



RESEARCH PAPER 06/09
13 FEBRUARY 2006

Inflation: the value of the pound 1750-2005

The Library is often asked how the purchasing power of the pound has changed over various periods.

This paper presents data back to 1750. Between 1750 and 2005, prices increased nearly 150-fold. Since 1914, prices have increased 77-fold.

This paper updates RP03/82.

Dominic Webb

ECONOMIC POLICY AND STATISTICS SECTION

HOUSE OF COMMONS LIBRARY

Recent Library Research Papers include:

List of 15 most recent RPs

05/87	The <i>Animal Welfare Bill</i> [Bill 58 of 2005-06]	07.12.05
05/88	The <i>Criminal Defence Service Bill</i> [Bill 64 of 2005-06]	09.12.05
05/89	Unemployment by Constituency, November 2005	14.12.05
05/90	The <i>Government of Wales Bill</i> [Bill 100 of 2005-06]	19.12.05
05/91	Germany: elections, the new Government and Anglo-German relations	20.12.05
05/92	The Centre of Government – No. 10, the Cabinet Office and HM Treasury	21.12.05
05/93	Local and Mayoral elections	31.12.05
06/01	The <i>International Development (Reporting and Transparency) Bill</i> [Bill 19 of 2005-06]	11.01.06
06/02	Social Indicators [includes article: New Year resolutions – how do they figure?]	12.01.06
06/03	Unemployment by Constituency, December 2005	18.01.06
06/04	The <i>Merchant Shipping (Pollution) Bill</i> [Bill 68 of 2005-06]	23.01.06
06/05	Economic Indicators, February 2006 [includes article: The 80% employment aspiration]	01.02.06
06/06	The <i>Legislative and Regulatory Reform Bill</i> [Bill 111 of 2005-06]	06.02.06
06/07	The <i>Children and Adoption Bill</i> [Bill 96 of 2005-06]	07.02.06
06/08	Sudan: The Elusive Quest for Peace	08.02.06

Research Papers are available as PDF files:

- to members of the general public on the Parliamentary web site,
URL: <http://www.parliament.uk>
- within Parliament to users of the Parliamentary Intranet,
URL: <http://hcl1.hclibrary.parliament.uk>

Library Research Papers are compiled for the benefit of Members of Parliament and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public. Any comments on Research Papers should be sent to the Research Publications Officer, Room 407, 1 Derby Gate, London, SW1A 2DG or e-mailed to PAPERS@parliament.uk

Summary of main points

- This paper presents a price index covering the period 1750 to 2005, illustrating the way in which the purchasing power of the pound has changed over the long-term.
- Over the period as a whole, prices have increased nearly 150-fold. Thus, one decimal penny in 1750 would have had greater purchasing power than a pound in 2005.
- Prices were around 20% lower in 1939 compared to 1919.
- Since 1945 prices have risen in every year. In 2005, prices were nearly 30 times higher than 1945.

CONTENTS

I	Introduction	7
II	Sources	8
III	Results and interpretation of tables	8
IV	Specimen calculations	10
V	Data	12

List of tables and charts

Table 1: Price Index 1750-2005	12
Table 2: Purchasing power of the pound 1755- 2005	20
Table 3: Purchasing power of the pound 1987- 2005	21
Chart 1: Retail prices index 1750-2005 (linear scale)	17
Chart 2: Retail prices index 1750-2005 (log scale)	18
Chart 3: Value of the pound 1750-2005 (linear scale)	18
Chart 4: Value of the pound 1750-2005 (log scale)	19
Chart 5: Annual percentage change in prices 1750-2005	19

I Introduction

Inflation - the increase in the general level of prices over a specified period - reduces the internal value of a currency. So, if prices double, any given (nominal) amount of currency will buy half the goods and services it previously did. On the other hand (although unusual in the UK since the Second World War) a period of falling prices results in an increase in purchasing power.

This paper presents a price index covering the period 1750 to 2005 and illustrates the changing purchasing power of the pound over the long-term. No attempt is made to measure changes in the external value of the currency as a result of movements in exchange rates, but changes in the prices of imported goods are reflected in the price index.

It must be stressed that, for a number of reasons, such an exercise is very approximate. Expenditure patterns have changed dramatically over the past 250 years. Many products now commonly purchased (cars, electrical appliances, processed foods, etc) simply did not exist in 1750 and, conversely, goods that consumed a large share of household budgets in the eighteenth century - candles for instance - are now an insignificant part of most families' expenditure.

It is, however, possible to compare price levels over the long-term by linking price indices covering relatively short periods into a single series. Even so, indices covering only a few years can become unrepresentative if they are not adjusted to reflect changes in expenditure patterns. Today's **Retail Prices Index (RPI)**, for example, is annually updated to reflect changes in consumers' tastes, and new products and services. For example, pre-recorded cassette albums were taken out of the 2002 'RPI basket' of representative goods and services, while DVD players and recordable CDs came in.

A further problem with long-term comparisons involves changes in the quality of goods. For example, while it is possible to compare the price of a Mini motor car today with that of one in 1959, it is much more difficult to identify the degree that the increase in price reflects an improvement in manufacturing quality and specification.

In addition, the further one looks back into history, the more difficult it is to obtain reliable information. The first official consumer price index started in 1914. This was the **Cost of Living Index (COLI)** that reflected changes in the cost of providing a standard of living prevalent in working class households. There are also periods for which a number of alternative indices are available that can suggest different trends in price levels. Therefore, although the index given in this paper is presented in unrounded form to facilitate computation and presentation, it is not necessarily accurate to the degree suggested.

This paper includes only the new price index, agreed between the Office for National Statistics (ONS), Bank of England and the Library, which was first presented in the previous edition of this paper (RP03/82). Prior to that, the index had been calculated on a slightly different basis. For details of the old index, please see RP03/82.

II Sources

Information on changes in prices comes from two main types of source. The more familiar are consumer price indices such as the **RPI**.¹ An alternative measure can be derived from estimates of household expenditure in the national accounts statistics; a **price deflator for household expenditure** can be calculated as expenditure data are produced at both current and constant prices. The price index presented in this paper is derived from the following sources. Further details of source materials are available from the Library:

1947 to 2005

The all-items RPI as published by the Office for National Statistics. (The all-items RPI includes mortgage interest payments.) Annual data are the average of monthly figures.²

1870 to 1947

The implied deflator for consumers' expenditure derived from the unofficial national accounts of the UK based on the structure of expenditure in 1938 and produced by the Department of Applied Economics at Cambridge University.³

1850 to 1870

A retail price index constructed by Sir Walter Layton and Geoffrey Crowther covering the period 1850 to 1933. The index for the period 1850 to 1870 is a reproduction of earlier work by G H Wood from the Board of Trade's Report on Wholesale and Retail Prices and Cooperative Society records.⁴

1750 to 1850

An index of consumables' prices constructed by E H Phelps-Brown and Sheila Hopkins covering the period 1264 to 1954.⁵

III Results and interpretation of tables

Table 1 (pages 12-17)

The first column shows the price index, based on January 1974 = 100.⁶ The second column (purchasing power of the pound) shows how much a pound is worth in real terms each year from 1750 to 2005, relative to January 1974. For example, between January 1974 and 1978, prices increased by 97.1%. Hence, a pound would have been reduced

¹ There are other price indices besides the RPI. For example, the Consumer Prices Index (CPI) is now the measure used for the Bank of England's inflation target.

² The all-items RPI is published by ONS monthly and is available on their website at: www.statistics.gov.uk/statbase/Product.asp?vlnk=9412

³ Source: C H Feinstein, *National Income, Expenditure and Output of the United Kingdom 1855 to 1965*, 1972, tables 24 and 25.

⁴ Source: W Layton and G Crowther, *An Introduction to the Study of Prices*, 1935, table 1

⁵ Source: E H Phelps-Brown and S Hopkins, "Seven Centuries of the Prices of Consumables compared with Builders' Wage-rates", *Economica*, November 1956, pp296-314

⁶ 1974 was chosen as the base year largely on the pragmatic grounds that as well as being one of the link years in the series, its use prevents the data at the start and end of the period being inconveniently large or small.

in value by nearly a half over this period. The table shows its value as 50.7 (pence) in 1978. In other words, £1 in 1978 would buy the same bundle of goods and services as 50.7 pence would have bought in January 1974.⁷

Conversely, in 1943 the price index was 24.8 (ie prices were around a quarter of the January 1974 level). Hence, a pound in 1943 was worth roughly four times a pound in 1974. The table shows its value as 403.1 (pence) in 1943. In other words, £1 in 1943 would buy the same bundle of goods and services as 403.1 pence in January 1974.

The third column shows the annual percentage change in the price index (ie the inflation rate).

Tables 2 and 3 (pages 20-21)

Tables 2 and 3 are conceptually similar to the middle column of Table 1. Table 1 allows comparisons between January 1974 and any year between 1750 and 2005. Tables 2 and 3 allow both the years in the comparison to vary. They are both produced using the same methodology. Table 2 contains data at twenty year intervals: 1755, 1775 and so on. Table 3 contains data for each year from 1987.

These tables can best be explained by use of an example from Table 2. If we look at the column headed 1955 and the row 1855, the value is 409. From Table 1, we know the price index for 1855 is 10.5 while for 1955 it is 43.1. In other words, prices have increased by around four times over this period. Hence a pound in 1855 was worth roughly four times a pound in 1955 due to the increase in prices over this period. Conversely, if we consider the 1975 row, the figure is 32. The price index for 1975 is 134.8, indicating that prices are around three times higher than in 1955. A pound in 1975 is thus worth the same as 32 pence in 1955 (ie the pound lost around two thirds of its value due to inflation between 1955 and 1975).

When prices are increasing, the values in the columns will fall as you read downwards, showing the decreasing value of the pound over time. When prices are falling, the values will increase as the purchasing power of the pound increases.

Charts

Chart 1 (page 17) plots the price index for the period 1750 to 2005. Although such a graph illustrates the extent to which the absolute increase in prices has been concentrated in recent years, it over-emphasises the proportional impact. For example, in chart 1 a doubling of the price index in the eighteenth century from, say, 5 to 10 appears to be much less significant than a doubling in the 1970s from 100 to 200. Such problems can be overcome by use of a logarithmic scale as in Chart 2 (page 18). With a logarithmic scale, equal proportional increases produce the same vertical change whatever the initial value. Charts 3 and 4 (pages 18 and 19) plot the value of the pound

⁷ The purchasing power of the pound column is calculated as 100 multiplied by 100/ (price index [column 1]) for the relevant year.

on linear and logarithmic scales respectively. Chart 5 (page 19) plots the rate of inflation in each year.

Results

Over the period as a whole, prices have risen nearly 150-fold. Thus one (decimal) penny in 1750 would have had greater purchasing power than a pound in 2005.

Although there was considerable year-on-year fluctuation in price levels prior to 1914 (reflecting the quality of the harvest, wars, etc) there was not the long-term steady increase in prices associated with the period since 1945. Prices in 1914 were roughly twice their level in 1750 but were below the level of the early nineteenth century. Prices doubled during the First World War but in most years between 1921 and 1938 they fell or showed very small increases. Although prices began to rise during the Second World War, the increase was less marked than during the First World War. Since 1945 prices have risen in every year: prices were nearly 29 times higher in 2005 compared to 1945. In the period 1974 to 1981, inflation was above 10% in each year except 1978, and prices more than tripled in these eight years. Despite lower inflation rates in the late 1980s and early 1990s, and very low (by post-war standards) rates in recent years, prices still rose by over 50% between 1990 and 2005.

IV Specimen calculations

The examples below illustrate how the price index in Table 1 can be used to answer frequently asked questions.

Example 1:

How much would have been needed in 2005 to have the same purchasing power as £100 in 1850?

From Table 1 the price index for 1850 was 8.4 and the index for 2005 was 757.3. In 2005 the average price level was 90.2 times ($757.3/8.4$) the 1850 level. Thus, to have the same purchasing power as £100 in 1850 one would have needed some £9,020 ($90.2 \times £100$) in 2005.

Example 2:

What was the purchasing power of a pound in 2005 compared to the pound in 1930?

From Table 1 the price index for 1930 was 17.3 and the index for 2005 was 757.3. In 2005 the average price level was some 43.8 times ($757.3/17.3$) the 1930 level. Thus, relative to 1930, a pound in 2005 was worth around 2.3 (decimal) pence ($100p/43.8$).

Example 3:

Cheddar cheese cost 17 pence per kilogram in 1923 and £5.63 per kilogram in 2005.⁸ How did the price change in real terms?

From Table 1 the price index for 1923 was 18.7 and the index for 2005 was 757.3. In 2005 the average price level was 40.5 times ($757.3/18.7$) the 1923 level. Over the same period the price of cheese rose 33.1 times ($563/17$). Thus, in real terms, the price has fallen by 18.3% [$((33.1/40.5)-1) \times 100$].

⁸ ONS, *Focus on Consumer Prices*, December 2005, Table 2.1

V Data

Table 1: Price Index 1750-2005

Table 1
Price Index 1750-2005

Year	Price index Jan 1974 = 100	Purchasing power of the pound Jan 1974 = 100 pence	Change in prices on year before
1750	5.1	1,961.6	-3.1%
1751	5.0	2,016.3	-2.7%
1752	5.2	1,925.7	4.7%
1753	5.1	1,978.4	-2.7%
1754	5.3	1,881.9	5.1%
1755	5.0	2,002.3	-6.0%
1756	5.2	1,922.5	4.2%
1757	6.3	1,578.9	21.8%
1758	6.3	1,583.2	-0.3%
1759	5.8	1,719.7	-7.9%
1760	5.6	1,799.9	-4.5%
1761	5.3	1,884.9	-4.5%
1762	5.5	1,814.0	3.9%
1763	5.7	1,766.9	2.7%
1764	6.2	1,623.2	8.9%
1765	6.4	1,568.2	3.5%
1766	6.5	1,549.3	1.2%
1767	6.8	1,465.0	5.8%
1768	6.7	1,481.9	-1.1%
1769	6.2	1,614.2	-8.2%
1770	6.2	1,620.9	-0.4%
1771	6.7	1,493.4	8.5%
1772	7.4	1,348.9	10.7%
1773	7.4	1,353.6	-0.3%
1774	7.5	1,341.1	0.9%
1775	7.0	1,420.1	-5.6%
1776	6.9	1,452.1	-2.2%
1777	6.9	1,457.6	-0.4%
1778	7.1	1,401.2	4.0%
1779	6.5	1,530.9	-8.5%
1780	6.3	1,585.4	-3.4%
1781	6.6	1,522.8	4.1%
1782	6.7	1,491.4	2.1%
1783	7.5	1,331.8	12.0%
1784	7.6	1,324.2	0.6%
1785	7.2	1,379.4	-4.0%
1786	7.2	1,379.4	0.0%
1787	7.2	1,387.7	-0.6%
1788	7.5	1,334.9	4.0%
1789	7.4	1,352.0	-1.3%

Table 1 (continued)

Price Index 1750-2005

Year	Purchasing power		Change in prices on year before
	Price index Jan 1974 = 100	of the pound Jan 1974 = 100 pence	
1790	7.5	1,328.8	1.8%
1791	7.5	1,330.3	-0.1%
1792	7.6	1,310.7	1.5%
1793	7.8	1,274.6	2.8%
1794	8.5	1,183.4	7.7%
1795	9.4	1,060.8	11.6%
1796	10.0	996.9	6.4%
1797	9.0	1,107.5	-10.0%
1798	8.8	1,132.4	-2.2%
1799	9.9	1,008.1	12.3%
1800	13.5	738.6	36.5%
1801	15.1	661.0	11.7%
1802	11.6	858.6	-23.0%
1803	11.0	912.7	-5.9%
1804	11.3	884.1	3.2%
1805	13.1	760.9	16.2%
1806	12.6	796.0	-4.4%
1807	12.3	811.0	-1.9%
1808	12.8	784.1	3.4%
1809	14.0	714.9	9.7%
1810	14.4	693.0	3.2%
1811	14.0	713.5	-2.9%
1812	15.9	630.4	13.2%
1813	16.3	615.3	2.5%
1814	14.2	704.8	-12.7%
1815	12.7	788.9	-10.7%
1816	11.6	861.1	-8.4%
1817	13.2	758.4	13.5%
1818	13.2	756.4	0.3%
1819	12.9	775.7	-2.5%
1820	11.7	855.4	-9.3%
1821	10.3	972.6	-12.0%
1822	8.9	1,124.7	-13.5%
1823	9.5	1,053.1	6.8%
1824	10.3	970.1	8.6%
1825	12.1	826.7	17.4%
1826	11.4	874.8	-5.5%
1827	10.7	935.6	-6.5%
1828	10.4	963.7	-2.9%
1829	10.3	973.4	-1.0%
1830	9.9	1,009.9	-3.6%
1831	10.9	918.5	9.9%
1832	10.1	991.7	-7.4%
1833	9.5	1,056.0	-6.1%
1834	8.7	1,144.8	-7.8%
1835	8.9	1,125.8	1.7%
1836	9.9	1,014.3	11.0%
1837	10.1	990.0	2.5%
1838	10.2	983.3	0.7%
1839	10.9	916.4	7.3%

Table 1 (continued)

Price Index 1750-2005

Year	Price index Jan 1974 = 100	Purchasing power of the pound Jan 1974 = 100 pence	Change in prices on year before
1840	11.1	900.0	1.8%
1841	10.9	921.5	-2.3%
1842	10.0	996.9	-7.6%
1843	8.9	1,123.6	-11.3%
1844	8.9	1,124.7	-0.1%
1845	9.3	1,072.6	4.9%
1846	9.7	1,031.5	4.0%
1847	10.9	920.7	12.0%
1848	9.5	1,047.4	-12.1%
1849	8.9	1,118.2	-6.3%
1850	8.4	1,194.4	-6.4%
1851	8.1	1,231.3	-3.0%
1852	8.1	1,231.3	0.0%
1853	8.9	1,126.8	9.3%
1854	10.2	979.0	15.1%
1855	10.5	947.9	3.3%
1856	10.5	947.9	0.0%
1857	10.0	1,003.7	-5.6%
1858	9.1	1,095.8	-8.4%
1859	9.0	1,116.2	-1.8%
1860	9.3	1,076.0	3.7%
1861	9.5	1,047.7	2.7%
1862	9.3	1,076.0	-2.6%
1863	9.0	1,116.2	-3.6%
1864	8.9	1,126.8	-0.9%
1865	9.0	1,116.2	0.9%
1866	9.5	1,047.7	6.5%
1867	10.1	987.1	6.1%
1868	10.0	1,003.7	-1.7%
1869	9.5	1,057.0	-5.0%
1870	9.5	1,057.0	0.0%
1871	9.6	1,042.2	1.4%
1872	10.0	995.8	4.7%
1873	10.4	965.6	3.1%
1874	10.0	998.5	-3.3%
1875	9.8	1,017.6	-1.9%
1876	9.8	1,021.0	-0.3%
1877	9.7	1,028.1	-0.7%
1878	9.5	1,051.7	-2.2%
1879	9.1	1,099.9	-4.4%
1880	9.4	1,067.6	3.0%
1881	9.3	1,079.8	-1.1%
1882	9.4	1,068.7	1.0%
1883	9.3	1,073.8	-0.5%
1884	9.1	1,103.4	-2.7%
1885	8.8	1,137.2	-3.0%
1886	8.7	1,156.1	-1.6%
1887	8.6	1,162.3	-0.5%
1888	8.7	1,154.4	0.7%
1889	8.8	1,138.8	1.4%

Table 1 (continued)
Price Index 1750-2005

Year	Purchasing power		Change in prices on year before
	Price index Jan 1974 = 100	of the pound Jan 1974 = 100 pence	
1890	8.8	1,136.0	0.2%
1891	8.9	1,127.9	0.7%
1892	8.9	1,123.8	0.4%
1893	8.8	1,132.2	-0.7%
1894	8.7	1,154.9	-2.0%
1895	8.6	1,166.8	-1.0%
1896	8.5	1,170.8	-0.3%
1897	8.7	1,154.0	1.5%
1898	8.7	1,150.3	0.3%
1899	8.8	1,142.3	0.7%
1900	9.2	1,086.6	5.1%
1901	9.2	1,081.4	0.5%
1902	9.2	1,081.4	0.0%
1903	9.3	1,077.6	0.4%
1904	9.3	1,080.3	-0.2%
1905	9.3	1,075.9	0.4%
1906	9.3	1,076.1	0.0%
1907	9.4	1,063.2	1.2%
1908	9.4	1,058.4	0.5%
1909	9.5	1,052.8	0.5%
1910	9.6	1,043.7	0.9%
1911	9.6	1,042.2	0.1%
1912	9.9	1,012.4	3.0%
1913	9.8	1,016.8	-0.4%
1914	9.8	1,019.4	-0.3%
1915	11.0	906.0	12.5%
1916	13.0	767.4	18.1%
1917	16.3	612.8	25.2%
1918	19.9	502.3	22.0%
1919	21.9	456.4	10.1%
1920	25.3	395.4	15.4%
1921	23.1	432.5	-8.6%
1922	19.9	502.9	-14.0%
1923	18.7	535.0	-6.0%
1924	18.6	538.9	-0.7%
1925	18.6	537.1	0.3%
1926	18.5	541.6	-0.8%
1927	18.0	554.7	-2.4%
1928	18.0	556.3	-0.3%
1929	17.8	561.3	-0.9%
1930	17.3	577.2	-2.8%
1931	16.6	602.8	-4.3%
1932	16.2	618.9	-2.6%
1933	15.8	632.5	-2.1%
1934	15.8	632.7	0.0%
1935	15.9	628.2	0.7%
1936	16.0	623.6	0.7%
1937	16.6	603.2	3.4%
1938	16.8	593.8	1.6%
1939	17.3	577.7	2.8%

Table 1 (continued)

Price Index 1750-2005

Year	Price index Jan 1974 = 100	Purchasing power of the pound		Change in prices on year before
		Jan 1974 = 100	pence	
1940	20.2		494.8	16.8%
1941	22.4		446.4	10.8%
1942	24.0		416.6	7.1%
1943	24.8		403.1	3.4%
1944	25.5		392.5	2.7%
1945	26.2		381.7	2.8%
1946	27.0		370.1	3.1%
1947	28.9		345.8	7.0%
1948	31.1		321.1	7.7%
1949	32.0		312.4	2.8%
1950	33.0		303.1	3.1%
1951	36.0		277.7	9.1%
1952	39.3		254.4	9.2%
1953	40.5		246.7	3.1%
1954	41.3		242.3	1.8%
1955	43.1		231.8	4.5%
1956	45.3		220.9	4.9%
1957	46.9		213.0	3.7%
1958	48.4		206.8	3.0%
1959	48.6		205.6	0.6%
1960	49.1		203.6	1.0%
1961	50.8		196.8	3.4%
1962	53.0		188.8	4.3%
1963	54.0		185.1	2.0%
1964	55.8		179.3	3.3%
1965	58.4		171.1	4.8%
1966	60.7		164.6	3.9%
1967	62.3		160.6	2.5%
1968	65.2		153.4	4.7%
1969	68.7		145.5	5.4%
1970	73.1		136.8	6.4%
1971	80.0		125.0	9.4%
1972	85.7		116.7	7.1%
1973	93.5		106.9	9.2%
1974	108.5		92.2	16.0%
1975	134.8		74.2	24.2%
1976	157.1		63.7	16.5%
1977	182.0		54.9	15.8%
1978	197.1		50.7	8.3%
1979	223.5		44.7	13.4%
1980	263.7		37.9	18.0%
1981	295.0		33.9	11.9%
1982	320.4		31.2	8.6%
1983	335.1		29.8	4.6%
1984	351.8		28.4	5.0%
1985	373.2		26.8	6.1%
1986	385.9		25.9	3.4%
1987	402.0		24.9	4.2%
1988	421.7		23.7	4.9%
1989	454.5		22.0	7.8%

Table 1 (continued)
Price Index 1750-2005

Year	Purchasing power		
	Price index Jan 1974 = 100	of the pound Jan 1974 = 100 pence	Change in prices on year before
1990	497.5	20.1	9.5%
1991	526.7	19.0	5.9%
1992	546.4	18.3	3.7%
1993	555.1	18.0	1.6%
1994	568.5	17.6	2.4%
1995	588.2	17.0	3.5%
1996	602.4	16.6	2.4%
1997	621.3	16.1	3.1%
1998	642.6	15.6	3.4%
1999	652.5	15.3	1.5%
2000	671.8	14.9	3.0%
2001	683.7	14.6	1.8%
2002	695.1	14.4	1.7%
2003	715.2	14.0	2.9%
2004	736.5	13.6	3.0%
2005	757.3	13.2	2.8%

Chart 1: Retail prices index 1750-2005 (linear scale)

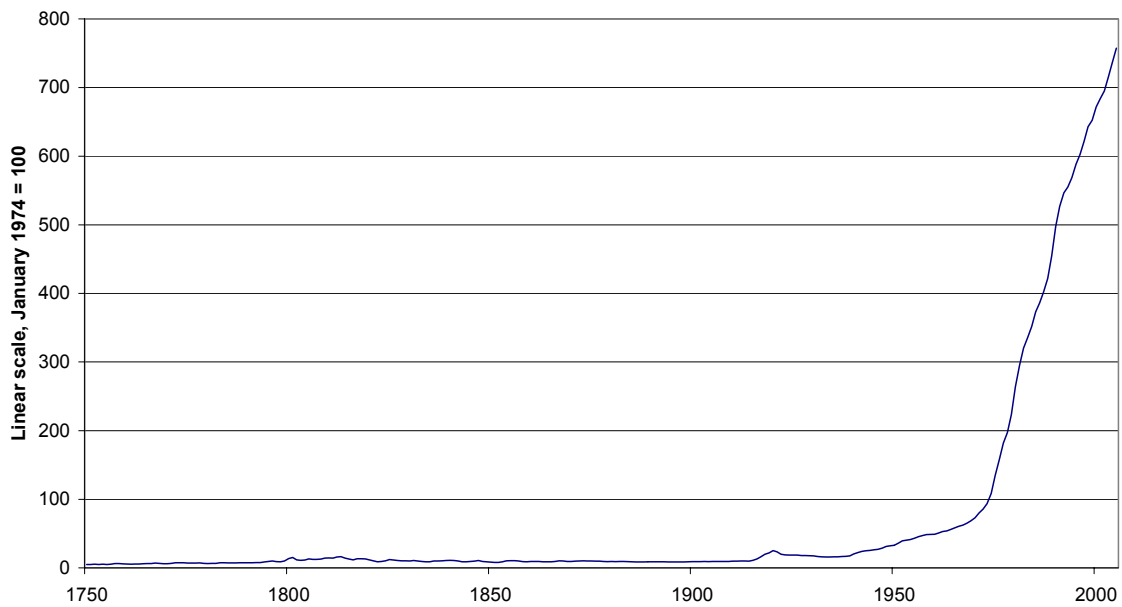


Chart 2: Retail prices index 1750-2005 (log scale)

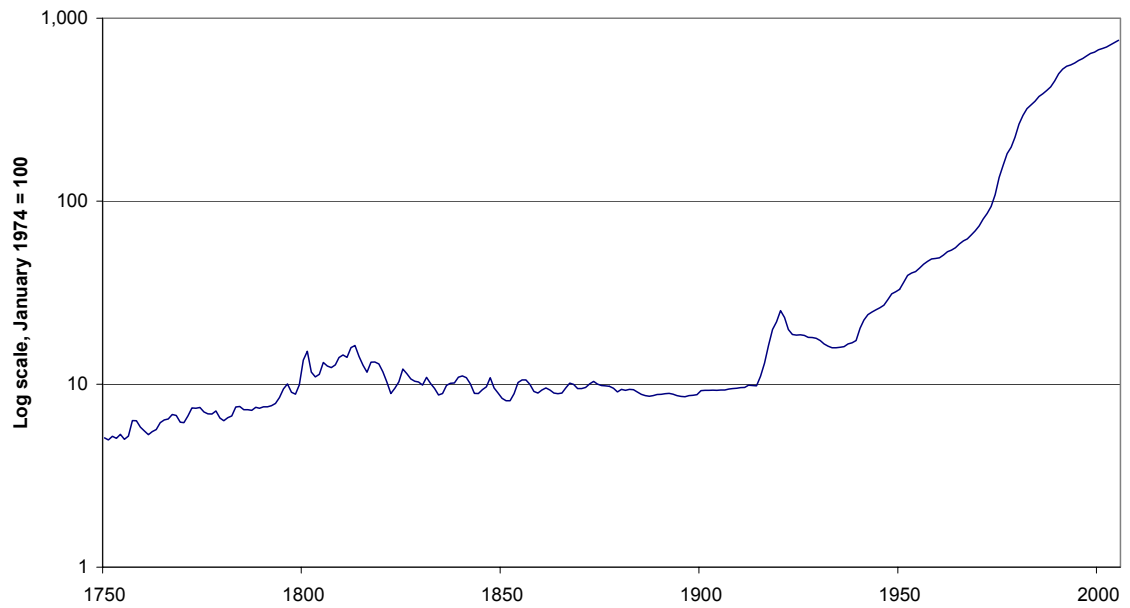


Chart 3: Value of the pound 1750-2005 (linear scale)

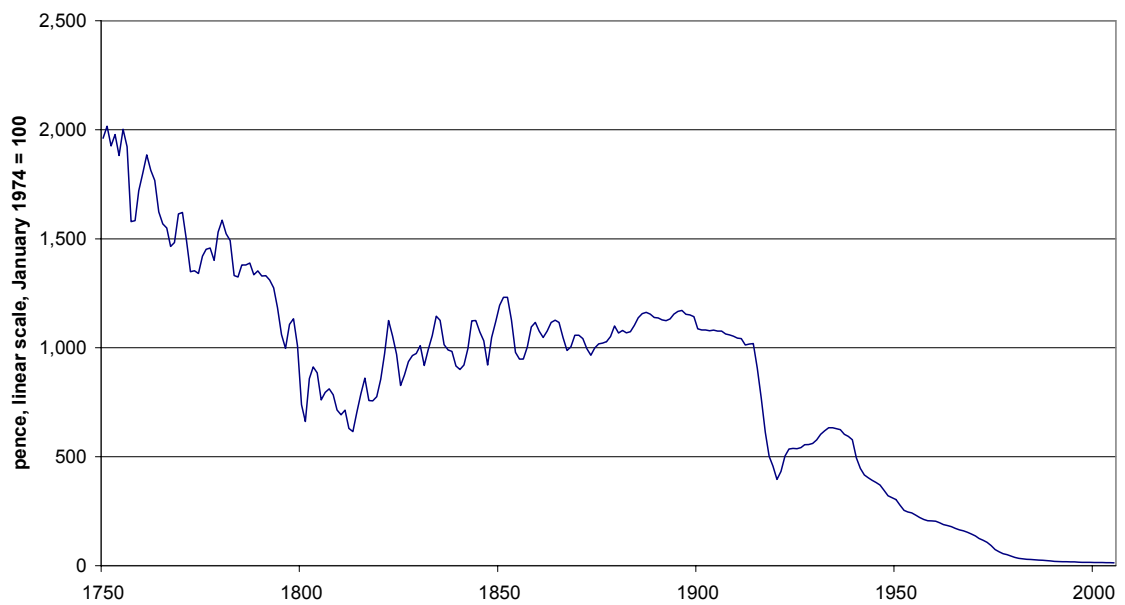


Chart 4: Value of the pound 1750-2005 (log scale)

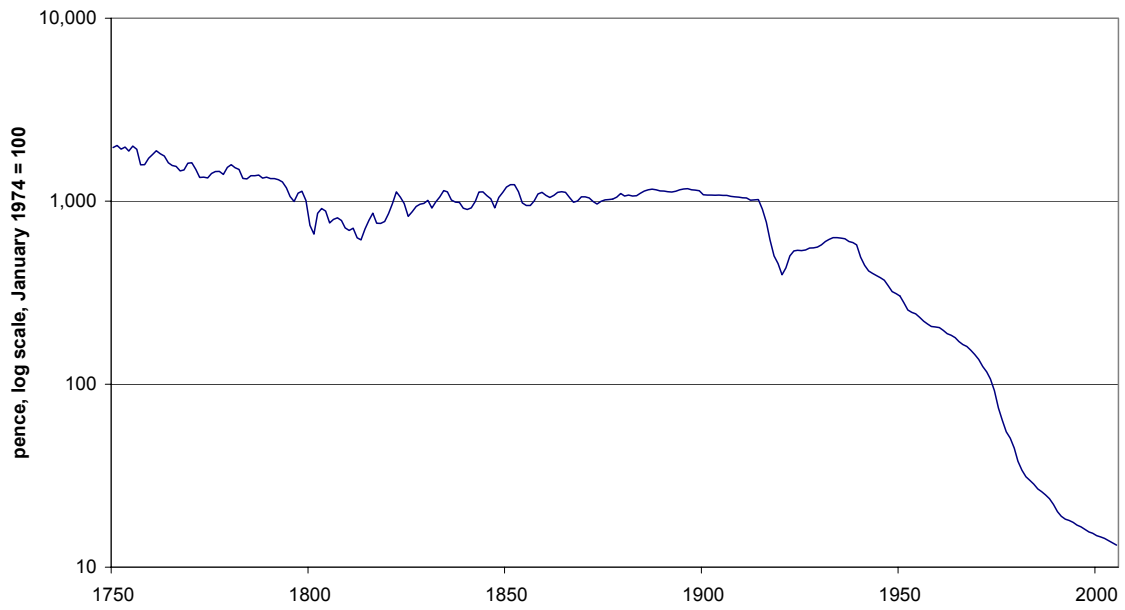


Chart 5: Annual percentage change in prices 1750-2005

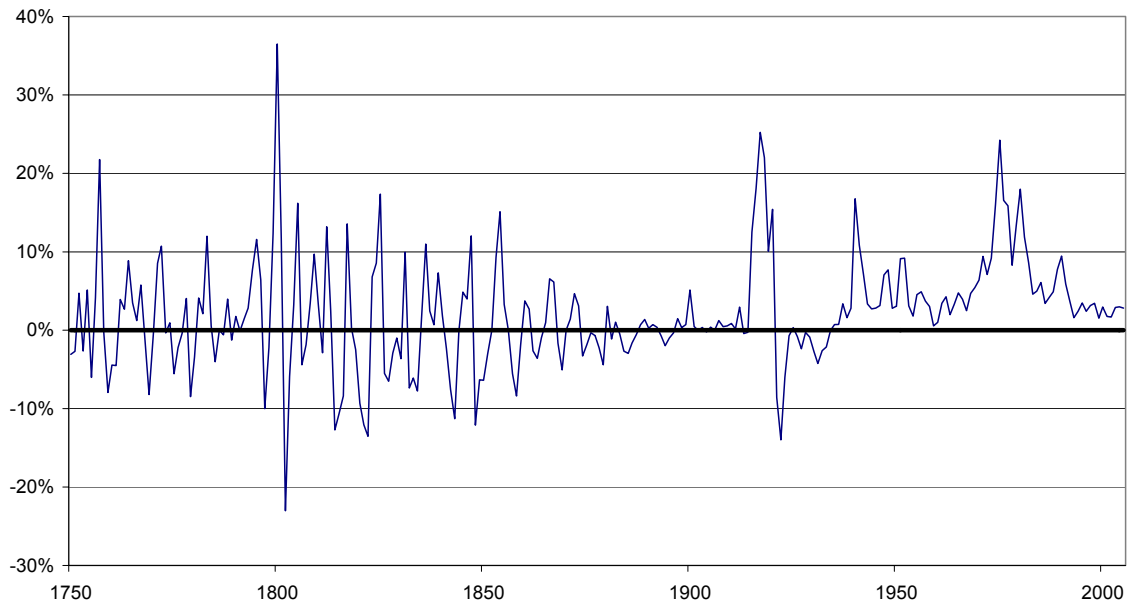


Table 2: Purchasing power of the pound 1755- 2005

	Year in which value equals 100 pence													
	1755	1775	1795	1815	1835	1855	1875	1895	1915	1935	1955	1975	1995	2005
1755	100	141	189	254	178	211	197	172	221	319	864	2,699	11,778	15,164
1775	71	100	134	180	126	150	140	122	157	226	613	1,914	8,353	10,754
1795	53	75	100	134	94	112	104	91	117	169	458	1,430	6,240	8,034
1815	39	56	74	100	70	83	78	68	87	126	340	1,063	4,640	5,975
1835	56	79	106	143	100	119	111	96	124	179	486	1,518	6,622	8,526
1855	47	67	89	120	84	100	93	81	105	151	409	1,278	5,576	7,179
1875	51	72	96	129	90	107	100	87	112	162	439	1,372	5,985	7,706
1895	58	82	110	148	104	123	115	100	129	186	503	1,573	6,863	8,836
1915	45	64	85	115	80	96	89	78	100	144	391	1,221	5,329	6,861
1935	31	44	59	80	56	66	62	54	69	100	271	847	3,695	4,757
1955	12	16	22	29	21	24	23	20	26	37	100	312	1,363	1,755
1975	4	5	7	9	7	8	7	6	8	12	32	100	436	562
1995	1	1	2	2	2	2	2	1	2	3	7	23	100	129
2005	1	1	1	2	1	1	1	1	1	2	6	18	78	100

Table 3: Purchasing power of the pound 1987- 2005

	Year in which value equals 100 pence																		
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1987	100	105	113	124	131	136	138	141	146	150	155	160	162	167	170	173	178	183	188
1988	95	100	108	118	125	130	132	135	139	143	147	152	155	159	162	165	170	175	180
1989	88	93	100	109	116	120	122	125	129	133	137	141	144	148	150	153	157	162	167
1990	81	85	91	100	106	110	112	114	118	121	125	129	131	135	137	140	144	148	152
1991	76	80	86	94	100	104	105	108	112	114	118	122	124	128	130	132	136	140	144
1992	74	77	83	91	96	100	102	104	108	110	114	118	119	123	125	127	131	135	139
1993	72	76	82	90	95	98	100	102	106	109	112	116	118	121	123	125	129	133	136
1994	71	74	80	88	93	96	98	100	103	106	109	113	115	118	120	122	126	130	133
1995	68	72	77	85	90	93	94	97	100	102	106	109	111	114	116	118	122	125	129
1996	67	70	75	83	87	91	92	94	98	100	103	107	108	112	113	115	119	122	126
1997	65	68	73	80	85	88	89	91	95	97	100	103	105	108	110	112	115	119	122
1998	63	66	71	77	82	85	86	88	92	94	97	100	102	105	106	108	111	115	118
1999	62	65	70	76	81	84	85	87	90	92	95	98	100	103	105	107	110	113	116
2000	60	63	68	74	78	81	83	85	88	90	92	96	97	100	102	103	106	110	113
2001	59	62	66	73	77	80	81	83	86	88	91	94	95	98	100	102	105	108	111
2002	58	61	65	72	76	79	80	82	85	87	89	92	94	97	98	100	103	106	109
2003	56	59	64	70	74	76	78	79	82	84	87	90	91	94	96	97	100	103	106
2004	55	57	62	68	72	74	75	77	80	82	84	87	89	91	93	94	97	100	103
2005	53	56	60	66	70	72	73	75	78	80	82	85	86	89	90	92	94	97	100