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**CENTRAL AND LOCAL FINANCE
IN GERMANY AND ENGLAND**

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IN GERMANY AND ENGLAND**

MABEL NEWCOMER



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PREFACE

THIS study has been undertaken in the hope that an account of the financial relations of central and local governments in other countries will be of value to students of the problem in the United States. Germany and England were selected as the countries in which post-war developments had made local governments markedly dependent on the central government for support. At the time the study was begun the writer was impressed by similar developments in this country, although it was not expected that, with our decentralized government, we should follow very closely in the footsteps of Germany or England. Today, however, it is apparent that local financial systems in the United States are as incapable of coping with the exigencies of a severe depression as local financial systems in other countries. In the later years of the depression our local governments have depended on Federal and state support to almost the same extent as the local governments of Germany and England; and there are many striking parallels—as well as important differences—in the manner in which central support has been given to local authorities here and abroad.

The pitfalls that await the investigator who attempts to describe the intricacies of the financial structure of a country with which he has only a limited acquaintance are many. The work has been greatly facilitated by the extensive statistical data dealing with local finances published in government reports in both countries—documents which have no counterpart in the United States. There is available, also, in the case of Germany, an extensive literature discussing central-local fiscal problems under the Weimar Constitution. This published material has been supplemented by interviews with central and local government officials and with others acquainted with the problem, during a sojourn of

several months in each country. Nevertheless, the writer is very conscious of the limitations on her knowledge, and it is with some misgivings that the study is offered for publication.

To all those who have aided in this study the writer makes grateful acknowledgment. The many officials and students of the problem in both countries from whom information has been sought have given invaluable assistance and have been unfailing in their courtesy. The writer is also deeply indebted to friends and students of finance in this country for advice and encouragement and to the several assistants who have helped in gathering the statistical data and in preparing the manuscript for publication and in reading the proof. Finally, she gladly acknowledges a grant-in-aid from the Social Science Research Council, which has made possible the extensive statistical analysis on which the study is based; and the co-operation of Vassar College in giving a leave of absence.

MABEL NEWCOMER

Vassar College
September 15, 1936

CONTENTS

Introduction

I. THE PROBLEM	3
<i>The Fiscal System of Germany</i>	
II. THE GERMAN POST-WAR PROBLEM AND ITS HISTORICAL BACKGROUND	17
III. DIVISION OF TAXES BETWEEN THE REICH AND THE STATES UNDER THE WEIMAR CONSTITUTION	42
IV. REDISTRIBUTION OF REVENUES WITHIN THE STATES	72
V. DISTRIBUTION OF SUPPORT OF SPECIFIC FUNCTIONS AMONG THE REICH, STATE, AND LOCAL GOVERNMENTS	98
✓ VI. BASES FOR THE DISTRIBUTION OF SHARED TAXES	134
✓ VII. FUNDAMENTAL CHANGES IN THE FINANCIAL SYSTEM UNDER THE WEIMAR CONSTITUTION	152
<i>The Fiscal System of England and Wales</i>	
VIII. THE PLACE AND DEVELOPMENT OF GRANTS-IN-AID IN THE ENGLISH FISCAL SYSTEM BEFORE 1929	161
IX. THE LOCAL GOVERNMENT ACT OF 1929	183
X. THE REVISED SYSTEM IN OPERATION	198

XI. THE FISCAL POSITION OF THE VARIOUS TYPES OF LOCAL GOVERNMENTS UNDER THE PRESENT SYSTEM AS ILLUSTRATED BY SPECIFIC CASES	236
XII. NATIONAL SUPPORT AND LOCAL SELF- GOVERNMENT	286
<i>✓ Conclusions</i>	
XIII. THE PROBLEM OF CENTRAL-LOCAL FISCAL RELATIONS IN THE LIGHT OF GERMAN AND ENGLISH EXPERIENCE	293

Appendix, 309

Bibliography, 371

Index, 377

CHARTS AND TABLES

Charts

1. Organization of Prussian State and Local Government	73
2. Organization of English Local Government	163
3. Provisions for Distribution of Reich Taxes to State and Local Governments, 1920-35	311
4. Provisions for Distribution of Reich and State Taxes to Local Governments	318
5. State Grants-in-Aid for Elementary Schools in the German States, 1930-31	334
6. State and Local Grants-in-Aid for Highways in the German States, 1930-31	336
7. State Grants-in-Aid for Welfare and Special Local Welfare Revenues in the German States, 1930-31	340
8. Chronological Summary of Grants-in-Aid to Local Authorities in England and Wales	342

Tables

1. Size of Communes in the German States	18
2. Net Gains and Losses to the States from Imperial Levies and Tax Distributions, 1880-1919	23
3. Comparative Figures of Population, Income, Property, and Taxes for Prussia, Bavaria, and Saxony, 1913	28
4. State and Local Taxes in Saxony, Bavaria, and Prussia, 1913-14	41
5. Reich Aid to State and Local Governments, 1920-21 to 1922-23, Budget Estimates	48
6. Number, Population, and Average Expenditures of Prussian Local Government Units, 1931	74
7. Percentage of Reich and State Taxes Distributed by State to Local Governments, 1931-32	76
8. Comparison of Proportion of State and Local Expenditures Incurred by State Governments with Proportion of Reich Taxes Retained by State Governments	77
9. Comparison of Ten Prussian Cities Ranked according to Index of Need and according to Reich Tax Distributions, 1932-33	96

10. Distribution of Support of Education among Reich, State, and Local Governments	102
11. Distribution of Support of Police among Reich, State, and Local Governments	109
12. Percentage of State and Local Highway Expenditures from Motor Vehicle Tax, State Taxes, and Local Taxes, Respectively, 1928-29	113
13. Distribution of Support of Highways among Reich, State, and Local Governments	114
14. Distribution of Cost of Unemployment Insurance, Law of February 16, 1924	118
15. Local Welfare Expenditures and Reich Welfare Aid, 1932-33 to 1934-35	126
16. Distribution of Support of Welfare among Reich, State, and Local Governments	127
17. Number, Size, and Average Expenditures of English Local Government Units	164
18. Relative Weights Assigned to Factors in the Block-Grant Formula	192
19. Total Grants Payable under Part VI of the Local Government Act of 1929: England and Wales	195
20. Comparison of Tax Burdens and Losses from Derating in the County Boroughs with the Highest and the Lowest Rates before Derating	201
21. Local Rates and Grants before and after the Local Government Act of 1929	207
22. High, Low, and Median Percentages of Rate and Grant Revenues Received from Grants in County Boroughs, 1928-29 and 1932-33	241
23. Comparison of Proportions of Rate and Grant Revenues Received from Grants in County Boroughs with the Highest and Lowest Percentages	242
24. High, Low, and Median Percentages of Rate and Grant Revenues Received from Grants in Administrative Counties, 1928-29 and 1932-33	245
25. Comparison of Proportions of Rate and Grant Revenues Received from Grants in Administrative Counties with the Highest and Lowest Percentages	245
26. Average Rates Levied in the Pound	278
27. Variation in the Amount of the Rates in the Pound Levied in Different Types of Local Units, 1928-29 and 1932-33	279
28. Variation in the Amount of the Rates in the Pound that Would Have Been Levied on County Boroughs in 1933-34 under Various Conditions	280

TABLES

xi

29. Distribution of Support of Selected Functions between Central and Local Governments in Germany and in England and Wales, 1931-32	297
30. Tax Revenues Administered by Reich, State, and Local Units, 1913-14 and 1925-26 to 1934-35	349
31. Distribution of Shared Taxes among Reich, State, and Local Governments, 1925-26 to 1934-35	350
32. Amount of Reich Revenue Returned to States where Collected Compared with Amount Distributed on Other Bases, 1925-26 to 1934-35	352
33. Amount of Reich Taxes Redistributed by States to Local Governments, and Extent to which They Were Returned on Basis of Collections, 1931-32	353
34. Percentage Distribution of Net Expenditures and Tax Revenues Available for Reich, State, and Local Governments, 1913-14 and 1925-26 to 1934-35	354
35. Tax Revenues for State and Local Use Administered by Reich, State, and Local Governments, Respectively, 1913-14 and 1925-26 to 1934-35	355
36. Comparison of Expenditures, Taxes, and Tax Rates in Twelve German Cities	356
37. Expenditures of Reich, State, and Local Governments for Selected Years, 1913-14 to 1932-33. In Millions of Reichmarks	358
38. Expenditures of Reich, State, and Local Governments for Selected Years, 1913-14 to 1932-33, Percentage Distribution according to Functions	359
39. Expenditures of Reich, State, and Local Governments for Selected Years, 1913-14 to 1932-33, Percentage Distribution according to Jurisdictions	361
40. Division of Support of <i>Ortspolizei</i> between State and Local Governments, 1931-32	363
41. Percentage of Net State and Local Expenditures for Different Functions Met by German State Governments, 1931-32	364
42. Amount of Grants Compared with Amount of National and Local Tax Income for Specified Years from 1842-43 to 1933-34	365
43. Amount of Grants-in-Aid for Specified Years from 1842-43 to 1934-35, England and Wales	366
44. Net Expenditures of Local Governments, 1928-29 and 1932-33, England and Wales	367
45. Percentage of Net Expenditures of Local Governments Met from Grants, 1928-29 and 1932-33, England and Wales	368
46. Changes in Financial Position of Selected Municipal Boroughs and Urban and Rural Districts, 1928-29 and 1932-33, England and Wales	369

APPENDIX

APPENDIX

CHART 3

PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE AND LOCAL GOVERNMENTS, 1920-35 *

<i>Tax</i>	<i>1920</i>	<i>1923</i>
Income and corporation taxes	66 2/3% returned to state where income taxed arises; ^a state must distribute some to local governments. ^b	75% returned to place where income taxed arises. ^c In determining origin at least 1/10 must be assigned to commune of head office and 1/4 to commune of residence. Local share to be returned at least in part on same basis as Reich distribution. ^b
Turnover tax	10% to states in proportion to population; 5% to communes where collected. ^c	State same. Local 15% to communes where collected; situs of industry to be considered in determining commune of origin. ^b
Land purchase tax	50% (for entailed lands 25%) to states where land has situs. ^d	96% returned as before; state must distribute at least half to communes on same basis. ^b
Inheritance and merger taxes	Inheritance: 20% to state of situs of real estate and residence of owner of personalty. ^e	Same.
Beer tax	Percentage of collections: Bavaria 13.55 (max. 78 mil. RM); Württemberg 2.5 (max. 15 mil. RM); Baden 1.6 (max. 10 mil. RM). ^f	Same.
Motor vehicle tax	...	50% (with imposition of tax on other vehicles 96%), 1/2 distributed in proportion to population; 1/2, to area. ^g
Betting tax	...	96% distributed, 1/2 to state where business is, 1/2 in proportion to population; 1/3 for breeding. ^h

* For notes to Chart 3 see page 316.

CHART 3: PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE AND LOCAL GOVERNMENTS, 1920-35 *—Continued

<i>Tax</i>	<i>1920</i>	<i>1923</i>
Stock exchange, mineral water, and meat taxes	...	...
Guarantees and special provisions	Income tax distribution must at least equal average amount levied, 1917-19, for state and local purposes, or 1919 yield plus 6% per annum. This may be decreased only if Reich assumes state and local functions. ^a Each state guaranteed 80% of average per capita distribution of income and corporation taxes, the difference to be paid from the Reich share. States guaranteed average yield of inheritance tax for 1912-16. ^b	State may obtain 100% of land purchase tax if it elects to administer the tax itself. Communes guaranteed average yield of any comparable tax levied prior to January 1, 1918. Income and inheritance tax guarantees continue. ^b
<i>Tax</i>	<i>1924</i>	<i>1925</i>
Income and corporation taxes	90% returned as before. ^b	75% returned as before. ^m
Turnover tax	20% returned to states in proportion to population; distribution to communes optional. ^b	35% distributed 2/3 in proportion to population and 1/3 in proportion to yield. ^m
Land purchase tax	Same.	Same.
Inheritance and merger taxes	Distribution discontinued beginning February 19, 1924. ^b	...
Beer tax	Same.	Percentage of collections same, but maxima reduced to: Bavaria 17.2 mil. RM; Württemberg 3.2 mil.; Baden 2.2 mil. ^m
Motor vehicle tax	96% without requiring imposition of vehicle tax; distributed as before; half must be used for highways. ^b	Same.

* For notes to Chart 3 see page 316.

CHART 3: PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE AND LOCAL GOVERNMENTS, 1920-35 *—Continued

<i>Tax</i>	<i>1924</i>	<i>1925</i>
Betting tax	Same.	Same.
Stock exchange, mineral water, and meat taxes	Stock exchange: 100% where collected; *distribution discontinued January 1, 1925.	...
Guarantees and special provisions	Monthly guarantee for December 1, 1924, to March 31, 1925, of average yield of income, corporation, and turnover taxes for August and September, 1924;† other guarantees continue.	Monthly guarantee extended to September 30, 1925;‡ also 2,100 mil. RM from income, corporation, and turnover taxes guaranteed for 1925-26 and 1926-27; and turnover alone must equal state and local percentage (i. e., 30% or 35%) of 1,500 mil. RM; other guarantees continued.™
<i>Tax</i>	<i>1927</i>	<i>1930</i>
Income and corporation taxes	In determining origin, discontinued assigning 1/4 to place of residence and 1/10 to head office.º	Same.
Turnover tax	30% distributed as before.º	Same.
Land purchase tax	Same.	Same.
Inheritance and merger taxes	Merger: 50% to communes in proportion to losses from closing of plants.‡	Discontinued September 30, 1930.‡
Beer tax	Percentage of collections same, but maxima increased: Bavaria 45 mil. RM; Württemberg 8.6 mil.; Baden 5.8 mil.º	Special same; 16 2/3% of remainder returned to states on basis of collections.º
Motor vehicle tax	96% distributed, 1/4 in proportion to population, 1/4 collections, 1/2 area; all must be used for highways; local share to be used only for main highways.º	Same.
Betting tax	Same.	Same.

* For notes to Chart 3 see page 316.

CHART 3: PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE AND LOCAL GOVERNMENTS, 1920-35 *—Continued

<i>Tax</i>	<i>1927</i>	<i>1930</i>
Stock exchange, mineral water, and meat taxes	...	Mineral water: 96% distributed to states, 1/3 on basis of collections, 2/3 population; all redistributed to communes on bases chosen by state. ³
Guarantees and special provisions	In place of 1919 guarantee, income and corporation tax distribution must equal 25% more than income, corporation, and capital yield taxes for 1919-20, plus average yield of inheritance tax for 1912-16. In so far as turnover tax distributions exceed 1919 distributions these may be counted. ⁷ In place of 1925 guarantee, 2,600 mil. RM guaranteed from income, corporation, and turnover taxes for 1927-28 and 1928-29. At least 450 mil. RM to be distributed on turnover tax base. Excess over 2,400 mil. RM to be applied to reduction of real taxes under amount fixed by law of March 31, 1927. Per capita guarantee continued with limitation that such reimbursement is not to exceed 1/3 of state share on collection base. ⁶	Additional tax on single persons and on income in excess of 8,000 RM not distributed. For this purpose 77 mil. RM withheld from wage tax and 67.8 from assessed income tax. ³ Excess over 1,300 mil. RM withheld from wage tax to meet deficit for pensions and health insurance. ¹¹ Yield of wage tax in excess of 1,502 mil. RM withheld up to 30 mil. RM for unemployment relief. ⁹ 120 mil. RM withheld from three taxes for Reich in so far as taxes exceed 4,530 mil. RM in 1929-30 only. ¹⁰ Guarantees continued.
<i>Tax</i>	<i>1931</i>	<i>1933</i>
Income and corporation taxes	Same.	Same.
Turnover tax	Same.	Same.
Land purchase tax	Same.	Same.

* For notes to Chart 3 see page 316.

CHART 3: PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE AND LOCAL GOVERNMENTS, 1920-35 *—Continued

<i>Tax</i>	<i>1931</i>	<i>1933</i>
Inheritance and merger taxes	...	...
Beer tax	Same.	Same.
Motor vehicle tax	Same as before, except that area on which 1/2 is distributed is weighted according to population density (if density is less than 5/6 of average area reduced to 5/6; if density is double average, area is doubled). ^w	Same.
Betting tax	Same.	96% distributed. All totalizator tax to state of business for breeding. 1/3 of bookmaker tax to state of business, 2/3 in proportion to population; for general use. ^z
Stock exchange, mineral water, and meat taxes	Discontinued December 8, 1931.	...
Guarantees and special provisions	Distribution on turnover tax base reduced from 450 to 375 mil. RM, 12 mil. deducted from turnover and 88 mil. from income and corporation tax distributions, as saving from salary reduction; per capita guarantee continued; 77 mil. RM withheld from wage tax, 120 mil. from assessed income tax as estimated amount of surtax. 50 mil. RM distributed from Reich funds to states in proportion to real tax reductions; 1926 guarantee repealed. ^w	7% deduction from wage tax and 16½% from assessed income tax as estimated amount of surtax. ^v States and communes guaranteed 160 mil. RM from motor vehicle tax which had been reduced. State and local governments reimbursed for tax reductions (28 mil. RM for beer tax, 1932 and 1933; 50 mil. RM for real tax, 1932 and 1933; 20 mil. RM for agricultural unification and 16.7 mil. RM for exemptions of houses). Turnover tax and 1920 guarantees, and deductions for salary decreases continued. ^z

* For notes to Chart 3 see page 316.

CHART 3: PROVISIONS FOR DISTRIBUTION OF REICH TAXES TO STATE
AND LOCAL GOVERNMENTS, 1920-35 *—Continued

<i>Tax</i>	<i>1935</i>
Income and corporation taxes	75% of that part of yield which is shared, distributed as before up to 1,100 mil. RM income tax and 240 mil. RM corporation tax. If 75% exceeds these sums, 33 1/3% of the excess distributed in the same manner, 33 1/3 to Reich, 33 1/3 to equalization fund for needy state and local governments. ^{aa}
Turnover tax	30% shared as before up to 573 mil. RM. If 30% exceeds this sum, excess distributed in same manner as excess income tax. ^{aa}
Land purchase tax	Same.
Inheritance and merger taxes	...
Beer tax	Same.
Motor vehicle tax	66 2/3% distributed as before. ^{bb} Guaranteed 90 mil. RM, of which 10% goes to equalization fund; to be used 4/5 for first class roads and 1/5 for second class roads. ^{cc}
Betting tax	Same.
Stock exchange, mineral water, and meat taxes	Meat: 96% to states, 1/2 in proportion to yield of 1933 state tax, 1/2 in proportion to yield of 1934 Reich tax. ^{dd}
Guarantees and special provisions	Beginning April 1, 1935, all guarantees for special taxes, except motor vehicle tax, abandoned. ^{ee} Reich deducts 26% of income tax as estimated amount of surtax over 8,000 RM and taxes for unemployment relief and promotion of marriage, before apportioning state and local share. Per capita guarantee limited to 1/5 of state yield. Other guarantees continued. ^{ff}

* State of origin determined by pay rolls, gross receipts, invested capital, and domicile.

^a *Landessteuergesetz*, March 30, 1920, effective April 1, 1920.

^b Law of December 24, 1919.

^c Law of September 12, 1919, effective October 1, 1919.

^d Law of September 10, 1919.

^e Laws of March 27, 1919, April 1, 1919, and June 24, 1919.

^f Effective April 1, 1921.

^g *Finanzausgleichsgesetz* of June 23, 1923, effective April 1, 1923.

^h Law of April 8, 1922, effective July 1, 1922.

ⁱ Had been distributed by law of April 8, 1922, 50% to state where business was done; 2/3 to be used for horse breeding.

^j *Steuernotverordnung* of February 14, 1924, effective February 1, 1924.

^k Law of November 10, 1924.

^l Law of August 10, 1925, effective October 1, 1925.

- * Law of March 26, 1925.
- * Law of April 9, 1927, effective April 1, 1927.
- * Law of April 27, 1926, effective April 1, 1926.
- * Law of May 15, 1926, effective June 15, 1926.
- * Law of March 31, 1926, effective April 1, 1926.
- * Law of April 15, 1930, effective April 1, 1930.
- * Law of September 30, 1930.
- * Law of June 29, effective April 1, 1929.
- * Decree of July 26, 1930, effective in part September 1, and in full October 1, 1930.
- * Decree of December 1, 1930, effective April 1, 1931.
- * Law of April 10, 1933, effective May 1, 1933.
- * These deductions were 72 and 60 million RM, respectively, in 1932.
- * Laws of March 18, 1933, May 30, 1933, and December 21, 1933.
- ** Law of February 26, 1935, effective April 1, 1935. The state share has been further limited for 1936 (Law of March 30, 1936) in that the states are to receive no share in any excess over 1,220 million RM for the income tax, 262.5 million RM for the corporation tax, and 630 million RM for the turnover tax.
- ** Law of March 26, 1934.
- ** Law of February 28, 1935.
- ** Law of March 24, 1934.
- ** In 1934 these were 100 million RM for real tax and 33.3 million RM for exemptions of houses.
- ** Law of October 16, 1934. Per capita guarantee was further limited by law of March 30, 1936.

CHART 4

PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES TO
LOCAL GOVERNMENTS *

PRUSSIA, 1924	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	50.5% to local divisions: 38% to communes, 2.5% to provinces, 2.5% to rural circles, on basis of origin; 2% to school equalization fund; 5.13% to provinces, distributed 2/3 in proportion to population (reducing Berlin population 1/2 and increasing <i>Grenzmark</i> population 3x), 1/6 in proportion to area, 1/6 in proportion to highway mileage; .37% to rural circles in proportion to <i>Dotationen</i> of 1919, of which 1/4 goes to <i>Gulsbezirke</i> in proportion to population. ^a Communes receiving less than 80% of 1911 per capita income tax from this distribution receive the difference from a fund deducted from communes receiving more than 200% of 1911 per capita; 90% of excess is deducted from these. ^b
Turnover tax	60% to local divisions: 1/10 to rural circles on simple population base; 9/10 to communes on weighted population base. ^c
Land purchase tax	100% to circles where collected, together with privilege of levying surtax. ^d
Motor vehicle tax	100% to provinces: 20% for Rhine Province, Westphalia and Wiesbaden; remainder distributed 1/2 in proportion to area, 1/2 in proportion to population. ^e
Beer and mineral water taxes	...
Rentals tax	50% for building, shared by state and circle and spent where collected. 25% to state and 25% to circles for general use. Latter distributed, 3% to occupied territory, 20% where collected, and 77% in proportion to population. ^f
Real estate and business taxes	Local surtaxes or independent taxes. Surtaxes may not exceed 100% for real estate and 200% for business, without special permission.
PRUSSIA, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	10 million RM deducted for communes bordering on city-states before division between state and local governments and distributed to such communes in proportion to yield of income and corporation taxes. ^g 50.5% to local divisions distributed as in 1924 with the following exceptions: from

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES TO LOCAL GOVERNMENTS *—Continued

<i>Tax</i>	<i>State Provisions for Distribution</i>
	the communes' share distributed on the basis of origin, any sum by which the commune share of the turnover tax falls short of 148.5 million RM is deducted and distributed on the turnover tax base; ^a from the same share for all communes with a population over 2,000 is deducted 3,000 RM per local police officer. The latter is distributed to communes with local police in proportion to the number of officers. From the same share for communes with state police and a population in excess of 2,000 is deducted 1/3 of the cost of state police. This is levied against such communes, 1/2 in proportion to origin and 1/2 in proportion to population. ^d From the commune share of the corporation tax is deducted half of the excess over the average per capita share for communes with such excess and all over 10 RM per capita. ^f Also, in place of the 80% guarantee the amount received by each commune is adjusted before final distribution for the relative guarantee, which weights the base for each commune which would receive less per capita through an unweighted distribution than its pre-war revenues from income taxes. ^e
Turnover tax	55% to local divisions, 1/10 to rural circles, 9/10 to communes. Distribution in proportion to population weighted 1x (for first 2,000 inhabitants) to 2.25x (for inhabitants in excess of 50,000). This weighted population is again weighted 1/100 for every 1/10 of 1 per cent that children of school age exceed the average percentage of children of school age for communes of the same size. ^h
Land purchase tax	Same as 1924.
Motor vehicle tax	100% to provinces. Percentage to each province fixed by law. Distribution within province according to annual plan determined by province committee, with consideration for through highway mileage. To be used for highway support. ^h
Beer and mineral water taxes	50% of beer tax and 100% of mineral water tax added to commune share of income and corporation taxes and distributed as these are distributed. ^h Mineral water tax discontinued 1931.
Rentals tax	57.2% to circles: 40.5% for housing and 16.7% for general use. Housing share returned to place where collected. General share returned, 64.4% in proportion to population, 30% where collected, 1.4% to border communes, and 4.2% to communes with exceptional amount of unemployment. If

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

PRUSSIA, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Rentals tax —Continued	local housing share is not needed for that purpose, sum up to 1/4 may be applied to general purposes. State may take over any of remaining share not needed for housing. ^f
Real estate and business taxes	Same as 1924.
PRUSSIA, 1935	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	45% to local divisions: 35% to communes, 2.5% to provinces, 2.5% to rural circles, on basis of origin; 5% to school equalization fund. ^m Distribution of commune share modified, as before, for turnover tax guarantee, police compensation, and relative guarantee.
Turnover tax	Same as 1931, except that 54 million RM is deducted from local share for equalization fund. ⁿ
Land purchase tax	Same as 1924.
Motor vehicle tax	4% deducted for maintenance of bridges. Remaining 96% distributed: 4/5 to governments maintaining first class highways, in proportion to mileage, population, and area (at discretion of ministers of interior and finance); 1/5 to governments maintaining second class highways in proportion to mileage. ^o
Beer and mineral water taxes	Same as 1931.
Rentals tax	Circles receive 47% of remainder after state has deducted 37.5 million RM. Circles receive 15% of their share in proportion to collections. From remainder 65% or 102 million RM (whichever is larger) is deducted for reimbursement for losses from reduction of real estate taxes and for equalization fund for communes with heavy welfare burden. ^p Remainder is distributed to circles in proportion to population weighted for the number in excess of the average, of social insurance annuitants and those impoverished by inflation. ^q
Real estate and business taxes	Same as 1924.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES TO LOCAL GOVERNMENTS *—Continued

BAVARIA, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	The share of each circle and commune is estimated separately by applying to the income and corporation taxes originating in the commune the percentage represented by circle and commune income, property and capital earnings taxes for 1912 to 1919 to the total of such taxes. Thus the percentage for each circle and commune remains constant, but the percentage of the tax going to all local governments varies as the proportion originating in the different communes varies. Before this is returned to local governments 6% is deducted from circle share for equalization fund, and the state may take excess over 50% of total state and local share allotted to any commune. The state may also take whatever is needed up to 10% of commune share for those communes that obtain nothing under above distribution. Share of income tax distributed to state on turnover tax base treated as turnover tax, and shares received under the minimum per capita guarantee paid to equalization fund.
Turnover tax ⁷	Allotted to communes on simple per capita basis but the entire share of the communes over 2,000 population and the share of the communes under 2,000 population up to 30 pf. per capita goes to equalization fund.
Land purchase tax	Distributed to communes where land is located. Communes also have surtax privilege.
Motor vehicle tax	Distributed 2/5 to communes and 3/5 to districts in proportion to need for highway aid as determined by a state committee.
Mineral water tax	Distributed to those communes with more than the average proportion of unemployed in proportion to the number of unemployed.
Beer tax	None.
Rentals tax	One-third of rate levied for general use to communes where collected.
SAXONY, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes ⁷	9% of state and local share to districts, half according to origin, half in proportion to population. 41% to communes. From the latter, 1/3 of the cost of teachers' salaries, paid by

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

SAXONY, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes ^a —Continued	the state, is first deducted. From the remainder, half of the corporation tax is distributed according to origin; the other half is added to the income tax and distributed 3/5 according to origin of the income tax and 2/5 in proportion to population; 3% to equalization fund.
Turnover tax	Distributed to communes, 3/5 according to origin of income tax, 2/5 in proportion to population.
Land purchase tax	To communes where land is located. Communes also have surtax privilege.
Motor vehicle tax	9/10 of local share to districts in proportion to yield of draught animal tax of 1925. ^b 1/10 to highway equalization fund. To be used for highway support.
Mineral water tax	All to equalization fund.
Beer tax	None distributed.
Rentals tax ^c	None of state tax for general use distributed. All of state tax for housing to communes where collected. Districts and communes also have surtax privilege, districts for general use, and communes for housing and general. Latter, 5/6 for housing, goes to communes where collected except for deduction of 25% of housing share for housing equalization fund. Share of very small communes goes to district.

BADEN, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	3.5% of local share of income, corporation, and turnover taxes to circles in proportion to their share in the income and corporation tax in 1924. Remainder to communes, after deduction of 500,000 RM for equalization fund. Distributed 66% to communes with more than 9,000 population, 12% to communes with 3,000 to 9,000 population, and 22% to communes with less than 3,000 population. Distribution within the group, 70% according to origin of income and corporation taxes, 30% in proportion to population.
Turnover tax	Same as income and corporation tax.
Land purchase tax	To communes where land is located. Communes also have surtax privilege.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

<i>Tax</i>	<i>State Provisions for Distribution</i>
Motor vehicle tax ^w	None.
Mineral water tax	To communes in proportion to population.
Beer tax	None.
Rentals tax	To communes where levied. Approximately half of local share for housing.

WÜRTTEMBERG, 1931.

<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	1/3 less 2,760 thousand marks to communes, distributed 9/10 according to origin, 1/10 in proportion to school children. Origin weighted in workers' communes. 2,760 thousand marks, together with 1,240 thousand marks from state share, to equalization fund. Share of income tax distributed to state on turnover base treated as turnover tax.
Turnover tax	Distributed to communes in proportion to permanent population.
Land purchase tax	To communes where land is located. Communes also have surtax privilege.
Motor vehicle tax	None.
Mineral water tax	Distributed to communes, together with beer tax, to the amount of 75 pf. per capita, plus 1% of the previous year's assessment for the land tax.
Beer tax	See mineral water tax.
Rentals tax	Communes have independent tax for general purposes and surtax at least 15% of which must be devoted to housing.

THURINGIA, 1931

<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes*	5% of local share distributed to rural circles, 3/4 according to origin and 1/4 in proportion to population. From remaining local share, 3/10 of cost of teachers' salaries and half of cost of school materials is deducted. From the remainder each city circle receives its share according to origin. 1/5 of what is left is then deducted for the equalization fund. Remaining 4/5 is distributed to five groups of communes (grouped according to population) according to origin.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

THURINGIA, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes ^a —Continued	Within each group the distribution is made to individual communes, 2/3 according to origin, and 1/3 in proportion to population. Share of income tax distributed to state on turnover tax base treated as turnover tax.
Turnover tax ^a	Distributed to communes in proportion to weighted population, the weight varying from 1x for communes under 1,000 to 2x for city circles. 1/5 of the share belonging to communes other than city circles is deducted for circles and distributed 2/3 in proportion to population and 1/3 according to origin of income and corporation taxes. Remaining commune share distributed in proportion to weighted population.
Land purchase tax	To circle where land is located. Circles also have surtax privilege.
Motor vehicle tax	None.
Mineral water tax	1/4 to city circles, 3/4 to other communes, in proportion to welfare expenditures in excess of average.
Beer tax	None.
Rentals tax ^a	58% to circles and 42% to communes where collected. Communes over 5,000 population get housing share (62%) of circle share.
HESSE, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes ^a	Local share of turnover tax added to local share of income and corporation taxes. From local share 150,000 marks are deducted as compensation for reduced interest on loans for welfare expenditures and 1.25% for equalization fund for welfare. Remainder is allocated to circles, half according to origin of income and corporation taxes, half according to commune income taxes in 1913 and 1914. Proportion assigned to circles and provinces determined by ratio of circle assessments to total state and local income taxes in 1913 and 1914. Division between province and circle left to discretion of minister of interior. Commune share distributed half according to origin and half according to commune income taxes in 1913 and 1914. Share of income tax distributed to state on turnover tax base treated as turnover tax.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

<i>Tax</i>	<i>State Provisions for Distribution</i>
Turnover tax	Local shares of turnover tax distributed with income and corporation taxes.
Land purchase tax	To communes where land is located. Communes also have surtax privilege. When land is in an independent <i>Gemarkung</i> tax goes to circle.
Motor vehicle tax	After deductions for state-supported bridges, distributed to provinces for highway maintenance at discretion of minister of interior, but with due consideration for population, highway mileage, and collections.
Mineral water tax	All to equalization fund for welfare expenditure.
Beer tax	None.
Rentals tax	Communes have independent tax. Tax on new buildings must be used for housing. Use of other optional.

MECKLENBURG-SCHWERIN, 1931

<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	Communes receive that proportion of tax that direct personal taxes of commune bore to direct personal taxes of state in 1919. Maximum 40% and minimum 20% of total. From this is deducted 25% of teachers' salaries (but not more than 40% of local share).
Turnover tax	To communes in proportion to population.
Land purchase tax	To independent cities in proportion to population. Remainder, 2/3 to administrative districts and 1/3 to remaining cities and certain communes in proportion to population. State surtax distributed with other. No local surtax.
Motor vehicle tax	Shared by state and administrative districts in proportion to mileage of secondary highways supported by each. Communes may share if they are maintaining important improved highways. For highway support.
Mineral water tax	2/3 to welfare districts in proportion to publicly supported unemployed, to be redistributed to communes at discretion of district official. 1/3 to equalization fund.
Beer tax	None.
Rentals tax ^{as}	30% of tax for general use to cities where collected, and 10% to districts outside independent cities. Housing levy goes 1/13 to minister of agriculture and 12/13 (to cities over 8,000), 6/13 (cities 4,000-8,000), or 4/13 (cities under 4,000), to cities where collected. Remainder to minister of interior.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

OLDENBURG, 1931 ^{bb}	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	To communes according to origin. If commune share of income, corporation and turnover taxes combined comes to more than 2.4 million marks, excess is deducted for equalization fund for school expenditures and loans without interest. ^{cc dd} Share of income tax distributed to state on turnover tax base treated as turnover tax.
Turnover tax	Half distributed to communes in proportion to population, half to districts in proportion to origin of income and corporation taxes. District retains 2/3 of this and distributes the remainder to communes according to origin of income and corporation taxes. ^{ee} For share to equalization fund see income and corporation taxes. ^{ff}
Land purchase tax	Local share to commune where land is located in Oldenburg section; half to commune and half to district where land is located in Lübeck and Birkenfeld sections. Communes and districts may levy surtaxes.
Motor vehicle tax	All to districts where collected in Lübeck and Birkenfeld sections. Half to districts in proportion to highway mileage in Oldenburg section. For highway support.
Mineral water tax	To communes in proportion to population.
Beer tax	None.
Rentals tax	Communes do not share in state tax but may levy surtaxes. Tax on new buildings for housing. Use of other not specified.
BRUNSWICK, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	17% of total state and local share to city of Brunswick, 8.5% to other cities, 5% to rural communes, 6% to circles. City and commune share divided, 40% according to origin, 40% in proportion to population, 20% in proportion to preceding year's welfare expenditures. Circle share divided 25% according to origin, 25% in proportion to population, and 50% in proportion to preceding year's welfare expenditures. In determining origin, if corporation tax of commune exceeds income tax, excess is not considered. If commune share exceeds needs, it may be reduced as much as half. May also be reduced if commune is not utilizing its own resources.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

<i>Tax</i>	<i>State Provisions for Distribution</i>
Turnover tax	1/3 of local share to circles and 2/3 to communes (Brunswick counting as both circle and commune). Distributed among circles and communes according to weighted population, the weight varying from 1 for communes with less than 1,250 inhabitants to 1.9 for Brunswick.
Land purchase tax	1/3 of local shares to circles and 2/3 to communes (Brunswick counting as both). Distributed where land is located.
Motor vehicle tax	1/5 of local share to Brunswick, 4/5 to circles in proportion to highway mileage. To be used for highway maintenance.
Mineral water tax	15% to Brunswick, 15% to other cities, 20% to rural communes, 50% to equalization fund. Distributed within groups in same manner as income and corporation taxes.
Beer tax	None.
Rentals tax	5% of yield in cities to cities for general purposes. 2 1/2% of total yield to equalization fund.

ANHALT, 1931

<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	150,000 RM deducted from local share for equalization fund. Remainder distributed according to origin except that when corporation tax share exceeds what communes would get on per capita basis, half the excess goes to equalization fund, and when it exceeds 10 RM per capita all of excess goes to equalization fund. Equalization fund used to guarantee communes a fixed per capita sum from this source varying from 12 RM for communes with less than 2,500 inhabitants to 20 RM in large cities. Share of income tax distributed to state on turnover tax base treated as turnover tax.
Turnover tax	To communes in proportion to population.
Land purchase tax	Commune share, including surtax, distributed in proportion to population.
Motor vehicle tax	Distributed to circles at discretion of state officials for highway support.
Mineral water tax	Distributed with beer tax. Half the local share goes to circles for highway maintenance, 1/5 to each circle. Half to welfare districts according to need.
Beer tax	Same as mineral water.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

ANHALT, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Rentals tax	Local share to communes where collected, to be used 51% for housing, 49% for general purposes.
Land, building, and business taxes	The circles receive 33 1/3% of the yield of the state land value tax, and the communes receive 50% of the yield of the state building tax in proportion to collections.
LIPPE, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	1/10 of local share to equalization fund, 9/10 to city and rural communes according to origin. Communes give 1/6 of their share to school districts, distributed in proportion to school children. Must also share with village in accordance with need as indicated by population, industrial condition, and average income for 1912 to 1914. State withholds 1/4 of share assigned to equalization fund. Equalization fund distributed according to need. Communes are guaranteed average income for years 1912 to 1914. 20% of share received from Reich under per capita guarantee added to local share.
Turnover tax	Half the local share distributed according to origin of income tax, half in proportion to population. 4/10 of rural commune share withheld by state. From remainder 1/3 is to be distributed to villages in proportion to population.
Land purchase tax	Half the yield, including surtax, distributed to communes where land is located.
Motor vehicle tax	To communes in proportion to population and highway mileage.
Mineral water tax	To communes in proportion to population.
Beer tax	None.
Rentals tax	To communes where collected; 1/4 to be used for general purposes, 3/4 for housing. 1/5 of housing share to equalization fund for equalizing housing costs.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES TO LOCAL GOVERNMENTS *—Continued

MECKLENBURG-STRELITZ, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	To communes according to origin. Rural communes receive only half their share, the remaining half being kept by district. Communes guaranteed 1913 income tax yield.
Turnover tax	To communes in proportion to population. Districts withhold 1/5 of rural commune shares for equalization fund for needy communes.
Land purchase tax	To communes where land is located. Communes also have privilege of surtaxes.
Motor vehicle tax	None.
Mineral water tax	None.
Beer tax	None.
Rentals tax	To communes where collected, 85.2% for housing, remainder for general purposes.
SCHAUMBURG-LIPPE, 1931 ^{''}	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes ^{'''}	Local share to communes according to origin. Circles withhold 8% of commune share for their own use. They must, however, devote at least 10% of this to aid needy communes. The communes' half of school costs is also deducted from their share before it is distributed. Sums received under per capita guarantee distributed with the rest. Share of income tax distributed to states on turnover base treated as turnover tax.
Turnover tax	2% of total to city of Bückeberg and 6% to city of Stadthagen.
Land purchase tax	To communes where land is located. Both circles and communes have surtax privilege.
Motor vehicle tax	From total yield 17% and 25%, respectively, to two circles; 3% and 5%, respectively, to two cities.
Mineral water tax	Applied to reduction of commune share of school costs.
Beer tax	None.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

SCHAUMBURG-LIPPE, 1931 ⁶⁶	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Rentals tax	Communes receive 52.5% of total: 37.5% for housing to communes where collected; 15% for general purposes distributed 1/2 in proportion to population and 1/2 in proportion to collections.
HAMBURG, 1931 ⁶⁶	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	In cities, 75% according to origin (100% to Geesthacht); in rural communes, 50% according to origin. Share of income tax distributed to state on turnover tax base treated as turnover tax.
Turnover tax	In cities, 75% in proportion to population (100% to Geesthacht); in rural, communes, 50% in proportion to population.
Land purchase tax	In cities, 75% to city in which land is located (100% to Geesthacht); in rural communes, 50% to commune where land is located. State and commune have surtax privileges.
Motor vehicle tax	None.
Mineral water tax	None.
Beer tax	None.
Rentals tax	Communes receive none of tax on improved agricultural real estate, but all of tax on new buildings. This is distributed where collected for housing purposes. Half the tax on other property goes to communes where collected for general use. Communes also have surtax privileges.
Land, building, and business taxes	In addition to certain surtax privileges, city communes receive 80% of the collections from the state land tax, Geesthacht 100%, rural communes 30%, <i>Landherrenschaften</i> 20%. City communes receive 75% of the collections from the state business tax, Geesthacht 100%, rural communes 30%, <i>Landherrenschaften</i> 20%.
BREMEN, 1931	
<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	To communes according to origin. Circles can levy on communes up to 1/5 of their share for redistribution to needy communes.

* For notes to Chart 4 see page 332.

CHART 4: PROVISIONS FOR DISTRIBUTION OF REICH AND STATE TAXES
TO LOCAL GOVERNMENTS *—Continued

<i>Tax</i>	<i>State Provisions for Distribution</i>
Turnover tax	To communes in proportion to population.
Land purchase tax	To communes where land is located. In addition to half the regular tax they receive 3/4 of state surtax.
Motor vehicle tax	Circles and cities receive share in proportion to area (area counted 3x for state, circle, and city), for highway maintenance.
Mineral water tax	None. ^d
Beer tax	None.
Rentals tax	All to cities where collected, and outside cities, to circles. At least 20% to be used for housing.
Land, building, and business taxes	Rural communes receive 75% of the state business tax levied within their jurisdiction. No local business tax is levied.

LÜBECK, 1931

<i>Tax</i>	<i>State Provisions for Distribution</i>
Income and corporation taxes	To communes according to origin.
Turnover tax	To communes in proportion to population.
Land purchase tax	None.
Motor vehicle tax	None.
Mineral water tax	None.
Beer tax	None.
Rentals tax	No provisions for distribution. Actually about 1/6 for building.
Land, building, and business taxes	Communes receive a small share of the state land tax. The communes themselves do not levy such a tax.

* For notes to Chart 4 see page 332.

^a Laws of April 1, 1924, and June 19, 1924. The local share was fixed at 50%, law of January 13, 1921; 61.75%, law of October 30, 1923; 57.5%, law of April 1, 1924; and 50.5%, law of June 19, 1924.

^b Laws of October 30, 1923, June 19, 1924, and May 28, 1925.

^c Law of April 1, 1924.

^d Law of October 30, 1923.

^e Law of May 15, 1924.

^f April 1, 1924. This was changed three times within the year.

^g Law of July 8, 1927.

^h Law of July 19, 1930, effective April 1, 1930.

ⁱ Law of August 2, 1929, effective April 1, 1930.

^j Law of April 1, 1929.

^k Law of November 27, 1925.

^l Law of October 8, 1931.

^m Law of March 17, 1934.

ⁿ Law of March 20, 1934, effective April 1, 1934. By law of April 6, 1936, excess over 150 million RM goes to equalization fund.

^o Local units are for the most part provinces, in some instances circles, and communes where such highways pass through a city. Law of March 11, 1935.

^p Reduced to 100 million RM by law of April 6, 1936.

^q Laws of March 17, 1934, and December 22, 1934.

^r By law of June 23, 1934, 900,000 RM of local share to be distributed on per capita basis. Remainder to be used for communes with unusual welfare burdens. This sum was 1,200,000 RM in 1932 and 600,000 RM in 1933. By law of February 8, 1936, per capita distribution fixed at 50 pfennigs.

^s By law of February 12, 1935, state retains from commune share a sum equal to 700 RM per kilometer of highway taken over by the state from the communes.

^t By law of March 4, 1936, the state deducts from each commune's share 700 RM per kilometer of first class road taken over by the state.

^u By law of March 12, 1936, distributed in proportion to mileage of second class roads.

^v Division of rentals tax has been revised annually since 1931. For 1934 none was applied to housing, but 4.9% to fund for amortization and interest on housing loan. 49.8% was retained by the state, 21.5% was given to communes and 10.8% to *Bezirke* for general purposes, and 13% to the equalization fund.

^w By law of July 26, 1935, communes supporting through highways receive a share in the sum of 245,000 RM.

^x For 1934-35 communes share of (1) income tax was set at 2,070,000 RM, (2) corporation tax at 725,000 RM and (3) turnover tax at 1,500,000 RM. Any excess went to equalization fund for needy circles and communes. By law of May 11, 1935, the income from these three taxes in excess of 1/3 of the 1934-35 yield goes to equalization fund.

^y By law of April 17, 1935, 13% goes for building and 8.7% for general use. Half this latter sum is paid to circles. In the case of rural circles, communes receive 28.5% and the circle 15% of collections.

^z By law of April 11, 1932, 8% of commune share of income and corporation taxes (increased to 10% by law of July 5, 1935) and all of commune share of turnover tax in excess of 3.3 million marks to equalization fund.

^{aa} By law of March 29, 1932, state 62%, communes 34%, equalization fund 3%, minister of interior for maintenance of old dwellings 1%. Where commune is subject to *Amt*, division is 28% to city, 6% to *Amt*; outside cities, all to *Amt*.

^{bb} By law of March 8, 1934, meat tax goes to school equalization fund. By law of January 26, 1934, districts in Oldenburg section (which have been reduced from 12 to 6) get 2/15 of state share of turnover tax, 1/2 of state share of land purchase tax, including surtax and that part of motor vehicle tax determined by proportion of highway mileage supported. Have, in addition, rights to local income. Function of these districts to equalize. By law of February 22, 1935, 4/7 of corporation tax in the whole state, 3/7 of the personal income tax in Oldenburg and Lübeck and 4/7 in Birkenfeld to communes; all of motor vehicle tax to state.

^{cc} By law of March 29, 1932, and September 28, 1932, school equalization fund receives income and corporation taxes received under guarantee, and one-third of turnover tax if necessary. May draw on all three taxes further, if needed, at discretion of state officials.

^{dd} Lübeck fund is limited to 100,000 RM and Birkenfeld fund to 130,000 RM.

^{ee} All returned in proportion to income and corporation taxes, April 1, 1933; old provisions restored, June 27, 1933.

^{ff} State officials may deduct from turnover tax before distribution for communes with pressing need. Law of August 9, 1932.

^{gg} State meat tax (January 2, 1934): 12% returned to cities and circles where collected for cost of local administration (reduced to 3% by law of April 18, 1934). If communes aid circles, receive 2% (reduced to 1 1/2% by law of April 18, 1934).

^{hh} By law of June 7, 1935, 30% to circles. Of this 36,000 RM is applied to tax reductions and the remainder is distributed, 3/5 in proportion to collections and 2/5 in proportion to population.

ⁱⁱ Meat tax introduced by law of June 5, 1932. Communes to retain 15% of collections.

^{jj} Returned to communes where collected in 1932.

CHART 5

STATE GRANTS-IN-AID FOR ELEMENTARY SCHOOLS IN THE GERMAN STATES, 1930-31 *

PERCENTAGE OF EXPENDITURE

State	Salaries and Pensions	Building Costs	Transportation	Supplies
Prussia.....	25 ^b	Depends on need ⁱ	100	Depends on need
Bavaria.....	100	m	Depends on need	Depends on need
Saxony.....	66 2/3 ^c	m	66 2/3	Depends on need
Württemberg.....	20-55 ^d	Depends on need	Depends on need	None
Bade.....	100	Depends on need	100	None
Thuringia.....	70 ^e	m	70	50 ^o
Hesse.....	100 ^e	Variable sum m	100	Variable sum
Mecklenburg-Schwerin.....	75 ^f	Depends on need	None	None
Oldenburg.....	g	Depends on need	100	None
Brunswick.....	100	Depends on need	100	None
Anhalt.....	100	50	100	Depends on need
Lippe.....	100 ^h	Depends on need	100	100
Mecklenburg-Strelitz.....	100 ⁱ	Varies with district	Depends on need	None
Schaumburg-Lippe.....	50	Depends on need	Depends on need	None
Hamburg.....	100 ^j	100 ⁿ	None	100 ⁿ
Bremen.....	25-100 ^k	25-100 ^k	25-100 ^k	25-100 ^k
Lübeck.....	100	100	None	None

* Data from *Einzelchriften*, Nos. 6 and 17, except where otherwise noted.

^b Allowing one teacher to 60 pupils. Special aid to poor districts in addition.

^c Local share deducted from local share of income and corporation taxes. State contributes 100% to pensions. Also special aid to poor districts.

^d Varies from 55% in small districts to 20% in large cities. Also special aid to poor districts and a share in income and corporation taxes distributed in proportion to school children.

^e State pays all salaries but levies sum equal to 200 RM per teacher on communes.

^r More, if 40% of local share of income and corporation taxes does not cover local share of salaries.

^s Depends on need. Beginning in 1935, a fixed sum per elementary school teacher is also paid.

^t For minimum salary scale only. Special aid for poor districts.

^u Some cities required to reimburse state for 50%.

^v For minimum salary scale only in some districts.

^w Varies in different communes.

^x Size used as basis of need.

^y Only as part of aid to poor districts for all expenditures.

^z In more important districts. In rural areas district itself contributes a part.

^{aa} Also special aid to poor districts.

CHART 6

STATE AND LOCAL GRANTS-IN-AID FOR HIGHWAYS IN THE GERMAN STATES, 1930-31 **

STATE AID		LOCAL AID
<i>From Motor Vehicle Tax^b</i>	<i>From Other Sources</i>	
PRUSSIA		
4% for bridge maintenance, if tolls were levied in 1926-27. 96% to provinces; exact proportion to each province fixed by law.	<i>Dotation: 5.5% of income and corporation taxes, distributed 14/15 to provinces, 1/15 to rural circles. Use not specified. Distributed to provinces, 2/3 according to weighted population, 1/6 area, 1/6 highway mileage. Distribution to rural circles as in 1919 (earlier Dotation had been subdivided among circles at discretion of provinces, i. e., amount, but not method, of distribution fixed by law).^c</i>	Circles receive distributions from motor vehicle taxes received by provinces, the amount being determined each year by provincial committees, consideration being given to mileage of through highways. Circles receive indefinite aids from provinces, and communes receive indefinite aids from provinces and circles in accordance with need, as measured by tax burden and highway mileage maintained.
BAVARIA		
27% to districts, 18% to communes, in accordance with highway expenditures and financial need. ^e	6% of local share of income and corporation taxes withheld for equalization and redistributed 5/10 to communes, 4/10 to districts, 1/10 to circles, in accordance with need for welfare and highways. ^d	...
SAXONY		
45% to districts in proportion to yield of draft animal tax in 1925-26 (any deficit to be made up from state's 50%). 5% to construction fund to aid local roads. ^f	Aid to communes with special financial need, for construction and maintenance.	Communes recompensed for half the cost of through roads by districts.

* For notes to Chart 6 see page 339.

CHART 6: STATE AND LOCAL GRANTS-IN-AID FOR HIGHWAYS IN THE GERMAN STATES, 1930-31 *^a—Continued

STATE AID		LOCAL AID
<i>From Motor Vehicle Tax^b</i>	<i>From Other Sources</i>	
WÜRTTEMBERG		
No fixed proportion, but about half goes to <i>Amtskörperschaft</i> and communes as highway aids for construction and maintenance.	...	...
BADEN		
...	Fixed <i>Dotation</i> to circles for construction and maintenance. Aid to needy circles and communes for construction. Aid to cities for maintenance of state roads within city limits.	Circle aids needy communes for construction.
THURINGIA		
No fixed proportion, but certain sum placed in budget each year for circles and communes, not to exceed 50% of cost of maintenance.	...	Circle aids needy communes.
HESSE		
All but a small sum reserved for public bridges distributed to provinces in proportion to population, highway mileage and tax revenues, for maintenance.	<i>Dotation</i> of 1 million RM annually to provinces in approximately equal parts for maintenance. 3/8 of cost of provincial road construction.	Communes receive aid from provinces for construction and maintenance of through highways.
MECKLENBURG-SCHWERIN		
50% distributed to <i>Amt</i> and state in proportion to mileage of main highways, for maintenance.	<i>Dotation</i> of 1 million RM annually as compensation for former highway toll, distributed to <i>Amt</i> and cities in proportion to highway mileage, for maintenance. Construction aid to <i>Amt</i> and communes for main highways, 11,000 RM per km.	...

* For notes to Chart 6 see page 339.

CHART 6: STATE AND LOCAL GRANTS-IN-AID FOR HIGHWAYS IN THE GERMAN STATES, 1930-31 **—Continued

STATE AID		LOCAL AID
<i>From Motor Vehicle Tax^b</i>	<i>From Other Sources</i>	
OLDENBURG		
Half the Oldenburg share to <i>Amt</i> and communes in proportion to through highway mileage, for maintenance.	Birkenfeld: aid to communes for construction and maintenance of local roads. Lübeck: aid to communes for construction of local roads. Oldenburg: aid to <i>Amt</i> and communes up to 25% of cost of constructing main roads.	...
BRUNSWICK		
10% to city of Brunswick; 40% to circle in proportion to highway mileage for maintenance.	...	Circle aids needy communes for construction and maintenance.
ANHALT		
100% to circles for construction and maintenance; distribution determined by state officials following hearings.	1/3 of beer and mineral water taxes to circles (1/5 to each of 5 circles) for construction and maintenance. Aid to circles for construction.	Aid from circles to communes for construction and maintenance of especially costly highways.
LIPPE		
40% to <i>Amt</i> and city in proportion to population and highway mileage for construction and maintenance.	...	...
MECKLENBURG-STRELITZ		
...	11,000 RM per km. to communes for main highways for construction. Variable aids to communes for local highways depending on cost.	...

* For notes to Chart 6 see page 339.

CHART 6: STATE AND LOCAL GRANTS-IN-AID FOR HIGHWAYS IN THE GERMAN STATES, 1930-31 **—Continued

STATE AID		LOCAL AID
<i>From Motor Vehicle Tax^b</i>	<i>From Other Sources</i>	
SCHAUMBURG-LIPPE		
42% to circles; 8% to cities (fixed sums set for each circle and city) for highway maintenance.	Optional aids to circles for construction.	Circle aids needy communes for construction.
HAMBURG		
...
BREMEN		
66 2/3% distributed to circles and cities, in proportion to area, for maintenance.	...	...
LÜBECK		
...	Aid to communes in form of materials for main highways and special aid to needy.	...

* Data from *Einzelchriften* Nos. 6, 17, and 19, except where otherwise noted.

^b By laws of February 12 and 28, 1935, states are guaranteed 90 million reichsmarks from the motor vehicle tax, distributed to them, and to be distributed by them to the authorities maintaining the highways, 80% for first class roads in proportion to population, area, and highway mileage, and 20% for second class roads in proportion to mileage.

^c K. Stephan, *Das kommunale Finanz- und Steuerrecht in Preussen*, Berlin, 1926, pp. 72-73.

^d *Finanz-Archiv*, XLV, 341-44.

^e By law of February 29, 1936, 73% to state, 6% to communes supporting first class roads, 20% to districts and communes for second class roads.

^f By law of March 12, 1936, distributed in proportion to mileage of second class roads.

CHART 7

STATE GRANTS-IN-AID FOR WELFARE AND SPECIAL LOCAL WELFARE REVENUES IN THE GERMAN STATES, 1930-31 ^a

<i>State</i>	<i>Source</i>	<i>Basis of Distribution</i>
Prussia	8% of local share of rental tax. ^b	2% to poor border circles; 6% to circles with exceptional relief burdens. ^b
Bavaria	(1) 6% of local share of income and corporation taxes, supplemented by deductions from the shares of certain communes and by part of the turnover tax. (2) All of mineral water tax. (3) Emergency rentals tax. ^c	(1) To circles in inverse proportion to the ratio of their tax income to uncovered welfare expenditures, and to districts in proportion to need for welfare and highways. (2) To communes where unemployment is above the average. (3) To circles for unemployment relief.
Saxony	(1) Local additions to rental tax. (2) 3.25 million RM from general revenues.	(1) At discretion of local authorities. (2) At discretion of state officials.
Württemberg	4 million RM from income and corporation taxes.	At discretion of state officials.
Baden	Not to exceed 6 million RM from general revenue.	In proportion to local welfare expenditures.
Thuringia	General revenue.	At discretion of state officials.
Hesse	12% of rental tax, all of mineral water tax, 1 1/4% of income, corporation, and turnover taxes. ^d	To welfare districts for needy rent payers at discretion of state officials.
Mecklenburg-Schwerin	All of mineral water tax.	2/3 to communes in proportion to unemployed; 1/3 to communes at discretion of state officials.
Oldenburg	General revenue.	At discretion of state officials.
Brunswick	None.	...
Anhalt	Business tax.	At discretion of state officials.

CHART 7: STATE GRANTS-IN-AID FOR WELFARE AND SPECIAL LOCAL WELFARE REVENUES IN THE GERMAN STATES, 1930-31 ^a—Continued

<i>State</i>	<i>Source</i>	<i>Basis of Distribution</i>
Lippe	None.	...
Mecklenburg-Strelitz	None.	...
Schaumburg-Lippe	None.	...
City-states	None.	...

^a Outdoor relief only. In some states where no special welfare aid is given, state aid is given to poor districts for general use. Data from *Einzelchriften* Nos. 6, 17, and 19, except where otherwise noted.

^b These percentages have been changed from time to time. In addition to this aid, the state has undertaken to meet 20% of local welfare expenditures, beginning in 1932, from general revenues (*Der Städtetag*, February, 1933).

^c Law of August 26, 1931, for 1931 only.

^d By law of April 11, 1932, 8% of commune share of income and corporation taxes, and all of commune share of turnover tax in excess of 3.3 million RM, to equalization fund.

CHART 8

CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL
AUTHORITIES IN ENGLAND AND WALES *

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1831	Highways	Fixed sum for repairs of Berwick bridge in compensation for transferring cost from Civil List to Berwick Corporation.
1833	Police	Expenditure for Metropolitan Police in excess of yield of 6d. rate, but not to exceed £60,000.
1835	Administration of justice	50% of cost of prosecution at Assizes and Quarter Sessions. £30,000 to cover cost of removal of prisoners to place of trial.
1839	Police	Estimated cost of duties transferred from national administration to Metropolitan Police.
1845	Welfare	50% of salaries of poor-law union medical officers. All the poor-law teachers' and industrial trainers' salaries, apportioned according to number of children and grade of certificate held by teachers. All the poor-law auditors' fees.
	Administration of justice	All the cost of prosecution. Fixed sum for maintenance of prisoners in county and borough jails.
1846	Administration of justice	All support of central criminal court.
1852	Administration of justice	All salaries of clerks of assize and clerks of the peace, substituted for abolished fees.
1854	Administration of justice	All (later 50%) the cost of juvenile offenders sent to reformatories and industrial schools by order of a magistrate. (Most of such schools were, and are, private.) Later classified as Education Grant.
1856	Police	25% of pay and clothing cost of county and borough police.
1857	Police	Sum equal to yield of 2d. rate for Metropolitan Police. (Local levy limited to 6d.)
1865	Fire	£10,000 to Metropolitan Fire Brigade.
1867	Health	Fees of public vaccinators paid in proportion to successful vaccinations.
1868	Police	Sum equal to yield of 2½d. rate for Metropolitan Police. (Local levy limited to 6¾d.)

* This summary is intended to include all important grants introduced during the period covered and small grants which have continued for a long period of time. No attempt has been made to include minor grants which have been in effect for short periods only. The table has been compiled from data in H.C. 168, C. 9528, Cd. 7315, Cd. 7316, Cmd. 3157, and, for recent years, from the actual laws.

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1870	Education	For elementary schools, distributed on basis of examination results (later on basis of average daily attendance). In addition, deficiency grant where yield of 3d. rate is less than £20, or less than 7s. 6d. per child.
1872	Health	50% of salaries of medical officers of health and inspectors of nuisances.
1874	Welfare	4s. per week per capita for pauper lunatics.
	Police	50% of pay and clothing cost of county and borough police.
	Not allocated	Compensation for loss of rates on government property.
1875	Health	Fixed sum per item for registration of births and deaths, amounting to 60% of cost to local government, stereotyped at 1888-89 amount.
1876	Education	Special aid to sparsely populated areas.
	Police	25% of rate charge and 25% of pay and clothing cost for Metropolitan Police.
1877	Administration of justice	All of support of prisoners.
1878	Police	Sum equal to yield of 4d. rate for Metropolitan Police. (Local levy limited to 5d.)
1882	Highways	25% of cost of main roads.
1887	Highways	50% of cost of main roads.
1888	Not allocated	40% of probate duties and all of certain licenses paid to Local Taxation Account. Probate duties distributed to counties in proportion to discontinued grants. Licenses returned where collected. From sums thus received counties pay subordinate divisions amount of discontinued grants, set aside sum of discontinued police grant for that purpose, and presumably apply any "free balance" to road costs, and relief of rates.
	Police	Transferred to Local Taxation Account.
	Health	Transferred to Local Taxation Account.

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1888	Welfare	Transferred to Local Taxation Account, and stereotyped, except for pauper lunatic grant, at 1887-88 expenditures.
	Highways	Discontinued.
1889	Agriculture	Discretionary grants for agricultural education, fixed later (1916) by administrative regulations at 66 2/3% of operating expense and 75% of capital expenditure.
1890	Not allocated	Excess over £300,000 from surtaxes on beer and spirits distributed to counties and county boroughs in proportion to distribution of probate duties. May be used for rate reduction or technical education.
	Police	£300,000 from new assigned revenues for police pensions, half to Metropolitan Police, half to other police.
	Agriculture	Fixed sum for compensation of owners of cattle killed by government order. Later fixed at 75% of cost. (Local governments had paid entire cost and continued to be responsible for any deficit.)
1891	Education	10s. per scholar to schools that reduce fees by that amount.
1896	Not allocated	Fixed sum equal to losses from derating agricultural land 50%, returned in proportion to losses as estimated on basis of preceding year's rates.
1897	Education	In addition to 1870 deficiency grant, 4d. per child for every 1d. per £ by which rate exceeds 3d. per £ but not more than 16s. 6d. per child.
1898	Welfare	Fixed sum per inmate of homes for inebriates.
1899	Not allocated	Sum equal to 50% of rates on clerical tithes; revised 1925.
1902	Education	In place of 1897 grant, 4s. per child plus 1½d. per child for each 2d. per child by which a 1d. rate falls short of 10s. per child. Other grants continued. Residue of whisky money allocated to higher education.
1905	Unemployment	Discretionary grants for projects for unemployed.
1906	Education	Temporary aid for districts where education rate exceeds 18d. Aid equals 75% of excess.

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1908	Agriculture	Discretionary grants for small holdings and allotments.
	Not allocated	Certain licenses from Local Taxation Account transferred to county administration. Fixed sum as compensation for cost of collection.
1909	Police	Additional grants of £100,000 for special services to Metropolitan Police.
	Highways	Motor vehicle license money for Local Taxation Account limited to 1908-09 receipts and cost of collection. Discretionary grants for roads provided from remainder. Maintenance grants first fixed by administrative regulation at 50% for Class I roads and 25% for Class II roads; increased later to 60% and 50%, respectively; construction grants vary with individual projects. Discretionary grants to unclassified roads.
	Agriculture	Discretionary grants for drainage projects.
1910	Education	Fixed grant of £807,000 for higher education in place of whisky tax surplus.
1911	Health	50% of expenditures for treatment of disease.
	Not allocated	Amount of liquor licenses and customs and excises paid to Local Taxation Account limited to 1908-09 amount.
1912	Health	Discretionary grant for medical service in schools.
1913	Welfare	Fixed sum for care of mentally deficient.
1915	Health	50% of maternity and child-welfare costs.
1916	Health	75% of expenditure for venereal disease.
	Welfare	50% of expenditure for mentally deficient. Pauper lunatic grants stereotyped at 1914-15 level in London and 1915-16 level outside London.
1918	Police	50% of all net expenditure, including pensions for Metropolitan and other police.
	Education	In place of former elementary education grants: (1) 36s. per child in average daily attendance. (2) 60% of teachers' salaries. (3) 50% of special services.

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1918	Education	(4) 20% of remaining expenditures. (5) From these combined the product of a 7d. rate is deducted. (6) To this enough is added to bring total to 50% of approved expenditure. (7) Special 1906 grant for highly rated areas continued. For higher education 50% of expenditure substituted for fixed grant. Additional aid for social and physical education.
	Registration of electors	50% of cost of registering voters and printing registers.
1919	Agriculture	100% of cost of county agriculture committees. Afforestation grant up to £4 per acre depending on nature of work.
	Housing	Deficit in excess of yield of 1d. rate for approved housing plans.
	Education	50% of certain expenditures of provincial museums.
1920	Health	50% of cost of port sanitary authorities; 100% of cost of examining aliens.
	Unemployment	Grants for sewers, drainage, and other improvements, for unemployment relief. Fixed at 60% of wages (1924, 75%; 1931, 50%); 50% of interest for 5 years on loans for revenue-producing schemes (1924, 15 years, 1931, 10 years, or 25% for 30 years); 65% of interest and sinking fund charges for half the period of the loan, but not more than 15 years, for non-revenue-producing schemes (1924, 75%; 1931, 25% for 30 years).
	Welfare	50% of capital costs and capitation grant for teachers for care of blind.
1921	Unemployment	50% of cost of administration of choice-of-employment schemes; discretionary grants, usually 75%, of cost of juvenile unemployment centers. (Revised 1934.)
	Health	For care of tuberculosis, 50% of approved expenditure, compensation for former insurance funds, capital grant of £180 per bed (but not to exceed 60% of cost).

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1923	Housing	£6 per house per year (reduced to £4 for houses completed after September 30, 1927); for slum clearance 50% of loan charges.
	Not allocated	Compensation for derating of agricultural land from one-half to one-fourth of value, in proportion to loss.
1924	Housing	£9 per house per year; £12 10s. in rural districts (reduced to £7 10s. and £11, respectively, for houses completed after September 30, 1927).
1925	Administration of justice	50% of cost of probation of offenders.
1926	Housing	50% of estimated loan charges for rural houses.
	Agriculture	Land drainage grants limited to 33 1/3% of cost; later increased to 50% if using labor from depressed areas. Annual losses on allotments and small holdings already acquired; 75% of losses on new acquisitions.
1929	Not allocated	Abolished Local Taxation Account. Derated agricultural property 100%; transport, manufacturing, and mining real estate 75%. Block grant equal to losses from derating and discontinued grants plus £5,000,000 distributed partly according to losses, partly according to weighted population formula.
	Police	No change.
	Education	No change.
	Health	Port sanitary authorities grant continued from national revenues; vaccination, medical officers of health, and sanitary inspectors grant transferred to county revenues; other grants discontinued, except part of maternity and child-welfare grant (for training of midwives and health visitors).
	Welfare	Discontinued.
	Highways	Grants for Class I and Class II roads continued except in London and county boroughs; others discontinued.
	Other specific functions	No change.
	Improvements	New grants for loans for public utility improvements.

CHART 8: CHRONOLOGICAL SUMMARY OF GRANTS-IN-AID TO LOCAL AUTHORITIES IN ENGLAND AND WALES—Continued

<i>Date Introduced</i>	<i>Function</i>	<i>Basis of Distribution</i>
1930	Housing	£2 5s. per annum per person displaced, for slum clearance.
1931	Education	Elementary: (1) 45s. per child in average daily attendance; (2) 50% of teachers' salaries; (3), (4), and (5), same; (6) abolished; (7) increased.
	Housing	Additional rural housing subsidy. Amount discretionary.
1933	Housing	50% of losses on guarantees to private building associations for approved projects. No further commitments under 1924 act.
	Welfare	For counties and county boroughs where relief expenditures exceed yield of 2s. rate, that proportion of £440,000 that excess bears to total excess, but not to exceed yield of 1s. rate.
1934	Welfare	National government assumes entire cost of support of able-bodied subject to contributions from local authorities fixed at 60% of their 1932-33 expenditures for this purpose.
1935	Improvements	Discretionary grants up to £1,000,000 for rural water supply.
	Housing	For relief of overcrowding. Amount varies with cost of site. Minimum £6 per flat.
1936	Education	50% of approved expenditure for building.

TABLE 30

TAX REVENUES ADMINISTERED BY REICH, STATE, AND LOCAL UNITS,
1913-14 AND 1925-26 TO 1934-35 *

Year beginning April 1	FOR ALL UNITS		FOR REICH		FOR STATE AND LOCAL	
	By Reich	By State and Local Units	By Reich	By State and Local Units	By Reich	By State and Local Units
Million Reichsmarks						
1913.....	...	4,046	...	1,631	...	2,415
1925.....	7,372	3,206	4,731	...	2,640	3,206
1926.....	8,011	3,668	5,312	...	2,698	3,668
1927.....	9,468	4,077	6,357	...	3,111	4,077
1928.....	10,065	4,231	6,568	...	3,497	4,231
1929.....	10,055	4,269	6,686	...	3,369	4,269
1930.....	9,028	4,454	5,978	...	3,050	4,454
1931.....	8,021	4,165	5,774	...	2,247	4,165
1932.....	6,803	3,559	5,138	...	1,665	3,559
1933.....	6,846	3,735	5,042	...	1,804	3,735
1934.....	8,223	3,611	5,862	...	2,361	3,611
Percentage Distribution						
1913.....	...	100.0	...	100.0	...	100.0
1925.....	69.7	30.3	100.0	...	45.2	54.8
1926.....	68.5	31.5	100.0	...	42.4	57.6
1927.....	69.9	30.1	100.0	...	43.3	56.7
1928.....	70.4	29.6	100.0	...	45.3	54.7
1929.....	70.2	29.8	100.0	...	44.1	55.9
1930.....	67.0	33.0	100.0	...	40.6	59.4
1931.....	65.8	34.2	100.0	...	35.1	64.9
1932.....	65.7	34.3	100.0	...	31.9	68.1
1933.....	64.7	35.3	100.0	...	32.6	67.4
1934.....	69.5	30.5	100.0	...	39.5	60.5

* Data compiled from publications of *Statistisches Reichsamt*.

TABLE 31
DISTRIBUTION OF SHARED TAXES AMONG REICH, STATE, AND LOCAL
GOVERNMENTS, 1925-26 TO 1934-35

<i>Taxes</i>	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
All Units of Government										
Total.....	4,337.4	4,068.9	4,891.0	5,518.7	5,408.4	4,994.8	4,303.7	3,498.2	3,583.0	4,666.9
Income and corporation ..	2,458.1	2,636.1	3,275.2	3,722.4	3,579.6	3,170.0	2,685.1	1,580.1	1,520.7	2,061.0
Turnover.....	1,403.3	882.5	878.8	1,002.4	1,023.7	1,002.5	985.2	1,337.7	1,516.2	1,872.5
Land purchase.....	90.5	91.4	124.4	119.0	110.5	83.0	71.2	59.9	51.7	62.8
Beer.....	256.0	240.8	360.2	396.7	411.8	457.9	366.3	314.4	242.1	267.6
Motor vehicle.....	58.0	104.6	156.2	177.1	204.5	203.5	186.8	165.3	211.6	145.4
Betting.....	31.4	30.6	34.2	32.3	33.2	30.1	27.2	23.1	23.9	25.9
Merger.....	40.1	82.9	62.0	68.8	45.1	32.8	19.4	17.4	16.9	28.9
Mineral water.....	...	...	...	...	...	15.0	12.5	0.3	0.2	202.8 ^b
Reich										
Total.....	1,697.3	1,378.3	1,779.7	2,021.6	2,038.9	1,944.2	2,056.2	1,800.1	1,778.7	2,320.1
Income and corporation.....	418.0	645.0	799.6	911.6	927.5	873.4	1,075.0	613.6	510.4	723.6
Turnover.....	1,003.5	425.8	614.4	700.1	709.2	697.4	707.9	936.5	1,082.0	1,318.3
Land purchase.....	1.2	1.1	1.5	1.5	1.4	1.2	0.9	0.7	0.7	0.8
Beer.....	231.0	218.1	301.0	337.5	352.4	335.0	247.6	225.7	159.5	177.3
Motor vehicle.....	2.3	4.2	6.2	7.3	8.4	8.4	7.7	6.6	9.3	51.3
Betting.....	1.2	1.2	1.3	1.3	1.3	1.2	1.1	0.9	1.0	1.1
Merger.....	40.1	82.9	55.7	62.3	38.7	27.0	15.5	15.8	15.6	28.4
Mineral water.....	...	...	...	...	...	0.6	0.5	0.3	0.2	19.3 ^b
State										
Total.....	1,269.6	1,298.6	1,491.7	1,667.4	1,600.8	1,483.7	1,129.8	849.8	853.8	1,257.4
Income and corporation.....	1,007.6	988.0	1,211.6	1,368.6	1,292.3	1,136.1	801.1	506.7	491.6	655.0
Turnover.....	177.4	219.3	133.3	151.0	153.8	150.3	148.6	201.8	214.1	269.6
Land purchase.....	12.6	11.7	15.9	15.6	14.8	12.4	9.4	8.6	9.0	33.7
Beer.....	25.0	22.7	59.2	59.2	59.4	109.5	102.3	75.3	70.5	77.0
Motor vehicle.....	18.8	29.6	41.2	44.1	49.9	48.0	45.0	36.6	47.3	21.5
Betting.....	28.2	27.3	30.5	28.9	29.2	26.5	23.9	20.8	21.3	23.3
Merger.....	...	...	...	...	1.4	0.9	-0.5	...	...	177.3 ^b

	Local									
Total.....	1,244.4	1,267.7	1,477.1	1,649.8	1,594.9	1,412.6	1,009.4	772.7	869.5	981.1
Income and corporation.....	924.5	899.7	1,139.3	1,280.8	1,205.9	1,026.9	670.2	404.6	460.8	605.4
Turnover.....	211.3	224.1	123.3	142.3	151.4	145.0	119.0	185.5	205.0	266.2
Land purchase.....	72.5	74.9	102.4	98.0	90.7	66.4	58.8	49.6	40.5	26.1
Beer and mineral water.....	...	...	...	...	...	26.0	26.6	12.4	11.0	12.1
Motor vehicle.....	36.1	69.0	106.1	122.5	142.6	143.5	130.6	119.0	151.2	70.8
Merger.....	...	...	6.0	6.2	4.3	4.8	4.2	1.6	1.0	0.5
	Hanseatic Cities									
Total.....	126.1	124.3	142.5	179.9	173.8	154.3	108.3	75.6	81.0	108.3
Income and corporation.....	108.0	103.4	124.7	161.4	153.9	133.6	88.8	55.2	57.9	77.0
Turnover.....	11.1	13.3	7.8	9.0	9.3	9.8	9.7	13.9	15.1	18.4
Land purchase.....	4.2	3.7	4.6	3.9	3.6	3.0	2.1	1.0	1.5	2.2
Beer and mineral water.....	...	...	...	...	...	1.8	1.8	1.0	1.1	1.2
Motor vehicle.....	0.8	1.8	2.7	3.2	3.6	3.6	3.5	3.1	3.8	1.8
Betting.....	2.0	2.1	2.4	2.1	2.7	2.4	2.2	1.4	1.6	1.5
Merger.....	...	...	0.3	0.3	0.7	0.1	0.2	...	...	6.2 ^b

^a Including special levies not shared with state and local governments from 1931-32 on.

^b Meat tax.

TABLE 32

AMOUNT OF REICH REVENUE RETURNED TO STATES WHERE COLLECTED COMPARED WITH AMOUNT DISTRIBUTED ON OTHER BASES, 1925-26 TO 1934-35 *

Fiscal Year Beginning April 1	MILLIONS OF REICHSMARKS RETURNED						PERCENTAGE RETURNED	
	Total	Where Col- lected ^b	ON OTHER BASES				Where Col- lected	On Other Bases
			Total	Shared Taxes ^c	Grants ^d	Guaran- tees ^e		
1925.....	2,928	2,395	533	238	250	45	81.7	18.3
1926.....	3,191	2,272	919	429	296	194	71.2	28.8
1927.....	3,344	2,560	784	536	232	16	76.6	23.4
1928.....	3,775	2,938	837	541	278	18	77.8	22.2
1929.....	3,624	2,765	859	564	254	41	76.4	23.6
1930.....	3,343	2,450	893	562	293	38	73.3	26.7
1931.....	2,925	1,753	1,172	540	615	17	59.9	40.1
1932.....	2,675	1,245	1,430	395	1,010	25	46.5	53.5
1933.....	2,752	1,321	1,431	483	932	16	52.0	48.0
1934.....	2,975	1,887	1,088	475	597	16	63.4	36.6

* Data compiled from publications of *Statistisches Reichsamtl.*

^b All income and corporation taxes after deducting guarantees; 1/3 of turnover tax; all land purchase tax and beer tax; 1/2 the betting tax; 1/4 of motor vehicle tax from 1926-27 on.

^c 2/3 of turnover tax; all the motor vehicle tax until 1926-27 and 3/4 beginning 1926-27; all the merger tax; 1/2 the betting tax.

^d Includes 36.8 million RM turnover tax guarantee and 187.3 turnover tax guarantee for 1925 and 1926, respectively. The remainder is for the per capita guarantee which comes from the Reich share of the income and corporation taxes.

^e Prior to 1931 most of this was for police subventions. In 1931 and 1932 this includes welfare subventions of 233.8 million RM and 705.1 million RM for unemployed supported by communes. The police subvention is distributed per capita. The subvention for unemployed is distributed on the basis of population weighted for the size of the commune and the percentage of unemployed. Indemnities for the reduction of real estate and beer taxes are also included in this item from 1930 on.

TABLE 33

AMOUNT OF REICH TAXES REDISTRIBUTED BY STATES TO LOCAL GOVERNMENTS, AND EXTENT TO WHICH THEY WERE RETURNED ON BASIS OF COLLECTIONS, 1931-32^a

State	Amount of Reich Taxes Received (In millions of reichsmarks)	Amount of Reich Taxes Redistributed (In millions of reichsmarks)	Percentage Redistributed	Amount Distributed Where Collected (In millions of reichsmarks)	Percentage Distributed Where Collected
Prussia.....	1,336.2	718.8	53.8	290.1	40.4
Bavaria.....	273.1 ^b	77.4 ^b	28.4	43.3	55.9
Saxony.....	205.0 ^b	106.2 ^b	51.8	47.8	45.0
Württemberg.....	100.2 ^b	35.4 ^b	35.3	17.4	49.1
Baden.....	76.0	23.1	30.4	7.1	30.7
Thuringia.....	46.6	16.3	35.0	1.2	7.4
Hesse.....	40.6 ^b	15.8 ^b	38.9	4.9	31.0
Mecklenburg-Schwerin.....	23.3 ^b	5.7 ^b	24.4	...	...
Oldenburg.....	16.9 ^b	9.3 ^b	55.0	4.4	47.3
Brunswick.....	16.2	6.3	38.9	1.0	84.1
Anhalt.....	12.1 ^b	5.3 ^b	43.8	3.0	56.6
Lippe.....	4.7 ^b	1.9 ^b	40.4	0.7	36.8
Mecklenburg-Strelitz.....	3.1	0.7	23.9	0.6	86.7
Schaumburg-Lippe.....	1.4	0.4	27.6	0.2	55.0
Total.....	2,155.5	1,022.7	47.4	421.8	40.9

^a Compiled from *Statistik des deutschen Reichs*, Vol. CDXL.

^b Includes equalization funds in so far as these are specifically from Reich taxes. It is not always possible to determine the exact amount of equalization funds obtained from Reich taxes, but since these funds are largely from this source it is believed that a more accurate picture of these tax distributions can be obtained by including these funds even though the estimate introduces a small margin of error.

TABLE 34

PERCENTAGE DISTRIBUTION OF NET EXPENDITURES AND TAX REVENUES AVAILABLE FOR REICH, STATE, AND LOCAL GOVERNMENTS, 1913-14 AND 1925-26 TO 1934-35 *

<i>Year Beginning April 1</i>	NET EXPENDITURE					TAX REVENUES AVAILABLE				
	<i>Total</i>	<i>Reich</i>	<i>State</i>	<i>Local</i>	<i>Hanseatic Cities</i>	<i>Total</i>	<i>Reich</i>	<i>State</i>	<i>Local</i>	<i>Hanseatic Cities</i>
1913.....	100.0	39.9	23.5	33.2	3.4	100.0	40.3	19.3	37.1	3.2
1925.....	100.0	41.0	23.3	33.0	2.7	100.0	44.7	22.7	30.3	2.3
1926.....	100.0	44.5	21.1	31.9	2.5	100.0	45.5	21.4	30.7	2.4
1927.....	100.0	45.7	20.4	31.2	2.7	100.0	46.2	20.9	30.3	2.6
1928.....	100.0	47.7	19.3	30.4	2.6	100.0	45.9	20.5	30.8	2.8
1929.....	100.0	45.4	19.5	32.3	2.8	100.0	46.8	20.0	30.7	2.7
1930.....	100.0	46.3	18.6	32.2	2.8	100.0	44.3	20.8	32.1	2.7
1931.....	100.0	45.0	18.9	33.3	2.8	100.0	47.3	19.9	30.2	2.6
1932.....	100.0	45.6	18.8	32.8	2.8	100.0	49.6	19.9	28.3	2.2
1933.....	100.0	No data published				100.0	47.6	19.7	30.4	2.3
1934.....	100.0	No data published				100.0	48.2	18.8	30.8	2.2

* Computed from data in publications of *Statistisches Reichsamt*.

TABLE 35

TAX REVENUES FOR STATE AND LOCAL USE ADMINISTERED BY REICH,
STATE, AND LOCAL GOVERNMENTS, RESPECTIVELY, 1913-14
AND 1925-26 TO 1934-35 *

Year Beginning April 1	FOR STATES		FOR LOCAL UNITS		FOR HANSEATIC CITIES	
	By Reich	By State and Local Governments	By Reich	By State and Local Governments	By Reich	By State and Local Governments
Millions of Reichsmarks						
1913.....	...	782	...	1,503	...	131
1925.....	1,270	1,126	1,244	1,960	126	120
1926.....	1,306	1,194	1,268	2,316	124	157
1927.....	1,492	1,262	1,477	2,613	142	202
1928.....	1,667	1,270	1,650	2,747	180	215
1929.....	1,601	1,260	1,595	2,795	174	214
1930.....	1,484	1,321	1,412	2,921	154	211
1931.....	1,130	1,297	1,009	2,672	108	195
1932.....	850	1,200	740	2,199	75	160
1933.....	854	1,230	869	2,346	81	159
1934.....	1,257	1,030	981	2,762	108	156
Percentage Distribution						
1913.....	...	100.0	...	100.0	...	100.0
1925.....	53.0	47.0	38.8	61.2	51.3	48.7
1926.....	52.5	47.5	35.5	64.5	44.2	55.8
1927.....	54.2	45.8	36.2	63.8	41.5	58.5
1928.....	56.8	43.2	37.5	62.5	45.5	54.5
1929.....	56.0	44.0	36.2	63.8	45.0	55.0
1930.....	52.9	47.1	32.5	67.5	42.4	57.6
1931.....	46.5	53.5	27.5	72.5	35.7	64.3
1932.....	41.5	58.5	25.1	74.9	31.9	68.1
1933.....	41.0	59.0	27.0	73.0	33.8	66.2
1934.....	55.0	45.0	26.4	73.6	40.9	59.1

* Data compiled from publications of *Statistisches Reichsam.*

TABLE 36
COMPARISON OF EXPENDITURES, TAXES, AND TAX RATES IN TWELVE GERMAN CITIES *

	MEDIAN		GROUP A								GROUP B			
	Group A	Group B	Col- ogne	Frank- furt-am- Main	Düssel- dorf	Stutt- gart	Münster	Pots- dam	Breslau	Duis- burg- Ham- born	Gelsen- kirchen	Hinden- burg	Herne	Offen- bach
Population, 1933 (thousands)	...	...	750	555	499	403	122	74	625	440	332	130	99	81
Per capita yield of income and corporation taxes 1932-33 ^b (reichsmarks)	110.5	57	94	127	115	133	78	106	68	72	45	34	46	83
School children per 1,000 inhabitants, 1932-33	129	179	146	128	130	124	140	116	128	175	189	184	183	136
Number of persons receiving outdoor relief per 1,000 inhabitants, March 31, 1933	81	142	91	91	80	82	52	73	143	140	115	83	155	171
Index of need, 1932 ^b	54	170	76	52	54	47	72	54	123	133	206	233	224	109
Net expenditures per capita (reichsmarks): ^c														
1928-29	149	104	152	176	151	111 ^d	118	147	140	133	99	61	109	90 ^d
1932-33	115	130	134	133	119	108 ^d	90	112	135	151	110	72	125	170 ^d
Net expenditures per capita for other purposes than welfare, 1932-33 (reichsmarks)	69	92	76	72	67	55	52	71	92	112	79	55	96	120
Net welfare expenditures per capita, 1932-33 (reichsmarks). ^e	52	85	58	61	52	53	38	41	43	39	81	17	29	50
Percent of net expenditures for welfare, 1932-33	43	27	43	46	44	49	42	36	32	26	28	24	23	30
Total welfare expenditures per capita, 1932-33 (reichsmarks) ..	68	91	72	78	64	71	46	56	93	88	67	40	97	122

Percent of total welfare expenditures met from local taxes and surpluses.....	79	43	80	79	80	74	83	72	46	44	46	43	30	41
Tax rates on land:^a														
1928-29.....	195	205	250	200	195	/	150	150	225	200	205	250	200	/
1932-33.....	265	400	325	265	225	/	300	224	500	300	375	500	400	/
Tax rates on business:^b														
1928-29.....	400	600	525	400	430	/	400	400	490	650	600	750	600	/
1932-33.....	540	540	540	540	455	/	540	500	459	540	600	390	640	/
Reich tax distributions per capita (reichsmarks):														
1928-29.....	34	30	33	48	33	34	26	34	31	30	32	24	25	40
1932-33.....	8	10	9	8	9	13	6	8	9	11	13	9	9	15
Percent of net expenditures covered by Reich tax distributions:														
1928-29.....	22.4	27.4	21.1	26.9	21.5	30.6	21.7	23.1	22.3	22.2	31.9	40.2	23.0	43.4
1932-33.....	7.1	7.9	6.5	6.2	7.6	11.8	7.1	7.2	6.7	7.0	11.6	12.3	7.2	8.6
Per capita local taxes, 1932-33 (reichsmarks).....	55	35	58	69	55	55	45	35	64	38	31	25	33	41

^a Data largely from *Statistisches Jahrbuch der deutschen Gemeinden*; supplemented by *Statistisches Jahrbuch für das deutsche Reich*; *Statistik des deutschen Reichs*, 387; and unpublished data from *Statistisches Reichsamt*.

^b 1932 yield on base fixed in 1931.

^c That part of the expenditures falling on tax resources including Reich tax distributions and surpluses from industries.

^d The net expenditures of Stuttgart and Offenbach are not strictly comparable with the Prussian cities since the division of support of schools and other functions between state and local governments differs in the different states.

^e On improved land.

^f Rate not comparable with Prussian cities.

^g On yield.

^h Calculated by finding ratio of school children per 1,000 and persons receiving public relief per 1,000 to average proportion of these two relatives and dividing the resulting relative for such city by the relative of ability obtained by taking the ratio of income and corporation taxes per capita for each city to the average per capita taxes. Thus a city with 10% more than the average of relief cases and school children and 10% more than the average of tax yields would rate 100, whereas the city with 10% more than the average of relief cases and school children and 10% less than the average of tax yields would rate 122.

ⁱ For Duisburg. Rates for Hamborn, which was combined with Duisburg between 1928 and 1932, were 250% for the land tax and 625% for business.

^j Reduced by *Osthilfe* from 540% in the case of Breslau and from 600% in the case of Hinderburg.

TABLE 37
EXPENDITURES OF REICH, STATE, AND LOCAL GOVERNMENTS FOR
SELECTED YEARS, 1913-14 TO 1932-33*

IN MILLIONS OF REICHSMARKS

	1913-14	1925-26	1928-29	1930-31	1931-32	1932-33
All governments						
Total	5,437	11,728	16,968	17,060	14,358	12,358
Military.....	1,738	625	809	739	686	701
Domestic war burden.....	41	1,968	2,304	1,970	1,789	1,540
Reparations.....	...	750	2,178	1,812	556	176
Police.....	199	665	803	781	705	674
Education.....	1,046	1,933	2,577	2,550	2,093	1,885
Welfare.....	420	1,913	2,735	3,758	3,942	3,715
Housing.....	1	757	977	859	363	154
Highways.....	469	837	1,067	1,059	868	691
Debt service ^b	470	193	810	713	873	670
Other.....	1,053	2,087	2,708	2,818	2,483	2,152
Reich						
Total	2,170	4,806	8,099	7,903	6,463	5,559
Military.....	1,738	625	809	739	686	701
Domestic war burden.....	41	1,968	2,304	1,970	1,789	1,540
Reparations.....	...	750	2,178	1,812	556	176
Police.....	...	194	204	197	192	192
Education.....	4	26	37	33	27	24
Welfare.....	55	453	976	1,546	1,669	1,496
Housing.....	-1	20	21	87	8	61
Highways.....	48	158	192	183	166	148
Debt service ^b	218	111	612	531	538	490
Other.....	67	501	766	805	832	731
State						
Total	1,280	2,733	3,271	3,182	2,717	2,306
Police.....	88	267	351	307	261	254
Education.....	404	1,029	1,310	1,346	1,139	1,082
Welfare.....	51	292	189	163	136	119
Housing.....	...	240	263	181	131	39
Highways.....	79	95	119	110	90	76
Debt service ^b	153	26	103	139	162	133
Other.....	505	784	936	936	798	603
Local						
Total	1,804	3,876	5,158	5,497	4,782	4,150
Police.....	97	177	214	241	223	202
Education.....	599	806	1,133	1,070	850	714
Welfare.....	290	1,090	1,471	1,923	2,006	1,960
Housing.....	2	450	627	533	201	52
Highways.....	319	547	712	718	585	451
Debt service ^b	50	49	59	...	121	...
Other.....	447	757	942	1,012	796	771
Hanseatic cities						
Total	183	314	441	478	396	343
Police.....	14	27	34	35	29	26
Education.....	38	71	98	102	77	65
Welfare.....	24	79	99	125	131	141
Housing.....	...	46	66	57	23	2
Highways.....	23	36	43	47	27	16
Debt service ^b	48	7	36	43	52	46
Other.....	36	48	65	69	57	47

* Net expenditures, to be met from taxes and surplus earning of industry. Expenditures from grants-in-aid are credited to the jurisdiction making the grant; expenditures from shared taxes are credited to the jurisdiction making the expenditure. Data from *Statistisches Jahrbuch für das deutsche Reich und Einzelschriften* 10 and 20 and *Statistik des deutschen Reichs*, Vol. CDXL.

^b Includes total debt service for Reich and states and Hanseatic cities, but only that part of the debt service of local governments which cannot be assigned to specific functions.

^c Less than one-half million marks.

TABLE 38
EXPENDITURES OF REICH, STATE, AND LOCAL GOVERNMENTS FOR
SELECTED YEARS, 1913-14 TO 1932-33

PERCENTAGE DISTRIBUTION ACCORDING TO FUNCTIONS

	<i>All Governments</i>	<i>Reich</i>	<i>State Governments</i>	<i>Local Governments</i>	<i>Hanseatic Cities</i>
1913-14					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	31.9	80.0	...	...	...
Domestic war burden.....	0.8	1.9	...	...	...
Reparations.....	...	...	...	...	...
Police.....	3.7	...	6.9	5.4	7.7
Education.....	19.3	0.2	31.6	33.2	20.8
Welfare.....	7.7	2.5	4.0	16.1	13.1
Housing.....	0.3	-0.6	...	0.1	...
Highways.....	8.6	2.2	6.2	17.7	12.6
Debt service.....	8.6	10.0	12.0	2.8	26.2
Other.....	19.1	3.8	39.5	24.8	19.7
1925-26					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	5.3	13.0	...	...	...
Domestic war burden.....	16.8	41.0	...	...	...
Reparations.....	6.4	15.6	...	...	...
Police.....	5.7	4.1	9.8	4.6	8.6
Education.....	16.5	0.5	37.6	20.8	22.6
Welfare.....	16.4	9.4	10.7	28.1	25.1
Housing.....	6.5	0.4	8.8	11.6	14.6
Highways.....	7.2	3.3	3.5	14.1	11.6
Debt service.....	1.6	2.3	0.9	1.3	2.3
Other.....	17.8	10.4	28.7	19.5	15.3
1928-29					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	4.8	10.0	...	...	...
Domestic war burden.....	13.6	28.5	...	...	...
Reparations.....	12.8	26.8	...	...	...
Police.....	4.7	2.5	10.7	4.1	7.8
Education.....	15.1	0.5	40.0	22.0	22.2
Welfare.....	16.1	12.0	5.8	28.5	22.4
Housing.....	5.7	0.3	8.1	12.3	14.9
Highways.....	6.3	2.4	3.6	13.8	9.9
Debt service.....	4.8	7.6	3.2	1.1	8.1
Other.....	16.0	9.4	28.6	18.2	14.7
1930-31					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	4.3	9.4	...	...	...
Domestic war burden.....	11.6	25.0	...	...	...
Reparations.....	10.6	22.9	...	...	...
Police.....	4.6	2.5	9.7	4.4	7.3
Education.....	15.0	0.4	42.3	19.5	21.3
Welfare.....	22.1	19.6	5.1	35.0	26.2
Housing.....	5.0	1.1	5.7	9.7	11.9
Highways.....	6.2	2.3	3.5	13.1	9.9
Debt service.....	4.2	6.7	4.4	...	9.0
Other.....	16.5	10.2	29.4	18.4	14.4

TABLE 38: EXPENDITURES OF REICH, STATE, AND LOCAL GOVERNMENTS FOR SELECTED YEARS, 1913-14 TO 1932-33—Continued

PERCENTAGE DISTRIBUTION ACCORDING TO FUNCTIONS

	<i>All Governments</i>	<i>Reich</i>	<i>State Governments</i>	<i>Local Governments</i>	<i>Hanseatic Cities</i>
1931-32					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	4.8	10.6	...	...	...
Domestic war burden.....	12.5	27.6	...	...	...
Reparations.....	3.9	8.5	...	...	...
Police.....	4.9	2.9	9.6	4.7	7.2
Education.....	14.6	0.4	41.8	17.8	19.5
Welfare.....	27.5	25.8	5.0	42.0	33.1
Housing.....	2.5	0.1	4.8	4.2	5.7
Highways.....	6.0	2.6	3.3	12.2	6.9
Debt service.....	6.1	8.3	6.0	2.5	13.1
Other.....	17.3	12.9	29.4	16.6	14.4
1932-33					
Total.....	100.0	100.0	100.0	100.0	100.0
Military.....	5.7	12.6	...	...	...
Domestic war burden.....	12.5	27.7	...	...	...
Reparations.....	1.4	3.2	...	...	...
Police.....	5.5	3.5	11.0	4.9	7.6
Education.....	15.3	0.4	46.9	17.2	19.0
Welfare.....	30.1	26.9	5.2	47.2	41.1
Housing.....	1.2	1.1	1.7	1.3	0.6
Highways.....	5.6	2.7	3.3	10.9	4.7
Debt service.....	5.4	8.8	5.8	...	13.4
Other.....	17.4	13.1	26.1	18.6	13.7

TABLE 39

EXPENDITURES OF REICH, STATE, AND LOCAL GOVERNMENTS FOR
SELECTED YEARS, 1913-14 TO 1932-33

PERCENTAGE DISTRIBUTION ACCORDING TO JURISDICTIONS

	<i>All Governments</i>	<i>Reich</i>	<i>State Governments</i>	<i>Local Governments</i>	<i>Hanseatic Cities</i>
1913-14					
Total.....	100.0	39.9	23.6	33.2	3.4
Military.....	100.0	100.0	...	...	...
Domestic war burden.....	100.0	100.0	...	...	...
Reparations.....	100.0	100.0	...	...	...
Police.....	100.0	...	44.2	48.6	7.2
Education.....	100.0	0.4	38.7	57.3	3.6
Welfare.....	100.0	13.1	12.1	69.0	5.8
Housing.....	100.0	-100.0	14.3	178.6	7.1
Highways.....	100.0	10.3	16.9	68.0	4.9
Debt service.....	100.0	46.3	32.7	10.7	10.3
1925-26					
Total.....	100.0	41.0	23.3	33.0	2.7
Military.....	100.0	100.0	...	...	...
Domestic war burden.....	100.0	100.0	...	...	...
Reparations.....	100.0	100.0	...	...	...
Police.....	100.0	29.2	40.2	26.6	4.1
Education.....	100.0	1.4	53.3	41.7	3.7
Welfare.....	100.0	23.7	15.3	56.9	4.1
Housing.....	100.0	2.7	31.8	59.5	6.1
Highways.....	100.0	18.9	11.3	65.5	4.3
Debt service.....	100.0	57.4	13.2	25.6	3.8
1928-29					
Total.....	100.0	47.7	19.3	30.4	2.6
Military.....	100.0	100.0	...	...	...
Domestic war burden.....	100.0	100.0	...	...	...
Reparations.....	100.0	100.0	...	...	...
Police.....	100.0	25.4	43.6	26.6	4.3
Education.....	100.0	1.4	51.0	43.8	3.8
Welfare.....	100.0	35.7	6.9	53.8	3.6
Housing.....	100.0	2.1	26.9	64.2	6.8
Highways.....	100.0	18.0	11.1	66.8	4.1
Debt service.....	100.0	75.5	12.8	7.3	4.4
1930-31					
Total.....	100.0	46.3	18.6	32.2	2.8
Military.....	100.0	100.0	...	...	...
Domestic war burden.....	100.0	100.0	...	...	...
Reparations.....	100.0	100.0	...	...	...
Police.....	100.0	25.3	39.4	30.9	4.4
Education.....	100.0	1.3	52.7	42.0	4.0
Welfare.....	100.0	41.2	4.3	51.2	3.3
Housing.....	100.0	10.2	21.1	62.1	6.6
Highways.....	100.0	17.3	10.4	67.8	4.5
Debt service.....	100.0	74.5	19.5	...	6.0

TABLE 39: EXPENDITURES OF REICH, STATE, AND LOCAL GOVERNMENTS FOR SELECTED YEARS, 1913-14 TO 1932-33—Continued

PERCENTAGE DISTRIBUTION ACCORDING TO JURISDICTIONS

	<i>All Governments</i>	<i>Reich</i>	<i>State Governments</i>	<i>Local Governments</i>	<i>Hanseatic Cities</i>
1931-32					
Total	100.0	45.1	18.9	3.33	2.8
Military	100.0	100.0	...	...	...
Domestic war burden	100.0	100.0	...	...	...
Reparations	100.0	100.0	...	...	...
Police	100.0	27.2	37.0	31.7	4.1
Education	100.0	1.3	54.4	40.7	3.7
Welfare	100.0	42.4	3.3	50.9	3.3
Housing	100.0	2.3	36.2	55.3	6.3
Highways	100.0	19.2	10.3	67.4	3.2
Debt service	100.0	61.7	18.6	13.9	5.9
1932-33					
Total	100.0	45.0	18.7	33.6	2.8
Military	100.0	100.0	...	...	...
Domestic war burden	100.0	100.0	...	...	...
Reparations	100.0	100.0	...	...	...
Police	100.0	28.5	37.7	30.0	3.9
Education	100.0	1.3	57.4	37.9	3.4
Welfare	100.0	40.3	3.2	52.8	3.8
Housing	100.0	39.6	25.3	33.8	1.3
Highways	100.0	21.4	11.0	65.3	2.3
Debt service	100.0	73.1	19.9	...	6.9

TABLE 40
DIVISION OF SUPPORT OF ORTSPOLIZEI BETWEEN STATE AND
LOCAL GOVERNMENTS, 1931-32 *

PERCENTAGE

State	STATE ORTSPOLIZEI		LOCAL ORTSPOLIZEI	
	State Support	Local Support	State Support	Local Support
Prussia.....	66 2/3	33 1/3	66 2/3	33 1/3
Bavaria.....	50 ^b	50	...	100
Saxony.....	60	40	...	100
Württemberg.....	^c	^c	...	100
Baden.....	40	60	...	100
Hesse.....	^d	^d	...	...
Mecklenburg-Schwerin.....	100	...	...	100
Oldenburg.....	100	...	...	100
Brunswick.....	^f	^f	...	100
Anhalt.....	100	...	...	100
Lippe ^e	33 1/3	66 2/3	...	100
Mecklenburg-Strelitz.....	...	...	...	100
Schaumburg-Lippe.....	100	...	...	100
Hamburg.....	100	...	...	...
Bremen.....	100 ^h	^h	...	100 ⁱ
Lübeck.....	100	...	...	...

* In Thuringia the security police are *Landespolizei*. Hence this state has been omitted.

^b State pays all in *ausmarkischen Bezirken*.

^c Local government makes contribution in proportion to population. Per capita levy varies with city and is fixed by law.

^d Local government makes contribution of 1,200 marks per officer.

^e In certain cities in occupied territory state makes same contribution as to state police.

^f Only city with state police, Brunswick, makes a special contribution.

^g The state has since taken over all police in Lippe, December 21, 1933, but the communes still contribute the largest part of their support. By law of March 31, 1935, communes and circles meet all the salaries and 75% of other costs for the *Schutzpolizei* and a smaller part of the cost of other police.

^h In Bremen 100%. Bremerhaven makes a special contribution.

ⁱ Administration police only.

TABLE 41

PERCENTAGE OF NET STATE AND LOCAL EXPENDITURES FOR
DIFFERENT FUNCTIONS MET BY GERMAN STATE
GOVERNMENTS, 1931-32 ^a

<i>State</i>	<i>Education</i> ^b	<i>Police</i>	<i>Highways</i>	<i>Welfare</i>	<i>Housing</i>	<i>All Functions</i>
Prussia.....	50.0	54.7	0.4	4.0	27.4	30.9
Bavaria.....	78.4	59.6	21.1	10.8	7.3	51.1
Saxony.....	60.8	45.3	31.4	7.5	92.8	42.3
Württemberg.....	58.8	43.3	31.1	18.4	64.8	42.5
Baden.....	69.4	52.7	30.5	14.5	100.0	41.5
Thuringia.....	63.1	42.3	40.2	13.8	26.9	51.4
Hesse.....	79.8	55.5	8.4	16.3	57.5	42.6
Mecklenburg-Schwerin...	81.7	54.7	53.1	17.0	0.5	54.3
Oldenburg.....	43.7	69.0	26.1	5.8	8.2	36.5
Brunswick.....	79.1	69.6	31.5	8.7	61.6	51.3
Anhalt.....	82.8	30.2	2.1	12.8	77.8	45.9
Lippe.....	91.8	39.9	26.6	9.2	66.1	53.8
Mecklenburg-Strelitz...	94.5	61.5	79.9	29.2	...	65.8
Schaumburg-Lippe.....	41.5	55.9	37.3	11.1	0.1	42.0
Hamburg.....	98.4	99.9	88.7	97.9	96.7	97.9
Bremen.....	93.2	98.6	78.6	91.8	97.7	95.8
Lübeck.....	100.0	100.0	96.8	99.6	100.0	99.6
All states ^c	57.3	53.8	10.5	35.7	39.6	36.2

^a *Statistik des deutschen Reichs*, Vol. CDXL.

^b Excluding church.

^c Excluding city-states.

TABLE 42

AMOUNT OF GRANTS COMPARED WITH AMOUNT OF NATIONAL AND LOCAL TAX INCOME FOR SPECIFIED YEARS FROM 1842-43 TO 1933-34 *

Year	UNITED KINGDOM			ENGLAND AND WALES		
	MILLIONS OF POUNDS		Percent of Tax Revenue to Grants	MILLIONS OF POUNDS		Percent of Rates and Grants From Grants
	National Tax Revenue	Grants		Local Rates and Grants	Grants	
Pre-war						
1842-43	50.2	0.6	1.3	9.1	0.2	2.7
1852-53	53.0	1.3	2.8	10.5	0.6	5.4
1872-73	65.9	2.4	3.7	19.7	1.1	5.6
1887-88	75.7	5.1	6.8	31.5	4.3	13.6
1891-92	75.3	10.9	14.5	37.3	8.8	23.6
1903-04	129.1	19.2	14.9	69.0	16.1	23.3
1913-14	163.0	27.1	16.6	94.4	23.1	24.5
Post-war						
1918-19	784.3	34.3	4.4	115.9	31.2	27.0
1919-20	999.0	56.3	5.6	155.6	50.0	32.1
1920-21	1,031.7	71.3	6.9	219.6	67.8	30.9
1921-22	856.7	88.2	10.3	249.5	78.6	31.5
1922-23	774.7	87.6	11.3	234.1	76.8	32.8
1923-24	718.1	90.7	12.6	223.2	79.9	35.8
1924-25	689.7	94.2	13.7	224.8	82.8	36.8
1925-26	684.5	97.5	14.3	234.0	85.4	36.5
1926-27	663.9	100.7	15.2	247.3	88.3	35.7
1927-28	693.4	104.5	15.1	258.1	91.4	35.4
1928-29	685.3	108.3	15.8	259.8	93.8	35.9
Local Government Act of 1929						
1929-30	676.6	125.3	18.5	270.6	114.3	42.3
1930-31	704.2	155.1	22.1	288.6	138.7	48.1
1931-32	733.0	151.4	20.7	283.8	135.5	47.9
1932-33	725.0	145.0 ^b	20.0	272.9	126.6	46.4
1933-34	709.1 ^a	147.1 ^b	20.7	279.5 ^c	131.8 ^c	47.2

^a Statistical Abstract of the United Kingdom.

^b Partly estimated.

^c Rates and Rateable Values, 1933-34, and Finance Accounts of the United Kingdom, 1933-34.

TABLE 43

AMOUNT OF GRANTS-IN-AID FOR SPECIFIED YEARS FROM 1842-43 TO
1934-35: ENGLAND AND WALES
YEAR BEGINNING APRIL 1

Grants	1842 ^a	1872 ^d	1887 ^e	1891 ^f	1903 ^f	1913 ^g	1923 ^g	1928 ^g	1939 ^h	1932 ^h	1934 ⁱ
	Millions of Pounds										
Total	0.2	1.1	4.3	8.8	16.1	23.1	79.9	93.8	138.7	126.6	132.6
Specific.....	0.2	1.0	4.1	6.2	13.3	19.8	73.2	85.4	88.5	78.3	84.0
Police.....	0.1	0.5	1.4	2.0	2.3	2.9	8.7	10.3	10.4	10.1	10.5
Education....	"	"	1.3	2.3	8.3	14.0	38.8	41.7	43.9	38.8	39.8
Welfare.....	"	0.2	0.7	1.6	2.3	2.0	2.2	2.2	0.1	"	"
Health.....	"	"	0.1	0.1	0.2	0.4	3.3	4.2	1.3	1.6	"
Highways....	"	"	0.5	"	"	0.6	11.0	14.3	19.2	13.6	14.1 ^j
Housing.....	"	"	"	"	"	"	7.4	10.7	11.9	12.7	13.8
Other.....	0.1	0.3	0.1	0.2	0.1	0.1	1.7	2.1	1.6	1.5	5.8 ^k
General.....	"	0.1	0.2	2.6	2.8	3.3	6.7	8.4	50.2	48.3	48.6
Government property ^a	"	0.1	0.2	0.2	0.5	0.8	1.8	2.0 ^l	2.0 ^l	1.9 ^l	1.8 ^l
Agricultural derating ^b	"	"	"	"	0.7	1.2	3.1	3.5	"	"	"
Free balance I. T. A. ^c	"	"	"	2.4	1.6	1.3	1.8	2.9	3.1	1.4	1.4
Exchequer grant.....	"	"	"	"	"	"	"	"	45.0	45.0	45.4
Percentage Distribution											
Specific.....	93.5	94.4	95.9	70.6	82.5	85.9	91.6	91.1	63.8	61.8	63.5
General.....	6.5	5.6	4.1	29.4	17.5	14.1	8.4	8.9	36.2	38.2	36.5

^a Compensation in lieu of rates on general property.

^b Under acts of 1896 and 1923, not including share allocated to specific functions.

^c Includes receipts from licenses not under Local Taxation Account.

^d C. 9528, *op. cit.*, p. 24.

^e H. C. 168, *op. cit.*

^f Cd. 7316, *op. cit.*

^g *Statistical Abstract of the United Kingdom.*

^h *Annual Local Taxation Returns.*

ⁱ *Finance Accounts of the United Kingdom.*

^j *Civil Estimates.*

^k Grants from public works not segregated to distinguish health and other grants.

^l For 1933-34.

" Less than 50,000 pounds.

TABLE 44

NET EXPENDITURES OF LOCAL GOVERNMENTS, 1928-29 AND
1932-33: ENGLAND AND WALES ^a

	TOTAL		LONDON ^b		ADMINIS- TRATIVE COUNTIES		COUNTY BOROUGHS		MUNICIPAL BOROUGHS		URBAN DISTRICTS		RURAL DISTRICTS		POOR-LAW UNIONS		MISCEL- LANEOUS UNITS	
	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33	1928- 29	1932- 33
In millions of pounds																		
Total.....	258.0	270.0	41.6	40.2	60.7	91.6	67.2	89.0	17.1	20.7	20.4	20.4	15.8	6.6	33.0	...	2.1	1.3
Police.....	20.7	20.8	5.0	5.0	8.5	8.5	6.3	6.4	0.9	0.9	...	...	...	...	...	...	...	...
Education.....	77.8	80.4	12.7	11.8	29.3	30.7	25.9	27.6	5.9	7.0	3.9	3.3	...	...	...	...	0.1	0.1
Welfare.....	39.2	37.3	9.4	6.2	1.2	16.2	0.8	15.0	...	...	...	...	...	...	27.7	...	...	0.1
Housing.....	12.6	15.7	1.1	1.3	^b	^b	4.9	5.7	1.7	2.1	3.3	3.8	1.6	2.8	...	...	...	...
Highways.....	47.8	49.0	3.9	3.6	17.6	28.2	9.9	10.7	2.8	2.8	4.2	3.3	9.3	...	...	...	^b	0.1
Other.....	59.8	66.7	9.5	12.4	4.1	8.0	19.3	23.6	5.8	7.9	9.0	10.0	5.0	3.7	5.3	...	2.0	1.0
Percentage to different functions																		
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Police.....	8.1	7.7	12.0	12.4	14.0	9.3	9.5	7.1	5.1	4.4	...	...	...	...	...	...	...	0.5
Education.....	30.2	29.8	30.6	29.3	48.2	33.5	38.6	30.9	34.4	33.8	19.0	16.0	...	...	...	...	...	4.9
Welfare.....	15.2	13.8	22.7	15.3	1.9	17.7	1.2	16.8	0.1	0.2	...	...	...	...	84.1	...	...	6.1
Housing.....	4.9	5.8	2.6	3.1	0.1	0.1	7.2	6.4	9.8	10.0	16.3	18.5	10.3	42.9	...	...	...	...
Highways.....	18.5	18.1	9.4	8.9	29.0	30.8	14.8	12.3	16.5	13.3	20.6	16.3	58.5	...	...	...	...	1.0
Other.....	23.1	24.8	22.8	30.9	6.7	8.7	28.7	26.5	34.1	38.3	44.0	49.2	31.3	57.1	16.0	...	...	93.6

^a Net expenditures include all those not met from rates and grants.

^b Less than 50,000 pounds.

^c Including County of London, City of London, Metropolitan Boroughs, and that part of Metropolitan Police District within County of London. Remainder of police district expenditures apportioned to administrative counties and county boroughs, respectively, in proportion to rates collected in these.

TABLE 45

PERCENTAGE OF NET EXPENDITURES OF LOCAL GOVERNMENTS MET
FROM GRANTS, 1928-29 AND 1932-33: ENGLAND AND WALES *

YEAR BEGINNING APRIL 1

	TOTAL		POLICE		EDUCATION		WELFARE		HOUSING		HIGHWAYS	
	1928	1932	1928	1932	1928	1932	1928	1932	1928	1932	1928	1932
Total	35.3	46.2	49.4	48.4	53.6	48.2	9.4	0.1	76.6	81.3	28.7	27.8
London	27.1	31.1	49.1	45.8	47.7	37.1	3.8	...	64.4	63.4	10.9	12.2
Administrative counties	55.8	54.7	50.6	51.3	56.9	52.3	22.3	0.1	36.4	35.6	43.5	37.9
County boroughs ..	36.5	40.3	49.1	48.2	52.9	48.0	21.4	0.2	70.8	75.7	17.0	14.7
Municipal boroughs	33.5	47.3	37.7	37.0	53.3	47.0	...	...	80.1	82.0	19.4	13.5
Urban districts	31.7	57.0	...	...	57.0	54.3	...	...	88.7	88.7	20.4	11.9
Rural districts	31.4	65.9	...	...	...	...	...	...	76.4	90.9	27.4	...
Poor-law unions	9.8	...	...	...	...	...	10.3	...	...	...	...	...
Miscellaneous districts	47.2	23.9	100.0	...	100.0	100.0	100.0	3.7	...	...	...	77.5

* Grants include those for capital expenditures and those for general purposes. Compensation for losses in rates on government property is not included because the amounts received by different types of districts is not available. This accounts for the substantial difference between the totals here and those in Table 21 for the same years. The other differences are the result of a change in classification between 1928-29 and 1932-33 in the *Local Taxation Returns*. The 1928-29 figures in this table are from the *Local Taxation Returns* for that year. The 1928-29 figures in Table 21 are from an unpublished summary prepared by the Ministry of Health which conforms to the 1932-33 classification.

TABLE 46
CHANGES IN FINANCIAL POSITION OF SELECTED MUNICIPAL
BOROUGHES AND URBAN AND RURAL DISTRICTS,
1928-29 AND 1932-33: ENGLAND AND WALES*

	PERCENTAGE OF RATE AND GRANT EXPENDITURES FROM GRANTS		RATEABLE VALUE PER CAPITA (IN POUNDS)		RATES IN THE POUND (IN SHILLINGS)		PER CAPITA RATE AND GRANT EXPENDITURE (IN SHILLINGS)	
	1928-29	1932-33	1928-29	1932-33	1928-29	1932-33	1928-29	1932-33
Boroughs								
Okehampton.....	1	148	3.6	5.6	11.3	7.2	18	13
Godmanchester.....	41	114	5.2	3.4	12.8	9.3	27	19
Hartlepool.....	44	81	3.9	2.9	20.0	16.0	69	68
Jarrow.....	48	69	4.0	3.5	21.3	19.7	80	81
Whitehaven.....	55	66	4.3	3.9	17.3	12.7	65	69
Port Talbot.....	34	63	4.2	3.7	23.5	19.0	71	66
Montgomery.....	6	51	5.8	3.6	12.5	16.3	24	27
Bexhill.....	14	41	12.5	13.8	8.2	8.3	75	78
Hove.....	20	39	11.4	15.2	10.8	8.0	82	75
Wimbledon.....	19	30	9.5	11.7	11.2	8.7	70	66
Richmond.....	16	28	10.8	13.3	11.0	8.6	82	76
Urban Districts								
Roxby-cum-Risby..	42	162	6.6	3.2	10.7	...	47	22
Billingham.....	18	120	16.4	9.3	12.3	13.5	51	52
Wantage.....	55	103	4.5	5.7	8.3	7.5	23	27
Newburn.....	61	92	4.4	3.8	12.7	8.7	49	50
Rishworth.....	...	82	13.9	9.5	9.0	10.5	25	27
Tilbury.....	65	66	5.1	4.4	16.4	17.3	118	130
Abertillery.....	46	58	4.1	3.3	24.7	24.8	82	92
Weybridge.....	9	58	12.1	12.5	10.3	6.0	49	43
Frinton-on-Sea....	5	49	14.9	19.8	14.1	10.5	107	126
Mallwyd.....	13	48	2.8	1.7	15.9	13.0	7	28
Gellygaer.....	15	42	3.6	3.2	34.9	23.8	46	45
Bedwelty.....	17	42	5.5	3.1	23.5	24.3	44	48
Esher and the Dit- tons.....	4	38	12.7	13.5	11.0	8.4	52	43
Coulsdon and Purley	14	31	11.8	12.9	10.5	9.3	58	50
Sutton and Cheam..	6	30	11.2	10.8	8.3	8.8	37	41
Rural Districts								
Hastings.....	50	...	9.6	9.0	7.4	3.7	51	...
Llanwrthwl.....	16	1,401	23.4	22.0	8.1	8.3	20	6
Stockton.....	28	294	14.2	6.8	12.4	10.3	56	8
Codnor Park and Shipley.....	40	124	13.5	5.7	6.9	7.2	21	17
Sibsey.....	41	61	3.7	1.7	16.1	7.5	68	7
Tregaron.....	29	60	2.1	1.3	16.8	12.6	22	4
Sunderland.....	27	59	3.6	3.1	20.8	14.6	46	28
Llantrisant.....	35	53	4.4	3.1	24.0	26.3	70	44
Cardigan.....	50	47	2.9	1.9	17.8	12.8	40	10
Auckland.....	20	30	2.9	2.3	22.1	17.5	20	12

* Data from records of Ministry of Health.

† Income for special purposes exceeded total expenditures.

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Preston Borough Treasurer, Rates Levied in Various Towns, 1934-35.

INDEX

INDEX

- Abertillery, 264, 265
Allocated grant, 179, 180, 185
Assigned revenues, 176, 177
Auckland, 272-73
- Bavaria, state and local finance: post-war, 75; pre-war, 28, 32-34, 39, 40, 41, 116
Bedwelty, 264, 265
Beer tax, Reich, 45, 53, 56, 59, 62, 67, 76, 140, 143
Berlin, 85
Betting tax, 49
Bexhill, 262-63
Billingham, 269
Bismarck, financial measures of, 21, 24, 43
Blackpool, 242
Block grant, 179, 180, 185, 214, 305
Bournemouth, 242
Breslau, 92, 94, 96, 148
- Capitation grant, 188, 248, 288
Cardigan, 274
Central government functions, changes in, 98
Chamberlain, 213
Circle revenues, Prussia, 88-90
Citizen tax, 60, 67, 78
Codnor Park, 274
Cologne, 92, 96, 147
Commune revenues, Prussia, 90
Compensation for losses, 187, 188, 189, 275-76
Consolidation of local units, 157, 181, 207-8
Corporation tax: Prussia, 82-85; Reich distribution, 45, 49, 53, 54, 55, 58, 67, 70, 76, 137, 145
Coulson, 268
Counties, administrative, financial status, 237, 244-49
County boroughs, financial status, 211, 237, 240-44, 250-51
Customs Union of 1834, 19
- Derating, 177, 178, 183, 184, 195, 198, 200-206, 276-77, 290
Discretionary distribution, 150-51, 180, 306, 307
Dotationen, Prussian, 36, 37, 111, 112, 116, 141, 150
Double taxation, Germany, 26
Düsseldorf, 92, 96, 148
Duisburg-Hamborn, 92, 94, 96, 147, 149
- Eastbourne, 240, 241, 242, 243, 244
Education, support of, 99-104, 132, 297
Education grants, England, 171, 172, 173, 174, 175, 177, 178, 183, 196, 228-29, 281. *See also* Grants-in-aid, German states, post-war and pre-war
Emergency decree of December 1, 1930, 66, 67
Emergency tax decree, 1924, 49, 50
Equalization funds, 81, 87, 142, 193
Equalization of resources, 66, 68, 69, 70, 71, 87, 97, 102, 116, 132-33, 154, 155, 181-82, 215, 275, 279, 286-89, 300, 302
Erzberger, 43, 45
Esher, 268
Essen, 149
- Federal finance, 7, 8
Fixed grant, 179, 183, 226-28, 305
Former revenues as basis of distribution, 141-44
Formula grant, 180, 214
Frankfurt-am-Main, 85, 92, 95, 96, 148
Frinton-on-Sea, 267-68, 269
- Gateshead, 243, 244
Gellygaer, 266
Gelsenkirchen, 92, 96
German Empire, tax system of, 20-26
Godmanchester, 258-59

- Grants-in-aid, 7, 9, 295, 300, 304, 305; classification, 179-80; definition, 169-170; England and Wales, 161-82, 207; German states, post-war, 101-3; pre-war, 31, 33, 36-38, 99-101, 111, 112, 116; Prussia, 85, 102, 106, 127; Reich, 47-49, 70, 93, 96, 103-4, 117, 121, 123. *See also* Allocated grant, Block grant, Capitation grant, Education grants, Fixed grant, Formula grant, Health grants, Highway grants, Housing grants, Percentage grant, Police grants, Unit grant, Welfare grants
- Guarantees, England, 187-88, 189, 236, 276; Reich, 47, 49, 53, 54, 55, 56, 65, 67, 69, 141
- Hartlepool, 254-56
- Hastings, 271
- Health grants, England, 173, 178, 183
- Hemsworth, 275-76
- Herne, 92, 96
- Highway grants, England, 174, 176, 178, 186, 193, 229-31
- Highways, support of, 64, 108-14, 132, 210-11, 238, 297
- Hindenburg, 92, 94, 95, 96
- Housing, support of, 128-31, 297
- Housing grants, England, 178, 196, 197, 231-34, 237
- Hove, 262-63
- Huntingdon, 244-49
- Income tax: Prussian distribution, 82-85, 138; Reich distribution, 45, 49, 53, 54, 55, 58, 59, 67, 69, 70, 76, 137-139, 145
- Inheritance tax, 46, 49, 143
- Jarrow, 251-55, 256, 258, 264, 265
- Köhler, 55
- Land purchase tax, 46, 49, 62, 76
- Llantrisant, 238-39, 272
- Llanwrthwl, 270-71
- Local functions, transfer of, 7, 89, 131-132, 185, 193, 196, 206, 208-11, 237, 296, 299. *See also* Education, Highways, Police, and Welfare support
- Local Government Act of 1929, 12, 165; operation of, 198-235, 275-83, 288; provisions of, 183-97, 249
- Local Government Act of 1933, 197
- Local Government organization, England and Wales, 162-66; Germany, 18, 19, 73-74
- Local government reform of 1888, 161, 175-77, 183
- Local revenues, England, 166
- Local self-government, 152, 156, 286, 290, 295, 302, 307
- Local Taxation Account, 175, 177
- London, 191, 193-94, 239-40
- Mallwyd, 263-64
- Matrikularbeiträge*, 20, 21, 22, 23, 25, 26, 39, 46
- Meat tax, 64, 140
- Merger tax, 54, 69
- Merthyr Tydfil, 243, 244
- Middlesex, 189, 247-49, 288
- Mineral water tax, 59, 62, 69, 76, 140, 145, 146
- Montgomery, 260-61, 263, 264
- Motor vehicle tax: England, 177, 178; Germany, 49, 50, 58, 65, 69, 76, 86, 110, 111, 112, 113, 140, 143, 149-50
- Münster, 91, 92, 96, 148
- Municipal boroughs, financial status, 211, 249-63
- Municipal industries, revenue, 168-69, 299
- Newburn, 266, 267
- North German Federation of 1867, 20
- Offenbach, 91, 92, 147, 148
- Okehampton, 259-60
- Origin as basis of distribution, 79-80, 82, 135-41
- Osthilfe*, 70, 94
- Per capita distribution, 80, 87, 144-49
- Percentage grant, 178, 179, 180, 183, 212, 213-14
- Police, support of, 104-8, 132, 297
- Police aid, Germany, 70, 85, 87, 106, 107-8
- Police grants, England, 171, 173, 178, 231

- Popitz, 68, 85, 147-48, 154
 Port Talbot, 257-58
 Potsdam, 96
 Provincial revenues, Prussia, 88
 Prussia, state and local finance: post-war, 72, 74, 82-87; pre-war, 27, 28, 34-39, 40, 41, 99, 100, 101, 111, 116
 Prussian *Landtag* plan, 155-56

 Rates, local, 166, 198, 199, 200-2, 207, 277-85
Reichsparkommissar, 97, 133, 157
 Relative guarantee, Prussia, 83-85, 86, 142
 Relief expenditure, *see* Welfare, support of
 Relief of rates, 172, 174
 Rental tax, 50, 61, 62, 76, 130
 Reparations, 50, 57, 58, 60
 Richmond, 261-62
 Rishworth, 270
 Roxby-cum-Risby, 269
 Rural districts, financial status, 238, 251, 270-74

 Saxony: commune taxation law of 1913, 31; state and local finance, post-war, 75; pre-war, 28-32, 39, 40, 41, 99
 Self-government, local, *see* Local self-government
 Separation of sources, 7, 8, 10, 175, 176, 299
 Shared taxes, 7, 8, 155, 294, 295, 300, 303, 304; bases of distribution, 44, 69, 79, 134-51, 306 (*see also* Former revenues as basis of distribution, Origin as basis of distribution, Per capita distribution, Weighted population as basis of distribution); Prussia, pre-war, 38; Reich, post-war, 44, 52, 53, 76, 95; state distribution to local governments, 76-79
 Sibsey, 271-72
 South Shields, 240, 242, 243, 244
 State and local finance, Germany, pre-war, 27-41
 State tax law of 1920, German, 44
 Stock exchange tax, 50
 Stockton, 273-74
 Stuttgart, 92, 94, 129, 148

 Subventions, *see* Grants-in-aid
 Sunderland, 243, 244, 273
 Surplus, Reich, 51, 55, 57, 63
 Surrey, 189, 218, 248, 288
 Surtax, local, 9, 29, 33, 34, 35, 39, 56, 59, 62, 67, 297, 298
 Sutton, 268

 Tilbury, 231, 267, 268
 Tregaron, 274
 Turnover tax, 46, 47, 49, 53, 54, 55, 56, 58, 59, 60, 62, 69, 76, 139-40, 143, 144; Prussian distribution, 86

 Unemployment insurance, support of, 118-22
 Uniform property valuation, 66-67. *See also* Valuations for rates
 Uniform tax system, 307; England, 294; Germany, 66, 68, 152, 294
 Unit grant, 180
 Urban districts, financial status, 238, 249, 250, 251, 263-70

 Valuations for rates, 166-67, 199-200, 219-24

 Wantage, 266, 267
 War finance, Germany, 40-41
 Webb, Sidney, 212
 Weighted population as basis of distribution, Germany, 80, 86, 145-48
 Weighted population formula, England, 187, 189-92, 214-19, 224-26
 Weimar Constitution, financial provisions, 11, 12, 19, 40, 42-44, 48, 52, 69, 103, 152
 Welfare, support of, 114-28, 208-10, 238, 297
 Welfare aid, Germany, 57, 59, 62, 63
 Welfare grants, England, 172, 183, 196-197
 West Hartlepool, 243
 Weston-super-Mare, 238-39
 Weybridge, 268
 Whitechurch, 232
 Whitehaven, 256-57, 258
 Wimbledon, 262, 263
Winterhilfe, 125