charging interest, of the local authority undertakings engaged in providing water, passenger transport, harbours, docks, etc.

19. *Rent (before providing for depreciation).* Gross receipts from ownership of land and buildings (including the imputed rent of owner-occupied dwelling houses and farms, of houses provided rent-free by employers and of houses and non-trading property owned and occupied by public authorities), less actual expenditure by the owners on repairs and insurance. Imputed income from owner-occupied trading property (other than farms) is included in trading income (items 14a and 14c to 18) and not as part of rent.

20. *Stock appreciation.* This is the part of the change in the value of stocks and work in progress during the year which arises from increases in the prices at which stocks and work in progress are valued. The estimates of stock appreciation are related to estimates of the value of stocks, and are highly uncertain. An approximate analysis of stock appreciation by sector is given in Table 71.

21. *Residual error.* The difference between item 22 and the sum of items 13 to 19 less item 20. Two estimates of the gross domestic product (item 22) are built up from largely independent data on incomes and final expenditure. The *residual error*—the difference between the two independent estimates—is presented as though it were an item (positive or negative) of income. This is purely for convenience of presentation and does not imply that the estimates of expenditure are necessarily superior in accuracy to

the estimates of income. The *residual error* is not attributed to any of the sectors. It is, however, carried into the combined capital account (Table 6) as a form of 'saving'.

22. *Gross domestic product at factor cost.* The sum of items 1 to 5, 6a, 6b, 10 and 11, less items 7a, 7b, 8 and 9. It is also equal to the sum of items 13 to 19 and 21 less item 20.

23. *Net property income from abroad.* Item 6c plus item 6d plus item 6e less item 7c less item 7d. This is the same as the net credit from interest, profits and dividends in Table 1 of *United Kingdom Balance of Payments, 1967*. Profits are reckoned after deducting depreciation allowances but before providing for stock appreciation.

24. *Capital consumption.* This item is a measure of the amount of fixed capital resources used up in the process of production during the year. It is deducted from the gross national product to obtain a measure of the national income, and from gross domestic fixed capital formation to obtain a measure of net domestic fixed capital formation. Capital consumption is not an identifiable set of transactions: it is an imputed transaction which can be measured only by a system of conventions. Mainly for this reason the estimates of capital consumption are not fully incorporated in the Summary Tables. For details of capital consumption see Tables 61 and 62 and for description, pages 124 to 126.

25. *National income.* Item 12 less item 24.

Other items of personal income and expenditure

26. *Rent, dividends and net interest received by persons.* This item represents total receipts of rent and of dividends, including co-operative society dividends, together with receipts less payments of interest. Property income from abroad is included before deduction of foreign tax. The receipts of life assurance and superannuation funds including industrial assurance funds, are regarded as the income of the policy holders and are included in the receipts of the personal sector. They are shown separately in Table 22.

27. *Current transfers to charities from companies.* Identified contributions by companies to charities, which are non-profit-making bodies included in the personal sector.

28. *Grants paid to persons by central government:*

(a) *National insurance benefits.* Details are given in Table 44.

(b) *Other.* Supplementary benefits, family allowances, war pensions, etc. Rebates to employers paid from the Redundancy Fund are included in this item. Grants to non-profit-making bodies serving persons (e.g. grants to universities) are also included. Details are given in Table 41.

29. *Grants paid to persons by local authorities.* The main items are scholarships and the net cost of providing school meals and milk. Details are given in Table 45.

30. *Transfers abroad (net) by persons.* Net transfers abroad by persons, including legacies and migrants' funds. This is the same as net private transfers in Table 2 of *United Kingdom Balance of Payments, 1967*.

31. *Taxes paid abroad.* Taxes paid to overseas governments by persons on property income from abroad. This is part of item 7d.

32. *United Kingdom taxes on income.*

(a) *Payments.*

(b) *Additions to tax reserves.* The excess of accruals of income tax and surtax over the actual payments of tax in the year.

33. *National insurance and health contributions.* Contributions by employers (item 13d), employees and self-employed persons to the national insurance scheme, to the national health service and to the Redundancy Fund.

34. *Balance: saving before providing for depreciation and stock appreciation.* This figure is obtained as the residual difference in Table 2 between total personal income and total personal current expenditure. Both the absolute amount in each year, and the changes from year to year, are subject to large margins of error. Saving, as here defined, includes increases in the funds of life assurance companies and superannuation schemes. Saving is transferred to the capital account shown in Table 23. Transactions in financial assets are given in Table 74.

35. *Income from employment after tax payments.* Item 13 less the appropriate parts of items 32a and 33.

36. *Income from self-employment after tax payments.* Item 14 less the appropriate parts of items 32a and 33.

37. *Personal income from rent, dividends and net interest after tax payments.* Item 26 less the appropriate parts of items 32a and 33.

38. *Personal receipts of current grants by public authorities, after tax payments.* Items 28 and 29 less the appropriate part of item 32a.

The estimates of the incidence of tax on the different forms of income, which are only approximate, are shown in more detail in Table 51. Items 35 to 37 are combined from 1963 when changes in surtax reliefs made the division of surtax arbitrary. See notes on Table 51.

Other items in the appropriation account of companies

39. *Other income of companies:*

(a) *Rent and non-trading income arising in the United Kingdom.* The principal components are public debt interest, interest paid to financial companies and rent from property owned and let. Income from investments in other companies is excluded.

(b) *Income from abroad.* The profits of United Kingdom companies operating abroad and of foreign subsidiaries of United Kingdom companies (after deducting depreciation allowances, before deduction of taxes paid to overseas governments and before providing for stock appreciation) plus non-trading income from abroad. This is part of item 6c.

40. *Company dividends and interest:*

(a) *Payments.* Dividends and interest paid out during the year reckoned before deduction of income tax. Dividends, etc. paid by one company to another in the

United Kingdom and dividends, etc. paid by United Kingdom subsidiaries to their foreign parent companies or shareholders are excluded.

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

41. *Profits due abroad, net of United Kingdom tax, and taxes paid abroad.*

(a) *Profits due abroad, net of United Kingdom tax.* The profits earned in the United Kingdom by foreign-owned branches and subsidiaries.

(b) *Taxes paid abroad.* Taxes paid to overseas governments by United Kingdom resident companies operating abroad. This is part of item 7d.

42. *United Kingdom taxes on income.* Payments on profits due abroad appear as item 6e.

(a) *Payments on other profits.* Income tax, corporation tax, profits tax and excess profits taxes paid on income earned by companies both resident and owned in the United Kingdom.

(b) *Additions to tax reserves on profits due abroad.* The net excess of accruals of tax over the amounts actually paid in item 6e.

(c) *Additions to tax reserves on other profits.* The net excess of accruals of tax over the amounts actually paid in item 42a.

43. *Balance: undistributed income of companies after taxation but before providing for depreciation and stock appreciation.* The balancing item in Table 30.

Other items in the appropriation account of public corporations

44. *Other income of public corporations:*

(a) *Rent and non-trading income.*

(b) *Income from abroad.*

This item corresponds to item 39 for companies.

45. *Public corporation interest:*

(a) *Payments.*

(b) *Additions to interest reserves.*

This item corresponds to item 40 for companies.

46. *United Kingdom taxes on income:*

(a) *Payments.*

(b) *Additions to tax reserves.*

This item corresponds to item 42 plus item 6e for companies.

47. *Balance: undistributed income of public corporations after taxation but before providing for depreciation and stock appreciation.* The balancing item in Table 37.

Other items in the current account of central government including National Insurance Funds

48. *Rent, dividends and interest received by central government.* The largest item is interest on loans to local authorities and public corporations. Interest received by one part of the central government from another part is excluded (for example, national debt interest received by the National Insurance Funds).

49. *Taxes on income.* Receipts from income tax, surtax, corporation tax, profits tax and excess profits taxes. The sum of items 6d, 6e, 32a, 42a and 46a.

50. *Current grants from overseas governments.* Mainly defence aid grants from the United States and Canada less United States share of counterpart: the same as Defence Aid in Table 7 of *United Kingdom Balance of Payments, 1967.*

51. *Debt interest paid by central government.* This item excludes interest on securities held within the central government (e.g. securities held by the National Insurance Funds).

52. *Current grants to local authorities.* Includes general grants, rate deficiency grants, equalisation grants and grants towards specific services. Capital grants are excluded.

53. *Current grants paid abroad.* Grants to colonial governments for welfare, development, the maintenance of internal security, etc.; financial assistance to certain overseas governments; subscriptions and contributions to international organisations; war pensions and national insurance benefits paid to persons abroad. This is the same as government transfers overseas in Table 7 of *United Kingdom Balance of Payments, 1967.*

54. *Balance: current surplus of central government, before providing for depreciation and stock appreciation.* The balancing item in Table 4.

Other items in the current account of local authorities

55. *Rent, dividends and interest received by local authorities.* The greater part of this item represents the imputed rental income in respect of houses and non-trading property owned by local authorities.

56. *Debt interest paid by local authorities.* This includes interest paid on loans from the central government.

57. *Balance: current surplus of local authorities before providing for depreciation and stock appreciation.* The balancing item in Table 5.

Other items in international transactions

58. *Current transfers to persons.* The credit part of item 30. This is the same as credits from private transfers in Table 2 of *United Kingdom Balance of Payments, 1967.*

59. *Capital transfers from abroad.* This item includes a variety of capital receipts arising from government operations abroad. In the early post-war years the main constituents were settlements of debts and claims arising out of the war and sales of surplus war stores held abroad. The last major item is the figure of £15 million in 1953 representing receipts from the Korean Operations Pool Account.

60. *Current transfers from persons.* The debit part of item 30. This is the same as debits from private transfers in Table 2 of *United Kingdom Balance of Payments, 1967.*

61. *Net investment abroad.* This represents the net increase in the value of overseas assets acquired by United Kingdom residents less the net increase in the value of assets in the United Kingdom acquired by non-residents. Overseas assets are taken to include investment in physical assets, financial assets and gold and foreign currency reserves. Net investment abroad is equal to the current balance in the balance of payments, except for the years 1947-51 when capital grants from overseas governments (item 62) have to be deducted. It is also equal, apart from the change in sign, to the net balance of the long-term capital account in the balance of payments plus the net balance of monetary movements plus the 'balancing item'. The latter is the residual total of unidentified transactions in the balance of payments accounts, some part of which is probably attributable to current transactions. Details of net investment abroad are given in Table 79.

62. *Capital grants from overseas governments (net).* The principal component is receipts of aid under the European Recovery Programme. There were receipts under this heading only from 1947 to 1951. It appeared as item 8 in *United Kingdom Balance of Payments, 1946-57.*

XIV. NOTES

THIS SECTION describes (a) the principal revisions which have been made to the estimates contained in last year's National Income Blue Book (*National Income and Expenditure, 1966*, H.M.S.O., 1966), and (b) the changes in treatment and definitions which have been made since the publication of *National Income Statistics: Sources and Methods*, H.M.S.O., 1956 (subsequently referred to as *Sources and Methods*). The notes which follow are designed to help the reader to keep up to date the description of sources, methods and definitions given in *Sources and Methods*. Because of the extensions to economic statistics since *Sources and Methods* was published, many of the assessments of reliability given there are no longer relevant.

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

Summary tables

Changes in sources, methods and definition of items in Tables 1 to 7 are described in the detailed sections of these notes in which the items occur.

Table 8. Gross domestic product at factor cost

This summary table brings together the various estimates of gross domestic product at factor cost. The estimates are based on largely independent data and are given in index number form taking the estimate for 1958 as 100.

The estimates of gross domestic product at current factor cost based on expenditure data are given in Table 1 (item 22). The corresponding estimates based on income data can be derived from Table 1 and are equal to the sum of items 13 to 19 less item 20.

The estimates of gross domestic product at 1958 factor cost based on expenditure data are given in Table 14. The estimates based on income data are derived by deflating the income estimates at current prices, obtainable from Table 1, by the price index for gross domestic product implied by the estimates based on expenditure data. This price index is given in Table 16 as the index of total home costs. The estimates based on output data are given in Table 15.

Table 9. Shares in the gross national product

Income after current transfers is now shown after payment of identified contributions by companies to charities.

Items 35 to 37 are combined from 1963 when changes in surtax reliefs made the division of surtax arbitrary. See notes on Table 51.

Table 11. Gross national product by industry

Communication is now shown separately from *Transport*. Domestic services to households and to private non-profit-making bodies, formerly shown separately, are now included under the heading *Other services* in this table but are shown separately in Table 13.

Table 12. Gross national product by category of expenditure

The estimates of domestic expenditure at market prices, in the upper part of the table are the same as items 1 to 5 of Table 1. The estimates of exports of goods and services at market prices are the sum of items 6a and 6b of Table 7 and the estimates of imports of goods and services are the sum of items 7a and 7b of Table 7. The estimates of gross domestic product and gross national product shown here thus include all United Kingdom taxes on expenditure less subsidies. They include customs and excise duties and the temporary charge on imports, in addition to taxes on the various components of the gross domestic product.

Gross domestic product and gross national product at market prices were defined in Blue Books published up to 1965 to exclude taxes on expenditure levied on imports. Estimates of imports were also shown at market prices on the grounds that market prices are the prices paid by the purchaser inclusive of all taxes (see 'National Income at Factor Cost or Market Prices?' by J. L. Nicholson⁽¹⁾ and *Sources and Methods*, pages 347-348). This definition did not conform to that given in *A system of national accounts and supporting tables* published by the United Nations. In recent discussions it has become clear that the international definition is unlikely to be altered and the estimates published in the Blue Book now follow the international definition in order to facilitate comparisons. The change does not imply that the definition in earlier Blue Books was invalid. Estimates conforming with the latter definition can be obtained by using the figures of taxes on expenditure levied on imports given in the table below. These figures are of the amounts paid in customs duty on imports of merchandise arriving in the country or on withdrawals from bond. They include the temporary charge on imports. An allowance has been deducted for payments of export rebate in respect of hydrocarbon oil duty. Excise duties (such as purchase tax) on imports are not included, since separate figures are not available but the amounts involved are small.

⁽¹⁾ *Economic Journal*, June 1955.

Taxes on expenditure levied on imports

	£ million										
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices	1,180	1,210	1,256	1,333	1,442	1,568	1,646	1,694	1,887	2,182	2,248
At 1958 prices	1,196	1,208	1,256	1,335	1,420	1,449	1,443	1,500	1,572	1,552	1,602

In the lower part of the table, the estimates of the gross domestic product at factor cost are the same as item 22 of Table 1. The estimates of expenditure at factor cost are obtained by deducting from the market price figures estimates of the net taxes on expenditure falling on each of the various kinds of expenditure (see also Table 50).

Table 13. Gross national product by sector and type of income and employment by sector

Figures for income from domestic services to households and from services to private non-profit-making bodies are shown separately under the personal sector.

In this Blue Book the income of all employees in agriculture is included under the personal sector. This is in line with profit income from agriculture, all of which is included in income from self-employment and attributed to the personal sector.

The allocation of rent between the personal sector and companies has been revised in the light of new information from Schedule D tax assessments for 1964/65 and 1965/66 which became available after the abolition of Schedule A.

In this Blue Book a new section has been added to the table showing estimates of employment by sector. The estimates are of employment at mid-June of each year and are therefore only approximately comparable with the income estimates given in the table.

The total working population in employment in the United Kingdom is taken from the mid-year estimates published by the Ministry of Labour and by the Ministry of Health and Social Services, Northern Ireland. In these estimates a part-time worker is counted as one person.

Estimates of employment in the public sector are based on various sources. For the public corporations, the figures are based mainly on data in the annual reports of the corporations. Most of the information for the central government estimates is provided by the Treasury and the Health Departments. For local authorities a large proportion of employment is covered by the figures published annually in the *Ministry of Labour Gazette* of numbers employed in Great Britain by local authorities and in police forces; an adjustment is made to these figures for estimated double counting of part-time employees (such as teachers at evening classes) who are included in another sector. The Ministry of Health and Social Services, Northern Ireland provide details of numbers employed in the public sector in Northern Ireland.

The estimates of employment in the private sector are residuals and include any differences between the method of measuring total employment and the methods used for estimating employment in the public sector. In particular, the estimates of total working population in employment include some who at June are neither in jobs nor registered wholly unemployed and all these are included in the estimate for the private sector. The division of employment between the private and public sectors can therefore only be regarded as approximate. Insufficient information is available to allocate the numbers employed in the private sector between the personal sector and companies.

The figures in this table bring up to date the analysis of employment by sector given in the article published in the December 1962 issue of *Economic Trends*.

Expenditure and output at constant prices

Table 14. Expenditure and output at 1958 prices

The definitions of the gross domestic product and gross national product at market prices were changed in the 1966 Blue Book and now include taxes on expenditure levied on imports. This change corresponds with the change in the current price estimates, described in the notes on Table 12. Estimates conforming with the definition in earlier Blue Books can be obtained by using the figures of taxes on expenditure levied on imports given in the table at the bottom of the previous page.

The estimates of the gross domestic product at 1958 factor cost are derived by subtracting estimates of taxes on expenditure less subsidies, valued at average 1958 rates, and imports of goods and services, valued at average 1958 prices, from the estimates of total final expenditure valued at average 1958 market prices. The estimates of taxes on expenditure less subsidies valued at average 1958 rates are shown as a separate step in the calculation but are not considered to have any particular economic significance. They are obtained by adjusting the actual receipts of taxes on expenditure and subsidies paid in each year for changes in rates of taxes and subsidies, and in the case of *ad valorem* taxes for changes in prices. The results therefore depend on the levels of expenditure in each year which are partly determined by the rates of taxes and subsidies in the year. In the Blue Books published up to 1958, estimates were made of each of the various forms of final expenditure at factor cost, the estimates were aggregated and then the estimates of imports of goods and services were deducted. The procedure followed in Table 14 is more satisfactory because the estimates of total taxes on expenditure less subsidies at constant rates are more reliable than separate estimates for each category of final expenditure.

Net property income from abroad revalued at average 1958 prices is derived by applying the average value index for imports of goods and services (shown in Table 16) to the current price estimates.

Table 15. Index numbers of output at constant factor cost

The index numbers in this table are compiled as described in the article published in the August 1960 issue of *Economic Trends* but with some modifications. Since then the base year of the index has been changed from 1954 to 1958 and the weights have been based on the contribution of each industry to the gross domestic product in 1958. Figures for years before 1958 have been derived by linking the 1954-weighted index to the new base year 1958. Minor changes have also been made to the weights and the indicators. The article published in the February 1966 issue of *Economic Trends* includes a table showing the weights and indicators now used in the index.

Table 16. Index numbers of costs and prices (1958=100)

The index numbers of total home costs per unit of output are derived by dividing estimates of the gross

domestic product at current factor cost given in Table 1 by the estimates of the gross domestic product at 1958 factor cost given in Table 14. Alternative estimates of the index numbers of home costs per unit of output would be obtained by using the other estimates of gross domestic product shown in Table 8.

The index numbers of income from employment per unit of output are derived by dividing estimates of income from employment by estimates of the gross domestic product at 1958 factor cost and expressing the result as a percentage of the same quotient for the year 1958.

The index numbers of gross profits and other trading income per unit of output are derived by dividing estimates of gross profits and other trading income (after providing for stock appreciation) by estimates of the gross domestic product at 1958 factor cost and expressing the result as a percentage of the same quotient for the year 1958.

The index numbers for income from employment and for gross profits and other trading income are related to the estimates of gross domestic product at 1958 factor cost based on income data shown in Table 8. In the Blue Books for 1964 and earlier years, the estimates of gross domestic product at 1958 factor cost given in Table 14 were used in arriving at the index numbers for income from employment per unit of output and gross profits and other trading income per unit of output. There was thus an inconsistency between the numerator and denominator used in deriving these two series of index numbers because of the residual error between the current price estimates of gross domestic product based on expenditure data and the total of domestic incomes (after providing for stock appreciation).

Each price index is the result of dividing an estimated total for the year in question at current prices by the corresponding total revalued at 1958 prices.

Total final output is the value, at market prices, of home produced and imported goods and services available for private and public consumption, investment and export.

Industrial input and output

Table 17. Gross domestic product by industry and type of income

Manufacturing, Construction and Gas, electricity and water. Since 1958 the annual censuses of production have not provided estimates of wages and salaries paid except for the year 1963, when there was a detailed census. The estimates for 1959 to 1962 in Tables 17 and 18 were obtained by projecting the figures for 1958 by referring to estimated changes in numbers employed and in average wages and salaries, and adjusting these figures in the light of the preliminary results of the 1963 census of production. The estimates from 1964 were obtained by projecting the preliminary figures from the 1963 census of production according to estimated changes in numbers employed and in average wages and salaries. The estimates of changes in average wage earnings are based on the six-monthly inquiries into weekly wage earnings carried out by the Ministry of Labour; the estimates of changes in average salary earnings are based on the results of the

annual inquiry into average salary earnings in October also carried out by the Ministry of Labour.

Communication is now shown separately from *Transport*.

Local authority educational services. The series for local authority educational services covers teachers and other staff directly employed by local authorities, including staff employed in the administration of local educational services. It also includes staff in school canteens and in school health services. Teachers and other staff employed in direct grant schools and other non-maintained schools and establishments are excluded. The figures of teachers' salaries are provided by the education departments. Salaries and wages of other staff are estimated from various sources, including *Local Government Financial Statistics* and the annual reports of the various education departments.

Other services. Figures for income from domestic services to households and from services to private non-profit-making bodies which are included under this heading are shown separately in Table 13.

Table 18. Wages and salaries in manufacturing industries

The basis of the estimates is described in the notes on Table 17.

The estimates of the salaries paid and of the number of salary earners employed in manufacturing industries are not precisely comparable as the figures of salaries include rough estimates of the fees paid to directors, whereas the estimates of numbers do not include those directors paid by fee only.

Input-output tables

The three provisional input-output tables are designed to bring up to date the tables previously published for the year 1954 in *Input-Output Tables for the United Kingdom, 1954*, H.M.S.O., 1961. For this Blue Book the tables have been revised in the light of more detailed work which has been done in preparation for the detailed input-output analysis of the final results of the 1963 census of production. In particular, an additional industry, *Vehicles (including aircraft) and shipbuilding*, has been distinguished and the estimates for *Public administration, etc.*, have been revised in the light of a more complete analysis by commodity group of public authorities' expenditure. The payment of excise duties on drink and tobacco has been transferred from *Food, drink and tobacco* (column 4) to the purchasers, mainly *Personal sector* (column 17) and a small amount to *Services* (column 14) for business entertainment. The additional tables which were published, together with a commentary, in the August 1966 issue of *Economic Trends* have also been revised and may be obtained on application to the Central Statistical Office.

The tables for 1963 follow the same conceptual framework as the summary tables for 1954, with which detailed definitions were given.

The study for 1963 differs from the one for 1954 in that it is not based on the detailed results of a census of production for the year in question. Such a census was taken for 1963, but so far only provisional and summary results are available and the tables for 1963 given in this Blue Book

are derived partly by up-dating the 1954 data. For agriculture, coal mining, mineral oil refining and the gas, electricity and water industries, the figures of input and output were computed directly from departmental statistics for 1963. For the other industries, the figures were derived by updating the 1954 figures of inputs and outputs, at estimated 1963 prices, to the totals of intermediate inputs and outputs of goods and services for these industries. The 1963 census figures of gross output, after allowing for estimated intra-industry transactions, provided the basis for the totals of intermediate inputs and outputs of goods and services. Final demand and primary inputs were estimated from national income data and the totals for inputs of goods and services and of total intermediate output were obtained by difference. The validity of this up-dating technique depends on how far assumptions derived from the overall trends in the usage of materials and services are applicable to the individual user industries.

The 1963 provisional exercise is designed to provide statistics for use in broad economic studies only. Because of the limitations of the up-dating process, it is not intended for detailed industry studies and even the estimates for the broad industry groups should be used with caution. More firmly based and more detailed input-output tables based on the final results of the census of production for 1963 will be published in due course. Whilst using the same conceptual framework and definitions as the 1954 study, full allowance may not have been made for the statistical changes which have taken place since that study. Also, the departmental statistics used are not always completely consistent with the census of production information, because of differences, for example, in timing and classification.

Table 19. Summary input-output transactions matrix, 1963

This is the basic inter-industry transactions matrix which shows, *inter alia*, how much of the output of the different industries is sold as intermediate output to other industries and as final output to persons and public authorities, for capital formation, and for exports. The columns of the table show the dependence of each industry on the output of the other industries and on imports.

The gross domestic product can be derived from this table in the following way:

	£ million
Income from employment (the total in column 23 of row 20).....	18,145
<i>plus</i> Gross profits and other trading income, after providing for stock appreciation (the total in column 23 of row 21)	8,582
<i>equals</i> Gross domestic product at factor cost	26,727

Table 20. Total requirements per £100 of final industrial output in terms of gross output, 1963

On the assumption that the inputs required by each industry group are proportional to its total output the average relationships between the inputs (both direct and indirect) and the outputs of the different industries in 1963 can be derived from the intermediate transactions

in Table 19. These relationships are given in this table in the form of estimates of the outputs (both direct and indirect) required on average to produce £100 of final output by each industry group in 1963. This process is generally referred to as 'inverting the matrix'. These relationships may not be the same as the marginal relationships which would apply for changes in output, but are nevertheless a useful approach to the assessment of the effect of changes in output of one industry on the demands of other industries.

Table 21. Total requirements per £100 of final industrial output in terms of net output, 1963

For many purposes it is more convenient to present the results of Table 20 in a different form so that the contribution of each of the different industries, of imports and of taxes on expenditure *less* subsidies, to the output of a particular industry group adds to 100 per cent. The figures are derived by applying the appropriate ratios of net output to gross output to the figures for each industry given in Table 20.

The personal sector

Table 22. Income and expenditure account

Wages and salaries. Income in kind arising from the provision of rent-free accommodation to employees is included. The estimates are based on information from the Family Expenditure Survey.

For this Blue Book, the estimates have been increased as a result of new information on income in kind from the Ministry of Labour's inquiry into employers' total labour costs in 1964.

Rent, dividends and net interest. United Kingdom taxes on portfolio income paid by non-residents were previously included in this item and in taxes on income paid by persons. They are no longer included here but are shown separately in Table 7. Property income from abroad is now included before deduction of foreign tax which is shown separately on the expenditure side of the account.

The estimates have been revised as a result of revisions to the estimates of rent income arising from new information from Schedule D tax assessments for 1964/65 and 1965/66 which became available after the abolition of Schedule A. *Taxes paid abroad.* These taxes were formerly deducted from income from rent, dividends and net interest.

Saving. The estimates of personal saving, which are obtained as a residual, have been revised as a result of revisions to both personal income and current expenditure.

Table 25. Categories of personal income

Interest paid. This covers the main categories of interest payments which can be identified. The estimates cover mortgage interest paid to local authorities, building societies and insurance companies, interest on bank advances and hire purchase charges paid by the personal sector to hire purchase finance companies (but not those paid to household goods shops).

Table 26. Distribution of personal income before and after tax

The income tax and surtax records kept by the Inland Revenue provide the basic information for the distribution

of personal incomes above the income tax exemption limit. Income, as defined for income tax purposes, includes all pensions and annuities and excludes employers' and most of employees' contributions to national insurance and superannuation schemes (that is, the amounts which are not liable to income tax).

The incomes shown in the classification by ranges include the following in addition to income covered by the Inland Revenue data:

- (i) Incomes below the exemption limit, except the incomes of persons receiving less than £50 a year.
- (ii) Supplementary benefits and those national insurance benefits and grants which are not liable to tax (unemployment, sickness, maternity, injury, disablement and death benefits and grants).
- (iii) Scholarships and other educational grants.
- (iv) Income in kind of domestic servants and agricultural workers.

Estimates of each of these items have been allocated to what seem to be the most appropriate income ranges.

The following types of income, which all form part of personal income (as defined in Table 22), are excluded from the classification by ranges:

- (a) Income in kind other than that of domestic servants and agricultural workers.
- (b) Certain non-taxable grants from public authorities (milk and welfare foods, grants to universities and schools, etc. and industrial services for the disabled).
- (c) Investment incomes of private non-profit-making bodies and of life assurance and superannuation funds.
- (d) The imputed rent of owner-occupied dwellings, except for 1959 when only the amount by which the imputed rent exceeds the Schedule A valuation is excluded.
- (e) Any other differences between the incomes shown in the Inland Revenue returns and the corresponding estimates included in personal income.
- (f) That part of the income of self-employed persons which is covered by allowances for depreciation.
- (g) Accrued interest on national savings certificates.
- (h) Post-war credits.
- (i) Incomes of persons receiving less than £50 a year.
- (j) Employers' and most of employees' contributions to national insurance and superannuation schemes.

The figures for 1959 and 1964 are based on the quinquennial surveys for 1959/60 and 1964/65 respectively. The 109th Report of the Commissioners of the Inland Revenue contains a description of the latter. From 1962/63 annual surveys, similar to the special quinquennial surveys but smaller in coverage, provide a basis for estimating the distributions each year. Estimates for 1963 are based on the final results of the 1963/64 survey and estimates for 1965 are based on the provisional results of the 1965/66 survey.

Income not included in the classification by ranges. The difference between total personal income and the total income shown by ranges, which is equal to the sum of the above items (a) to (j) less the total of pensions and annuities derived from private superannuation schemes.

The incomes shown in the distribution by ranges include these pensions and annuities, and exclude most of the corresponding contributions and premiums. As these constitute transfers within the personal sector, they do not affect total personal income.

Total number of incomes. This is estimated by deducting from the total population of the United Kingdom the estimated number of persons having incomes of under £50 in the year and the estimated number of married couples—since the incomes of husband and wife are counted as one income. The income of a juvenile, even if he is partly dependent on his parents, is counted separately. The numbers relate to all persons receiving incomes for the whole or any part of the year. A woman who is single or divorced for part of the year is counted as having a separate income of the amount received while she was single or divorced. For this reason, and also because of deaths which occur during the year, the number of small incomes is larger than it would be if incomes were measured by their annual rates at a given point of time.

Tables 27 and 28. Consumers' expenditure

These notes describe first, the main revisions which have been made to the estimates of consumers' expenditure contained in last year's Blue Book; secondly, the changes in the classification of consumers' expenditure since *Sources and Methods* was published; and thirdly, the main changes in methods of estimation which have been made since the publication of *Sources and Methods*.

A revision to the estimates of expenditure on *Tobacco* at constant prices has resulted from the revaluation since 1958 of the main types of cigarette separately. *Rent, rates and water charges* now include estimates of the site rents of owner-occupied caravans. The estimates of garage rents in *Running costs of motor vehicles* are now based on the Family Expenditure Survey. The estimates of expenditure on *Other travel* have been revised in the light of information from the International Passenger Survey, the National Travel Survey and the Family Expenditure Survey. Estimates for *Other entertainment and recreational services* have been revised upwards in recent years in the light of trends shown by the Family Expenditure Survey. Estimates for recent years of some items within *Other services* have also been revised upwards. Information on tax receipts is now used in estimating expenditure on betting with bookmakers on- and off-course.

A category *Catering (meals and accommodation)* has been introduced in this year's Blue Book, replacing the previous heading *Food: other personal expenditure* and including two items formerly in *Other services*: hotel and restaurant services and school meals services. Estimates for the new heading are mainly based, from 1964, on the Board of Trade's catering statistics, and for the years before 1964 on the separate estimates for the three items mentioned above.

In order that estimates of total personal expenditure on food whether by households or by caterers for consumption on or off the premises, may be available on the same basis as in previous Blue Books, the estimates made by the

Ministry of Agriculture, Fisheries and Food are continued in the table below.

The item *Wages, salaries, etc. paid by private non-profit-making bodies* (excluding catering) formerly included in *Other services* is now shown as a separate heading.

Several changes in classification were made in the Blue Book for 1958. These are described in the following paragraphs.

Durable goods. This category differs considerably from the former category *Durable household goods*. The main differences are the inclusion of motor cars and motor and pedal cycles (formerly included under *Private motoring and cycling*), and the omission of hardware, minor electrical goods and household textiles and soft furnishings. The present category *Furniture and floor coverings* also includes mattresses. The present category *Radio, electrical and other durable goods* includes radio and television sets, gramophones, musical instruments, household appliances (for example, electric and gas fires, paraffin heaters, washing machines, cookers, refrigerators, vacuum cleaners, sewing machines, lawn mowers), perambulators and pedal cycles. Separate estimates of expenditure on pedal cycles are given in the table below.

The intention is to include under the category *Durable goods* all those goods which constitute a volatile element in consumers' expenditure and goods which are relatively costly and which are generally available on credit terms. The category has been defined in the light of the information available and consequently excludes certain goods which could satisfy this criterion (for example, expensive crockery and glassware, jewellery, watches and items of clothing such as fur coats).

The Board of Trade's statistics of retail sales are the principal source of information for making the estimates of consumers' expenditure on durable goods. Further details about this series were given in the August 1958 issue of *Economic Trends*.

Other household goods. This category includes two addi-

tional groups of goods which were formerly included under the heading *Durable household goods*:

(i) *Household textiles and soft furnishings*. These, together with the present item *Furniture and floor coverings*, previously comprised *Furniture and furnishings*.

(ii) *Hardware*. This comprises hardware, pottery, glassware, cutlery and minor radio and electrical goods. This item was previously under *Hardware, radio and electrical goods*.

The estimates of these two categories are based on the Board of Trade's statistics of retail sales. But the individual estimates are not considered sufficiently reliable to be shown separately in Tables 27 and 28. However, it is recognised that for certain purposes it is important to have estimates of these two items even though they are subject to rather wide margins of error. The separate estimates are therefore given in the table below. The table also gives estimates of expenditure on matches separately from expenditure on soap and other cleaning materials.

Miscellaneous recreational goods. This category corresponds to the former series *Other recreational goods plus gramophone records* (previously included in the category *Hardware, radio and electrical goods*) less musical instruments (now included in the category *Radio, electrical and other durable goods*). The estimates of expenditure on gramophone records are based on the value of deliveries by manufacturers.

Other miscellaneous goods. This category includes clocks which were formerly included under *Hardware, radio and electrical goods*.

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

Food. The Ministry of Agriculture, Fisheries and Food make estimates of (i) total personal expenditure on food (given in the table below) and (ii) household expenditure on food (given in Tables 27 and 28). The former comprises

Consumers' expenditure

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
At current prices											
Food: household and other personal expenditure.....	4,274	4,448	4,547	4,701	4,779	4,944	5,174	5,328	5,566	5,770	6,015
Pedal cycles	14	15	15	17	14	13	11	12	12	13	11
Household textiles and soft furnishings	140	144	147	154	162	172	178	184	199	208	215
Hardware	144	159	158	167	168	177	177	181	196	204	215
Matches	20	21	22	23	22	22	23	22	22	22	21
At 1958 prices											
Food: household and other personal expenditure.....	4,436	4,511	4,547	4,647	4,747	4,838	4,895	4,961	5,044	5,059	5,112
Pedal cycles	15	16	15	17	14	12	10	11	11	12	10
Household textiles and soft furnishings	141	145	147	155	162	169	172	176	187	191	193
Hardware	144	159	158	169	170	174	168	171	181	182	186
Matches	22	22	22	22	22	20	20	20	20	19	18

not only expenditure by households but also purchases of food by commercial and non-commercial caterers for consumption on or off the premises. The following paragraphs describe in general terms how both these estimates are made.

Since the end of food rationing increasing use has been made of the National Food Survey in estimating consumers' expenditure on food. About half the estimates of household expenditure on food are now based on the continuing results of the survey, an addition being made to this part of the estimates for purchases by caterers of the foods concerned. The balance of the estimates of total personal expenditure on food is based, as far as quantities are concerned, on statistics of supplies, that is, farm or manufacturing output and imports, adjusted for exports and for amounts used in further processing, stock changes, wastage, etc. This balance covers both household and caterers' purchases of the foods concerned and an analysis between the two types of purchase is estimated. Many of the quantity estimates of household purchases which are based on supply data are valued by means of average values taken from the National Food Survey so that the survey is the basis for most of the valuation of household expenditure on food. Quantity estimates of purchases by caterers are valued at costs to caterers, that is, at or near wholesale prices.

Generally, the National Food Survey is used where supply statistics are unsuitable either because of the use of the food at several stages of manufacture or because information on wastage, stock changes, etc. is limited. But the estimates which are based on the National Food Survey are reconciled with available statistics of supplies. The main estimates based on the survey are expenditure on bread, flour and cake, meat other than bacon or ham, meat products, most canned foods, sugar, potatoes and other vegetables, tea and some fresh fruit.

Consumers' expenditure on food is generally revalued commodity by commodity at the average unit values of 1958. But in the case of fresh fruit and vegetables (other than potatoes), where there is insufficient information to revalue each variety of food separately and where the composition of each of the broad groups of varieties and the quality of their components change radically from quarter to quarter in the year, consumers' expenditure on each group of varieties is revalued at the average value for that group in the corresponding quarter of 1958. For the purposes of this revaluation the average value for the year 1958 as a whole is varied over the quarters of 1958 according to the average seasonal pattern of several years.

Alcoholic drink: Wines, spirits, cider, etc. In estimating the service element in expenditure on spirits and imported wines it is assumed that the proportions sold by hotels, restaurants and public houses have declined in recent years while the proportions sold by off-licences have risen. The arbitrary allowance for business expenditure is no longer 5 per cent. as stated in *Sources and Methods*, page 112. The allowance up to April 1965 is 10 per cent. and has been reduced to 8 per cent. from April 1965, in recognition of the changes in the tax regulations on business entertainment expenses.

Estimates are included of consumers' expenditure on perry, based on production data.

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

Rent, rates and water charges. From 1964 the estimates of rent are based on the Family Expenditure Survey, and of rates and water charges on rating statistics.

The estimates of rent are made up of:

(i) The rent of rented accommodation (excluding any element of rates) and the ground rent paid by owner-occupiers. Since 1964 information has been collected in the Family Expenditure Survey on the rateable values of all types of dwellings; this has provided a basis for distinguishing the rent element from the rates element in payments by tenants to landlords. Additions are made for site rents of owner-occupied caravans based on estimates by the National Caravan Council of numbers of caravans and special survey information on average rents.

(ii) The imputed rent of owner-occupiers. Information collected in the Family Expenditure Survey since 1957 on the rateable value of owner-occupied dwellings provides a basis for imputing a rent to owner-occupiers. This imputed rent is the rateable value adjusted for changes since the last valuation in the general level of rents as shown by the index of retail prices.

(iii) The imputed rent of rent-free accommodation. The estimates for this item, which is included as income in kind, have been derived since 1964 from the Family Expenditure Survey in the same way as for the imputed rent of owner-occupiers.

The annual estimates of consumers' expenditure on rates are calculated from the statistics of aggregate rateable values of domestic property and poundages published in *Rates and Rateable Values in England and Wales* and *Rates and Rateable Values in Scotland*. Roughly half the total rates paid in Northern Ireland, taken from *Northern Ireland Local Authority Rate Statistics*, are taken to be domestic. An adjustment has been made in the estimates for 1966 to take account of rate rebates for low income households. An addition is made for water charges not included in the rate poundages.

A rough addition is made for the rent, rates and water charges paid by private non-profit-making bodies. No addition is made for persons living in hotels, boarding houses, etc., because the rent element of their expenditure is included in expenditure on *Catering (meals and accommodation)*.

For the period 1956 to 1963 the estimates of rent, rates and water charges were derived from the Ministry of Labour household expenditure inquiry for 1953-54 and a Social Survey inquiry for 1955, projected forwards by the figures of the aggregate rateable value of domestic property in England and Wales as an index of quantity, and the rent, rates and water charges component of the index of retail

prices as an index of price. Figures of aggregate rateable value of domestic property were not available for Scotland before 1962 or for England and Wales before 1956. Estimates of the stock of dwellings (in numbers) were used as an index of quantity for projecting the results of the 1953-1954 and 1955 household inquiries backwards over the period 1946 to 1955.

These methods produced estimates for 1963 which were too low mainly because the aggregate rateable value of owner-occupied dwellings on the basis of the 1963 valuation was much higher than had been implicitly forecast by projecting forwards, by an index of rent, the aggregate value based on 1939 rental values. The estimates for the years before 1963 were therefore revised upwards, the revisions being gradually tapered down to zero in 1939.

Estimates of rent and rates at 1958 prices are obtained by projecting the estimates for 1958 forwards by an index of the aggregate rateable value of domestic property.

Maintenance, repairs and improvements by occupiers. The estimates take account both of the results of the Family Expenditure Survey and of the statistics of total work done on house repairs collected by the Ministry of Works. Because the sampling errors of the Family Expenditure Survey are high for this item the estimates are particularly uncertain and are liable to revision. The estimates are revalued at constant prices by appropriate sections of the retail price index.

Fuel and light. Estimates of consumers' expenditure on liquid gases and gas oils are obtained from a trade source. Expenditure on kerosene is revalued at constant prices by the appropriate section of the retail price index.

Motor cars and motor cycles, new and secondhand. The estimates of expenditure on cars for the years 1954 to 1961 were made as follows. A benchmark estimate of expenditure on new cars was made for the year 1960 from an analysis by make and engine capacity of registrations of new cars in Great Britain and from published data on retail prices, excluding purchase tax, in the benchmark year. This provided estimates for 1960 of the average values excluding purchase tax of new cars in broad engine capacity ranges and these were applied to quarterly figures of the numbers of new registrations for the engine capacity ranges from 1954 onwards. The resulting volume series, after grossing up to a United Kingdom basis, was converted to an expenditure series at current prices by means of an index of prices of new cars excluding purchase tax. Additions were then made for purchase tax and for delivery charges.

From these estimates of total expenditure on new cars were deducted rough estimates of business investment in cars (investment by the public sector, by companies and by persons on business account). The estimates of business investment were made as follows. Comprehensive figures were available of business investment in (that is, capital expenditure on) road vehicles as a whole; information was also available of investment in buses and rough estimates could be made of investment in other commercial vehicles, based on numbers registered. Subtracting

investment in buses and other commercial vehicles from total business investment in road vehicles left, as a residual, an estimate of business investment in cars.

The business investment figures covered purchases of new and used vehicles less sales of used vehicles. The difference between the estimates of total purchases of new cars and the estimates of business investment in cars therefore represented an approximation to purchases of new cars by consumers together with the value (other than dealers' margins) of used cars sold by business to consumers.

For the years up to 1961 the estimates of consumers' expenditure on new motor cycles, including scooters, mopeds and three-wheeled vehicles, were based on production and import data plus estimated distributors' margins and the appropriate purchase tax.

Rough additions were made for dealers' margins on sales of used cars and used motor-cycles.

Estimates from 1962 are based on the Board of Trade's inquiries into the motor trades. The inquiry for 1962 provided the basis for an estimate of the sales in that year of all types of new and used motor vehicles less purchases by motor traders of new vehicles from other traders and of used vehicles from all sources. This estimate has been carried forward by the results of the Board of Trade's monthly inquiry into the motor trades. From these figures have been deducted the estimates which are made for the national accounts of business investment in road motor vehicles (investment by the public sector, by companies and by persons on business account). From the resulting estimates of personal expenditure on motor vehicles have been deducted personal exports of motor vehicles which are included in the export figures.

The current price estimates since 1962 are revalued at 1958 prices by using a price index derived from a continuation of the estimates used for the years 1954 to 1961. In these estimates, purchases of motor cycles have been projected forwards in the same way as for motor cars, that is by the number of new registrations in conjunction with an index of retail prices.

Interest and administrative charges on hire purchase transactions in motor vehicles are excluded from consumers' expenditure. These charges are paid almost entirely to finance companies and are treated in the national accounts as transfer payments by persons. They are subtracted from personal income from rent, dividends and net interest (see page 103).

Matches, soap and other cleaning materials, etc. Estimates of expenditure since 1957 on soap and other cleaning materials are based on the results of the Family Expenditure Survey and are revalued at constant prices by the appropriate sections of the retail price index. The general level of the estimates at constant prices for the years before 1957 was adjusted slightly to make them consistent with the new estimates at constant prices. The estimates at current prices for these years have been derived from the revised constant price series by means of the appropriate sections of the retail price index.

Books. In arriving at consumers' expenditure on books, deductions from estimates of total expenditure on books for

expenditure by maintained schools are based on information for England and Wales published in *Education Statistics* (Institute of Municipal Treasurers and Accountants) with an approximate allowance for expenditure in Scotland based on numbers of pupils. Deductions for expenditure by public libraries are based on information for England and Wales published in *Public Library Statistics* (I.M.T.A.). The deductions for purchases by business firms remain conjectural (*Sources and Methods*, page 122).

Newspapers and Magazines. Expenditure on newspapers and magazines is calculated at current and at 1958 prices from information on circulation and prices given in advertisers' and press guides.

Miscellaneous recreational goods. The estimates of expenditure on manufactured pet foods are based on production data. Estimates for horticultural goods take account of the results of the Family Expenditure Survey. Estimates of expenditure on caravans, based on production data, are included in this item.

Running costs of motor vehicles. Expenditure on petrol is revalued at average 1958 prices for the three grades of petrol separately.

Expenditure at constant prices on maintenance and repairs, spare parts and accessories is assumed to be proportional to the consumption of petrol, and is revalued at current prices by means of the retail price index.

Estimates of garage rents, and of the proportion of expenditure on insurance of vehicles and on vehicle licences which is treated as personal, are based on information from the Family Expenditure Survey.

Payments for driving tests and road vehicles tests, together with rough estimates of expenditure on driving lessons, are now included.

Rail travel. The constant price series for railway travel are consistent with the British Railways Board's estimates of passenger miles travelled. The proportion of expenditure on rail travel which is treated as personal is based on the results of the National Travel Survey.

Other travel:

Taxis and private-hire cars. A benchmark estimate of consumers' expenditure on taxis and hired cars with driver has been made for 1964, based on the results of the National Travel Survey. This estimate has been projected backwards and forwards on a smooth trend broadly in line with changes in the number of taxis licensed, and revalued at current prices by means of a price index for the running costs of motor vehicles. Expenditure on the hire of self-drive cars is still largely guessed before 1961. Subsequently the results of the Family Expenditure Survey form the basis of the estimates.

Air travel. Expenditure on air travel within the United Kingdom at current and constant prices is obtained annually by applying the rates per passenger mile of British European Airways to total passenger miles flown on domestic services. About 40 per cent. of this expenditure is taken to be personal. Expenditure on air travel overseas other than Ireland has been estimated from 1964

onwards by applying average fares appropriate to the various routes to estimates of numbers of United Kingdom residents travelling by air for other than business reasons, both derived from the Board of Trade's International Passenger Survey. Numbers of non-business visitors arriving in Ireland by air from the United Kingdom are taken from statistics published annually in the *Irish Trade Journal*. Estimates of expenditure on air fares by United Kingdom emigrants are derived from the International Passenger Survey from 1964 onwards. The estimates of international air travel are revalued at constant prices by multiplying numbers of passengers by average fares in the base year after making allowance for changes in the average length of journey.

Sea travel. The annual estimates for travel to European countries and within the United Kingdom are taken as total passenger receipts from ships owned by British Rail together with an allowance for United Kingdom residents travelling on other shipping lines to the Continent. This allowance is based on a comparison for 1965 between numbers travelling by British Rail ships and the International Passenger Survey estimates of the numbers of United Kingdom residents travelling on the short sea routes for purposes other than business. The annual estimates for expenditure on pleasure cruises are calculated by multiplying the number of passengers travelling on cruises by estimated average fares derived from shipping company leaflets. Expenditure at constant prices is calculated by multiplying the number of passengers by the average fare in the base year. For non-European travel, the proportion of total expenditure which is assumed to be personal has been increased from 25 per cent. in the immediate post-war years to 60 per cent. at present, on the basis of information available from the International Passenger Survey on purpose and place of visit of United Kingdom residents travelling on the long sea routes. Additions are made for expenditure on fares by United Kingdom emigrants, based on numbers of emigrants.

Car ferries. Annual expenditure on transport of accompanied cars by rail and sea is based on receipts by the British Railways Board and statistics of numbers of accompanied cars entering and leaving the United Kingdom. Expenditure at constant prices on rail ferries is obtained from the number of cars carried and the average charge in the base year. For sea ferries, total receipts are deflated by an index based on average charges on the Continental services of British Railways. Annual expenditure on air ferries at current and constant prices is estimated by combining statistics of the volume of traffic provided by the Board of Trade with estimates of the average fare per ton mile.

Entertainment and recreational services. Statistics of expenditure on cinema admissions are compiled by the Board of Trade. Estimates of expenditure on admissions to other entertainments take account of the results of the Family Expenditure Survey. Estimates are included for the hire of radio and television sets and for the relay of sound and vision, based on information collected by the Board of Trade.

Expenditure on admissions to cinemas and other entertainments is revalued at constant prices by the appropriate sections of the retail price index.

Catering (meals and accommodation). Comprises meals and accommodation in commercial establishments and meals, but not accommodation, in non-commercial establishments. Accommodation in non-commercial establishments is included in the rent paid by, or imputed to, private non-profit-making bodies (under *Rent, rates and water charges*).

The category covers personal expenditure on:

- (i) Meals and accommodation in hotels, holiday camps, boarding houses, restaurants (including those in retail shops), cafés, fish and chip shops, clubs, and canteens whether operated individually (for example, by industrial firms) or by catering contractors.
- (ii) Meals in maintained schools.
- (iii) Milk in schools.
- (iv) Meals in private boarding schools, university halls and other communal establishments.
- (v) Accommodation in holiday cottages and caravans, fees for holiday caravan and camping sites.

Included in the estimates are the face value of luncheon vouchers, the net cost to employers of meals provided in canteens, and the value of food and accommodation provided free to the staff of catering establishments. These items, together with the net cost to the government of meals and milk in schools (treated as grants to persons) appear on both sides of the personal income and expenditure account. Expenditure on meals and accommodation by public authorities, for example in hospitals, prisons, Borstal institutions, residential schools and homes for the aged, is not included here but in public authorities' current expenditure on goods and services.

Estimates from 1964 are made as follows. For (i), statistics of the turnover in Great Britain of (a) licensed hotels and holiday camps, (b) restaurants, cafés, fish and chip shops and (c) canteens are used to project forwards benchmark figures derived from the 1964 catering inquiry. Expenditure in unlicensed hotels and boarding houses is assumed to change in line with expenditure in licensed hotels and holiday camps. The catering statistics include the face value of luncheon vouchers but additions are made to the benchmark figures for the net cost to employers of meals provided in canteens, for food and accommodation provided free to staff, and for expenditure in Northern Ireland. Deductions are made for business expenditure but there is little firm evidence on which to base these deductions. For (ii), estimates are based on information collected by the Department of Education and Science on the number and gross costs of meals in maintained schools. For (iii), the quantities of milk provided in schools are known and are valued at the cost to the government, which is the retail cost plus the cost of administering the scheme. For (iv), estimates are based on payments by staff to national health service hospitals for rent, board and lodging; on numbers of day and boarding pupils in

private schools and of students in university hostels; and on information from the census of population on numbers in miscellaneous communal establishments. Rough additions are made for (v), based on surveys which have been carried out from time to time on holiday accommodation.

The estimates for the years before 1964 are based on the previous items *Food: other personal expenditure* and, from *Other services*, hotel and restaurant services and school meal services. The price index implied by the totals for these items at current and constant prices is used to revalue the new estimates at constant prices from 1964. The estimates at constant prices are not shown separately because of uncertainties in revaluing the service element of meals and accommodation.

Insurance. The proportion of expenditure on household, accident and miscellaneous insurance which is treated as personal is based on information from the Family Expenditure Survey.

Other services:

This category does not now include hotel and restaurant services, school meal services and wages, salaries, etc. paid by private non-profit-making bodies.

Medical services to private patients. Estimates of expenditure take account of information from the Family Expenditure Survey.

National health service charges. These are revalued at 1958 prices in the same way as public expenditure on the national health service.

Private education. A benchmark estimate of tuition fees paid to profit-making independent schools by private persons in 1959 is projected forwards by an index of numbers of pupils at independent schools. The resulting volume series is converted to a series at current prices by a price index of tuition fees at a sample of independent schools. An addition is made for private expenditure on fees at other profit-making educational establishments based on information from the Family Expenditure Survey.

Laundries and launderettes; dry cleaning, dyeing, etc.; miscellaneous repair services. Estimates are based on the results of the Family Expenditure Survey and are revalued at constant prices by the appropriate sections of the retail price index.

Betting. Consumers' expenditure (stakes less winnings) on football pools, fixed odds football betting and greyhound racing totalisators is calculated from tax receipts, from which stakes can be derived, and from information on the percentages of stakes retained by the pools promoters and by the greyhound racing totalisators. Amounts retained by horse-race totalisators are published in the annual reports of the Horse-race Totalisator Board. Information on gaming has been used from the *Report on Enquiry into Gaming under Section 2 of Finance Act 1963* (Cmd. 2275). From October 1966, consumers' expenditure on betting with bookmakers on-and off-course (including betting shops) has been based on tax receipts. Expenditure is revalued at 1958 rates of tax and also at 1958 prices by means of the general consumer price index.

Fees paid to local authorities. These include car parking meter fees.

Stockbrokers' charges. From 1965 onwards, consumers' expenditure is based on statistics of transactions in securities and rates of stockbrokers' commission. For earlier years the 1965 estimate has been projected backwards in line with total stamp duty on stocks and shares, allowing for changes in rates of duty and commission. The charges are revalued at constant prices by means of an index of prices of stocks and shares allowing for any changes in rates of commission.

Bank charges. A benchmark estimate of actual payments of bank charges by consumers in 1963, based on a comparison of data from the Family Expenditure Survey and from banking sources, is projected backwards and forwards by an index of bank debit clearings. The charges are revalued at constant prices by means of the general consumer price index.

Fines. Estimated payments of fines by consumers are now included.

Table 29. Taxes on expenditure and subsidies allocated to consumers' expenditure

In the 1965 Blue Book extensive revisions were made to the allocation of taxes. Taxes on *Tobacco* are now estimated from the receipts of tax instead of from the estimates of consumption of tobacco. Purchase tax on radio and television sets rented by consumers has now been directly allocated to consumers' expenditure on *Entertainment and recreational services*. Part of the subsidy to the British Railways Board has been allocated to consumers' expenditure on *Travel* according to the proportion of passenger receipts from consumers to total railway receipts for passenger and freight services.

In 1966, the proportion of payments of selective employment tax attributed to consumers' expenditure has been based largely on input-output statistics for 1963. Payments made by those industries which do not qualify for a premium or refund of tax, broadly the service industries, have been allocated between the various categories of consumers' expenditure. Payments qualifying for a premium or refund, for example those by manufacturing industry, have not been allocated to categories of consumers' expenditure.

Companies

Table 30. Appropriation account

Gross trading profits. The estimate for 1966 is after deduction of selective employment tax. The tax has been treated on a cash basis and refunds or premiums due in respect of the year but not received during it have not been allowed for. The treatment of selective employment tax in the reported figures on which this estimate is based is often uncertain and the estimate is therefore subject to a wider margin of error than usual.

The estimates seek to measure the actual profits earned in the calendar year. For the years up to and including 1954, the figures of profits in each year are in fact an aggregation of the profits earned in varying accounting

years which on average end about the beginning of December (see *Sources and Methods*, page 153). For each year from 1955 the profit figures have been adjusted to allow for this variation in accounting years and they have been put, as far as possible, on to a true calendar year basis. The adjustment has been based on the series of quarterly profits figures, which was described in the July 1958 issue of *Economic Trends*. The estimate for company trading profits in 1955 calculated on the old unadjusted basis would be £28 million, that is 1 per cent., lower. The figures for dividend and interest payments and tax payments are not affected by the change. The estimates of tax accruals still relate to the profits corresponding to the aggregate of accounting years, since this is the basis for tax assessments.

If the figures of company incomes are compared with those of United Kingdom taxes, it should be noted that, except in Table 35, no deduction is made from trading profits for the tax-free allowances for fixed capital expenditure (which are shown on page 124); and that tax deducted by companies from payments of interest and dividends is treated as falling not on companies, but on the recipients of the interest and dividends. Hence dividends and interest are shown gross, before deduction of tax. Estimates of the tax on the total income of companies, including tax on distributions made by companies, are given in a footnote to Table 30.

As a result of the fuller use of balance of payments information described in the March 1961 issue of *Economic Trends*, the estimates of profits were amended to exclude some overseas income of United Kingdom resident companies previously included as income earned in the United Kingdom. The amount of income earned in the United Kingdom by companies resident abroad but still excluded from trading profits of companies operating in the United Kingdom is believed to be very small. The arbitrary element in the allocation of profits between home and overseas mentioned in *Sources and Methods*, page 157, was virtually removed.

Rent and non-trading income is now divided into that part which arises in the United Kingdom, which is shown separately, and that part which arises abroad, which is included with trading profits earned abroad in the item *Income from abroad*.

The estimates now include interest received by the special investment departments of the trustee savings banks and the investment account of the Post Office Savings Bank. The estimates have been increased in this Blue Book because of new information on rent income from Schedule D tax assessments for 1964/65 and 1965/66, after the abolition of Schedule A.

Income from abroad. This item represents that part of the interest, profits and dividends credit in Table 2 of *United Kingdom Balance of Payments, 1967* which is estimated to accrue to companies. In line with other components of company income shown in the Blue Book, however, it is here reckoned before deducting tax, whereas in Table 2 of *United Kingdom*

Balance of Payments, 1967 it is shown net of tax. The estimates differ in some respects from those included in the 1960 and earlier Blue Books, which were based on statistics provided by the Board of Inland Revenue. The largest single source of difference is the changed treatment of retained profits earned abroad by companies which, for tax purposes, are treated as not resident in the United Kingdom. Broadly speaking, the Inland Revenue figures included only income remitted to the United Kingdom by these companies; but for balance of payments purposes and, therefore, in the Blue Book, if the companies are branches or subsidiaries of United Kingdom resident companies, total profits (or a proportion based on the degree of ownership) are included whether or not they are remitted to the United Kingdom.

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

From 1963, the net earnings of United Kingdom insurance companies from their overseas branches and subsidiaries are included. For earlier years they are included with exports of goods and services because information is not available to separate them from other earnings from insurance transactions overseas.

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

From 6 April 1966 additional information has become available from the direct reporting of all dividend and interest payments because of the changes in taxation. See notes on *United Kingdom taxes on income*, below.

All dividend and interest payments are shown before deduction of tax, although in fact companies normally deduct income tax before payment; the tax is treated as falling not on the company paying the dividends and interest, but on the recipients.

The estimates of interest payments now include interest paid by the special investment departments of the trustee

savings banks and the investment account of the Post Office Savings Bank.

Current transfers to charities. The estimates are based on Inland Revenue data and cover covenanted and uncovenanted contributions not allowed as a business expense. These transfers have been attributed, in the absence of any information, entirely to industrial and commercial companies. But undoubtedly part of the contributions are made by financial companies.

Profits due abroad are now shown separately from *Taxes paid abroad*. The item consists of the whole of the net profits of branches of non-resident companies operating in the United Kingdom, and the share of net profits of United Kingdom subsidiaries which accrues to non-resident parent companies, whether or not it is distributed. Up to the 1960 Blue Book, profits due abroad included only the dividend distributions of subsidiaries of non-resident parent companies (see *Sources and Methods*, pages 164-165). This income is shown after deducting capital allowances but before providing for stock appreciation.

United Kingdom taxes on income:

Payments. The amount shown consists of payments of income tax (including in 1966 payments under Schedule 12), corporation tax, profits tax, etc. by companies to the Inland Revenue less repayments less the amounts deducted by companies from their payments of dividends and interest. Receipts by companies in 1966 of overspill relief in respect of overseas tax not relieved against corporation tax have also been deducted.

Additions to tax reserves. The difference between the total tax charge falling on the undistributed profits and the corresponding tax payments made in the year.

The estimates of the tax charge in 1965 and 1966 are affected by the introduction of corporation tax and the new system of taxation of dividend and interest payments. The main constituents are:

(a) The corporation tax payable by companies on the profits of the year; the rate of corporation tax adopted in the computations is 40 per cent., even though some companies assumed a different rate in preparing their accounts before the rate was announced.

plus (b) Income tax and profits tax on the element of the income that was not liable to corporation tax (for example, because it was chargeable to income tax for 1965/66 on the current year basis).

less (c) The excess of the income tax deducted from dividends and interest payable out of the profits of the year over the tax which companies are required to account for to the Inland Revenue under Schedule 12. Liability under Schedule 12 arises only in respect of dividends and interest paid after 5 April 1966; the tax deducted from dividends paid before 6 April 1966 is treated as covered by the income tax charged on companies. Moreover, in the case of some dividends paid after 5 April relief was due under Section 85 of the Finance Act 1965.

less (d) Any repayments of income tax.

less (e) Overspill relief receivable by companies in respect of overseas tax not relieved against corporation tax.

The 1966 tax charge is also increased by the withdrawal of investment allowances and the changes in initial allowances from 17 January 1966 when investment grants were introduced. Payments of investment grants, which did not begin until 1967, will be included in receipts of capital transfers.

Since *Profits due abroad* are now shown separately, estimates have been made of the United Kingdom taxes accruing on these profits and the figures are shown separately in this table together with the subdivision between payments and additions to reserves.

Table 32. Appropriation and capital accounts of industrial and commercial companies

The corresponding table in the Blue Books for 1963 and earlier years related to companies excluding insurance, banking and finance. Property companies are now included in this table and the coverage is the same as the sector *Industrial and commercial companies* distinguished in the section on *Financial accounts* (Tables 72 to 80).

Information is not available to construct a separate capital account for these companies before 1959.

Table 33. Appropriation and capital accounts of financial companies

Property companies, which before the 1964 Blue Book were included with financial companies in this table, are now included with industrial and commercial companies in Table 32. However, they are still included with the *Insurance, banking and finance* industry in Table 35. The table covers banks, acceptance houses, discount houses, building societies, investment and unit trusts, the special investment departments of the trustee savings banks, the investment account of the Post Office Savings Bank, hire purchase finance companies, insurance companies and superannuation funds. Apart from the exclusion of the Banking Department of the Bank of England the coverage of this table is the same as that of the *Financial institutions* sector, distinguished in the section on *Financial accounts* (Tables 72 to 80).

In the appropriation account, the receipts of rent, dividends and interest do not include the amounts received by life and industrial assurance funds and the funds of superannuation schemes. These receipts are regarded as the income of the policy holders and are shown in the receipts of the personal sector. The tax on this income is also excluded from Table 33 and is included in the tax paid by the personal sector.

The presentation of the appropriation account now corresponds with that in Table 32, and *Income from abroad* is combined with *Rent and non-trading income arising in the United Kingdom*.

Public corporations

From April 1961 the Post Office is treated as a public corporation and not as part of central government. The

Sugar Board was established on 1 January 1957, the Covent Garden Market Authority on 30 October 1961, the Housing Corporation on 1 September 1964 and the British Airports Authority on 1 April 1966. The transactions of these corporations are included in the tables from these dates.

Since the publication of *Sources and Methods* the Raw Cotton Commission and the Overseas Food Corporation have been completely wound up. The number of constituent companies of the Iron and Steel Holding and Realisation Agency was progressively reduced and by 1963 direct investments were held in only one subsidiary company compared with direct holdings in 71 subsidiary companies at 13 July 1953 when the Agency took over the assets of the Iron and Steel Corporation of Great Britain.

At the end of 1962 the British Transport Commission was dissolved and re-created as five separate corporations, the British Railways Board, the London Transport Board, the British Transport Docks Board, the British Waterways Board and the Transport Holding Company.

Table 36. Operating account

Sales. Receipts now include all income from the ownership of land, houses and other buildings. The corresponding expenditure on maintenance, etc., is included in payments and the balance of the account is the combined gross trading surplus and income from rent.

Subsidies. From 1960 to 1962 the revenue deficits of the British Transport Commission, from 1963 those of the British Railways Board and the British Waterways Board and from 1966 that of the London Transport Board have been covered by central government subsidies. These are recorded in the accounts of both central government and the public corporations as they accrue. See notes on Tables 41 and 42.

Purchases of goods and services. Payments of rent by public corporations, formerly shown separately, are now included in this item.

Table 37. Appropriation account

Rent. Income from rent is now shown separately from non-trading income.

United Kingdom taxes on income: Payments. The amount shown consists of payments to the Inland Revenue less the amounts deducted by corporations from their payments of dividends and interest. The latter is estimated to have been close to the corresponding payments to the Inland Revenue, except in 1966 when the new system of taxation of dividend and interest payments reduced the delay between deduction of tax from dividend and interest payments and payment of the tax to the Inland Revenue.

Table 38. Capital account

The table has been expanded to show separately transactions in connection with government loans formally written-off. See notes on Table 42, page 117.

In this Blue Book additional transactions in financial assets are shown. *Net lending to private sector* comprises net lending by the National Research Development Corporation, National Film Finance Corporation, Sugar Board and Housing Corporation. *Net lending and investment abroad* consists of net lending by the Commonwealth Development Corporation for the financing of development projects overseas, together with capital expenditure on fixed assets abroad by the B.B.C. From 1964 *Cash expenditure on company securities, etc. (net)* which comprises expenditure on subsidiaries, trade investments and marketable securities, has been identified.

Central government including National Insurance Funds

The Metropolitan police are treated as part of the local authority sector, not central government as stated in *Sources and Methods*. From April 1961 the Post Office is treated as a public corporation and not as part of central government.

Table 41. Current account

Taxes on capital and *Transfers to capital accounts* are treated as capital transactions.

Income tax. Net receipts of income tax from non-resident taxpayers are included in this item and not under *Interest and dividends, etc.*, as stated in *Sources and Methods*. The estimated amount of income tax on short-term capital gains, collected under Schedule D, is excluded from this item and included with *Taxes on capital*.

Overspill relief. Payments made in certain cases where the overseas tax rate exceeds the corporation tax rate (Section 84, Finance Act 1965).

Taxes on expenditure:

Customs and excise duties. The item *Purchase tax* represents an estimate of the amount of tax charged by registered traders in the year. The excess of actual receipts by H.M. Customs and Excise over this amount is shown in the capital account under the heading *Adjustment for purchase tax*.

Export rebates. The rebates which became payable in respect of goods exported from 26 October 1964. Payments did not begin until 1965. Receipts from the duty on hydrocarbon oils, purchase tax and motor vehicle licence duties are shown gross, before deducting the rebate.

Selective employment tax. The tax became payable from 5 September 1966. It is included in taxes on expenditure, being regarded as an indirect tax falling on employers. The tax is included in the accounts on a cash basis, as it is paid, and receipts are shown after deducting refunds, including the refund element of premium payments. Premium payments did not begin until 1967.

Post Office contribution to the Exchequer. This item represents (a) prior to April 1956 the Post Office surplus (b) from April 1956 to March 1961 a contribution of £5 million a year as fixed for the purposes of the *Post Office Commercial Accounts*⁽¹⁾ and (c) from April 1961 the

contribution in lieu of taxes made from the Post Office Fund.

Broadcast licence revenue retained by Exchequer. This now represents gross receipts for broadcasting licences less both the grant paid to the B.B.C. for its home services and the cost of collection.

Miscellaneous taxes on expenditure includes the tithe annuities which became payable by landowners to the Tithe Redemption Commission after landowners' liabilities for tithe rent charges had been extinguished by the Tithe Act, 1936. Lump sum payments by landowners in commutation of annuities are included.

National health contributions. From September 1957 contributions became payable directly to the national health service and these amounts are now shown separately in this table. These contributions are omitted from the current account of the National Insurance Funds.

Redundancy Fund contributions. From 5 December 1965 contributions under the Redundancy Payments Act became payable by employers. The contributions are paid with national insurance contributions but are not included in the current account of the National Insurance Funds.

Gross trading surplus:

Post Office (excluding Savings Bank). Until March 1956 this represents the depreciation (at historical cost) and interest on the capital employed in the Post Office (as described in *Sources and Methods*, pages 186-187). From April 1956 to March 1961 the item represents the Post Office's trading surplus, before deducting depreciation and interest, but after deducting the Post Office's fixed contribution to the Exchequer of £5 million a year.

Other. This includes the gross trading surplus of the Post Office Savings Bank; the error in the treatment of the latter (see *Sources and Methods*, page 199) has been corrected. Although the Post Office is treated as a public corporation from April 1961, the Post Office Savings Bank, the funds of which are administered by the National Debt Commissioners, is treated as part of central government.

Formerly the cost of producing United Kingdom coin was reflected only in the Royal Mint's trading expenses, the issue of new coin not being regarded as a sale (*Sources and Methods*, page 210). New coin is now regarded as being purchased by central government at cost; receipts from the issue of coin at face value continue to be treated as a form of borrowing in the central government capital account. The purchase of coin is reflected in *Current expenditure on goods and services* under the heading *Finance and tax collection*.

From November 1964 the provision of all air navigation services is treated as a trading activity. From April 1965 the commercial operations of the Atomic Energy Authority are treated as a trading activity. From April 1966 the operation of international airports was transferred to the British Airports Authority, which is treated as a public corporation.

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

Rent:

Temporary houses and Forces' married quarters. The imputed rental income from temporary houses, which was taken to equal the annuities paid by the housing departments to the Exchequer (*Sources and Methods* page 197) ceased from April 1962.

Other. An imputed rental income, measured by the depreciation (at historical cost) and interest on capital employed, is included in respect of the fixed assets of the United Kingdom Atomic Energy Authority. An imputed rent is also included for national health service hospitals; this is based on the assessments of rateable values made by the Treasury Valuer. An amount equal to these imputations is included in *Current expenditure on goods and services*. Rental income from Board of Trade factories was formerly taken as equal to rents received less expenses (*Sources and Methods* page 196). An imputed rental income is now included, equal to the depreciation and interest on capital as shown in the trading accounts. The amount by which this exceeds the net rents received is treated as a subsidy.

Interest and dividends, etc. Net receipts of income tax from non-resident taxpayers are included with *Income tax* and not under this item as stated in *Sources and Methods*. The error in the treatment of the Post Office Savings Bank (referred to in *Sources and Methods*, page 199) has been corrected. In this Blue Book the treatment of interest received by the Post Office Savings Bank and trustee savings banks has been changed so that this item now includes interest received from outside the central government instead of net income from interest.

Current expenditure on goods and services. The functional classification of this item has been revised. Details of the new classification are given in the notes on Table 53. Imputed rental payments are included in respect of the fixed assets of the United Kingdom Atomic Energy Authority and national health service hospitals; see note on *Rent* above. Separate figures of imputed rent payments by public authorities from 1960 are given in Table 48. From September 1966 the figures are affected by the inclusion of payments of selective employment tax in respect of government civilian employees.

The figures for *Military defence* are derived from financial year data in a way which reflects the time when expenditure was incurred rather than the time of payment, which is subject to random fluctuations. A large part of the expenditure of the Atomic Energy Authority formerly classified under *Military defence* is now classified under *Research and Other services*. Contributions made by the German Federal Republic towards the cost of United Kingdom forces from 1955/56 to 1960/61 are treated as a deduction from expenditure. Where the transfer of buildings and other fixed assets to overseas governments on independence does not form part of economic or military aid (and is therefore not included in current grants) no deduction has been made from this item.

The heading *Finance and tax collection* includes the purchase of new coin at cost (see note on *Gross trading*

income above), and now excludes the cost of collecting broadcast receiving licences which is deducted from receipts of licence revenue in *Taxes on expenditure*.

Subsidies:

Housing. These subsidies are now recorded as they accrued. The excess of subsidies accrued in the year over actual payments in the year appears in the capital account under the heading *Adjustment for subsidies*. Lump sum payments towards the cost of newly-built houses have been excluded; they are treated as capital grants. Central government grants to local authorities towards the cost of grants for improvements and conversions by private owners are no longer treated as housing subsidies; they are treated as current grants to local authorities. The payment of annuities by the housing departments in respect of temporary housing ceased from April 1962.

Agriculture and food. Agricultural support payments of a capital nature formerly included in this item have been reclassified as capital grants, in conformity with their treatment in the estimation of the income of farmers.

Nationalised transport undertakings. The revenue deficits of the British Transport Commission from 1960, the British Railways Board and British Waterways Board from 1963, and the London Transport Board from 1966 were financed by central government subsidies which are recorded as they accrued. The excess of subsidies accrued over actual payments appears in the capital account under the heading *Adjustment for subsidies*. The compensation paid to the London Transport Board for loss of fare revenue in 1965 is included here. Subsidies paid to the Ulster Transport Authority are also included.

Other transport and communication. From 1965 includes grants to road passenger transport operators in relief of additional costs arising from increased tax on fuel, and the net cost of air navigation services previously included in current expenditure on goods and services.

Other industry and trade. The deficit on Board of Trade factories, being the excess of current expenses, including depreciation and interest charges, over revenue received from rents, etc., is treated as a subsidy.

Payments of selective employment tax premiums in excess of the original tax payment are regarded as a subsidy, but premium payments did not begin until 1967.

Current grants to personal sector:

Education. Grants to universities, colleges, etc. are now shown separately from *Grants to other private non-profit-making bodies*. From April 1962 the former item includes grants by the Ministry of Education to Colleges of Advanced Technology, which had previously been included in *Current expenditure on goods and services* by local authorities.

Employment services. From 5 December 1965 this includes payments of rebates to employers from the Redundancy Fund.

Debt interest. Under an agreement with the United States and Canadian governments, payment of interest on the United States and Canadian loans, originally due in 1956

and 1957, was postponed to a later date. It has been omitted here completely in conformity with the treatment in *United Kingdom Balance of Payments, 1967*. One of the minor inclusions, not among those noted in *Sources and Methods* (page 202, fourth paragraph) is interest on Redemption Stock issued under the Tithe Act, 1936. From 1957, prizes on Premium Bonds are included.

A corresponding adjustment to that made in *Interest and dividends, etc.*, has been made in respect of the Post Office Savings Bank and the trustee savings banks so that this item now includes the interest credited to depositors instead of the national debt interest paid to the funds of these banks.

Current grants to local authorities. Salaries of school teachers paid directly by the Government of Northern Ireland are treated as being paid by local education authorities. The expenditure is included here as current grants to local authorities. That part of the grant for school meals in respect of capital expenditure is excluded from this item and is included under the heading *Capital grants to local authorities*. Central government grants towards the cost of local authority grants for improvements and conversions by private owners are included here. Payments to local authorities in respect of selective employment tax paid on their employees are also included.

Table 42. *Capital account*

Taxes on capital and *Transfers to capital accounts* are treated as capital transactions and appear in this account. The items below the sub-headings *Transactions in financial assets* on each side of the account present an analysis, for the central government, of the item *Net acquisition of financial assets* in Table 72.

The table has been rearranged in order to show the government's *Net balance* which provides the link with the Exchequer accounts. The *Net balance* is defined below.

Taxes on capital. This includes from 1964 the estimated amount of tax on short-term capital gains and from 1966 receipts of capital gains tax.

Capital transfers from abroad. As explained in *Sources and Methods*, page 206, the estimates for net receipts from settlements etc., were formerly taken from balance of payments sources; these estimates, however, included a number of government credits (such as reimbursements for services rendered) which, in the Blue Book, are treated as government current receipts and are included as a deduction in the item *Current expenditure on goods and services* in the central government current account. To eliminate this inconsistency, the figures from 1953 onwards were derived from the accounts of the central government.

The sterling equivalent of German currency provided by the German government is no longer treated as part of this item but as a deduction from *Current expenditure on goods and services* in the central government current account.

Receipts from certain pension 'funds' (net). The payments of pensions by the United Kingdom government to the members of the former India service, beginning in

April 1955, appear as a deduction in the item *Receipts from certain pension 'funds' (net)*.

Northern Ireland central government:

Net sales of securities. This item represents the net sales of securities by the Northern Ireland Exchequer and central government funds of Northern Ireland.

Increase in other debt. This represents net receipts from Northern Ireland Treasury bills, bank advances, Ulster savings certificates and development bonds.

Adjustment for purchase tax. This represents the excess of actual purchase tax receipts by H.M. Customs and Excise over the estimated amount of purchase tax charged by registered traders in the year.

Adjustment for subsidies. This represents (a) the excess of subsidies accrued in the year over the actual payments by central government in the year to the British Transport Commission from 1960, the British Railways Board and British Waterways Board from 1963 and the London Transport Board from 1966; and (b) the excess of housing subsidies accrued over actual payments made in the year.

Transactions in marketable securities on acquisition of the capital of certain undertakings. In addition to the components mentioned in *Sources and Methods* on page 208, this series also includes transfers to the Consolidated Fund of liability for the £1,444 million of British Transport Stock in 1963 (against which has been offset a sum of £42 million representing the book value of government and government guaranteed securities transferred from the British Transport Commission to H.M. Treasury) and for the £52 million of British Overseas Airways Corporation Stock in 1965. These two items are balanced by entries on the payments side of the central government capital account under the heading *Net lending to public sector: Public corporations: Transfer of liability for stock*.

Miscellaneous financial receipts (net) and changes in cash balances. The increase in face value of issued coin is no longer included in this item; it is included in the item *Increase in notes and coin in circulation*. Increases in Ways and Means advances and holdings of Treasury bills by certain bodies (for example Metropolitan police and from April 1961 the Post Office) and departmental funds treated as outside the central government sector are now included in this item.

Net balance. The *Net balance* can be regarded as providing the link between the government's non-monetary and monetary operations. It is equal to government borrowing less any increase (or plus any decrease) in its holdings of gold and currency reserves. It also provides a link with the transactions recorded in the Exchequer accounts. The *Net balance* is equal to Exchequer borrowing and special transactions (net) less receipts from extra-Exchequer funds, etc. The *Net balance* is reckoned after deducting borrowing by the Northern Ireland central government.

Increase in net indebtedness to Bank of England, Banking Department. This item comprises the sum of the increases in assets of the Banking Department—Ways and Means

advances, holdings of bank notes and coin, holdings of tax reserve certificates, British government and government guaranteed securities (net cash transactions) and holdings of Treasury bills, less increases in the balances of the Exchequer and Paymaster General at the Bank of England.

Increase in notes and coin in circulation. The increase in the fiduciary note issue and the increase in issued coin less the increase in holdings of notes and coin in the Banking Department of the Bank of England.

Increase in non-marketable debt :

National savings represents the increase in outstanding deposits (including accrued interest) with the ordinary accounts of the Post Office Savings Bank and the ordinary departments of the trustee savings banks, net receipts from the sale of national savings certificates, defence bonds, national development bonds and premium savings bonds, plus the increase in Exchequer liability for accrued interest on national savings certificates. Receipts from Ulster savings certificates are shown under *Northern Ireland central government : Increase in other debt.*

Tax reserve certificates represents net receipts from the issue of tax reserve certificates less net purchases by the Banking Department of the Bank of England.

Receipts from market transactions :

Treasury bills. This represents the increase in Treasury bills outstanding other than those held by the National Debt Commissioners, the Exchange Equalisation Account, certain other government departments and the Bank of England. Treasury bills held on behalf of central monetary institutions as the sterling equivalent of foreign currency deposits are included under *Direct borrowing from overseas governments and institutions.*

Government and government guaranteed securities. This represents the total net sales of marketable securities other than those to government sinking funds, the Bank of England and National Debt Commissioners.

Direct borrowing from overseas governments and institutions :

Borrowing from overseas governments. The figure for 1957 represents drawing from the Export-Import Bank line of credit. The 1959 figure comprises the balance in the German debt payment account which was converted into a Treasury Bond. The 1961 figure is a loan from Switzerland. The 1966 figure represents drawings from the Export-Import Bank credit for the purchase of United States military aircraft.

Repayments to overseas governments. The figures for 1956 and 1957 include £23 million and £5 million respectively, representing the return to the United States of the 88 million ounces of silver bullion originally transferred by the United States government to the United Kingdom under Lend-Lease arrangements. These are balanced by similar amounts under the heading *Miscellaneous financial receipts (net) and changes in cash balances* (see *Sources and Methods*, page 210, item g). The figure for 1959 includes £89 million repaid to the Export-Import Bank.

Increase in holdings of interest-free notes by the International Monetary Fund. Changes in holdings of interest-free notes by the International Bank for Reconstruction and Development and the International Development Association are no longer shown in this account as receipts; see note below on *Drawings from United Kingdom subscriptions to international lending bodies.*

Capital subscriptions to the International Monetary Fund and European Fund. Capital subscriptions to other non-territorial financial organisations are now included in the item *Drawings from United Kingdom subscriptions to international lending bodies.*

Other. This includes the sterling equivalent of foreign currency deposits by overseas central banks which in the 1965 Blue Book was included in the item *Increase in non-marketable debt : Other.* It also includes German deposits formerly included in *Miscellaneous financial receipts (net) and changes in cash balances.*

Gross domestic fixed capital formation. The functional classification has been revised; see notes on Table 53. The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in *Sources and Methods*, page 251) has been corrected. Factory building by the Board of Trade (included under the heading *Other industry and trade*) is shown after deducting the sale of factories on mortgage terms. The loans created by the sale of factories on these terms are included in the item *Net lending to private sector.*

Capital grants to private sector :

Grants to universities, colleges, etc. are now shown separately. From April 1962 grants by the Ministry of Education to Colleges of Advanced Technology are included.

Town and Country Planning compensation. This represents payments made by the Ministry of Housing and Local Government, the Department of Health for Scotland and the Central Land Board under the Town and Country Planning Acts of 1954. The compensation arises *inter alia* from (a) depreciation in the value of land consequent upon the refusal or conditional grant of planning permission; (b) the levying of development charges under the Town and Country Planning Acts, 1947 (which were in general abolished for development begun on or after 18 November 1962); and (c) the compulsory acquisition of land by public authorities, before January 1955 at 'existing-use values'. In case (c), the amount of compensation is generally recouped by the Central Land Board from the acquiring authority, and these recoupments have been deducted in arriving at the capital grants shown in the Blue Book. Amounts paid by public authorities (usually local authorities) to the Central Land Board in such circumstances will, in general, have been treated in the Blue Book as fixed capital formation by the public authorities concerned.

Both the principal and interest elements of compensation payments are included. Payments to local authorities under the Acts of 1947 and 1954 are excluded; they appear under *Capital grants to local authorities.*

The annuities paid out of the Votes of the Ministry of Housing and Local Government and the Department of Health for Scotland to the Exchequer in reimbursement of issues from the Consolidated Fund under the Acts of 1954, and the corresponding receipt of these annuities into the Exchequer, are internal transactions of the central government; they do not appear in the Blue Book presentation of the government accounts.

Other. Includes post-war refunds of excess profits tax, formerly shown separately, and agricultural support of a capital nature formerly classified as subsidies.

Payments of investment grants, which did not begin until 1967 will be included in this item.

Capital grants to local authorities: Other. This item includes lump sum contributions towards the cost of newly built houses (mainly in Northern Ireland), paid in lieu of annual contributions over a period of years; these payments were previously treated as subsidies. Also included is that part of the grant for school meals in respect of capital expenditure.

Capital grants to public corporations: On writing-off debt. This represents a notional payment to public corporations in order to repay government loans which have been formally written-off; it is offset by the item *Net lending to public sector: Public corporations: Loans written-off.* The figure of £10 million in 1962 relates to the write-off of government loans to the Ulster Transport Authority. The figure of £432 million in 1963 relates to the write-off of £487 million government loans to the British Transport Commission against which has been offset the transfer of £55 million in cash and securities from the British Transport Commission to H.M. Treasury. The figure of £525 million in 1965 relates to the write-off of £415 million of debt of the National Coal Board and £110 million of debt of the British Overseas Airways Corporation.

Net lending to private sector:

Industry and trade. This item includes loans under the Ship Building Credit Act, 1964, loans to Colvilles Ltd. under the Iron and Steel Financial Provisions Act, 1960, loans to industry under the Distribution of Industry Acts, 1945 and 1950 and the Local Employment Act, 1960 (including sales of factories on mortgage terms), loans for the installation of fuel-saving equipment, advances to the British Sugar Corporation Ltd. until March 1957, and advances to the Potato Marketing Board from April 1955 to March 1960. Issues to Fairfields for working capital are included here.

Building societies. This item represents advances under the House Purchase and Housing Act, 1959.

Housing associations. This item represents advances under the Housing Act, 1961.

Other. This item comprises other miscellaneous loans for agriculture, fisheries, education and health services.

Net lending to public sector:

Local authorities. The figures now include advances to local authorities (*less* repayments) from the Northern Ireland Government Loans Fund.

Public corporations: Loans written-off. This represents the repayment of government loans formally written-off; it is balanced by a notional capital payment under the heading *Capital grants to public corporations: On writing-off debt.*

Public corporations: Transfer of liability for stock. This represents the increase in liabilities of public corporations to the central government resulting from the transfer of liability for stock to the Consolidated Fund. The figure of £1,444 million for 1963 represents the transfer of British Transport stock. The figure of £52 million for 1965 represents the transfer of British Overseas Airways Corporation stock.

Public corporations: Other. From 1956 certain public corporations ceased to raise capital by the issue of stock, and instead advances were made to them from the Exchequer (through the appropriate departmental accounts) under the Finance Acts of 1956 and 1958. The public corporations concerned were the British Transport Commission, Gas Council, Central Electricity Authority, North of Scotland Hydro-Electric Board, South of Scotland Electricity Board, British Overseas Airways Corporation and British European Airways Corporation. In 1957, 1958 and 1959 loans to finance the deficit of the British Transport Commission are also included. From 1960 the revenue deficit was financed above the line and the payments are included in *Subsidies* in Table 41 instead of here.

A component of this item not referred to in *Sources and Methods* is net lending by the Northern Ireland Exchequer (in some cases through the Government Loans Fund) to the Northern Ireland Housing Trust, the Electricity Board for Northern Ireland and the Ulster Transport Authority.

Net lending to overseas sector:

Drawings from United Kingdom subscriptions to international lending bodies. This item represents subscriptions to the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association *less* the increase in holdings of interest-free notes by these bodies.

Other. This item includes loans to aluminium producers in Canada, to uranium producers in South Africa and to certain uranium producers in Australia. Loans and repayments in respect of other uranium producers in Australia are included under *Loans to overseas governments* and *Loan repayments by overseas governments*. Net purchases of United Nations' bonds, formerly deducted from *Miscellaneous financial receipts (net) and changes in cash balances*, are now included in this item. The figure for 1966 includes the service of Rhodesian debt to the International Bank for Reconstruction and Development.

Cash expenditure on company securities (net). The figure for 1966 comprises expenditure of £31 million on British Petroleum shares and £2 million on Fairfields shares and loan stock.

Coal compensation. The series includes the market value

of the stock issued and not, as stated in *Sources and Methods*, the nominal value of the stock.

Table 44. Current account of National Insurance Funds

Contributions by the National Insurance Fund towards the cost of the national health service ceased from September 1957 when direct contributions by employers and employees to the health service became payable. These direct contributions are excluded from the table. Contributions to the Redundancy Fund are also excluded. Payments in lieu of graduated pension contributions are shown separately.

Benefits paid to non-residents are now shown as a separate item, *Current grants abroad*.

Local authorities

The Metropolitan police are treated as part of local authorities, not part of central government as stated in *Sources and Methods*.

The estimates for local authorities given in this Blue Book are (with the exception of the figures of fixed capital formation and government grants and loans) based on the following information (see also *Sources and Methods*, page 233):

England and Wales. *Local Government Financial Statistics* for years to 1964/65, tabulation of a sample of local authorities' annual returns for 1965/66, and estimates prepared by the Ministry of Housing and Local Government for 1966/67.

Scotland. *Local Financial Returns (Scotland)* for years to 1964/65. For later years estimates have been prepared by the Scottish Development Department.

Northern Ireland. *Local Authority Financial Returns* for years to 1964/65.

A quarterly sample inquiry on wages and salaries paid by local authorities in England, Wales and Scotland was instituted from the beginning of the financial year 1956/57. In this inquiry wages and salaries are analysed under eight headings (police, education, roads, other non-trading services, housing, other trading services, capital account and agency services). Since wages and salaries represent a large proportion of local authorities' current expenditure (see Table 48), the results of the wages and salaries questionnaire have been taken into account in assessing the trend of local authorities' current expenditure on goods and services.

Table 45. Current account

Current grants from central government. The fall in specific grants and the increase in non-specific grants in 1959 reflects the introduction of the general grant system from April 1959. Grants under the heading *Education* exclude that part of the grant for school meals in respect of capital expenditure. Grants towards the cost of local authority grants for improvements and conversions by private owners are included here (see notes on Table 41; *Current grants to local authorities*). Payments to local authorities in respect of selective employment tax paid on their employees are included here.

Rates. Income from rates is now recorded as it accrued; the excess of actual receipts of rates in the year over the amount shown here is included in the capital account under the heading *Miscellaneous financial receipts (net) and changes in cash balances*. In 1966 income was reduced by the rate rebate scheme for low income households.

Rent: Other land and buildings. The imputed rent for fixed assets employed in education is based on rateable values, the method adopted for national health service hospitals in the central government current account. The imputation in respect of the fixed assets used in local authority roads and public lighting is no longer made. All other imputations for local authority non-trading fixed assets continue to be taken as equal to loan charges.

Interest, etc. The payment of interest on loans in respect of hospitals and gas and electricity undertakings taken over by national authorities is included in the expenditure item *Debt interest*. Correspondingly, the reimbursements made by the central government and nationalised industries are included in the receipts item *Interest, etc.*

Current expenditure on goods and services. The functional classification of this item has been revised. Details of the new classification are given in the notes on Table 53. The imputed rental payments for the use of fixed assets in *Roads, Public lighting* and *Education* have been revised; see note on *Rent* above. Separate figures of imputed rent payments by public authorities are now given in Table 48. From September 1966 an estimate of the selective employment tax payable on local authority employees is included for each category of expenditure.

Current grants to personal sector: Legal aid. Costs to local funds of legal aid in courts other than magistrates' courts.

Table 46. Capital account

Capital grants from central government. This item includes that part of the grant for school meals in respect of capital expenditure. Although war damage compensation to local authorities is shown separately from other capital grants to local authorities in the central government capital account (Table 42), in this table it is not separately distinguished and appears under the service (for example, housing or education) to which the receipt is credited by the local authority.

The former balancing item in the table *Other borrowing (net)* has been replaced by two items, *Other identified borrowing (net)* and *Miscellaneous financial receipts (net) and changes in cash balances* which are shown separately from 1961.

Other identified borrowing (net). From 1961 estimates of local authority borrowing are available covering borrowing by means of quoted securities, other long-term and temporary borrowing. They are derived from returns made by local authorities. Further details are given in *Financial Statistics*.

Miscellaneous financial receipts (net) and changes in cash balances. This comprises the excess of rates received over

the amount accrued, deposits with banks, changes in debtors and creditors and unidentified items. The accruals adjustment for rates is given separately in the quarterly capital account published in *Financial Statistics*; the fluctuation in this item is of much greater significance in the quarterly accounts than in the annual figures.

Capital grants to personal sector. This item includes grants to persons by local authorities for the conversion and improvement of housing under the Housing (Financial Provisions) Act, 1958, the House Purchase and Housing Act, 1959, and the Housing (Scotland) Act, 1949. Grants to persons by local authorities in Northern Ireland towards the cost of privately built houses under the Housing and Local Government (Miscellaneous Provisions) Act, (N.I.), 1946 and Housing (No. 2) Act, (N.I.), 1946, are also included. The estimates are based on information supplied by the Ministry of Housing and Local Government, the Scottish Development Department, and Ministry of Finance, Northern Ireland. From 1960/61 information for England and Wales also appears in *Local Government Financial Statistics*. Grants to persons by local authorities under the Clean Air Act, 1956 are also included.

Combined public authorities

Table 47. Combined current and capital account

This table summarises the current and capital accounts of the central government and local authorities (Tables 41, 42, 45 and 46), and also gives a consolidated account for combined public authorities. The process of consolidation has not been carried to its furthest extent. Examples of transactions which have not been eliminated on consolidation are interest received by local authorities from the central government (for example, interest on holdings of government stock); taxes on expenditure levied by the central government and falling on local authority expenditure; and payments by the central government in lieu of local authority rates. Financial transactions on writing-off debt of public corporations by the central government have been excluded from the figures in this Blue Book.

Table 48. Analysis of current expenditure on goods and services

This table provides separate figures of wages and salaries, selective employment tax, imputed rents and all other payments (net).

Wages, salaries, etc. The figures include employers' contributions (that is, employers' national insurance and health contributions and employers' contributions to pension funds or actual pension payments—see *Sources and Methods*, page 200). In conformity with the definition of central government employed in the Blue Book, the figures of central government wages and salaries include wages and salaries paid by the United Kingdom Atomic Energy Authority, Regional Hospital Boards and Boards of Governors of Teaching Hospitals, etc. Hospital consultants' fees are included but not general practitioners' remuneration in the national health service; this corresponds with the Inland Revenue distinction between Schedules E and D.

The estimates of wages and salaries given in the table exclude wages and salaries paid in respect of trading services, wages and salaries of those directly employed on capital works and other wages and salaries not treated as current expenditure on goods and services. Nevertheless, the figures of wages and salaries shown in the main part of the table are considerably wider in scope than the figures shown in Table 17 under the headings *Public administration and defence, Public health services and Local authority educational services*. The difference is due mainly to public authorities' employees classified to other headings in Table 17, principally persons employed by the following: the United Kingdom Atomic Energy Authority; H.M. Stationery Office; Service departments' industrial establishments (for example, Admiralty shipbuilding, engineering and explosives establishments, R.E.M.E. establishments and Air Ministry Maintenance Units); Service departments' building and contracting units; and some local authorities' building and contracting departments.

Wages and salaries paid by public authorities which do not form part of current expenditure on goods and services are given in the footnote to the table. Wages and salaries charged to the central government capital account include payments by the Regional Hospital Boards from 1963; for earlier years these payments were not separately identified and are included with current expenditure on goods and services. The item *Other wages and salaries* consists of expenditure classified as grants from public authorities, in particular the provision of school meals and milk and some overseas aid. The amounts shown for the Post Office include wages, etc., charged to capital account but exclude the remuneration of sub-postmasters.

Attention is drawn to one point in the classification by service of central government wages and salaries. Wages and salaries paid by a government non-trading department A (for example, Ministry of Labour) in providing services for another department B (for example, Ministry of Social Security) have been classified in the table according to the category of public service provided by A (that is, against *Employment services* and not against *Social security benefits*). The payments made by B to A for these services, whether actual or imputed as allied services, then appear in the column headed *Other payments (net)*—positively against the service provided by B and negatively against the service provided by A. The most important examples are wages and salaries paid by the Ministry of Works and H.M. Stationery Office, which appear against the heading *Other services* in the table and not against the public services receiving office accommodation, stationery, etc. from these two departments. This explains why the figures in the columns headed *Other payments (net)* shown against certain services are negative.

The figures of central government wages and salaries in the table have been compiled mainly from an analysis of the Estimates, Appropriation Accounts, Trading Accounts and balance sheets, summary accounts of Regional Hospital Boards and so on. It follows that the statistics of central government wages and salaries exclude wages and salaries not identified as such in the Estimates, etc.

(for example, any wages included under a heading 'maintenance'). For the most recent year advance estimates of wage and salary payments have been provided by departments. The figures for local authority wages and salaries have been derived from the wage and salary table in the *Local Government Financial Statistics* for England and Wales, an approximate addition being made to cover Scotland and Northern Ireland. The quarterly wages and salaries questionnaire referred to on page 118 has also been used.

Selective employment tax. The tax payable on the civilian employees of public authorities from 5 September 1966. The estimates correspond to those for wages and salaries.

Imputed rents. The basis of these payments is explained in *Sources and Methods* (pages 200, 238) and in the notes above on central government and local authorities for the item *Current expenditure on goods and services*. Imputed rents in respect of government-owned office accommodation are included under the heading *Other services*. The imputed payments for this accommodation also appear in the column *Other payments (net)*—positively against the services using the accommodation and negatively against the heading *Other services*. This treatment corresponds with that for certain wages and salaries described above.

Table 49. *Housing subsidies*

This table is a revised version of that given on page 255 of *Sources and Methods*, with detailed notes on page 254.

There are two main changes of treatment. Firstly, lump sum contributions by the central government towards the cost of newly built houses, paid to local authorities and others in lieu of annual contributions over a period of years, are excluded; these payments are now treated as capital grants. Secondly, the presentation of the emergency housing transactions has been altered. Prior to 6 June 1955, local authorities acted as agents of the central government in the management of emergency housing, but from that date full responsibility for some emergency housing passed to local authorities (see *Sources and Methods*, page 253). It has, therefore, seemed preferable to show all emergency housing transactions in the local authority section of Table 49.

Table 51. *Taxes: allocation by type of income, property and sector*

Annual estimates of taxes on income paid by local authorities are taken as zero. The amounts involved are small.

In this Blue Book the section of the table on the allocation of tax by type of income has been rearranged because surtax cannot be allocated after 1962. The change in surtax reliefs made in the Finance Act, 1961 make arbitrary the division of surtax between employment and other incomes.

Death duties. The classification of assets has been revised to correspond with the classification used in the section on *Financial accounts*.

Other taxes on capital. From 1964 this item includes the

estimated tax on short-term capital gains and from 1966 the receipts of capital gains tax.

Public sector

Table 52. *Current and capital accounts*

This table summarises the transactions of central government, local authorities and public corporations. In addition to the consolidation carried out in Table 47 for public authorities the following transactions between central government and public corporations have been eliminated in this table:

- (i) Taxes on income paid by public corporations.
- (ii) Debt interest on loans by the central government to public corporations.
- (iii) Central government capital grants to public corporations.
- (iv) Net lending by the central government to public corporations.

In this Blue Book receipts on capital account have been rearranged to show the Net balance of the central government and, from 1961, the identified borrowing of local authorities. Also, the coverage of public expenditure has been enlarged to cover net expenditure on company securities and subsidiaries and net lending and investment abroad by public corporations.

Table 53. *Analysis of public expenditure*

This table differs in a number of respects from the analysis of public authorities' expenditure described in Chapter X of *Sources and Methods*. The figures cover not only expenditure by public authorities but also capital expenditure by public corporations. Expenditure on lending and the acquisition of financial assets by the public sector are also included, and the functional classification of expenditure has been considerably revised.

The following notes provide details of the main differences between the functional classification now adopted and that given in *Sources and Methods*.

Military defence:

Current expenditure on goods and services. Part of the imputed rent for the use of the fixed assets of the United Kingdom Atomic Energy Authority is included under this heading. See also notes on Table 41 on page 114.

Gross domestic fixed capital formation. The error in the treatment of machine tools imported under the Mutual Defence Assistance scheme (referred to in *Sources and Methods*, page 251) has been corrected.

External relations. This item corresponds closely to that previously described as *Overseas services*. Expenditure by the Commonwealth War Graves Commission and Trade Commissioner establishments of the Board of Trade is now included. *Loans to overseas governments* and *Net lending and investment abroad* by the central government and public corporations also appear under this heading.

Roads and public lighting. As explained in the notes on Table 45 no imputed payment is included for the use of the fixed assets employed in this service.

Employment services. This item includes Ministry of Labour services to the disabled and local authority sheltered employment services, both previously under the heading *National insurance, pensions and assistance*. Local authority youth employment services, formerly shown under *Education*, are also included here. Rebates paid to employers from the Redundancy Fund are included under *Current grants to personal sector*.

Other industry and trade. This item now excludes expenditure by the Ministry of Technology and former Department of Scientific and Industrial Research (classified under *Research*), and the civil element of expenditure by the United Kingdom Atomic Energy Authority (classified under *Research and Other services*). Trade Commissioner establishments of the Board of Trade are now included under *External relations*. The capital expenditure of public corporations in the fuel and power and iron and steel industries is now included under this heading. The principal components of the figures for *Subsidies* are the subsidy on coal paid by the Ministry of Commerce to certain industrial undertakings in Northern Ireland, and the deficit on letting of factories by the Board of Trade. *Capital grants* in 1960 and 1961 include the payment of grants and compensation under the Cotton Industry Act, 1959. Net lending to the private sector by the Board of Trade for the promotion of local employment is included here. All of the central government expenditure under the new heading *Cash expenditure on company securities, etc.* is included in this item.

Research. This is a new item covering expenditure on civil research and development by the United Kingdom Atomic Energy Authority, the Ministry of Aviation, the Ministry of Technology, the Research Councils and the Nature Conservancy.

Agriculture, forestry, fishing and food. Expenditure by the Agricultural Research Council is now included in the item *Research*. Net lending to the agriculture and fishing industries is included.

Housing. This now includes investment of the housing and new town corporations. Net lending by central government, local authorities and public corporations to building societies, housing associations and persons is shown under the heading *Net lending to private sector*. Lump sum payments by the central government towards the cost of newly built houses (mainly in Northern Ireland) are no longer treated as *Subsidies*, and to the extent that these payments have been to persons and companies they are now included under the heading *Capital grants*.

Public health services. This comprises local authority port health and other public health services.

Parks, pleasure grounds, etc. This comprises (i) central government expenditure on Royal Parks and Pleasure Gardens, and the preservation of historic buildings and ancient monuments; and (ii) local authority expenditure on parks, pleasure gardens and open spaces, baths, wash-houses and open bathing places.

Miscellaneous local government services. This is a new

item which comprises local authority expenditure on council elections, weights and measures, general administrative costs and other miscellaneous services. It includes the expenditure (other than transfers) of certain special funds identified in *Local Government Financial Statistics*, namely 'other reserve funds', insurance funds, trust or charity funds, and 'other special funds'. Administrative costs incurred by the Ministry of Housing and Local Government, Scottish Development Department and Northern Ireland Ministry of Health and Local Government, other than those which have been allocated to specific services such as housing, roads, etc., are also included here.

Libraries, museums and arts. This comprises expenditure on libraries, museums and art galleries, and central government grants for the arts.

Police. Pensions of the Royal Irish Constabulary are no longer included under this heading; they are included in the item *Other services*.

Prisons. This item, which was formerly part of *Prisons, courts, etc.*, is now shown separately.

Parliament and law courts. In addition to the expenditure previously covered by the heading *Prisons, courts, etc.*, this item also includes expenditure to provide for the Houses of Parliament. Expenditure on *Prisons*, however, is now shown separately and the cost of land registration is now included under the heading *Records, registrations and surveys*.

Education. This comprises education in schools, technical institutions and universities, (including physical training and the school health service). The administrative costs of providing school meals and milk and the capital cost of school canteens are included under this heading. From April 1962, grants to the Colleges of Advanced Technology appear under the headings *Current grants to personal sector* and *Capital grants* whereas they previously appeared under local authorities' *Current expenditure on goods and services* and *Gross fixed capital formation*. Net lending to universities and private schools are included under the heading *Net lending to private sector*.

Expenditure on libraries, museums, art galleries and grants to the arts are now included under the heading *Libraries, museums and arts*. Expenditure by local authorities on the youth employment service is now included under the heading *Employment services*.

National health service. This item comprises expenditure by the central government and local authorities under the national health service. Expenditure of the Medical Research Council is now included in the item *Research*. Local authority port health and other public health services are included under the heading *Public health services*.

Local welfare services. This item covers expenditure by local authorities on care of the aged, handicapped and homeless. Expenditure on sheltered employment services, however, is included under the heading *Employment services*.

Child care. This item comprises expenditure on approved schools, remand homes, children's homes and other services for the care and welfare of children.

School meals, milk and welfare foods. The administrative costs of providing welfare foods are included under this heading.

Social security benefits. (In previous Blue Books *National insurance, pensions and assistance.*) Ministry of Labour services for the disabled and local authority sheltered employment services are now included under the heading *Employment services.* Other local authority expenditure on care of the aged, handicapped and homeless is now shown separately under the heading *Local welfare services.*

Finance and tax collection. This includes the purchase by central government of new coin at cost (see note on *Gross trading surplus* on page 113), and now excludes the cost of collecting broadcast receiving licences.

Records, registrations and surveys. This is a new item of which the main components are central government expenditure by the Land Registry, Ordnance Survey and the offices of the Registrars General, together with local authorities' expenditure on the registration of electors and the registration of births, marriages and deaths.

Other services. Local authority services formerly under this heading are now shown as expenditure on *Miscellaneous local government services* and *Records, registrations and surveys.* The main items now included in central government expenditure under this heading are the civil element of expenditure by the United Kingdom Atomic Energy Authority other than research and development (previously classified under *Other industry and trade*), and pensions of the Royal Irish Constabulary (previously classified under *Police*). Capital expenditure by public corporations other than that shown under *External relations, Transport and communication, Other industry and trade* and *Housing* is also included here. The principal components of the figures for *Current grants to personal sector* for 1957 and 1958 are payments to or in respect of British subjects who had to leave Egypt, or who were dependent upon assets in Egypt, and were in distress.

Treasury analysis of public expenditure

The table on pages 130 to 132 gives figures of total public expenditure for the financial years 1959/60 to 1966/67 classified on the basis used by H.M. Treasury for surveys of future expenditure.

Gross domestic fixed capital formation

Expenditure on repairs and maintenance

In a footnote to Table 56 estimates are given of the total value of expenditure on repairs and maintenance to buildings and works, including conversions and improvements to dwellings. Such expenditure is regarded as expenditure on current account and not as a part of fixed capital formation, apart from grant-aided conversions and improvements to dwellings. The figures are, however, given because variations in the amount of this expenditure may be of some importance and since some other countries (including formerly the United Kingdom) treat such expenditure as a part of gross fixed capital formation in their national accounts, estimates of the amount involved may help international comparisons.

Purchases less sales of land and existing buildings

Since transfers of land and existing buildings net out when aggregated for the whole country the total given in Table 55 is necessarily equal to the sum of legal fees, stamp duties, etc., incurred in the transfer of land and existing buildings which is shown in Tables 56, 58 and 60 under the title *Transfer costs of land and buildings.* Soil improvement in agriculture is not regarded as investment in land but is included in *New buildings and works.*

From 1959 the figures in Table 55 for the personal sector are the residual and include farm land and land for private dwellings; sales would appear much larger if it were possible to extract transfer costs incurred in buying and selling existing houses. The figures for companies are based on information collected by the Board of Trade from 1959. Information is not available for the years before 1959 to separate transactions in land and existing buildings for the personal and company sectors. Estimates are, however, made and incorporated in the estimates of total fixed capital formation by these two sectors. The estimates for public corporations are based on their accounts. The estimates for local authorities are based on the direct returns described on page 291 of *Sources and Methods.* Central government figures are derived from Estimates and Appropriation Accounts.

Analysis by sector

Table 54 now includes separate estimates for public authorities and public corporations at constant prices. In this Blue Book the amount of private sector investment in the manufacturing and construction industries estimated to be undertaken by the personal sector has been reduced in the light of changes in the distribution between the personal sector and companies of tax allowances on fixed investment.

Analysis by industry

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

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

Manufacturing. Government-financed expenditure and expenditure by the new town development corporations have been allocated by industry. In the case of government-financed factories in development areas, estimates of expenditure on factories used by the engineering industries have been supplemented by figures of expenditure on factories used by other industries based on statistics of factory space completed. Figures of areas completed have also been used to analyse by industry factories financed by the new town development corporations and by the Northern Ireland Ministry of Commerce.

The analysis by industry should be used with caution. Although the detailed results for private manufacturing are probably accurate in years when based on a full census of production (1954, 1958 and 1963), the estimates for individual industries may have considerable margins of error in years when based on only a sample census of production, particularly in the years before 1958.

There is a break in comparability at 1956. In censuses of production and other inquiries for years before 1959, firms made separate returns in respect of each of their establishments. From the 1959 census of production onward, however, returns were made on a 'business unit' basis instead of an 'establishment' basis: in general, therefore, the returns related to the whole of the company or group of companies. The exceptions were that any subsidiary companies operating mainly overseas were excluded and that where a firm was engaged in a number of quite different activities, separate returns were collected for each main activity. The figures for 1956 and 1957 were adjusted from an 'establishment' to a 'business unit' basis, pro rata, by reference to estimates for 1958 that were available on both bases. The latter estimates for 1958 were made by substituting figures from firms which provided quarterly returns on a 'business unit' basis during 1958 for their figures on an 'establishment' basis returned in the annual census of production for 1958.

The estimates of capital expenditure by private manufacturing industry in 1966 are based on the Board of Trade's quarterly sample inquiry.

Construction. There is a break in comparability at 1956 in consequence of the change in the basis of the census of production figures for 1959 (see the note on *Manufacturing* above). The estimates are subject to a substantial margin of error. Except in years when a full census of production is taken, small firms (which employ about a third of the industry's labour force) do not make returns and the estimates made for such small firms in other years are very rough. The estimates for 1966 are based on the Board of Trade's quarterly sample inquiry.

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

Road passenger transport. Taxi and private-hire car businesses are included in 1960 and subsequent years.

Shipping. The estimates for 1956 and subsequent years have been made by the Board of Trade from capital expenditure figures collected from shipping companies. The expenditure figures include payments for work in progress on ships constructed abroad; previously the figures related only to the deliveries of completed vessels.

Harbours, docks and canals. The estimates include expenditure by private companies which are covered by the Board of Trade as part of their annual inquiry into the capital expenditure of distribution and other service industries.

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

Wholesale distribution, Retail distribution, Insurance, banking and finance, and Other transport and services. There is a break in comparability at 1956 as a result of the change in the basis of the census of production figures for 1959 (see the note on *Manufacturing* above). The estimates for private

investment in all types of asset for 1956 and subsequent years are based on capital expenditure data collected by the Board of Trade, whereas previously the estimates for buildings and works were based on output data and for road vehicles on registrations. The estimation of private investment in road vehicles by direct estimates of expenditure has brought a more reliable estimate of total capital expenditure on road vehicles. The expenditure figures, however, do not distinguish between cars and goods vehicles and the series for investment in cars has been discontinued. The estimates for 1966 are based on the Board of Trade's quarterly sample inquiry.

Other transport and services. Up to and including 1959, this includes taxi and private-hire car businesses: from 1960, however, these have been classified to *Road passenger transport*. The estimates are based on inquiries carried out by the Board of Trade; annual inquiries on a limited basis supplemented by periodic full-scale inquiries. In the 1964 Blue Book the series was revised in the light of the full-scale inquiry on the motor trades for 1962.

Dwellings. The figures for public investment exclude conversion and improvement grants to private owners. Estimates of grant-aided expenditure on conversions and improvements are included in private investment. The estimates have been revised as a result of a more detailed analysis of local authority expenditure.

Universities, colleges, etc. Investment financed by the University Grants Committee plus estimates of privately financed investment plus investment in Queen's University, Belfast.

Other education. Includes child care.

Health services. Excludes care of the aged, handicapped and homeless previously included here; but includes expenditure by private doctors, previously included under *Distribution and other services*.

Local welfare services. This comprises local authority expenditure on care of the aged, handicapped and homeless.

Roads, etc. This includes public lighting and local authority car parks.

Sewerage and land drainage. This includes sewage disposal at one time included under *Other public services*.

Depreciation

All figures of trading profits and fixed capital formation in the main tables (except Tables 63 and 64 and the figures of net profits in Table 35) are shown before provision for depreciation. Figures for depreciation at original cost for the years 1956 to 1966 are given in the table below. They are mostly the statutory allowances for income tax (including investment allowances) and as such do not cover all classes of fixed capital assets and are subject to changes in the rates of allowance. Among the assets excluded are houses, commercial buildings, government offices and other non-trading assets of the government and local authorities. The main changes during the period covered by the table were the increase of

Depreciation

£ million

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Professional persons (1)	10	11	13	15	17	16	20	18	21	20	18
Farmers (1):											
Initial and investment all- owances	11	14	20	28	31	33	39	47	51	55	29
Other allowances	52	51	60	58	63	67	75	74	95	101	100
Other sole traders and part- nerships (1):											
Initial and investment all- owances	22	19	30	34	37	39	50	43	57	50	26
Other allowances	46	53	55	61	67	68	59	72	86	101	102
Companies (1) (2):											
Initial and investment all- owances	227	269	347	400	476	539	544	652	778	764	318
Other allowances	500	569	625	675	737	813	907	1,104	1,298	1,390	1,252
Public corporations (3) (4)	197	219	242	278	310	392	428	444	481	506	551
Central government (3) (4)	51	57	58	60	62	20	6	6	6	9	9
Local authorities (1)	15	17	16	19	18	20	20	24	29	30	18

(1) The statutory allowances for income tax, including investment allowances.

(2) Excluding companies operating overseas.

(3) From April 1961 the Post Office is treated as a public corporation, not as part of central government.

(4) The sum of the depreciation provisions shown in the published trading accounts *plus* estimates of the renewals of certain fixed assets that are charged to revenue in some of these accounts. The figures included for the Post Office relate to replacement cost.

most rates of allowances from 5 November 1962 and the withdrawal of investment allowances and the changes in initial allowances from 17 January 1966 when investment grants were introduced. The latter change makes it difficult to estimate depreciation for 1966 and the figures for the latest year are therefore less certain than usual.

The depreciation allowances given in this table are not appropriate for deriving estimates either of net fixed capital formation or of the national income; for these purposes, reference should be made to the estimates of capital consumption.

Capital consumption and capital stock

Estimates of capital consumption were published for the first time in the 1956 Blue Book. Estimates of capital stock were included for the first time in the 1964 Blue Book. The following notes describe the estimates.

Theory: Capital consumption

The allowance for capital resources used up in current production is not a unique quantity capable of direct measurement because it depends upon judgements about the timing of the services to be rendered by capital assets. Most owners of capital assets make depreciation provisions in their own accounts, but they are not of the kind needed for national income accounts. If they were it would be possible to estimate capital consumption for national income accounts by aggregating them. Depreciation, however, is usually estimated at original cost and after a period of substantial changes in prices depreciation related to the original outlay of money may differ considerably from depreciation at current prices—the prices at which other transactions in the national income accounts are measured. Consequently capital consumption for national income accounts has to be estimated.

In order to make the estimates it is necessary to make broad assumptions about the expected lives of capital assets and their pattern of utilisation. It is rarely feasible to take account of changes in expectation of life on account of obsolescence. Assets are assumed to render their services in equal amounts in each year of their life—the ‘straight line’ basis. This will be a better approximation for some assets than for others. It is worth noting that errors in estimating the length of life of assets may not greatly affect the estimates of total capital consumption in a given year. If the length of life of assets is underestimated, then capital consumption in respect of each asset in a given year is overstated; but this error is likely to be to some extent balanced by the fact that in the given year allowance for capital consumption is made in respect of too few assets.

Another source of error is the difficulty of measuring replacement cost. Capital consumption should be valued at the cost of replacing capacity but so far it has only been possible to value it at an estimated cost of replacing existing capital with identical assets. Consequently the capital consumption estimates do not allow for technological progress.

Net investment, like gross investment, reflects the two-dimensional nature of capital—quantity and future life—and neither gross nor net investment measures the change in annual productive capacity. Future research may improve knowledge of the length of life of assets, the pattern of their utilisation and their replacement costs. The general method described in the following paragraphs, however, appears to be the best way of making comprehensive estimates from the information at present available.

The methods adopted in making the present estimates of capital consumption were applied for the first time to data for the United Kingdom by Philip Redfern in a paper ‘Net Investment in Fixed Assets in the United

Kingdom, 1938-1953⁽¹⁾. The present estimates are a development, in the light of further consideration and discussion, of those used by Mr. Redfern. They have been revised to incorporate the estimates for manufacturing and construction, distribution and other services given in a paper by Geoffrey Dean 'The Stock of Fixed Capital in the United Kingdom in 1961' (2).

Comparability of capital consumption with gross national product and with capital formation

In deducting capital consumption from gross national product (or gross domestic product) to arrive at an estimate of national income (or net domestic product), it should be noted that there are certain items of imputed income in gross national product with which the estimates of capital consumption at current prices are not strictly comparable. These items are the gross incomes imputed to the central government and to local authorities in respect (i) of non-trading properties (offices, schools, etc.) owned by them and (ii) of those trading activities for which the surplus is treated as a tax on expenditure (the Post Office until March 1956) or for which the deficiency is treated as a subsidy (for example, housing). The imputed incomes in these cases are represented either by the loan charges payable on the assets or by an amount based on the rateable value of the assets. In neither case are the imputations comparable with the corresponding figures of capital consumption which are based on the current cost of replacing the existing assets. For comparability with the figures of capital consumption, some addition should be made to these imputed incomes, which would have the effect of slightly increasing the national income. No attempt is made, however, to adjust the figures in the Blue Book.

The estimates of capital consumption exclude depreciation in respect of roads; for many roads there is a non-renewable element which does not depreciate but lasts indefinitely. The total exclusion of depreciation in respect of roads accords with the estimates for rent described on page 118. Since no imputation is made for the use of roads in measuring the gross national product it is not appropriate to deduct anything for depreciation of roads in estimating the national income.

Theory: Capital stock

Capital stock comprises investments from many years past and consequently consists of assets which vary in age, in the intensity with which they have been used and in the extent to which they have become obsolete. These disparities ought to be allowed for but in practice it has not so far proved possible to do so. Assets become less valuable as the stock of unexpired services which they represent diminishes, but any decline in productivity with age would rarely correspond to this decline in value. In view of this, estimates of the capital stock net of accrued capital consumption are not published for particular industries. Net capital stock estimates for sectors

were, however, included for the first time in the 1966 Blue Book; they constitute the physical assets part of sector balance sheets, for which valuation at written-down replacement cost is a suitable approximation to market value. For both the gross and net capital stock estimates assets are valued at replacement cost, assuming replacement by similar assets and therefore, unavoidably, making no allowances for technological change.

Methods of calculation

Estimates or assumptions are made about the average length of life of each class of asset separately distinguished. Gross fixed capital formation is then estimated for each class of asset for L years prior to Y, where L is the average life of the class of asset in question and Y is the year for which the gross stock and capital consumption are to be estimated. Price indices are applied to these estimates in order to convert them to constant prices. They are then aggregated for L years to obtain the estimate of capital stock. Division by L gives the estimate of capital consumption at constant prices. Price indices are then used to convert to whatever price basis is required, for example, current prices in year Y in the case of capital consumption. The estimates of capital consumption can be deducted from the estimates of gross fixed capital formation to yield estimates of net fixed capital formation.

The average lives are intended to take into account accidental damage by fire or other causes. Assets destroyed in the war have been eliminated so far as possible from capital stock.

In the case of shipping, the gross stock has been estimated by valuing tonnage statistics of the fleet.

Estimates of gross fixed capital formation

For 1948 to 1966 the estimates are those published in this Blue Book and the Blue Books for 1963 and 1966. For earlier years, the principal sources are as follows:

- (a) Capital expenditure statistics for local authorities and public utilities.
- (b) Estimates of capital expenditure in manufacturing and construction, distribution and other services in the monograph *Domestic Capital Formation in the United Kingdom* by C. H. Feinstein (Cambridge University Press, 1965). These estimates are based on samples of company accounts.
- (c) Mr. Dean's projections of (b) back into the nineteenth century.
- (d) Mr. Dean's estimates of investment in the second world war.
- (e) Statistics of the number of houses built for private owners.

Price indices

The price indices for the years before 1948 are as described in Mr. Redfern's paper except for plant and machinery in manufacturing and construction, distribution and other services, for which an index from Mr. Feinstein's monograph has been used. This index was constructed by averaging engineering wage rates and materials. The indices for recent years are based principally on price data

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

(2) *Journal of the Royal Statistical Society*. Series A (General) Volume 127, Part 3, 1964.

collected by the Board of Trade and used in the estimation of gross fixed capital formation at 1958 prices.

Lengths of life estimated or assumed

For manufacturing, construction, distribution and other services, the average lives are as estimated by Mr. Dean from the gross stock estimates for 1938 in the Cambridge monograph, and the estimates of capital expenditure for years prior to 1939 described above. 80 years is used for buildings and 16, 19, 25, 34 and 50 years respectively for each of five different groups of plant and machinery. Except in the case of textiles, the estimates obtained using these average lives compare reasonably closely with Professor Barna's direct estimates of the capital stock in manufacturing at mid-1955, based on fire insurance values. Only rough estimates have so far been possible for textiles, which has therefore been included in *Other industries*. For houses 100 years is assumed. For coal mines, gas, electricity, railways and the Post Office, the lengths of life assumed are generally those employed by the undertakings concerned in computing depreciation in their own accounts. An assumed life of 100 years is taken for railway tracks, buildings and works for which no depreciation allowance is made in the railways' accounts. An estimated life of 40 years is used for mine workings.

Table 65. Net capital stock at current replacement cost by sector and type of asset

These estimates were first made at 1958 prices and then converted to current prices. The net capital stock at the end of 1958 was estimated at 1958 prices for the various industries and the resulting total capital stock was then analysed by sector. These base-year estimates were then projected to earlier and to later years by estimates of net fixed capital formation at 1958 prices obtained by revaluing the estimates at current prices given in Table 64.

Tables 66 and 67. Gross capital stock at 1958 replacement cost: Analysis by industry

Separate estimates have now been made for *Timber, furniture, etc.* and *Construction*. Estimates of fixed investment prior to 1948 do not distinguish between these two industries and the division of the capital stock in 1948 has been made on the basis of indirect evidence on the relative importance of the two industries and is very approximate. However, by the end of 1966 investment prior to 1948 accounted for only about thirty per cent. of the capital stock of *Timber, furniture, etc.* and some ten per cent. for *Construction*.

Capital formation in stocks and work in progress

Analysis by industry

The estimates for manufacturing and the wholesale trade from 1956 onwards are on a 'business unit' basis. The methods used for adjusting the figures to a 'business unit' basis were described in the *Board of Trade Journal* for 17 March and 21 April 1961. The analysis by industry is made according to the revised *Standard Industrial Classification (1958)*.

Forestry. An estimate of the value of trees growing in

private woodlands has been made by the Forestry Commission and incorporated in these figures.

Manufacturing. The methods of estimating stock appreciation were described in the August 1960 issue of *Economic Trends*. The results of the censuses of production have been used to provide estimates up to 1965. The results of the Board of Trade's quarterly inquiry have been used to provide estimates for 1966.

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

In *Engineering, shipbuilding and vehicles* nothing is included for changes in the value of work in progress on ships under construction for overseas owners as well as those under construction for United Kingdom owners (See *Sources and Methods*, page 320).

Retail distribution, Wholesale distribution. The figures for retail distribution take account of the detailed results of the censuses of distribution for 1957 and 1961 and those for wholesale distribution the detailed inquiries into the wholesale trades for 1959 and 1965. The results of the Board of Trade's annual inquiries into the distributive and service trades have been used to provide estimates up to 1965. The results of the Board of Trade's quarterly inquiry have been used to provide estimates for 1966. Figures for wholesale distributors are distinguished separately from 1957.

Other industries. The estimates for catering, hotels, etc. and for motor repairers, distributors, garages and filling stations incorporate information collected in the annual inquiries made by the Board of Trade.

Financial accounts

These accounts are designed to present in a systematic and summary form information about the financial transactions between the different sectors of the economy (defined below). They provide an analysis of the net total of each sector's transactions in financial assets, that is, of its net acquisition of financial assets (including net investment abroad). This total is equal to the excess of savings over investment, together with net receipts from capital transfers, and is derived for each sector in Table 72.

The notes below give a brief description of the accounts and the coverage of the series included. Most of the series are published in *Financial Statistics* (H.M.S.O., monthly). A full description of the accounts, together with detailed definitions of the terms and series used, is available from the Central Statistical Office on request.

Definition of sectors

The *public sector* comprises central government, local authorities and public corporations, except that only the Issue Department, but not the Banking Department, of the Bank of England is included.

The *banking sector* comprises the United Kingdom offices of the domestic banks (including Bank of England, Banking Department), overseas banks, accepting houses and the discount market.

Other financial institutions comprises insurance companies, hire purchase finance companies, building societies, superannuation funds (both private and public), unit and investment trusts, the investment account of the Post Office Savings Bank, the special investment departments of trustee savings banks and certain special finance agencies.

Industrial and commercial companies are companies other than banks and other financial institutions.

The *personal* and *overseas sectors* are defined as for Tables 2 and 7 respectively.

Table 73. Analysis by sector and type of asset, 1966

This flow-of-funds table gives details of changes in the assets of each sector and the associated changes in the liabilities of each of the other sectors, in so far as they can be identified, for the year 1966. Most of the figures are taken from Tables 72 and 74 to 80.

Notes and coin. Changes in notes and coin held outside the banking sector are arbitrarily divided equally between industrial and commercial companies and the personal sector, apart from an allowance for known variations in company holdings on different days of the week.

Local authority debt. The figures cover all borrowing from outside the public sector including that from the banking sector and from the authorities' own superannuation funds. They are derived from returns made by local authorities.

Deposits with banking sector. The difference between gross deposits, which can be allocated by sector, and net deposits which cannot, is included in the column headed *Unallocated*. This difference represents cheques in course of collection and items in transit.

Company and overseas securities: Capital issues. The figures relate to issues by quoted public companies only.

Miscellaneous short-term home assets (net). This represents the difference between accruals of local authority rates, purchase tax and interest charges and the corresponding cash payments.

Table 74. Personal sector

National savings. The total differs from the figure shown in the central government capital account because it includes deposits with special investment departments of trustee savings banks and the investment account of the Post Office Savings Bank.

British government and government guaranteed securities. The estimates are obtained as a residual and include unidentified transactions by industrial and commercial companies. The method of making the estimates was described in an article 'More light on personal saving' in the April 1965 issue of *Economic Trends*.

Local authority debt. The figures are estimated from returns made by a sample of local authorities. They do not include purchases of quoted securities by the personal sector.

Hire purchase debt. The figures relate to hire purchase agreements, and other forms of instalment credit extended to consumers. From 1961 the coverage of the series is

widened to cover credit extended by general mail order houses, co-operative societies and other general stores. The Board of Trade estimates of hire purchase debt outstanding have been adjusted to exclude estimated charges not yet paid to finance houses.

Loans for house purchase:

Local authorities. Figures are obtained from *Local Government Financial Statistics*, England and Wales and similar documents for Scotland and Northern Ireland.

Insurance companies. Figures for 1962 to 1966 are taken from *Financial Statistics*. They cover loans made by United Kingdom members of the British Insurance Association and the largest collecting friendly societies. Estimates for earlier years have been made using figures presented to the Committee on the Working of the Monetary System and annual analyses of company reports summarised by the Board of Trade.

Other loans and mortgages by financial institutions. Figures from 1963 relate to loans by insurance companies and special finance agencies. Figures for earlier years represent loans made by insurance companies established in Great Britain as shown by reports summarised by the Board of Trade. The figures include some loans made to non-residents but do not include similar loans to United Kingdom residents made by companies established outside Great Britain.

Shares of retail co-operative societies. The figures are obtained from the *Report of the Chief Registrar of Friendly Societies, Part 3*.

Company and overseas securities. The estimates are obtained as a residual and include unidentified transactions by industrial and commercial companies. The method of making the estimates was described in an article 'More light on personal saving' in the April 1965 issue of *Economic Trends*.

Funds of life assurance and superannuation schemes. The figures represent the net increase in the funds. The revenue transactions are shown in Table 24.

Table 75. Industrial and commercial companies

Cash expenditure on acquiring subsidiaries and trade investments:

In the United Kingdom. The estimates are based on information about bids and deals published in the daily press and on an analysis of the accounts of quoted companies. The figures include an allowance for cash purchases of unincorporated businesses as going concerns. Overseas expenditure by oil companies is excluded; it is included in *Other identified overseas assets: Long-term*.

Overseas. The estimates are taken from the balance of payments accounts.

Table 76. Banking sector

The figures in this table are partly estimated. Comprehensive figures of transactions by the banking sector are available only from the second quarter of 1963; the amount of estimation for 1963 is therefore negligible. For earlier years the statistics do not cover a number of important

banks, in particular the United Kingdom banking offices of certain overseas banks.

Table 77. Financial institutions other than banks

Except for the figures of net increase in the *Funds of life assurance and superannuation schemes* (which are taken from Table 24), the figures in this table are based on returns made by the main groups of financial institutions to government departments and the Bank of England. Details for each group are published in *Financial Statistics*.

Tables 78 and 80. Public sector

Table 78 gives details of the various kinds of financial assets sold by the public sector to meet its financial deficit; Table 80 shows, as far as possible, which sectors acquired these assets. Many of the items also appear in the capital account of the central government (Table 42).

Local authority debt. For the years 1961 to 1966 the figures of total borrowing are those derived from returns made by local authorities, further details of which are given in *Financial Statistics*. Borrowing from within the public sector has been deducted. For earlier years, the figures are taken to be equal to the balancing item shown in Table 46 less debt redemption by public corporations.

Trade and hire purchase debt at home (net). This relates mainly to credit given or received by public corporations.

Other identified home assets. This consists mainly of the items specified in Table 42 which are not shown separately in Table 78.

Table 79. Overseas sector

Most of the items in this table have been taken from *United Kingdom Balance of Payments, 1967* and from Table 42. Transactions with the banking sector are those identified in Table 76.

Rent

New information on the rent income of the private sector has become available from Schedule D tax assess-

ments for 1964/65 and 1965/66, after the abolition of Schedule A. This information has not led to revisions of the estimates of total rent, but the share of rent income allocated to companies, shown in Table 13, has been increased.

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

	<i>£ million</i>
Privately owned land and buildings used by persons as consumers	367
Central government land and buildings	62
Local authority land and buildings	170
Farm land and buildings	22
Land and buildings owned privately or by public corporations, rented to trading concerns or public authorities	116
Total	737

International transactions

The figures in Table 7 are consistent with those in *United Kingdom Balance of Payments, 1967*, which gives detailed figures for the years 1956 to 1966 and summary figures for earlier years.

From 1963, the net earnings of United Kingdom insurance companies from their overseas branches and subsidiaries are included in *Property income from abroad*. For earlier years they are included with *Exports of services* because information is not available to separate them from other earnings from insurance transactions overseas.

Imports of goods. This includes payments for, and not deliveries of, United States military aircraft and missiles purchased under credit arrangements with the Export-Import Bank of Washington.

In order to clarify the links with the sector tables the grouping of current transfers in Table 7 now shows the transfers to and from the personal and central government sectors of the United Kingdom economy.

Treasury analysis of public expenditure

The table below gives figures of total public expenditure for the financial years 1959/60 to 1966/67 classified on the basis used by H.M. Treasury for surveys of future expenditure.

The classification is essentially the same as that used in Table II of the Memorandum on the Estimates presented to Parliament by the Financial Secretary each year. It is applied there, however, to net expenditure on Votes, whereas here it is applied to total public expenditure. The Vote element within this total differs from net Vote expenditure. Grants to local authorities and other bodies within the public sector are excluded and so are some financial transactions. Differences also arise from differences in the treatment of receipts (such as national health contributions) and in the treatment of transactions of trading bodies. These differences are explained in *Sources and Methods*, Chapter VIII. In addition to the Vote element for departments of Great Britain, total public expenditure includes (a) expenditure by the central government of Northern Ireland, the National Insurance Funds, and other central government bodies and accounts not provided for by Votes, (b) current and capital expenditure by local authorities and (c) capital expenditure by public corporations. All operating expenditure by trading bodies in the public sector is excluded; where trading receipts are less than operating expenditure and the deficit is covered by a subsidy, the amount of the subsidy is included in total public expenditure.

The totals of expenditure analysed in the table below are consistent with the calendar year totals shown on the expenditure side of Table 52. A functional analysis of these same totals is given in Table 53, but the analysis given below differs from that in Table 53 in the following respects:

- (i) The classification is more detailed. In the right hand column of the table are shown the headings under which the expenditure is classified in Table 53.
- (ii) Expenditure by Northern Ireland authorities is shown as a separate heading. All other headings relate to expenditure of Great Britain authorities, wherever it may occur. In Table 53, each heading, and not just the grand total, relates to the United Kingdom.
- (iii) 'Allied Services' expenditure, i.e. expenditure shown at the end of Votes as connected with the service provided by a department (for example, accommodation, stationery and printing) is generally not allocated to other headings. The major exception is defence. In Table 53 the whole of 'Allied Services' expenditure is classified with other expenditure under the heading concerned.

(iv) Capital expenditure by the nationalised industries, etc., which is shown separately at the end of the table, covers the expenditure of all the industries dealt with in the White Paper *The Financial and Economic Obligations of the Nationalised Industries* (Cmnd. 1337) and the British Airports Authority together with that of the British Broadcasting Corporation, Independent Television Authority and Covent Garden Market Authority and the nationalised iron and steel undertakings. The capital expenditure of other bodies classified as public corporations in the national income accounts is allocated to the relevant heading. In Table 53 the capital expenditure of all public corporations is allocated to individual headings. There is a difference in the classification of investment expenditure by new town corporations which in the table below is divided between the headings *Roads, Housing, Water supply, Sewerage* and *Miscellaneous local government expenditure*. In Table 53 all investment expenditure by the new town corporations is classified to *Housing*.

(v) Expenditure on fixed assets is included under each heading without deducting amounts realised from sales, except in the case of the investment expenditure of the nationalised industries, etc. The total amount so realised is deducted in the item *Statistical adjustments*. In Table 53 receipts from sales of fixed assets are deducted from each heading concerned.

(vi) The heading *Statistical adjustments* includes (a) a negative item for sales of fixed assets and (b) the other differences remaining between the sum of the figures used for the Treasury analysis and the total used in the national accounts.

The differences between the two analyses of public expenditure reflect a difference of aim. The aim of the analysis in Table 53 is to provide a classification which gives an historical record unaffected by differences in the extent to which services are provided free by one department to another or by other reasons vitiating the comparison of expenditure over time. The aim of the Treasury analysis is to provide a basis for forward surveys reflecting the ways in which expenditure policy is formulated.

In this year's Blue Book the coverage of public expenditure is enlarged to include net expenditure on the acquisition of company securities and subsidiaries and other additional items of expenditure on financial assets. Some minor changes in classification have also been made and the figures have been revised to take account of new information. Figures for the latest year are provisional.

Treasury analysis of public expenditure

£ million

	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	Classification in Table 53
Defence:									
Defence budget (Net Vote)	1,523	1,610	1,692	1,767	1,812	1,916	2,069	2,152	} Military defence
Ministry of Technology and Defence (Army) purchasing (repayment) services	—5	—26	8	15	—21	—14	—29	32	
Other military defence expenditure	70	63	58	63	125	103	85	88	} Civil defence
Civil defence and strategic stocks	—16	—9	10	9	21	21	19	20	
Total	1,572	1,638	1,768	1,854	1,937	2,026	2,144	2,292	
External relations:									
Overseas representation, information, etc.	44	46	51	49	60	71	77	79	} External relations
Aid programme	124	146	145	151	169	191	203	212	
Other	11	13	15	20	18	20	31	39	
Total	179	205	211	220	247	282	311	330	
Roads and transport:									
Roads:									
Motorways, trunk roads and classified roads	154	167	192	215	256	293	294	325	} Roads and public lighting
Unclassified roads	43	46	53	66	77	79	79	83	
Lighting, car parks, etc.	27	29	30	32	34	35	37	37	
Departmental administration	2	1	2	2	2	3	3	3	} Transport and communication
Railways and waterways deficit grants	33	121	142	140	128	121	132	142	
Airports	10	15	14	13	14	17	22	22	
Ports	12	10	12	11	10	12	21	34	
Miscellaneous transport services	17	13	15	18	21	22	31	36	
Total	298	402	460	497	542	582	619	682	
Employment, industry and trade:									
Employment services	24	25	26	26	29	33	39	69	} Employment services
Selective employment tax: Additional payments to manufacturers	—	—	—	—	—	—	—	41	} Other industry and trade
Grants, loans and other assistance to industry	11	35	58	57	32	49	94	107	
Miscellaneous services for industry and trade	15	13	13	15	11	15	19	24	
Total	50	73	97	98	72	97	152	241	
Industrial research and research councils:									
Ministry of Technology ⁽¹⁾	6	7	8	8	9	11	15	20	} Research
Atomic Energy Authority civil research and development	53	59	68	66	67	63	63	64	
Aerospace civil research and development	4	12	14	16	19	17	20	19	
Research councils, etc.	18	22	25	23	36	42	52	62	
Total	81	100	115	113	131	133	150	165	
Agriculture, fisheries and forestry:									
Agricultural support	257	263	342	312	292	262	235	226	} Agriculture, forestry, fishing and food
Other assistance to agriculture	29	35	32	35	34	34	34	39	
Fisheries	12	11	9	7	5	4	5	4	
Forestry	17	19	21	22	23	26	29	32	
Total	315	328	404	376	354	326	303	301	

(1) The Ministry of Technology came into being in 1964/65: figures for earlier years are for services administered by the Ministry in 1966/67.

Treasury analysis of public expenditure

(continued)

£ million

	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	Classification in Table 53
Housing and environmental services:									
Housing:									
Gross domestic fixed capital formation	284	278	307	338	451	552	626	724	} Housing
Subsidies and improvement grants	112	132	147	134	134	160	192	208	
Loans for house purchase (net)	38	82	108	36	71	137	116	32	} Water, sewerage and refuse disposal
Departmental administration	1	1	1	1	1	1	1	1	
Water supply	34	39	40	43	46	50	53	59	} Public health services
Sewerage	80	85	101	113	123	134	143	168	
Refuse disposal	41	44	50	54	57	62	69	80	} Land drainage and coast protection
Other public health services	20	22	24	26	29	33	34	39	
Land drainage, water conservation and coast protection	16	17	20	22	21	22	27	28	} Parks, pleasure grounds, etc.
Parks, pleasure grounds etc.	39	44	50	54	60	68	74	73	
Miscellaneous local government expenditure	95	100	119	134	161	190	211	230	} Miscellaneous local government services and Other industry and trade
Departmental administration other than housing	4	4	4	4	5	6	7	9	
Total	764	848	971	959	1,159	1,415	1,553	1,651	
Libraries, museums and arts:									
Local libraries and museums	21	24	27	30	33	36	42	48	} Libraries, museums and arts
National libraries and museums	3	4	4	4	5	5	5	6	
Other arts	2	2	2	3	3	4	4	6	
Total	26	30	33	37	41	45	51	60	
Law and order and fire services:									
Police	119	133	150	161	179	197	220	254	} Police
Prisons	15	18	21	23	25	27	32	32	
Parliament and law courts, etc.	20	24	29	31	36	41	45	55	} Prisons
Fire service	31	33	37	42	46	50	54	58	
Departmental administration and other home department services	3	3	3	4	5	6	7	7	} Parliament and law courts
Total	188	211	240	261	291	321	358	406	
Education:									
Schools	579	612	679	759	823	865	951	1,052	} Education
Further education	85	96	113	130	150	167	192	221	
Teacher training	21	26	37	48	49	58	69	81	} Universities (including C.A.T.'s)
Universities (including C.A.T.'s)	79	89	112	132	160	199	240	269	
Imputed rents	37	40	44	48	52	58	60	62	} Youth services, etc.
Youth services, etc.	10	13	15	18	20	19	21	24	
Other educational expenditure	3	3	4	3	3	3	3	3	} Administration
Administration	27	28	29	32	36	45	50	56	
Total	841	907	1,033	1,170	1,293	1,414	1,586	1,768	
Health and welfare:									
National health service:									
Hospitals	468	523	557	589	652	703	776	857	} National health service
Executive councils	208	247	226	230	245	268	328	347	
Other central services and grants	12	11	12	13	13	14	15	17	} Local health authority services
Local health authority services	72	77	87	95	104	114	127	142	
Imputed rents	12	12	14	15	17	17	17	22	} Departmental administration
Departmental administration	5	7	6	7	7	8	9	9	
Total	777	877	902	949	1,038	1,124	1,272	1,394	
Local welfare services	28	32	37	43	48	54	57	65	Local welfare services
Total	805	909	939	992	1,086	1,178	1,329	1,459	
Children's services:									
Child care	25	27	29	33	36	40	46	50	} Child care
Welfare foods	26	26	28	30	32	37	40	43	
School meals	41	45	50	54	56	64	73	89	} School meals, milk and welfare foods
School milk	14	13	14	14	14	15	16	16	
Family allowances:									} Social security benefits
Grants	126	129	134	135	140	143	146	149	
Departmental administration	3	3	3	4	4	4	4	4	
Total	235	243	258	270	282	303	325	351	

Treasury analysis of public expenditure

(continued)

£ million

	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	Classification in Table 53
Social security benefits:									
National insurance	965	983	1,144	1,208	1,424	1,485	1,809	1,883	} Social security benefits
War pensions	99	96	104	102	104	111	121	119	
Non-contributory benefits	159	180	171	200	217	223	246	298	
Administration	58	59	66	73	81	85	91	98	
Total	1,281	1,318	1,485	1,583	1,826	1,904	2,267	2,398	
Financial administration and common services:									
Tax and rate collection	74	79	89	90	94	101	114	132	} Finance and tax collection
Other financial administration	9	8	17	17	19	21	23	25	
Post-war credits and E.P.T. refunds	64	24	19	62	22	17	18	17	
Superannuation	23	25	25	42	47	48	52	59	} Various headings
Accommodation (Home)	65	72	67	72	78	89	102	116	
Stationery Office (Home)	14	16	17	17	18	18	22	26	
Central Office of Information (Home)	1	2	2	3	3	4	5	6	
Post Office services	11	13	—	—	—	—	—	—	
less Allied services, defence	—28	—29	—28	—47	—60	—59	—62	—69	
Total	233	210	208	256	221	239	274	312	
Miscellaneous services:									
Records, registrations and surveys	10	11	14	12	13	14	15	16	} Records, registrations and surveys
War damage compensation	12	8	7	5	3	2	2	2	
Town and Country Planning compensation	5	3	2	1	1	1	—	—	} War damage and Town and Country Planning compensation
Parliamentary election expenses	1	—	—	—	—	2	2	2	
Meteorological services	4	4	4	4	4	5	5	5	} Other services
Atomic Energy Authority—net trading and miscellaneous transactions	74	56	53	23	15	26	—7	—2	
Other miscellaneous services	7	4	7	12	7	9	11	11	
Total	113	86	87	57	43	59	28	34	
Northern Ireland	145	153	169	188	210	227	277	303	Various headings
Statistical adjustments	—47	—32	—16	—7	—39	—66	—51	—115	Various headings
Total public expenditure (excluding nationalised industries, etc. and debt interest)	7,079	7,629	8,462	8,924	9,696	10,485	11,676	12,638	
Capital expenditure of nationalised industries, etc.:									
Gross domestic fixed capital formation:									
Coal	106	92	91	82	87	89	86	83	} Other industry and trade
Gas	45	42	44	57	88	87	116	212	
Electricity	348	333	379	432	535	627	656	714	
Inland transport (1)	201	198	169	129	122	135	144	127	} Transport and communication
Air transport	29	46	36	24	34	38	31	30	
Post Office	95	100	122	127	160	181	207	263	
Total nationalised industries	824	811	841	851	1,026	1,157	1,240	1,429	} Various headings
Other (2)	19	65	81	36	20	15	10	14	
Increase in value of stocks	—2	—10	8	—11	—11	21	—3	27	
Other .....	..	..	..	..	..	1	13	26	
Total	841	866	930	876	1,035	1,194	1,260	1,496	
Total public expenditure excluding debt interest	7,920	8,495	9,392	9,800	10,731	11,679	12,936	14,134	} Not included in Table 53
Debt interest	1,098	1,190	1,297	1,302	1,324	1,396	1,482	1,612	
Total public expenditure	9,018	9,685	10,689	11,102	12,055	13,075	14,418	15,746	

(1) The figures for inland transport relate to calendar years.

(2) British Broadcasting Corporation, Independent Television Authority, Covent Garden Market Authority, and the nationalised iron and steel undertakings.

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