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Volume Title: The Growth of Public Expenditure in the United Kingdom

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Volume Publisher: UMI

Volume ISBN: 0-87014-071-X

Volume URL: <http://www.nber.org/books/peac61-1>

Publication Date: 1961

Chapter Title: Appendix

Chapter Author: Alan T. Peacock, Jack Wiseman

Chapter URL: <http://www.nber.org/chapters/c2311>

Chapter pages in book: (p. 150 - 209)

## Appendix

THIS appendix explains the statistical sources and the definitions used for our various statistical series. There are five basic series: (1) government expenditure, (2) national income, (3) price series relevant for the deflation of (1) and (2), (4) population, and (5) unemployment. We shall deal with population, price, national income, and unemployment series first to clear the way for a detailed examination of government expenditure statistics.

One general definition used throughout the investigation may be mentioned at the outset. Our statistics all relate to the geographical area of the United Kingdom. The United Kingdom now consists of three parts, England and Wales, Scotland, and Northern Ireland. Before 1921, however, it included the whole of Ireland. It might be thought a more reasonable procedure to try to compute figures solely for Northern Ireland for the period before 1921 in order to ensure geographical comparability over the period as a whole. However, apart from the considerable statistical problems which this would involve, there is the further point that we are interested in the relation between the growth of government expenditure and the political decisions which determine the extent and time pattern of that growth. This obliges us to consider only that area of the British Isles in which these political decisions are effective, and so we make no allowance for the change in the geographical extent of the United Kingdom during the period.

The general statistical procedure has been to round to what seemed to us the significant digit. Thus total government expenditure is given to £0.1 million up to 1938, but only to the nearest million pounds thereafter, so reflecting the increase in prices over the period. Per capita statistics are given to £0.1, and computed from the total statistics in the form just described. Where data of particular kinds are not available or are available only in an unsatisfactory form, the appropriate column is left blank—as for many series for the war years. The disturbances created by war make for difficulties in obtaining satisfactory comparable classifications of some types of expenditures for wartime and peacetime years, even when statistics are available. Since our concern is with the effect of wars on peacetime government activities rather than with the years of war themselves, we have thought it least misleading to give wartime statistics only in suitably broad aggregates. Where statistics have been computed, but the total is negligible, this is shown by a dash (—), meaning that the figure concerned was less than 0.5 of the last unit recorded in the column. Thus, if figures are given to £0.1, sums of less than £0.05 are shown by a dash.

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*Population*

The population series used is shown in Table A-1.

TABLE A-1  
POPULATION OF THE UNITED KINGDOM, 1890-1955  
(numbers in thousands; index, 1900 = 100)

<i>Year</i>	<i>Population</i>		<i>Year</i>	<i>Population</i>	
	<i>Number</i>	<i>Index</i>		<i>Number</i>	<i>Index</i>
1890	37,485	91	1920	43,740	106
1891	37,796	92	1921	44,027	107
1892	38,104	93	1922	44,325	108
1893	38,490	94	1923	44,596	108
1894	38,859	94	1924	44,915	109
1895	39,221	95	1925	45,059	109
1896	39,599	96	1926	45,232	110
1897	39,987	97	1927	45,389	110
1898	40,381	98	1928	45,580	111
1899	40,774	99	1929	45,679	111
1900	41,155	100	1930	45,873	111
1901	41,551	101	1931	46,038	112
1902	41,961	102	1932	46,335	113
1903	42,371	103	1933	46,520	113
1904	42,793	104	1934	46,666	113
1905	43,221	105	1935	46,869	114
1906	43,361	105	1936	47,081	114
1907	43,738	106	1937	47,289	115
1908	44,124	107	1938	47,494	115
1909	44,519	108	1939	47,762	116
1910	44,961	109	1940	48,226	117
1911	45,268	110	1941	48,216	117
1912	45,436	110	1942	48,400	118
1913	45,648	111	1943	48,789	118
1914	46,048	112	1944	49,016	119
1915	46,390	113	1945	49,182	120
1916	46,520	113	1946	49,217	120
1917	46,620	113	1947	49,571	120
1918	46,550	113	1948	49,620	121
1919	46,450	113	1949	49,930	121
			1950	50,180	122
			1951	50,225	122
			1952	50,444	123
			1953	50,611	123
			1954	50,784	123
			1955	50,968	124

For our purposes the ideal series would be one of total population normally resident in the United Kingdom during the period 1890-1955.

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However, the nearest possible approximation is the *de facto* population, which excludes H.M. Forces serving overseas and merchant seamen at sea, although figures of total population are available for certain years.

The statistics of *de facto* population (midyear figures) for the periods 1890–1914, 1921–40, and 1948–55 are those of the Registrar General published in the *Annual Abstract of Statistics*. For the period 1915–20 there are no comparable estimates, only estimates of civilian population except for Scotland. For England and Wales and Ireland we have divided the recorded increase between 1914 and 1921 equally between the intervening years. For the period 1939–47, we have taken recorded figures of total population, because of the large difference between *de facto* peacetime population and *de facto* wartime population caused by the considerable proportion of the population serving overseas or at sea. As already explained, figures up to 1920 include the whole of Ireland; thereafter Eire is excluded.

### *Gross National Product at Factor Cost*

As explained in Chapter 1, we use, as indicators of economic growth, gross national product (or expenditure) at factor cost at current and constant prices; and gross national product (or expenditure) at factor cost per head of population at current and constant prices. These indicators are shown in Table A-2. The relevant price indexes are discussed below.

The latest series of national income and expenditure covering our period are provided by James B. Jeffreys and Dorothy Walters, "National Income and Expenditure of the United Kingdom, 1870–1952," in *Income and Wealth, Series V*, London, 1955. Statistics for the years following 1937 in this study are taken from the official estimates contained in the Central Statistical Office's annual *Blue Book on National Income and Expenditure* and, for the war years, in the *Statistical Digest of the War*.

For the years before 1938 we have adopted the Jeffreys–Walters figures for current expenditure on goods and services, overseas lending, changes in stocks, and net indirect taxes (this component being, of course, deducted in order to arrive at factor cost estimates). In the case of public authorities' current expenditure on goods and services, we have constructed a series from different sources, which is described in detail below and which we believe to be more accurate, especially for the years before World War I. Improved estimates of gross fixed capital formation for the years 1924–37 have been published by Philip Redfern in his article "Net Investment in Fixed Assets in the United Kingdom, 1938–1953," *Journal of the Royal Statistical Society, Series A*, Vol. 118, Part 2, 1955. We have constructed a separate series from Jeffreys and Walters,

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TABLE A-2

GROSS NATIONAL PRODUCT AT CURRENT AND 1900 PRICES, 1890-1955  
(index, 1900 = 100)

YEAR	GNP AT CURRENT PRICES				GNP AT 1900 PRICES			
	£ mn.	Total Index	Per Head £	Per Head Index	£ mn.	Total Index	Per £	Per Head Index
1890	1,472	76	39.3	83	1,508	78	40.2	85
1891	1,464	75	38.7	82	1,506	77	39.8	84
1892	1,442	74	37.8	80	1,470	76	38.6	82
1893	1,437	74	37.3	79	1,483	76	38.5	82
1894	1,468	76	37.8	80	1,590	82	40.9	87
1895	1,507	78	38.4	81	1,666	86	42.5	90
1896	1,548	80	39.1	83	1,712	88	43.2	92
1897	1,600	82	40.0	85	1,730	89	43.3	92
1898	1,705	88	42.2	89	1,776	91	44.0	93
1899	1,805	93	44.3	94	1,903	98	46.7	99
1900	1,944	100	47.2	100	1,944	100	47.2	100
1901	1,889	97	45.5	96	1,893	97	45.6	97
1902	1,910	98	45.5	96	1,922	99	45.8	97
1903	1,846	95	43.6	92	1,842	95	43.5	92
1904	1,872	96	43.7	93	1,871	96	43.7	93
1905	1,970	101	45.6	97	1,967	101	45.5	96
1906	2,074	107	47.8	101	2,067	106	47.7	101
1907	2,142	110	49.0	104	2,094	108	47.9	101
1908	1,969	101	44.6	94	1,924	99	43.6	92
1909	2,034	105	45.7	97	1,970	101	44.3	94
1910	2,143	110	47.7	101	2,057	106	45.8	97
1911	2,243	115	49.5	105	2,154	111	47.6	101
1912	2,379	122	52.4	111	2,198	113	48.4	103
1913	2,468	127	54.1	115	2,275	117	49.8	106
1914	2,380	122	51.7	110	2,275	117	49.8	106
1915	2,740	141	59.1	125				
1916	3,260	168	70.1	149				
1917	3,880	200	83.2	176				
1918	4,690	241	100.8	214				
1919	5,860	301	126.2	267				
1920	6,070	312	138.8	294	(2,168)	(112)	(49.6)	(105)
1921	4,860	250	110.4	234	(1,870)	(96)	(42.5)	(90)
1922	4,230	218	95.4	202	(1,917)	(99)	(43.3)	(92)
1923	4,230	218	94.9	201	(2,070)	(106)	(46.4)	(98)
1924	4,332	223	96.4	204	2,127	109	47.4	100
1925	4,435	228	98.4	208	2,172	112	48.2	102
1926	4,303	221	95.1	201	2,104	108	46.5	99
1927	4,594	236	101.2	214	2,315	119	51.0	108
1928	4,523	233	99.2	210	2,289	118	50.2	106
1929	4,628	238	101.3	215	2,366	122	51.8	110

(continued)

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TABLE A-2 (concluded)

YEAR	GNP AT CURRENT PRICES				GNP AT 1900 PRICES			
	Total		Per Head		Total		Per Head	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index
1930	4,386	226	95.6	203	2,296	118	50.1	106
1931	4,074	210	88.5	187	2,241	115	48.7	103
1932	3,973	204	85.7	182	2,229	115	48.1	102
1933	4,141	213	89.0	189	2,377	122	51.1	108
1934	4,326	223	92.7	196	2,484	128	53.2	113
1935	4,587	236	97.9	207	2,634	135	56.2	119
1936	4,804	247	102.0	216	2,718	140	57.7	122
1937	5,064	260	107.1	227	2,769	142	58.6	124
1938	5,294	272	111.5	236	2,829	146	59.6	126
1939	5,550	285	116.2	246				
1940	6,500	334	134.8	286				
1941	7,360	379	152.6	323				
1942	8,050	414	166.3	352				
1943	8,480	436	173.8	368				
1944	8,680	447	177.1	375				
1945	8,750	450	177.9	377				
1946	8,787	452	178.5	378	2,815	145	57.2	121
1947	9,387	483	189.4	401	2,796	144	56.4	119
1948	10,376	534	209.1	443	2,851	147	57.5	122
1949	11,057	569	221.4	469	2,961	152	59.3	126
1950	11,636	599	231.9	491	3,024	156	60.3	128
1951	12,793	658	254.7	540	3,053	157	60.8	129
1952	13,928	716	276.1	585	3,131	161	62.1	132
1953	14,858	764	293.6	622	3,269	168	64.6	137
1954	15,909	818	313.3	664	3,450	177	67.9	144
1955	16,784	863	329.3	698	3,505	180	68.8	146

using these estimates. Our gross fixed capital formation figures are now based on the following sources.

*1890-1913:* Jeffreys and Walters use the estimates of A. K. Cairncross, *Home and Foreign Investment, 1870-1913*, Cambridge, Eng. 1953. We have adjusted certain individual price series in Cairncross's estimates, using Redfern's price series in his above-mentioned article, in order to improve comparability with estimates for the later period.

*1914-23:* Jeffreys and Walters have no figures for these years. We have compiled very rough estimates by interpolation using as our guide the changes in national income at constant prices in Jeffreys and Walters, *op. cit.* These estimate figures are not very reliable, and we show them for the relevant peacetime years in Table A-2 only, for purposes of broad comparison.

*1924-37:* Redfern, *op. cit.*

*1938-55:* Central Statistical Office, sources quoted above.

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Price Indexes

The price series used in order to deflate GNP at factor cost are shown in Table A-3.

TABLE A-3  
INDEXES OF PRICES, SELECTED YEARS, 1890-1955  
(1900 = 100)

Year	<i>General Indexes</i>				
	Current Goods and Services	Total Fixed Capital Formation	Government Fixed Capital Formation	Gross National Product	Government Expenditure
1890	98	93	98	98	98
1891	98	88	95	97	
1892	99	88	95	98	
1893	98	84	90	97	
1894	93	84	90	92	
1895	91	84	91	90	91
1896	91	84	91	90	
1897	93	87	93	92	
1898	97	88	93	96	
1899	95	94	97	95	
1900	100	100	100	100	100
1901	100	98	99	100	
1902	100	94	95	99	
1903	101	94	94	100	
1904	101	92	94	100	
1905	101	92	95	100	100
1906	101	94	96	100	
1907	103	94	96	102	
1908	103	93	96	102	
1909	104	92	95	103	
1910	105	92	95	104	103
1911	105	92	95	104	
1912	109	97	94	108	
1913	109	102	98	108	107
1920	278		348		282
1921	255		297		259
1922	218		200		216
1923	205		189		204
1924	204	201	197	204	203
1925	204	206	204	204	204
1926	204	209	206	205	204
1927	198	202	201	198	198
1928	198	194	191	198	197
1929	196	192	188	196	195

(continued)

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TABLE A-3 (concluded)

Year	Current Goods and Services	Total Fixed Capital Formation	Government Fixed Capital Formation	General Indexes	
				Gross National Product	Government Expenditure
1930	191	191	184	191	190
1931	181	189	176	182	180
1932	178	181	170	178	177
1933	174	176	163	174	173
1934	174	175	166	174	173
1935	174	175	171	174	174
1936	176	182	181	177	177
1937	181	197	194	183	183
1938	185	204	196	187	186
1946	303	420	408	312	307
1947	324	446	442	336	332
1948	350	485	471	364	361
1949	359	492	473	373	369
1950	370	501	478	385	380
1951	402	554	543	419	415
1952	424	615	594	445	441
1953	433	618	591	455	449
1954	440	616	586	461	454
1955	455	642	614	479	469

As explained in Chapter 1, we have not been content to use a single price index, such as a wholesale price index, in order to deflate GNP. The aggregate GNP figures have been split into two parts—gross fixed capital formation, and all other components of GNP. Ideally, separate price indexes for current goods and services, stocks, and net investment abroad would have been preferable. However, it was not possible to compile them, and we have deflated all these items by the one index.

PRICE INDEX FOR ALL COMPONENTS OTHER THAN FIXED CAPITAL FORMATION

It has been assumed that an index of prices of consumer goods and services is a suitable deflator for current values of increases in stocks, current expenditure on goods and services, and net investment abroad. We computed a consumers' expenditure average value index comparable as far as possible with that found in the London and Cambridge Economic Service series. Data for the compilation of such an index exist only for the period from 1900 onwards. For years before 1900 we used Bowley's index of retail prices. Our full list of sources follows:

1890-1900: A. L. Bowley, *Wages and Income in the United Kingdom*,

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Cambridge (Eng.), 1937, p. 30. The original index gives 1914 as the base year. We have adjusted the index so that the base year is 1900.

1901-19: A. R. Prest, assisted by A. A. Adams, *Consumers' Expenditure in the United Kingdom, 1900-19*, Cambridge (Eng.), 1954, p. 175. Prest and Adams give an implied price index of total consumers' expenditure at market prices with 1900 as base year.

1920-56: London and Cambridge Economic Service Bulletins published quarterly in *The Times Review of Industry*. The latest issues do not give figures for 1940-44; for these years, see the March 1956 issue. This index is based on Prest and Adams, *op. cit.*, and J. R. N. Stone, assisted by D. A. Rowe (and others), *The Measurement of Consumers' Expenditure and Behaviour (1920-38)* for the period up to 1938, and on Central Statistical Office estimates as given in the annual *Blue Book* for the postwar period. Figures for war years are our own estimates based on the *Statistical Digest of the War*. The L.C.E.S. index has 1938 as base year. This index has been spliced with the Prest-Adams index for the period 1900-19 with 1900 as base year.

### PRICE INDEX FOR FIXED CAPITAL GOODS

The considerable research into capital formation since 1870 by such writers as Cairncross and Redfern has been referred to earlier. Fortunately, we have available the index compiled by Philip Redfern (*op. cit.*, pp. 170-171) for the whole period covered, with the exception of the years 1914-23. We have merely changed the base year for the index to 1900, and have not attempted estimates for the missing years.

### CONVERSION OF GNP TO CONSTANT 1900 PRICES

Having deflated gross fixed capital formation at current prices by the index in Column 2, Table A-3, and the other components valued at current prices by the index in Column 1, Table A-3, we arrive by simple addition for the relevant year at the figure for GNP at constant prices. For the sake of completeness, we have reproduced the implied "price" index as Column 4 in Table A-3. This index does not differ appreciably from the price index of current goods and services until after World War II, when the relative rise in prices of capital goods was particularly marked.

### CONVERSION OF GOVERNMENT EXPENDITURE TO CONSTANT 1900 PRICES

The full details of the calculation of government expenditure at current prices are given below. It may be useful, however, to complete our statement of the calculation of real expenditure changes by indicating the method used to deflate government expenditure. From the very detailed calculations in Redfern, *op. cit.*, it was possible to construct a

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separate price index for government capital formation by converting the Redfern estimates to the base year 1900. Government current expenditure on goods and services, transfers and subsidies, and the very small changes in stocks were all deflated by the current goods and services price index in Column 1, Table A-3. Again, for comparative purposes, the implied "price" index is recorded separately in Column 5 of Table A-3. This index differs more widely from that in Column 1 than the index for GNP does.

### *Unemployment Series*

The unemployment series used is found in Table A-4.

Data on unemployment are important for the discussion in Chapter 3. An ideal series would be one which would yield the percentage of the total labor force unemployed, but this is only possible for the period from 1947 onward. For the period 1890–1921, it is possible to obtain only the percentage unemployed from the returns of trade unions paying unemployment benefits, so that the coverage is not wide enough. From 1923 to 1947 we can increase the coverage with figures for the percentage of total insured population who are unemployed. Because of the lack of comparability in the separate series, we preferred to use unemployment percentages rather than numbers unemployed in order to illustrate the connection, if any, between government expenditure and unemployment trends. The sources for our series follow.

1890–1921: W. H. Beveridge, *Unemployment—A Problem of Industry*, London, 1930, pp. 39, 432, 459.

1923–55: Central Statistical Office, *Annual Abstract of Statistics*, Vol. 88, 1938–50; Vol. 89, 1952; Vol. 94, 1957.

### *Government Expenditure*

The discussion of the statistics of government expenditure is divided into three sections: (1) definitions, (2) the sources of statistical information, and (3) the figures in the tables of government expenditure from which the tables and charts in the text were compiled.

#### DEFINITIONS

We have attempted to produce statistical series which conform with the requirements laid down by social accounting principles.<sup>1</sup> One overriding requirement, so far as government expenditure is concerned, is that there be no duplication of expenditures. The accounts of the various

<sup>1</sup> For full discussion of these principles as applied to the government sector, see, for example, United Nations, Department of Economic and Social Affairs, *A Manual for Economic and Functional Classification of Government Transactions*, New York, 1958, Part I.

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TABLE A-4  
 PERCENTAGE AND INDEXES OF UNEMPLOYMENT,  
 SELECTED YEARS, 1890-1955

Year	Percentage of Unemployment	Indexes of Unemployment
1890	2.10	86
1895	6.0	245
1900	2.45	100
1905	5.25	214
1910	5.10	208
1911	3.05	124
1912	3.15	129
1913	2.10	86
1914	3.25	133
1915	1.0	41
1916	0.45	18
1917	0.6	24
1918	0.7	29
1919	2.5	102
1920	2.55	104
1921	15.6	637
1923	11.5	100
1924	9.7	84
1925	11.2	97
1926	14.4	125
1927	9.2	80
1928	11.6	101
1929	9.7	84
1930	16.2	141
1931	22.0	191
1932	22.8	198
1933	19.5	170
1934	16.7	145
1935	14.4	125
1936	11.7	102
1937	9.5	87
1938	12.1	105
1939	7.9	69
1940	5.0	44
1941	1.6	14
1942	0.7	6
1943	0.5	4
1944	0.5	4
1945	0.9	8
1946	2.5	22
1947	1.8	16
1948	1.4	100
1949	1.2	86
1950	1.3	93
1951	0.9	64
1952	2.0	139
1953	1.3	93
1954	1.1	79
1955	0.7	50

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parts of the government sector are consolidated and no intra-governmental transactions appear. For example, in the United Kingdom the Exchequer provides local authorities with substantial grants. We should be double-counting if we showed these grants as part of central government expenditure and then showed the expenditure they finance as part of local government expenditure. Similarly, central government contributions to the national insurance system are not recorded as part of central government expenditure.

Allowing for certain exceptions listed below, we have adopted the definition of the public sector used by the Central Statistical Office, as found in the national income and expenditure *Blue Books*.<sup>2</sup> This aids comparability over time. In general terms, therefore, the public sector includes the central government, the national insurance system, and the local authorities of the United Kingdom.

The central government embraces a wide number of separate activities involving collective consumption. It also includes certain trading activities, although it excludes the nationalized industries. The nationalized industries are enumerated in Chapter 7. They can be distinguished from certain trading activities of the central government, notably the Post Office, by their financial independence, particularly in regard to borrowing powers. The inclusion of certain trading services in the central government sector presents problems of classification of expenditures, considered below. The wide range of activities of the public sector will be discerned in the functional classification of expenditures and the division of these expenditures between central and local governments in Tables A-15 and A-20.

The British national insurance system (in contrast to those of other countries), which covers unemployment, sickness, retirement, and industrial injuries as well as other forms of benefits, is administered by a central government department that has no control over reserve policy. Contributions are paid to a central National Insurance Fund, making the system part of the central government's activities.

The definition of local authorities for our purpose corresponds to that found in Part XI of the Local Government Act, 1933. It includes all local governing bodies, other than companies trading for profit, that have the power to levy rates, tolls, or dues, or to require them to be levied. Our figures, therefore, cover the transactions of drainage boards, water boards, harbor boards (other than national bodies), the conservators of common land, the trustees of certain London squares, and other such bodies. The main activities of local authorities have changed markedly over the period in question, as made clear in Chapter 6.

<sup>2</sup> See *National Income Statistics, Sources and Methods*, C.S.O., 1956.

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We now turn to certain questions associated with the nature of expenditures. Certain government nontrading services collect fees and other receipts for services rendered, for example the prescription fee under the National Health Service. These are deducted from expenditures in order to arrive at our final figures. Other fees and tax receipts are, of course, treated as government receipts and are not deducted. In the case of local government, any income other than government grants and local rates is deducted from total gross expenditure. Thus we deduct rents received by local authorities for housing from the total expenditure on housing. School fees, important during the period before World War II, are also deducted. On the other hand, government purchases of goods and services are valued at market prices and thus include a small proportion of taxes on expenditure which the government pays to itself. Net expenditure should exclude this tax element, but it was not excluded, because the effort would be out of proportion to the small amount of taxation involved (see also Chapter 1).

Certain trading services are included within the public sector because of their financial dependence on government. For the central government, the Post Office is the most important; for local governments, public utilities, such as waterworks and electricity and gas services before nationalization. In accordance with social accounting procedure, current expenditures of these trading services are regarded as self-liquidating and are not included in our figures. On the other hand, capital expenditures are included. Our procedure follows that of the Central Statistical Office, except in one important instance. The C.S.O. regards housing as a trading service, and the deficit on current account is treated as a subsidy. Regarding this as unrealistic, we treated housing as a social service and the deficit as a transfer payment. Total housing expenditure is not affected by this treatment, but the form of expenditure and its division between central and local governments are different. By our method, central government grants for local authority housing disappear on consolidation, and total housing expenditure on current account appears as a transfer item in the local authority account. In the C.S.O. tabulations this expenditure appears partly as a central government subsidy and partly as a local government one.

Further information on definitions of types of government expenditures is given in the discussion of the various classifications employed in later tables.

### SOURCES OF INFORMATION ON GOVERNMENT EXPENDITURE

The pioneering work in reclassifying government expenditure according to the requirements of modern economic analysis has been undertaken by the Central Statistical Office. However, the period covered by the

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C.S.O. figures is only from 1938 onward. As the sources and methods used by the C.S.O. for this period are given in considerable detail in *National Income Statistics, Sources and Methods*, Chapters VII, IX, and X, they are not discussed here, but departures from C.S.O. methods of classification are always noted. Our task in this section, therefore, is to list the sources and the methods of compilation for figures before 1938, but we shall have something to say about the adequacy of some of the figures for the period 1938-46.

In general terms, for periods before 1938, the sources used for the official calculations and also for ours are the accounts prepared for the purpose of public control of expenditure. For central government, these accounts are the appropriation accounts and the audited finance accounts published as *Parliamentary Papers*. Local government figures have been compiled from the returns of receipts and expenditure required by Act of Parliament. The sources for the appropriate periods are given below.

### *Central Government*

*1890-91—1918-19*: These figures are based on a detailed reclassification of the appropriation accounts for selected years. The reliability of the series is probably good, although it was not possible in all cases to be sure that all intra-governmental transactions were removed.

*1920-38*: Based on information supplied by J. E. G. Utting and Dorothy Cole in "The Income and Expenditure of U.K. Public Authorities, 1920-38" (unpublished). Figures on government expenditure on goods and services from this study have already been published in Jeffreys and Walters, *op. cit.* This information was supplemented, especially in the case of transfer expenditure, from the *Annual Abstracts of Statistics*. The reliability of the series is good.

*1939-45*: Central Statistical Office, *Statistical Digest of the War*, Table 182. On the question of reliability we quote from the *Digest*, p. 233: "This series has been prepared as far as possible on the same basis as those contained in National Income and Expenditure of the United Kingdom, 1946-49. The correspondence, nevertheless, is not exact. While continuity has been preserved for the war years 1939-45, there remains in certain points of detail an unavoidable break between the figures for this period and the figures for 1938 and for the postwar period."

*1946-55*: Central Statistical Office, *Blue Book on National Income and Expenditure*, 1957.

### *Local Government*

For local government expenditure, it is more useful to indicate sources by geographical areas rather than by chronological sequence. In any

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case, the sources for each area are the same throughout the period studied.

For England and Wales the data was compiled from the *Local Taxation Returns*. (The name of the document was changed to *Local Government Financial Statistics* in 1934.) Our information is comparable with that published by the C.S.O. in the annual *Blue Books*. The source is the same in both cases and the C.S.O. have been consulted about their methods of compilation.

For Scotland, local financial returns are collected by the Scottish Home Department. For the years 1935 and after, these are available only in mimeographed form; the figures published before 1935 were published in *Local Taxation Returns*.

Local financial returns for Ireland until partition in 1920 are available in summary form in British *Parliamentary Papers* and in the *Annual Abstracts of Statistics*. Local financial returns published after 1920 for Northern Ireland were not available, and no attempt was made to calculate figures of local government expenditure for that area. We have written up our estimates for Great Britain by a uniform 1.5 per cent for 1920-38. This is not entirely arbitrary. Summary figures of expenditure of local authorities in Northern Ireland are published in the *Annual Abstracts of Statistics* (see, e.g., Volume No. 84, Table 270, page 227). We have expressed the total expenditure of local authorities in Northern Ireland obtained from this source as a percentage of the uncorrected total expenditure of local authorities for the United Kingdom as contained in the summary tables in the *Annual Abstracts*. The percentage obtained in this way varies very little from the one we have adopted.

### NOTES ON INDIVIDUAL APPENDIX TABLES OF GOVERNMENT EXPENDITURE

#### *Tables A-5 and A-6*

These two tables may be considered together. The sources of information which enable us to express government expenditure per head at current and constant prices have already been described.

One result of using a different deflator for GNP and government expenditure at 1900 prices is that there is a divergence between the total government expenditure as a percentage of GNP at current prices and as a percentage of GNP at constant prices. This is illustrated in Table A-6. The divergence is, however, slight; when rounded off to the nearest whole number, it disappears. The last column of Table A-5 is expressed in this form.

TABLE A-5  
TOTAL GOVERNMENT EXPENDITURE AT CURRENT AND 1900 PRICES, SELECTED YEARS, 1890-1955

YEAR	AT CURRENT PRICES				AT 1900 PRICES				As Percentage of GNP
	Total		Per Head		Total		Per Head		
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	
1890	130.6	47	3.5	51	133.3	47	3.6	53	9
1895	156.8	56	4.0	59	172.3	61	4.4	64	10
1900	280.8	100	6.8	100	280.8	100	6.8	100	14
1905	241.7	86	5.6	82	241.7	86	5.6	82	12
1910	272.0	97	6.1	89	263.6	94	5.9	86	13
1913	305.4	109	6.7	98	284.2	101	6.2	91	12
1915	958.1	341	20.7	303					35
1917	1,515.5	540	32.5	476					39
1918	2,427.0	864	52.1	764					52
1920	1,592.1	567	36.4	533	565.3	201	12.9	189	26
1921	1,429.5	509	32.5	476	552.2	197	12.5	183	29
1922	1,177.3	419	26.6	390	544.5	194	12.3	180	28
1923	1,025.2	365	23.0	337	503.0	179	11.3	166	24
1924	1,027.0	366	22.9	336	504.8	180	11.2	164	24
1925	1,071.9	382	23.8	349	525.4	187	11.7	171	24
1926	1,106.3	394	24.5	359	541.7	193	12.0	176	26
1927	1,105.8	394	24.4	358	557.6	199	12.3	180	24
1928	1,094.7	390	24.0	352	554.8	198	12.2	179	24
1929	1,107.2	394	24.2	355	567.3	202	12.4	182	24

(continued)

TABLE A-5 (concluded)

YEAR	AT CURRENT PRICES				AT 1900 PRICES				As Percentage of GNP
	Total		Per Head		Total		Per Head		
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	
1930	1,144.8	408	25.0	366	601.8	214	13.1	192	26
1931	1,173.5	418	25.5	374	650.3	232	14.1	207	29
1932	1,138.0	405	24.6	361	642.2	229	13.9	204	29
1933	1,066.0	380	22.9	336	615.9	219	13.2	193	26
1934	1,060.9	378	22.7	333	612.0	218	13.1	192	25
1935	1,117.4	398	23.8	349	643.2	229	13.7	201	24
1936	1,186.8	423	25.2	369	672.4	239	14.3	210	25
1937	1,303.5	464	27.6	405	713.7	254	15.1	221	26
1938	1,587.0	565	33.4	490	851.2	303	17.9	262	30
1939	1,960	698	41.0	601					35
1940	3,905	1,391	81.0	1,187					60
1941	5,338	1,901	110.7	1,622					73
1942	5,860	2,087	121.1	1,775					73
1943	6,265	2,231	128.4	1,882					74
1944	6,303	2,245	128.6	1,885					73
1945	5,779	2,058	117.5	1,722					66
1946	4,530	1,613	92.0	1,348	1,474	525	29.9	438	52
1947	4,130	1,471	83.3	1,221	1,243	443	25.1	368	44
1948	4,215	1,501	84.9	1,244	1,169	416	23.6	346	41
1949	4,423	1,575	88.6	1,299	1,199	427	24.0	352	40
1950	4,539	1,616	90.5	1,326	1,195	426	23.8	349	39
1951	5,208	1,855	103.7	1,520	1,255	447	25.0	366	41
1952	5,777	2,057	114.5	1,678	1,311	467	26.0	381	42
1953	6,048	2,154	119.5	1,751	1,346	479	26.6	390	41
1954	5,976	2,128	117.7	1,725	1,315	468	25.9	380	38
1955	6,143	2,188	120.5	1,766	1,309	466	25.7	377	37

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TABLE A-6

TOTAL GOVERNMENT EXPENDITURE AS PERCENTAGE OF GROSS NATIONAL PRODUCT,  
AT CURRENT AND 1900 PRICES, SELECTED YEARS, 1890-1955  
(index, 1900 = 100)

<i>Year</i>	<i>At Current Prices</i>		<i>At 1900 Prices</i>	
	Percentage	Index of Percentage	Percentage	Index of Percentage
1890	8.9	62	8.8	61
1895	10.4	72	10.3	72
1900	14.4	100	14.4	100
1905	12.3	85	12.3	85
1910	12.7	88	12.8	89
1913	12.4	86	12.5	87
1915	35.0	243	35.0	243
1917	39.0	271	38.9	270
1918	51.7	359	51.6	358
1920	26.2	182	26.1	181
1921	29.4	204	29.5	205
1922	27.8	193	28.4	197
1923	24.2	168	24.3	169
1924	23.7	165	23.7	165
1925	24.2	168	24.2	168
1926	25.7	178	25.7	178
1927	24.1	167	24.1	167
1928	24.2	168	24.2	168
1929	23.9	166	24.0	167
1930	26.1	181	26.2	182
1931	28.8	200	29.0	201
1932	28.6	199	28.8	200
1933	25.7	178	25.9	180
1934	24.5	170	24.6	171
1935	24.4	169	24.4	169
1936	24.7	172	24.7	172
1937	25.7	178	25.8	179
1938	30.0	208	30.1	209
1939	35.3	245	34.9	242
1940	60.1	417	59.9	416
1941	72.5	503	72.4	503
1942	72.8	506	72.7	505
1943	73.9	513	73.8	512
1944	72.6	504	72.5	503
1945	66.0	458	65.8	457
1946	51.6	358	52.4	364
1947	44.0	306	44.4	308
1948	40.6	282	41.0	285
1949	40.0	278	40.5	281
1950	39.0	271	39.5	274
1951	40.7	283	41.1	285
1952	41.5	288	41.9	291
1953	40.7	283	41.2	286
1954	37.6	261	38.1	265
1955	36.6	254	37.3	259

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### *Tables A-7, A-8, A-9, and A-10*

The distinction between war-related and military and defense expenditure is explained in Chapter 4. It is necessary, however, to describe in more detail the individual components of these forms of expenditure.

**INTEREST ON NATIONAL DEBT.** These figures represent interest on the debt of central government, after deduction of intergovernmental debt interest payments. They were compiled from Pember and Boyle, *British Government Securities in the Twentieth Century* (privately circulated).

While, as argued in Chapter 4, it is reasonable to regard interest on national debt as purely the consequence of war finance, it is appropriate to do so only in the case of central government debt. We discuss the question of the interest on all public debt in more detail in another context (see notes to Tables A-11 through A-14).

**WAR PENSIONS.** This figure includes pensions and allowances paid to members of the armed forces and mercantile marine, payments made for medical treatment to pensioners, and expenses of the administration (central and local) of war pensions.

**WAR DAMAGE COMPENSATION.** This includes payments made to individuals and businesses (but not local authorities) under the War Damage Acts of 1943 and 1949. For further details see C.S.O., *National Income Statistics, Sources and Methods*, pp. 203-204.

**RELEASE LEAVE PAY.** This represents the payments to demobilized ex-servicemen of the 1939-45 war for paid leave on release.

**WAR GRATUITIES.** These are the lump-sum payments to service personnel on demobilization from the 1939-45 war.

**DEFENSE EXPENDITURE.** The definition of military expenditure follows that of the C.S.O., and corresponds to that agreed upon by the North Atlantic Treaty Organization. It thereafter includes, as well as the expenditures of the three main Service departments, the major part of the expenditure of the Ministry of Supply and of the United Kingdom Atomic Energy Authority. To these items must be added civil defense expenditure. For further details, see *National Income Statistics, Sources and Methods*, pp. 249-253.

Statistics for war-related expenditures other than national debt interest payments are not to be found in the sources given above for some parts of the period. Since a random check indicated that these items were almost certainly of negligible importance, they are ignored.

**TABLE A-7**  
**GOVERNMENT EXPENDITURE FOR WAR-RELATED AND DEFENSE PURPOSES, AT CURRENT PRICES,**  
**SELECTED YEARS, 1890-1955**  
(millions of pounds)

<i>Year</i>	<i>War-Related Expenditure</i>							Total
	National Debt	War Pensions	War Damage Compensation	Release Leave Pay	War Gratuities	Defense	Total	
1890	23.8					34.9	58.7	
1895	22.7					43.1	65.8	
1900	19.6					134.9	154.5	
1905	24.4					63.1	87.5	
1910	20.2					74.3	94.5	
1913	18.7					91.3	110.0	
1920	324.8			104.7		519.7	949.2	
1921	307.8			98.3		270.0	676.1	
1922	298.8			84.5		168.7	552.0	
1923	301.7			74.5		134.9	511.1	
1924	305.4			70.3		130.9	506.6	
1925	304.5			67.6		133.6	505.7	
1926	310.3			64.1		133.6	508.0	
1927	308.3			60.6		130.0	498.9	
1928	305.1			57.5		125.1	487.7	
1929	304.2			54.8		123.9	482.9	

(continued)

TABLE A-7 (concluded)

Year	War-Related Expenditure								Total
	National Debt	War Pensions	War Compensation	War Damage Leave Pay	Release	War Gratuities	Defense	Total	
1930	290.9	52.4						119.2	462.5
1931	289.7	50.0						115.4	455.1
1932	281.2	47.5						110.4	439.1
1933	273.9	45.5						112.4	386.3
1934	251.9	43.7						118.9	370.8
1935	249.4	42.7						140.8	390.2
1936	247.4	41.7						183.0	430.4
1937	249.9	40.5						254.7	504.6
1938	212.5	39.4						469.0	720.9
1946	486	83	124	163	235	1,471	1,471	2,562	2,562
1947	519	89	257	36	61	846	846	1,808	1,808
1948	509	90	156	27	1	693	693	1,476	1,476
1949	507	89	160	5	—	760	760	1,521	1,521
1950	507	86	108	—	—	836	836	1,537	1,537
1951	550	84	80	—	—	1,293	1,293	2,007	2,007
1952	609	89	65	—	—	1,641	1,641	2,404	2,404
1953	638	89	67	—	—	1,725	1,725	2,519	2,519
1954	637	91	40	—	—	1,706	1,706	2,474	2,474
1955	707	93	26	—	—	1,606	1,606	2,432	2,432

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TABLE A-8

GOVERNMENT EXPENDITURE FOR WAR-RELATED AND DEFENSE PURPOSES, PER  
HEAD OF POPULATION, AT 1900 PRICES, SELECTED YEARS, 1890-1955  
(amounts in pounds; index, 1900 = 100)

<i>Year</i>	<i>War-Related</i>		<i>Defense</i>		<i>Total</i>	
	<i>Amount</i>	<i>Index</i>	<i>Amount</i>	<i>Index</i>	<i>Amount</i>	<i>Index</i>
1890	0.6	120	1.0	30	1.6	42
1895	0.6	120	1.2	36	1.8	47
1900	0.5	100	3.3	100	3.8	100
1905	0.6	120	1.5	45	2.1	55
1910	0.4	80	1.6	48	2.0	53
1913	0.4	80	1.9	58	2.3	61
1920	3.5	700	4.3	130	7.8	205
1921	3.6	720	2.4	73	6.0	158
1922	4.0	800	1.7	52	5.7	150
1923	4.1	820	1.5	45	5.6	147
1924	4.1	820	1.4	42	5.5	145
1925	4.0	800	1.5	45	5.5	145
1926	4.1	820	1.4	42	5.5	145
1927	4.1	820	1.4	42	5.5	145
1928	4.0	800	1.4	42	5.4	142
1929	4.0	800	1.4	42	5.4	142
1930	3.9	780	1.4	42	5.3	139
1931	4.1	820	1.4	42	5.5	145
1932	4.0	800	1.3	39	5.3	139
1933	3.4	680	1.4	42	4.8	126
1934	3.1	620	1.5	45	4.6	121
1935	3.1	620	1.7	52	4.8	126
1936	3.0	600	2.2	67	5.2	137
1937	2.9	580	3.0	91	5.9	155
1938	2.9	580	5.3	161	8.2	216
1946	7.3	1,460	9.9	300	17.2	453
1947	6.0	1,200	5.3	161	11.3	297
1948	4.5	900	4.0	121	8.5	224
1949	4.2	840	4.2	127	8.2	216
1950	3.8	760	4.5	136	8.3	218
1951	3.5	700	6.4	194	9.9	261
1952	3.6	720	7.6	230	11.2	295
1953	3.6	720	7.8	236	11.4	300
1954	3.4	680	7.6	230	11.0	289
1955	3.5	700	6.9	209	10.4	274

TABLE A-9

TOTAL GOVERNMENT EXPENDITURE AND EXPENDITURE FOR WAR-RELATED AND DEFENSE PURPOSES, AT CURRENT PRICES, 1890-1955  
(millions of pounds)

Year	Total Government Expenditure	National Debt	(1) Minus (2)	National Debt and Other War-Related	(1) Minus (4)	(4) Plus Defense	(1) Minus (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1890	130.6	23.8	106.8	23.8	106.8	58.7	71.9
1895	156.8	22.7	134.1	22.7	134.1	65.8	91.0
1900	280.8	19.6	261.2	19.6	261.2	154.5	126.3
1905	241.7	24.4	217.3	24.4	217.3	87.5	154.2
1910	272.0	20.2	251.8	20.2	251.8	94.5	177.5
1913	305.4	18.7	286.7	18.7	286.7	110.0	195.4
1920	1,592.1	324.8	1,267.3	429.5	1,162.6	949.2	642.9
1921	1,429.5	307.8	1,121.7	406.1	1,023.4	676.1	753.4
1922	1,177.3	298.8	878.5	383.3	794.0	552.0	625.3
1923	1,025.2	301.7	723.5	376.2	649.0	511.1	514.1
1924	1,027.0	305.4	721.6	375.7	651.3	506.6	520.4
1925	1,071.9	304.5	767.4	372.1	699.8	505.7	566.2
1926	1,106.3	310.3	796.0	374.4	731.9	508.0	598.3
1927	1,105.8	308.3	797.5	368.9	736.9	498.9	606.9
1928	1,094.7	305.1	789.6	362.6	732.1	487.7	607.0
1929	1,107.2	304.2	803.0	359.0	748.2	482.9	624.3

(continued)

TABLE A-9 (concluded)

Year	Total Government Expenditure	National Debt	(1) Minus (2)	National Debt and Other War-Related	(1) Minus (4)	(4) Plus Defense	(1) Minus (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1930	1,144.8	290.9	853.9	343.3	801.5	462.5	682.3
1931	1,173.5	289.7	883.8	339.7	833.8	455.1	718.4
1932	1,138.0	281.2	856.8	328.7	809.3	439.1	698.9
1933	1,066.0	228.4	837.6	273.9	792.1	386.3	679.7
1934	1,060.9	208.2	852.7	251.9	809.0	370.8	690.1
1935	1,117.4	206.7	910.7	249.4	868.0	390.2	727.2
1936	1,186.8	205.7	981.1	247.4	939.4	430.4	756.4
1937	1,303.5	209.4	1,094.1	249.9	1,053.6	504.6	798.9
1938	1,587.0	212.5	1,374.5	251.9	1,335.1	720.9	866.1
1946	4,530	486	4,044	1,091	3,439	2,562	1,968
1947	4,130	519	3,611	962	3,168	1,808	2,322
1948	4,215	509	3,706	783	3,432	1,476	2,739
1949	4,423	507	3,916	761	3,662	1,521	2,902
1950	4,539	507	4,032	701	3,838	1,537	3,002
1951	5,208	550	4,658	714	4,494	2,007	3,201
1952	5,777	609	5,168	763	5,014	2,404	3,373
1953	6,048	638	5,410	794	5,254	2,519	3,529
1954	5,976	637	5,339	768	5,208	2,474	3,502
1955	6,143	707	5,436	826	5,317	2,432	3,711

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TABLE A-10

GOVERNMENT EXPENDITURE OTHER THAN FOR WAR-RELATED PURPOSES,  
PER HEAD OF POPULATION, AT 1900 PRICES, SELECTED YEARS, 1890-1955  
(amounts in pounds; index, 1900 = 100)

YEAR	<i>Total Government Expenditure</i>		<i>National Debt</i>		GOVERNMENT EXPENDITURE LESS:			
	Amount	Index	Amount	Index	<i>National Debt and Other War-Related<sup>a</sup></i>		<i>War-Related and Defense</i>	
					Amount	Index	Amount	Index
1890	3.6	53	3.0	48	3.0	48	2.0	67
1895	4.4	65	3.8	60	3.8	60	2.6	87
1900	6.8	100	6.3	100	6.3	100	3.0	100
1905	5.6	82	5.0	79	5.0	79	3.5	117
1910	5.9	87	5.5	87	5.5	87	3.9	130
1913	6.2	91	5.8	92	5.8	92	3.9	130
1920	12.9	190	10.2	162	9.4	149	5.1	170
1921	12.5	184	9.8	156	8.9	141	6.5	217
1922	12.3	181	9.2	146	8.3	132	6.6	220
1923	11.3	166	8.0	127	7.2	114	5.7	190
1924	11.2	165	7.9	125	7.1	113	5.7	190
1925	11.7	172	8.4	133	7.7	122	6.2	207
1926	12.0	176	8.6	136	7.9	125	6.5	217
1927	12.3	181	8.9	141	8.2	130	6.8	227
1928	12.2	179	8.8	140	8.2	130	6.8	227
1929	12.4	182	9.0	143	8.4	133	7.0	233
1930	13.1	193	9.8	156	9.2	146	7.8	260
1931	14.1	207	10.6	168	10.0	159	8.6	287
1932	13.9	204	10.5	167	9.9	157	8.6	287
1933	13.2	194	10.4	165	9.8	156	8.4	280
1934	13.1	193	10.5	167	10.0	159	8.5	283
1935	13.7	201	11.2	178	10.6	168	8.9	297
1936	14.3	210	11.8	187	11.3	179	9.1	303
1937	15.1	222	12.7	202	12.2	194	9.2	307
1938	17.9	263	15.5	256	15.0	238	9.7	323
1946	29.9	440	26.7	424	22.6	359	12.7	423
1947	25.1	369	21.9	348	19.1	303	13.8	460
1948	23.6	347	20.7	328	19.1	303	15.1	503
1949	24.0	353	21.2	336	19.8	314	15.8	527
1950	23.8	350	21.1	335	20.0	317	15.5	517
1951	25.0	368	22.3	354	21.5	341	15.1	503
1952	26.0	382	23.2	368	22.4	356	14.8	493
1953	26.6	391	23.7	376	23.0	365	15.2	507
1954	25.9	381	23.1	367	22.5	357	14.9	497
1955	25.7	378	22.7	360	22.2	352	15.3	510

<sup>a</sup> War pensions, war damage compensation, release leave pay, and war gratuities.

APPENDIX

Tables A-11-A-12, A-13, and A-14

These tables give full details of the economic classification of government expenditures as a whole. For a full description of the various components, see *Sources and Methods*, Chapter 8. These definitions are considered briefly below.

TABLE A-11  
GOVERNMENT EXPENDITURE ON TRANSFERS AND SUBSIDIES, TOTALS AND PER HEAD,  
AT CURRENT AND 1900 PRICES, SELECTED YEARS, 1890-1955  
(index, 1900 = 100)

YEAR	AT CURRENT PRICES			AT 1900 PRICES		
	Total £ mn.	Per Head £	Index	Total £ mn.	Per Head £	Index
1890	33.7	.9	102	34.4	.9	95
1895	37.7	1.0	109	41.4	1.1	114
1900	36.2	.9	100	36.2	.9	100
1905	43.5	1.0	115	43.1	1.0	119
1910	55.1	1.2	140	52.5	1.2	145
1913	58.9	1.3	147	54.0	1.2	149
1915	90.4	2.0	222			
1917	251.1	5.4	612			
1918	310.8	6.7	759			
1920	602.5	13.8	1,565	216.7	5.0	599
1921	640.4	14.5	1,652	251.1	5.7	694
1922	574.1	13.0	1,472	263.3	5.9	727
1923	517.3	11.6	1,318	252.3	5.7	697
1924	506.6	11.3	1,282	248.3	5.5	686
1925	520.4	11.6	1,312	255.1	5.7	705
1926	534.3	11.8	1,342	261.9	5.8	723
1927	527.7	11.6	1,322	266.5	5.9	736
1928	534.1	11.7	1,332	269.7	5.9	745
1929	541.4	11.9	1,437	276.2	6.1	763

(continued)

TABLE A-11 (concluded)

YEAR	AT CURRENT PRICES			AT 1900 PRICES		
	Total £ mn.	Index	Per Head £	Total £ mn.	Index	Per Head £
1930	568.9	1,572	12.4	297.9	823	6.5
1931	593.1	1,638	12.9	327.7	905	7.1
1932	595.2	1,644	12.9	334.4	924	7.2
1933	538.6	1,488	11.6	309.5	855	6.7
1934	519.3	1,435	11.1	298.4	824	6.4
1935	523.5	1,446	11.2	300.9	831	6.4
1936	514.6	1,422	10.9	292.4	808	6.2
1937	516.0	1,425	10.9	285.1	788	6.0
1938	545.6	1,507	11.5	294.9	815	6.2
1939	543	1,500	11.4			
1940	647	1,787	13.4			
1941	978	2,702	20.3			
1942	1,039	2,870	21.5			
1943	1,117	3,086	22.9			
1944	1,141	3,152	23.3			
1945	1,425	3,936	29.0			
1946	2,181	6,025	44.3	720	1,989	14.6
1947	2,092	5,779	42.2	646	1,785	13.0
1948	2,009	5,550	40.5	574	1,586	11.6
1949	2,005	5,539	40.2	559	1,544	11.2
1950	2,031	5,610	40.5	549	1,517	10.9
1951	1,970	5,442	39.2	490	1,354	9.8
1952	2,088	5,768	41.4	492	1,359	9.8
1953	2,157	5,959	42.6	498	1,376	9.8
1954	2,211	6,108	43.5	503	1,390	9.9
1955	2,333	6,445	45.8	513	1,417	10.1

TABLE A-12

GOVERNMENT EXPENDITURE ON GOODS AND SERVICES, TOTAL, PER HEAD, AND AS PERCENTAGE  
OF TOTAL GOVERNMENT EXPENDITURE AND GROSS NATIONAL PRODUCT, AT CURRENT  
AND 1900 PRICES, SELECTED YEARS, 1890-1955  
(index, 1900 = 100)

YEAR	AT CURRENT PRICES				AT 1900 PRICES				AS PERCENTAGE OF:			
	Total		Per Head		Total		Per Head		Total Expenditure		GNP	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	At Current Prices	At 1900 Prices	At Current Prices	At 1900 Prices
1890	96.9	40	2.6	43	98.9	40	2.6	44	74	74	7	7
1895	119.1	49	3.0	51	130.9	54	3.3	56	76	76	8	8
1900	244.6	100	5.9	100	244.6	100	5.9	100	87	87	13	13
1905	198.2	81	4.6	77	198.6	81	4.6	77	82	82	10	10
1910	216.9	89	4.8	81	211.1	86	4.7	79	80	80	10	10
1913	246.5	101	5.4	91	230.2	94	5.0	85	81	81	10	10
1915	867.7	355	18.7	315					91	91	32	32
1917	1,264.4	517	27.1	456					83	83	33	33
1918	2,116.2	865	45.5	765					87	87	45	45
1920	989.6	405	22.6	381	348.6	143	8.0	134	62	62	16	16
1921	789.1	323	17.9	302	301.1	123	6.8	115	55	55	16	16
1922	603.2	247	13.6	229	281.2	115	6.3	107	51	52	14	14
1923	507.9	208	11.4	192	250.7	102	5.6	95	50	50	12	12
1924	520.4	213	11.6	195	256.5	105	5.7	96	51	51	12	12
1925	551.5	225	12.2	206	270.3	111	6.0	101	52	51	12	12
1926	572.0	234	12.6	213	279.8	114	6.2	104	52	52	13	13
1927	578.1	236	12.7	214	291.1	119	6.4	108	52	52	13	13
1928	560.6	229	12.3	207	285.1	117	6.3	105	51	51	12	12
1929	565.8	231	12.4	208	291.1	119	6.4	107	51	51	12	12

(continued)

TABLE A-12 (concluded)

YEAR	AT CURRENT PRICES				AT 1900 PRICES				AS PERCENTAGE OF:			
	Total		Per Head		Total		Per Head		Total Expenditure		GNP	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	At Current Prices	At 1900 Prices	At Current Prices	At 1900 Prices
1930	575.9	235	12.6	211	303.9	124	6.6	111	50	50	13	13
1931	580.4	237	12.6	212	322.6	132	7.0	118	50	48	14	14
1932	542.8	222	11.7	197	307.8	126	6.6	112	48	50	14	14
1933	527.4	216	11.3	191	306.4	125	6.6	111	50	50	13	13
1934	541.6	221	11.6	195	313.6	128	6.7	113	51	51	13	13
1935	593.9	243	12.7	213	342.3	140	7.3	123	53	53	13	13
1936	672.2	275	14.3	240	380.0	155	8.1	136	57	57	14	14
1937	787.5	322	16.7	280	428.6	175	9.1	152	60	60	16	15
1938	1,041.4	426	21.9	369	556.3	227	11.7	197	66	65	20	20
1939	1,417.0	579	29.7	499					72	72	26	26
1940	3,258.0	1,332	67.6	1,137					83	83	50	50
1941	4,360.0	1,783	90.4	1,522					82	82	59	59
1942	4,821.0	1,971	99.6	1,676					82	82	60	60
1943	5,148.0	2,105	105.5	1,775					82	82	61	61
1944	5,162.0	2,110	105.3	1,772					82	82	59	59
1945	4,354.0	1,780	88.5	1,490					75	75	50	50
1946	2,349.0	960	47.7	803	754.0	308	15.3	258	52	51	27	27
1947	2,038.0	833	41.1	692	597.0	244	12.0	203	49	48	22	21
1948	2,206.0	902	44.5	748	595.0	243	12.0	202	52	51	21	21
1949	2,418.0	989	48.4	815	640.0	262	12.8	216	55	53	22	22
1950	2,508.0	1,025	50.0	841	646.0	264	12.9	217	55	54	22	21
1951	3,238.0	1,324	64.5	1,085	765.0	313	15.2	256	62	61	25	25
1952	3,689.0	1,508	73.1	1,231	819.0	335	16.2	273	64	63	26	26
1953	3,891.0	1,591	76.9	1,294	848.0	347	16.8	282	64	63	26	26
1954	3,765.0	1,539	74.1	1,247	812.0	332	16.0	269	63	62	24	24
1955	3,810.0	1,558	74.8	1,258	796.0	325	15.6	263	62	61	23	23

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TABLE A-13

GOVERNMENT EXPENDITURE ON CAPITAL ACCOUNT, TOTALS AND PER HEAD,  
AT CURRENT AND 1900 PRICES, SELECTED YEARS, 1890-1955  
(index, 1900 = 100)

YEAR	AT CURRENT PRICES				AT 1900 PRICES			
	Total		Per Head		Total		Per Head	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index
1890	10.2	20	0.3	22	10.4	21	0.3	23
1895	21.0	42	0.5	44	23.1	46	0.6	48
1900	50.4	100	1.2	100	50.4	100	1.2	100
1905	38.4	76	0.9	73	40.4	80	0.9	76
1910	45.1	89	1.0	82	47.5	94	1.1	87
1913	39.2	78	0.9	70	40.0	79	0.9	72
1915	43.4	86	0.9	77				
1917	91.6	182	2.0	161				
1918	105.8	210	2.3	186				
1920	101.9	202	2.3	191	29.3	58	0.7	55
1921	150.0	298	3.4	280	50.5	100	1.2	94
1922	109.5	217	2.5	202	54.7	109	1.2	101
1923	72.4	144	1.6	133	38.3	76	0.9	70
1924	81.7	162	1.8	149	41.5	82	0.9	75
1925	104.6	208	2.3	190	51.2	102	1.1	93
1926	121.3	241	2.7	220	58.9	117	1.3	107
1927	128.0	254	2.8	231	63.8	127	1.4	116
1928	108.7	216	2.4	195	56.9	113	1.3	102
1929	112.1	222	2.5	201	59.6	118	1.3	107
1930	119.7	237	2.6	214	65.1	129	1.4	116
1931	126.9	252	2.8	226	72.0	143	1.6	128
1932	103.6	206	2.2	184	61.1	121	1.3	108
1933	88.5	176	1.9	156	54.2	108	1.2	96
1934	87.8	174	1.9	154	52.8	105	1.1	93
1935	103.7	206	2.2	181	60.6	120	1.3	106
1936	132.8	263	2.8	231	73.5	146	1.6	128
1937	175.1	347	3.7	303	90.3	179	1.9	157
1938	218.7	434	4.6	377	111.6	221	2.4	193
1939	177.0	351	3.7	304				
1940	114.0	226	2.4	193				
1941	76.9	151	1.6	130				
1942	61.0	121	1.3	103				
1943	48.0	95	1.0	80				
1944	41.0	81	.8	69				
1945	97.0	192	2.0	161				
1946	58.0	115	1.2	97	-2.0	-4	—	-3
1947	295.0	585	6.0	488	59.0	117	1.2	98
1948	445.0	883	9.0	735	92.0	183	1.9	152
1949	441.0	875	8.8	724	90.0	179	1.8	148
1950	437.0	867	8.7	714	86.0	171	1.7	140
1951	798.0	1,583	15.9	1,302	158.0	313	3.2	258
1952	799.0	1,585	15.8	1,298	137.0	272	2.7	223
1953	841.0	1,669	16.6	1,362	143.0	284	2.8	232
1954	637.0	1,264	12.5	1,028	102.0	202	2.0	165
1955	618.0	1,226	12.1	994	95.0	188	1.9	152

TABLE A-14

GOVERNMENT EXPENDITURE ON CURRENT ACCOUNT, TOTALS, PER HEAD, AND AS PERCENTAGE  
OF TOTAL GOVERNMENT EXPENDITURE AND GROSS NATIONAL PRODUCT, CURRENT  
AND 1900 PRICES, SELECTED YEARS, 1890-1955

YEAR	AT CURRENT PRICES				AT 1900 PRICES				AS PERCENTAGE OF:			
	Total		Per Head		Total		Per Head		Total Expenditure		GNP	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	At Current Prices	At 1900 Prices	At Current Prices	At 1900 Prices
1890	120.4	52	3.2	57	122.9	53	3.3	59	92	92	8	8
1895	135.8	59	3.5	62	149.2	65	3.8	68	87	87	9	9
1900	230.4	100	5.6	100	230.4	100	5.6	100	82	82	12	12
1905	203.3	88	4.7	84	201.3	87	4.7	83	84	83	10	10
1910	226.9	98	5.1	90	216.1	94	4.8	86	83	82	11	11
1913	266.2	116	5.8	104	244.2	106	5.3	96	87	86	11	11
1915	914.7	397	19.7	352					95	95	33	33
1917	1,423.9	618	30.5	545					94	94	37	37
1918	2,321.2	1,007	49.9	890					96	96	49	49
1920	1,490.2	647	34.1	608	536.0	233	12.3	219	94	95	25	25
1921	1,279.5	555	29.1	519	501.7	218	11.4	204	90	91	26	26
1922	1,067.8	463	24.1	430	489.8	213	11.1	197	91	90	25	25
1923	952.8	414	21.4	382	464.7	202	10.4	186	93	92	23	23
1924	945.3	410	21.1	376	463.3	201	10.3	184	92	92	22	22
1925	967.3	420	21.5	383	474.2	206	10.5	188	90	90	22	22
1926	985.0	428	21.8	389	482.8	210	10.7	191	89	89	23	23
1927	977.8	424	21.5	385	493.8	214	10.9	194	88	89	21	21
1928	986.0	428	21.6	386	497.9	216	10.9	195	90	90	22	22
1929	995.1	432	21.8	389	507.7	220	11.1	198	90	89	22	21

(continued)

TABLE A-14 (concluded)

YEAR	AT CURRENT PRICES				AT 1900 PRICES				AS PERCENTAGE OF:			
	Total		Per Head		Total		Per Head		Total Expenditure		GNP	
	£ mn.	Index	£	Index	£ mn.	Index	£	Index	At Current Prices	At 1900 Prices	At Current Prices	At 1900 Prices
1930	1,025.1	445	22.4	399	536.7	233	11.7	209	90	89	23	23
1931	1,046.6	454	22.7	406	578.3	251	12.6	224	89	89	26	26
1932	1,034.4	449	22.3	399	581.1	252	12.5	224	91	90	26	24
1933	977.5	424	21.0	375	561.7	244	12.1	216	92	91	24	24
1934	973.1	422	20.9	372	559.2	243	12.0	214	92	91	22	23
1935	1,013.7	440	21.6	386	582.6	253	12.4	222	91	91	22	22
1936	1,054.0	457	22.4	400	598.9	260	12.7	227	89	89	22	22
1937	1,128.4	490	23.9	426	623.4	271	13.2	235	87	87	22	23
1938	1,368.3	594	28.8	514	739.6	321	15.6	278	86	87	26	26
1939	1,783.0	774	37.3	667					91		32	
1940	3,791.0	1,645	78.6	1,404					97		58	
1941	5,262.0	2,284	109.1	1,949					99		71	
1942	5,799.0	2,517	119.8	2,139					99		72	
1943	6,217.0	2,698	127.4	2,276					99		73	
1944	6,262.0	2,718	127.8	2,281					99		72	
1945	5,682.0	2,466	115.5	2,063					98		65	
1946	4,472.0	1,941	90.9	1,622	1,476.0	641	30.0	536	99	100	51	52
1947	3,835.0	1,664	77.4	1,381	1,184.0	514	23.9	426	93	95	41	42
1948	3,770.0	1,636	76.0	1,357	1,077.0	467	21.7	387	89	92	36	38
1949	3,982.0	1,728	79.8	1,424	1,109.0	481	22.2	397	90	92	36	37
1950	4,102.0	1,780	81.8	1,460	1,109.0	481	22.1	395	90	93	35	37
1951	4,410.0	1,914	87.8	1,568	1,097.0	476	21.8	390	85	87	34	36
1952	4,978.0	2,161	98.7	1,762	1,174.0	510	23.3	416	86	90	36	37
1953	5,207.0	2,260	102.9	1,837	1,203.0	522	23.8	424	86	89	35	37
1954	5,339.0	2,317	105.1	1,877	1,213.0	526	23.9	427	89	92	34	35
1955	5,525.0	2,398	108.4	1,936	1,214.0	527	23.8	425	90	93	33	35

## APPENDIX

### *Government Expenditure on Current Account*

This item includes government current expenditure on goods and services and government transfers to persons and subsidies.

Current expenditure on goods and services comprises payments for services of employees and purchases of goods and services by nontrading branches of government. It will be recalled that certain trading services, notably the Post Office, were included in the government sector, but their current payments were regarded as self-liquidating and are not therefore included in this total. While services rendered between nontrading branches of the government will disappear on consolidation, payments to the Post Office for telephone and postal facilities will not. Generally speaking, allowance is made in the payments to employees for pension payments, but practice depends on the type of scheme. Thus, while payments under noncontributory schemes are simply included in this subtotal, only contributions by the government as employer are included in contributory schemes. There are exceptions to these rules.

Transfers include current grants to persons, or for persons through nonprofit bodies, resident in the United Kingdom, and national debt interest payments. Reasons have been given for regarding the deficit on current account for housing services as a transfer to persons rather than a subsidy, while the C.S.O. regards it as a subsidy. A more important difference arises concerning public debt interest. The C.S.O. includes debt interest paid by local authorities as a transfer payment. It seems to us more reasonable, at least for our purpose, to treat interest paid by local authorities as loan charges. Local authority borrowing has its counterpart in fixed assets—notably houses—and does not represent loans outstanding as a result of war borrowing as central government debt does. Accordingly, local debt interest payments appear as part of current expenditure on goods and services. The main items under this general heading are national insurance benefits, notably pensions, and national assistance payments such as family allowances and poor relief. Certain grants to persons and other bodies, especially grants abroad and war gratuities, are included in this total rather than in capital expenditure. We follow C.S.O. procedure for those grants, except that we include capital transfers abroad as well.

Subsidies represent payments to producers which may reduce selling prices below factor costs of production. Defining a producer raises a number of difficulties. It is to be noted, for example, that universities receiving grants through the University Grants Committee are treated as part of the personal sector, so that these payments represent transfers to persons. The main items under this heading are agriculture and food subsidies.

## APPENDIX

### *Government Expenditure on Capital Account*

This category can be divided into two sections: gross fixed capital formation, and changes in the value of stocks.

The difficulties of dividing government expenditure on goods and services between current and capital items are well known. It could be claimed, for example, that some welfare services, such as education, represent capital investment in a wide sense, for they may increase national productivity. The main items of gross fixed capital formation included here are expenditures on housing, roads, airports, factories (including factories leased to private industry in development areas), undertaken by government nontrading bodies, and capital expenditure by such trading bodies as the Post Office at the central level.

Changes in the value of stocks have only become an important item since World War II. Stocks now held by the government include strategic reserves of food and raw materials, surplus war stores, and stocks of trading bodies included in the public sector. Increase in stocks is calculated by taking the costs of purchases less receipts from sales. In some years this item has been negative because of the large sales of surplus war stores.

### *Tables A-15, A-16, and A-17*

These tables show the growth of government expenditure by functional categories. The items classified under each heading are listed below. We have already noted certain discrepancies from the C.S.O. classification, but in general our classification follows it closely and, indeed, much of the information summarized below is extracted from *Sources and Methods*. There are eight main categories.

1. **GENERAL ADMINISTRATION.** This category includes the costs of finance and tax collection and the costs of providing common services such as the heating and lighting of government buildings, stationery, and printing. It includes also the costs of electoral and parliamentary machinery; the costs of maintaining the offices of the Registrar-General, Public Records, and Royal Commissioners; and a host of minor services. In other words, it is rather a hodgepodge, for it does not include the costs of administration (if these could be defined) of individual services, such as education, health, and so on, which are included under the separate categories below. There is no possibility of separating these costs from other costs. Comparability between official estimates for postwar years and our own estimates (for the central government, based on the Cambridge study mentioned above) demands that we accept this rather heterogeneous category.

2. **NATIONAL DEBT.** This category is simply a record of the interest on

## APPENDIX

the national debt paid to other sectors of the economy and paid abroad. It excludes intergovernmental payments, such as the interest paid to the Post Office Savings Bank Fund and to the National Insurance Fund.

3. **LAW AND ORDER.** This category includes expenditure for the police force, and for prisons, law courts, judges' salaries, public prosecutions, and so on.

4. **OVERSEAS SERVICES.** This category covers expenditures at home and abroad arising from the nation's external relations, such as expenditures of the Foreign Office, colonial administration, the British Council, and overseas broadcasting. It does not include grants to separate colonial territories or to other countries. Expenditure on defense abroad is included under the next heading.

5. **MILITARY AND DEFENSE.** This category consists of three subcategories:

Expenditure of service departments, undertaken in order to maintain the fighting forces on air, land, and sea.

Other military expenditure, consisting of the costs of maintaining the Ministry of Defence, the research expenditure of the Ministry of Supply, subsidies to colonial defense services, expenditure of the Ministry of Labour and National Service in calling up servicemen.

Civil defense expenditure, being current expenditure by both central and local government on training and organization of civil defense.

6. **SOCIAL SERVICES.** This category covers education and child care, health services, national insurance (unemployment, sickness benefits, retirement pensions, etc.), national assistance (relief of the poor and family allowances), housing (subsidies and capital expenditure), and food subsidies.

7. **ECONOMIC SERVICES.** This category can be divided into four parts:

Services to agriculture, forestry, and fishing, covering expenditures of the Ministry of Agriculture, Fisheries and Food and its Scottish counterparts, and other government departments aiding these activities.

Industry and commerce, in large part representing expenditure of the Board of Trade, but after 1946 including expenditure of the Ministry of Power. Some government expenditure on industrial research is also included.

Transport, chiefly the cost of maintaining the Ministry of Transport, which covers also the salaries of coast guards and expenditure on mercantile marine services, and also the expenditures of the Ministry of Civil Aviation and meteorological services provided by the Air Ministry.

Employment, representing the expenditure of the Ministry of Labour on employment exchanges, and on administration of industrial services for the disabled.



TABLE A-15 (continued)

Year	Admini- stration and Other	National Debt	Law and Order	Overseas Services	Military Defense	Social Services	Economic Services	Environ- mental Services	All Services
1930	46.4	290.9	31.9	1.4	119.2	484.7	132.4	37.9	1,144.8
1931	46.3	289.7	31.8	1.2	115.4	516.8	130.7	41.6	1,173.5
1932	45.1	281.2	30.8	1.3	110.4	511.1	116.6	41.5	1,138.0
1933	44.3	228.4	30.9	1.7	112.4	497.2	111.8	39.3	1,066.0
1934	45.5	208.2	31.9	1.2	118.9	498.3	117.1	39.8	1,060.9
1935	48.2	206.7	34.0	1.2	140.8	519.2	125.5	41.8	1,117.4
1936	50.2	205.7	35.9	1.5	183.0	532.7	132.5	45.3	1,186.8
1937	54.8	209.4	37.2	1.6	254.7	554.4	141.6	49.7	1,303.5
1938	60.6	212.5	38.7	3.0	473.2	596.3	151.4	51.3	1,587.0
1950	175	507	79	179	836	2,094	572	97	4,539
1951	168	550	87	85	1,293	2,234	681	110	5,208
1952	167	609	96	77	1,641	2,438	629	120	5,777
1953	173	638	105	73	1,725	2,588	609	137	6,048
1954	179	637	110	72	1,706	2,611	518	143	5,976
1955	182	707	115	80	1,606	2,739	531	183	6,143

(continued)

TABLE A-15 (continued)

Year	Admini- stration and Other	National Debt	Law and Order	Overseas Services	Military Defense	Social Services	Economic Services	Environ- mental Services	PERCENTAGE OF TOTAL GOVERNMENT EXPENDITURE								
1890	12.1	18.2	6.9	.3	26.7	20.9	11.0	3.8									
1895	10.4	14.5	5.4	.5	27.5	25.3	11.7	4.7									
1900	5.9	7.0	3.5	.4	48.0	18.0	13.0	4.3									
1905	8.1	10.1	4.8	.6	26.1	28.3	16.3	5.7									
1910	8.1	7.4	4.7	.4	27.3	32.8	13.9	5.3									
1913	6.9	6.1	5.7	.4	29.9	33.0	12.9	5.0									
1915	2.8	6.0	1.4	.2	74.8	9.7	3.7	1.3									
1917	1.8	12.2	.8	.2	74.1	8.4	1.6	.8									
1918	1.3	10.9	.7	.1	80.6	4.7	1.1	.6									
1920	4.5	20.4	2.1	.2	32.6	25.9	12.8	1.6									
1921	4.9	21.5	2.6	.3	18.9	34.3	15.4	2.0									
1922	5.0	25.4	2.8	.2	14.3	35.9	13.9	2.4									
1923	5.1	29.4	2.9	.4	13.2	35.0	11.2	2.9									
1924	5.0	29.7	2.9	.3	12.7	35.5	10.9	3.0									
1925	4.6	28.4	2.8	.1	12.5	36.3	12.3	3.0									
1926	4.5	28.0	2.7	.1	12.1	38.4	11.3	2.9									
1927	4.3	27.9	2.8	.1	11.8	39.4	10.8	2.9									
1928	4.5	27.9	2.8	.1	11.4	39.7	10.7	2.9									
1929	4.3	27.5	2.8	.2	11.2	39.6	11.4	3.0									

(continued)

TABLE A-15 (concluded)

Year	Admini- stration and Other	National Debt	Law and Order	Overseas Services	Military Defense	Social Services	Economic Services	Environ- mental Services
PER CENT OF TOTAL GOVERNMENT EXPENDITURE								
1930	4.1	25.4	2.8	.1	10.4	42.3	11.6	3.3
1931	3.9	24.7	2.7	.1	9.8	44.0	11.1	3.5
1932	4.0	24.7	2.7	.1	9.7	44.9	10.2	3.6
1933	4.2	21.4	2.9	.2	10.5	46.6	10.5	3.7
1934	4.3	19.6	3.0	.1	11.2	47.0	11.0	3.8
1935	4.3	18.5	3.0	.1	12.6	46.5	11.2	3.7
1936	4.2	17.3	3.0	.1	15.4	44.9	11.2	3.8
1937	4.2	16.1	2.9	.1	19.5	42.5	10.9	3.8
1938	3.8	13.4	2.4	.2	29.8	37.6	9.5	3.2
1950	3.9	11.2	1.7	3.9	18.5	46.1	12.6	2.1
1951	3.2	10.6	1.7	1.6	24.8	42.9	13.1	2.1
1952	2.9	10.5	1.7	1.3	28.4	42.2	10.9	2.1
1953	2.9	10.5	1.7	1.2	28.5	42.8	10.1	2.3
1954	3.0	10.7	1.8	1.2	28.5	43.7	8.7	2.4
1955	3.0	11.5	1.9	1.3	26.1	44.6	8.6	3.0

TABLE A-16

TOTAL GOVERNMENT EXPENDITURE BY FUNCTION, PER HEAD OF POPULATION, AT CURRENT PRICES, SELECTED YEARS, 1890-1955  
(pounds per head)

Year	Administration	National Debt	Law and Order	Overseas Services	Military	Social Services	Economic Services	Environmental Services	All Services
1890	0.4	0.6	0.2	—	1.0	0.8	0.4	0.1	3.5
1895	0.4	0.6	0.2	—	1.1	1.0	0.5	0.2	4.0
1900	0.4	0.5	0.2	—	3.3	1.2	0.9	0.3	6.8
1905	0.4	0.6	0.3	—	1.5	1.6	0.9	0.3	5.6
1910	0.5	0.5	0.3	—	1.7	2.0	0.8	0.3	6.1
1913	0.5	0.4	0.4	—	2.0	2.2	0.9	0.3	6.7
1915	0.6	1.2	0.3	—	15.5	2.0	0.8	0.3	20.7
1917	0.6	4.0	0.3	—	24.1	2.7	0.5	0.3	32.5
1918	0.7	5.7	0.3	0.1	42.0	2.4	0.6	0.3	52.1
1920	1.6	7.4	0.8	0.1	11.9	9.4	4.6	0.6	36.4
1921	1.6	7.0	0.9	0.1	6.1	11.1	5.0	0.7	32.5
1922	1.3	6.7	0.8	0.1	3.8	9.5	3.7	0.7	26.6
1923	1.2	6.7	0.7	0.1	3.0	8.0	2.6	0.7	23.0
1924	1.1	6.8	0.7	0.1	2.9	8.1	2.5	0.7	22.9
1925	1.1	6.8	0.7	—	3.0	8.6	2.9	0.7	23.8
1926	1.1	6.9	0.7	—	2.9	9.4	2.8	0.7	24.5
1927	1.1	6.8	0.7	—	2.9	9.6	2.6	0.7	24.4
1928	1.1	6.7	0.7	—	2.7	9.5	2.6	0.7	24.0
1929	1.0	6.7	0.7	—	2.7	9.6	2.8	0.7	24.2

(continued)

TABLE A-16 (concluded)

Year	Administration	National Debt	Law and Order	Overseas Services	Military	Social Services	Economic Services	Environmental Services	All Services
1930	1.1	6.3	0.7	—	2.6	10.6	2.9	0.8	25.0
1931	1.0	6.3	0.7	—	2.5	11.2	2.9	0.9	25.5
1932	1.0	6.1	0.7	—	2.4	11.0	2.5	0.9	24.6
1933	1.0	4.9	0.7	—	2.4	10.7	2.4	0.8	22.9
1934	1.0	4.5	0.7	—	2.5	10.7	2.5	0.8	22.7
1935	1.0	4.4	0.7	—	3.0	11.1	2.7	0.9	23.8
1936	1.1	4.4	0.7	—	3.9	11.3	2.8	1.0	25.2
1937	1.2	4.4	0.8	—	5.4	11.7	3.0	1.1	27.6
1938	1.3	4.5	0.8	0.1	9.9	12.5	3.2	1.1	33.4
1950	3.5	10.1	1.6	3.6	16.7	41.7	11.4	1.9	90.5
1951	3.3	11.0	1.7	1.7	25.7	44.5	13.6	2.2	103.7
1952	3.3	12.1	1.9	1.5	32.5	48.3	12.5	2.4	114.5
1953	3.4	12.6	2.1	1.5	34.1	51.1	12.0	2.7	119.5
1954	3.5	12.6	2.2	1.4	33.6	51.4	10.2	2.8	117.7
1955	3.6	13.9	2.2	1.6	31.5	53.4	10.4	3.6	120.5

TABLE A-17

TOTAL GOVERNMENT EXPENDITURE BY FUNCTION, AT CURRENT PRICES, AS PERCENTAGE OF GROSS NATIONAL PRODUCT,  
SELECTED YEARS, 1890-1955

Year	Administration	National Debt	Law and Order	Overseas Services	Military	Social Services	Economic Services	Environmental Services	All Services
1890	1.1	1.6	0.6	—	2.4	1.9	1.0	0.3	8.9
1895	1.1	1.5	0.6	0.1	2.9	2.6	1.2	0.5	10.4
1900	0.8	1.0	0.5	0.1	6.9	2.6	1.9	0.6	14.4
1905	1.0	1.2	0.6	0.1	3.2	3.5	2.0	0.7	12.3
1910	1.0	0.9	0.6	0.1	3.5	4.2	1.8	0.7	12.7
1913	0.9	0.8	0.7	—	3.7	4.1	1.6	0.6	12.4
1915	1.0	2.1	0.5	0.1	26.2	3.4	1.3	0.5	35.0
1917	0.7	4.8	0.3	0.1	28.9	3.3	0.6	0.3	39.1
1918	0.7	5.6	0.3	0.1	41.7	2.4	0.6	0.3	51.7
1920	1.2	5.4	0.5	—	8.6	6.8	3.3	0.4	26.2
1921	1.4	6.3	0.8	0.1	5.6	10.1	4.5	0.6	29.4
1922	1.4	7.1	0.8	0.1	4.0	10.0	3.9	0.7	27.8
1923	1.2	7.1	0.7	0.1	3.2	8.5	2.7	0.7	24.2
1924	1.2	7.0	0.7	0.1	3.0	8.4	2.6	0.7	23.7
1925	1.1	6.9	0.7	—	3.0	8.8	3.0	0.7	24.2
1926	1.2	7.2	0.7	—	3.1	9.9	2.9	0.7	25.7
1927	1.0	6.7	0.7	—	2.8	9.5	2.6	0.7	24.1
1928	1.1	6.7	0.7	—	2.8	9.6	2.6	0.7	24.2
1929	1.0	6.6	0.7	—	2.7	9.5	2.7	0.7	23.9

(continued)

TABLE A-17 (concluded)

Year	Administration	National Debt	Law and Order	Overseas Services	Military	Social Services	Economic Services	Environmental Services	All Services
1930	1.1	6.6	0.7	—	2.7	11.1	3.0	0.9	26.1
1931	1.1	7.1	0.8	—	2.8	12.7	3.2	1.0	28.8
1932	1.1	7.1	0.8	—	2.8	12.9	2.9	1.0	28.6
1933	1.1	5.5	0.7	—	2.7	12.0	2.7	0.9	25.7
1934	1.1	4.8	0.7	—	2.7	11.5	2.7	0.9	24.5
1935	1.1	4.5	0.7	—	3.1	11.3	2.7	0.9	24.4
1936	1.0	4.3	0.7	—	3.8	11.1	2.8	0.9	24.7
1937	1.1	4.1	0.7	—	5.0	10.9	2.8	1.0	25.7
1938	1.1	4.0	0.7	0.1	8.9	11.3	2.9	1.0	30.0
1950	1.5	4.4	0.7	1.5	7.2	18.0	4.9	0.8	39.0
1951	1.3	4.3	0.7	0.7	10.1	17.5	5.3	0.9	40.7
1952	1.2	4.4	0.7	0.6	11.8	17.5	4.5	0.9	41.5
1953	1.2	4.3	0.7	0.5	11.6	17.4	4.1	0.9	40.7
1954	1.1	4.0	0.7	0.5	10.7	16.4	3.3	0.9	37.6
1955	1.1	4.2	0.7	0.5	9.6	16.3	3.2	1.1	36.6

## APPENDIX

### *Tables A-18, A-19, A-20, A-21, A-22, A-23, and A-24*

The sources of these tables were described in the general notes on government expenditure. The revenue figures in Table A-16 are from the same sources.

The general method of classification is that found in *Sources and Methods*. There are, however, two exceptions. The first, housing expenditure, was discussed above. The second is that we include the Metropolitan Police Force in the local government figures, while this category appears in the central government figures in the C.S.O. classification. We regard it as more appropriate to treat it as local expenditure, although the Metropolitan Police Force is financed entirely by the central government.

In view of our treatment of local debt interest as part of expenditure on goods and services, loan charges are allocated to specific services according to the treatment in *Local Government Financial Statistics*.

The statistics of social services transfer payments by type (Table A-24) use the sources given in *Sources and Methods* for education transfers, and the returns on poor relief in *British Parliamentary Papers* for expenditures on poor relief.

TABLE A-18  
 LOCAL GOVERNMENT CURRENT EXPENDITURE BY FUNCTION AND REVENUE  
 SOURCE, CURRENT PRICES, SELECTED YEARS, 1890-1955  
 (millions of pounds)

YEAR	ADMINISTRATION AND OTHER <i>Met by:</i>			Total	LAW AND ORDER <i>Met by:</i>	
	Total	Allocated Grants	Other Sources		Allocated Grants	Other Sources
1890						
1895						
1900						
1905						
1910						
1913						
1915						
1917						
1918						
1920	19.0	1.0	18.0	21.6	10.3	11.3
1921	17.7	0.6	17.1	23.1	10.6	12.5
1922	16.3	0.5	15.8	21.2	10.2	11.0
1923	15.5	0.7	14.8	20.3	9.8	10.5
1924	15.7	0.7	15.0	20.9	10.1	10.8
1925	15.9	0.7	15.2	22.0	10.7	11.3
1926	16.3	0.6	15.7	23.1	11.3	11.8
1927	16.9	0.5	16.4	23.5	11.4	12.1
1928	17.7	0.5	17.2	23.8	11.5	12.3
1929	15.2	0.5	14.7	24.1	11.7	12.4
1930	14.7	0.5	14.2	24.7	11.9	12.8
1931	14.3	0.5	13.8	24.9	12.0	12.9
1932	13.7	0.5	13.2	24.3	11.5	12.8
1933	13.9	0.5	13.4	24.2	11.5	12.7
1934	14.4	0.5	13.9	24.9	11.9	13.0
1935	15.6	0.5	15.1	26.5	12.7	13.8
1936	15.5	0.5	15.0	27.7	13.3	14.4
1937	17.0	0.4	16.6	28.6	13.8	14.8
1938	18.6	0.4	18.2	29.5	14.3	15.2
1939	19.6	0.9	18.7	33.8	17.1	16.7
1940	25.1	5.0	20.1	37.5	20.0	17.5
1941	33.6	11.9	21.7	41.1	22.5	18.6
1942	36.1	13.6	22.5	42.1	23.7	18.4
1943	35.5	13.3	22.2	41.3	23.1	18.2
1944	36.8	14.7	22.1	40.2	22.1	18.1
1945	38.7	15.8	22.9	40.0	20.6	19.4
1946	35.0	5.0	30.0	39.0	20.0	19.0
1947	41.0	7.0	34.0	44.0	22.0	22.0
1948	47.0	7.0	40.0	48.0	24.0	24.0
1949	48.0	6.0	42.0	52.0	25.0	27.0
1950	48.0	4.0	44.0	57.0	27.0	30.0
1951	49.0	3.0	46.0	63.0	30.0	33.0
1952	47.0	3.0	44.0	69.0	34.0	35.0
1953	49.0	3.0	46.0	75.0	36.0	39.0
1954	46.0	3.0	43.0	79.0	38.0	41.0
1955	51.0	3.0	48.0	83.0	41.0	42.0

TABLE A-18 (continued)

YEAR	CIVIL DEFENSE <sup>a</sup> <i>Met by:</i>			SOCIAL SERVICES <i>Met by:</i>		
	Total	Allocated Grants	Other Sources	Total	Allocated Grants	Other Sources
1890						
1895						
1900						
1905						
1910						
1913						
1915						
1917						
1918						
1920	—	—	—	124.3	48.2	76.1
1921	—	—	—	145.3	56.0	89.3
1922	—	—	—	145.7	54.2	91.5
1923	—	—	—	139.3	52.3	87.0
1924	—	—	—	138.3	51.6	86.5
1925	—	—	—	143.6	52.3	91.3
1926	—	—	—	155.0	53.4	101.6
1927	—	—	—	152.1	53.9	98.2
1928	—	—	—	153.0	56.0	97.0
1929	—	—	—	156.1	57.0	99.1
1930	—	—	—	159.3	53.3	106.0
1931	—	—	—	159.4	50.4	109.0
1932	—	—	—	159.9	47.1	112.8
1933	—	—	—	163.3	45.7	117.6
1934	—	—	—	171.1	47.5	123.6
1935	—	—	—	181.1	54.6	126.5
1936	—	—	—	187.5	58.0	129.5
1937	—	—	—	191.0	56.0	135.0
1938	3.5	2.2	1.3	196.9	55.4	141.5
1939	32.9	26.7	6.2	200.0	57.7	142.3
1940	63.0	55.7	7.3	200.1	62.4	137.7
1941	89.1	83.5	5.6	204.5	68.3	136.2
1942	80.1	75.5	4.6	211.5	72.9	138.6
1943	62.2	58.3	3.9	222.2	76.7	145.5
1944	50.6	47.8	2.8	237.4	84.4	153.0
1945	24.3	24.3	—	272.4	105.1	167.3
1946	13.0	14.0	(-1.0)	315.0	123.0	192.0
1947	8.0	8.0	(-)	359.0	142.0	217.0
1948	3.0	4.0	(-1.0)	344.0	166.0	176.0
1949	2.0	1.0	(1.0)	339.0	185.0	154.0
1950	2.0	1.0	(1.0)	355.0	198.0	157.0
1951	3.0	2.0	(1.0)	403.0	224.0	179.0
1952	3.0	3.0	(-)	449.0	250.0	199.0
1953	3.0	3.0	(-)	478.0	269.0	209.0
1954	3.0	3.0	(-)	523.0	288.0	235.0
1955	3.0	3.0	(-)	576.0	325.0	251.0

TABLE A-18 (continued)

YEAR	HOUSING			ECONOMIC SERVICES		
	Total	<i>Met by:</i>		Total	<i>Met by:</i>	
		Allocated Grants	Other Sources		Allocated Grants	Other Sources
1890						
1895						
1900						
1905						
1910						
1913						
1915						
1917						
1918						
1920	1.9	0.6	1.3	42.7	5.1	37.6
1921	5.5	4.1	1.4	49.5	9.3	40.2
1922	8.4	7.1	1.3	49.6	11.4	38.2
1923	9.5	8.2	1.3	50.2	12.9	37.3
1924	10.0	8.5	1.5	54.9	15.2	39.7
1925	11.0	8.8	2.2	59.1	17.0	42.1
1926	12.3	9.5	2.8	60.6	17.4	43.2
1927	13.8	10.9	2.9	62.7	18.3	44.4
1928	15.0	12.2	2.8	63.2	18.1	45.1
1929	16.0	13.1	2.9	63.0	17.9	45.1
1930	17.1	13.8	3.3	64.2	16.6	47.6
1931	17.7	14.2	3.5	64.5	15.8	48.7
1932	18.0	14.6	3.4	60.4	13.3	47.1
1933	18.5	15.1	3.4	58.3	11.9	46.4
1934	19.4	15.6	3.8	59.0	12.0	47.0
1935	20.2	16.2	4.0	60.2	12.2	48.0
1936	20.8	16.6	4.2	61.8	12.6	49.2
1937	21.6	17.0	4.6	62.6	12.7	49.9
1938	22.9	17.7	5.2	63.5	12.7	50.8
1939	24.2	18.5	5.7	64.5	17.2	47.3
1940	24.5	18.8	5.7	66.0	23.0	43.0
1941	24.9	18.7	6.2	71.8	31.2	40.6
1942	24.4	18.3	6.1	62.2	22.6	39.6
1943	23.9	18.1	5.8	52.2	13.6	38.6
1944	24.6	18.4	6.2	50.1	10.9	39.2
1945	25.1	18.5	6.6	54.2	9.7	44.5
1946	28.0	19.0	9.0	66.0	16.0	50.0
1947	32.0	20.0	12.0	74.0	19.0	55.0
1948	37.0	23.0	14.0	81.0	20.0	61.0
1949	39.0	25.0	14.0	88.0	21.0	67.0
1950	40.0	27.0	13.0	91.0	21.0	70.0
1951	45.0	30.0	15.0	98.0	24.0	74.0
1952	54.0	36.0	18.0	107.0	26.0	81.0
1953	62.0	43.0	19.0	112.0	28.0	84.0
1954	70.0	50.0	20.0	120.0	30.0	90.0
1955	77.0	56.0	21.0	127.0	32.0	95.0

TABLE A-18 (continued)

YEAR	ENVIRONMENTAL SERVICES		
	<i>Met by:</i>		
	Total	Allocated Grants	Other Sources
1890			
1895			
1900			
1905			
1910			
1913			
1915			
1917			
1918			
1920	21.5	0.1	21.4
1921	22.9	0.5	22.4
1922	21.3	0.4	20.9
1923	20.8	0.4	20.4
1924	21.3	0.6	20.7
1925	21.9	0.7	21.2
1926	22.5	0.8	21.7
1927	23.2	0.9	22.3
1928	23.6	1.0	22.6
1929	24.3	1.1	23.2
1930	25.5	1.3	24.2
1931	26.2	1.5	24.7
1932	26.5	1.7	24.8
1933	27.2	1.9	25.3
1934	28.0	1.9	26.1
1935	28.9	2.0	26.9
1936	30.3	2.0	28.3
1937	31.8	2.0	29.8
1938	33.3	1.9	31.4
1939	33.9	1.8	32.1
1940	34.1	1.8	32.3
1941	34.9	1.8	33.1
1942	35.2	1.8	33.4
1943	36.2	1.9	34.3
1944	37.6	1.8	35.8
1945	39.9	1.8	38.1
1946	45.0	2.0	43.0
1947	50.0	2.0	48.0
1948	55.0	2.0	53.0
1949	60.0	2.0	58.0
1950	63.0	2.0	61.0
1951	66.0	1.0	65.0
1952	74.0	1.0	73.0
1953	83.0	6.0	77.0
1954	87.0	3.0	84.0
1955	89.0	2.0	87.0

TABLE A-18 (concluded)

EXPENDITURES, ALL SERVICES					
<i>Met by Central Government Grants</i>					
YEAR	Total	Allocated	Unallocated	Total	Met by Rates and Other
1890	41.7			10.4	31.3
1895	51.5			14.0	37.5
1900	65.4			19.9	45.5
1905	91.5			29.4	62.1
1910	102.6			31.7	70.9
1913	112.3			33.6	78.7
1915	114.2			34.8	79.4
1917	116.3			38.2	78.1
1918	133.3			42.1	91.2
1920	231.0	65.3	3.0	68.3	162.7
1921	264.0	81.1	3.0	84.1	179.9
1922	262.5	83.8	3.3	87.1	175.4
1923	255.6	84.3	5.0	89.3	166.3
1924	261.1	86.9	6.0	92.9	168.2
1925	273.5	90.2	6.5	96.7	176.8
1926	289.8	93.0	6.8	99.8	190.0
1927	292.2	95.9	7.3	103.2	189.0
1928	296.3	99.3	7.4	106.7	189.6
1929	298.7	101.3	19.3	120.6	178.1
1930	305.5	97.4	46.9	144.3	161.2
1931	307.0	94.4	54.0	148.4	158.6
1932	302.8	88.7	53.6	142.3	160.5
1933	305.4	86.6	54.2	140.8	164.6
1934	316.8	89.4	54.5	143.9	172.9
1935	332.5	98.2	54.1	152.3	180.2
1936	343.6	103.0	54.3	157.3	186.3
1937	352.6	101.9	56.5	158.4	194.2
1938	368.2	104.6	57.4	162.0	206.2
1939	408.9	139.9	57.1	197.0	211.9
1940	450.3	186.7	56.9	243.6	206.7
1941	499.9	237.9	59.3	297.2	202.7
1942	491.6	228.4	59.0	287.4	204.2
1943	473.5	205.0	58.3	263.3	210.2
1944	477.3	200.1	58.2	258.3	219.0
1945	494.6	195.8	69.3	265.1	229.5
1946	541.0	199.0	73.0	272.0	269.0
1947	608.0	220.0	73.0	293.0	315.0
1948	615.0	246.0	69.0	315.0	300.0
1949	628.0	265.0	59.0	324.0	304.0
1950	656.0	280.0	57.0	337.0	319.0
1951	727.0	314.0	63.0	377.0	350.0
1952	803.0	353.0	69.0	422.0	381.0
1953	862.0	388.0	72.0	460.0	402.0
1954	928.0	415.0	81.0	496.0	432.0
1955	1,006.0	462.0	83.0	545.0	461.0

<sup>a</sup> Official sources show grants for civil defense as larger than total expenditure for that function in some years. This is an accounting problem. The figures for income from other sources (obtained by difference) are given in parentheses to avoid confusion.

TABLE A-19  
 PERCENTAGE DISTRIBUTION OF LOCAL GOVERNMENT CURRENT EXPENDITURE BY  
 FUNCTION AND BY REVENUE SOURCE, SELECTED YEARS, 1890-1955

Year	<i>Administration and Other</i>		<i>Law and Order</i>		<i>Civil Defense*</i>	
	Allocated Grants	Other Revenues	Allocated Grants	Other Revenues	Allocated Grants	Other Revenues
1890						
1895						
1900						
1905						
1910						
1913						
1915						
1917						
1918						
1920	5	95	47	53		
1921	4	96	46	54		
1922	3	97	48	52		
1923	4	96	48	52		
1924	4	96	49	51		
1925	4	96	49	51		
1926	4	96	49	51		
1927	3	97	48	52		
1928	3	97	48	52		
1929	4	96	49	51		
1930	4	96	48	52		
1931	3	97	48	52		
1932	3	97	47	59		
1933	3	97	48	52		
1934	3	97	48	52		
1935	3	97	48	52		
1936	3	97	48	52		
1937	3	97	48	52		
1938	3	97	48	52	63	37
1939	4	96	51	49	81	19
1940	20	80	53	47	88	12
1941	36	64	55	45	94	6
1942	38	62	56	44	94	6
1943	37	63	56	44	94	6
1944	40	60	55	45	95	5
1945	40	60	51	49	100	—
1946	14	86	51	49	(100)	—
1947	17	83	50	50	(100)	—
1948	15	85	50	50	(100)	—
1949	13	87	48	52	(100)	—
1950	8	92	47	53	(100)	—
1951	6	94	48	52	(100)	—
1952	6	94	49	51	(100)	—
1953	6	94	48	52	(100)	—
1954	7	93	48	52	(100)	—
1955	6	94	49	51	(100)	—

TABLE A-19 (continued)

<i>Year</i>	<i>Social Services</i>		<i>Housing</i>		<i>Economic Services</i>	
	Allocated Grants	Other Revenues	Allocated Grants	Other Revenues	Allocated Grants	Other Revenues
1890						
1895						
1900						
1905						
1910						
1913						
1915						
1917						
1918						
1920	39	61	34	66	12	88
1921	39	61	74	26	19	81
1922	37	63	84	16	23	77
1923	38	62	86	14	26	74
1924	37	63	85	15	28	72
1925	36	64	81	19	29	71
1926	34	66	77	23	29	71
1927	35	65	79	21	29	71
1928	37	63	81	19	29	71
1929	37	63	82	18	28	72
1930	33	67	81	19	26	74
1931	32	68	80	20	25	75
1932	29	71	81	19	22	78
1933	28	72	82	18	20	80
1934	28	72	80	20	20	80
1935	30	70	80	20	20	80
1936	31	69	80	20	20	80
1937	29	71	79	21	20	80
1938	28	72	77	23	20	80
1939	29	71	76	24	27	73
1940	31	69	77	23	35	65
1941	33	67	75	25	43	57
1942	34	66	75	25	36	64
1943	35	65	76	24	26	74
1944	36	64	75	25	22	78
1945	39	61	74	26	18	82
1946	39	61	68	32	24	76
1947	40	60	62	38	26	74
1948	48	52	62	38	25	75
1949	55	45	64	36	24	76
1950	56	44	68	32	23	77
1951	56	44	67	33	24	76
1952	56	44	67	33	24	76
1953	56	44	69	31	25	75
1954	55	45	71	29	25	75
1955	56	44	73	27	25	75

TABLE A-19 (concluded)

Year	<i>Environmental Services</i>		<i>All Services</i>		
	Allocated Grants	Other Revenues	Allocated Grants	Unallocated Grants	Other Revenues
1890			25		75
1895			27		73
1900			30		70
1905			32		68
1910			31		69
1913			30		70
1915			30		70
1917			33		67
1918			32		68
1920	1	99	29	1	70
1921	2	98	31	1	68
1922	2	98	32	1	67
1923	2	98	33	2	65
1924	3	97	34	2	64
1925	3	97	33	2	65
1926	3	97	32	2	66
1927	4	96	33	2	65
1928	4	96	34	2	64
1929	4	96	34	6	60
1930	5	95	32	15	53
1931	6	94	30	18	52
1932	6	94	29	18	53
1933	7	93	28	18	54
1934	7	93	28	17	55
1935	7	93	30	16	54
1936	7	93	30	16	54
1937	6	94	29	16	55
1938	6	94	28	16	56
1939	5	95	34	14	52
1940	5	95	41	13	46
1941	5	95	47	12	41
1942	5	95	46	12	42
1943	5	95	44	12	44
1944	5	95	42	12	46
1945	5	95	40	14	46
1946	4	96	37	13	50
1947	4	96	36	12	52
1948	4	96	40	11	49
1949	3	97	42	9	49
1950	3	97	43	9	48
1951	2	98	43	9	48
1952	1	99	44	9	47
1953	7	93	45	8	47
1954	3	97	45	9	46
1955	2	98	46	8	46

\* Official sources show grants for civil defense as larger than total expenditure for that function in some years. This is an accounting problem. The figures for income from other sources (obtained by difference) are given in parentheses to avoid confusion.

TABLE A-20

EXPENDITURES OF CENTRAL AND LOCAL GOVERNMENTS, TOTALS, INDEXES, AND PERCENTAGES, AT CURRENT AND 1900 PRICES, SELECTED YEARS, 1890-1955  
(amounts in millions of pounds; index, 1900 = 100)

YEAR	EXPENDITURE AT CURRENT PRICES			
	<i>Central Government</i>		<i>Local Government</i>	
	Amount	Index	Amount	Index
1890	80.5	44	50.1	51
1895	89.4	49	67.4	68
1900	181.9	100	98.9	100
1905	118.1	65	123.6	125
1910	141.8	78	130.2	132
1913	168.7	93	136.7	138
1915	826.5	454	131.6	133
1917	1,393.6	766	121.9	123
1918	2,287.6	1,258	139.4	141
1920	1,274.8	701	317.3	321
1921	1,029.0	566	400.5	405
1922	813.2	447	364.1	368
1923	702.9	386	322.3	326
1924	690.1	379	336.9	341
1925	701.3	386	370.6	375
1926	702.6	386	403.7	408
1927	692.2	381	413.6	418
1928	695.4	382	399.3	404
1929	702.0	386	405.2	410
1930	725.2	399	419.6	424
1931	744.6	409	428.9	434
1932	736.1	405	401.9	406
1933	676.3	372	389.7	394
1934	661.6	364	399.3	404
1935	689.6	379	427.8	433
1936	725.9	399	460.9	466
1937	805.4	433	498.1	504
1938	1,055.8	580	531.2	537
1939	1,408.9	775	551.1	557
1940	3,367.1	1,851	537.9	544
1941	4,779.8	2,628	558.2	564
1942	5,323.2	2,926	536.8	543
1943	5,758.9	3,166	506.1	512
1944	5,797.6	3,187	505.4	511
1945	5,235.5	2,878	543.5	550
1946	3,837.0	2,109	693.0	701
1947	3,223.0	1,772	907.0	917
1948	3,228.0	1,775	987.0	998
1949	3,413.0	1,876	1,010.0	1,021
1950	3,479.0	1,913	1,060.0	1,072
1951	4,022.0	2,211	1,186.0	1,199
1952	4,433.0	2,437	1,344.0	1,359
1953	4,581.0	2,518	1,467.0	1,483
1954	4,473.0	2,459	1,503.0	1,520
1955	4,607.0	2,533	1,536.0	1,553

(continued)

TABLE A-20 (concluded)

YEAR	EXPENDITURE AT 1900 PRICES				GNP	<i>Total Local Government Expenditure at Current Prices as Percentage of Total Government Expenditure</i>
	<i>Central Government</i>		<i>Local Government</i>			
	Amount	Index	Amount	Index		
1890	82.2	45	51.1	52	3.4	38.4
1895	98.2	54	74.1	75	4.5	43.0
1900	181.9	100	98.9	100	5.1	35.2
1905	113.6	62	128.1	130	6.3	51.1
1910	129.3	71	134.3	136	6.1	47.9
1913	147.2	81	137.0	139	5.5	44.8
1915					4.8	13.7
1917					3.1	8.0
1918					3.0	5.7
1920	457.6	252	107.7	109	5.2	19.9
1921	403.1	222	149.1	151	8.2	28.0
1922	373.1	205	171.4	173	8.6	30.9
1923	343.1	189	159.9	162	7.6	31.4
1924	338.2	186	166.6	168	7.8	32.8
1925	344.0	189	181.4	183	8.4	34.6
1926	354.5	195	187.2	189	9.4	36.5
1927	349.5	192	208.1	210	9.0	37.4
1928	351.2	199	203.6	206	8.8	36.5
1929	358.2	197	209.1	211	8.8	36.6
1930	379.7	209	222.1	225	9.6	36.7
1931	411.5	226	238.8	241	10.5	36.5
1932	413.7	227	228.5	231	10.1	35.3
1933	388.8	214	227.1	230	9.4	36.6
1934	380.3	209	231.7	234	9.2	37.6
1935	396.3	218	246.9	250	9.3	38.3
1936	411.9	226	260.5	263	9.6	38.8
1937	443.5	244	270.2	273	9.8	38.2
1938	567.8	312	283.4	287	10.0	33.5
1939					9.9	28.1
1940					8.3	13.8
1941					7.6	10.5
1942					6.7	9.2
1943					6.0	8.1
1944					5.8	8.0
1945					6.2	9.4
1946	1,257.9	692	216.1	219	7.9	15.3
1947	987.7	543	255.3	258	9.7	22.0
1948	914.3	503	254.7	258	9.5	23.4
1949	943.3	519	255.7	259	9.1	22.8
1950	933.3	513	261.7	265	9.1	23.4
1951	990.2	544	264.8	268	9.3	22.8
1952	1,031.8	567	279.2	282	9.6	23.3
1953	1,045.4	575	300.6	304	9.9	24.3
1954	1,006.5	553	308.5	312	9.4	25.2
1955	1,001.9	551	307.1	311	9.2	25.0

TABLE A.21  
 LOCAL GOVERNMENT EXPENDITURE BY ECONOMIC CATEGORY,  
 AT CURRENT PRICES, SELECTED YEARS, 1890-1955  
 (amounts in millions of pounds)

YEAR	DISTRIBUTION BY ECONOMIC CATEGORY			
	<i>Goods and Services</i>			<i>Transfers</i>
	Total	Current	Capital	
1890	50.1	38.5	8.4	3.2
1895	67.4	48.0	15.9	3.5
1900	98.9	61.7	33.5	3.7
1905	123.6	87.2	32.1	4.3
1910	130.2	98.2	27.6	4.4
1913	136.7	108.6	24.4	3.7
1915	131.6	110.3	17.4	3.9
1917	121.9	112.3	5.6	4.0
1918	139.4	128.9	6.1	4.4
1920	317.3	221.1	86.3	9.9
1921	400.5	241.0	136.5	23.0
1922	364.1	231.5	101.6	31.0
1923	322.3	225.0	66.7	30.6
1924	336.9	232.4	75.8	28.7
1925	370.6	242.1	97.1	31.4
1926	403.7	248.9	113.9	40.9
1927	413.6	254.9	121.4	37.3
1928	399.3	261.8	103.0	34.5
1929	405.2	263.9	106.5	34.8
1930	419.6	270.7	114.1	34.8
1931	428.9	270.5	121.9	36.5
1932	401.9	262.7	99.1	40.1
1933	389.7	262.4	84.3	43.0
1934	399.3	270.6	82.5	46.2
1935	427.8	283.3	95.3	49.2
1936	460.9	293.6	117.3	50.0
1937	498.1	305.2	145.5	47.4
1938	531.2	320.0	163.0	48.2
1939	551.1	358.7	142.2	50.2
1940	537.9	403.6	87.6	46.7
1941	558.2	456.4	58.3	43.5
1942	536.8	448.1	45.2	43.5
1943	506.1	427.4	32.6	46.1
1944	505.4	427.3	28.1	50.0
1945	543.5	440.2	48.9	54.4
1946	693.0	478.0	152.0	63.0
1947	907.0	534.0	299.0	74.0
1948	987.0	540.0	372.0	75.0
1949	1,010.0	553.0	382.0	75.0
1950	1,060.0	577.0	404.0	79.0
1951	1,186.0	640.0	459.0	87.0
1952	1,344.0	701.0	541.0	102.0
1953	1,467.0	751.0	605.0	111.0
1954	1,503.0	803.0	575.0	125.0
1955	1,536.0	858.0	530.0	148.0

(continued)

TABLE A-21 (concluded)

PERCENTAGE DISTRIBUTION BY ECONOMIC CATEGORY						
YEAR	<i>Goods and Services</i>				<i>Transfers</i>	
	<i>Current</i>		<i>Capital</i>		All Local	All Government
	All Local	All Government	All Local	All Government		
1890	76.8	32.0	16.8	82.4	6.4	9.5
1895	71.2	35.3	23.6	75.7	5.2	9.3
1900	62.4	26.8	33.9	66.5	3.7	10.2
1905	70.6	42.9	26.0	83.6	3.5	9.9
1910	75.4	43.3	21.2	61.2	3.4	8.0
1913	79.4	40.8	17.9	62.2	2.7	6.3
1915	83.8	12.1	13.2	40.1	3.0	4.3
1917	92.1	7.9	4.6	6.1	3.3	1.6
1918	92.5	5.6	4.4	5.8	3.1	1.4
1920	69.7	14.8	27.2	84.7	3.1	1.6
1921	60.2	18.8	34.1	91.0	5.7	3.6
1922	63.6	21.7	27.9	92.8	8.5	5.4
1923	69.8	23.6	20.7	92.1	9.5	5.9
1924	69.0	24.6	22.5	92.8	8.5	5.7
1925	65.3	25.0	26.2	92.8	8.5	6.0
1926	61.7	25.3	28.2	93.9	10.1	7.7
1927	61.6	26.1	29.4	94.8	9.0	7.1
1928	65.6	26.6	25.8	94.8	8.6	6.5
1929	65.1	26.5	26.3	95.0	8.6	6.4
1930	64.5	26.4	27.2	95.3	8.3	6.1
1931	63.1	25.8	28.4	96.1	8.5	6.2
1932	65.4	25.4	24.6	95.7	10.0	6.7
1933	67.3	26.8	21.7	95.3	11.0	8.0
1934	67.8	27.8	20.7	94.0	11.5	8.9
1935	66.2	27.9	22.3	91.9	11.5	9.4
1936	63.7	27.9	25.5	88.3	10.8	9.7
1937	61.3	27.0	29.2	83.1	9.5	9.2
1938	60.2	23.4	30.7	74.5	9.1	8.8
1939	65.1	20.1	25.8	80.3	9.1	9.2
1940	75.0	10.6	16.3	76.8	8.7	7.2
1941	81.8	8.7	10.4	76.7	7.8	4.4
1942	83.5	7.7	8.4	74.1	8.1	4.2
1943	84.5	6.9	6.4	67.9	9.1	4.1
1944	84.5	6.8	5.6	68.5	9.9	4.4
1945	81.0	7.7	9.0	50.4 <sup>a</sup>	10.0	3.8
1946	69.0	10.7	21.9	(100.0) <sup>a</sup>	9.1	2.9
1947	58.9	13.9	33.0	(100.0) <sup>a</sup>	8.1	3.5
1948	54.7	14.3	37.7	83.6	7.6	3.7
1949	54.8	13.9	37.8	86.6	7.4	3.7
1950	54.4	14.1	38.1	92.4	7.5	3.9
1951	54.0	14.5	38.7	57.5	7.3	4.4
1952	52.1	14.1	40.3	67.7	7.6	4.9
1953	51.2	14.4	41.2	71.9	7.6	5.1
1954	53.4	15.0	38.3	90.3	8.3	5.7
1955	55.9	15.5	34.5	85.8	9.6	6.3

<sup>a</sup> In these years, local government capital expenditures exceeded total government capital formation. This was the result of changes in the value of stocks held by the central government (see Appendix notes under government expenditures on capital account).

TABLE A-22

LOCAL GOVERNMENT TRANSFER PAYMENTS BY TYPE OF SOCIAL SERVICE,  
ON CURRENT ACCOUNT, SELECTED YEARS, 1890-1955

Year	Education	Housing	Poor Relief <sup>a</sup>	Total Social Services
1890	—	—	3.2	3.2
1895	—	—	3.5	3.5
1900	—	—	3.7	3.7
1905	—	—	4.3	4.3
1910	—	—	4.4	4.4
1913	—	—	3.7	3.7
1915	—	—	3.9	3.9
1917	—	—	4.0	4.0
1918	—	—	4.4	4.4
1920	1.6	1.9	6.4	9.9
1921	2.7	5.5	14.8	23.0
1922	2.7	8.4	19.9	31.0
1923	2.5	9.5	18.6	30.6
1924	2.5	10.0	16.2	28.7
1925	2.7	11.0	17.7	31.4
1926	3.2	12.3	25.4	40.9
1927	3.0	13.8	20.5	37.3
1928	3.0	15.0	16.5	34.5
1929	3.2	16.0	15.6	34.8
1930	3.4	17.1	14.3	34.8
1931	3.7	17.7	15.1	36.5
1932	3.8	18.0	18.3	40.1
1933	3.7	18.5	20.8	43.0
1934	3.2	19.4	23.6	46.2
1935	3.1	20.2	25.9	49.2
1936	3.2	20.8	26.0	50.0
1937	3.4	21.6	22.4	47.4
1938	3.5	22.9	21.8	48.2
1939	3.5	24.2	22.5	50.2
1940	3.8	24.5	18.4	46.7
1941	5.0	24.9	13.6	43.5
1942	7.5	24.4	11.6	43.5
1943	10.9	23.9	11.3	46.1
1944	13.2	24.6	12.2	50.0
1945	16.0	25.1	13.3	54.4
1946	20.0	28.0	15.0	63.0
1947	26.0	32.0	16.0	74.0
1948	30.0	37.0	8.0	75.0
1949	36.0	39.0	—	75.0
1950	39.0	40.0	—	79.0
1951	42.0	45.0	—	87.0
1952	48.0	54.0	—	102.0
1953	49.0	62.0	—	111.0
1954	55.0	70.0	—	125.0
1955	71.0	77.0	—	148.0

<sup>a</sup> Outdoor relief.

TABLE A-23  
 LOCAL GOVERNMENT EXPENDITURE BY FUNCTION, AT CURRENT  
 PRICES, SELECTED YEARS, 1890-1955  
 (amounts in millions of pounds)

Year	<i>Function</i>							
	Administration and Other	Law and Order	Civil Defense	Social Services	Hou- sing	Economic Services	Environmental Services	All Services
1890	7.2	5.1		19.4		13.5	4.9	50.1
1895	8.4	5.7		28.3		17.7	7.3	67.4
1900	8.7	6.1		37.1		35.2	11.8	98.9
1905	10.2	8.0		53.7		38.1	13.6	123.6
1910	10.7	8.8		60.2		36.2	14.3	130.2
1913	10.1	9.6		64.3		37.8	14.9	136.7
1915	10.2	9.8		66.2		32.9	12.5	131.6
1917	10.7	9.9		66.8		21.9	12.6	121.9
1918	14.4	11.3		75.6		23.9	14.2	139.4
1920	21.0	21.8		127.9	45.7	76.3	24.6	317.3
1921	19.9	23.2		149.7	88.1	91.5	23.1	400.5
1922	18.1	21.3		148.9	58.9	88.8	28.1	364.1
1923	16.6	20.3		142.0	29.7	85.1	28.6	322.3
1924	16.8	21.0		142.0	34.6	93.1	29.4	336.9
1925	17.5	22.1		149.4	49.1	101.6	30.9	370.6
1926	18.0	23.3		162.7	66.9	102.3	30.5	403.7
1927	18.4	23.8		161.3	75.6	103.9	30.6	413.6
1928	19.4	24.1		162.8	59.2	103.4	30.4	399.3
1929	17.8	24.6		166.8	53.0	110.9	32.1	405.2
1930	17.7	25.1		172.9	51.2	116.6	36.1	419.6
1931	17.4	25.3		175.1	53.7	117.7	39.7	428.9
1932	16.8	24.6		172.6	47.2	101.2	39.5	401.9
1933	16.7	24.5		172.9	45.5	92.9	37.2	389.7
1934	17.2	25.3		180.6	44.9	93.9	37.4	399.3
1935	18.7	27.0		193.0	50.4	99.6	39.1	427.8
1936	19.5	28.7		203.0	59.0	108.9	41.8	460.9
1937	21.8	30.0		211.5	70.2	119.0	45.6	498.1
1938	24.3	31.2	4.2	225.1	80.0	120.8	45.6	531.2
1939	24.0	35.5	41.9	226.4	63.8	114.4	45.1	551.1
1940	27.5	38.7	77.7	215.8	40.4	97.4	40.4	537.9
1941	34.9	41.7	105.4	211.9	31.0	95.1	38.2	558.2
1942	37.5	42.5	89.4	215.4	29.2	84.9	37.9	536.8
1943	36.5	41.6	65.4	225.2	29.4	69.5	38.7	506.1
1944	37.7	40.4	51.5	240.2	31.3	64.8	39.5	505.4
1945	40.3	40.2	24.5	275.8	46.9	73.7	42.1	543.5
1946	37.0	40.0	13.0	323.0	127.0	104.0	49.0	693.0
1947	44.0	45.0	8.0	375.0	240.0	134.0	61.0	907.0
1948	51.0	50.0	3.0	372.0	304.0	136.0	71.0	987.0
1949	52.0	55.0	2.0	382.0	302.0	136.0	81.0	1,010.0
1950	53.0	62.0	2.0	411.0	304.0	138.0	90.0	1,060.0
1951	56.0	70.0	3.0	471.0	333.0	152.0	101.0	1,186.0
1952	52.0	78.0	3.0	526.0	406.0	168.0	111.0	1,344.0
1953	54.0	85.0	3.0	555.0	461.0	180.0	129.0	1,467.0
1954	52.0	88.0	3.0	601.0	436.0	188.0	135.0	1,503.0
1955	58.0	92.0	3.0	658.0	395.0	195.0	135.0	1,536.0

(continued)

TABLE A-23 (concluded)

<i>Percentage Distribution of Total</i>							
<i>Year</i>	<i>Administration and Other</i>	<i>Law and Order</i>	<i>Civil Defense</i>	<i>Social Services</i>	<i>Housing</i>	<i>Economic Services</i>	<i>Environmental Services</i>
1890	14.4	10.2		38.7		26.9	9.8
1895	12.4	8.5		42.0		26.3	10.8
1900	8.8	6.2		37.5		35.6	11.9
1905	8.3	6.5		43.4		30.8	11.0
1910	8.2	6.8		46.2		27.8	11.0
1913	7.4	7.0		47.0		27.7	10.9
1915	7.8	7.4		50.3		25.0	9.5
1917	8.8	8.1		54.8		18.0	10.3
1918	10.3	8.1		54.2		17.1	10.2
1920	6.6	6.9		40.3	14.4	24.0	7.8
1921	5.0	5.8		37.4	22.0	22.8	7.0
1922	5.0	5.8		40.9	16.2	24.4	7.7
1923	5.2	6.3		44.0	9.2	26.4	8.9
1924	5.0	6.2		42.2	10.3	27.6	8.7
1925	4.7	6.0		40.3	13.2	27.4	8.4
1926	4.5	5.8		40.3	16.6	25.3	7.5
1927	4.4	5.8		39.0	18.3	25.1	7.4
1928	4.9	6.0		40.8	14.8	25.9	7.6
1929	4.4	6.1		41.2	13.1	27.3	7.9
1930	4.2	6.0		41.2	12.2	27.8	8.6
1931	4.1	5.9		40.8	12.5	27.4	9.3
1932	4.2	6.1		42.9	11.7	25.2	9.8
1933	4.3	6.3		44.4	11.7	23.8	9.5
1934	4.3	6.3		45.2	11.2	23.5	9.4
1935	4.4	6.3		45.1	11.8	23.3	9.1
1936	4.2	6.2		44.0	12.8	23.6	9.1
1937	4.4	6.0		42.5	14.1	23.9	9.1
1938	4.6	5.9	0.8	42.4	15.1	22.7	8.6
1939	4.3	6.4	7.6	41.1	11.6	20.8	8.2
1940	5.1	7.2	14.4	40.1	7.5	18.1	7.5
1941	6.2	7.5	18.9	38.0	5.6	17.0	6.8
1942	7.0	7.9	16.7	40.1	5.4	15.8	7.1
1943	7.2	8.2	12.9	44.5	5.8	13.7	7.6
1944	7.5	8.0	10.2	47.5	6.2	12.8	7.8
1945	7.4	7.4	4.5	50.8	8.6	13.6	7.7
1946	5.3	5.8	1.9	46.6	18.3	15.0	7.1
1947	4.9	5.0	0.9	41.3	26.4	14.8	6.7
1948	5.2	5.1	0.3	37.7	30.8	13.8	7.2
1949	5.1	5.4	0.2	37.8	29.9	13.5	8.0
1950	5.0	5.8	0.2	38.8	28.7	13.0	8.5
1951	4.7	5.9	0.3	39.7	28.1	12.8	8.5
1952	3.9	5.8	0.2	39.1	30.2	12.5	8.3
1953	3.7	5.8	0.2	37.8	31.4	12.3	8.8
1954	3.5	5.9	0.2	40.0	29.0	12.5	9.0
1955	3.8	6.0	0.2	42.8	25.7	12.7	8.8

APPENDIX

TABLE A-24

LOCAL GOVERNMENT EXPENDITURE BY FUNCTION, AS PERCENTAGE OF TOTAL GOVERNMENT EXPENDITURE ON EACH FUNCTION, SELECTED YEARS, 1890-1955

Year	Admini- stration and Other	Law and Order	Military and Defense	Social Services	Housing	Economic Services	Environ- mental Services	All Services
1890	46	57		71		94	98	38
1895	52	68		71		96	99	43
1900	53	62		73		97	98	35
1905	52	70		79		97	99	51
1910	48	68		68		96	99	48
1913	48	55		64		96	97	45
1915	38	72		71		92	98	14
1917	39	79		52		89	99	8
1918	46	72		59		87	98	6
1920	29	65		35	100	38	97	20
1921	28	62		37	100	42	97	28
1922	31	64		41	100	54	98	31
1923	32	69		43	100	74	98	31
1924	33	71		43	100	83	97	33
1925	35	74		44	100	77	96	35
1926	36	77		46	100	82	96	36
1927	38	78		45	100	87	96	37
1928	40	78		43	100	88	95	36
1929	37	79		43	100	88	95	37
1930	38	79		40	100	88	95	37
1931	38	80		38	100	90	95	37
1932	37	80		37	100	87	95	35
1933	38	79		38	100	83	95	37
1934	38	79		40	100	80	94	38
1935	39	79		41	100	79	94	38
1936	39	80		43	100	82	92	39
1937	40	81		44	100	84	92	38
1938	40	81	1	44	100	80	89	33
1950	30	78	—	23	89	24	93	23
1951	33	80	—	25	90	22	92	23
1952	31	81	—	26	92	27	93	23
1953	31	81	—	27	93	30	94	24
1954	29	80	—	28	92	36	94	25
1955	32	80	—	28	94	37	74	25

*Table 1*

These figures are tentative estimates compiled by Jindrich Veverka for a separate study of this period, now in preparation. They are not strictly comparable with the series from 1890 to 1955. Sources for the figures follow.

GROSS NATIONAL PRODUCT. 1800-50: Based on Phyllis Deane, "National Income in the 19th Century," *Economic History Review*, second series, Volume 8, 1955-56, and also on unpublished material supplied by the same author.

1851-69: Estimates based upon A. L. Bowley, *Wages and Income in the United Kingdom since 1860*, London, 1937, and J. C. Stamp, *British Incomes and Property*, London, 1927.

1870-99: Extracted from Jeffreys and Walters, *op. cit.*

GOVERNMENT EXPENDITURE: Figures are based on the finance and appropriation accounts for the central government and local taxation returns. The local statistics for the first half of the century are deficient.

PRICE INDEX. The same index is used to deflate both magnitudes. For the first half of the century, the index of wholesale prices of domestic and imported commodities is to be found in A. D. Gayer, W. W. Rostow, and A. J. Schwartz, *The Growth and Fluctuations of the British Economy, 1790-1850*, Oxford, 1953. For the second half of the century, we have used Bowley's index of retail prices.

*Tables 7 and 8*

These are computed from the information given in Appendix tables, so that no further explanation of sources is necessary.

*Table 10*

For 1920-38 statistics are from Utting and Cole, *op. cit.* For later years, *Blue Book on National Income and Expenditure*.

*Tables 17-22 (Nationalized Industries)*

All these tables are based on information supplied by the Central Statistical Office. Most of it is published in the annual *Blue Books*, but some more detailed unpublished information was supplied by the Central Statistical Office.

*Table 23*

The full list of assumptions is given in Chapter 8, together with the main sources.