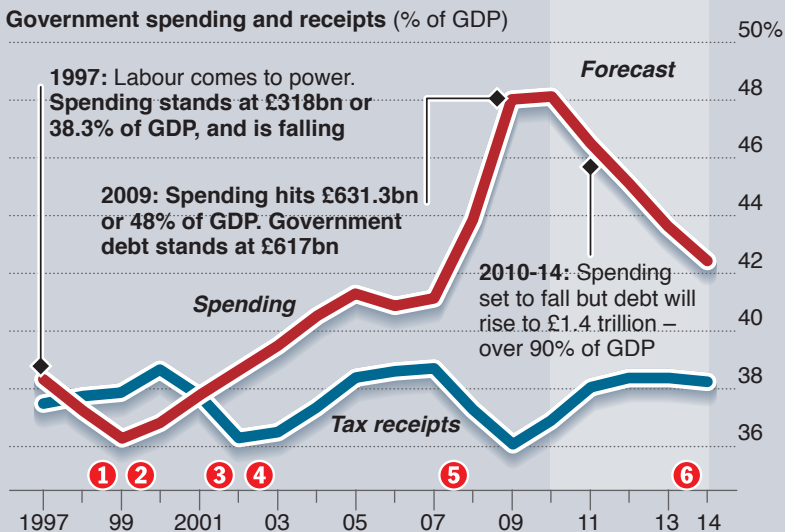


Britain's state borrowing binge

Government expenditure accounts for almost half of the UK economy, with one in five employees now working for the state. The government spends £4 for every £3 received in tax revenue, at a cost of £42 billion a year in debt interest payments, more than Britain's annual defence bill

Government spending and receipts (% of GDP)



1 1998: Chancellor Gordon Brown publishes his **Comprehensive Spending Review**, ambitious but expensive plan for public sector expansion in health, education and social services

2 1999: Brown announces auction of 400 tons of gold, more than half of nation's reserves. **Price of gold plummets by 10% – taxpayers lose £7 billion at today's prices**

3 2001: Auction of 3G licences produces £22.5bn. Brown uses windfall to reduce borrowing



4 2002: Brown announces National Health Service funding will rise from current £55.7bn to £90.2bn by 2008. NHS becomes world's third largest employer – with one in 19 of UK workforce – behind only People's Liberation Army of China and Wal-Mart of U.S.

5 2007: Brown becomes prime minister. **Spends £117bn to bail out banks hit by credit crisis**

6 2014: Debt interest payments forecast to climb to £73.8bn – **10.6% of total tax revenues**