

## THE FINANCIAL SURPLUS OF THE PRIVATE SECTOR

Great progress has been made in recent years in the compilation and analysis of national income statistics. It is of interest to see how far this and other available information can as yet throw light on two subjects of interest to financial enquiries in general—first, flows of money between and within different sectors of the economy and secondly, changes associated with these flows in the composition of financial assets and liabilities.

It may be said at once that there is a long way to go. The range of statistics available in the United Kingdom is not yet such as to allow detailed enquiry into 'flows of funds', and into the distribution between different holders of securities of varying type and maturity. The subject matter of this article represents in fact only a preliminary stage of such an enquiry, in which national income statistics and figures derived from financial sources are used together.

In a study of this kind, the whole economy may conveniently be divided into four sectors—public, banking, overseas and private—which can be defined in practice as follows:

The *public sector* comprises the Central Government (including the National Insurance Funds), local authorities, the nationalised industries and other public corporations, and the Issue Department of the Bank of England.<sup>(a)</sup>

The *banking sector*, for the purpose of this article, consists of the Banking Department of the Bank of England, the London Clearing Banks, Scottish banks, discount houses, accepting houses and the other groups of banking offices in the United Kingdom for which regular statistics are available.<sup>(b)</sup>

The definition of the *overseas sector* is the same as that employed in the U.K. balance of payments accounts.<sup>(c)</sup> In general, it consists of

overseas governments and public authorities and persons, companies and other bodies whose permanent or registered address is outside the United Kingdom. Branches located outside the United Kingdom of U.K.-registered companies are classed as overseas.

The *private sector* covers the rest—private persons and industrial and commercial companies; various groups of institutions whose business is primarily financial in character, such as insurance companies, building societies and finance houses; and private non-commercial bodies such as churches, charities and trade unions. This differs from the definition used for the statistics of U.K. national income and expenditure<sup>(a)</sup> inasmuch as that does not allow of a separate banking sector.

We are here concerned with the private sector. To the extent that its saving plus its net inward capital transfers<sup>(d)</sup> exceed its payments of taxes on capital and its expenditure at home on fixed assets and stockbuilding, it must accumulate claims on the other three sectors—public, banking and overseas—which with the private sector make up the whole economy. These claims take the form of financial and overseas assets—for example, government debt, bank deposits less private borrowing from banks, overseas securities and real assets less private borrowing from overseas—the net total of which may conveniently be called the *financial surplus* of the private sector.

It should be clear that the figures must be the net result of a great variety of movements either way, and that in principle the 'surplus' may prove to be either positive or negative. Moreover, many financial transactions will not come into the figures because they occur between individual groups within the private sector, as defined. For example, it is estimated that building societies' shares and deposits

<sup>(a)</sup> For further details see the Central Statistical Office's "National Income Statistics: Sources and Methods", H.M.S.O., 1956, Chapter II.

<sup>(b)</sup> See Additional Notes to the Statistical Annex, page 63.

<sup>(c)</sup> See "United Kingdom Balance of Payments 1957 to 1960" (Cmnd. 1188).

<sup>(d)</sup> Receipts of a capital nature from the Central Government, e.g., war damage compensation. See "National Income Statistics: Sources and Methods", page 204.

increased by £271 million in 1959 and that their outstanding advances rose by £223 million. Most of these new funds will have been provided by private persons, and private persons will also have received most of the advances. These transactions and other lending and borrowing within the private sector cancel out: and do not have to be brought into the reckoning until that sector is sub-divided, *e.g.*, between persons and companies.

There are two ways in which the financial surplus of the private sector can be estimated. First, an attempt can be made to estimate the net income and expenditure of the sector, other than that arising from the sale or purchase of financial and overseas assets. Secondly, a capital account approach can be adopted, by aggregating recorded movements in the various types of financial and overseas assets and liabilities of the sector. Were all known, these two methods should reach the same result. The two tables of figures now to be presented show that there is some way yet to travel.

**Table I** (page 28) is essentially a rearrangement of information already published in national income statistics. This material does not distinguish between the private and banking sectors, which are combined: on the other hand it is possible to distinguish between persons and companies. Table I uses what might be called the 'income and expenditure' approach.

**Table II** (page 29) estimates the financial surplus of the private sector from financial statistics relating to changes in the amount and distribution of holdings of public sector debt, to loans by the public sector to the private sector and to changes in the assets and liabilities of the banking sector: also from balance of payments statistics relating to capital movements. Thus Table II relates to the private sector excluding banking, and uses the 'assets and liabilities' approach.

This difference of approach carries with it one difference between the two tables to which particular attention needs to be drawn. The material used for Table I takes net investment abroad to be equal to the balance of payments surplus on current account. The transactions in overseas assets entered in Table II are taken from the capital account of the balance of payments. But to reconcile the

current and capital accounts as recorded there is needed a large "Balancing item" of errors and omissions:<sup>(a)</sup> and this by itself gives rise to a difference between the totals of Tables I and II. The two tables therefore cannot be expected to tell the same story: nor is it possible by subtracting Table II from Table I to isolate the financial surplus of the banking sector, included in the latter but not in the former.

No analysis of the influences which have led to changes in the figures from year to year is offered in this article. It would call for a survey of much of the general economic and financial history of the period. For such analysis it would be desirable also to have more knowledge of lending and borrowing between sub-divisions of the private sector. The collection of this material is but a first step towards more detailed enquiry into the flow and distribution of financial assets. It must, however, be recognised that detailed enquiry will be practicable only for future years when additional statistics become available. It cannot be hoped that additional statistics for past years can be obtained on any large scale.

Nevertheless, many of the financial statistics which are used in estimating the amount and composition of changes in the private sector's claims on other sectors are independent of the statistics used in national income estimates of private saving and capital transfers. These figures therefore provide in some degree a means by which to confirm certain conclusions drawn from national income statistics.

They can be used within limits to form estimates of some components of private saving. Certain financial statistics relating to the personal sector are already used in this manner in the table "Capital account of the personal sector" given in the annual Blue Book "National Income and Expenditure". The following table compares, in items 3 and 4, figures which broadly represent the result of estimating private saving on the one hand in terms of a blend of national income and financial statistics, and on the other hand solely in terms of national income statistics. For the reasons already given, there is a divergence between the two results: and the disparities between the items derive essentially from differences and imperfections in the sources of their compilation.

(a) See "United Kingdom Balance of Payments 1957 to 1960" (Cmnd. 1188), page 27.

£ millions

	1952	1953	1954	1955	1956	1957	1958	1959	1952-1959
1. Financial surplus of private sector (see Table II, below) ... ..	930	780	535	365	835	815	895	760	5,915
2. Private and banking sectors' capital expenditure at home (derived from national income sources; see Table I, below) ...	890	1,175	1,525	1,940	2,060	2,200	2,120	2,210	14,120
3. Total of 1. and 2. above ...	1,820	1,955	2,060	2,305	2,895	3,015	3,015	2,970	20,035
4. Private and banking sectors' saving less their net capital transfers (including taxes on capital) to public sector, as derived from national income sources (see Table I, below) ... ..	1,670	2,050	2,190	2,265	2,835	2,965	2,950	2,935	19,860

The remaining sections of this article comment on the sources which have been used.

### EXPLANATORY NOTES TO TABLE I

Table I shows, for all persons and companies, the annual net increase in financial and overseas assets, calculated as the surplus remaining out of saving<sup>(a)</sup> plus capital transfers, after payment of taxes on capital and after expenditure on stockbuilding and on fixed investment in the United Kingdom. The figures are drawn from "National Income and Expenditure, 1960", but include some revisions in the more recent years. In principle the sum of the surpluses and deficits of the private, banking, public and overseas sectors must be zero, and the net surplus of the private and banking sectors must be equal to the sum of the net deficits of the public and overseas sectors (the latter being the same as total U.K. net investment overseas). The financial surplus in Table I is, in fact, equal to that sum if account is also taken of the "Residual error" in the estimates of national income and expenditure, *i.e.*, the item which is necessary to equate estimates of total income with those of total expenditure, and which is presented in the national income accounts as a form of saving.<sup>(b)</sup> There are no means of determining how much of this error arises in the estimates of the private and banking sectors' income and expenditure rather than in like estimates for the public sector, but it is probable that the greater part of it does. In Table I the whole of the "Residual error" is attributed to the private

and banking sectors and is taken to represent, when positive, unidentified net income of these sectors and a corresponding increase in their financial surplus; and, when negative, unidentified net expenditure by these sectors and a corresponding reduction in their financial surplus.

In the estimates of national income and expenditure "Net investment abroad" is defined as equal to the balance of payments surplus on current account. Ideally the net totals of identified transactions on current and on capital account would be equal and opposite; but in practice a "Balancing item", representing unidentified items, is required to reconcile the one with the other. As can be seen in Table 15 of the Statistical Annex, the "Balancing item" in the United Kingdom's balance of payments for each of the years 1952 to 1959 is positive, indicating either that the current account surplus is understated or that net investment overseas is overstated. One statistical effect of any understatement of the current account surplus is a corresponding understatement of personal saving, company saving or the "Residual error" in the estimates of national income and expenditure; and, since these three items are components of the financial surplus of the private and banking sectors as calculated in Table I, a similar understatement of that surplus also.

The banking sector's share of saving and fixed investment in Table I is not known. Nor is it possible to make a reliable estimate of the surplus of that sector by the alternative

(a) After providing for stock appreciation but before providing for depreciation and tax, dividend and interest reserves.

(b) See "National Income Statistics: Sources and Methods", page 279.

method of aggregating movements in its financial assets and liabilities. Figures of the banks' main assets and liabilities are shown in the Statistical Annex<sup>(a)</sup> and some further information on transactions in securities is given in Table 17 of the Statistical Appendix to Volume 2 of the Memoranda of Evidence to the Radcliffe Committee; but these sources do not provide all the data required for the calculation. For example, only sterling bills and securities are included in the statistics for some groups of banks; some transactions in securities have to be estimated from changes in book values; and current and deposit accounts do not provide a complete measure of banks' liabilities to customers because they do not include credits in course of transmission. Moreover the membership of some of the banking groups increased during 1959. These deficiencies are reflected in the private sector figures given in Table II, but they do not have so much importance in proportion to the totals of that table as they would in any attempt to estimate the financial surplus of the banking sector.

#### EXPLANATORY NOTES TO TABLE II

The private sector's financial surplus in Table II comprises the sum of the changes in its financial claims on, and liabilities to, the public sector and banking sector in the United Kingdom plus its total net investment abroad, whether in financial or real assets.

In the absence of any comprehensive statistics from the private sector itself on its transactions in financial assets, most of the figures in this table have been compiled from other sectors' records. For example, changes in the private sector's holding of Treasury Bills are obtained by subtracting, from the changes in the total outstanding, known changes in the public, banking and overseas sectors' holdings. Thus the quality of the private sector estimates depends almost entirely on the extent and the accuracy of the information available on other sectors' holdings.

In many instances, however, the lack of specific information about a sector's holdings of particular kinds of assets is less damaging

than it might be, because good statistics are available for some combinations of assets; and, where these can be used, overestimates of one component give rise to corresponding underestimates of others, so that the totals of Table II do not suffer.

Chief among the statistics of this kind is the "Overseas sterling holdings" series. This contains, though indistinguishably, overseas claims on the public sector (Treasury Bills and, if held by banks and official bodies, government stocks) and overseas claims on, and liabilities to, the banking sector (deposits, advances and bills) and the private sector (mainly bills). Overseas central bank and other overseas official holdings of government debt are known separately;<sup>(b)</sup> and tentative estimates of overseas residents' claims on and liabilities to the banking sector (in foreign currencies and sterling) can be made.<sup>(c)</sup> It is, therefore, possible to isolate from the sum of changes in overseas sterling holdings and in the banks' foreign currency positions some, but not all, movements relating to overseas transactions in Treasury Bills, government stocks and banking sector liabilities and assets. The residual, which forms part of *short-term capital (net)* in Table II, includes some genuine changes in indebtedness between the private sector and overseas residents; but, particularly in the years in which large movements are shown in *short-term capital (net)*, it also undoubtedly includes a considerable volume of unidentified transactions by non-official overseas residents in government debt, especially Treasury Bills; and probably also some unidentified transactions between overseas residents and the banking sector. To the extent that there are any such transactions which have not been identified the private sector figures for Treasury Bills, government stocks and bank deposits and advances are also defective. But within the annual totals of the table an overestimate of some of the private sector's claims on the public sector or of its net claims on the banking sector is offset by an overestimate of its net liabilities to overseas residents.

The item *other local authority net indebtedness* combines all the assets and liabilities of

(a) Tables 4, 6, 7, 8, 10 and 11.

(b) See the Report of the Committee on the Working of the Monetary System (the Radcliffe Committee), Tables 34 and 35.

(c) See notes on *deposits* on page 26.

local authorities apart from loans made to persons for house purchase, loans received from the Central Government and from banks, and public corporations' transactions in local authority debt. The net figures thus contain any movements in local authority holdings of Treasury Bills, government stocks or bank deposits. In any periods in which these holdings have increased the private sector's lending to local authorities is understated; but its acquisition of Treasury Bills, government stocks and bank deposits is overstated by the same amount.

Some non-official overseas transactions in public sector debt, additional to those described above (*e.g.*, purchases of local authority debt and non-bank purchases of government stocks), are included indistinguishably in *long-term capital (net)*, although the coverage is probably incomplete. In so far as such transactions are included in that item, overestimates of the private sector's claims on the public sector are again offset in the annual totals of Table II by corresponding overestimates of its liabilities to overseas residents.

To the extent, however, that the "Balancing item" in the balance of payments may indicate that U.K. net investment overseas is overstated, *e.g.*, because inward investment has not been completely identified, the annual totals of Table II may exaggerate the private sector's financial surplus.

#### FURTHER NOTES ON SOURCES AND DEFINITIONS USED IN TABLE II

**Currency** Changes in the private sector's holdings of currency are estimated by deducting known holdings by other sectors from the total amounts outstanding. In practice no information is available of amounts held by the public sector or by overseas residents, so that the figures used in the table are the changes in coin and in Bank of England, Scottish and Northern Irish bank notes held outside the banking sector. Estimates of coin outstanding at end-years are shown in Table 3 of the Statistical Annex; but the December figures of bank notes in that table represent a combination of Saturday and Wednesday averages. In Table II end-year figures of Scottish and Northern Irish note issues and of

notes and coin held by the banking sector have been used, together with unpublished figures of Bank of England notes in circulation outside the Bank at 31st December of each year.

The Scottish and Northern Irish note issues are liabilities of the banking sector. However, since no statistics are available to show how much of those parts of the total note issue which are held either within or outside the banking sector consists of Scottish and Northern Irish notes and how much of Bank of England notes, it is not practicable to treat the issues separately. Therefore, all bank notes are treated alike as liabilities of the public sector (which includes the Issue Department of the Bank of England). This treatment is not unreasonable since any increases in Scottish and Northern Irish note issues in excess of small fiduciary issues, which have remained unchanged over the period under review, are largely covered by the issuing banks' holdings of Bank of England notes.

**National Savings Tax Reserve Certificates** Figures for these items are the net receipts by the Central Government published (to the nearest £1 million) in Table 36 (Capital account of Central Government) in "National Income and Expenditure, 1960". *National Savings* comprise deposits in the Post Office Savings Bank and in the Ordinary Departments of the Trustee Savings Banks, National Savings Certificates (including accrued interest), Ulster Savings Certificates, Defence Bonds and Premium Savings Bonds.

**Treasury Bills** The figures shown are changes in 'market' Treasury Bills (*i.e.*, Treasury Bills held outside government departments and the Bank of England), other than known holdings by the rest of the banking sector, by public corporations and by overseas official bodies. Holdings of U.K. local authorities and non-official overseas residents have not been excluded.

**Government and government guaranteed securities** The figures used comprise the total net transactions in these securities (issues, redemptions and net purchases or sales) of various groups outside the private sector (*viz.*, the Exchequer Group,<sup>(a)</sup> public corporations,

(a) For definition see Additional Notes to the Statistical Annex, page 62.

the banking sector and overseas official bodies). Transactions of local authorities and non-official overseas residents are not known and therefore have to be included with those of the private sector. Figures are available for the cash value of transactions by some groups for the period 1952-1958,<sup>(a)</sup> but other transactions have been estimated from changes in the book value of holdings. Government guaranteed securities included in this item are principally those issued by the nationalised industries.<sup>(b)</sup>

**Iron and steel securities** This item comprises the Central Government's receipts of cash from the sale of securities of iron and steel companies, as given in Table 36 in "National Income and Expenditure, 1960".

**Local authority loans for house purchase** Figures are taken from Table 24 (Capital account of the personal sector) in "National Income and Expenditure, 1960".

**Other local authority net indebtedness** Table 40 (Capital account of local authorities) in "National Income and Expenditure, 1960" gives annual figures of local authorities' total net borrowing. Separate figures are shown for loans, less repayments, from the Central Government. Approximate annual figures of their borrowing from the banking sector can be obtained from two series provided by U.K. banks: the quarterly analysis of advances by members of the British Bankers' Association<sup>(c)</sup> shows amounts outstanding on account of local authorities near the end of each year; and end-year figures of short-term loans to local authorities by the British overseas banks, foreign banks and accepting houses are given in Tables 10 and 11 of the Statistical Annex. Changes in government and bank loans and in local authorities' loans for house purchase, as described above, and public corporations' transactions in local authority debt have been deducted from the local authorities' total net borrowings in arriving at the figures used in Table II. Those figures, however, still

include any transactions in local authority debt by overseas residents, as well as the local authorities' transactions in the liabilities of the public, banking and overseas sectors, e.g., purchases or sales of government debt and changes in bank deposits.

**Miscellaneous identified claims and liabilities** This item comprises other capital transactions, identified but not elsewhere specified, with the private sector by the Central Government and by public corporations. It includes borrowing from pension funds, loans (less repayments) to companies and to building societies, and miscellaneous trade credit and security transactions. The figures have been derived partly from the sources used for Table 36 in "National Income and Expenditure, 1960" and partly from public corporations' accounts and annual reports.

**Deposits** Funds held on current and deposit accounts with the various groups of banks in the banking sector are shown in the Statistical Annex.<sup>(d)</sup> The total of current and deposit accounts in Tables 10 and 11 is partially allocated between U.K. and overseas customers; and some help is given in the footnotes towards roughly apportioning the amounts unallocated. For other groups no division between U.K. and overseas customers is given; but Table 12 of the Statistical Appendix to Volume 2 of the Memoranda of Evidence to the Radcliffe Committee indicates that only about 4% of the deposits with these banks is for overseas customers. Therefore, if the change in the total deposits of these banks is taken as an approximation to the change on their U.K. residents' accounts, a tentative estimate of the movement in total U.K.-held deposits is possible. From this can be subtracted the movements in inter-bank balances. The resultant figures which are entered in Table II, along with changes in "Other Deposits: Other Accounts" at the Bank of England, as published in the Bank Return, still include changes in some deposits held by the public sector as well as in some overseas-held deposits.

(a) See Table 17 of the Statistical Appendix to Volume 2 of the Memoranda of Evidence to the Radcliffe Committee.

(b) For definition see Additional Notes to the Statistical Annex, page 62.

(c) See Table 9 of the Statistical Annex.

(d) Tables 6, 7, 8, 10 and 11.

**Advances** The calculation of changes in bank advances to the private sector is similar. Figures obtained from the Statistical Annex do not completely distinguish between the borrowings of U.K. and of overseas customers; but a rough calculation of total changes in advances to U.K. residents is possible. Advances to the U.K. private sector are obtained by excluding from these totals loans to U.K. local authorities (see note on *other local authority net indebtedness* above) and the identified borrowings by public corporations.

**Money at call and short notice (net)** The figures represent, on the one hand, discount houses' borrowings other than from the banking sector and, on the other hand, U.K. banks' lending at call or short notice other than to the discount houses. Transactions with overseas residents, which cannot be identified, are included.

**Commercial bills** End-year totals of bills, other than U.K. Treasury Bills, discounted by the various groups of U.K. banks are given in the Statistical Annex. These totals may include some bills drawn on overseas residents<sup>(a)</sup> but, since in Tables 10 and 11 sterling bills only are included, it is probable that most are commercial bills which have been accepted by U.K. banks. Such bills will have been accepted for the account of U.K. or overseas residents; and a separate series of U.K. acceptances for residents abroad is given in the Additional Notes to the Statistical Annex. The estimate of changes in the U.K. private sector's liabilities on commercial bills used in Table II has been made by deducting acceptances on non-

resident account from the total of "Other Bills" discounted by the banking sector.

**Other securities (net)** The securities included here are, on the one hand, those issued for cash by the banking sector, as announced in the press and recorded for the statistics of capital issues shown in Table 14 of the Statistical Annex; and, on the other hand, the banks' investments other than in government and government guaranteed securities. Figures for the latter include, in addition to "Other Investments" and "Other Sterling Securities" shown in Tables 6, 7, 10 and 11 of the Statistical Annex, the discount houses' "Other assets" from Table 4 of the Statistical Annex; "Other Securities: Securities" of the Banking Department of the Bank of England, from the Bank Return; and the London Clearing Banks' investments in subsidiaries, from their combined statements and balance sheets. Some securities issued by U.K. local authorities and by overseas public authorities are included.

**Short-term capital (net)** These transactions comprise that part of Items 12 ("Miscellaneous capital (net)") and 13 ("Overseas sterling holdings") in "United Kingdom Balance of Payments 1957 to 1960" (Cmnd. 1188) which cannot be separately identified as relating to the U.K. public or banking sectors.

**Long-term capital (net)** The main component is Item 11 "Other [*i.e.*, non-official] long-term capital (net)" in Cmnd. 1188, but sales of U.S. dollar securities by the Government to the private sector are also included.

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<sup>(a)</sup> Including overseas treasury bills.

**Table I**

FINANCIAL SURPLUS OF THE COMBINED PRIVATE AND BANKING SECTORS<sup>(a)</sup>

<i>£ millions</i>	1952	1953	1954	1955	1956	1957	1958	1959	1952-1959
<b>Persons</b>									
Saving <sup>(b)</sup> ... ..	+ 615	+ 710	+ 555	+ 815	+1,160	+1,170	+1,110	+1,265	+ 7,400
Capital transfers ...	+ 60	+ 45	+ 35	+ 60	+ 50	+ 40	+ 45	+ 40	+ 375
less Taxes on capital	-160	- 165	- 185	- 185	- 165	- 175	- 180	- 210	- 1,425
Gross fixed capital formation at home ... ..	-320	- 385	- 485	- 560	- 590	- 610	- 690	- 775	- 4,415
Value of physical increase in stocks and work in progress ...	+ 15	- 35	- 40	- 40	- 45	- 30	- 15	- 40	- 230
Net increase in financial and overseas assets ...	+210	+ 170	- 120	+ 90	+ 410	+ 395	+ 270	+ 280	+ 1,705
<b>Companies</b>									
Saving <sup>(b)</sup> ... ..	+970	+1,240	+1,565	+1,560	+1,705	+1,845	+1,820	+1,975	+12,680
Capital transfers ...	+ 30	+ 40	+ 25	+ 25	+ 20	+ 15	+ 15	+ 10	+ 180
less Gross fixed capital formation at home ... ..	-650	- 690	- 805	- 985	-1,170	-1,315	-1,365	-1,320	- 8,300
Value of physical increase in stocks and work in progress ...	+ 65	- 65	- 195	- 355	- 255	- 245	- 50	- 75	- 1,175
Net increase in financial and overseas assets ...	+415	+ 525	+ 590	+ 245	+ 300	+ 300	+ 420	+ 590	+ 3,385
Residual error ... ..	+155	+ 180	+ 195	- 10	+ 65	+ 70	+ 140	- 145	+ 650
<b>TOTAL = Financial surplus ... ..</b>	<u>+780</u>	<u>+ 875</u>	<u>+ 665</u>	<u>+ 325</u>	<u>+ 775</u>	<u>+ 765</u>	<u>+ 830</u>	<u>+ 725</u>	<u>+ 5,740</u>

(a) Excluding the Banking Department of the Bank of England.

(b) After providing for stock appreciation but before providing for depreciation and tax, dividend and interest reserves.

**Table II**

**FINANCIAL SURPLUS OF THE PRIVATE SECTOR**

<i>£ millions</i>	1952	1953	1954	1955	1956	1957	1958	1959	1952-1959
Changes in private sector's identified claims on (increase +) and liabilities to (increase -):									
<b>Public sector</b>									
Currency ... ..	+ 70	+110	+130	+ 95	+ 75	+ 55	+ 50	+135	+ 720
National Savings ...	-100	- 70	+ 50	+ 5	+ 25	+ 40	+175	+365	+ 490
Tax Reserve									
Certificates ... ..	- 65	+ 30	+105	- 85	- 15	+ 5	+ 25	- 25	- 25
Treasury Bills ...	+135	+ 20	+220	+150	- 15	- 95	+170	- 5	+ 580
Government and government guaranteed securities	+180	+205	-165	+395	+ 80	+ 20	+170	+ 80	+ 965
Iron and steel securities ... ..	—	+ 10	+ 65	+ 55	+ 30	+ 45	+ 5	—	+ 210
Local authority loans for house purchase...	- 15	- 20	- 30	- 50	- 50	- 35	- 25	- 25	- 250
Other local authority net indebtedness ...	+ 55	+145	+175	+ 80	+380	+365	+355	+380	+1,935
Miscellaneous identified claims and liabilities ... ..	- 25	- 15	- 50	- 20	+ 45	- 5	+ 20	+ 5	- 45
	<u>+235</u>	<u>+415</u>	<u>+500</u>	<u>+625</u>	<u>+555</u>	<u>+395</u>	<u>+945</u>	<u>+910</u>	<u>+4,580</u>
<b>Banking sector</b>									
Deposits ... ..	+105	+155	+170	-340	+ 10	+170	+225	+430	+ 925
Advances ... ..	+240	+ 40	-155	- 85	- 25	—	-395	-805	-1,185
Money at call and short notice (net) ...	+ 55	+ 5	- 45	+ 5	- 5	- 10	- 5	—	—
Commercial bills ...	+100	—	- 30	- 10	- 30	+ 30	- 10	- 70	- 20
Other securities (net)	+ 15	- 25	- 5	- 10	+ 10	- 10	- 35	+ 55	- 5
	<u>+515</u>	<u>+175</u>	<u>- 65</u>	<u>-440</u>	<u>- 40</u>	<u>+180</u>	<u>-220</u>	<u>-390</u>	<u>- 285</u>
<b>Overseas</b>									
Short-term capital (net)	+ 10	- 10	-110	+ 50	+100	- 10	- 40	+ 40	+ 30
Long-term capital (net)	+170	+200	+210	+130	+220	+250	+210	+200	+1,590
	<u>+180</u>	<u>+190</u>	<u>+100</u>	<u>+180</u>	<u>+320</u>	<u>+240</u>	<u>+170</u>	<u>+240</u>	<u>+1,620</u>
<b>TOTAL = Financial surplus ... ..</b>	<u>+930</u>	<u>+780</u>	<u>+535</u>	<u>+365</u>	<u>+835</u>	<u>+815</u>	<u>+895</u>	<u>+760</u>	<u>+5,915</u>