

## Sector financing accounts: 1952-66

Sector financing accounts have been published in the *Bulletin* since September 1963, and a regular series of articles has analysed the financial transactions of the five domestic sectors and of the overseas sector, and has described how these transactions were linked with changes in income and expenditure and in the balance of payments, and with other financial and economic developments. However, financial analysis has been hampered because complete accounts have not been available before 1960. By making a longer run of figures available it may be possible, for example, to study both underlying trends and cyclical changes.

A set of accounts, covering the years 1952<sup>1</sup>-66, has now been constructed and is presented in the tables accompanying this note; it is published without analysis or comment. Some of the results have been analysed previously in two special articles on the personal and company sectors;<sup>2</sup> and long-term developments in other sectors may be reviewed in future *Bulletin* articles. In the meantime, it is hoped that publication of the full accounts will be of help to other workers in the field of financial analysis.

Many of the detailed financial statistics needed to compile six-sector accounts are not available before 1962 or 1963; statistics for earlier years often lack a breakdown by sector or by type of asset or liability. It has been necessary, therefore, to make broad estimates to fill some of the gaps; in this work statistics for recent years have been of help in interpreting the more scanty information for earlier periods.

The Bank have also had the benefit of an unpublished analysis of transactions of financial institutions other than the banks, prepared some years ago by Professor J. C. Dawson of Grinnell College, Iowa; his kindness in making this available is gratefully acknowledged.

Though the accounts for earlier years are not as reliable as those for 1962 onwards it is considered that they are firm enough to enable the main trends and cyclical changes to be distinguished. The broad groupings of the assets and liabilities of each sector (e.g. the liquid assets of industrial and commercial companies) may be regarded with some confidence, but changes in individual assets and liabilities are in places less reliable. The notes on sources and definitions which precede the tables describe how the estimates have been obtained and indicate those which should be used with particular caution.

<sup>1</sup> 1952 is the starting point for much of the data provided for the Radcliffe Committee and also for some of the important balance of payments series.

<sup>2</sup> "Personal saving and financial investment: 1951-65" in the September 1966 *Bulletin*; and "Company finance: 1952-65" in the March *Bulletin*. Some of the estimates used in these articles have been revised but the main trends described are unchanged.

## Notes on sources and definitions

### The sectors

*Public sector* The central government, including the National Insurance Funds, the Exchange Equalisation Account and the Issue Department (but not the Banking Department) of the Bank of England; local authorities; the nationalised industries and other public corporations. The steel companies and road haulage undertakings that were returned to private ownership during the period are included in the public sector until denationalisation, when they are reclassified as industrial and commercial companies.

*Overseas sector* As defined for the balance of payments estimates.

*Persons (or personal sector)* Individuals, unincorporated businesses and private non-profit-making bodies.

*Industrial and commercial companies* All corporate bodies other than public corporations, banks and other financial institutions.

*Banks* The banking sector, as in Table 8 of the annex; the coverage of the statistics relating to the accepting houses and overseas banks was extended in 1962.<sup>1</sup>

*Other financial institutions* Special investment departments of trustee savings banks, Post Office Savings Bank (investment accounts only), building societies, hire purchase finance companies, unit trusts, investment trusts, insurance companies, pension funds, special finance agencies (e.g. the Agricultural Mortgage Corporation) and certain other institutions which accept deposits but which are not included in the banking sector.

### Lines in Tables A-E

*Line 1 Saving* The surplus of current income over current expenditure before providing for depreciation and stock appreciation. Additions to tax, dividend and interest reserves are included.

*Line 3 Gross fixed capital formation at home* The division between financial institutions and industrial and commercial companies of figures relating to all companies for 1952-58 has been estimated.

*Line 5 Financial surplus/deficit* For domestic sectors, the excess/shortfall of current saving plus net receipts (less net payments) of capital transfers, compared with investment at home in fixed assets, in stocks of goods and in work in progress. A surplus thus represents the sum available for the net acquisition of financial claims on other domestic sectors or for net investment, in real or financial assets, abroad. A financial surplus/deficit of the overseas sector is the counterpart of a deficit/surplus on current account in the U.K. balance of payments. For all sectors together, financial surpluses/deficits should add to nil, but they do not because of the residual error between the independent estimates of national income and national expenditure.

*Line 6 Net indebtedness of Government to Bank of England, Banking Department* The Banking Department's holdings of government debt and of notes and coin – regarded here as government

liabilities – less the deposits of the Exchequer and the Paymaster General with the Bank. Changes in this item generally correspond fairly closely to movements in the Banking Department's net liabilities to the rest of the banking sector.

*Line 7 Life assurance and pension funds* The increase in persons' net claims in respect of these funds – that is, the excess of premiums, contributions, dividends and interest, etc. over pensions, other benefits, taxes and administrative costs. Figures are included for public sector pension schemes where separate pension funds are not maintained.

*Line 8 Government loans* Lending (net of repayments) to building societies, companies, agriculture, etc.; and intergovernment loans (net). Government loans to housing associations are included in line 18.

*Line 9 Gold and foreign exchange reserves* Changes in the sterling equivalent of gold and convertible and non-convertible currencies held in the E.E.A. (other than the increase arising from the transfer from the Government's portfolio of dollar securities in 1966); and, for the years 1952-59, changes in the U.K. balance with the European Payments Union.

*Line 10 Government transactions with I.M.F.* The United Kingdom's subscription to the International Monetary Fund, less changes in the Fund's holding of interest free notes issued by the U.K. Government.

*Line 11 Miscellaneous investment overseas (net)* U.K. official long-term investment overseas (apart from intergovernment loans); private net long-term investment (inward/outward), other than transactions in securities (portfolio investment and the share and loan element of direct investment) included in lines 23 and 24; and part of "miscellaneous capital (net)" in the balance of payments estimates. The figures for 1963-66 also include part of the changes in U.K. external liabilities and claims, both in sterling and in foreign currencies, covered by the new statistical series that became available from end-December 1962;<sup>2</sup> the most important items included are transactions in commercial bills between overseas residents and industrial and commercial companies; the overseas transactions of some institutions which contribute to the statistics of external liabilities and claims, but which are not included in the financial sectors; and changes in official liabilities in foreign currencies arising from drawings on central bank facilities.

*Line 12 Notes and coin* Changes in Bank of England notes – treated here as liabilities of the public sector; in Scottish and Northern Ireland banks' liabilities on account of their note issues; and in coin. Changes in holdings outside the banking sector have been arbitrarily divided between persons and industrial and commercial companies, but some allowance has been made for movements brought about by the different days of the week on which the periods end.

*Line 13 Bank deposits* Changes in gross current and deposit accounts, except for the banking sector and industrial and commercial companies. The entries for the banking sector are changes in net deposits i.e. current and deposit accounts after allowing for items in transit (see the

<sup>1</sup> December 1962 *Bulletin*, page 267.

<sup>2</sup> June 1963 *Bulletin*, page 98.

additional notes to Table 8 of the annex). The proper allocation of transit items is not known, but it is believed that most of the changes in the figures arise from transactions between companies. The entries for industrial and commercial companies are the changes in their gross current and deposit accounts, less the total change in transit items. Changes in public sector deposits before 1963 are assumed to be nil. Overseas sector deposits for 1952-61 relate to those with accepting houses and overseas banks only (those with the other banks are not known). Figures for deposits by other financial institutions in 1952-62 are from the institutions' own statistics. The remaining changes in deposits for 1952-62 have been allocated to the personal sector and to industrial and commercial companies; the division between these two sectors has been estimated, partly from the London clearing banks' figures for deposits of individuals (net of advances).

*Line 14 Deposits with other financial institutions* Shares and deposits with building societies, and deposits in P.O.S.B. investment accounts, with special investment departments of trustee savings banks, with hire purchase finance houses (other than those by banks, which are included in line 16) and with some other institutions. The division of deposits with finance houses for 1952-62 between persons, industrial and commercial companies and other financial institutions has been estimated.

*Line 15 Non-marketable government debt* Tax reserve certificates, Treasury deposit receipts (1952 only), and all forms of national savings (including accrued interest), other than deposits in P.O.S.B. investment accounts and with special investment departments of trustee savings banks (included in line 14).

*Line 16 Bank lending* The banks' advances and overdrafts, money at call and short notice (excluding tax reserve certificates in 1966), and transactions in commercial bills. The figures exclude all lending to local authorities (included in line 22) and estimated loans for house purchase (included in line 18). Advances: the distribution between debtor sectors in 1963-66 is from comprehensive figures for the banking sector (see Table 8 of the annex). The figures for 1952-61 for the overseas sector relate only to advances by accepting houses and overseas banks. The division for 1952-62 between persons, industrial and commercial companies and other financial institutions has been estimated, partly from the British Bankers' Association analysis. Call money: the figures for 1963-66 for the overseas sector are from returns made by the banks: it is assumed that changes in earlier years relate only to domestic sectors. The division of the residual figures between persons (e.g. stock-brokers) and industrial and commercial companies has been roughly estimated. Commercial bills: the figures for 1952-62 for the overseas sector relate only to sterling acceptances given for account of residents abroad; for later years they are derived from more comprehensive information provided by the banks. The figures for 1963-66 of transactions by other financial institutions are from returns by the institutions; those for earlier years have been estimated. Residual

transactions are attributed to industrial and commercial companies.

*Line 17 Hire purchase debt* Changes in hire purchase and other instalment credit extended by finance houses and household goods shops (including gas and electricity undertakings in the public sector as well as companies). The figures relate to capital sums only (unearned finance charges are excluded). Changes in 1952-54 in the debt of personal consumers have been estimated, and residual transactions entered under industrial and commercial companies.

*Line 18 Loans for house purchase* New loans, less repayments, by building societies, insurance companies, local authorities and pension funds; estimated changes in bank lending; and loans to housing associations by the Government and by public corporations.

*Line 19 Other loans* Loans between domestic sectors not elsewhere included. These are mainly loans by other financial institutions to persons and to industrial and commercial companies. The estimates also include net trade credit given or received by public corporations, borrowing by the Northern Ireland Government and transfers to the U.K. Government from those public sector pension schemes where separate pension funds are not maintained.

*Lines 20 and 21 Marketable government debt* As defined in the additional notes to Table 3 (1) of the annex; the changes in overseas holdings of Treasury bills include the sterling counterpart of some inter-central bank transactions. For 1952-62, transactions by other financial institutions are from Professor Dawson's analysis; overseas non-official transactions have been estimated from figures of overseas sterling holdings; transactions by industrial and commercial companies have been roughly estimated from a variety of sources. The residual changes have been attributed to persons and are subject to a wide margin of error. For 1963-66, separate figures are available for non-official overseas holdings of Treasury bills and of government stocks; for this period it has been assumed that changes in personal holdings of Treasury bills are unimportant, and residual transactions in Treasury bills are included under industrial and commercial companies. For government stocks, transactions by companies have been estimated, and those by persons are residual figures.

*Line 22 Local authority debt* Total identified borrowing by local authorities from outside the public sector, including bank advances and overdrafts. For 1961-66 the figures for total borrowing are from returns by the local authorities, but for the earlier years they are derived as residuals from the consolidated capital account of local authorities. Figures of lending by the banks are from banking statistics and those by other financial institutions are from Professor Dawson's work or from returns by the institutions. Lending by the overseas sector, which is taken from balance of payments statistics, is confined until 1963 to transactions by official holders. Changes in industrial and commercial companies' holdings of debt for 1962-66 are from local authority returns, and residual changes for these years are entered under persons. For earlier years, when transactions by companies are not

available, the division of residual changes between industrial and commercial companies and persons has been estimated (residuals will include any changes in non-official overseas holdings).

*Lines 23 and 24 U.K. company and overseas securities*

*Capital issues* Includes issues on the U.K. market by quoted public companies and by overseas public companies and public authorities,<sup>1</sup> together with issues by U.K. companies in overseas centres.

*Other transactions* For the public sector the entries comprise cash expenditure on company securities by the central government and public corporations, less net cash receipts from sales of steel company securities when the companies were returned to private ownership. For the overseas sector the entries represent transactions by overseas residents in U.K. company securities and by U.K. residents in overseas securities (excluding capital issues in the United Kingdom), in so far as these are identified in (or have been estimated from) the balance of payments figures of private investment. The entries for the banking sector are the change in the banks' investments other than in government stocks and in local authority securities. The figures for other financial institutions are from Professor Dawson's work or from returns by the institutions. The estimates for industrial and commercial companies relate mainly to their cash payments for the acquisition of subsidiaries or minority interests in this country; for 1962-66 these are derived from information reported in the press,<sup>2</sup> and for earlier years they are roughly estimated from the Board of Trade's analysis of company accounts. The figures for companies also include their acquisition of unincorporated businesses; their purchases of trade investments; their acquisition of share and loan capital in overseas companies; and all transactions in their own shares by retail co-operative societies. The entries for persons are obtained as residuals from the estimates in lines 23 and 24 for all other sectors, and are subject to a wide margin of error.

*Line 25 Unit trust units* Purchases less sales of units. It is assumed that all transactions are between unit trust managers and persons.

*Line 27 Unidentified* The net totals for all sectors taken together represent the residual error in the national income accounts referred to in the note on line 5. Figures for individual sectors also reflect the balancing item in the balance of payments accounts and deficiencies in the sector division of the national income accounts, as well as in the estimates of financial transactions.

---

<sup>1</sup> June 1966 *Bulletin*, page 151.

<sup>2</sup> December 1966 *Bulletin*, page 348.

**Table A**

**Sector financing: 1952-54**

£ millions

	Line	Public sector			Overseas sector		
		1952	1953	1954	1952	1953	1954
<b>Financial surplus +/deficit —</b>							
Saving	1	+ 607	+ 510	+ 554			
Taxes on capital and capital transfers	2	+ 100	+ 91	+ 122			
less:							
Gross fixed capital formation at home	3	-1,168	-1,313	-1,297			
Increase in value of stocks and work in progress	4	- 89	+ 11	+ 186			
<b>Financial surplus +/deficit —</b>	<b>5</b>	<b>- 550</b>	<b>- 701</b>	<b>- 435</b>	<b>-163</b>	<b>-145</b>	<b>-117</b>
<b>Changes in financial assets and liabilities</b>							
assets increase +/decrease — liabilities increase —/decrease +							
Net indebtedness of Government to Bank of England, Banking Department	6	+ 18	- 10	+ 13			
Life assurance and pension funds	7						
Government loans	8	+ 2	+ 35	+ 14	—	- 30	- 20
Gold and foreign exchange reserves	9	- 202	+ 231	+ 168	+ 202	-231	-168
Government transactions with I.M.F.	10	—	+ 56	+ 40	—	- 56	- 40
Miscellaneous investment overseas (net)	11	+ 20	+ 26	+ 19	-102	-133	-129
Notes and coin	12	- 100	- 87	- 126			
Bank deposits	13				- 20	+ 41	+111
Deposits with other financial institutions	14						
Non-marketable government debt	15	+ 274	+ 42	- 148			
Bank lending	16	- 21	+ 32	- 51	+120	+ 6	- 58
Hire purchase debt	17	+ 4	+ 6	+ 19			
Loans for house purchase	18	+ 17	+ 20	+ 34			
Other loans	19	- 30	- 39	+ 19			
Marketable government debt:							
Treasury bills	20	- 338	- 306	- 64	-398	+241	+147
Stocks	21	- 326	- 500	- 56			
Local authority debt	22	- 37	- 138	- 187	—	—	+ 3
U.K. company and overseas securities:							
Capital issues	23				- 31	- 15	- 47
Other transactions	24	—	- 12	- 65			
Unit trust units	25						
<b>Identified financial transactions</b>	<b>26</b>	<b>- 719</b>	<b>- 644</b>	<b>- 371</b>	<b>-229</b>	<b>-177</b>	<b>-174</b>
<b>Unidentified</b>	<b>27</b>	<b>+ 169</b>	<b>- 57</b>	<b>- 64</b>	<b>+ 66</b>	<b>+ 32</b>	<b>+ 57</b>
<b>Total = Financial surplus +/deficit —</b>	<b>28</b>	<b>- 550</b>	<b>- 701</b>	<b>- 435</b>	<b>-163</b>	<b>-145</b>	<b>-117</b>

Private sector

Persons			Industrial and commercial companies			Banks			Other financial institutions			Line
1952	1953	1954	1952	1953	1954	1952	1953	1954	1952	1953	1954	
+366	+440	+415	+1,150	+1,286	+1,631	+96	+84	+94				1
-97	-116	-144	+32	+42	+23							2
-296	-360	-454	-617	-661	-771	-25	-25	-30				3
+5	-40	-64	+84	-21	-253							4
-22	-76	-247	+649	+646	+630	+71	+59	+64				5
						1952	1953	1954	1952	1953	1954	
+351	+393	+437	-2	-5	+7	-18	+10	-13	-351	-393	-437	6
-	-	-1							-	-	-	7
			+82	+107	+110							8
												9
												10
+36	+55	+64	+36	+55	+64	+28	-23	-2				11
+70	+120	+149	+84	+34	-6	-143	-198	-251	+9	+3	-3	12
+127	+188	+248	+4	+8	+28				-131	-196	-276	13
-91	-74	+45	-64	+32	+103	-119						14
+103	+7	-72	+210	+35	-112	-426	-72	+309	+14	-8	-16	15
-18	-31	-96	-	+13	+37				+14	+12	+40	16
-139	-168	-236	-41	-11	-56	-15	-5	+5	+137	+153	+197	17
-13	-10	-19							+84	+60	+56	18
												19
+286	+110	-87	-5	+15	-20	+512	+75	-111	+2	+7	+11	20
-8	+21	+34	-	+27	+22	+220	+260	+109	+47	+98	+71	21
						-2	+9	+24	+47	+81	+104	22
-37	-104	-100	-135	-115	-157	-2	-3	-6	-2	-8	-46	23
-	-	-	+65	+80	+125	-2	+23	+11	+144	+154	+258	24
												25
+667	+507	+366	+234	+275	+145	+33	+76	+75	+14	-37	-41	26
-689	-583	-613	+415	+371	+485				+24	+20	+30	27
-22	-76	-247	+649	+646	+630				+71	+59	+64	28

**Table B**

**Sector financing: 1955-57**

£ millions

	Line	Public sector			Overseas sector		
		1955	1956	1957	1955	1956	1957
<b>Financial surplus +/deficit —</b>							
Saving	1	+ 780	+ 747	+ 858			
Taxes on capital and capital transfers	2	+ 92	+ 88	+ 114			
less:							
Gross fixed capital formation at home	3	-1,326	-1,377	-1,474			
Increase in value of stocks and work in progress	4	+ 60	- 2	- 32			
<b>Financial surplus +/deficit —</b>	<b>5</b>	<b>- 394</b>	<b>- 544</b>	<b>- 534</b>	<b>+155</b>	<b>-208</b>	<b>-233</b>
<b>Changes in financial assets and liabilities</b>							
assets increase +/decrease —							
liabilities increase —/decrease +							
Net indebtedness of Government to Bank of England, Banking Department	6	+ 60	+ 4	+ 27			
Life assurance and pension funds	7						
Government loans	8	+ 56	+ 47	- 69	- 52	- 50	+ 75
Gold and foreign exchange reserves	9	- 230	+ 39	+ 24	+230	- 39	- 24
Government transactions with I.M.F.	10	—	- 202	- 2	—	+202	+ 2
Miscellaneous investment overseas (net)	11	+ 23	+ 31	+ 27	- 24	-143	-186
Notes and coin	12	- 136	- 124	- 126			
Bank deposits	13				- 32	- 83	- 13
Deposits with other financial institutions	14						
Non-marketable government debt	15	+ 81	- 11	- 42			
Bank lending	16	+ 104	- 75	+ 41	- 26	- 27	- 29
Hire purchase debt	17	+ 4	- 8	- 7			
Loans for house purchase	18	+ 52	+ 51	+ 35			
Other loans	19	+ 13	- 57	- 38			
Marketable government debt:							
Treasury bills	20	- 191	+ 180	- 20	- 50	-103	-112
Stocks	21	- 99	- 37	+ 33			
Local authority debt	22	- 38	- 377	- 347	- 2	+ 13	- 1
U.K. company and overseas securities:							
Capital issues	23				- 3	- 10	- 7
Other transactions	24	- 57	- 28	- 47	- 7	- 10	- 18
Unit trust units	25						
<b>Identified financial transactions</b>	<b>26</b>	<b>- 358</b>	<b>- 567</b>	<b>- 511</b>	<b>+ 34</b>	<b>-250</b>	<b>-313</b>
<b>Unidentified</b>	<b>27</b>	<b>- 36</b>	<b>+ 23</b>	<b>- 23</b>	<b>+121</b>	<b>+ 42</b>	<b>+ 80</b>
<b>Total = Financial surplus +/deficit —</b>	<b>28</b>	<b>- 394</b>	<b>- 544</b>	<b>- 534</b>	<b>+155</b>	<b>-208</b>	<b>-233</b>

Private sector

Persons			Industrial and commercial companies			Banks			Other financial institutions			Line
1955	1956	1957	1955	1956	1957	1955	1956	1957	1955	1956	1957	
+ 525	+ 789	+ 766	+ 1,762	+ 1,967	+ 2,002				+ 129	+ 116	+ 131	1
- 117	- 106	- 125	+ 26	+ 18	+ 11							2
- 522	- 498	- 496	- 941	- 1,177	- 1,357				- 40	- 51	- 54	3
- 85	- 71	- 62	- 471	- 394	- 331							4
- 199	+ 114	+ 83	+ 376	+ 414	+ 325				+ 89	+ 65	+ 77	5
						1955	1956	1957	1955	1956	1957	
+ 478	+ 515	+ 579				- 60	- 4	- 27	- 478	- 515	- 579	6
- 2	- 2	- 4	- 2	+ 5	- 2							7
												8
			+ 1	+ 112	+ 159							9
												10
+ 48	+ 37	+ 27	+ 48	+ 38	+ 27	+ 40	+ 49	+ 72				11
- 130	+ 25	+ 198	- 212	- 29	- 21	+ 376	+ 77	- 161	- 2	+ 10	- 3	12
+ 239	+ 222	+ 210	+ 12	- 10	+ 28				- 251	- 212	- 238	13
+ 3	+ 28	+ 43	- 84	- 17	- 1							14
+ 1	- 5	- 3	- 80	- 64	+ 16	+ 6	+ 170	- 27	- 5	+ 1	+ 2	15
- 72	+ 63	- 37	+ 12	- 25	- 32				+ 56	- 30	+ 76	16
- 278	- 215	- 229	- 78	- 54	- 51		- 15		+ 226	+ 179	+ 194	17
- 12	- 5	- 4							+ 77	+ 116	+ 93	18
												19
+ 452	+ 92	- 181	+ 120	- 15	-	+ 99	- 138	+ 217	+ 3	+ 6	+ 4	20
+ 47	+ 123	+ 126	- 52	+ 139	+ 135	- 403	- 59	- 32	+ 69	+ 74	+ 91	21
						- 28	+ 1	- 1	+ 73	+ 101	+ 88	22
			- 237	- 189	- 281	- 3	- 2	- 2	- 31	- 31	- 24	23
+ 8	- 102	- 67	+ 100	+ 160	+ 140	+ 25	- 18	+ 18	+ 205	+ 230	+ 288	24
-	-	+ 5									- 5	25
+ 782	+ 776	+ 663	- 452	+ 51	+ 117	+ 52	+ 61	+ 57	- 58	- 71	- 13	26
- 981	- 662	- 580	+ 828	+ 363	+ 208		+ 95	+ 75	+ 33			27
- 199	+ 114	+ 83	+ 376	+ 414	+ 325		+ 89	+ 65	+ 77			28

**Table C**

**Sector financing: 1958-60**

£ millions

	Line	Public sector			Overseas sector		
		1958	1959	1960	1958	1959	1960
<b>Financial surplus +/deficit —</b>							
Saving	1	+ 941	+ 884	+ 757			
Taxes on capital and capital transfers	2	+ 118	+ 148	+ 157			
less:							
Gross fixed capital formation at home	3	-1,483	-1,592	-1,648			
Increase in value of stocks and work in progress	4	- 25	—	+ 28			
<b>Financial surplus +/deficit —</b>	<b>5</b>	<b>- 449</b>	<b>- 560</b>	<b>- 706</b>	<b>-347</b>	<b>-149</b>	<b>+ 258</b>
<b>Changes in financial assets and liabilities</b>							
assets increase +/decrease —							
liabilities increase —/decrease +							
Net indebtedness of Government to Bank of England, Banking Department	6	+ 1	- 63	- 164			
Life assurance and pension funds	7						
Government loans	8	+ 39	+ 133	+ 136	- 44	-118	- 92
Gold and foreign exchange reserves	9	+ 271	- 136	+ 175	-271	+136	-175
Government transactions with I.M.F.	10	+ 10	+ 135	+ 151	- 10	-135	-151
Miscellaneous investment overseas (net)	11	+ 35	+ 4	+ 18	-130	-195	-120
Notes and coin	12	- 42	- 85	- 123			
Bank deposits	13				+171	+159	+424
Deposits with other financial institutions	14				- 8	- 7	+ 13
Non-marketable government debt	15	- 201	- 332	- 318			
Bank lending	16	- 12	- 15	- 6	- 20	-112	-273
Hire purchase debt	17	+ 7	+ 33	+ 12			
Loans for house purchase	18	+ 28	+ 26	+ 42			
Other loans	19	- 38	- 65	- 73			
Marketable government debt:							
Treasury bills	20	- 48	- 95	+ 42	- 41	+ 91	+245
Stocks	21	- 131	+ 307	- 144			
Local authority debt	22	- 393	- 393	- 390	+ 1	+ 25	+ 40
U.K. company and overseas securities:							
Capital issues	23				- 16	- 5	- 6
Other transactions	24	- 3	- 2	- 9	- 43	+ 40	+ 61
Unit trust units	25						
<b>Identified financial transactions</b>	<b>26</b>	<b>- 477</b>	<b>- 548</b>	<b>- 651</b>	<b>-411</b>	<b>-121</b>	<b>- 34</b>
<b>Unidentified</b>	<b>27</b>	<b>+ 28</b>	<b>- 12</b>	<b>- 55</b>	<b>+ 64</b>	<b>- 28</b>	<b>+292</b>
<b>Total=Financial surplus +/deficit —</b>	<b>28</b>	<b>- 449</b>	<b>- 560</b>	<b>- 706</b>	<b>-347</b>	<b>-149</b>	<b>+258</b>

Private sector

Persons			Industrial and commercial companies			Banks			Other financial institutions			Line
1958	1959	1960	1958	1959	1960	1958	1959	1960	1958	1959	1960	
+655	+817	+1,290	+1,910	+2,105	+2,601	+130	+130	+137				1
-128	-155	-172	+10	+7	+15							2
-552	-619	-740	-1,393	-1,450	-1,652	-64	-75	-80				3
-30	-64	-99	-51	-200	-665							4
-55	-21	+279	+476	+462	+299	+66	+55	+57				5
						1958	1959	1960	1958	1959	1960	
+649	+717	+816				-1	+63	+164	-649	-717	-816	6
-1	-4	-4	+6	-3	-3				-	-8	-37	7
												8
			+95	+191	+102				-	-	-	9
												10
+25	+67	+51	+26	+67	+50	-9	-49	+22				11
+188	+384	+197	+33	+64	-135	-394	-603	-505	+2	-4	+19	12
+234	+315	+273	+23	+64	+41				-249	-372	-327	13
+195	+366	+295	+6	-34	+23							14
												15
-193	-339	-257	-173	-374	-364	+425	+949	+931	-27	-109	-31	16
-82	-224	-22	+11	+20	-68				+64	+171	+78	17
-227	-362	-380				+15	+70	+30	+184	+266	+308	18
-15	+4	-20	-82	-83	-71				+135	+144	+164	19
+121	-56	+302	-10	+15	-	-190	+31	-253	+7	+7	-2	20
+108	+92	+144	+151	+165	+67	+144	-418	-365	+148	+118	+175	21
						+58	+25	+72	+75	+86	+67	22
-165	-377	-376	-191	-251	-323	-3	-54	-22	-33	-81	-90	23
+15	+30	+13	+125	+265	+309	+34	+15	+13	+295	+450	+443	24
									-15	-30	-13	25
+852	+613	+1,032	+20	+106	-372	+79	+29	+87	-63	-79	-62	26
-907	-634	-753	+456	+356	+671		+50	+105	+32			27
-55	-21	+279	+476	+462	+299		+66	+55	+57			28

**Table D**

**Sector financing: 1961-63**

£ millions

	Line	Public sector			Overseas sector		
		1961	1962	1963	1961	1962	1963
<b>Financial surplus + /deficit —</b>							
Saving	1	+ 919	+ 1,287	+ 1,085			
Taxes on capital and capital transfers	2	+ 176	+ 161	+ 197			
less:							
Gross fixed capital formation at home	3	- 1,824	- 1,962	- 2,132			
Increase in value of stocks and work in progress	4	- 16	- 14	+ 21			
<b>Financial surplus + /deficit —</b>	<b>5</b>	<b>- 745</b>	<b>- 528</b>	<b>- 829</b>	<b>- 5</b>	<b>- 127</b>	<b>- 116</b>
<b>Changes In financial assets and liabilities</b>							
assets increase + /decrease —							
liabilities increase — /decrease +							
Net indebtedness of Government to Bank of England, Banking Department	6	- 91	+ 253	+ 32			
Life assurance and pension funds	7						
Government loans	8	+ 101	+ 133	+ 110	- 16	- 91	- 97
Gold and foreign exchange reserves	9	+ 30	- 184	- 53	- 30	+ 184	+ 53
Government transactions with I.M.F.	10	- 373	+ 379	- 5	+ 373	- 379	+ 5
Miscellaneous investment overseas (net)	11	+ 42	- 11	+ 6	- 234	- 71	- 128
Notes and coin	12	- 97	- 6	- 154			
Bank deposits	13			+ 10	+ 66	+ 397	+ 378
Deposits with other financial institutions	14				+ 11	+ 17	+ 17
Non-marketable government debt	15	- 151	- 77	- 126			
Bank lending	16	+ 17	- 2	- 5	- 160	- 213	- 321
Hire purchase debt	17	- 1	+ 3	+ 10			
Loans for house purchase	18	+ 67	+ 47	+ 61			
Other loans	19	- 58	- 86	- 128			
Marketable government debt:							
Treasury bills	20	+ 178	+ 269	- 24	- 213	- 142	+ 91
Stocks	21	+ 238	- 599	+ 121			+ 7
Local authority debt	22	- 502	- 599	- 636			+ 53
U.K. company and overseas securities:							
Capital issues	23				- 9	+ 2	- 15
Other transactions	24	- 87	- 10	- 22	+ 188	+ 58	- 34
Unit trust units	25						
<b>Identified financial transactions</b>	<b>26</b>	<b>- 687</b>	<b>- 490</b>	<b>- 803</b>	<b>+ 29</b>	<b>- 187</b>	<b>- 45</b>
<b>Unidentified</b>	<b>27</b>	<b>- 58</b>	<b>- 38</b>	<b>- 26</b>	<b>- 34</b>	<b>+ 60</b>	<b>- 71</b>
<b>Total = Financial surplus + /deficit —</b>	<b>28</b>	<b>- 745</b>	<b>- 528</b>	<b>- 829</b>	<b>- 5</b>	<b>- 127</b>	<b>- 116</b>

Private sector												Line
Persons			Industrial and commercial companies			Banks			Other financial institutions			
1961	1962	1963	1961	1962	1963	1961	1962	1963	1961	1962	1963	
+1,669	+1,473	+1,521	+2,304	+2,122	+2,711	+156	+148	+144				1
- 185	- 173	- 206	+ 9	+ 12	+ 9							2
- 813	- 777	- 829	-1,886	-1,886	-1,833	- 96	-105	-109				3
- 96	- 62	- 99	- 394	- 155	- 362							4
+ 575	+ 461	+ 387	+ 33	+ 93	+ 525	+ 60	+ 43	+ 35				5
						1961	1962	1963	1961	1962	1963	
+ 869	+ 941	+1,066				+ 91	-253	- 32	-869	-941	-1,066	6
- 5	- 3	- 2	- 34	- 48	- 18				- 46	+ 9	+ 7	7
												8
			+ 189	+ 82	+ 109				+ 3	-	+ 13	9
												10
+ 49	+ 3	+ 46	+ 48	- 73	+ 26	-	+ 76	+ 82				12
+ 189	+ 301	+ 356	- 32	+ 34	+ 219	-231	-742	-1,003	+ 8	+ 10	+ 40	13
+ 280	+ 487	+ 631	+ 15	- 28	+ 52				-306	-476	- 700	14
+ 156	+ 129	+ 187	- 5	- 52	- 61							15
- 61	- 221	- 90	- 231	- 239	- 468	+419	+661	+ 922	+ 16	+ 14	- 38	16
+ 21	+ 1	- 69	- 27	+ 48	+ 29				+ 7	- 52	+ 30	17
- 369	- 414	- 572				-	+ 30	+ 55	+302	+337	+ 456	18
- 25	+ 8	+ 2	- 93	- 61	- 56				+176	+139	+ 182	19
- 94	- 40	- 246	- 70	- 10	- 30	+ 43	-110	- 35	- 11	- 1	- 2	20
+ 241	+ 289	+ 205	+ 49	+ 27	+ 133	-162	+328	- 12	+ 91	+305	+ 120	21
						+ 25	+ 72	+ 65	+134	+160	+ 234	22
			- 436	- 332	- 336	- 52	- 48	- 24	-102	- 75	- 87	23
- 305	- 396	- 572	+ 321	+ 277	+ 276	- 18	+ 37	+ 32	+500	+487	+ 782	24
+ 7	+ 34	+ 60							- 7	- 34	- 60	25
+ 953	+1,119	+1,002	- 306	- 375	- 115	+115	+ 51	+ 50	-104	-118	- 89	26
- 378	- 658	- 615	+ 339	+ 468	+ 640		+ 49	+110	+ 74			27
+ 575	+ 461	+ 387	+ 33	+ 93	+ 525		+ 60	+ 43	+ 35			28

**Table E**
**Sector financing: 1964-66**

£ millions

	Line	Public sector			Overseas sector		
		1964	1965	1966	1964	1965	1966
<b>Financial surplus + /deficit -</b>							
Saving	1	+ 1,435	+ 1,878	+ 2,265			
Taxes on capital and capital transfers	2	+ 170	+ 121	+ 141			
less:							
Gross fixed capital formation at home	3	- 2,581	- 2,800	- 3,118			
Increase in value of stocks and work in progress	4	- 29	- 28	- 66			
<b>Financial surplus + /deficit -</b>	<b>5</b>	<b>- 1,005</b>	<b>- 829</b>	<b>- 778</b>	<b>+ 402</b>	<b>+ 110</b>	<b>+ 59</b>
<b>Changes in financial assets and liabilities</b>							
assets increase + /decrease -							
liabilities increase - /decrease +							
Net indebtedness of Government to Bank of England, Banking Department	6	- 68	- 152	- 44			
Life assurance and pension funds	7						
Government loans	8	+ 118	+ 108	+ 76	- 101	- 66	- 62
Gold and foreign exchange reserves	9	- 122	+ 246	- 282	+ 122	- 246	+ 282
Government transactions with I.M.F.	10	- 359	- 496	+ 16	+ 359	+ 496	- 16
Miscellaneous investment overseas (net)	11	- 56	+ 53	+ 39	- 232	- 268	- 153
Notes and coin	12	- 157	- 193	- 148			
Bank deposits	13	+ 10	+ 39	+ 13	+ 530	+ 412	+ 742
Deposits with other financial institutions	14				+ 17	+ 82	+ 31
Non-marketable government debt	15	- 172	+ 134	+ 123			
Bank lending	16	+ 7	- 7	- 14	- 427	- 361	- 1,005
Hire purchase debt	17	+ 7	+ 2	- 17			
Loans for house purchase	18	+ 124	+ 160	+ 18			
Other loans	19	- 163	- 52	- 161			
Marketable government debt:							
Treasury bills	20	+ 375	+ 39	+ 10	+ 26	- 87	+ 221
Stocks	21	+ 114	- 222	- 230	+ 96	- 2	- 8
Local authority debt	22	- 561	- 558	- 399	+ 28	- 15	- 38
U.K. company and overseas securities:							
Capital issues	23				- 66	- 19	+ 16
Other transactions	24	- 17	+ 7	+ 55	+ 5	+ 80	+ 50
Unit trust units	25						
<b>Identified financial transactions</b>	<b>26</b>	<b>- 920</b>	<b>- 892</b>	<b>- 945</b>	<b>+ 357</b>	<b>+ 6</b>	<b>+ 60</b>
<b>Unidentified</b>	<b>27</b>	<b>- 85</b>	<b>+ 63</b>	<b>+ 167</b>	<b>+ 45</b>	<b>+ 104</b>	<b>- 1</b>
<b>Total = Financial surplus + /deficit -</b>	<b>28</b>	<b>- 1,005</b>	<b>- 829</b>	<b>- 778</b>	<b>+ 402</b>	<b>+ 110</b>	<b>+ 59</b>

## Private sector

Persons			Industrial and commercial companies			Banks			Other financial institutions			Line
1964	1965	1966	1964	1965	1966	1964	1965	1966	1964	1965	1966	
+1,826	+1,895	+1,879	+3,091	+3,239	+2,899	+194	+246	+253				1
-183	-139	-162	+13	+18	+21							2
-902	-962	-916	-2,247	-2,401	-2,418	-126	-156	-183				3
-162	-130	-91	-800	-613	-403							4
+579	+664	+710	+57	+243	+99	+68	+90	+70				5
						1964	1965	1966	1964	1965	1966	
+1,156	+1,166	+1,198				+68	+152	+44	-1,156	-1,166	-1,198	6
-3	-2	-2	-17	-42	-15				+3	+2	+3	7
												8
			+280	+212	+122				+8	+3	-8	9
												10
+75	+77	+37	+134	+118	+29	-52	-2	+82				11
+454	+512	+253	-82	+114	+138	-918	-1,132	-1,212	+6	+55	+66	12
+674	+789	+912	+30	+46	+5				-721	-917	-948	13
+216	-15	-185	-42	-119	-16			+85	-2	-	-7	14
												15
-129	+33	+60	-697	-467	-247	+1,325	+845	+1,157	-79	-43	+49	16
-109	-63	+102	-25	-22	-13				+127	+83	-72	17
-758	-695	-721	-69	-168	-65	+35	-15	-25	+599	+550	+728	18
-27	-30	-73				+4	-2	+2	+255	+252	+297	19
-67	-75	-4	-82	-25	-16	-331	+85	-209	+12	-12	-6	20
+130	+268	+233	-30	-15	-	-215	+73	+119	+102	+241	+123	21
			+63	-80	-81	+152	+117	+81	+188	+268	+204	22
-649	-751	-600	-411	-404	-572	-24	-2	-20	-84	-36	-106	23
+77	+59	+105	+437	+443	+351	+22	+26	+26	+787	+656	+800	24
									-77	-59	-105	25
+1,040	+1,273	+1,315	-511	-409	-380	+66	+145	+130	-32	-123	-180	26
-461	-609	-605	+568	+652	+479		+34	+68	+120			27
+579	+664	+710	+57	+243	+99		+68	+90	+70			28