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ROYAL COMMISSION ON LOCAL TAXATION.

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FIRST REPORT

OF

93

HER MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

LOCAL TAXATION.

LOCAL RATES IN ENGLAND AND WALES.

VALUATION AND COLLECTION.

Presented to both Houses of Parliament by Command of Her Majesty.



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TABLE OF CONTENTS.

	Pages.
Royal Commissions	3 to 5
	Paragraphs.
I. Introductory	- 2 to 3
II. History of the Law affecting Valuation	- 4 to 39
III. System of Valuation for the Purposes of the Poor Rate and the Collection thereof	- 40 to 60
IV. System of Valuation for the Purposes of the County Rate and the Collection thereof	- 61 to 70
V. System of Valuation for the Purposes of the Borough Rate and the Collection thereof	- 71 to 74
VI. System of Valuation and the Collection of Rates in the County of London	- 75 to 103
VII. System of Valuation for the Purposes of the Income Tax (Schedule A.) and Inhabited House Duty	- 104 to 106
VIII. System of Valuation for the Purposes of the Land Tax	- 107
IX. Objections to the present System of Valuation outside the County of London	- 108 to 116
X. Objections to the present System of Valuation in the County of London	- 117 to 119
XI. Attempts made to improve the System of Valuation	- 120 to 141
XII. Objections to the present System of the Collection of Rates	- 142 to 144
XIII. Attempts made to improve the System of Collection	- 145 to 150
XIV. Suggested Areas for the Purposes of Valuation	- 151 to 163
XV. Recommendations	- 164 to 165

	Pages.
Reservation by Mr. C. B. STUART WORTLEY	- 42
Reservation by Mr. C. A. CRIPPS	- 42
Memorandum by Mr. T. H. ELLIOTT	- 43
Appendix A.—Tables showing, as regards Population and Rateable Value, the relation of Poor Law Unions to Counties and Boroughs in England and Wales; with a list of the County Boroughs therein	- 47 to 50
Appendix B.—Statements of Witnesses referring to the System of Valuation	- 50 to 55
Appendix C.—Statements of Witnesses referring to the System of Collection	- 55 to 57
Appendix D.—Deductions allowed in various Unions in arriving at Rateable Value	- 58 to 60
Chronological Index to Acts of Parliament referred to in the Report	- 61
List of Cases referred to in the Report	- 62

ROYAL COMMISSION ON LOCAL TAXATION.

THE QUEEN has been pleased to issue a Commission, under Her Majesty's Royal Sign Manual, to the following effect:—

VICTORIA R.

Victoria, by the grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith,

To Our right trusty and well-beloved Councillor Alexander Hugh, Baron Balfour of Burleigh, Our Secretary for that part of Our United Kingdom of Great Britain and Ireland called Scotland, Vice-President of the Committee of Council on Education in Scotland, Chairman; Our trusty and well-beloved Frederick Archibald Vaughan Campbell, Esquire (commonly called Viscount Emlyn); Our right trusty and well-beloved Councillor John Blair Balfour; Our right trusty and well-beloved Councillor Sir John Tomlinson Hibbert, Knight Commander of Our most honourable Order of the Bath; Our right trusty and well-beloved Councillor Charles Beilby Stuart-Wortley; and Our trusty and well-beloved Sir Edward Walter Hamilton, Knight Commander of Our most honourable Order of the Bath; Assistant Secretary to the Commissioners of Our Treasury for Great Britain and Ireland; Sir Alfred Milner, Knight Commander of Our most honourable Order of the Bath, Chairman of the Commissioners of Our Inland Revenue; Cornelius Neale Dalton, Esquire, Companion of Our most honourable Order of the Bath, one of the Assistant Secretaries to the Local Government Board; Charles Alfred Cripps, Esquire, one of Our Counsel learned in the Law; Harcourt Everard Clare, Esquire, Town Clerk of Our City of Liverpool; Thomas Henry Elliott, Esquire, Secretary to the Board of Agriculture; Arthur O'Connor, Esquire; Edward Orford Smith, Esquire, Town Clerk of Our City of Birmingham; James Stuart, Esquire; and John Lloyd Wharton, Esquire, greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to inquire into the present system under which taxation is raised for local purposes and report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result:

Now know ye, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these Presents authorise and appoint you, the said Alexander Hugh, Baron Balfour of Burleigh; Frederick Archibald Vaughan Campbell, commonly called Viscount Emlyn; John Blair Balfour; Sir John Tomlinson Hibbert; Charles Beilby Stuart-Wortley; Sir Edward Walter Hamilton; Sir Alfred Milner; Cornelius Neale Dalton; Charles Alfred Cripps; Harcourt Everard Clare; Thomas Henry Elliott; Arthur O'Connor; Edward Orford Smith; James Stuart, and John Lloyd Wharton to be Our Commissioners for the purposes of the said inquiry

And for the better effecting the purposes of this Our Commission We do by these Presents give an grant unto you, or any five or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; and also to call for, have access to, and examine all

such books, documents, registers, and records as may afford you the fullest information on the subject; and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do by these Presents authorise and empower you, or any five or more of you, to visit and personally inspect such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid.

And We do by these Presents will and ordain that this Our Commission shall continue in full force and virtue; and that you Our said Commissioners, or any five or more of you, may from time to time proceed in the execution thereof and of every matter and thing therein contained although the same be not continued from time to time by adjournment.

And We do further ordain that you, or any five or more of you, have liberty to report your proceedings under this Our Commission from time to time if you shall judge it expedient so to do.

And Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any five or more of you, your opinion upon the matters herein submitted for your consideration.

Given at Our Court at Saint James's, the fifteenth day of August, 1896, in the Sixtieth year of Our Reign.

By Her Majesty's Command,
(Signed) LANSDOWNE.

ROYAL COMMISSION ON LOCAL TAXATION.

VICTORIA R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith,

To Our trusty and well-beloved George Herbert Murray, Esquire, Companion of Our Most Honourable Order of the Bath, greeting!

Whereas We did by Warrant under Our Royal Sign Manual, bearing date the fifteenth day of August one thousand eight hundred and ninety-six, appoint Our right trusty and well-beloved Councillor, Alexander Hugh, Baron Balfour of Burleigh, together with the several gentlemen therein mentioned, or any five or more of them, to be Our Commissioners to inquire into the present system under which taxation is raised for local purposes, and report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result:

And whereas one of Our Commissioners so appointed, namely, Our trusty and well-beloved Sir Alfred Milner, Knight Commander of Our Most Honourable Order of the Bath, hath, on being appointed Governor and Commander-in-Chief of the Colony of the Cape of Good Hope with its Territories and Dependencies, humbly tendered unto Us his resignation of his appointment as one of Our said Commissioners:

Now know ye, that We, reposing great confidence in you, do by these presents appoint you, the said George Herbert Murray, to be one of Our Commissioners for the purposes aforesaid in the room of the said Sir Alfred Milner, resigned, in addition to and together with the other Commissioners whom We have already appointed.

Given at Our Court at Saint James's, the third day of April 1897, in the sixtieth year of Our Reign.

By Her Majesty's Command,

(Signed) M. W. RIDLEY.

George Herbert Murray, Esq., C.B.,

To be a Member of the Royal Commission
on Local Taxation.

ROYAL COMMISSION ON LOCAL TAXATION.

FIRST REPORT.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

1. We, the undersigned Commissioners, appointed on August 15, 1896, to inquire into the present system under which taxation is raised for local purposes, and to report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result, humbly submit to Your Majesty the following considerations:—

I.—*Introductory.*

2. Although we have not yet completed our inquiry, we have arrived at the conclusion that an alteration in the law for the purpose of obtaining a uniform basis of valuation in England and Wales is a necessary preliminary to any revision of the existing system of Local Taxation; and as such an alteration is independent of any recommendations which we may ultimately make on the general questions referred to us, we have thought it desirable to make it the subject of an Interim Report, and we humbly submit these conclusions to Your Majesty at the present time.

3. In March 1898 we submitted to Your Majesty a volume containing the evidence of certain witnesses who have been examined by the Commission, and also two volumes containing information which has been supplied to us by certain Government Departments, and by Witnesses who have appeared before us.* We now present a further volume, mainly containing the evidence of Witnesses representing Local Authorities in London and Memoranda prepared by them. At the present time we desire to postpone making any comments or criticisms upon this information, except so far as it refers to the special subjects dealt with in this report.

II.—*History of the Law affecting Valuation.*

4. The valuation upon which the larger portion of local rates is raised under the existing system in England and Wales, is that made for the purposes of the rate which is commonly known as the Poor Rate. The sums raised by this rate are, however, expended on a number of purposes unconnected with the relief of the poor by Spending Authorities other than the Poor Law Authorities. Such Spending Authorities issue demands or "precepts" upon the Guardians or Overseers for the various amounts they require, as do also some other Authorities, in certain cases, who make their own valuations.† Two valuations of the same property may be made for the purposes of raising Imperial Taxes, namely, one for the Income Tax, and one for the Land Tax, and, in addition, three valuations may be made for the purposes of raising local rates, namely, one for the Poor Rate, one for the County Rate, and one for the Borough Rate.

5. For the purposes of the Poor Rate the rating area is the Parish, and the area over which the Valuation is made is that of the Poor Law Union.

* Parliamentary Papers, C.—8763, C.—8764, and C.—8765 respectively, of 1898.

† Generally speaking, the following Spending Authorities outside the Metropolis issue precepts on the Guardians or Overseers, which are met from the sums raised as Poor Rates:—

County and Borough Authorities; the Receiver for the Metropolitan Police District; Highway Boards whose powers have been continued under Section 25 (1) of the Local Government Act, 1894; Burial Boards; Rural District Councils for Highway and other purposes; School Boards; Parish Councils and Parish Meetings; Commissioners of Baths and Washhouses; Commissioners of Free Public Libraries; Conservators of Commons; Urban District Councils for School Attendance Committee Expenses.

But certain expenses of the following Authorities are in some cases met from a separate rate levied by the Overseers:—County and Borough Authorities; Rural District Councils (separate rates for special expenses are generally made and for general expenses in certain cases only); Burial Boards; School Boards; Urban District Councils for School Attendance Committee Expenses. Expenses under the Lighting and Watching Act of 1833 are also payable out of a separate rate.

The following Spending Authorities outside the Metropolis in addition to the Guardians levy their rates direct:—

Highway Authorities in rural parishes, whose powers have been continued under section 25 (1) of the Local Government Act, 1894 (in certain cases only); Urban Authorities (Highway Rate in certain cases, General District Rate, Water Rate, and Private Improvement Rate); Rural District Councils (Water Rate and Private Improvement Rate).

27 Hen. VIII.
c. 28.
31 Hen. VIII.
c. 13.

5 & 6 Ed. VI.
c. 2.
5 Eliz. c. 3.

14 Eliz. c. 5.

39 Eliz. c. 3.
43 Eliz. c. 2.

Coke's Reports,
1777, Part V.,
p. 67;
1 Bott. No. 133.

39 Eliz. c. 3.

Lambard's
Eirenarcha: or
of the Office of
the Justices of
Peace, 1599.
Book II., c. 7.

6. After the dissolution of the monasteries in the reign of Henry VIII. in 1535-6 and 1539, and up to the year 1597, the parish was recognised, in the Acts making provision for the relief of the poor, as a suitable area for the collection and expenditure of monies received from persons charitably disposed to give to this purpose. During this period it was found necessary to gradually apply some compulsion "to those able "to further this charitable work," and in 1552 by 5 & 6 Ed. VI. the bishop was empowered to put some pressure upon them. In 1562, in the reign of Elizabeth, the bishop was enabled to bind any person who obstinately refused to give according to his ability, to appear at the next general sessions, and the Justices had power, if he would not then be persuaded to extend his charity towards the poor of the parish where he dwelt, to tax him according to their discretion, and if he then made default, to commit him to prison.

Again, by 14 Eliz. c. 5. "If any person or persons being able to further this "charitable work, will obstinately refuse to give towards the help and relief of the "said poor people, or do wilfully discourage others from so charitable a deed," he was to be brought before the Justices to show cause, and to abide their order, and on default he might be committed to the next gaol.

At length, by the Acts of Elizabeth of 1597 and 1601, compulsion was wholly established, and assessments were to be made in the area of the parish for the purpose of levying rates for the relief of its poor.

7. The prominence thus given to the parish led to the question as to who was, and who was not, liable to assessment in the parish.

In 1589, Jeffrey's case came before the Queen's Bench. Jeffrey objected to pay a tax towards the repair of Hailsham Church, on the ground that he resided at Chiddingley, and though owning and occupying land in Hailsham was not an inhabitant there. The Court decided that "although the house wherein Jeffrey dwelt "be in another parish, yet forasmuch as he had lands in the parish of Hailsham in his "proper possession and manurance, he is in law parochianus de Hailsham. For the "place where he lies, sleeps, or eats, doth not make him a parishioner only; but also "forasmuch as he manures lands in Hailsham, and by that is resident upon it; that "makes him a parishioner of Hailsham also as to this purpose. If in this case "Jeffrey should not be charged to the reparation of the church of Hailsham, for "those lands which he himself occupies there, no person would be charged for them, "upon which great inconvenience would ensue; for one who inhabits in the next "town, may occupy the greatest part of the lands in another town; and so churches "in these days will come to ruin."

The Court also laid down that "When there is a farmer of the same lands, the "lessor who receives rent for them shall not be charged for them in respect of his "rent, because there is an inhabitant and parishioner who may be charged; and the "receipt of the rent doth not make the lessor a parishioner."

8. The Act of 1597 provided for the raising by the Overseers "weekly or otherwise "by taxation of every inhabitant and every occupier of lands in the said parish, in "such competent sum and sums of money as they shall think fit) a convenient stock "of flax, hemp, wool, thread, iron, and other necessary ware and stuff to set the poor "on work, and also competent sums of money, for, and towards the necessary relief of "the lame, impotent, old, blind, and such other among them being poor, and not able "to work, . . . to be gathered out of the same parish, according to the ability of "the said parish."

9. Thus the precedent in Jeffrey's case was followed by the use of the words "by "taxation of every inhabitant and every occupier of lands in the said parish."

But the Act did not determine the basis upon which inhabitants, and occupiers, whether resident or non-resident within the parish, were to be taxed, mentioned no property in respect of which they were to be assessed, and provided no machinery for making assessments.

10. Upon the interpretation of the Act a conference of Judges in 1597 or 1598 came to 20 resolutions, and they laid down, in Resolutions 18 and 19, that "parsons, "or vicars, &c. be bound (as inhabitants) to the relief of the poor, as well as others "that inhabit within the parish," . . . "every one that hath tithes improprieate, coal "mines, or lands in manual occupation, &c. is chargeable. And so for such as have "saleable-woods, proportioning the same to an annual benefit."

11. The famous Act of Elizabeth in 1601 practically embodied, with few alterations, 43 Eliz. c. 2. the provisions of the Act of 1597, but it defined more specifically the persons liable to be taxed. It was probably framed with the intention of incorporating the definitions of the Judges in order to prevent any evasion.

12. The Act, however, drew a distinction between the occupier of certain properties in the parish, and the inhabitant there.*

Overseers were enabled to "raise weekly or otherwise (by taxation of every inhabitant, " parson, vicar, and other, and of every occupier of lands, houses, tithes impropriate " or propriations of tithes, coal mines, or saleable underwoods in the said parish, in " such competent sum and sums of money, as they shall think fit) a convenient stock " of flax, hemp, wool, thread, iron, and other necessary ware and stuff to set the poor " on work, and also competent sums of money, for, and towards the necessary relief " of the lame, impotent, old, blind, and such other among them being poor and not " able to work"; and also for the putting out of the children of parents thought unable to help and maintain them to be apprentices, "to be gathered out of the same " parish, according to the ability of the same parish," and to do and execute all other things, as well for the disposing of the said stock, as otherwise concerning the premises, as to them should seem convenient.

If any persons found themselves "grieved with any Sess or Tax," or other act 43 Eliz. c. 2 s. 6. done by the Overseers or other persons, "it shall be lawful for the Justices of Peace, " at their General Quarter Sessions, or the greater number of them, to take such order " therein as to them shall be thought convenient; and the same to conclude and bind " all the said parties."

13. This Act, like others which preceded it, gave no directions for the guidance of the Overseers as to the method or system by which assessments were to be made or rates collected.

It merely directed that occupiers of certain specified properties in the parish, as distinguished from inhabitants there, were to be taxed (which has been interpreted as meaning upon the basis of the annual benefit arising from the property situated in the parish); and also that every inhabitant, parson, vicar, and other was to be taxed, but not in respect of any specified subjects.

It is to be observed that the Statute did not say definitely that inhabitants were to be taxed according to their ability, as was the case in the Hue-and-Cry Act, previously passed in the same reign (1585), but that sums of money were "to be gathered out of the same parish, according to the ability of the same parish." However, it appears to have been generally agreed that the intention of the Act was that inhabitants were to be taxed according to some standard of ability, and the Courts inferred the intention to tax them in respect of some other kinds of property than those expressly mentioned in connexion with occupiers.

14. In Dalton's "Country Justice," in 1635, the principle of measuring ability not only by the amount of income, but by family circumstances and expenses connected with them, was referred to, but such an elaborate system of enforcing the principle on which the law of rating has been said to have been based, namely, that the burden of maintaining the poor is to be borne by the parish according to its ability, regard being had *ad statum et facultates* of the ratepayers, does not appear to have been generally attempted. Indeed the Act provided no machinery for such a purpose.

Dalton's "Country Justice" says: "In these taxations there must consideration be had, first to equality, and then to estates. Equality, that men be equally rated with their neighbours, and according to an equal proportion. Estates, that men be rated according to their known yearly value of their lands, farms, or occupyings, and not by estimation, supposition, or report. Also herein the charge of family, retinue, and countenance is in some measure to be regarded; for if one valued at 500*l.* in goods hath but himself and his wife, and another estimated at 1,000*l.* hath wife and many children, &c., the first man by reason is to be rated as much as the other, and so of lands. *Tamen quære* what the law is in such cases."

R. v. The Hull Dock Company, 3 B. & C. 525.

R. v. The Hull Dock Company, 3 B. & C. 525.

R. v. Lumsdaine, 10 A. & E. 160;

2 P. & D. 219.

R. v. Christopherson 16 Q.B.D. 7;

53 L.T. 804.

See also Dalton's Country Justice,

1742, p. 186.

27 Eliz. c. 13.

Dalton's Country Justice, 1635, p. 94.

See also Comberbach's Reports, p. 476.

R. v. White, 4 T.R. 771.

Castle on the Law and Practice of Rating, 3rd ed., p. 455.

Cannan's History of Local Rates in England, p. 69.

* Abbott (Chief Justice) in R. v. The Hull Dock Company (3 B. & C. 525) said:—"Under the Statute of Elizabeth there was no word applicable to personal property; and it was only on the ground of his being an inhabitant that any owner of personal property could be rated for that property, because there was no word in that Statute to include him, except the word inhabitant. Under that Statute, therefore, there was necessarily a distinction between residents and non-residents, because the resident would be rateable for his personality within the place, the non-resident not. The distinction, however, under that Statute applied only to those kinds of property which the Statute did not specify; for the occupier of lands, houses, &c., and whatever the Statute enumerated, was rateable whether he were resident or not." See also R. v. Nicholson, 12 East 330. R. v. North Curry, 4 B. & C. 953.

2 Dalton's Country
c. Justice, 1742,
3 p. 173.

c.

5
c.
5

1

2 Bulstrode 354;
1 Bott. No. 135.

15. In 1633, with the view of obtaining an interpretation of the Act, 38 questions were addressed to the Judge of Assize,* among which were the following :—

Qu. 18.—“ Whether the tax for the relief of the poor upon the Statute of 43 Eliz. c. 2. shall be made by ability, or occupation of lands, or both; and whether the visible ability in the parish where he lives, or general ability wheresoever; and whether his rent received within the parish where he lives shall be accounted visible ability, and whether he shall be taxed for them only, and for any rent received from other parishioners; and what shall be said visible ability ? ”

Resol.—“ The land within each parish is to be taxed to the charges in the first place equally and indifferently, but there may be an addition for the personal visible ability of the parishioners within that parish, according to good discretion, wherein if there be any mistaking, the Sessions &c. or the Justices must judge between them.”

Qu. 19.—“ Whether shops, salt pits, sheds, profits of a market, &c. be taxable to the poor, as well as lands, coal mines, expressed in the Statute 43 Eliz.”

Resol.—“ All things which are real, and a yearly revenue, must be taxed to the poor.”

16. In the same year, Sir Anthony Earby's case was tried at the Lincoln Assizes, and it was laid down that :—“ Such assessments ought to be made according to the visible estates of the inhabitants there, both real and personal, and that no inhabitant there is to be taxed by them to contribute to the relief of the poor in regard of any estate he hath elsewhere in any other town or place, but only in regard of the visible estate he hath in the town where he doth dwell, and not for any other land which he hath in any other place or town.”

It was also decided that “ by the words and meaning of the Statute of 43 Elizabeth, c. 2, they are to assess the occupiers of land, and not the lessor who received the rents, the occupiers of the land being by law only to pay the assessment, unless it be specially provided for as to this payment between him and his lessor.”

17. The principles thus laid down, though increasing the prominence of the parish as a rating area, limited the wide wording of the Act of 1601. Taxable capacity was to be measured by the visible properties both real and personal of the inhabitants within the parish, and only within the parish.

18. The question whether the taxation of inhabitants was to be extended to ability arising from all kinds of personal property, or limited to the case of visible or tangible property, easily cognisable, such as stock-in-trade, gave rise to considerable legal controversy.†

19. But the Courts were against the wider interpretation, and the principles they laid down generally were that non-residents could not be rated in respect of personal property in the parish; that the property to be assessed must be local, visible, and productive; that it must consist only of the surplus left after deducting debts; that it must be rated according to the profit produced; and that its nature must be distinctly specified. Consequently, such subjects as wages, pensions, easements, profits derived from labour and talent, profits from money invested or lent elsewhere, and furniture were exempt. It may be stated generally that the personal property coming within the definition referred to was practically limited to stock-in-trade, though isolated attempts were made to assess other classes of personal property from time to time in some localities.‡ It is difficult to see how this could have been otherwise, as the Overseers

* In Dalton's “Country Justice” there is the following note :—“ The Authority of the following Resolutions is not great; for some country gentleman coming to Sir Robert Heath, when Chief Justice in the Circuits, put to him these several Querries, to which he subscribed his own opinion, then brought the same into Sergeant's Inn Hall, and proposed the same to the rest of the Judges; but they differing in opinion from him in many things, they never came to a Resolution, and so were no more than his private opinion; which some clerk getting, hath published the same, as Justice Twisden declared in the Court of King's Bench in Easter Term, 28 Car. II., as I heard and observed. And afterwards in Michaelmas Term, 28 Car. II., a gentleman of the Bar using these Resolutions, the third, fourth, and eighth questions touching putting out Apprentices, as an Authority to his purpose, Justice Twisden said: ‘ Why do you use that as an Authority which all the Judges disclaimed ? ’ ”

† See R. v. Canterbury, 4 Burr. 2290; 1 Bott. Nos. 162 and 163. R. v. Ringwood, Cowper 326. R. v. Andover, Cowper 550. R. v. Lumsdaine, 10 A. and E. 157; 2 P. and D. 219. R. v. Christopherson, 16 Q.B.D. 7; 53 L.T. 804.

‡ Parliamentary Paper 486 of 1843, Part I., p. 21. Earby's Case, 2 Bulstrode 354; 1 Bott. No. 135. R. v. Hull Dock Company, 3 B. and C. 525. R. v. Shepherd, 1 B. and A. 109. R. v. Macdonald, 12 East 324. R. v. White, 4 T.R. 771. R. v. Shalfleet, 4 Burr. 2001. R. v. Dursley, 6 T.R. 53. R. v. Startifant, 7 T.R. 60. R. v. The Undertakers of the Aire and Calder Navigation, 2 B. and C. 713. R. v. Lumsdaine 10 A. and E. 157; 2 P. and D. 219. R. v. Christopherson, 16 Q.B.D. 7; 53 L.T. 804.

had no inquisitorial powers conferred upon them by the Act of Elizabeth to enable them to obtain the information necessary to assess property other than of a visible and tangible nature or such as was easily cognisable.

20. No attempt appears to have been made between the end of the reign of Queen Elizabeth and the reign of Queen Anne to rate generally in respect of personal property.*

21. The first authoritative instance of an attempt to rate personal property was not *R. v. Barking*,
until 1706. A case came before the Courts in which it was held that a farmer was
not taxable for his stock,† but that a tradesman was taxable for his stock-in-trade.
It does not appear that this decision was ever generally acted upon, and the law
thus remained until 1775, when Lord Mansfield denied that personal property had
ever been assessed to the poor rate under the Act of Elizabeth. In his judg-
ment, in the case of *R. v. Ringwood*, Lord Mansfield said: "In general, I believe
" neither here nor in any other part of the kingdom is personal property taxed to the
" poor. . . . Are the hops and the malt, and the boiler, to be rated at so much
" for each, or is the trader to be rated for the gross sum which his whole stock would
" sell for? If the justices had considered they would have found out the sense of
" not rating it at all, especially when it appears that mankind, as it were with one
" universal consent, refrained from rating it, the difficulties attending it are too
" great, and so the Justices should have found them. As to the authorities which
" have been cited, they are very loose indeed, and even if they were less so, one
" would not pay them much deference, especially as they differ, and the rules they
" lay down have not been carried into execution for 100 years." But, in the case of
R. v. Andover, in 1777, the learned judge somewhat modified his opinion, and
stated that "some personal property may be rateable, but it must be local—visible
" within the parish. The general question is too extravagant. It would be material
" to state what has been the custom of rating. If the usage should be to take in
" stock-in-trade, there would be very good right to support it."

22. In 1777 a case came up with the finding that it had been usual in Bradford-on-Avon to rate persons for their stock-in-trade, and the Courts confirmed the order of Sessions, and the rate stood good.‡

23. The law continued as laid down by Lord Mansfield until the time of Lord Kenyon, when it was held in cases brought up from Poole in 1792, Dursley in 1794, and Darlington in 1795, that stock-in-trade was liable to be assessed, even without evidence of usage.

24. But, notwithstanding these decisions, the practice of rating in respect of stock-in-trade never became a general one, although it is said to have obtained in a good many parishes in certain parts of the country, mainly in the south and west of England, where woollen and cloth industries existed.

The Poor Law Commissioners in 1840 stated that "for a century and a half after the passing of the Statute (43 Eliz. c. 2.) the liability of inhabitants to be rated for personal property was not agitated. . . . The tax, as yet, has never been imposed on the parishes in the greater part of England and Wales, and is practically unknown in the districts which have become the great modern seats of manufactures." And also that "There is good reason to believe that there is no parish in the kingdom in which the overseers have ever been able fully to carry out the law. The instances which have come to our knowledge of attempts to carry it out, have been instances of compromise."§

25. Again in their Report on Local Taxation in 1843 they said: "The practice of rating stock-in-trade never prevailed in the greater part of England and Wales.

R. v. Barking,
2 Lord Raymond
1280.
House of Lords
Paper, 150
of 1850, or
House of Com-
mons Paper,
622 of 1850, p. 4.

R. v. Whitney,
5 Burr. 2634.
R. v. Ringwood,
Cowper 326.

R. v. Andover,
Cowper 550.

R. v. Hill,
Cowper 613.
See also *R. v.*
Rodd, Cald. 147.

R. v. White, 4 T.R.
771.
R. v. Dursley,
6 T.R. 53.
R. v. Darlington,
6 T.R. 468.

Sir G. C. Lewis's
evidence, House
of Lords Paper,
150 of 1850,
or House of Com-
mons Paper,
622 of 1850, p. 4.
R. v. Andover,
Cowper 550.

Parliamentary
Paper, 486 of 1843
Part I., p. 22.

* See Sir G. C. Lewis's evidence, House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850, pp. 3, 4. *R. v. Barking*, 2 Lord Raymond 1280. *R. v. Ringwood*, Cowper 326.

† In Viner's Abridgment, title "Poor," 426, it is said "A farmer is not to be tax'd to the Poor for his Necessary Stock according to the Lands he holds; but if he has a Super-abundant Stock, i.e. more than the land requires, he shall be tax'd for that. Just. Case Law 233. cites Black, 263. 264."

‡ In a note to *R. v. Rodd* (1782) (Cald. 147-156) Caldecott says:—"There are not wanting authorities of a recent as well as a more early date, to show that stock-in-trade is rateable to the poor; but there is no clear and express authority, either of more ancient or modern times, in the instance of any one trade, adjudging the stock in that particular trade to be liable; except in those places in which an usage to assess such stock has been proved; though in many boroughs the stock in all trades has, immemorially and even from the very date of the statute, 43 Eliz., been in point of fact rated."

§ Report of Poor Law Commissioners on the Expediency of an Alteration of the Law in respect to the rating of Stock in Trade. (Parliamentary Paper, 148 of 1840.)

" It was, with comparatively few exceptions, confined to the old clothing districts of the south and west of England. It gained ground just as the stock of the wool staplers and clothiers increased, so as to make it an object with the farmers and other ratepayers, who still constituted a majority in their parishes, to bring so considerable a property within the rate. They succeeded by degrees, and there followed upon their success a more improvident practice in giving relief than had ever prevailed before in England . . . When the practice of rating stock-in-trade was fully established in this district, the ancient staple trade rapidly declined there and withdrew itself still more rapidly into the northern clothing districts, where no such burden was ever cast upon the trade."*

26. The difficulties of taxation according to ability were many and various and multiplied as the wealth of the country increased more by manufacture and commerce than by agriculture. The doctrine made a struggle from time to time and was defeated by events of which ease in migration and mobility of capital would form important factors.

No rich man would live in a parish where the rates were high, if he was to be assessed upon the basis of the whole of his income though occupying only a small tenement therein, and the consequences of driving such men from a district would naturally be harmful. Neither as Lord Chief Justice Hale said, would tradesmen "whose estates lie principally in their stocks" endure them to be searched "to make them contributory to raise any considerable stock for the poor."† Consequently the annual value of immovable property, such as land and houses, within the parish, though perhaps not always a satisfactory standard for estimating ability, came to be selected as the most practicable basis for assessing both occupiers and inhabitants to local rates.‡

27. The Parochial Assessments Act, 1836, referred only to "hereditaments" and made no provision for rating stock-in-trade. But it was decided in the case of *R. v. Lumsdaine* (1839) that the silence of the Act did not amount to a repeal of the law that stock-in-trade should be the subject of assessment.

Lord Denman, C.J., said : "It is not improbable that the Legislature intended to alter the law upon the subject of rating personality ; but I am clearly of opinion that the intention has not been carried into effect."

Littledale, J., also said : "The Statute of 43 Elizabeth, c. 2. s. 1, embraces two classes of persons subject to taxation ; occupiers of real property, and inhabitants in respect of personal property. Hitherto, rates upon the latter class have been in practice confined to stock-in-trade and shipping ; but on future occasions other kinds of personal property may, perhaps, be rated, and be held rateable."

A Discourse touching Provision for the Poor, 1683,
Chap. II., p. 20.

R. v. Lumsdaine,
10 A. & E. 160;
2 P. & D. 219.

See also *R. v.*
Gosse, 7 B. & C.
60.

3 & 4 Vict. c. 89.

28. This decision created such dissatisfaction amongst the manufacturing and commercial classes that in 1840 an Act was passed "to exempt, until the thirty-first day of December, one thousand eight hundred and forty-one, inhabitants of parishes, townships, and villages from liability to be rated as such, in respect of stock-in-trade or other property, to the relief of the poor." It provided that "it shall not be lawful for the overseers of any parish, township, or village to tax any inhabitant thereof, as such inhabitant, in respect of his ability derived from the profits of stock-in-trade or any other property, for or towards the relief of the poor ; Provided always, that nothing in this Act contained shall in anywise affect the liability of any parson or vicar, or of any occupier of lands, houses, tithes impropriate, propriations of tithes, coal mines, or saleable underwoods, to be taxed under the provisions of the said Acts for and towards the relief of the poor."

* The Commissioners state that the following principle was frequently adopted in towns in the west of England for valuing personality, namely, that of adding to the rental of the premises some per-cent-age, usually within the extremes of $1\frac{1}{2}$ and of 4 per cent. upon the rental or rateable value of the shop, or factory, or warehouse, or other premises occupied, but that this rule did not apply to money out at interest when that was rated.

† Referring to the Act of Eliz. (43 Eliz. c. 2.), Lord Chief Justice Hale said :—" Those places, where there are most Poor, consist for the most part of Trades-men, whose Estates lie principally in their Stocks, which they will not endure to be searched into to make them contributory to raise any considerable stock for the Poor, nor indeed so much as to the ordinary Contributions. But they lay all the rates to the Poor upon the Rents of Lands and Houses which alone without the help of the Stocks are not able to raise a Stock for the Poor, although it is very plain that Stocks are as well by Law rateable as Lands, both to the relief, and raising a Stock for the Poor." ("A Discourse touching Provision for the Poor," by Lord Chief Justice Hale, 1683, Chap. II., pp. 20, 21.)

‡ For list of properties now rateable see App. (Part I.) to Vol. I of Minutes of Evidence, pp. 26-28. For exempted properties and properties subject to exceptional rating, see *ibid.*, pp. 28-31, 46, 50, 53. For contributions in respect of Crown and Government property in lieu of rates, see *ibid.*, p. 30.

This Act has been kept in force by the Expiring Laws Continuance Acts.

29. During the years subsequent to 1601, although County and Hundred rates continued to be levied, the procedure and custom under the Poor Rate formed the basis to which the assessment of other rates tended to assimilate. This process continued until 1843 when the Poor Law Commissioners reported that "We believe, therefore, " that it may be generally affirmed that the whole of our local taxation is imposed " either by law, or by usages regardless of the law, on the same basis as the Poor's " Rate."*

30. In 1834 the Poor Law Amendment Act was passed. This Act provided for 4 & 5 Will. IV. the grouping of parishes into districts, called Poor Law Unions, with a view to the c. 76. establishment of workhouses and to securing more efficient administration connected with the relief of the poor. The expenses of Poor Law administration of the various parishes within a Union became a common charge upon the whole Union, the individual parishes contributing according to their rateable values. These Unions were formed without respect to county, borough, or even parish boundaries, a policy which possibly might have been modified if the future importance of county and borough rates could have been foreseen.

31. Two years later the Parochial Assessments Act became law, which thus defined 6 & 7 Will. IV. the standard by which the value of properties for rating purposes should be determined. c. 96. s. 1.
" No rate for the relief of the poor in England and Wales shall be allowed by any
" justices or be of any force which shall not be made upon an estimate of the net
" annual value of the several hereditaments rated thereunto, that is to say, of the rent
" at which the same might reasonably be expected to let from year to year, free of
" all usual tenants rates and taxes, and tithe commutation rentcharge, if any, and
" deducting therefrom the probable average annual cost of the repairs, insurance, and
" other expenses, if any, necessary to maintain them in a state to command such rent."

32. The Act contained no provision for compulsorily securing new valuations; it laid down no scale of deductions for the purpose of determining the rateable, as distinguished from the gross, value of properties, and left the Overseers with large discretionary powers.

33. The difficulties of applying the principle of rental value to certain classes of properties and commercial and industrial undertakings, which are seldom if ever let or sold, are apparent, and particularly the difficulty of estimating the rental value in each parish of properties extending over a number of parishes, such as railway lines Vigers, 19,410-8, and stations, tramways, waterworks and water mains, gasworks and gas mains, docks, 19,441-3, electric light installations, and telephones.

Properties of this nature had of course never been heard of at the time when the 6 & 7 Will. IV. parish was selected as the most suitable area for the purposes of assessment and the c. 96. levying of rates, and some of these were not in existence at the time of the passing 25 & 26 Vict. of the Parochial Assessments Act, 1836, or even of the Union Assessment Committee c. 103. Act, 1862.

34. Previous to, and at the time of the passing of the Poor Law Amendment Act in 4 & 5 Will. IV. 1834, and the Parochial Assessments Act in 1836, different systems of valuation were c. 76. adopted in various parishes within one county, and the levying of rates for county 6 & 7 Will. IV. purposes upon those valuations consequently produced inequalities as between the c. 96. s. 1. different parishes.

35. The Poor Law Commissioners in their Report in 1843 state that from the year 1739, when it was settled that the County Rate might be assessed by County Justices Parliamentary Paper, 486 of 1843, Part I., page 25. Also see Sir G. C. Lewis's evidence House on parishes in proportion to the total value of the rateable property in each parish respectively, a strong motive was given for under-valuation of the parish property, so that "while the proportions between the several contributors to the Poor Rate 486 of 1843, Part I., p. 30. "within the parish should be undisturbed, the proportion of the whole parish as compared with all other parishes in the county should be as much as possible "diminished."

The practice of parishes undervaluing their property is stated to have gained ground everywhere, and was extended when all parishes and places within counties were expressly included by an Act in 1815, prescribing the valuation to the Poor Rate as a 55 Geo. III. c. 51 basis in ordinary cases for the assessment of the county rate, although the justices in

* Parliamentary Paper, 486 of 1843, Part I., page 25. Also see Sir G. C. Lewis's evidence House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850.

the same Act were, when discontented with the valuation, empowered to make a searching inquiry into its correctness, and in certain cases to appoint and pay valuers.

* In 1834 valuations nearly 100 years old were used in many counties.*

House of Commons Paper,
542 of 1834,
p. 31.

5 & 6 Will. IV.

c. 76.

45 & 46 Vict. c. 50.

15 & 16 Vict.

c. 81.

51 & 52 Vict.

c. 41. s. 68.

25 & 26 Vict.

c. 103.

27 & 28 Vict.

c. 39

43 & 44 Vict. c. 7.

36. Between 1826 and 1840 the Poor Rate valuation was fixed as the valuation for the County Rate for lunatic asylums, the County Rate for shire halls, the County and District Constables' Rate, the Borough Rate, and the Borough Watch Rate.

37. In addition to the inequalities arising from the levying of county rates upon parishes whose valuations were not made on a uniform basis, similar inequalities might occur in connexion with the levying of municipal rates over several parishes within the municipal area. Accordingly the Municipal Corporations Acts, 1835 and 1882, gave Borough Authorities power to make an independent valuation, if they thought fit, for the raising of Borough Rates, but they seldom exercise this right, and the County Rates Act, 1852, gave a County Rate Committee power to fix the basis or standard for the purpose of determining the contribution of each parish for county purposes. The County Rate Basis contains only the assessable value of each parish, and not of the several rateable hereditaments. If, therefore, the County Rate Committee makes an independent valuation of any parish, and increases the total valuation of the parish, the ratepayers in the parish, as a whole, and not necessarily the occupiers only of the properties which have been the cause of the total valuation of the parish being increased, bear the increased contribution to the county rates, the value of individual properties as appearing in the Valuation List being unaltered.

38. In 1862 the Union Assessment Committee Act was passed by which the appointment of an Assessment Committee in each Poor Law Union was secured in order that supervision might be exercised over the valuation of properties in the several parishes in a Union. But still no statutory scale of deductions for determining the rateable value was laid down, nor any provision made for the re-valuation of properties. This Act, no doubt, provided machinery for obtaining uniformity in valuation for the Poor Rate within a Union to a considerable extent, but, as some of its provisions are not obligatory, there is no uniform system adopted by the Authorities of the different Unions, and, consequently, the certainty of levying an equal County Rate, or an equal Borough or Urban District Rate, if the Borough or Urban District is situated in more than one Union, has never been generally secured.

39. Various attempts were, however, made in Bills brought into the House of Commons in 1867, 1869, 1873, 1876, 1877, 1878, and 1879, to promote uniformity in valuation and to lay down a scale of maximum deductions to be allowed from the gross value of different classes of properties for the purpose of ascertaining the rateable values. But these Bills† were withdrawn at various stages, except the Valuation (Metropolis) Act, 1869, which became law, and embodied a scale of maximum deductions for the Metropolis.

III.—*System of Valuation for the Purposes of the Poor Rate and the Collection thereof.*

App. (Part I.) to
Vol. I. of Min. of
Ev., No. I.,
Pars. 1, 3.
25 & 26 Vict. c. 103.
27 & 28 Vict. c. 39.
43 & 44 Vict. c. 7.

32 & 33 Vict. c. 67.
17 Vict. c. 5.

40. The general law as to the valuation of property for the purposes of rating is for the most part contained in the Union Assessment Acts, 1862 to 1880. These Acts are in force in their entirety throughout England and Wales, with the exception of the Administrative County of London‡ and the following ten places, namely, the incorporations of Kingston-on-Hull, Plymouth, and Southampton, the parishes of Alverstoke, Barrow-in-Furness,§ Birmingham, East Stonehouse, Liverpool, and Stoke Damerel, and the township of Manchester, being parishes under separate Boards of Guardians.

Parts of these Acts are in force in the Administrative County of London,‡ but the law in London differs from that in the rest of the country to the extent to which it is modified by the Valuation (Metropolis) Acts. (See paragraphs 75 to 103.)

* House of Commons Paper, 542 of 1834, p. vii.

† See paragraphs 125 to 138.

‡ The hamlet of Penge in the Administrative County of London, being in the Croydon Union and not in a Metropolitan Union, does not come under the special provisions of the Valuation (Metropolis) Acts. Croydon Union is partly within the County of Surrey, partly within the County Borough of Croydon, and partly within the County of London.

§ Since this information was supplied by the Local Government Board an order has been issued by the Board consenting to the application of the Board of Guardians of the parish of Barrow-in-Furness, in which a local Act is in force, for the inclusion of the parish in the Union Assessment Acts, 1862 to 1880. [See 27th Annual Report of the Local Government Board, 1897-98, p. xcvi.]

In the ten places referred to above, the only general provisions dealing expressly with the subject of valuation for the purposes of rating are those contained in the Parochial Assessments Act, 1836, and the Poor Law Amendment Acts of 1848 and 1868.

The Union Assessment Committee Acts, 1862 and 1864, are in operation in every Union formed under the Poor Law Amendment Act, 1834. Unions, or Incorporations outside the Administrative County of London formed under Local Acts may, upon the application of the Guardians, and with the consent of the Local Government Board, be included in the Acts, and a parish outside the Administrative County of London not within a union of parishes may in a similar manner be included.

41. A Parish is a place for which a separate Poor Rate is, or can be made, and for which a separate overseer is, or can be appointed. A Poor Law Union is usually an aggregation of parishes (though occasionally a single parish) formed, under the Poor Law Amendment Act of 1834, for purposes of administration connected with the relief of the poor, and for which there is a separate Board of Guardians. There are 647 Poor Law Unions in England and Wales, and the following Table shows the number, population, and rateable value of the Unions situated in one, two, three, or more than three Administrative Counties, or in one or more Administrative Counties and one or more County Boroughs.

	No. of Unions.	Population in 1891.	Rateable Value at Lady Day 1898. £
In 1 County*	457	17,600,734	113,905,828
Partly in 2 Counties*	161	9,409,331	46,766,349
" 3 "	26	1,845,439	10,562,856
" 4 "	2	126,757	705,910
" 5 "	1	17,170	121,110
Total -	647	28,999,431	172,062,053

But of the 161 Unions situated in two Administrative Counties, or partly in an Administrative County and partly in a County Borough, there are 85 in which the rateable value of the smaller part in no case reaches 25 per cent., and in which it averages only 9·6 per cent., of the total rateable value of the Union. See App. A. p. 47.

42. The Authority in a Poor Law Union which controls and supervises the valuation of rateable properties within it is a Committee of the Board of Guardians called the Assessment Committee. The duty of making the valuations in the various parishes in the Union, and also of making and collecting the rates, is entrusted to the overseers, who are unpaid, and to assistant overseers, who are paid. But paid Collectors may, with the sanction of the Local Government Board, be appointed by the Guardians. Assessment Committees frequently issue regulations or orders to the overseers with regard to the methods to be observed in making valuations.

43. The Board of Guardians, who are the administrative body of a Union, are elected by the parochial electors to represent the various parishes in the Union. In rural parishes Guardians, as such, are not elected, but the District Councillors are the Guardians for such parishes. The term of office of a Guardian is three years. Usually one third of the Board go out of office each year, but the County Council may direct, on the application of a Board of Guardians, that all members of the Board should retire together every third year. In London it is everywhere the rule that Guardians retire altogether every third year.

44. An Assessment Committee, outside the Metropolis, is elected each year by the Board of Guardians, the authority of such Committee extending over every parish comprised in the union. The Assessment Committee must comprise not less than six nor more than twelve members. No provision is made to ensure that the members of the Assessment Committee should represent all parts of a Poor Law Union. Where any Union is co-extensive with a Municipal Borough, the clerk to the Guardians must, upon the appointment of the Assessment Committee, if directed by the Board of Guardians to do so, transmit in writing to the Town Council the names of the persons

* The term "County," as here used, includes both an Administrative Council and a County Borough.

appointed, and the Council, may thereupon, if they think fit, appoint from themselves persons, not exceeding in number those appointed by the Guardians, to form part of the Assessment Committee.*

45. The appointment of overseers before the Local Government Act of 1894 was made by the Justices usually, but not necessarily, from the names chosen at a vestry meeting of the parish. Assistant overseers were appointed by the Justices on the nomination of the vestry, or in the case of a poll being demanded, of the ratepayers, except in the case of certain Unions where the power of the appointment of assistant overseers, or of rate collectors, had been vested in the Guardians by the Local Government Board. By the Local Government Act of 1894, in rural parishes, the power and duty of appointing overseers of the poor, and the power of appointing and revoking the appointment of assistant overseers, was transferred to the Parish Council, or to the Parish Meeting if there was no Parish Council. These provisions were not extended to urban parishes, but in parishes situated within a borough or other urban district, or within the administrative county of London, similar powers may, by order of the Local Government Board, be conferred on the Council (in London, the Sanitary Authority) of the district, or some other representative body within the district.†

56 & 57 Vict.
c. 73. ss. 5 (1),
19 (5), 33 (1)(6).

25 & 26 Vict.
c. 103. s. 14.

25 & 26 Vict.
c. 103. s. 25.
31 & 32 Vict.
c. 122. s. 38.

25 & 26 Vict.
c. 103. ss. 16, 26.

Rotton. 15-6.
Male, 11,787.

Rotton, 221.

46. For the purpose of ascertaining the value of rateable properties in a parish, the overseers in each parish, within three months after the appointment of the Assessment Committee, were required by the Union Assessment Committee Act, 1862, to make a List, called the Valuation List, of all the rateable hereditaments in each parish, showing their gross estimated rental, and also their rateable value. Unless the overseers thought that the valuation then last acted upon in assessing the rate for the relief of the poor correctly showed the full annual rateable value of all such hereditaments, they were directed to revise such valuation.

The overseers were also directed to make Supplemental Lists showing any additions to, or alterations in, the rateable value of the property of the parish as might take place from time to time. They may also enter in the rate book any house or other building newly occupied or not entered as such in the Valuation List in force, and require the occupier to pay a proportionate part of the current rate provided they forward to the Assessment Committee a Supplemental List with reference to such house or building. The Assessment Committee were empowered to order the overseers or some other person, with the consent of the Board of Guardians, from time to time to make a new valuation of all the rateable hereditaments in a parish, and a new Valuation List in substitution for the existing list, or a Supplemental List in substitution for any part of the existing list or in addition thereto. There is, however, no statutory period fixed for making new Valuation Lists outside the Metropolis, and in some cases complete new lists have not been made for a great many years, not even perhaps since the time of the passing of the Union Assessment Committee Act. Mr. Rotton, Q.C., the Legal Adviser to the Local Government Board, referring to this subject, said :—

“There is no necessary time at which a Valuation List is to be made. Immediately after the Union Assessment Committee Act, 1862, a Valuation List had to be prepared, and there is nothing to prevent that Valuation List, with alterations which the altered circumstances require, going on until the present time. It is the duty of the overseers whenever any alteration takes place in the value or the distribution of property, to send in a Supplemental or a Substitutional List, and the Assessment Committee, either without complaint from outside or upon the complaint of any ratepayer, may require the overseers to send in a partial, that is to say, a Supplemental or Substitutional List, or to make a new list; or they may appoint a person to make a new list, but if they do not choose to do so, and if nobody moves them to do so, it may go on, and the old list which was settled in 1863, might be the list at the present time.”

* The number of Boroughs in England and Wales which are co-extensive with Poor Law Unions is only eleven County Boroughs and five non-County Boroughs (see App. A, Table IV., p. 49).

† The number of such Authorities upon whom the power of appointing overseers was conferred by the Local Government Board in 1894-95 was 561, in 1895-96 it was 214, in 1896-97 it was 107, and in 1897-98 it was 35. The number of Authorities upon whom the power of appointing and revoking the appointment of assistant overseers was conferred by the Board in 1895-96 was 532, in 1896-97 it was 229, and in 1897-98 it was 68. [See Annual Reports of Local Government Board for 1894-95 (p. lxii), 1895-96 (p. xlvi), 1896-97 (p. xlvii), and 1897-98 (p. xl).] The total number of Municipal Boroughs, Urban Districts, and Sanitary Authorities in the County of London existing at the end of the year 1896-97 was 1,124. [See Local Taxation Returns for 1896-97, Parts III. (pp. iv and xxiv) and IV. (p. iii).]

47. The Assessment Committee may require the overseers, assistant overseers, and any other persons having the custody of any books of assessment of any taxes or rates, Parliamentary or Parochial, or of the valuations of any parish, or having the collection or management of any such taxes or rates, to make returns of all such particulars as they may direct in relation to such taxes, rates, or valuations, or any property included therein. They may call upon the persons having the custody of any such books to make copies or extracts therefrom, and may require the attendance of such persons, and the production of books and other documents, and may examine such persons, provided that no valuations or assessments shall be produced which by any provision of law are not suffered to be made public. But the overseers, whose duty it is to make the valuation lists in the first instance, have no access to such information, neither have they or the Assessment Committee power to obtain information from owners or occupiers.

48. "Gross estimated rental" is defined by the Union Assessment Committee Act 25 & 26 Vict. of 1862 to be "the rent at which the hereditament might reasonably be expected to let from year to year, free of all usual tenants rates and taxes, and tithe commutation rentcharge, if any." But this section is not to repeal or interfere with the provisions contained in Section 1 of the Parochial Assessments Act, 1836, defining the net annual value of the hereditaments to be rated as follows*:

"No rate for the relief of the poor in England and Wales shall be allowed by any 6 & 7 Will. IV. justices, or be of any force, which shall not be made upon an estimate of the net c. 96 s. 1. annual value of the several hereditaments rated thereunto; that is to say, of the rent at which the same might reasonably be expected to let from year to year, free of all usual tenants rates and taxes, and tithe commutation rentcharge, if any, and deducting therefrom the probable average annual cost of the repairs, insurance, and other expenses, if any, necessary to maintain them in a state to command such rent."

49. After the Valuation Lists for each parish, whether new or supplemental, have been prepared by the overseers, they are signed by them, and deposited in the respective parishes for 14 days. Public notice is given of the existence of this list, and during the period named all persons assessed or liable to be assessed to the poor rate of the parish have the right of inspecting or taking copies of such list. The overseers then send the lists to the Assessment Committee and any overseer or other ratepayer within the Union can inspect or take copies of any of the lists so transmitted.

50. Any Overseer or Overseers of any parish in a Union who shall have reason to think that such parish is aggrieved by the Valuation List of any parish within such Union, or any person who may feel himself aggrieved by any Valuation List on the ground of unfairness or incorrectness in the valuation of any hereditaments included therein, or on the ground of the omission of any rateable hereditament from such list, may at any time after the deposit of the list, and before the expiration of 28 days after the notice of the deposit, give to the Committee and to the Overseers a notice in writing of his objection, specifying the grounds thereof; and where the ground of any objection refers to the valuation or omission of the property of a person other than the person objecting, similar notice must be given to such person.

51. The Assessment Committee must hold such meetings as they may think necessary after 28 days' notice has been given to the overseers (who are required to publish the same in the several parishes), to hear and determine objections to the Valuation List.

52. The Committee may, whether any objection be or be not made to a Valuation List, and either before or after any meeting for hearing objections, make alterations and additions in the valuation list. They may also, with the consent of the Guardians, appoint a person to survey and value the rateable properties comprised in or omitted from the list. Where the Committee makes any alteration in the Valuation List, it is re-deposited, in the parish to which it relates, for inspection, and the Committee must appoint a day, not less than seven days or more than 14 days from the time of the re-deposit, for hearing any objections to the Valuation List as altered.

* To illustrate the effect of these provisions, it may be said roughly that if the landlord bears the cost of the repairs, &c., the rent which the tenant might be expected to pay represents the gross estimated rental, and a deduction in respect of such cost is made from the gross estimated rental in order to arrive at the net or rateable value. If, on the other hand, the property is held under a lease whereby the tenant, and not the landlord, bears the cost of repairs, &c., then the rent would approximately represent the rateable value, and an addition to it must be made to arrive at the gross estimated rental. It appears, however, that this principle is not always exactly observed in practice.

25 & 26 Vict.
c. 103. ss. 20, 23,
24, 31.

31 & 32 Vict.
c. 122. s. 30.

25 & 26 Vict.
c. 103. s. 32.

25 & 26 Vict.
c. 103. ss. 32, 33.

25 & 26 Vict.
c. 103. s. 34.

43 Eliz. c. 2. s. 6.
17 Geo. II. c. 38.
s. 4.
41 Geo. III. c. 23.
s. 6.
12 & 13 Vict.
c. 45. s. 1.
6 & 7 Will. IV.
c. 96 s. 6.
Castle on the Law
and Practice of
Rating, 3rd ed.,
pp. 560, 587.
App. (Part I.) to
Vol. I. of Minutes
of Evidence,
No. I., Pars. 36-7.
27 & 28 Vict.
c. 39. s. 1.

12 & 13 Vict.
c. 45. ss. 9, 11.
Male, 11,974-6.

53. When a Valuation List is finally approved by the Assessment Committee, under the hands of three of the members, it becomes the Valuation List in force, subject to alterations and additions made by any Supplemental Valuation Lists. The Valuation List of each parish is kept in the Board-room or some other place appointed by the Guardians, and is open to the inspection of any ratepayer on payment of 1s., and a certified copy is delivered to, and preserved by, the overseers of such parish.

54. If the overseers* of any parish consider either that their own parish is over-valued, or that any other parish in the Union is under-valued in the Valuation List, they may, with the consent of the Vestry or the Authority exercising the powers of the Vestry,† and after giving due notice, appeal against the Valuation List to Quarter Sessions.

55. The Court of Quarter Sessions may, at the hearing of the appeal, confirm, or correct the list, or may upon the application of the appellant or respondent adjourn the appeal, and order a survey or valuation of any of the parishes in respect of which the appeal is made, and appoint a person to make such survey or valuation. The person so appointed can, with or without assistants, enter upon and survey, measure, and value all the properties liable to be assessed to the Poor Rates within the parish or parishes mentioned in the order. When the results of the survey and valuation have been reported to the Quarter Sessions, the Court then hears and determines the appeal.

56. The charges and costs of any survey and valuation so ordered are to be deemed costs in the appeal, and abide the event thereof, and the Court in determining the appeal may order the costs to be paid by either the appellant or respondent according to their discretion. But where any appeal is made on the ground that the parish is over-valued, and is determined in favour of the appellant, the Court is to ascertain the costs of the appellant, and to order the Guardians of the Union containing the parish to pay the costs of the appellants out of their common fund.

57. Under various Statutes a person aggrieved by a rate made for the relief of the poor may appeal to Sessions, provision being made for notice to be given to parties interested. When the question the appellant wishes to raise is limited to one of value only, he may appeal to Special Sessions. But if he wishes to raise other questions, such as his liability to be rated, defect in the rate, &c., he must appeal at once to Quarter Sessions. If he appeals to Special Sessions he can afterwards appeal to Quarter Sessions by giving, within 14 days, notice in writing of his intention to appeal. Before any appeal is heard by any Special or Quarter Sessions against a poor rate for any parish to which the Union Assessment Acts apply, the appellant must give 21 days' notice in writing to the Assessment Committee, and state the grounds of the appeal. And no person can appeal to any Sessions against a poor rate made in conformity with the Valuation List approved by the Committee, unless he has given notice to them of objection against the list, and has failed to obtain such relief in the matter as he deems just. After notice given at any time in the manner prescribed by the Act of 1862 with respect to objections, the Committee are required to hear the objection, with full power to call for and amend the list, although the same has been approved of, and if they amend the list they must give notice of the amendment to the overseers, who are thereupon to alter their current rate accordingly. The parties by consent and by order of any Judge of the High Court may at any time after notice of appeal to Sessions, and before continuance of the appeal, state the facts of the case in the form of a Special Case for the opinion of the High Court and agree to enter

* The Local Government Act of 1894, Section 6 (1) (c.), transferred to the Parish Council in a rural parish the powers, duties, and liabilities of overseers with regard to appeals or objections by them in respect of the Valuation List, or appeals in respect of the poor rate, or the county rate, or the basis of the county rate, and in a rural parish where there is no Parish Council, the same powers may be conferred on the Parish Meeting by the County Council on the application of such Meeting [Section 19 (10)]. In parishes situate within a borough or other urban district, or within the Administrative County of London, similar powers may, by order of the Local Government Board, be conferred on the Council (in London, the Sanitary Authority) of the district, or some other representative body within the district [Section 33 (1), (6)]. The number of such Authorities to whom various powers of Overseers were transferred by the Local Government Board in 1896-97 was 171, and in 1897-98 it was 90. [See Annual Reports of Local Government Board for 1896-97 (p. xlvi) and 1897-98 (p. xl).]

† By the Local Government Act, 1894, ss. 6 (1) (a); 19 (4), the powers of the vestry are in a rural parish possessing a Parish Council transferred to the Parish Council, and in a rural parish without a Parish Council are transferred to the Parish Meeting. By Sections 33 (1), (6), and 34, in an Urban or Metropolitan Parish these powers may be conferred upon the Council (in London, the Sanitary Authority) of the district, or some other representative body within the district, by order of the Local Government Board.

judgment in conformity with the decision at Sessions. Such judgment, if entered, shall have the same effect as a judgment at Sessions upon an appeal duly entered and continued. On a question of fact the decision of Quarter Sessions is final. But Quarter Sessions may state a case for the opinion of the High Court on any point of law or practice that may be raised, although there is no power to compel the Sessions to state such case against their wish.

58. The overseers consider the demands made upon them by the various Spending Authorities, and then calculate how much in the pound will be sufficient to produce the sum required. The rate book is then prepared, and the rate calculated upon the net annual value of each property in occupation in the parish in accordance with the Valuation List. In computing the amount of contributions to the Common Fund by the several parishes in the Union, the Guardians are required to take the annual rateable value from the Valuation Lists for the time being lastly approved. Before the rate can be enforced it must be allowed by two or more justices and public notice given of the rate. The rate is usually made half-yearly.

25 & 26 Vict.
c. 103. s. 30.
Dawe, 1236.
Harris, 6395.
Vulliamy, 7201.

59. With regard to the collection of rates, the overseers, assistant overseers, or collectors, prepare and serve upon the ratepayers demand notes specifying the amount due, the rateable value of the premises, and the rate in the pound due in respect thereof, and other particulars. The collection is subsequently made by the overseers, assistant overseers, or collectors calling for the rate, or receiving it through the post. Generally the Poor Rate is collected half-yearly and the Highway and Sanitary Rate yearly.

But there are numerous exceptions to this general rule, owing to the fact that overseers have the power to make a Poor Rate at any time, and also owing to the operation of local Acts. A ratepayer can be summoned before the magistrate for non-payment of rates, and a distress warrant can be issued and his goods and chattels seized, and in default the Justices may issue a warrant of commitment.

43 Eliz. c. 2. s. 2.
17 Geo. II. c. 38.
s. 7.
54 Geo. III. c. 170
s. 12.
12 & 13 Vict. c. 14
s. 2.
32 & 33 Vict. c. 41
s. 16.
32 & 33 Vict. c. 41
ss. 1-13.
38 & 39 Vict. c. 55
s. 211.

60. Generally it is only occupiers of rateable properties who are liable to pay rates, and rates are not payable on unoccupied property. An occupier is not liable to pay rates due from the previous occupant of the premises. An owner is not liable unless rated under Acts which give a discretionary power to Local Authorities to assess the owners of dwellings of small value and to collect the rate from them instead of from the occupier. This system is popularly known as that of compounding, and under it the owner may be rated instead of the occupier, either by agreement or by compulsory order of the Local Authority, but in this case a per-centaage deduction from the rate is made by way of commission to the owner, and, if he agrees to pay the rates whether the tenements are occupied or not, a further deduction may be allowed.*

* By the Poor Rate Assessment and Collection Act, 1869, the occupier of any rateable hereditament let to him for a term not exceeding three months is entitled to deduct the amount paid by him in respect of any Poor Rate assessed upon such hereditament from the rent due or accruing due to the owner, and every such payment is a valid discharge of the rent to the extent of the rate so paid. But no such occupier shall be compelled to pay to the overseers at one time or within four weeks a greater amount of the rate than would be due for one quarter of the year.

32 & 33 Vict.
c. 41. ss. 1, 2.

By sections 3 and 4 compounding in respect of the Poor Rate (including the other purposes chargeable *Ibid.*, ss. 3, 4, and thereon) is allowed where the rateable value of the hereditaments does not exceed in London, 20*l.*; in 20 Liverpool, 18*l.*; in Manchester and Birmingham, 10*l.*; and in other places 8*l.* If the owner agrees to pay the rate whether the hereditaments are occupied or not, the overseers [*see* (*) footnote to par. 54] may, subject to the control of the vestry [*see* (f) footnote to par. 54], allow a commission not exceeding 25 per cent, on the rate.

Or the vestry [*see* (f) footnote to par. 54] may order the owner to be rated instead of the occupier, and then—

- (a) the overseers must allow an abatement of 15 per cent. from the amount of the rate;
- (b) the owner may give notice that he is willing to be rated whether the hereditaments be occupied or not, and then the overseers must allow a further deduction not exceeding 15 per cent.

Section 13 gives the owners thus paying the rates the same right of appeal against the valuation list and the Poor Rates as if they were the occupiers.

32 & 33 Vict.
c. 41. s. 13.

By 45 & 46 Vict. c. 50, these provisions were extended to the Borough Rate and Watch Rate in cases where an order referring to the Poor Rate was made either before or after the commencement of such Act.

45 & 46 Vict.
c. 50. ss. 147 and
197 (5).

As regards the General District Rate, compounding in large cities and boroughs is frequently regulated by local Acts. But in other urban areas the provisions of the Public Health Act, 1875, apply.

38 & 39 Vict.
c. 55. s. 211.

Under this Act [section 211 (1) (a)] the owner instead of the occupier may at the option of the Urban Authority be rated—

Where the rateable value does not exceed 10*l.*, or where premises are let weekly, or monthly, or in separate apartments, or where the rents become payable or are collected at shorter periods than quarterly.

When the option is exercised, the owner is to be assessed at not less than two-thirds nor more than four-fifths of the net annual value; and if the assessment be in respect of tenements, whether occupied or not, it may be one half of the amount at which it would be if the rate were levied on and paid by the occupier.

IV.—System of Valuation for the Purposes of the County Rate and the Collection thereof.

15 & 16 Vict.
c. 81. s. 21.
51 & 52 Vict.
c. 41. ss. 3, 68.

51 & 52 Vict.
c. 41. ss. 1, 3, 31,
34, 100.

51 & 52 Vict.
c. 41. ss. 32, 33.

App. (Part I.) to
Vol. I. of Min.
of Ev.,
No. I., Par. 39.
Rotton, 12-3.
15 & 16 Vict. c. 81.
ss. 2, 9.

15 & 16 Vict. c. 81.
s. 11.

15 & 16 Vict. c. 81.
s. 20.

15 & 16 Vict. c. 81.
s. 6.

27 & 28 Vict. c. 39.
s. 9.

15 & 16 Vict. c. 81.
ss. 5, 7.
51 & 52 Vict. c. 41.
s. 68 (6).
Merrifield,
App. (Part II.) to
Vol. I. of Min. of
Ev., No. XIX.,
Par. 4.

15 & 16 Vict. c. 81.
s. 13.

61. The County Council, under the County Rates Act, 1852, and the Local Government Act, 1888, may order a rate to be made and levied by the overseers in the Administrative County for the purpose of meeting a deficiency in the County Fund, either on the whole Administrative County for general purposes, or on smaller areas liable for special purposes.

62. Administrative Counties and County Boroughs are areas in which elective bodies called County Councils and the Councils of County Boroughs have been charged by the Local Government Act of 1888 with the duties of administration formerly vested in County or Borough justices or Quarter Sessions.*

Sixty-one† County Boroughs were created under the Local Government Act of 1888, of which 15 are in Lancashire. They consist of Boroughs which at the time of the passing of the Act were counties of themselves, or had a population of not less than 50,000. Generally speaking the powers conferred on County Councils were conferred on Councils of County Boroughs in addition to their municipal powers.

For some purposes a County Borough may have to contribute toward the expenses incurred by the Council of the County in which the Borough is deemed to be situated, such as the costs of Assizes and Sessions if none are held within the Borough, or of the police where there is one police force for a Borough and County. When it is necessary to ascertain the rateable value of a County and County Borough for the purpose of calculating any contribution or payment, a valuation may be made by a joint assessment committee of the County and Borough Councils.

63. An assessment committee of the County Council, called the County Rate Basis Committee, fixes the basis for the purpose of determining the contribution of each parish for county purposes. The basis contains therefore only the assessable value of each parish, and not that of the several rateable hereditaments. The Committee may adopt the valuation of the Guardians in the several Poor Law Unions, or may make a new valuation of a parish within the county as often as they think fit, and appoint persons for this purpose, with power at all reasonable times to enter upon lands and other properties liable to be assessed toward the County Rate, in order to ascertain the value at which the same ought to be charged. But if this valuation exceeds that returned by the parochial officers, and no successful appeal is made, the cost of the valuation must be borne by the place revalued. Quarter Sessions on an unsuccessful appeal in such a case are required to make a similar order. The County Council may from time to time direct the County Rate Basis Committee to revise any existing basis for the purpose of meeting any partial changes which may have taken place.

64. "The full and fair annual value" for the purpose of preparing the basis or standard is taken to mean "the net annual value of any property as the same is or "may be required by law to be estimated for the purpose of assessing the rates for the relief of the poor."

The Clerk of every Union Assessment Committee must send annually in December to the County Council a copy of the totals of the gross estimated rental and rateable value of the property included in the Valuation Lists in force in each parish.

65. The Council has power to call for returns of parochial valuations, for the valuations of the Commissioners of Taxes, for the production of any documents relating to the value of any property, and they may summon and examine any person. The valuation of the Commissioners of Taxes, which is founded on the rent actually paid, is frequently made use of by County Authorities for the purpose of determining the County Rate basis.

66. If the amount of the annual value of the property in any parish differs from that in the last basis or standard, a copy of the new basis or standard of the County Rate must be sent to the overseers of every parish in the county for the inspection of the vestry and the ratepayers.

* In some cases the Administrative county is identical with the Geographical county of the same name, but in the majority of cases the two differ more or less, e.g., where the Geographical county contains one or more county boroughs, and in the special cases of Sussex, Suffolk, Lincolnshire, Yorkshire, Cambridgeshire, Northamptonshire, Hampshire, Middlesex, Surrey, and Kent. Also in the case where an urban district is situated in two or more Geographical counties it forms part of that Administrative county alone which has the name of the Geographical county in which the greater part of the population of the district, according to the Census of 1881, is included. [General Report on Census of England and Wales, 1891 (C. 7222 of 1893).]

† The number is now 64, Grimsby, Newport (Mon.), and Oxford having been added to the list.

67. After giving notice of the time within which objections to the basis may be made, and after the expiration of that time, the Committee proceed to hear objections. 15 & 16 Vict. c. 81. s. 14.

68. When any new basis has been finally corrected and approved by the Committee, 15 & 16 Vict. c. 81. ss. 15, 16. they must lay it before the County Council at their next quarterly meeting, and the Council must give public notice that they will consider it at their next quarterly meeting. At this meeting they consider it, and must alter and amend it, or allow and confirm it, or they may refer it back to the Committee for consideration, in which case the Committee have all the powers they had in the first instance. Any amendment made is subsequently considered by the Council, but, before they can allow or confirm it, the place with respect to which the amendment has been made must have at least 14 days' notice of it from the Assessment Committee. When the Council have finally allowed and confirmed the basis, printed copies are sent to the members of the Council, and overseers, and others charged with the levy of the County Rate.

69. Appeals against the basis or standard can be made by overseers* and inhabitants 15 & 16 Vict. c. 81. ss. 17, 18, 22. on the ground that a parish or place is rated at more or less than its full and fair annual value, or because a parish is omitted from the basis or standard. Quarter Sessions may, upon the application of the appellant or respondent, order a valuation to be made of any of the parishes or parts of parishes in respect of which the appeal is made, and may appoint a person for the purpose, such person having full power to enter upon the lands or other properties liable to be assessed to the County Rate. An overseer or other inhabitant can also appeal against a rate made upon the basis or standard.

In those Counties in which a joint Committee of representatives of County and 51 & 52 Vict. c. 41. County Borough Councils has been formed for the purpose of ascertaining the rateable s. 33 (2). value of their respective areas (see paragraph 62), such Committee has, for that purpose, all the powers and jurisdiction of Quarter Sessions and of a Committee of Justices appointed under the County Rates Act, 1852, and its amending Acts.

70. After the valuations for county contributions have been settled, the Finance Committee of the Council recommends to the Council the contributions that should be levied for the purpose of discharging the deficit on the general and special accounts. The Council then proceed to make a rate for this purpose, the deficit being divided among the parishes liable to contribute in proportion to their rateable value according to the county rate basis. The contributions are obtained by the issue of precepts to the Guardians of the various Unions for the amounts required, which they must pay out of the Poor Rate to the County Treasurer, but in certain cases the precepts are issued to the overseers, who levy a separate rate. App: (Part II.) to Vol. I. of Min. of Ev., No. XVII., Par. 17. 15 & 16 Vict. c. 81. ss. 21, 26, 30, 31, 32. 51 & 52 Vict. c. 41. s. 68 (6).

V.—System of Valuation for the Purposes of the Borough Rate and the Collection thereof:

71. The Council of a Borough may order a rate to be made within it for the purpose of meeting a deficiency in the Borough Fund. The Councils generally adopt the valuation made for the purposes of the last poor rate, though they may order an independent valuation to be made. For this purpose the Councils may order for their inspection, or for the purpose of taking copies, books of assessments of any rates or taxes, Parliamentary or Parochial, on any property and the valuation by which the assessment is made, in the hands of the overseers, and may order copies to be made by the clerk to the Commissioners of each district of the total amount assessed in each parish in respect of any tax payable to the Crown, and the total amount of the valuation of the property on which that assessment was made. 45 & 46 Vict. c. 50. s. 144 (2), (5), (6), (7). Dawe, 1123 and App: (Part II.) to Vol. I. of Min. of Ev., No. I., Pars. 5, 6.

72. By warrant of the Council the overseers and such persons as they select may enter on, view, and examine any land chargeable to the Borough Rate in order to ascertain the annual value at which it ought to be charged; but no such entry shall be made unless 14 days' notice has been given to the overseers and to the persons on whose land the entry is to be made. 45 & 46 Vict. c. 50. s. 144 (8).

73. Contributions to the Borough Rate by the several parishes in the borough are 45 & 46 Vict. c. 50. determined by the Council according to their several rateable values, and the Council ss. 144(4), 145 (1), 250 (3). may order the overseers to pay such contributions out of the Poor Rate. But where, at the commencement of the Municipal Corporations Act the Council were authorised by law to collect and were collecting the Borough Rate, it retained such power. From App: (Part II.) to Vol. I. of Min. of Ev., No. III., Table B.

* See note (*) to par. 54.

information handed in by Mr. W. J. Jeeves on behalf of the Association of Municipal Corporations, it appears that while the Council generally employs collectors for the collection of the Municipal rates which are not collected with the Poor Rate, the Borough, Watch, and Library rates are more usually collected by the overseers in accordance with the precepts served upon them. There are, however, exceptions, and in a few cases the Poor Rate appears to be collected by the Corporation, and in others the whole of the rates appear to be collected by the Overseers and the collectors employed by the Guardians. The Borough Rate, when not collected with the Poor Rate, but by the Corporation with the General District Rate, is generally collected annually. Reference has already been made to the system of compounding in respect of the Borough Rate in the footnote to par. 60.

- 45 & 46 Vict. c. 50.
s. 144 (9). 74. An appeal can be made to Quarter Sessions by the overseers* on the grounds that their parish is aggrieved owing to the proportions assessed as the contributions of the respective parishes being unequal, or because some parish is omitted, or on account of any other just cause of complaint. Any person may appeal against a Borough Rate in the same manner as against a Poor Rate.
- 45 & 46 Vict. c. 50.
s. 146 (2).

VI.—System of Valuation and the Collection of Rates in the County of London.

4 & 5 Will. IV.
c. 76.

18 & 19 Vict.
c. 120.

48 & 49 Vict.
c. 33.

50 & 51 Vict.
c. 17.

Leete, 13,293-6.
Hills, App. to
Vol. II. of Min. of
Ev., No. IX.,
Par. 1.

25 & 26 Vict.
c. 103.

32 & 33 Vict. c. 67.
s. 5.

Cutter, 7096-101.
Harper, 12,126-9;
and App. to
Vol. II. of Min. of
Ev., No. I., Par. 5.
Leete, 13,246; and
App. to Vol. II. of
Min. of Ev.,
No. IV., Par. 1.
Tagg, 18,521-3,
18,611-2, 18,710
-9.

Hills, 19,715-20,
19,746-57, 19,764
-71, 19,818-28;
and App. to
Vol. II. of Min. of
Ev., No. IX.,
Pars. 8, 9.

75. The parishes within the Metropolitan area have been grouped for two distinct purposes, namely, Poor Law and Sanitary. The first grouping was carried out under the Poor Law Amendment Act of 1834, each group being known as a Poor Law Union and having an elected Board of Guardians, though certain of the larger parishes remained independent Poor Law Areas. The 192 parishes in the Administrative County of London (of which 112 are contained in the City of London) are grouped into 30 Poor Law Unions or Parishes under separate Boards of Guardians.† The arrangement of the parishes for sanitary purposes was prescribed by the Metropolis Management Act, 1855, and did not in many cases correspond with that adopted for Poor Law purposes. On this occasion also the larger parishes (including all those being separate poor law areas and others besides) were constituted separate sanitary areas under the control of the Vestry, the smaller ones only outside the City of London being grouped and put under the control of the District Boards elected from the vestries of the constituent parishes. The number of Sanitary Authorities created by the Act and its amending Acts was 42. It will thus be seen that two parishes in the same union might each form part of separate sanitary areas or be independent sanitary areas of themselves.

76. In 1862 the Union Assessment Committee Act provided for the establishment of an Assessment Committee in each Union for the purpose of creating uniformity in valuation throughout each Union. This was followed in 1869 by the Valuation (Metropolis) Act, which applied only to parishes and unions within the Metropolitan Poor Law area (which is the whole county, except Penge), and the remaining portion of the county, namely Penge, is governed by the same Acts as the rest of the country. The Valuation (Metropolis) Act prescribed regulations as to the appointment of Assessment Committees in parishes not included in any Union. These regulations were as follows:—

Where in any parish which is not included in any Union formed under the Poor Law Amendment Act, 1834, and its amending Acts, there is for the time being a Vestry elected according to the provisions of the Metropolis Management Act, 1855, but no Assessment Committee under the Union Assessment Acts, 1862 and 1864, the appointment of the Assessment Committee is determined as follows:—

Where in any such parish there is a Board of Guardians, having power under any local Act to assess or make the poor rates, the Guardians appoint the Assessment Committee;

Where any two of such parishes are united under a local Act for the purpose of making the poor rate, the Guardians for the united parishes elected in pursuance of the Poor Law Amendment Act, 1834, and its amending Acts, appoint the Committee;

In cases other than those before mentioned, the Vestry make the appointment.

* See note (*) to par. 54.

† The hamlet of Penge, in the Administrative County of London, being in the Croydon Union and not in a Metropolitan Union, does not come under the special provisions of the Valuation (Metropolis) Acts. Croydon Union is partly within the County of Surrey, partly within the County Borough of Croydon, and partly within the County of London.

In the County of London there are 16 Unions in which the Guardians appoint the Committees under the Union Assessment Committee Act, 1862, and 14 separate parishes in which either the Guardians or the Vestry elect the Committees.

77. Section 33 (1), (6) of the Local Government Act of 1894 gave powers to the Local Government Board to confer upon the Sanitary Authorities the appointment of overseers and assistant overseers, the revocation of appointment of assistant overseers, any powers, duties, or liabilities of overseers, and any powers, duties, or liabilities of a parish council; and it appears from a return published by the London County Council* that the appointment of overseers has been transferred to the Vestries of 35 parishes, and the appointment and revocation of appointment of assistant overseers to the Vestries of 10 parishes. It has been pointed out that, where the appointment of overseers has been transferred under this Act to the vestries of parishes forming separate sanitary areas and in which the Vestries appoint the Assessment Committee, such Vestries have the control both of the preparation of the valuation lists and of their revision.

78. The object of the Valuation (Metropolis) Act, 1869, was to provide a valuation which should be uniform throughout London, and should serve as the basis for Imperial and Local taxation alike. The Act incorporates some of the provisions of the Union Assessment Committee Acts of 1862 and 1864. The main features of the Act are as follows:—

79. A new Valuation List for each parish must be made quinquennially by the Overseers, such list after approval by the Assessment Committee coming into force on the 6th of April in the year succeeding that in which it is made, and lasting for five years, subject to any alterations that may be made by any Supplemental or Provisional Lists. In each of the first four years of this period a Supplemental List is, if necessary, to be made out in the same form and under the same regulations as the valuation list, showing all the alterations which have taken place during the preceding 12 months in any of the matters stated in the Valuation List. But if no alteration has taken place which makes a Supplemental List necessary, the overseers must send a certificate to that effect to the Assessment Committee in place of such a list. A Provisional List may be made by the overseers in the course of any year, and must be made by them on the written requisition of the Assessment Committee, or of any ratepayer in the Union, or of the Surveyor of Taxes, showing the gross and rateable values of any properties which have increased or decreased in value from any cause in the course of such year. A copy of the Provisional List must be served by the clerk of the Assessment Committee upon the Surveyor of Taxes and upon the occupier of any hereditament affected by the list, who may make objection thereto. A Provisional List, during the time it is in force, forms part of the Valuation List. Upon a Provisional List coming into operation, the overseers make such entries in the rate book for the then current Poor Rate as will bring the rate into conformity with the list and charge the occupier of the hereditament with a proper proportion of the then current Poor Rate. Although Surveyors of Taxes have no statutory powers to attend the meetings of the Assessment Committees, except with reference to objections made by them to a Provisional List, they are frequently present by the courtesy of those bodies.

80. It is stated that, owing to section 45 of the Act, which makes the Valuation List conclusive evidence of the fact that all rateable property is included therein, there is no power to bring into a Provisional or Supplemental List properties or parts of properties altogether omitted from the Quinquennial List. It has also been pointed out that, although the Act makes it possible to alter the gross and rateable values of any properties which have increased or decreased in value from any cause during the quinquennial period, in practice such alterations (except in cases where new buildings have been erected) are mainly confined to decreases in value, owing partly to the Valuation Authorities not receiving information of the increases in value, and partly to the fact that it must be proved to the satisfaction of the Courts that the increase in value has taken place during the previous year, that is, the year ending April 5th.

81. Provisional Lists do not affect the value on which any rate is made or sum is assessed, or contribution required, which is made, assessed, or required on the total of the gross or rateable value of parishes or Unions. The procedure for hearing

56 & 57 Vict. c. 73.
Harper, 12,525; and
App. to Vol. II. of Min.
of Ev., No. I., Par. 5.
Cutter, 7096-101.
Dewey, 13,118-30,
13,239-41.
Leete, 13,246, 13,291
-7; and App. to
Vol. II. of Min. of
Ev., No. IV., Par. 2.
Tagg, 18,516-20,
18,708-19.
Hills, App. to Vol. II.
of Min. of Ev.,
No. IX., Par. 11.

32 & 33 Vict. c. 67.
ss. 43, 46 (1), (2),
(4), (5), 47 (1),
(3), (4), (5), (6),
(9), (10). App.
(Part I.) to Vol. I.
of Min. of Ev.,
No. I., Par. 15.

Male, 11,809-11,
11,929.

Male, 11,997.
Harper, App. to
Vol. II. of Min. of
Ev., No. I., Par. 13.
Dewey, 13,045-6,
12,083-4, 13,160-
7, 13,197-8.

32 & 33 Vict. c. 67.
s. 47 (6), (11).

objections to the Provisional List is the same as that for hearing objections to a Valuation List.

32 & 33 Vict. c. 67.^{s. 4.} 82. "Gross value" is defined as "the annual rent which a tenant might reasonably be expected, taking one year with another, to pay for an hereditament, if the tenant undertook to pay all usual tenant's rates and taxes, and tithe commutation rent-charge, if any, and if the landlord undertook to bear the cost of the repairs and insurance, and the other expenses, if any, necessary to maintain the hereditament in a state to command that rent."

"Rateable value" is defined as "the gross value after deducting therefrom the probable annual average cost of the repairs, insurance, and other expenses as aforesaid."

32 & 33 Vict. c. 67.
s. 52, and
Schedule II.
Cutter, 7078-9.
Male, 11,978-89.
Harper, 12,104-9;
and App. to Vol. II.
of Min. of Ev., No. I,
Par. 14. Vallance,
12,680-4, 12,795.
Dethridge, 12,917-26.
Dewey, 13,026. Leete,
13,259; and App. to
Vol. II. of Min. of
Ev., No. IV., Par. 8.
Tagg, 13,538-42,
18,595-7. Vigers,
19,689-92. Huxtable,
20,691-707.

Male, 11,799-802,
11,942-6. Harper,
12,115-20, 12,818-26,
12,390-6, 12,477-80;
and App. to Vol. II.
of Min. of Ev., No. I,
Par. 5. Dewey,
13,135-41. Leete,
13,254, 13,398-402.

32 & 33 Vict. c. 67.
ss. 6-8, 42,
and 46 (3).

32 & 33 Vict.
c. 67. ss. 11, 14, 15.
25 & 26 Vict.
c. 103. ss. 18-21.

Harper, App. to
Vol. II. of Min. of
Ev., No. I.
Pars. 5, 27 (b) (1).

32 & 33 Vict. c. 67.
s. 9 (1), (2).

83. A maximum rate of deductions is prescribed applicable to various classes of property which is not to be exceeded when calculating the rateable value of properties.* The maximum deductions appear to be invariably allowed, and Mr. Harper, Assistant Valuer to the London County Council, states that "as a matter of practice, not only overseers and Assessment Committees, but also the Court of Quarter Sessions, the ultimate authority as to facts, take that scale as if the word 'maximum' were not in it, and they use those maximum rates of deduction as if they were to be the rate of deduction." It has also been pointed out that, owing to these maximum percentage deductions being made, no matter how large a proportion the value of the site may be as compared with the total value of the property, a certain inequality may be created as between property and property, and also as between districts contributing to a common charge on the basis of rateable value.†

84. In calculating the gross value of property held under a repairing lease it appears to have become the practice of nearly all the Metropolitan Assessment Committees to add 10 per cent. to the rent reserved in cases where the agreement has been made within the preceding five years, where no premium has been paid, and where no money has been expended by the lessee on improvements, but in order to arrive at the rateable value the maximum deduction allowed by the Act is made.

85. The overseers must make and sign a Valuation List of their parish in duplicate, and deposit a copy in the place in such parish in which rate books are deposited or kept before the 1st of June. To this copy any person liable to be assessed within the parish has access. The other copy they must send to the Surveyor of Taxes of the district. The Surveyor of Taxes must insert what he considers to be the amount of the gross value of the hereditaments comprised in the list, and transmit it within 28 days of receiving it to the Assessment Committee for revision. An objection may be made by any overseer or overseers of any parish in any union who shall have reason to think that such parish is aggrieved by the Valuation List of any parish within such union, or by any person who may feel himself aggrieved by any valuation list. After the Committee have heard and determined such objections to the list it must be sent back to the overseers and re-deposited. Objections can then be made to the alterations made by the Committee in the list, a copy of which, after final approval by the Assessment Committee, is sent to the overseers to be deposited in the place in which the rate books of the parish are kept, notice being given of such deposit and of the time and mode of making appeals.

In the case of parishes not in union there appears to be an absence of the same means of checking the preparation of the Valuation Lists of such parishes by the overseers of other parishes, or otherwise.

86. In cases where an hereditament is newly inserted in a Valuation List or the gross or rateable value of an hereditament already in the list is raised, the overseers, immediately after the deposit or re-deposit of the list, must serve on the occupier a notice of the gross and rateable value inserted in the list.

* See App. to Vol. II. of Minutes of Evidence, Harper, No. I, Schedule II.

† Gomme, 3797-801; and Part II. of App. No. XXVII. Par. 6 c (p. 244) and Table 12 (p. 296). Clark, 12,055-8. Harper, 12,110-4, 12,189, 12,196-7, 12,280-312, 12,367-89, 12,526-9; and App. to Vol. II. of Min. of Ev., No. I, Par. 15, and Schedule III. Vallance, 12,813-7. W. H. B. Castle, 13,728. Vigers, 19,504-8, 19,626-9, 19,696-7. Costelloc, 19,978, 20,056-63, 20,069-82, 20,204-6.

† For instance, if a hereditament consisting of a small house on a valuable site has the same "gross value" as one consisting of a large house on a less valuable site, the same deduction is allowed from the "gross value" of each hereditament, though, if the houses are similar in all respects other than size, the average cost of repairs, insurance, &c., in the latter case must be larger than in the former.

87. A Surveyor of Taxes and any ratepayer in the parish may inspect, copy, and object to a Valuation List which relates to his district or parish. 32 & 33 Vict. c. 67. s. 12.

88. When a Surveyor of Taxes gives notice of objection or appeal, the amount specified in the notice as being in his judgment the gross value of any hereditament is to be inserted in the Valuation List by the Assessment Committee or Sessions, unless it is proved to their satisfaction that such amount ought not to be inserted. 32 & 33 Vict. c. 67. s. 53. Male, 11,931-8.

89. It appears to be generally accepted that the opinion and experience of the Surveyor of Taxes in the process of preparing the Valuation List are of advantage, and numerous witnesses have suggested that power should be given him to attend every meeting of overseers and the Assessment Committee held for valuation purposes.*

90. In every year in which a new Valuation List is made, or in the month of March preceding any such year, every person who is liable to be charged with any rate or tax must make, when required, to the overseers of his parish such a statement or return as a person chargeable under the Income Tax Acts is bound to make. For this purpose, the Surveyor of Taxes sends to the overseers of each parish in his district printed forms and notices to be served on the persons required to make a return. The return should be made to the overseers within 21 days of the service, and must be then sent by them together with the Valuation List to the Surveyor of Taxes, and by the Surveyor of Taxes to the Assessment Committee, though it appears that this provision is not strictly enforced. Mr. Harper, Assistant Valuer to the London County Council, who put in a copy of the form at present in use,† pointed out R. Clark, that it is not suitable to very large and important classes of property which are not 12,030-3. let or occupied in the same way as house property, and that it gives to such property owners no opportunity of furnishing the overseers or Assessing Authorities with any Harper, 12,100. of those particulars which are necessary for the assessment of their undertakings.

91. An Assessment Committee may require any owner or occupier of any hereditament, within 14 days, to send a return showing the rent payable or receivable in respect thereof, and also other particulars; and the Guardians may, upon the application of the Assessment Committee, appoint some competent person to assist the Committee in the valuation of the hereditaments in the union. 32 & 33 Vict. c. 67. ss. 57, 61.

92. Owners and occupiers are not bound to furnish returns in respect of Provisional and Supplemental Lists. Harper, 12,200. Tagg, 18,593.

93. An appeal can be made to Special Sessions against the decision of the Assessment Committee on an objection made with respect to the unfairness or incorrectness of the valuation of any hereditament included in the list by any ratepayer and by any overseer‡ of a parish, so far as respects the Valuation List of their parish, and any Surveyor of Taxes, so far as respects the Valuation List of any parish in the Petty Sessional Division. The justices have not power to hear an appeal touching any matter with respect to which notice of appeal to Quarter Sessions has been served. Neither can they hear any appeal touching any part, or alter any part, of the Valuation List, except the part relating to the value of an hereditament. A decision of the justices and an alteration by them of the value of an hereditament in the Valuation List only affects the rights of the ratepayers of the parish amongst themselves, and cannot of itself in any way alter the totals of the gross or rateable value of the list as settled by the Assessment Committee, though it may form a reason for an appeal against such total to Quarter Sessions and a Superior Court. The justices must hold Special Sessions at any time after the 30th November in each year to enable them to determine all appeals before the following January. 32 & 33 Vict. c. 67. ss. 18, 42 (10).

94. With regard to appeals to Quarter Sessions, an appeal can be made by any ratepayer, any Surveyor of Taxes, or any overseer‡ (with the consent of the vestry‡ of his parish), who feels aggrieved by any decision of the Assessment Committee, on an objection made before them, to which he was a party, or by any decision of Special Sessions, whether he was a party or not; and by any Assessment

* Utter, 7072-3. Male, 11,788, 11,811, 11,861-3, 11,927-30, 11,939. Harper, 12,143; and App. to Vol. II. of Min. of Ev., No. I., Par. 6. Vallance, 12,675-9, 12,713-6. Dewey, App. to Vol. II. of Min. of Ev., No. III., Par. 4. Leete, 13,282-3; and App. to Vol. II. of Min. of Ev., No. IV., Pars. 3, 9. Tagg, 18,487; and App. to Vol. II. of Min. of Ev., No. VIII., Par. 9. Hurtable, 20,587-90, 20,633, 20,667-9. Wagstaff, 20,795-9, 20,885. But see also Vigers, 19,658-63.

of Ev., No. I.,
Par. 31 and
Schedule IV.

† See App. to Vol. II. of Minutes of Evidence, No. I., Schedule I.

‡ See Par. 77 and footnotes to Par. 54.

Committee, any overseers* (with the consent of their vestry),* any ratepayer, and any body of persons authorised by law to levy rates, or require contributions payable out of rates, who may feel aggrieved by the total gross value of any parish, the total rateable value of any parish, or because there is no approved Valuation List.

32 & 33 Vict.
c. 67. ss. 36, 38.

The Justices in Quarter Sessions may, upon the application of any of the parties to an appeal, appoint some proper person to make a valuation of the hereditament, provided that the applicant give security for the costs of such valuation; and the person so appointed may at all reasonable times, with or without assistants, enter upon the hereditaments and may do thereon all acts necessary for completing the valuation.

32 & 33 Vict. c. 67.
s. 33.

95. Notice of appeal either to Special or Quarter Sessions, specifying the correction which the appellant desires to have made in the Valuation List, must be served in writing within a prescribed time on the clerk to the Assessment Committee, on the Surveyor of Taxes where the gross value is disputed, and on a third party when his assessment is disputed.

32 & 33 Vict. c. 67.
s. 47.

There is no appeal from the decision of the Assessment Committee in the case of a Provisional List, but if, when the next revision of the Valuation List takes place, the value of the hereditament, as stated in the Provisional List, is reduced on appeal, the amount of rate or tax which has been overpaid has to be refunded.

32 & 33 Vict. c. 67.
s. 40.
Male, 11,896-7.

By consent and by order of any Judge of the High Court, the parties may, after notice of appeal to Quarter Sessions has been given, state the facts of the case in the form of a Special Case for the opinion of the High Court; or appeals from the decision of Quarter Sessions on points of law may be made within three months.

32 & 33 Vict. c. 67.
s. 41.

96. If any alteration in the Valuation List is made in consequence of any appeal, notice must be sent to the overseers and Surveyors of Taxes who must alter their lists.

32 & 33 Vict. c. 67.
s. 45.

97. The Valuation List for the time being in force is conclusive evidence of the gross and rateable value of the hereditaments included in it for the purpose of the following rates and taxes:—

14 & 15 Vict. c. 36.
5 & 6 Vict. c. 35.
and amending
Acts.

The tax on houses levied under the House Tax Act and the Acts therein incorporated or referred to. Any tax assessed in pursuance of the Income Tax Acts on any lands, tenements, and hereditaments, in all cases where the tax is charged on the gross value and not on the profits. The county rate, the metropolitan police rate, the church rate, the highway rate, the poor rate, the rates in the City of London, and every other rate, assessment, and contribution levied, made and required in the Metropolis on the basis of value.†

R. Clark, 12,018.

The Act does not make the Valuation List applicable to the Land Tax.

32 & 33 Vict. c. 41.
ss. 3, 4, and 20.

98. In most parishes all the rates are collected by the same staff, but there are still a few cases in which the overseers collect the poor rate, and the vestry the general rate. The rates are generally made and collected either quarterly or half-yearly.‡

47 Vict. c. 5. s. 2.

The provisions as to compounding contained in sections 3 and 4 of the Poor Rate Assessment and Collection Act, 1869, which have been referred to in the footnote to paragraph 60, extend in the Metropolis to every rate made by the overseers, and chargeable upon the same property as the poor rate. And where the owner or lessee is liable to be assessed for any rate or tax in the place of the occupier or tenant, such owner or lessee has the right of objection and appeal.

11 & 12 Vict. c. 163.
s. 177.

Rates are not payable on unoccupied property, except in the case of the "City Half-Rates" under the City of London Sewers Act, 1848.§

99. Mr. Gomme, Statistical Officer of the London County Council, states that the Act has had the effect of bringing up the assessment of the Metropolis to a much higher standard than that existing in the rest of the country.|| Other witnesses,

* See Par. 77 and footnotes to Par. 54.

† The following Spending Authorities in the Metropolis issue precepts on the Overseers or Authorities discharging the duties of Overseers:—Boards of Guardians and other Poor Law Authorities, Receiver for Metropolitan Police District, and Commissioners of Public Libraries, Baths and Wash-houses, &c. (whose demands are payable out of the Poor Rate), and the Vestries and District Boards (whose demands are payable out of the General, Sewers, and Lighting Rates). The Precepts of the London School Board are issued to the Vestries and District Boards and to the Schedule C. places under the Metropolis Management Act, 1855, and are payable out of the General Rate. The Precepts of the London County Council are issued to the Boards of Guardians and are payable out of the Poor Rate.

‡ Dewey, 13,058-60, 13,076-7, 13,210-11; and App. to Vol. II. of Min. of Ev., No. III., Pars. 10, 18. Leete, 13,265, 13,314-43; and App. to Vol. II. of Min. of Ev., No. IV., Par. 16. Tagg 18,507-11, 18,615, 18,638; and App. to Vol. II. of Min. of Ev., No. VIII., Par. 14. Hills, 19,711; and App. to Vol. II. of Min. of Ev., No. IX., Par. 5.

§ Gomme, App. (Part II.) to Vol. I. of Min. of Ev., No. XXVII., page 238. Leete, 13,408.

|| Gomme, App. (Part II.) to Vol. I. of Min. of Ev., No. XXVII., Par. 10. See also References to Par. 129.

although advising the amendment of the Act in certain details, have recommended that the general principles should be extended to the rest of the country.*

100. It has been pointed out that, although 72·6 per cent. of the rates in the Metropolis are raised by a common rate, the County Rates Act of 1852 is not in force except in the Hamlet of Penge,† and consequently the London County Council has no *locus standi* in the preparation of the Valuation Lists of the whole of the Metropolitan Poor Law area included in the County.‡ But it seems to be generally agreed that the Conferences of representatives of the various Metropolitan Assessment Authorities promoted by the Council before each quinquennial valuation year, with a view to the consideration of pending questions of assessment procedure and practice, have tended to secure greater uniformity.§ The Council also examines the Valuation Lists of the various parishes when deposited and make informal suggestions as to alterations in the assessment of properties not considered to be correctly set down in the lists. These suggestions have been accompanied by an offer to attend the Assessment Committee to discuss such cases if invited to do so, and this offer has been accepted in the majority of instances. In cases in which important points of principle might arise, the Council, in its capacity as a ratepayer, has served formal notice of objection in order to preserve a *locus standi* for appealing to Quarter Sessions, though no such points were raised and no appeals were taken to Sessions.

101. Since 1893 the London County Council have had under their consideration a Bill to consolidate and amend the enactments relating to the valuation and assessment of rateable property in London. The Bill was introduced into the House of Commons in 1893 and again in 1894 and 1896 by members of the Council who were also Members of Parliament. The effect of the Bill, if passed, would be to obtain legislative endorsement of the position at present occupied by the Council as an intermediary between the various Assessing Authorities in the Metropolis.

102. The Metropolitan Common Poor Fund was established by Act of Parliament in 1867. Certain charges in connexion with the poor law administration in the Metropolis are paid for out of the Common Poor Fund to which the Poor Law Authorities contribute on the basis of rateable value, thus making the richer districts contribute towards the relief of the poor in the poorer ones.

103. The Equalisation Fund provided for by the London (Equalisation of Rates) Act, 1894, is formed by calculating what would be due from each parish in respect of a rate of 6d. in the £ on its rateable value, and redistributing the amount according to the population of the sanitary districts in the Metropolis. Where the contribution to the Fund is more than the grant payable out of the Fund, the difference is raised from the parishes by the London County Council by means of a special county contribution levied as part of the poor rate, but where the contribution to the Fund is less than the grant payable, the difference is paid over to the Sanitary Authority to be applied in aid of their expenses under the Public Health (London) Act, 1891, and in respect of lighting and street expenses. It will thus be seen that expenditure for these purposes, equal to the amount of an annual rate of 6d. in the £ levied equally over the county, is borne by the several parishes according to their rateable value, but expended in the areas of the Sanitary Authorities in proportion to their population.||

* Rotton, 244. Poland, 2295. Humphreys-Davies, 4223-5. Cutter, 7069-71, 7080-1, 7094-101, 7104-7, 7114. Male, 11,788-91, 11,843-5. R. Clark, 12,059-62, 12,067. Dewey, 13,173, 13,192-3, 13,199-202. Vigers, 19,650-7.

† See footnote to Paragraph 75.

‡ Gomme, App. (Part II.) to Vol. I. of Min. of Ev., No. XXVII., Table 11 (p. 294). Harper, 12,140-52, 12,182-4, 12,260-6, 12,513-4, 12,538-4. Vallance, 12,695. Dewey, 13,004.

§ Male, 11,848-9, 11,916-9. Harper, 12,123, 12,144, 12,153-5, 12,194-5; and App. to Vol. II. of Min. of Ev., No. I., Pars. 29 to 33. Vallance, 12,704-9. Dewey, 13,065; and App. to Vol. II. of Min. of Ev., No. III., Pars. 2, 3, 6. Leete, 13,249-51, and App. to Vol. II. of Min. of Ev., No. IV., Par. 13. Tagg, 18,488-90, 18,529-37; and App. to Vol. II. of Min. of Ev., No. VIII., Par. 12. Hills, 19,760-3.

|| See also Gomme, 8747-51, 8754-79, 9015-31; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXVII., Pars. 4 and 6 b, Dewey, 13,051-6, 13,109-15; and App. to Vol. II. of Min. of Ev., No. III., Par. 17. Leete, 13,328-32, 13,344-51, 13,416-31; and App. to Vol. II. of Min. of Ev., No. IV., Pars. 27-38. Tagg, 18,565; and App. to Vol. II. of Min. of Ev., No. VIII., Par. 23. Hills, 19,725-43, 19,807-17, 19,829-33; and App. to Vol. II. of Min. of Ev., No. IX., Par. 12.

Harper, 12,201-4,
12,231, 12,267-9,
12,491-6, 12,503-4,
12,515-25.
Vallance, 12,857.
But see also Leete,
13,413-5.
Harper, 12,159-68,
12,251-7. Dewey,
13,068-9.

Harper, 12,101,
12,158, 12,163-3,
12,171, 12,175,
12,180-2, 12,194-300;
and App. to Vol. II.
of Min. of Ev., No. 1.,
Par. 34. Vallance,
12,855. Dewey,
13,063-4. Leete,
13,284-9. Tagg,
18,695-719.

30 & 31 Vict. c. 6.
Cutter, 7085. Gomme,
App. (Part II.) to
Vol. I. of Min. of Ev.,
No. XXVII., Pars.
4 and 6 b. Leete,
13,333-6, 13,361-8.

57 & 58 Vict. c. 53.
Local Taxation
Returns (Eng-
land) for 1896-7,
Part IV.

VII.—*System of Valuation for the Purposes of the Income Tax (Schedule A.) and Inhabited House Duty.*

5 & 6 Vict. c. 35.
and amending
Acts.

32 & 33 Vict. c. 67.

104. The valuation of property for Income Tax purposes is (except in the Metropolis, where under the Valuation (Metropolis) Act, 1869, the assessments follow those of the Union Assessment Committee) in the hands of Local Commissioners appointed from the body of Land Tax Commissioners. They appoint Assessors whose duties consist in procuring returns from occupiers as to the amount of rent actually paid, and in framing a list of the properties liable to be assessed. A copy of the Poor Rate Valuation is first obtained, and from this the forms are issued to the occupiers. It is upon these returns that the assessments to Schedule A. are made up. Should the occupier fail to make a return of his rent, or of the annual value of the property occupied, the Local Commissioners make an estimated assessment, generally based on the gross value shown in the last Poor Rate, though they are not in any way bound to accept this valuation, and may make an independent one, based on what they consider to be the true annual value. Notices of assessment are then issued, against which an appeal may be made. Such appeals are heard by the Local Commissioners, the Surveyor of Taxes attending on behalf of the Crown. If the appellant is dissatisfied with the decision of the Commissioners he may claim to have a valuer appointed whose valuation is binding.

105. A new valuation is made every five years, and is adopted by law as the basis of the assessments for each of the four succeeding years.

5 & 6 Vict. c. 35.
s. 60.

The annual value is defined to be the rent if the property is let at rackrent on an agreement made within the seven years preceding, or, if the property is not so let, then on the rackrent at which it is worth to be let by the year.

57 & 58 Vict. c. 30.
s. 35.

The Finance Act of 1894 authorised an allowance in respect of repairs of one eighth in the case of lands (including farmhouses and buildings). In the case of houses and buildings other than those assessed with lands, where the owner is occupier or assessable as landlord, or where he does the repairs, a deduction of one sixth is allowed. Where a tenant is occupier and does the repairs, such deduction is made—not exceeding in any case one sixth of the assessment—as may be sufficient to reduce the assessment to the rent actually paid.

These deductions are made for the purposes of collection, i.e., they are not taken into account in arriving at the assessable value, but are a subsequent deduction in calculating the duty to be collected.

14 & 15 Vict. c. 36.

106. Assessments for Inhabited House Duty are determined by the same Authorities and in the same manner, but no deduction is allowed for repairs.*

VIII.—*System of Valuation for the Purposes of the Land Tax.*

107. For Land Tax purposes each parish or place of separate assessment is practically an independent area with a fixed quota which the local Land Tax Commissioners are charged with the duty of raising every year by a yearly assessment upon the properties in the parish which have not been exonerated. The quota was fixed in 1798, and has to be raised by an equal pound rate on the annual value of the properties assessed.

38 Geo. III. c. 5.
s. 4.
42 Geo. III. c. 116.
s. 180.

9 & 10 Vict. c. 28.
s. 31 (2), 32 (2).

Until the Finance Act, 1896, there was no direction to the Land Tax Commissioners as to the basis of valuation which they should adopt. They were simply to make the assessments "with as much equality and indifference as is possible." The rate was not to exceed 4s. in the pound.

By the Finance Act of 1896 the rate cannot exceed one shilling or be less than one penny in the pound on the income tax assessment. In the former case the excess of the quota over what would be produced by the shilling rate is written off for the year; in the latter any surplus which is raised by the penny rate is applied in redeeming part of the quota. The practical result of these provisions is that, in parishes which

* Mr. G. Prior Goldney, the City Remembrancer, who gave evidence on behalf of the Corporation of the City of London, complained that, as the result of the present system of levying the Inhabited House Duty in the City, large warehouses and offices, which contain ample residential accommodation, are left unoccupied to avoid the duty which would attach to the whole of the premises if a part was thus occupied; and that this was an inconvenience to those who would like to have a few clerks living on the premises either for the sake of protection or for business purposes. He also stated that many clerks with large families and small salaries would be very glad to live, at a moderate rental, in the large and healthy rooms at the top of such premises instead of having to travel to the suburbs. He suggested that property occupied for business purposes and also occupied as a residence, though in the same occupation, should be distinguished. Goldney, 10,058, 10,070-4, 10,076.

are affected by them, the annual value of the Income Tax assessment has to be adopted for Land Tax purposes.

Any person who is aggrieved by an assessment for Land Tax on his property has a right of appeal to the local Commissioners, whose decision is final.

IX.—*Objections to the present System of Valuation outside the County of London.*

108. The witnesses who have given information to us have unanimously concurred in the view that uniformity, equality, simplicity, and economy should exist under any system adopted for the valuation of properties.

109. They have agreed, and we entirely concur in their opinion, that these conditions are greatly wanting under the systems which now exist in the different Valuation Areas throughout the country outside the Metropolis, though there is some difference of opinion as to the precise mode by which such conditions should be secured. A general desire has been expressed by most of the witnesses, and in a number of resolutions which have been forwarded to us by Public Bodies, that it is desirable to have one Valuation Authority, and one system of arriving at valuations for the whole rating area over which common rates are raised; that upon such valuation all rates and taxes, both for Local and Imperial purposes, should be charged and levied; and, further, that, if possible, provision should be made to obtain uniformity in valuation throughout the whole country.*

110. We have already shown that it is possible, outside the Metropolis, for five Rotton, 84-90, independent valuations for the purpose of raising rates and taxes to exist contemporaneously in the same area, namely, one for the poor rate, one for the county rate, one for the borough rate, one for the income tax, and one for the land tax. The number of Valuation Authorities for local purposes in England and Wales, including the corporations of municipal boroughs (who, however, frequently accept the Poor Law Valuation), is over 1,000.

111. Outside the Metropolis there is no necessary time at which a Valuation List is to be made, and it is possible for the same list to be in operation for a very long period.† There is no uniform system of, or scale for, making deductions for arriving at the rateable values of various classes of properties, the amounts allowed frequently varying to a considerable extent.‡ There is no uniform system of compounding adopted.§ There is no guarantee that Union Assessment Committees are fairly representative of all interests within their areas, and it has been alleged that particular classes of property are sometimes over-valued or under-valued according to the interest which the members of an Assessment Authority may have in bringing about

* Rotton, 224-7, 242-4, 302. Dawe, 1139-42, 1294, 1314-5, 1341-2; and App. (Part II.) to Vol. I. of Min. of Ev., No. I., Par. 17. R. E. Fox, 1493-4. Jeeves, 1609, 1691-7; and App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Pars. 10, 11. Cripps, 2050-1, 2056. Sancroft Holmes, 2752-3, 2801. Cleaver, 3955-6, 8961, 4037. Humphreys-Davies, 4226, 4237-9, 4270-6. Peace, 4679-85, 4709. Cobbold, 5379-84. Theobald, 5550. County Councils Association, App. (Part II.) to Vol. I. of Min. of Ev., No. XVII., Par. 29. Hulton, 5809-12, 6000, 6010-1, 6049-56. Merrifield, 6074; and App. (Part II.) to Vol. I. of Min. of Ev., No. XIX., Pars. 1, 17, 18. Knocker, 6225-7, 6264-6; and App. (Part II.) to Vol. I. of Min. of Ev., No. XX., Par. 11. Swainson, 6387. Harris, 6395-410; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXII., Pars. 1, 7. Watkins, 6632. Horn, 6881-4, 6888-97, 6929, 6945-9. E. H. Davies, 6994-8. Cutter, 7070-2, 7083, 7086, 7094. Vulliamy, 7128, 7182-94. Eve, 7695. Pell, 7926-7, 7937, 7999. Rowlandson, 9975-7, 9980. Jeffreys, 11,169, 11,171-4, 11,222. P. R. Smith, 11,533-6. Payne, 11,600.

† Rotton, 14-7, 189, 192, 202-3, 221-2, 248. Dawe, 1119, 1123-4, 1288-40, 1419-21. R. E. Fox, App. (Part II.) to Vol. I. of Min. of Ev., No. II., Par. 3. Jeeves, 1616-7. Cleaver, 3918. North, 4516-8, 4529-32. Hett, 4554-6, 4599-606. Peace, 4668-71. Cobbold, 5241-6. Duffield, 5406-7. Hulton, 5764, 6007, 6039-45. Merrifield, 6077. Harris, 6394; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXII., Par. 7. Horn, 6900-4. Eve, 7696-7. Pell, 7900-1.

‡ Rotton, 39, 40, 195-6. Jeeves, 1593-600; and App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Table I. Cripps, 2033-5; and App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Pars. 13, 14. Poland, 2228-9. Cleaver, 3991, 4307. Hett, 4561. Peace, 4709-10. Cobbold, 5276-88; and App. (Part II.) to Vol. I. of Min. of Ev., No. XV., Pars. 5, 13, 21-9, and Sch. II. Hulton, 5766, 5771-2, 5832, 5915. Merrifield, 6072-3, 6088-9; and App. (Part II.) to Vol. I. of Min. of Ev., No. XIX., Par. 16. Norton, 6440-8, 6469-70. Horn, 6920, 6981. E. H. Davies, 6994-8. Cutter, 7078-83. See also App. D., p. 58.

§ Dawe, 1133, 1157-62, 1204, 1231-2, 1275, 1329; and App. (Part II.) to Vol. I. of Min. of Ev., No. I., Pars. 10, 11, 31. R. E. Fox, 1471-3, 1514-5; and App. (Part II.) to Vol. I. of Min. of Ev., No. II., Pars. 6, 7, 13, 16. Jeeves, 1618-20, 1689-90, 1754; and App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Par. 19. Cripps, 2022. Vulliamy, 7130-6.

such a result.* There is no statutory power for Assessment Committees to ascertain from owners and occupiers of property the amount of rent paid and other particulars,† and Assessment Committees have not the advantage, as is the case in the Metropolis, of the experience and knowledge of the Surveyors of Taxes.‡

Rotton, 38. Cripps, 2050-1. Morse, 4858. Crompton, 4976-7, 4981-7, 5000-1, 5041-2. Cobbold, 5240-41. E. H. Davies, 6188-9. Livesey, 6330. Jeffreys, 11,171. P. R. Smith, 11,541-2.

Rotton, 191-2, 195-G, 250-1. Dawe, 1200. Jeffreys, 11,167-8.

Rotton, 38.

112. As between Parishes and Parishes, Unions and Unions, Counties and Counties, there is no uniformity in the system adopted for valuation. Consequently there is frequently considerable inequality in the valuation of properties of the same character in different districts; and also in the relative amount of rates paid by occupiers in different parishes in the same Poor Law Union. Indeed under the present system of levying County and Union rates it is to the interest of Assessment Committees to have a low valuation, and this result could be obtained, by undervaluing, by neglecting to revalue, or by making large deductions from gross values of properties.

113. Where separate valuations are made by different Authorities in the same area, if the valuations are identical, trouble and expense are incurred to no purpose. If the valuations are not identical, obviously there must be some want of equity in the distribution of charge among the ratepayers.

114. On the other hand, in the case of separate valuations not being made, for instance, where the Council of a County, or of a Borough, situate in more than one Poor Law Union, adopts for the purpose of County or Borough rates the Valuations made by Union Assessment Committees, inequalities are even more likely to occur, since the valuations are made by separate Authorities who are entirely independent, both as to the time for making and revising the lists, and as to the system for determining gross and rateable value. We have been informed that variations in these respects actually occur, and indeed it is clear that the Authorities of the smaller areas have a positive interest in keeping their valuation low, so as to reduce their contribution towards common expenditure.

115. In Appendix B. (p. 50) to this Report we have given in some detail extracts from the evidence of certain witnesses representing County and Borough Authorities, and also of witnesses representing large commercial interests, demonstrating some of the inequalities and anomalies which result from the present system.

116. A general opinion has been expressed that the Courts of Sessions are not satisfactory tribunals for hearing rating appeals having reference to special classes of property, such as railways, canals, mines, tramways, docks, &c., and that a special Authority, with a constitution analogous to that of the Railway Commission, and consisting of members with a special knowledge of rating questions and of law, would have more time to devote to the subject, and would be more fitted to consider complex and technical questions at a less cost to the parties concerned. It is also thought that greater uniformity in decisions would be thereby secured.§

* Rotton, 38, 95-7, 304-11. R. E. Fox, App. (Part II.) to Vol. I. of Min. of Ev., No. II., Par. 11. Cripps, 2007-8, 2011-6; and App. (Part. II.) to Vol. I. of Min. of Ev., No. V., Pars. 10, 11, 36. Sancroft Holmes, App. (Part II.) to Vol. I. of Min. of Ev., No. X., Par. 5. Cleaver, 3959-60. Humphreys-Davies, 4174, 4179-81, 4316, 4352, 4433; but see also 4310. C. H. Fox, 4459. D. Howard, 4500-1. Morse, 4727-40, 4830-9, 4879, 4931-3. Adamson, 5134-40. Knocker, 6178-95, 6227-32, 6235-7, 6249-51, 6258-62; and App. (Part II.) to Vol. I. of Min. of Ev., No. XX., Pars. 4, 6, 7. Swainson, 6293; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXI., Pars. 8, 4, 9. Vulliamy, 7202-5. Pell, 7911-5, 7921, 8024. Peterson, 8257-61. Gepp, 8560. Jeffreys, 11,167-70. P. R. Smith, 11,372, 11,380, 11,422. Payne, 11,639-40. Kennedy, 18,854-9, 18,875-8. Manners Smith, 18,986-94, 18,999-19,004. McLeod, 19,292-304, 19,330-49. But contra see Horn, 6964-72. Cutter, 7108-13. Clare Sewell Read, 10,325-6.

† Poland, 2291. Ratcliffe Ellis, 2574-6. Sancroft Holmes, 2758-9. Cleaver, 3938-41, 3969. North, 4519. Peace, 4673. Cutter, 7074-7.

‡ Cleaver, 3961. Peace, 4672, 4709. Morse, 4953. Theobald, 5550. Hulton, 5768-70, 5943-51, 6000-6, 6009, 6028. Merrifield, 6078. Horn, 6884, 6888-97, 6947. E. H. Davies, 7010-5. Cutter, 7072. Vulliamy, 7185-7. Pell, 7924, 7999, 8024. Gepp, 8515-6, 8560-5; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXV., Pars. 14, 15. Jeffreys, 11,170-2. P. R. Smith, 11,342-6, 11,372, 11,422-3, 11,472-6. Payne, 11,600. S. M. Howard, 11,718-20.

§ D. Howard, 4502-4. Morse, 4737-45, 4778-804, 4893-7, 4953. Crompton, 4968-73. Adamson, 5087-9. Hulton, 6011, 6049-56; and App. (Part II.) to Vol. I. of Min. of Ev., No. XVIII., Pars. 5-7. Merrifield, 6067, 6073, 6129; and App. (Part II.) to Vol. I. of Min. of Ev., No. XIX., Pars. 17, 18. Eve, 7702, 7726-8. Jones, 9111-2, 9145, 9184-6, 9275-8; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXVIII., Pars. 16-8. Livesey, App. (Part II.) to Vol. I. of Min. of Ev., No. XXIX., Par. 31. C. C. Smith, 9395; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXX., Par. 8. Clare Sewell Read, 10,396. P. R. Smith, 11,380, 11,431-5, 11,528-32. Payne, 11,610. S. M. Howard, 11,721-5, 11,745; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXXIX., Par. 23 (2). Male, 11,977. Vallance, 12,903-5. Dewey, 13,050. Vigers, 19,377, 19,410-29.

X.—Objections to the present System of Valuation in the County of London.

117. With reference to the working of the Valuation (Metropolis) Act, it will be seen that some of the chief points of complaint made against the present system outside the Metropolis have been met to a certain extent by the provisions of this Act, which secures one valuation serving as the basis for both Imperial and Local Taxation, a re-valuation of all properties once every five years with power of revision during the intermediate period, a scale of maximum deductions for the purpose of arriving at the rateable value, and the furnishing of returns similar to those obtained under the Income Tax Acts from owners and occupiers. The association of the Surveyor of Taxes with the valuation is also provided for by the Act. The advantages of these provisions have been recognised by various witnesses, who, as already stated in paragraph 99, have recommended their extension to the other parts of the country.

118. But these provisions are said not to have secured all that could be desired in the direction of a uniform and equitable system of valuation. It has been represented to us, as we have already stated, that, although the London County Council has promoted conferences of representatives of the various Assessment Authorities with the view of producing uniformity of assessment procedure and practice, there is no Central Authority having statutory power to control the work of these Authorities; that there is no power to bring into a Provisional List properties or parts of properties altogether omitted from the Quinquennial List, the occupiers of such properties consequently escaping for some time their share of local burdens; that the scale of maximum deductions appears to be generally regarded as the scale of actual deductions, and consequently that property of which the value of the site forms a large proportion of the total value, is more liberally dealt with than property in which the value of the site forms only a small proportion; that the form at present in use for the purposes of the return made by the occupiers is not suitable to some very large and important classes of property; that there is no power to obtain returns from occupiers for the purposes of Provisional and Supplemental Lists; and that the preparation of the Valuation Lists of parishes not in union does not appear to be subject to the check of overseers of other parishes, as is the case in parishes forming part of a Poor Law Union.

119. It has also been pointed out to us that where the powers of overseers have been transferred under section 33 (1) of the Local Government Act of 1894 to the Vestries of parishes forming separate Sanitary Areas, and in which the Vestries appoint the Assessment Committee, such Vestries have the control both of the preparation of the Valuation Lists and of their revision. Attention has been drawn to the inconsistency of adding 10 per cent. to the rent reserved in certain cases of property held under repairing leases to obtain the gross value, and of allowing the full maximum deduction from the gross value thus arrived at in order to obtain the rateable value of such properties. It has also been suggested that it would be advisable for the Surveyor of Taxes to have statutory powers to attend all meetings of the Assessment Authorities held for valuation purposes.

XI.—Attempts made to improve the System of Valuation.

120. The defects in the system of valuation to which we have alluded have been recognised for a number of years, and, in addition to the Acts of Parliament which have been passed dealing with questions of valuation, various attempts have been made by the Legislature to remedy them, and to obtain uniformity in assessment throughout areas over which rates common to such areas were levied. The Valuation (Metropolis) Act passed in 1869 embodied a number of suggestions which had been made in various Bills brought into Parliament, the most important of such suggestions being those to which reference has already been made in paragraph 117. Although the application of similar provisions to the rest of England and Wales have been recommended at various periods by Royal Commissions and by Select Committees of the Houses of Parliament, and have also been included in several Bills brought into the House of Commons, such provisions have not as yet received the sanction of the Legislature, nearly all the Bills being withdrawn after the first or second reading.

121. In April 1850 a Bill introduced into the House of Commons by Mr. (afterwards Sir) George Cornewall Lewis and Sir George Grey "for establishing one uniform mode of rating for the relief of the poor in England, and of assessing County rates," proposed that an Assessment Board should be formed in each County in England and

Wales composed of Justices of the Peace for the supervision and control of valuations. The authority of the Board was to extend over every city, county of a city, county of a town, and Borough within the county, provision being made that the mayor of a borough should be entitled to act as a member of the Board in relation to such matters as the approval of any list for any parish or place situated within the Borough, or the hearing or determining of objections thereto, and the making of alterations and insertions. Provision was made for the Board to appoint valuers, surveyors, and other officers with power to enter upon any lands, houses, or other properties for the purpose of making valuations; and for the Board to obtain information from officials in charge of documents relating to the assessments of rates and taxes. Provisions were also made for the making of Valuation Lists by the overseers in each parish in the county, for their deposit for public inspection, for the making and hearing of objections, and for the making of new or Supplemental Valuation Lists from time to time. Further, where it appeared to the Board that any question of law was involved in any objection to a Valuation List, or arose on the hearing of such objection, the Board might either before, or upon the hearing of the objection, authorise the person objecting to appeal to Quarter Sessions, and might certify any facts which were proved or admitted before the Board, or which had been ascertained by them. The Poor rate, County rate, and Borough rate were to be levied according to the net annual value of the property in the Valuation List. The Assessment Board was directed to send a yearly report to one of the Secretaries of State containing information of their proceedings, and giving the total net annual value of the rateable property in each parish according to the Valuation List in force as approved by the Board.

Hansard, 3. s.,
Vol. 110, Col. 1,
and Vol. 111,
Cols. 1-3.

122. This Bill did not go beyond the first reading, but the same Session Lord Portman moved in the House of Lords for the appointment of a Select Committee, "to take into consideration the state of the Law affecting Parochial Assessments." He stated that "his object was to have an uniformity of rating on all the property of the country," and to secure "one rate and assessment for all the local taxation, instead of "continuing the endless varieties of rating in the same parish, for the many wants "thereof."

House of Lords
Paper, 150 of
1850, or House of
Commons Paper,
622 of 1850,
Questions 16,106.

123. The Committee was appointed and Mr. (afterwards Sir) George Cornwall Lewis, who was the first witness called by the Committee, referring to the Bill introduced that session, said: "I may state that one of the objects which the Bill, which is now "before the House of Commons, has in view, is as far as possible to secure a uniform "rating of all species of property up to the full value. I need not tell the Committee "that any attempt to secure the rating of property up to its full value is extremely "difficult; there is always an unwillingness to set down the full value of anything, "from an apprehension that it will lead to increased taxation; there is a constant "struggle to keep the assessment of property below its full value, partly with reference "to other classes of property in the same parish, and partly with reference to the "county rate; because if one parish can keep down its rating below that of another "parish, although it may be rated fairly as between all persons in the parish, it gains "in the county rate, if other parishes are rated up to the full value. Therefore there "is a constant disposition to keep the assessment for local rates below the full value; "and one of the objects which this Bill has in view is as far as possible to secure a "uniform rating up to the real value of the rateable hereditament."

The witness further said: "We have never recognised the principle of having one "valuation for all the different rates. If that principle were once admitted, the "inducement to have an accurate and complete valuation would be at its maximum, "because then you would know that whatever charge might be imposed, it would be "imposed upon that valuation; whereas if there is one assessment for one rate, and "another assessment for another rate, and an amended assessment for a third rate, no "one cares much about making any assessment perfect. This is one defect of the "present system of valuation."

House of Lords
Paper, 150 of
1850, or House of
Commons Paper,
622 of 1850.

124. The Committee made, among others, the following recommendations:— "That the Magistrates at Quarter Sessions shall divide Counties into Districts, and "appoint Committees of Magistrates to examine the assessments of Parishes in each "District, and shall appoint District Surveyors to assist them (if necessary) in "ascertaining the correctness of such assessments. That the Ratepayers in Vestry in "every Parish be directed to appoint a Committee to assist the Overseer to make the "Assessment in their Parish. If One-third or more in value of the ratepayers apply "to Justices in Special Petty Sessions for a Surveyor, the Justices shall appoint one

" to assist the Committee. That within one Month after notice has been given that the Overseer has signed the assessment, any ratepayer may appeal therefrom. That such assessment, after the appeals are decided, shall be fixed for One Year. The Justices acting in each Union, whether resident therein or not, shall hold a Special Sessions once a year, with power to adjourn the same, for the purpose of hearing appeals, and examining the assessments of every Parish within each Union, in order to ascertain whether the said assessments are made on an uniform principle, and on an equal relative valuation; and the said Justices may, if they shall think fit, call in the assistance of the Surveyor for the district appointed by the Quarter Sessions. That the assessment shall not be thereafter altered, except on cause shown in cases of value to Justices in such Special Petty Sessions, or in cases of law to Justices in Quarter Sessions. That the Auditor shall not pass the accounts of the Officers of any Parish wherein the assessment has been altered contrary to this law. That the ratepayers in Vestry shall appoint in each year, after the year wherein such assessment has been made, a committee to examine and take measures to correct, according to law, the assessment of the Parish. Individuals may apply for alterations to Overseer, who shall lay the application before the committee of Vestry, and if acceded to, the Overseer, or the party interested, shall state the cause to the Justices; if refused by the committee of Vestry, the individual may appeal."

In 1852 the County Rates Act was passed (*see* paragraphs 61 to 70), and then no further action was taken by the Legislature to deal with the question of valuation until the passing of the Union Assessment Acts in 1862 and 1864 to which reference has been fully made in Section III. of the Report, paragraphs 40 to 60.

125. Five years after the passing of the Union Assessment Act, 1862, a Bill was introduced into the House of Commons by Mr. Ward Hunt, Secretary to the Treasury, " to provide for a common basis of value for the purposes of Government and Local Taxation, and to promote uniformity in the assessment of rateable property in England." 25 & 26 Vict. c. 103.

126. The main feature of this Bill was the suggested establishment of a County Valuation Board in every county to direct and supervise in certain matters the proceedings of the Union Assessment Committees which had been created under the Act of 1862. The Board was to consist of two members elected annually by each Assessment Committee from their own body, a member of each Town Council of a Borough having a separate Court of Quarter Sessions, or else one of the magistrates of the Borough, with power to form committees to do the necessary work. The Board were to frame a scale of maximum deductions and draw up instructions respecting their application, which should be binding on the Assessment Committees and overseers in the county. They were also to examine the Valuation Lists when approved by the Assessment Committees, and alter them if their instructions had been improperly carried out, and had power to summon the overseers and others before them and to call for returns. The Board could also, if they thought fit, divide the county into districts for the purpose of appeals, and appoint an assessor (~~M~~arrister) to hear and determine them, and alter the lists if necessary. The Valuation List was to be conclusive for poor rate, county rate, borough rate, and every other rate levied on the same basis, and also for certain taxes. Every Valuation List was to be revised annually. Provisional Lists were, if necessary, to be made at intervals, and a new one was to be made triennially. Occupiers were to make returns triennially, and they might also be obtained by the Assessment Committee from both owners and occupiers, but, if demanded by the Surveyor of Taxes, the collection of such returns was compulsory. The Overseers were to make two copies of the Valuation List, one of which was to be forwarded to the Surveyor of Taxes who might give notice of objections and appeals. The amount of gross value of a property specified by Surveyors of Taxes in such notice was to be inserted in the Valuation List, unless proved to be wrong.

It was also provided that where a Borough was situated in more than one County, every Union of which any part was situated in the Borough should, for the purpose of the Bill, be deemed to be in the County in which at the time of the passing of the Bill the largest part in value of the Borough was situated, and where a Union or Parish was in more than one County it was to be deemed to be in the County in which the largest part in value was situated. The Bill did not apply to the Metropolis.

127. Mr. Ward Hunt when introducing the Bill drew attention to the hardships imposed upon ratepayers in having to appeal against several valuations, and to the advantages of having one valuation for all purposes within the area of a county. He Hansard, 3 s., Vol. 185, Cols. 252, 253.

pointed out that the Bill proposed to make use of the existing machinery, and that the functions of the Boards of Guardians and of Poor Law Officers were not to be disturbed.

The County Valuation Board would chiefly be concerned with matters relating to the scale of deductions. This Bill was read a second time and committed to a Select Committee, but was subsequently withdrawn.

House of Commons
Paper, 342 of
1868, Reprinted
May 1873, Par. 2.

128. A Select Committee of the House of Commons appointed in 1868 to inquire into the assessment and collection of poor rates and other local rates and taxes in England and Wales, made the following observations in their report:—

"Your Committee . . . assume that Parliament will, as soon as practicable, pass some measure, which, in their opinion, is much required, for the purpose of establishing a common basis for the assessment of local rates and taxes, to secure an accurate account both of all property to be assessed, and of the annual value on which the assessment is to be made, so that the rating shall be equal on all the contributories to local charges to the extent to which they are to be taxed."

Hansard, 3 s.,
Vol. 194, Col. 170.

129. In 1869 the Valuation (Metropolis) Act was passed which embodied several of the provisions contained in Mr. Ward Hunt's Bill of 1867. Mr. Goschen, the Chief Commissioner of the Poor Law Board, in moving for leave to bring in the Bill said that its object and scope was to provide "that where there was a common charge there should be a uniform assessment co-extensive with the area of that charge." Reference has already been made to the main features of this Act in Section VI., paragraphs 75 to 103.

We have been informed that the effect of this Act has been to secure uniformity to a considerable extent in the systems adopted by the various Assessment Committees within the Metropolis.*

Hansard, 3 s.,
Vol. 194, Col. 185.

130. In the same year Mr. Goschen introduced a Bill which did not apply to the Metropolis, "to provide for a common basis of value for the purposes of government and local taxation, and to promote uniformity in the assessment of rateable property in England." This Bill resembled, as regarded the constitution and powers of County Valuation Boards and generally as to its other provisions, the Bill introduced by Mr. Ward Hunt in 1867. The Valuation Boards were to determine the percentage or rate of deductions to be made from the gross value in calculating the rateable value of hereditaments, and were to be guided by the amounts given in a Schedule annexed to the Bill, the limits of which were not to be exceeded, and that appeals were to be made to the County Court Judge of the district. The Bill was withdrawn in July 1869 without debate.

House of Commons
Paper, 353 of 1870,
Par. 5.

131. A Select Committee of the House of Commons, appointed in 1870 to inquire whether it was expedient that the payment of local rates should be divided between owners and occupiers, referring to the question of uniformity in assessment and collection of rates, resolved:—

"That the great variety of rates levied by different Authorities, even in the same area, on different assessments, with different deductions, and by different collectors, has produced great confusion and expense; and that, in any change of the law as regards local taxation, uniformity and simplicity of assessment and collection, as well as of economy of management, ought to be secured as far as possible."

32 & 33 Vict.
c. 67.

132. In 1873, a Bill was introduced by Mr. Stansfeld to "provide for uniformity in the valuation of property for the purposes of rates and taxes," which recited that it was expedient to extend the Valuation (Metropolis) Act to the rest of England. The provisions of the Bill were in many respects similar to those contained in the Valuation (Metropolis) Act, providing for a quinquennial re-valuation, annual revision, and Provisional Lists, the making of returns by owners and occupiers, a maximum scale of deductions, and for certain powers to be given to Surveyors of Taxes. The Valuation List was to be conclusive for the purposes of all local rates and certain taxes.

Hansard, 3 s.,
Vol. 215, Cols.
1503-6.

133. Mr. Stansfeld in introducing the Bill, pointed out that the valuation made by the Union Assessment Committees did not bind the County Authorities, and could not be accepted as the basis both for all rates and taxes, owing to the great want of uniformity which existed, due to the different systems adopted by the various Valuation Authorities for ascertaining the rateable values. Mr. Stansfeld further pointed out that what was desired was to obtain uniformity of gross valuation, and uniformity

* Rotton, 244. Poland, 2291-6. Humphreys-Davies, 4228-6. Cutter, 7070-83, 7086-7, 7094-5, 7104-7, 7114. Pell, 7897-9, 7922, 7937-8. See also References to Par. 99.

of deduction for the purposes of arriving at the rateable value, not only as between every parish and union in the county, but as between the various counties, in order that one basis of valuation for rates and taxes might be secured. This Bill was also withdrawn.

134. In each of the years 1876, 1877, 1878, and 1879, Mr. Sclater-Booth, the President of the Local Government Board, introduced a Bill to consolidate and amend the laws relating to the valuation of property for the purposes of rates and taxes, but they were all withdrawn. Many of the provisions in these Bills were of a similar character to those contained in the Valuation (Metropolis) Act, and introduced in Mr. Stansfeld's Bill in 1873, already referred to. In the Bill of 1876, provision was made for a Committee of the Quarter Sessions of a county to supervise, with a view to the County Rate, the totals of the gross and rateable value of the Valuation Lists of the various parishes in the county. The Committee were given power to make objections to or appeal against a Valuation List. This provision for the establishment of a Committee of Supervision was omitted in the Bill of 1877.

135. When introducing his Bill of 1877, Mr. Sclater-Booth said that he relied a *Hansard*, 3 s., good deal in submitting the measure to the House upon the absurdity of the present system by which the same description of property was valued by different Authorities upon different principles or bases of valuation. He then expressed the opinion that the area of a Union was sufficiently large to be administered for the purpose of valuation, that the Guardians had carried out their work of valuation with justice and accuracy, and that he saw no ground for taking away their duties connected with valuation, or for entrusting these duties to a body representing the larger but uncertain area of a County. He thought that a county authority could not have the same minute knowledge of the detailed circumstances of different localities and would fail to give satisfaction.

136. Sir Walter Barttelot, on the other hand, stated that a very large practical experience had shown him that the rates in different Unions, although adjoining, were far from being equal, and, in order that they might be placed upon a fair and reasonable footing, there should be some fresh general valuation made throughout the counties.

137. In 1878, on the proposal for the Valuation Bill of that year to go to Committee, Mr. Sclater-Booth said that the first object was to secure one valuation instead of having properties valued by several Authorities, and secondly, to secure uniformity in the charge for the County Rate, a step which, in his opinion, would pave the way for other administrative reforms. He stated that the Government believed that a great, although not a complete, approach towards uniformity would be achieved by the provisions as to county supervision in the Bill. Amendments were moved to the Bills of 1877 and 1878 to the effect that the question of valuation should be postponed until after the County Boards had been established, as the Bill ought to follow a County Government Bill and not precede it. Mr. Sclater-Booth, however, expressed the opinion that the passing of the Valuation Bill would advance the prospects of passing a Bill to establish County Boards, and several clauses of the 1878 Bill were passed through Committee before it was withdrawn. The Bill of 1879 was substantially the same as that of 1878.

138. In the Sessions of 1878 and 1879 Bills were introduced by Mr. Sclater-Booth, to establish County Boards in England for certain administrative purposes connected with county business, which were also withdrawn. Among other provisions in the later Bill, the powers, functions and duties of the justices in Quarter Sessions in relation to preparing a basis or standard for, and the making, assessing, levying, and collecting any county rate, or hundred rate, were to be transferred to the County Board. In the Valuation Bills of the same Sessions, it was provided that where a County Board had reason to believe that an Assessment Committee, in revising the Valuation List of any parish in the county, had adopted a different scale of deductions or principle of valuation to that defined by the Act, or in use in another parish in the County, or that the total of the gross or rateable value in a Valuation List for a parish in the county was too high or too low, the Board might require the Assessment Committee to revise the list, and if necessary, might direct a valuation of the parish, or any class of hereditaments therein, to be made by a valuer appointed by the Assessment Committee and approved by the Board.

139. The objections which were raised to the Bills introduced by Mr. Sclater-Booth in 1877 and 1878, that the creation of a County Authority for dealing with questions

affecting valuation should follow, and not precede, an Act creating a system of County Local Government, have since been removed by the passing of the Local Government Act of 1888, which created representative Councils in the areas of Administrative Counties, and in County Boroughs.

Hansard, 3 s.,
Vol. 232,
Col. 1588.
Hansard, 3 s.,
Vol. 240.
Col. 1526.

140. Further, among the reasons urged by Mr. Sclater-Booth when introducing his Bills in 1877 and 1878 in favour of retaining the areas of Unions for the purposes of valuation was the following:—That as the Boards of Guardians were the Authorities entrusted with the spending of the greater portion of the ratepayers' money, and with the more detailed management of their local affairs, they should also be entrusted with the valuation and assessment of properties in respect of which local rates were raised.

141. But for some years a considerable change has been taking place in the relative amounts raised by the County, the Poor Law, and the Borough Authorities.

The following figures show that in the last 17 years the amount of rates raised by the County and Borough Authorities has much increased compared with the amount of those raised by the Poor Law Authorities.

Thus in 1879–80 the total amount of rates raised by County and Borough Authorities outside the Metropolis was 5,495,944*l.* or 10·0 per cent. less than the amount so raised by Poor Law Authorities, viz., 6,107,805*l.*, whereas in 1896–97, the County and Borough Authorities raised 11,537,947*l.*, or 72·7 per cent. more than the total sum (6,681,332*l.*) raised by the Poor Law Authorities. It should also be noted that of the 8,803,727*l.* raised by rates by Borough Authorities in 1896–7 the Councils of County Boroughs were responsible for 6,457,500*l.*

Mr. Fowler's Return on
Local Taxation.—H.C.
Paper 168 of 1893, and
The Annual Local Taxa-
tion Returns, 1896–7,
Parts III. and VII.

TABLE showing the AMOUNTS of RATES raised by POOR LAW, COUNTY, BOROUGH, and other LOCAL AUTHORITIES in ENGLAND and WALES (excluding the Metropolis) in 1879–80 and 1896–97.

Authorities.	1879–80.	1896–97.
Poor Law Authorities -	£ 6,107,805	£ 6,681,332
Borough Authorities:—		
County Boroughs -	3,937,113	{ 6,457,500*
Other than County Boroughs		2,346,227*
County Authorities -	1,558,831†	2,734,220†
Other Local Authorities -	5,226,576	9,032,982
• Total - £	16,830,325	27,252,261

XII.—Objections to the present System of the Collection of Rates.

142. The collection of separate rates and taxes is frequently made in the same area at different periods, by different collectors appointed by, and acting under the instructions of, different Spending Authorities.

143. Thus within the areas of Boroughs and Urban Districts outside the Metropolis, separate collections are made for Imperial Taxes, for the Poor Rate, and the General District Rate.‡

For instance, in the case of a Borough with five parishes there will be a set of collectors for the Poor Rate in each parish, another set of collectors employed by the Corporation to go over the same areas to collect the Municipal rates which are not collected with the Poor Rate, and also the collectors for the Imperial taxes.

* Excluding contributions to School Boards.

† including 91,462*l.* and 185,687*l.* raised by the Receiver for the Metropolitan Police District in extra-Metropolitan Districts.

‡ Dawe, App. (Part II.) to Vol. I. of Min. of Ev., No. I., Pars. 13–15. R. E. Fox, App. (Part II.) to Vol. I. of Min. of Ev., No. II., Par. 2. Jeeves, App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Par. 10. Cripps, App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Pars. 26–30. Norton, 6452–4.

144. We have received numerous complaints of the present system, both from witnesses who have appeared before us, and from Public Bodies, who have sent resolutions condemning it on the ground that it entails unnecessary trouble, expense, and inconvenience to the Authorities concerned, particularly in urban centres, and also to the ratepayers. Many of them have suggested that all rates and taxes in each area should be collected simultaneously by the same collector upon one demand note, under the direction of one Authority.* In the Appendix to this report the App. C., p. 55. evidence of certain witnesses is given demonstrating the inconvenience frequently entailed by the existing system, and showing that a considerable saving to the ratepayers can be effected by a reduction in the number of collecting Authorities.

XIII.—Attempts made to improve the System of Collection.

145. The defects and inconveniences referred to have at various times been pointed out by Select Committees of the House of Commons, and attempts have been made to remedy them by legislation.

146. The Select Committee of the House of Commons appointed in 1868 to inquire into the assessment and collection of poor rates, and other local rates and taxes in England and Wales, reported with reference to the collection of rates as follows:—

147. “At present the greatest diversity of procedure exists, both under “the general Acts and numerous local Acts now in force. In some places the Poor “Rate is made and collected separately from a Borough Rate, or other rate; in others “it includes one or both of such rates; other rates are in like manner made “separately or in combination. In some parishes there are several rate books, in “others but one, with several distinct rates entered in it. Nor is there any certain “time for which rates are to be assessed; in some parishes they are made yearly, in “others half yearly, in others three times, and in others quarterly; and rates for “different purposes are made at different periods; nor is there any law tending to “ensure the several rates being assessed at the same time, or for the same period, in “the same parish. The collection of the rates, when made, is also carried on without “any uniformity of system; sometimes one collector, in some places, collects several “rates in the same district; in other places different collectors are employed to collect “the rates separately in the same district. Nor is there any well-defined period or “rule for the collection of the rates, for accounting for arrears, or for enforcing “their payment. In some places the overseer of the poor collects the poor rates and “other rates with them; and in others stipendiary assistant overseers or collectors are “employed, and are remunerated either by a commission or a fixed salary.”

“This confused state of things manifestly entails upon the local officers, who have Par. 7. “to undertake the duty of making or collecting rates, a great deal of unnecessary “trouble and expense, which your Committee think might be obviated by a more “comprehensive and complete system.”

“To provide for a careful and regular collection of the rates, that duty should be Par. 13. entrusted to one or more paid collectors, who should be allowed a per-centge on “the rate collected, or a salary They should also be required to “discharge the duty of ascertaining all improvements in the condition of the premises “rendering a re-assessment necessary, and inquire into all changes in the ownership “and occupation of the premises, and to report thereon, from time to time, to “the overseers, or to the Authority by whom the assessment roll may be prepared. “Upon these reports a supplemental rate could be made as required, so as to charge “each ratepayer with his proper quota for any part of the year for which he might “be liable. Thus the rate book would be continually revised, and an accurate register “of the improved value of each property and of every change in its occupation would “be kept up.”

* Rotton, 242-3. Dawe, App. (Part II.) to Vol. I. of Min. of Ev., No. I., Pars. 20-22. R. E. Fox, 1493-4; and App. (Part II.) to Vol. I. of Min. of Ev., No. II., Par. 1. Jeeves, 1611-2; and App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Pars. 14-5. J. H. Ellis, App. (Part II.) to Vol. I. of Min. of Ev., No. V., Pars. 6, 7. Cripps, 2023-32; and App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Pars. 31, 35. Cleaver, 3955. North, 4527. Hett, 4564. Peace, 4685. Cobbold, 5343. Knocker, 6221, 6265-6. Swainson, 6314. Harris, 6395-7; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXII., Par. 6. Norton, 6452-4, 6486-9. Horn, 6890, 6928, 6936-7. Vuillamy, 7128, 7182. C. C. Smith, App. (Part II.) to Vol. I. of Min. of Ev., No. XXX., Par. 15. Tagg, 18,524-5.

House of
Commons Paper,
342 of 1868,
Reprinted May
1873,
Par. 37.

148. Among the resolutions passed by the Committee were the following:—

That every Local Authority entitled to raise any money by means of local rates should make a requisition on the overseer or other proper officer for the whole amount required to be paid, so far as the same can be estimated, for the period of one year, commencing at a fixed period.

That such requisition should state the amounts which may be required for the several purposes, if more than one, for which rates are authorised by law to be made.

That the overseer should, on receipt of all the requisitions made on him for the year, make one consolidated rate sufficient to satisfy all such requisitions.

That a Demand Note should be left with each ratepayer, on the rate being made, stating the amount of the requisitions, the rate in the pound for each purpose, and the period for which the rate is made, the rateable value of the premises, the amount of the rate thereon, and of each payment.

That every change in the ownership and occupation of premises should be reported by the collecting officer to the overseer, and every increase in the value of the premises should be reported to the Assessment Committee.

That the Commissioners for the Assessment of Imperial Taxes should deliver yearly to the overseer, or other proper officer, a schedule of the taxes to be collected from taxpayers in the parish (except the assessment of the Special Commissioners of the Income Tax).

House of
Commons Paper,
353 of 1870.

149. Again, in 1870, the Report of the Select Committee of the House of Commons on Local Taxation contained the following references to the subject of the collection of rates:—

That the great variety of rates levied by different Authorities, even in the same area, on different assessments, with different deductions, and by different collectors, has produced great confusion and expense; and that, in any change of the law as regards local taxation, uniformity and simplicity of assessment and collection, as well as of economy of management, ought to be secured as far as possible.

That the consolidation into one rate of all local rates collected within the same area is a matter of great importance; and your Committee concur in the Resolution of the Select Committee on Poor Rates Assessment, 1868, which recommended one consolidated rate, viz.: “that a demand note should be left “with each ratepayer, on the rate being made, stating the amount of the “requisitions, the rate in the pound for each purpose, and the period for which “the rate is made, the rateable value of the premises, the amount of the rate “thereon, and of each payment” of the instalments of the rates.

150. In 1873 Mr. Stansfeld, the President of the Local Government Board, brought in a Bill, which was subsequently withdrawn, to amend the law respecting the collection and making of rates, and to provide for a consolidated rate. The provisions of the Bill did not apply to the Metropolis. The Bill provided that all Local Authorities should serve precepts on the overseers of parishes before the commencement of each rating year, requiring the overseers to raise and pay them the sums specified by them for their requirements at such times and in such instalments as was desired. After the commencement of the rating year, the overseers were to cause an annual rate called the local rate, to be assessed and made, sufficient to raise the sums required to satisfy all the precepts received by them, and for all other expenses payable out of the poor rate.

The local rate was to be assessed, made, and levied at an equal rate in the £, subject to certain deductions, on the full rateable value stated in the Valuation List for the parish of every rateable property comprised in the list. Before the levy of the rate or first instalment of the rate became payable, the overseers were to serve on every occupier liable to pay such rate a demand note stating—

- (1.) The amount of the fund to be raised by the local rate.
- (2.) The amount in the £ of such rate.
- (3.) The approximate amount in the £ required in respect of each precept.
- (4.) The amount to be paid during the ensuing year by the occupier.
- (5.) The manner and time of paying such amount.

XIV.—Suggested Areas for the Purposes of Valuation.

151. The following suggestions have been made by witnesses, the majority of whom represent Local Authorities, for the creation of one Valuation Authority, upon whose valuations all rates and taxes should be levied:—

- (1.) That there should be a Valuation Authority in each Geographical* County.†
- (2.) That there should be a Valuation Authority in each Administrative County, and also in each County Borough.‡
- (3.) That the existing Union Authorities should be retained, and, perhaps, made more representative; and that a Central Authority should be created in each county to supervise the valuations of the various Union Authorities within it.§
- (4.) That the existing Union Authorities should be retained, and made representative of the chief rating Authorities in the county, and also of the Inland Revenue Authorities.||

152. It is unfortunate that, owing to some Poor Law Unions being situated in more than one Administrative County, and to others being situated partly within and partly without the areas of Boroughs, it is impossible to suggest any scheme which will in all cases secure that the area of each Spending Authority shall be conterminous with the areas of one or more Valuation Authorities or be wholly comprised in the area of one Valuation Authority.

*See Appendix A.
Tables I. to V.,
pp. 47 to 50.*

153. Thus, if the Poor Law Unions were accepted as the areas for valuation for all purposes, the County Authorities would levy their rates on the Unions or portions of Unions situated in their respective Counties, and it would therefore be possible to have two or more rates made by the various County Authorities levied over different portions of the same Union.

154. Again if Geographical or Administrative Counties were taken as the areas for valuation for all purposes, then the rates would be levied in portions of Unions situated in two or more Counties upon the valuation made by the Valuation Authorities of the respective Counties. Consequently, the Poor Rate within the areas of such Unions would be levied upon two, or perhaps more, valuations.

155. And if Administrative Counties were taken as the areas, then in case of a County Borough, the part of a Union situated within the Borough would be subject to the valuation of the Borough Authority for all purposes; and the part situated outside the Borough would be subject to the valuation of the County Authority. Thus the Poor Rate within the areas of such Unions would be levied upon two, or perhaps more, valuations.

156. On the other hand, if the areas of Geographical Counties or Administrative Counties and also County Boroughs were selected, uniformity would be secured throughout such Counties, and also throughout Boroughs situated in more than one Union, and would exist in a much larger portion of the country than at present. Consequently the relative burdens borne by the ratepayers in those districts would be more equitable.

* The term Geographical County in this and the succeeding paragraphs means the area composed of the Administrative County and those County Boroughs (if any) with which it shares in the distribution of the monies paid out of the Local Taxation Account under the Local Government Act, 1888. (See footnote (*) to Par. 62.)

† Jeeves, 1699–1706. County Councils Association, App. (Part II.) to Vol. I. of Min. of Ev., No. XVII., Pars. 15, 16. Hulton, 5758–75, 5823–31, 5913–8, 5971–2, 5982, 6000–12, 6027–9; and App. (Part II.) to Vol. I. of Min. of Ev., No. XVIII., Pars. 1–4. Vigers, 19,432–4, 19,437, 19,440, 19,664–7.

‡ Dawe, 1141–2, 1147–50, 1155, 1219–20, 1235, 1278–9, 1293, 1350–1, 1422–3; and App. (Part II.) to Vol. I. of Min. of Ev., No. I., Pars. 24–6, 29. Sancroft Holmes, 2760–6. D. Howard, 4500–3. Morse, 4830–5, 4893–7. Crompton, 4967–75. Norton, 6452–68. Watkins, 6637–9.

§ Cripps, 2071–3. Cobbold, 5218–25, 5309–12. Duffield, 5422, 5473. Merrifield, 6062–8, 6072–4, 6078, 6081–7, 6112–28; and App. (Part II.) to Vol. I. of Min. of Ev., No. XIX., Pars. 11–5. Gepp, 8515–8, 8520; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXV., Par. 13. Clare Sewell Read, 10,395–7. Tagg, 18,589–90, 18,603–9, 18,611, 18,640–50, 18,655–65, 18,765–78; and App. to Vol. II. of Min. of Ev., No. VIII., Par. 25. See also references to Par. 111.

|| R. E. Fox, 1495–6. Jeeves, 1589–92, 1691–8; and App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Par. 18. Cripps, App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Par. 36. Poland, 2450. Cleaver, 3961. Humphreys-Davies, 4207–10, 4352. Peace, 4683, 4709. Harris, 6395–410; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXII., Pars. 2, 3. Horn, 6881–3, 6890, 6941–4. E. H. Davies, 7010–5. Vulliamy, 7126–7, 7137, 7183. Pell, 7921–4. Jeffreys, 11,170–2, 11,223–31. P. R. Smith, 11,404–16, 11,433, 11,464–71, 11,543–4. S. M. Howard, 11,702–4. See also footnote (j) to Par. 111, p. 30.

157. We entirely concur in the suggestions which have been so frequently made that it is desirable to have only one valuation in each area on which rates and taxes for all purposes should be raised. Such a system would minimise expense, trouble, and inconvenience, and would further result in uniformity in the valuation of the same classes of property throughout the same area.

158. This object could not be obtained by allowing the Union Authority to fix a valuation binding on the County Authority as there would be no machinery for securing a uniform valuation in the different Unions in a County, unless the constitution of the present Union Authority was altered and made representative also of the County Authority, or unless the County Authority had supervisory powers over the valuations made by the Union Authorities within the County. Moreover, it would be to the interest of the Union Authority to make the valuation in each Union area as low as possible, if the same valuation was taken as the basis for County and Imperial charges.

Poland, 2449.

Crompton, 4974.

Vigers, 19,481, 19,439,

19,629, 19,642, 19,664.

159. It is obvious that, for the purpose of securing a uniform valuation, the selection of the largest area which is compatible with the efficient and accurate performance of the work connected with the valuation within the area, is the most likely to attain the end we have in view.

160. Putting on one side the suggestion of a Central Government Department, which we do not think desirable, the question arises whether it would be advisable to create a Valuation Authority in each County.

161. The Geographical County, being the largest area over which local rates are at present raised, would be, theoretically, the most desirable area to adopt for the purposes of valuation. But we think that the County Boroughs, which were made separate administrative counties by the Local Government Act of 1888, should be separate areas for the purposes of valuation. We are of opinion that this would be in accordance with the spirit of that Act, and that it would be advisable, having regard to the fact that very few of the County Councils and County Borough Councils have taken advantage of Section 33 of the Local Government Act, 1888, which provides for the formation of a joint committee of such Authorities for the purpose of settling a valuation upon which any common payments or contributions may be calculated.

162. The Administrative County, therefore, is the area which we consider should be adopted for the purposes of one uniform valuation, except in the case of Lancashire, to which reference will presently be made, but we think that the County Council and the County Borough Council or Councils in a Geographical County should have power to combine under a joint County Authority constituted on the same principle as a joint committee under the Local Government Act, 1888, and to adopt a uniform valuation for the Geographical County.

163. In the exceptional case of Lancashire, however, which contains no less than 15 County Boroughs, we think that the area of the Administrative County would not be a suitable one, and that one Valuation Authority for Lancashire should act for the whole County. Evidence has been given as to the success which has attended the operation of the County Rate Committee in that County, and of the harmony which exists between the representatives of the urban and rural districts.*

XV.—Recommendations.

164. We therefore suggest that the following scheme for the purpose of securing greater uniformity in valuation throughout England and Wales outside the Metropolis should be adopted, and that the same principles should be applied within the Metropolis with the necessary modifications:—

(1.) That there should be only one Valuation Authority in each County, and the Valuation List of that Authority should be the basis on which rates and taxes for all purposes should be raised.

(2.) That, except in the County of Lancaster, a Valuation Authority should be created in each Administrative County, and in each County Borough, but that power

* County Councils Association., App. (Part II.) to Vol. I. of Min. of Ev., No. XVII., Par. 16. Hulton, 5758-70, 5773-5, 5913, 5971-2, 6000-12; and App. (Part II.) to Vol. I. of Min. of Ev., No. XVIII., Par. 1. Vigers, 19,440.

should be given to any County Council and the Councils of the County Boroughs in any County to adopt the area of the Geographical County.

(3.) That in Lancashire the Geographical County should be taken as the Valuation area.

(4.) That the Valuation Authority should consist :—

(i.) In a Geographical County, of members appointed by the County Council and by the Councils of County-Boroughs.

(ii.) In an Administrative County, of members appointed by the County Council.

(iii.) In a County Borough, of members appointed by the County Borough Council.

(5.) That the Valuation Authority should have power to divide the area within its jurisdiction into convenient districts which might or might not conform to Union Areas. In each district a Committee should be constituted composed of members of the Valuation Authority and of representatives of Boards of Guardians, Borough Councils, and Urban District Councils within the district.

(6.) That the Valuation Authority should issue instructions to the District Committees for their guidance in preparing the Valuation List.

(7.) That the Valuation List should be prepared, whenever practicable, by Professional Surveyors.

(8.) That every property should be valued once during a period not exceeding five years, and that provision should be made for the making of Provisional and Supplemental Lists.

(9.) That a representative of the Board of Inland Revenue should have the right to attend meetings of the Valuation Authority and of the District Committees, and also have the same powers as they now have in the Metropolis.

(10.) That legislation should provide for the establishment of a maximum scale of deductions.

(11.) That legislation should provide for compulsory returns from owners and occupiers of rent paid and other particulars.

(12.) That the Valuation List so prepared, as herein-before suggested, should be submitted to the District Committee; notice being given to any ratepayer the valuation of whose property it is proposed to increase, or to include for the first time in the List.

(13.) That the District Committee should consider the lists and revise them if thought necessary, and, after hearing any objections made against them, should then submit them to the Valuation Authority.

(14.) That the Valuation Authority should take such steps as they may think necessary to ascertain if their instructions have been carried out, and, subject to any alterations they may think fit to make, should finally approve of the lists and cause them to be printed and published, such lists, subject to appeals, to be the accepted valuation for all purposes, whether Local or Imperial.

(15.) That notice should be given to any ratepayer the valuation of whose property the Valuation Authority proposes to increase, or to include for the first time in the List; and any such ratepayer should have the right to give a notice of objection, and the Valuation Authority should hear such objection.

(16.) That appeals from the lists as finally approved by the Valuation Authority should be to Quarter Sessions, and that the jurisdiction of Special Sessions should be abolished.

(17.) That special properties such as railways, canals, mines, tramways, docks, telephones, and gas, water, and electric light works should be valued in the first instance by a valuer appointed by the Valuation Authority, objections being heard by that Authority, and appeals lying to the Railway Commission, or a Special Tribunal created for that purpose.

165. As regards the collection of rates we recommend :—

(1.) That the collection of all rates in Boroughs should be made by the Borough Councils, and in Urban Districts by the Guardians.

(2.) That all rates should, as far as practicable, be levied on one Demand Note, specifying the rateable value of the premises, the rate in the pound, and the amount of rates payable for each purpose, and the period for which the rate is made,

(3.) That the powers of the Overseers and Vestry under the Poor Rate Assessment and Collection Act, 1869, and the powers of Urban Authorities under the Public Health Act, 1875, with regard to Compounding, should in all cases be vested in the Rate Collecting Authority.

All which we humbly submit for Your Majesty's gracious consideration.

(Signed)	BALFOUR OF BURLEIGH (<i>Chairman</i>). CAWDOR. J. B. BALFOUR. JOHN T. HIBBERT. *C. B. STUART WORTLEY. E. W. HAMILTON. G. H. MURRAY. C. N. DALTON.	*C. A. CRIPPS. HARCOURT E. CLARE. †T. H. ELLIOTT. ARTHUR O'CONNOR. EDWARD ORFORD SMITH. JAMES STUART. JOHN L. WHARTON.
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ARTHUR WILSON FOX,
Secretary.

T. LLEWELYN DAVIES,
Assistant Secretary.

16th December 1898.

Reservation by Mr. C. B. Stuart Wortley.

While agreeing generally with this Report and Recommendations, I desire to make the following reservation:—

As regards the Recommendations contained in paragraph 165 (1) so far as they concern Municipal Boroughs, it seems to me that the law may very well be left as it is, seeing that it enables Town Councils, if they can convince the Local Government Board, to take the collection of rates into their own hands.

(Signed) C. B. STUART WORTLEY.

Reservations by Mr. C. A. Cripps.

In agreeing generally with the above Report and Recommendations I desire to make the following reservations:—

1. That uniformity in the Assessment of rateable property in the Metropolis has been substantially secured under the provisions of the Valuation (Metropolis) Act, 1869, and that it is not desirable to amend those provisions until the questions connected with Local Government in the Metropolitan Area have been determined.
2. That in urban districts rates should not be collected by Guardians, but by the Valuation Authority or the Urban Authority.
3. That the powers of the Overseers and Vestry under the Poor Rate Assessment and Collection Act, 1869, and the powers of Urban Authorities under the Public Health Act, 1875, with regard to compounding, should be vested, not in the Rate-collecting Authority, but in the Valuation Authority.

(Signed) C. A. CRIPPS.

* Subject to the observations contained in the subjoined reservations.
† Subject to the observations contained in the subjoined memorandum.

Memorandum by Mr. T. H. Elliott.

Although I am in entire agreement with the views expressed in the foregoing Report; with regard to the defects and inconveniences which at present attend the valuation of property for the purposes of rating and taxation, I greatly regret that I find myself unable to concur with my colleagues in the conclusions at which they have arrived as to the means by which improvement can most readily be effected.

The proposal to vest in Valuation Authorities appointed by County Councils and the Councils of County Boroughs, acting either singly or in combination, the control of the business of valuation in their respective administrative areas would, I venture to think, be attended with considerable practical difficulty.

The magnitude and variety of the work to be accomplished in the majority of cases admittedly render its sub-division a matter of necessity, so far as regards the preparation of the Valuation Lists and the hearing of objections thereto, and it is recommended that this necessary sub-division of labour should be effected by the appointment of District Committees by the Valuation Authorities for Counties and County Boroughs. The Valuation Authorities themselves would issue instructions for the guidance of the District Committees, revise the Valuation Lists submitted by the District Committees, and hear objections to those Lists by individual ratepayers.

Such an arrangement seems to me little likely to command itself to the approval of any class of Local Authority, other than those by whom the powers of control are to be exercised.

It has for many years past been urged that some of the powers of control at present exercised by the Local Government Board should be transferred to County Councils, and in 1889 a Provisional Order for this purpose was prepared in conformity with Section 10 of the Local Government Act, 1888, and presented for confirmation to Parliament. It failed, however, to secure approval, and was withdrawn. The debate which took place in the House of Commons on the proposal made in the Education Bill of 1896 with regard to the creation of County Education Authorities served to show that the objections felt in non-County Boroughs to County Council control have increased rather than abated, and more recently a Committee of Enquiry, sitting under the Chairmanship of Sir John Hibbert, reported (C. 8999) that "The hostility of the "non-County Boroughs and of the majority of the Urban Councils to the transfer of "any further powers to the County Councils were declared to "be stronger even than they were in 1889," and the Committee found as a fact that "the relations between the several Authorities are not such as to render devolution "possible at the present moment."

I believe that equally strong objections would be entertained to any proposal to place under the control of County Councils, the valuation of property within the limits of non-County Boroughs and Urban and Rural Districts, and that these objections would be fatal to the Parliamentary success of any measure in which that principle was embodied.

A similar difficulty of very great magnitude would attend the application of the scheme to London. The work of valuation in the Metropolis is at present conducted by 30 Assessment Committees, and any proposal to vest in the London County Council the appointment of these Committees and the revision of the Valuation Lists prepared by them would be likely to give rise to the liveliest opposition.

Apart, however, from objections of this class, I venture to think that the control by County Councils of such a matter as the valuation of all the rateable property in their respective areas would be attended with distinct drawbacks, and that the object in view, viz., the authoritative and accurate valuation of each hereditament once and for all, could be more efficiently and easily accomplished by other means.

Under a system of County Council control, there would, as I venture to think, be no sufficient guarantee for a high standard of local knowledge and practical ability on the part of those by whom the Valuation Lists would be revised and settled. In the formation of the necessary District Committees it would be difficult to enlist the services of the men of the greatest capacity for the work. The Committees would possess a purely subordinate status, they would be required to act in conformity with the instructions of the County Valuation Authority, and their decisions would be subject to review by that body. Service upon the District Committees would therefore not carry with it much responsibility or prestige, and I should doubt whether men of the requisite character and calibre would be willing to accept the office.

It would, moreover, be difficult to secure on the part of a County Valuation Authority that knowledge of special classes of property which would be essential for the proper discharge of its functions. Under the existing system the members of the various Assessment Committees acting in a large County comprising agricultural, mining, residential, and industrial properties are much more likely, as a body, to be well acquainted with the special characteristics of the class of property predominating in their respective districts than a single body appointed, however fairly and judiciously, for the whole County.

I should perhaps attach the less weight to the objections which I have above ventured to urge as against a system of County Council control, if it were not that experience of other systems of valuation now actually in operation suggests that by the adoption of certain safeguards, satisfactory assessments can be obtained in much smaller valuation areas.

Three systems of valuation are in force, the general results of which, apart from possible amendments in points of detail, have been recognised as satisfactory. These systems are—

1. The valuation of property for the purposes of the Income Tax (Schedules A. and B.), in England and Wales.
2. The valuation of property for all purposes in Scotland.
3. The valuation of property for all purposes in the Metropolis.

In all these systems, comparatively small areas may exist as independent valuation areas, but, by means of the powers given to the Surveyors of Taxes, assessments are obtained which are sufficiently satisfactory to justify their acceptance for purposes of Imperial taxation, and it is to be remembered, in this connexion, that whereas the unduly low valuation of any particular property affects only the distribution of the amount to be raised in a rating area, an actual loss of revenue usually occurs when such a valuation is accepted for Imperial purposes. The Surveyors of Taxes have therefore special reasons for vigilance, inasmuch as the amount of revenue collected in their respective districts depends upon their success in securing satisfactory assessments.

The assessment to Income Tax (Schedule A.) has long been recognised as a good and substantially accurate standard of the gross value of property in England and Wales at the present time. It differs considerably from the Gross Estimated Rental as ascertained by the Union Assessment Committees, the difference being small or large according to the practice of the Committees,* and it is the result of the work of no fewer than 651 separate bodies of Income Tax Commissioners who on all questions of value are the final authority for assessing property of the gross value of 179,000,000*l.*

The case of Scotland is equally strong as regards the effect of the intervention of the Surveyors of Taxes. Under the Lands Valuation Acts, separate Valuation Rolls are made up in 33 Counties and 85 Burghs. In 24 Counties and 43 Burghs the Surveyor of Taxes has been appointed to prepare the Valuation Roll, subject to appeals to the local magistrates, and so far as these Counties and Burghs are concerned, the Inland Revenue Department thoroughly approve of the system as do the Scottish people themselves. It is again to be noted that the areas for which separate valuation authorities may exist under the Scottish system are in some cases small, and there are instances in which Burghs with populations, of 743, 719, and 1,315, act independently in regard to all questions of valuation.

Trevor, 17,489-90.
Male, 11,790-1.
Clark, 12,006.
Male, 11,843-5.
Clark, 12,059-62.

The third system in which generally satisfactory assessments have been obtained is that in force in the Metropolis, and it was suggested to the Commission by the two Surveyors of Taxes who were examined on the subject that the Metropolitan System should be extended to the country generally, the opportunity being taken to make certain amendments in it which experience had proved to be necessary.

Neither of these witnesses proposed the consolidation into one large administrative area for valuation purposes of the 30 districts into which the Metropolis is at present divided, nor expressed the view that such division was detrimental to the equitable and easy working of the system.

The conclusion which I would suggest should be drawn from the information available as to the working of these three systems is, that if full powers and influence were given to the Surveyors of Taxes, and if provision were made for the periodical re-valuation of property, and for the supply of returns of rent and other information by

* In 1896-97 the gross annual value of property rated and assessed under Schedule A. in England and Wales (excluding the Metropolis) was for the Poor Rate, 132,492, 379*l.*, and for Income Tax, 138,760,158*l.*

owners and occupiers, satisfactory assessments might be secured, whilst at the same time the local knowledge and experience of the present Assessment Committees and their officers would continue to be available.

It would, however, be reasonable and necessary to make further special provision for the protection of the interests of the County as a whole, and I would suggest that if, as is apparently the case, the Inland Revenue Authorities are satisfied that Imperial interests are sufficiently safeguarded by the powers and status possessed by their Surveyor under the systems above referred to, the County interests would equally be secured by provisions which would confer upon the County Council the right to nominate a representative with powers similar to those of Surveyors of Taxes.

Although, as I have above ventured to indicate, I believe that a useful administrative reform might be accomplished without any radical change either in the authorities to whom the business of valuation is entrusted, or the areas over which their jurisdiction extends, I fully recognise that the claim of the Borough Authorities to be entrusted with the work is a very strong one, by reason of the enormous increase of the expenditure for which they are responsible (see paragraph 141 of the Report), and I think there is much to be said for the limitation of the duties of the Guardians in urban districts to those immediately connected with the relief of the poor, following the analogous case of School Boards. Under both these heads of public service, special qualifications are called for, which are not necessarily those required for work such as that which it falls to Assessment Committees to undertake, and I look in the future to the concentration of business of that class in the hands of the Borough or District Councils.

This was the view expressed to the Commission by Mr. R. H. Dawe, the Town Clerk of Hull, and one of the representatives of the Association of Municipal Corporations. "Local Government Areas," Mr. Dawe said, "and not Poor Law Areas" should be the districts for which Valuation Lists should be formed."

The Local Government Acts of 1888 and 1894 have resulted in the establishment of three classes of Local Authorities—not, as I would submit, of necessity subordinate the one to the other, but with duties varying according to the extent and character of the areas over which they have control, viz.:—

1. County Councils.
2. Councils of County and Non-County Boroughs, and of Urban and Rural Districts.
3. Parish Councils and Parish Meetings.

It is to Committees appointed by the second and not to the first of these classes to which I would suggest that either singly, or in the smaller cases in combination, the business of Valuation, aided by the representatives of the Crown and (except in the case of the County Boroughs) of the County, should eventually be entrusted.

In Rural Districts such a change would be but a small one by reason of the fact that the duties of the Guardians are now performed by Rural District Councillors, and in such cases the experience of existing members and officers of the present Assessment Committees could easily be secured.

In the case of County and non-County Boroughs and Urban Districts more precise protection of existing interests would be requisite, and, *inter alia*, it would, I think, be desirable to enact that Guardians for parishes or areas in the Borough or District who are members of the existing Assessment Committee of the Union should be *ex officio* members of the new Assessment Committees so long as they were willing to serve and hold office as Guardians. The interests of existing officers should, of course, be fully secured, and provision as to compensation made in the event of the loss of emolument.

In any scheme which would thus, as I venture to think, bring valuation business into line with the new order of Local Government, as settled in the Acts of 1888 and 1894, it would be necessary that a system of grouping small Boroughs and Urban and Rural Districts should be extensively resorted to. In many cases the resulting Valuation Area would be practically identical with the existing Poor Law Union Area, but in no case should the Valuation Area extend over more than one County. In some instances the Valuation Area formed by the grouping of the small Boroughs and Districts would be much larger than a single existing Poor Law area, and this might, perhaps, facilitate that enlargement and consolidation of existing Union Areas, which in the opinion of many students of Poor Law questions might in many cases be effected with much advantage from more than one point of view. The task of grouping would naturally devolve upon the Local Government Board, who have been entrusted with similar functions under the Local Government Acts of 1888 and

App. (Part II.) to
Vol. I. of Min. of
Ev., p. 6.

1894, and the minimum limit of population of each Valuation Area might, perhaps, be fixed at 20,000.

Whether the existing Union areas be retained, or District areas adopted on lines such as are above proposed, it would, I think, be desirable that Parliament, or the Local Government Board by order, should indicate more clearly the principles to be followed by the Assessment Committees in arriving at the gross estimated rental and net rateable values, prescribing, *inter alia*, the maximum rates of deduction to be allowed from the gross in order to arrive at the net value of rateable property. In other words my view would be that those matters in regard to which my colleagues propose that instructions should be issued to the District Committees by Valuation Authorities appointed by County Councils and County Borough Councils should form the subject, either of legislative enactment, or of a Departmental Order having the force of law.

It would, in addition, be desirable that Assessment Committees should be given a wider discretion as to the means by which they may obtain Valuation Lists for the various Parishes in their Districts. I do not think that they should necessarily have recourse to the overseers in the first instance.

I also attach the greatest importance to the retention of a judicial tribunal as the final Court of Appeal, and alike from the point of view of speed and efficiency I regard the introduction of County Authorities as an intermediate tribunal between the District Committee and either Special or Quarter Sessions as unsatisfactory.

The witnesses who appeared before the Commission to give evidence as to the working of the Metropolitan and Scottish systems of valuation made many useful suggestions as to amendments which they considered might with advantage be made when opportunity offered. In the case of London many of these amendments have been embodied in the London Valuation and Assessment Bill introduced into the House of Commons by Mr. Cohen, M.P., and Mr. James Stuart, M.P., in 1896. It appears to me that the evidence before the Commission goes to show that the working of the systems in question has been satisfactory, but I should not wish to be regarded as dissenting from the suggestions thus made for the amendment of the law which, I venture to think, are well worthy of consideration in connexion with any new legislation which may be undertaken on the subject.

I desire to add that I submit the foregoing observations with the greatest diffidence and respect to those of my colleagues with whom I find myself unable to agree. The problem which presents itself is, however, admittedly a delicate and difficult one, and it may not be undesirable or disadvantageous that more than one solution should be presented for consideration.

(Signed) T. H. ELLIOTT.

APPENDIX TO REPORT.

APPENDIX A.*

I.—TABLE showing the NUMBER, POPULATION in 1891, and RATEABLE VALUE at LADY DAY 1898, of POOR LAW UNIONS in ENGLAND and WALES situated in one, two, three, or more than three ADMINISTRATIVE COUNTIES, or in one or more ADMINISTRATIVE COUNTIES and one or more COUNTY BOROUGHS with the sum of the RATEABLE VALUES of the smaller parts in all cases where the UNION is so divided into two or three parts.

APP. A.

A.—GENERAL SUMMARY.

Poor Law Unions.	No. of Unions.	Population in 1891.	Rateable Value at Lady Day 1898.
In one Administrative County or County Borough† -	457	17,600,734	£ 113,905,628
Partly in two Administrative Counties, or partly in an Administrative County and partly in a County Borough	161	9,409,331	46,766,349
Partly in three Administrative Counties, or partly in two Administrative Counties and partly in one County Borough, or partly in one Administrative County and partly in two County Boroughs	26	1,845,439	10,562,356
Partly in four Administrative Counties, or partly in three Administrative Counties and partly in one County Borough	2	126,757	705,910
Partly in five Administrative Counties	1	17,170	121,110
Total†	647	28,999,431	172,062,053

B.—POOR LAW UNIONS partly in two ADMINISTRATIVE COUNTIES, or partly in an ADMINISTRATIVE COUNTY and partly in a COUNTY BOROUGH.

	Number of Poor Law Unions.	Sum of Rateable Values of separate Parts.				Total Rateable Value.	
		Larger Parts.					
		Amount.	Per-cent.	Amount.	Per-cent.	Amount.	Per-cent.
1. Total number of Unions :—							
(a.) Partly in two Administrative Counties	110	18,320,600	77·5	3,873,387	22·5	17,193,987	100·0
(b.) Of which the part containing the higher rateable value is in an Administrative County, and the other part in a County Borough	13	8,708,410	59·9	2,479,400	40·1	6,187,810	100·0
(c.) Of which the part containing the higher rateable value is in a County Borough, and the other part in an Administrative County	38	17,036,418	72·8	6,358,189	27·2	23,384,552	100·0
Total	101	34,065,438	72·8	12,710,926	27·2	46,766,349	100·0
2. Unions in which the rateable value of the smaller part does not amount to 25 per cent. of the total :—							
(a.) Partly in two Administrative Counties	66	8,998,221	89·1	1,098,199	10·9	10,090,420	100·0
(b.) Of which the part containing the higher rateable value is in an Administrative County, and the other part in a County Borough	4	348,188	91·6	31,928	8·4	380,116	100·0
(c.) Of which the part containing the higher rateable value is in a County Borough, and the other part in an Administrative County	15	7,678,464	92·0	668,745	8·0	8,347,209	100·0
Total	85	17,018,873	90·4	1,793,878	9·6	18,817,745	100·0

* Tables I A., II., III., IV., and V., have been furnished by the Local Government Board. Tables I. n, I. c. have been compiled from the Local Government Board Order, No. 38,976, dated 30th September 1898.

† Excluding Scilly Isles, with a population of 1,911 and a rateable value of 3,789/-.

APP. A. C.—POOR LAW UNIONS partly in three ADMINISTRATIVE COUNTIES, or partly in two ADMINISTRATIVE COUNTIES and partly in one COUNTY BOROUGH, or partly in one ADMINISTRATIVE COUNTY and partly in two COUNTY BOROUGHS.

	Number of Poor Law Unions.	Sum of Rateable Values of separate Parts.				Total Rateable Value.	
		Largest Parts.		Smaller Parts.		Amount.	Per- centage.
		Amount.	Per- centage.	Amount.	Per- centage.		
1. Total number of Unions	26	£	—	£	—	10,562,856	—
2. Unions in which the rateable value of two of the three parts do not together amount to 25 per cent. of the total	7	2,020,464	89·8	229,669	10·2	2,250,138	100·0

II.—TABLE showing the NUMBER, POPULATION, and RATEABLE VALUE of POOR LAW UNIONS in ENGLAND and WALES situated partly within and partly without BOROUGHS.*

	No. of Unions.	Population in 1891.	Rateable Value at Lady Day 1898.
Unions partly within—			
(a) County Boroughs	61	7,892,583	37,129,967
(b) Non-County Boroughs	193	6,902,641	38,632,217
Total	254	14,795,224	75,762,184

* In this statement the particulars as to 17 Unions which are partly within and partly without County Boroughs as well as non-County Boroughs have been included under County Boroughs only.

III.—TABLE showing the POPULATION and RATEABLE VALUE of each of the BOROUGHS in ENGLAND and WALES situated in more than one POOR LAW UNION.

Names of Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.	Names of Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.
IN 2 UNIONS :—					
<i>County Boroughs :—</i>		£	<i>County Boroughs :—</i>		
Brighton	115,873	781,022	Birmingham*	478,113	2,297,543
Great Yarmouth	49,334	186,511	Canterbury	23,062	111,457
Hastings*	63,072	445,498	Liverpool*	629,548	3,905,991
Kingston-upon-Hull*	200,472	878,637	Manchester	505,368	2,941,124
Nottingham	213,877	926,987	Oxford	45,742	331,955
Sheffield	324,243	1,273,218	<i>Non-County Boroughs</i>	—	—
Southampton*	82,126	419,991	Total for Boroughs in 3 Unions	1,681,833	9,588,370
<i>Non-County Boroughs :—</i>			IN 3 UNIONS :—		
Denbigh	6,412	82,177	<i>County Boroughs :—</i>		
Hyde	30,670	116,082	Birmingham*	478,113	2,297,543
Lewes	10,997	53,104	Canterbury	23,062	111,457
Morley	21,068	85,143	Liverpool*	629,548	3,905,991
Rochester	26,290	110,082	Manchester	505,368	2,941,124
Tunbridge Wells*	27,953	237,702	Oxford	45,742	331,955
Welshpool	6,501	40,159	<i>Non-County Boroughs</i>	—	—
Total for Boroughs in 2 Unions.	1,178,688	5,586,308	Total for Boroughs in 3 Unions	1,681,833	9,588,370
IN 4 UNIONS :—					
<i>County Borough :—</i>			<i>County Borough :—</i>		
Leeds	—	—	Leeds	367,505	1,523,763
<i>Non-County Boroughs</i>			<i>Non-County Boroughs</i>	—	—
GRAND TOTAL	—	—	GRAND TOTAL	3,228,226	16,698,441

* These Boroughs have been extended since the Census of 1891. The population given in these cases is that according to the Census of 1891, of the Boroughs and the added areas together. The rateable value is that of the extended Boroughs.

IV.—TABLE showing the POPULATION and RATEABLE VALUE of each of the BOROUGHS in ENGLAND and WALES that are co-extensive with a POOR LAW UNION or UNIONS.

APP. A.

	Names of Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.
<i>County Boroughs :—</i>			
Barrow-in-Furness	-	51,712	231,576
Bradford	-	216,361	1,149,038
Bristol*	-	289,280	1,444,279
Devonport†	-	54,803	215,894
Exeter	-	37,404	202,918
Ipswich	-	57,360	247,803
Leicester*	-	174,624	769,796
Norwich	-	100,970	353,612
Plymouth*	-	88,905	418,343
Portsmouth*	-	159,278	740,464
Reading	-	60,054	320,481
<i>Non-County Boroughs :—</i>			
Bury St. Edmunds	-	16,630	58,462
Cambridge	-	36,983	229,485
Chichester*	-	10,815	49,958
Colchester	-	34,559	143,005
Gravesend	-	23,876	107,828
Total	-	1,413,614	6,682,942

Note.—This statement is exclusive of the Boroughs of Accrington, Bacup, Haslingden, and Rawtenstall, which together form the Haslingden Union.

* See note (*) to Table III.

† This Borough was extended from 9th Nov. 1898.

V.—TABLE showing the POPULATION in 1891 and the RATEABLE VALUE at Lady Day 1898 of all the COUNTY BOROUGHS in ENGLAND and WALES.

Counties and County Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.	Counties and County Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.
<i>Lancashire.</i>					
Barrow-in-Furness	-	51,712	231,576		
Blackburn	-	120,064	449,400		
Bolton†	-	115,002	473,486		
Bootle	-	49,217	472,910		
Burnley	-	87,016	352,376		
Bury	-	57,212	252,197		
Liverpool*	-	629,548	3,905,991		
Manchester	-	505,368	2,941,424		
Oldham	-	131,463	436,311		
Preston	-	107,573	365,645		
Rochdale	-	71,401	298,589		
St. Helens*	-	72,413	333,234		
Salford	-	198,139	889,621		
Wigan	-	55,013	189,911		
<i>Yorks, W.R.</i>					
Bradford	-	216,361	1,149,038		
Halifax*	-	89,832	375,081		
Huddersfield	-	95,420	440,102		
Leeds	-	867,505	1,523,763		
Sheffield	-	924,243	1,273,213		
<i>Yorks, E.R.</i>					
Kingston upon-Hull*	-	200,472	878,637		
York	-	67,841	258,191		
<i>Yorks, N.R.</i>					
Middlesborough	-	-	75,532	323,270	
<i>Staffordshire.</i>					
Hanley	-	-	54,946	197,949	
Walsall	-	-	71,789	243,216	
West Bromwich*	-	-	59,538	207,990	
Wolverhampton	-	-	82,662	339,197	
<i>Cheshire.</i>					
Birkenhead*	-	-	99,857	520,978	
Chester	-	-	37,105	194,682	
Stockport	-	-	70,263	284,156	
<i>Devonshire.</i>					
Devonport†	-	-	54,803	215,894	
Exeter	-	-	37,404	202,918	
Plymouth*	-	-	88,905	418,343	
<i>Durham.</i>					
Gateshead	-	-	85,692	317,231	
South Shields	-	-	78,391	324,567	
Sunderland*	-	-	131,872	519,005	

* These Boroughs have been extended since the census of 1891. The population given in these cases is that according to the census of 1891 of the Boroughs and added areas together. The rateable value in these cases is that of the extended Boroughs.

† The Borough of Bolton was extended from 30th September 1898, and Devonport from 9th November 1898.

APP. A.

Counties and County Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.	Counties and County Boroughs.	Population in 1891.	Rateable Value at Lady Day 1898.
<i>Gloucestershire.</i>		£	<i>Kent.</i>		£
Bristol* - - -	289,280	1,444,279	Canterbury - - -	23,062	111,457
Gloucester* - - -	39,531	176,043	<i>Leicestershire.</i>		
<i>Lincolnshire.</i>			Leicester* - - -	174,624	769,796
Grimsey - - -	51,934	196,412	<i>Monmouthshire.</i>		
Lincoln - - -	41,491	169,173	Newport - - -	54,707	314,452
<i>Norfolk.</i>			<i>Northamptonshire.</i>		
Great Yarmouth - - -	49,334	186,511	Northampton - - -	61,012	220,608
Norwich - - -	100,970	853,612	<i>Northumberland.</i>		
<i>Hampshire.</i>			Newcastle-upon-Tyne - - -	186,300	1,066,494
Portsmouth* - - -	159,278	740,464	<i>Nottinghamshire.</i>		
Southampton* - - -	82,126	419,991	Nottingham - - -	213,877	926,987
<i>Sussex, East.</i>			<i>Oxfordshire.</i>		
Brighton - - -	115,873	781,022	Oxford - - -	45,742	331,955
Hastings* - - -	63,072	445,498	<i>Somersetshire.</i>		
<i>Warwickshire.</i>			Bath - - -	51,844	303,854
Birmingham* - - -	478,113	2,297,543	<i>Suffolk, East.</i>		
Coventry - - -	52,724	205,883	Ipswich - - -	57,360	247,808
<i>Worcestershire.</i>			<i>Surrey.</i>		
Dudley - - -	45,740	135,035	Croydon - - -	102,695	737,602
Worcester - - -	42,908	189,840	<i>Glamorganshire.</i>		
<i>Berkshire.</i>			Cardiff - - -	128,915	1,000,401
Reading - - -	60,054	320,481	Swansea - - -	90,349	349,487
<i>Derbyshire.</i>					
Derby - - -	94,146	430,822			
<i>Essex.</i>					
West Ham - - -	204,903	1,009,495			

* See note * at foot of previous page.

APPENDIX B.

APP. B.

STATEMENTS OF CERTAIN WITNESSES REFERRING TO THE DISADVANTAGES OF THE EXISTING SYSTEM OF VALUATION.

1. Mr. Cobbold, Clerk to the Assessment Committee of the Samford Union, Suffolk, made the following statement, showing that considerable variations exist in the valuations of the County and Union Authorities in respect of the same properties, and that, if a separate valuation for the County rate had not been made, the burden of County rate would have been distributed unequally among the parishes in different Unions in the County, owing to the different systems adopted by the Assessment Committees for ascertaining the rateable value of properties.

Cobbold, App.
(Part II.) to
Vol. I. of Min.
of Ew. No. XV.
Par. 21 and
Schedule II.,
page 102.

"In December last I compiled a Schedule of deductions from the gross estimated rental to arrive at the rateable value allowed by the several Union Assessment Committees in Suffolk; this shows a considerable divergence of practice, in fact no two Unions are alike."

* For deductions allowed by Assessment Committees in Suffolk, and also by certain Assessment Committees in Lancashire, Yorkshire, Nottingham, Lincoln, Warwick, Glamorgan, Kent, Northumberland, Stafford, Devon, Norfolk, Cambridge, Essex, Sussex, and Hants, see pp. 58 to 60.

APP. B.

"In preparing the new County Rate basis for Suffolk, the system adopted was to obtain a return of the totals of the property tax assessments for each parish, showing:—

- (1) The total rent or annual value under Schedule A.
- (2) The total rent or annual value of house property separately assessed.
- (3) The total amounts of tithe rentcharge.
- 4) The total rent or annual value of wind and water mills, and manufactories separately assessed.
- (5) Total annual value of manors; and as to railways, canals, gas and water works, the total Union rateable value in each parish."

Cobbold, App.
(Part II.) to
Vol. I. of
Min. of Ev.,
No. XV.,
Par. 22.

Par. 23.

"The deductions allowed by the County Rate Basis Committee were the same throughout the County, except in cases requiring exceptional treatment, but were different to those in any Union in the county, and were as follows:—

Houses, 20 per cent.
Land with or without houses and buildings, 12½ per cent.
Tithe rentcharge, 15 per cent.
Mills, manufactories, and waterworks, 25 per cent.
Railways, &c. None; the Union rateable value being taken.

"Upon comparing the Union rateable values with the County rate basis I find great differences, in fact the assessments do not agree. In the Samford Union the total Union or poor law rateable value upon which the poor rate (including the amount required for County rate) is levied is 3,689*l.* less than the annual value upon which the County rate is levied. In some parishes the Union rateable value is more than the County value, in some less as much as 500*l.* (nearly) each way."

"Then we have the property tax assessments upon which the income tax and inhabited house duty are assessed, and we find we have a third annual or rateable value which does not agree with either the Union or County rateable value."

"This is not a state of things found in Suffolk only. I have reason to believe it prevails very generally throughout the country, and I consider it points most conclusively to the need of one uniform basis of assessment for taxation for all local purposes."

"An attempt, so far as Union rateable values are concerned, was made in Suffolk, in view of the passing of the Agricultural Rates Act, to frame one uniform basis of assessment throughout the County; each County Council appointed eight representatives, and invited each Board of Guardians to appoint, and they did appoint, representatives to meet the County Council's representatives, and in the result they framed not only a scale of deductions but a set of instructions for the guidance of the several Union Assessment Committees in making assessments which they were recommended to adopt. At this conference a resolution was adopted in favour of only one basis of assessment for County Rate, Poor Law, and all other purposes. Upon this resolution being submitted to the Suffolk Joint Committee they adopted a similar resolution, but extended it to Imperial taxation. Since then, upon the initiative of the Suffolk Joint Committee, the County Councils' Association have adopted a similar resolution, and several County Councils have expressed themselves in favour thereof, and others have the matter under consideration, while I have heard of only two County Councils having decided to take no action in the matter."

"I think we have here a practical suggestion which might be followed up, namely, that County Councils should be empowered to fix a binding scale of deductions, and that they should be able to do this through a committee, and that there should be power to place on such committee a limited number of representatives appointed by the Union Assessment Committees. In this way it would be possible to get some degree of uniformity and equity as between union and union in the matter of their assessments, and possibly the double assessment for Union and County rate purposes might be avoided."

"I believe such an uniform scale of deductions would be an improvement in the present system. It would also be an advantage if some degree of permanency in assessments could be secured."

2. In the neighbouring county of Norfolk it appears from a return of the valuation for the County rate basis for 1897 furnished by Mr. Sancroft Holmes, a witness representing the Norfolk Chamber of Agriculture, that in 18 Unions it exceeded the valuation at Lady Day 1897 for the Poor Rate by 225,421*l.* or 15·5 per cent. In 18 of these Unions the excess varied from 10 per cent. to 34·9 per cent. while in one case the County basis was less than the Poor Rate Valuation by 4·1 per cent.

3. It was stated in the report of the Committee on Local Taxation to the Norfolk Chamber of Agriculture that the County Valuation is based on Schedule A.; that it was revised four times in the 20 years ending in 1895; and that County Rates may, and have been, levied upon a basis made some years previously.

App. (Part II.)
to Vol. I. of
Min. of Ev., No.
IX., Par. 5.

4. Mr. Sancroft Holmes, referring to the want of uniformity in valuation, says:—

"To obtain a uniform assessment is manifestly impossible, unless it is made under the direction and control of some one central authority. The present system enables each Union Assessment Committee to interpret the law as seems best in its own eyes; appeals may be and are taken, but in consequence of the expense, are not common, and when adjudicated upon, show most varying results. The Act of 1894 deprived the Assessment Committee of their quasi judicial element in taking away the magistrates who sat as *ex officio* members, and the danger now arises

Sancroft
Holmes, App.
(Part II.) to
Vol. I. of Min.
of Ev., No. X.
Par. 5.

APP. B.

" that the Committee may be formed of persons having little qualification for the position. There is a growing feeling that the matter of assessment, being one of such high importance, should be placed in the hands of a stronger, more judicial, and less partial body than at present. It is practically impossible to get a committee which is not liable to be influenced in its decision by personal considerations; it is not desirable that neighbours should be called upon to fix each other's assessments; it is extremely unpleasant in some cases for ratepayers to be called upon to make public—the sittings of committee being open—facts in connexion with their affairs which they may desire should be kept private. It is a matter, also, of great importance that the ratepayers generally should feel satisfied that the matter of making assessments is invariably in the hands of those who are certain to act with absolute justice and impartiality. The absurdity of there being, as at present, possibly four different assessments on one and the same property needs no demonstration, the waste of time and money involved in making county, union, property tax, and land tax assessments is very considerable, the confusion and friction which ensues is as intolerable as it is unnecessary."

P.R. Smith
App. (Part II.)
to Vol. I. of
Min. of Ev.,
No. XXXVII.,
Schedule VI.

5. Mr. P. R. Smith, rating agent to the Great Western Railway Company, gave the following figures showing that in 1894 the gross assessments to Schedule A. in eight Poor Law Unions in Somersetshire were in excess of the gross value for County Rate purposes by 121,526*l.*, or 7·8 per cent.

	Poor Law Union.	Gross Value for County Rate Purposes.	Gross Assessments to Schedule A.
Axbridge	- - - - -	£ 384,621	427,518
Bedminster	- - - - -	275,561	282,572
Bridgwater	- - - - -	263,768	284,052
Chard	- - - - -	162,617	167,719
Dulverton	- - - - -	86,583	48,787
Wellington	- - - - -	100,916	111,354
Wells	- - - - -	161,964	182,772
Yeovil	- - - - -	179,819	187,001
Total	- - - - -	1,565,249	1,686,775

Schedule VII.

Again, in the Uxbridge Union (Middlesex) in five parishes the gross estimated rental in 110 ratings as fixed by the Union Assessment Committee in 1895 amounted to 7,016*l.* 3*s.* The gross assessments for the purposes of Schedule A. amounted to 9,589*l.* 8*s.*, being 2,573*l.* 5*s.*, or 36·7 per cent. higher than the Poor Rate valuation.

Mr. Jeffreys, M.P., who is a member of various local bodies in Hampshire, stated:—

Jeffreys,
11,167-71.

" I think they (the Assessment Committees) do the work as fairly as they can, but I should like to say that the Assessment Committees often have no particular knowledge of the subject. You know how an Assessment Committee is formed, people are pitchforked into it, not because they know much about the business, but because they happen to be members of the Board of Guardians." He concurred with the suggestion that the present system in various ways tends rather to put a premium upon each man getting down the assessment of his own particular parish, and considered it to be a thoroughly bad system.

He also said, " I happen to have been on two Boards of Guardians, and I know how very differently the Assessment is conducted in the one Union as compared with the other, and yet these two Unions are adjacent," and " I think what we want more than anything else, is uniformity of assessment."

Merrifield,
App. (Part II.)
to Vol. I. of
Min. of Ev.,
No. XIX.,
Par. 4.

6. Again, in Sussex, Mr. Merrifield, Clerk of the Peace and of the Councils of the Counties of East and West Sussex, who gave evidence on behalf of the County Councils' Association, has given the Valuations in the different Unions in East Sussex in 1895. In the 14 Unions the total Valuation came to 1,617,080*l.* for the Poor Rate Valuation, and to 1,758,700*l.* for the County Rate Valuation, the former being 141,620*l.* or 8 per cent. lower than the latter. The per-cent of the decrease of the Poor Rate Valuation compared with the County Rate Valuation in the Unions, varied from 2½ to 21 per cent.

7. Referring to the difficulty of taking the Poor Law Valuation for the County Rate basis, Mr. Merrifield says:—

Pars. 2-4.

" Where there is no reason to suppose that the actual rent paid is not the measure of the annual value, it should be the basis of the gross estimated rental column, but a comparison of that figure in the poor rate assessment with the rental as appearing by the property tax assessment, which is founded on the rent actually paid, will show that there are wide differences between them, differences great as between parish and parish in a Union, often greater still as between parishes in different Unions. Consequently, in preparing the County rate basis, the object of which is that the parishes may be fairly and equally assessed *inter se* to the county rates, it is, certainly, in some counties, quite impossible to take the poor rate assessment as the basis of the county rate. The county rate basis committee is therefore obliged to avail itself of the second alternative in section 6 of the County Rates Act (15 & 16 Vict. c. 81.), which defines 'full and fair annual value' as meaning the 'net annual value as the same is or may be required by law to be estimated for the purpose of assessing the rates for the relief of the poor.' It is,

APP. B.

" no doubt, in recognition of the untrustworthiness of the poor rate assessment that the County Rates Act of 1852 by section 7 authorises the County rate basis Committee to obtain in the property tax assessments, which are based on actual rental, and in the counties with which I am conversant this is invariably done."

8. In the Borough of Kingston-on-Hull there are two Poor Law Unions. One, the Kingston-upon-Hull Incorporation for the Poor, comprising the united parishes of Holy Trinity and St. Mary, and which, not being subject to the operation of the Union Assessment Committee Act of 1862, has no valuation list, and the other, the Sculcoates Union, of which nine parishes are situated within the Borough. Mr. Dawe, Town Clerk of Kingston-on-Hull, says:—

" The next point is the absence of all guarantees that property shall be assessed upon the same basis within the two Unions. It is obvious that uniformity in assessment is essential to fairness in rating; and that being so, there should be one assessing Authority for the whole area over which one and the same rate may be levied. The question whether the valuations in a district are high or low is comparatively immaterial, so long as they are uniform; but if in one part of a Borough the assessment is put, say, at 25 per cent. above its true rateable value, and in the other part of the Borough at 25 per cent. below its true rateable value, the result will be that a corporation rate, which should be an equal rate in the £ over the whole Borough, will place upon the ratepayers in the highly assessed district a burden of 66½ per cent. more than in the district where it is under assessed."

" The greatest grievance which the ratepayer suffers is in the inequality which the system entails, for in some cases it more than doubles his poor rate. I find for instance that during the last seven years the poor rate in the parishes in the Sculcoates Union within the Borough, instead of being equal, has in the same year varied from nearly 80 per cent. to over 140 per cent., whilst in the case of the borough and watch rate the variations have been so high as 100 per cent., and the totals of all the rates levied by the overseers has varied as much as 40 per cent."

9. There is no separate valuation list made by the Town Council in Hull. Mr. Dawe stated that though it was felt that there was plenty of room for a separate valuation list he had never advised the making of one mainly on the ground that it was very desirable to have one valuation list for the same area.

10. According to Tables prepared by Mr. Dawe showing in the nine parishes the rates in the £ paid in respect of certain rates in the Sculcoates Union situated within the Borough of Kingston-on-Hull, the rates in the £ for the poor rate varied from 1s. 4d. to 2s. 6d. in 1896; for the Borough and School Board Rates 9d. to 1s. 4d.; and for the Watch Rate 3d. to 6d. In the Kingston-on-Hull Union the Poor Rate amounted to 1s. 7d. in the £, the Borough and School Board Rate to 1s. 1d. in the £, and the Watch Rate to 4d. in the £.

11. Mr. Jeeves, the Town Clerk of St. Helen's, gave figures, compiled by the Association of Municipal Corporations, showing the amounts levied in the £ in respect of certain rates in numerous Boroughs. In a number of cases the rates in the £ levied in different parishes in the same Union in respect of the poor rate and also of other rates show considerable variations.

12. In the Borough of Tunbridge Wells (Kent), which is situated in two Unions, namely, the Tonbridge and the Ticehurst Unions, all rates are based upon the valuation list for poor law purposes settled by the Assessment Committees of the two Unions. The deductions allowed by the Assessment Committee in these Unions vary. Mr. Cripps, the Town Clerk of the Borough, gave the following instances showing the difference in the rateable values of premises in the Borough, the gross values of which were identical due to the variation in the methods adopted by the two Assessment Committees.

TONBRIDGE UNION.			TICEHURST UNION.		
—	Gross Rent.	Rateable Value.	—	Gross Rent.	Rateable Value.
2, Castle Street	25	20 0	12, Nevill Street	25	21 10
18, Monson Road	30	24 0	14,	30	25 10
34,	35	28 0	6,	35	29 10
28,	40	33 0	1,	40	34 0
4, High Street	45	36 0	83, Frant Road	45	38 0
15, Chapel Place	55	44 0	3, Nevill Street	55	45 0
19, Goods Station Road	60	48 0	4,	60	51 0
10, Mount Pleasant Road	65	52 0	5,	65	55 0
2 and 3, High Street	240	192 0	1, Ye Pantiles	240	204 0

The average rate in the £ for the poor rate for the five years 1893-97 in the Tonbridge Union was 1s. 6½d., and in the Ticehurst Union 1s. 9½d.

13. Mr. Swainson, the Borough Treasurer of Bolton, has shown that the valuation of the Borough of Bolton for County Rate purposes considerably exceeds the valuation for Poor Law purposes in the Borough. He stated that, generally speaking, no thorough re-valuation of mills and other large properties for Poor Law purposes had taken place for 20 or 30 years, and that important classes of

Dawe, App. (Part II.) to Vol. I. of Min. of Ev., No. I., Par. 15.

Par. 17.

Par. 21 and Table IV.

Dawe, App. (Part II.) to Vol. I. of Min. of Ev., No. I., Table IV.

App. (Part II.) to Vol. I. of Min. of Ev., No. III., Table B.

Cripps, App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Par. 3, 10, 13, 14.

APP. B. — property were not assessed at their proper value. He thus showed the discrepancy between the valuation of the Borough of Bolton and the basis for the County Rate:—

- The rateable value of the Borough for rating purposes:—

Financial year, 1896-97	£ 460,396
Ditto 1891-92	422,327
Mean for the period 1891-92 to 1896-97	<u>441,361</u>

The assessment of the Borough as fixed by the Lancashire County Rate Joint Committee in 1891

457,022

14. A number of complaints have also been received from witnesses that the differences in the systems adopted by Assessment Committees in various parts of the country produce great inequalities in the valuations of the same classes of property. The following evidence of several witnesses representing large commercial interests may be quoted as examples.

Adamson,
5176. See also
Morse, 4858,
4965.

Crompton,
4976-7, 5000.

Livesey, App.
(Part II.) to
Vol. I. of Min.
o' Ev., No.
XXIX. Par. 8.

Par. 22.

Par. 23.

App. (Part II.)
to Vol. I. of
Min. of Ev., No.
XXX. Par. 2.

Jones, 9183
and App. (Part
II.) to Vol. I.
of Min. of Ev.,
No. XXVIII.
Par. 8.

P. R. Smith.
11,551-2.

Ratcliffe Ellis,
App. (Part II.)
to Vol. I. of
Min. of Ev.,
No. VIII.
Par. 3, 4.

15. Mr. Adamson, who gave evidence on behalf of the London Chamber of Commerce, said that the grievance was not due to the amount of rates raised, but to the system of assessment.

16. Mr. Crompton, who also represented the Chamber, said that the main point of objection to the present system, apart from the question of the constitution of Assessment Committees, is the uncertainty and want of principle.

17. Mr. Livesey, Chairman of the South Metropolitan Gas Company, referring to the system of valuing the properties of gas companies, stated in a memorandum prepared for the Commission:—

"The present system of rating public companies tends to excessive assessments, especially in the case of gas companies. The system is so unintelligible that none of the Assessment Committees even pretend to understand it; and, in the event of an appeal to the Sessions, unless the chairman is experienced in rating cases, it is as unintelligible and confusing to the Court as it is to the Assessment Committees. The result is unequal and uncertain assessments."

"To show the inequality of this system, two gas companies supply the parish of Lewisham. The rating surveyor advising the Assessment Committee settled with the Crystal Palace District Gas Company at a rateable value of 4 per cent. on the receipts for gas in the parish, and the same surveyor at the same time claimed a rateable value of 21 per cent. reduced on appeal to the Committee to 16½ per cent. on the receipts of the South Metropolitan Gas Company. This was in 1895, on the 1894 figures in both cases. The price of gas of the Crystal Palace District Company was 2s. 8d. per 1,000 feet, and that of the South Metropolitan was 2s. 4d. per 1,000. The first-named company paid 14s. 8·66d. per ton for its coals, and the last-named 10s. 6·56d.—the net cost of the former, after deducting the receipts for residuals, was 4s. 9·84d. per ton, and that of the latter was 1s. 4·34d. I have always found that a low net cost for coal means a high assessment."

"It is one of the defects of the present system that the better a company serves the consumers the higher it is assessed. The profit per 1,000 feet was 9½d. for the Crystal Palace and 11½d. for the South Metropolitan. If 4 per cent. was right with a profit of 9½d. per 1,000, 5 per cent., not 21 per cent., would be right for a profit or 11½d. per 1,000. The receipts of the Crystal Palace Company in the parish were 37,800*l.* and the Company was assessed at 1,513*l.* Those of the South Metropolitan were 31,700*l.* and the same rating surveyor claimed 6,650*l.* A system that permits such glaring inequalities cannot be other than unsatisfactory and wrong."

18. Mr. Crowther Smith, secretary to the Southampton Gas Light and Coke Company, who was for 36 years Clerk to the Guardians of the Southampton Incorporation, stated:—

"My experience proves that the present mode of assessing public companies to the local rates is most uncertain, unjust, and enormously expensive."

19. Mr. Jones, Engineer and General Manager of the Commercial Gas Company, said that the one great point which the gas companies wish to arrive at is that there should be a uniform and simple method of Assessment, and that "the result of the present system is to create the greatest possible inequalities, and occasionally to inflict hardships."

20. Mr. P. R. Smith, the rating agent to the Great Western Railway Company, said that the railway companies have more to complain about as regards the system of arriving at the rateable value than as to the total result.

21. Mr. Ratcliffe Ellis, Solicitor and Secretary to the Mining Association of Great Britain, who gave evidence on behalf of that body, stated that a number of different methods of ascertaining the rateable value of mines exists throughout the country. Referring to the rating in respect of collieries in two adjacent Unions in Lancashire, the Leigh Union and the Wigan Union, Mr. Ratcliffe Ellis said that, though they work under practically the same conditions, the mines being commercially of the same value and competing in the same markets, the methods of ascertaining the rateable value of the collieries are entirely different. "This absence of uniformity," he said "in the different Counties and the different Unions, the Mining Association considers to be most

" unsatisfactory, and that in order to secure equality of rating both as between collieries *inter se* and as between mines and other classes of property, some provision should be made by Parliament, prescribing some uniform mode of rating."

He showed that whilst in the Wigan Union the assessment of the mines belonging to the Wigan Coal and Iron Company, Ltd., amounted to 5·55d. per ton on the gross get, based on 1896 assessments, that of the mines belonging to the same Company situated in the Leigh Union amounted to 6·33d. per ton, and he added that "Formerly the assessment in the Leigh Union, in this case, was 1d. per ton more, the total amount being about 7·33d. I appealed against this assessment to the Committee on behalf of the Company last year, and they reduced it to the present amount." The assessable value of coal mines in the Leigh Union was estimated at between 60,000*l.* and 70,000*l.*, and in the Wigan Union at about double that amount, whilst the output in the year 1894 of the collieries which were the subject of the appeal amounted to 230,000 tons. "When the difference between the two unions was 1*d.*, that represented a difference in the rateable value for the same output of 1,677*l.* 1*s.* 8*d.* in the Leigh Union over what it would have been in the Wigan Union. The difference since the assessment was reduced in the Leigh Union would be 718*l.* 15*s.* I should think that I am putting a moderate estimate upon the total of the rates—poor-rate and district and the like—at 4*s.* in the £, so that it would make an annual difference in the former case of 335*l.* 8*s.* 4*d.* per annum, and in the latter case of 143*l.* 15*s.* per annum. This comparison, I think, is a fairly typical one, and would apply to the whole of the collieries in each union, and I have very little doubt that the same inequality prevails in other places, and must continue until some uniform method is fixed by the Legislature for the rating of mines."

APPENDIX C.

STATEMENTS OF CERTAIN WITNESSES REFERRING TO THE DISADVANTAGES OF THE EXISTING SYSTEM OF COLLECTION.

1. The statements of the following witnesses show that, in cases where several independent collections previously took place, a considerable saving to the Ratepayers has been effected by a re-organisation of the system:—

2. Mr. Jeeves, Town Clerk of St. Helens, said:—

Jeeves, App.
(Part II.) to
Vol. I. of Min.
of Ev., No. IV.,
Par. 15.

" Until 1893 in St. Helens, the Borough of which I am Town Clerk, we had four townships, with each a set of overseers, and an assistant overseer, each of whom laid and collected a poor rate, and the Corporation laid and collected rates for their own purposes."

" By an Act obtained in that year all the townships were amalgamated, and the Corporation obtained the powers of the Vestry, and of appointment of overseers and assistant overseer and rate collectors, together with authority to use one rate book and one demand note for all rates. Four members of the Finance Committee are appointed overseers, who in practice, though not by statutory provision, are also made responsible for the collection of the corporation rates; the services of one only of the assistant overseers was retained, and he and the staff already engaged in the laying and collection of the corporation rates were constituted the Rating Department to take charge of all overseer's work, and of the laying and collection of all rates. This staff has been found to be amply sufficient for the work. The work of the overseers has been better done, as attested, *as to the rating matters* by the Clerk of the Guardians and the District Auditor, both in the matter of the valuation lists and of the collecting; and, as attested, *as to the registration work* by the fact that the per-cent-age of errors in the overseers lists, as shown after revision, is now only between 3 and 4 per cent."

" Moreover, there has been effected a saving of upwards of 700*l.* per year, or about equal to a rate of two-thirds of a penny in the £, made up as follows:—

" Rating work:—

" Remuneration of assistant overseers	250
" Expenses for offices, those of the corporation being used	80
	<u>330</u>

" Registration Expenses:—

" Remuneration of assistant overseers	270
" Printing of overseers lists by obtaining tenders	50
" Printing of overseers lists by obtaining further tenders in connection with the burgess roll and parliamentary register	60
	<u>380</u>
	<u>£710</u>

APP. C.

"That is to say, the saving is larger than the present total expenditure in respect of overseers' work and of corporation rates."

Jeeves, App. (Part II.) to Vol. I. of Min. of Ev., No. IV., Par. 16.

"In the matter of assessments, too, when the overseers of the one township came to go into the existing valuation lists considerable variance was found; in one case the work had been kept fairly up to date by Supplemental lists altering assessments as the value had gone up, in other cases, in varying degrees, such Supplemental lists had been more or less carelessly done. The net result has been a considerable increase in the township assessment, which is a complete answer to those who say that the assessment would be put down to reduce the Borough contribution to the Union. The interests of the Borough in keeping up for its own purposes the assessment are far too great for this. Further, as an instance of looseness of supervision, it was found that for two years an assistant overseer had drawn remuneration for work not done."

App. (Part II.) to Vol. I. of Min. of Ev., No. III. Table

3. Mr. Jeeves, on behalf of the Association of Municipal Corporations, gave figures showing for about 140 Boroughs the Authorities who collect the rates, the amount of rates collected, and the cost of collection. The cost of collection in proportion to the amounts raised in the different districts greatly varies, but the cost incurred by the Borough Authorities appears to be generally less than that incurred by the Poor Law Authorities. Thus, in 106 Boroughs in which it is possible to make a comparison, the Corporations collected in 1896, 3,051,130*l.*, at a cost of 32,776*l.*, or 1·07 per cent., whilst in the same Boroughs the overseers collected 1,863,348*l.* at a cost of 41,657*l.*, or 2·24 per cent.

Cripps, App. (Part II.) to Vol. I. of Min. of Ev., No. VI., Par. 2.

4. Again, referring to the Borough of Tunbridge Wells, which is situated partly in the Tonbridge Union (Kent) and partly in the Ticehurst Union (Kent and Sussex), Mr. Cripps, the Town Clerk, says:—

Par. 26.

"The General District Rate is collected by the Corporation. A collector is appointed by them, who receives a remuneration of $\frac{1}{4}$ per cent. The amount collected averages about 27,000*l.* per annum, and the collector's remuneration amounts to 200*l.* per annum."

Par. 27.

"The Borough Rate is also collected by the Corporation, by the same collector and at a like commission. The amount collected averages about 5,000*l.* per annum, and the collector's remuneration amounts to 40*l.* per annum."

Par. 28.

"The Water Rate is also collected by the Corporation, by the same collector and at a like commission. The amount collected averages about 10,000*l.* per annum, and the collector's remuneration amounts to 75*l.* per annum."

Par. 29.

"Poor Rate in the Parish of Tunbridge Wells within the Tonbridge Union is collected by the collector appointed by the Board of Guardians to the Tonbridge Union, under the powers conferred upon them by an order of the Local Government Board. The amount collected averages about 14,000*l.* per annum. The collector's remuneration amounts to 350*l.* per annum."

Par. 30.

"Poor Rate in the Parish of Broadwater Down in the Ticehurst Union is collected by a collector appointed by the Board of Guardians of the Ticehurst Union, under the powers conferred upon them by an order of the Local Government Board. The amount collected averages about 1,700*l.* per annum. The collector's remuneration amounts to 60*l.* per annum."

"Thus the cost to the Corporation of collecting 42,000*l.* per annum is 315*l.*, and the cost to the Guardians of collecting 16,000*l.* per annum is 410*l.*"

"If the poor rates were collected by the Corporation a saving would be effected of about 300*l.* per annum, which, with other incidental savings, such as printing and stationery, would amount to a permanent saving equivalent to a $\frac{1}{2}d.$ rate per annum."

Par. 31.

"Under the powers conferred by section 189 of the Tunbridge Wells Improvement Act, 1890, the general district rate, the borough rate, and the water rate are all kept in one book, are all collected together by one demand note, and receipts are given by the collector on one and the same form."

"I produce a specimen sheet of the rate book in use, a specimen of the demand note, and a specimen of the receipt."*

"The effect of the alteration has been that the ratepayers in Tunbridge Wells are troubled with two collections of Corporation rates only per annum, whereas formerly there were eight collections, i.e., two collections of the general district rate, two collections of the Borough rate, and four collections of the water rate."

"The only rates in Tunbridge Wells which are not now collected at one and the same time are the poor rates levied in the two Unions."

Dawe, App. (Part II.) to Vol. I. of Min. of Ev., No. I., Par. 20.

5. Again, Mr. Dawe, Town Clerk of Kingston-upon-Hull, said:—

"The parochial system of making and collecting rates is wasteful, inasmuch as there is a separate rating establishment with separate officers for each of the ten parishes within the Borough. The difference between the precepts served upon the overseers and the sums levied (being mainly attributable to the cost of collection) amounts in the case of the Sculcoates Union to 4,219*l.* 13*s.* 8*d.* and of the Kingston-upon-Hull Union to 1,935*l.* 18*s.* 6*d.*, whereas the cost of collecting the

APP. C.

" general district and highway rate in the Borough amounted only to 1,500*l.*; and under a proper system, the bulk of the cost of the Parochial Authorities might be saved."

" The expense of ten rating establishments and a double set of collectors takes out of the pockets of the people considerably more than what it brings into the treasury of the Local Authorities. " The harassed ratepayer has the annoyance of a double collection of rates, and this becomes a grievance when he reflects that he has to pay for the annoyance, to which he is bound to submit. " Though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it."

" I think that expenses in the collection of rates might be further reduced by serving the demand notes through the post, and by allowing a rebate or discount to the ratepayers who pay their rates within a given time at the town hall. There are thousands of ratepayers in the Borough who either come to the town hall or pass close by, or who have members of their families or servants who could, without the slightest inconvenience, call at the treasurer's office and pay their rates, or, failing this, could send their money through the post at a cost of 2*d.*, yet under the present system they are obliged to contribute about 1,500*l.* a year, or nearly $\frac{1}{4}$ *d.* in the £, in salaries to collectors for that which they could easily do themselves. Provision should, of course, be made for the transfer to the councils of all the existing officers and collectors who desire to be so transferred, for compensation to those who prefer not to take office, and for vesting in the councils all future appointments."

Dawe, App.
(Part II.) to
Vol. I. of Min.
of Ev., No. I.,
Par. 34.

TABLE SHOWING the COST OF COLLECTION of RATES falling upon each rate in the BOROUGH OF KINGSTON-UPON-HULL, for the year ended March 1896.

Table

(See *Minutes of Evidence, Vol. I., Questions 1264-74.*)

Unions.	Rates collected by Overseers—Cost of collection falling upon Rates.				Rates collected by Corporation—Cost of collection falling upon Rates.	Total Cost of collection of Rates falling upon Rates.
	Poor.	Borough and School Board.	Watch.	Total.		
Soulcoates (portion comprised in Borough of Kingston upon-Hull)	£ 2,878	£ 154	£ 1,188	£ 4,220	£ } 1,500	£ 6,651
Total for Borough of Kingston-upon-Hull	2,878	739	1,534	5,151	1,500	6,651

6. Mr. Harris, the Clerk to the Cardiff Union Assessment Committee, who advocated that there should be in each Poor Law Union a Valuation Authority composed of representatives of the Boards of Guardians, and of the chief Spending Authorities in the Union, and that this Authority should collect all rates within the area, said:—

Harris, App.
(Part II.) to
Vol. I. of
Min. of Ev.,
No. XXXI.
Para. 1, 2.

" Their substitution for collecting purposes would afford ratepayers the great convenience of a well-known central and conveniently situated office where full information could be obtained as to all rates and assessments; it would produce a substantial saving in expense (in Cardiff Union about 2,000*l.* a year out of 6,000*l.*), avoid a multiplicity of balances in the hands of different rating authorities, conduce to greater efficiency and to prevention of defalcations, and if the suggestion of precepts being made for fixed rates in the pound is adopted, would produce uniformity of rates over the area of each Spending Authority, and in any case avoid apparent differences in rates, and cause them to be shown accurately."

* Costs defrayed out of other funds.

APPENDIX D.

APP. D. TABLE showing the DEDUCTIONS from the GROSS ESTIMATED RENTAL for REPAIRS, INSURANCE, and other EXPENSES to arrive at the RATEABLE VALUE of various CLASSES of HEREDITAMENTS allowed by certain UNION ASSESSMENT COMMITTEES in ENGLAND and WALES.

(Compiled from tables handed in by Mr. W. J. Jeeves, Town Clerk of St. Helens, and Mr. A. T. Cobbold, Clerk to the Samford Union Assessment Committee, and from information obtained from the Clerks to certain Union Assessment Committees).

A.—UNIONS (MAINLY RURAL) IN THE EASTERN COUNTIES.

Classes of Hereditaments.	Union Assessment Committees and Scales of Deductions.									
	EAST SUFFOLK.									
	Blything.	Hartis- mere. a	Hoxne.	Ipswich.	Mutford and Lothing- land.	Plomes- gate.	Samford.	Stow. a,b.	Wang- ford.	Wood- bridge.
Land without buildings	Per cent. 3	Per cent. Not ex- ceeding 6d. per acre.	Per cent. 2½	Per cent. 2½	Per cent. 3½	Per cent. 2½	Per cent. 2½	Per cent. ..	Per cent. 1 to 3	Per cent. 2½
Land and buildings	7½	—	—	2½ to 7½	—	—	5 to 10	...	—	7½
Farm houses, land, and buildings—										
Not exceeding 100 <i>l.</i> rental	15	10 to 20	20 to		12½		15 to 20	..	10 to 15	7½
Exceeding 100 <i>l.</i> and not exceeding 200 <i>l.</i>	12½	80	25		10	10	12 to 17½	..	10 to 15	7½
Exceeding 200 <i>l.</i> and not exceeding 300 <i>l.</i>	10	with- out land.	with- out land.	5 to 10	10	10 to 15	12 to 17½	..	7½ to 12½	5
Exceeding 300 <i>l.</i>	10				10	10 to 15	10 to 15	..	5 to 10	5
Houses and shops	20	10 to 30	—	10 and upwards.	15 to 20	10 to 15	10 to 20	..	10 to 25	7½ to 15
Cottages	—	15 to 35	20 to 30	20	20 to 25	10 to 20	10 to 20	..	15 to 25	—
Mills and factories	Wind, 35. Steam, 33½.	Not ex- ceeding 80.	—	20 to 33	33½	—	25 to 40	..	30 to 50	—
Woods	—	—	—	2½ to 5	2½	—	—	..	—	—
Allotments	—	—	—	—	—	—	10 to 20	..	—	—
Maltings and brickyards	—	—	—	10	—	—	10 to 15	..	—	—
Gas houses	—	—	—	10	—	—	—	..	30	—

(continued)

Classes of Hereditaments.	Union Assessment Committees and Scales of Deductions.									
	WEST SUFFOLK.					NORFOLK.			CAM- BRIDGE.	ESSEX.
	Cosford. c	Milden- hall.	Ris- bridge. d	Sud- bury. d	Thingoe.	Dep- wade.	Mitford and Laun- ditch.	Thet- ford. b	New- market. b	Biller- eay.
Land without buildings	Per cent. ..	Per cent. —	Per cent. 1s. per acre.	Per cent. 1 to 5	Per cent. —	Per cent. 2½ to 5	Per cent. 7½	Per cent. 2½	Per cent. 2½	Per cent. 3
Land and buildings	..	—	—	—	—	—	7½	—	—	10
Farm houses, land, and buildings—										
Not exceeding 100 <i>l.</i> rental	..	10	20 to 25 on the houses	.						
Exceeding 100 <i>l.</i> and not exceeding 200 <i>l.</i>	..	7½	and buildings	5 to 15	—	e	7½	10	Over 300 acres, 7½; under 200 acres, 10.	10
Exceeding 200 <i>l.</i> and not exceeding 300 <i>l.</i>	..	5	and a further 5 per cent. on farms.				7½	10		
Exceeding 300 <i>l.</i>	..	5								
Houses and shops	..	10 to 20	20 to 25	10 to 25	15	10 to 25	12½	20	15	10
Cottages	..	30	20 to 25	15 to 35	25	20 to 35	30	25	25	15 to 25
Mills and factories	..	30 to 40	25 and upwards.	Not ex- ceeding 50.	25	30 to 50	Mills, 50. Factories, 12½.	Not ex- ceeding 35.	30	—
Woods	..	—	—	—	—	2½ to 5	7½	—	—	Nil.
Allotments	..	—	—	—	—	2½ to 5	7½	—	—	3
Maltings and brickyards	..	—	—	—	—	—	7½ to 12½	—	15	10 to 25
Gas houses	..	—	—	—	—	—	25	12½	—	10 to 25

a. Ranges from 2½ per cent. on bare land to about 17½ per cent. on old thatched cottages.

b. A portion of this union is in West Suffolk.

c. Ranges from 10 to 25 per cent. in the case of buildings, and 7d. an acre for bare land.

d. A portion of this union is in Essex.

e. Farms not exceeding 50 acres, 2s. to 2s. 6d. per acre; 100 acres, 1s. 9d. to 2s. per acre; 200 acres, 1s. 6d. to 1s. 6d. per acre, and exceeding 200 acres, 1s. 9d. to 1s. 6d. per acre.

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ROYAL COMMISSION ON LOCAL TAXATION.

SECOND REPORT

OF

HER MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

LOCAL TAXATION.

VALUATION AND RATING IN RESPECT OF TITHE RENTCHARGE.

Presented to both Houses of Parliament by Command of Her Majesty.



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TABLE OF CONTENTS.

	Pages.
Royal Commissions	3 to 5
	Paragraphs.
I. The Origin of Tithes	2 to 8
II. The Statutory Liability of the Incumbent to be assessed to the Poor Rate	9 to 27
III. The Assessment of Tithes from 1601 to 1840	28 to 37
IV. The object of the Tithe Act, 1836, and its effect upon Incumbents	38 to 44
V. The effect of the Parochial Assessments Act, 1836, upon In- cumbents	45 to 54
VI. The Practice and Method of assessing Tithe Rentcharge from 1840 to 1858	55 to 56
VII. The effect of the Poor Rate Exemption Act, 1840, upon Incumbents	57 to 62
VIII. The position of Incumbents after 1836	63 to 65
IX. The Practice and Method of assessing Tithe Rentcharge after 1858	66 to 80
X. Imposition of Rates for new purposes since the Tithe Act, 1836	81
XI. Exemptions made by the Legislature in favour of Tithe and Tithe Rentcharge	82
XII. Effect of the Agricultural Rates Act, 1896, on Titheowners	83
XIII. The Claims put forward on behalf of Incumbents for alterations in the System of valuing Tithe Rentcharge	84 to 93
XIV. The pressure of the present Law upon Incumbents	94 to 103
XV. Conclusions	104
	Pages.
Addendum by Sir J. T. Hibbert, Mr. G. H. Murray, and Mr. C. A. Cripps	30
Memorandum by Mr. J. B. Balfour	30
Report by Mr. Arthur O'Connor	31
Memorandum by Mr. J. Stuart	36
Chronological Index to Acts of Parliament referred to in the Report	37
List of Cases referred to in the Report	37

ROYAL COMMISSION ON LOCAL TAXATION.

THE QUEEN has been pleased to issue a Commission, under Her Majesty's Royal Sign Manual, to the following effect:—

VICTORIA R.

Victoria, by the grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith,

To Our right trusty and well-beloved Councillor Alexander Hugh, Baron Balfour of Burleigh, Our Secretary for that part of Our United Kingdom of Great Britain and Ireland called Scotland, Vice-President of the Committee of Council on Education in Scotland, Chairman; Our trusty and well-beloved Frederick Archibald Vaughan Campbell, Esquire (commonly called Viscount Emlyn); Our right trusty and well-beloved Councillor John Blair Balfour; Our right trusty and well-beloved Councillor Sir John Tomlinson Hibbert, Knight Commander of Our most honourable Order of the Bath; Our right trusty and well-beloved Councillor Charles Beilby Stuart-Wortley; and Our trusty and well-beloved Sir Edward Walter Hamilton, Knight Commander of Our most honourable Order of the Bath, Assistant Secretary to the Commissioners of Our Treasury for Great Britain and Ireland; Sir Alfred Milner, Knight Commander of Our most honourable Order of the Bath, Chairman of the Commissioners of Our Inland Revenue; Cornelius Neale Dalton, Esquire, Companion of Our most honourable Order of the Bath, one of the Assistant Secretaries to the Local Government Board; Charles Alfred Cripps, Esquire, one of Our Counsel learned in the Law; Harcourt Everard Clare, Esquire, Town Clerk of Our City of Liverpool; Thomas Henry Elliott, Esquire, Secretary to the Board of Agriculture; Arthur O'Connor, Esquire; Edward Orford Smith, Esquire, Town Clerk of Our City of Birmingham; James Stuart, Esquire; and John Lloyd Wharton, Esquire, greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to inquire into the present system under which taxation is raised for local purposes and report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result:

Now know ye, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these Presents authorise and appoint, you, the said Alexander Hugh, Baron Balfour of Burleigh; Frederick Archibald Vaughan Campbell, commonly called Viscount Emlyn; John Blair Balfour; Sir John Tomlinson Hibbert; Charles Beilby Stuart-Wortley; Sir Edward Walter Hamilton; Sir Alfred Milner; Cornelius Neale Dalton; Charles Alfred Cripps; Harcourt Everard Clare; Thomas Henry Elliott; Arthur O'Connor; Edward Orford Smith; James Stuart, and John Lloyd Wharton to be Our Commissioners for the purposes of the said inquiry;

And for the better effecting the purposes of this Our Commission We do by these Presents give and grant unto you, or any five or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; and also to call for, have access to, and examine all

such books, documents, registers, and records as may afford you the fullest information on the subject; and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do by these Presents authorise and empower you, or any five or more of you, to visit and personally inspect such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid.

And We do by these Presents will and ordain that this Our Commission shall continue in full force and virtue; and that you Our said Commissioners, or any five or more of you, may from time to time proceed in the execution thereof and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

And We do further ordain that you, or any five or more of you, have liberty to report your proceedings under this Our Commission from time to time if you shall judge it expedient so to do.

And Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any five or more of you, your opinion upon the matters herein submitted for your consideration.

Giyen at Our Court at Saint James's, the fifteenth day of August, 1896, in the Sixtieth year of Our Reign.

By Her Majesty's Command,
(Signed) LANSDOWNE.

ROYAL COMMISSION ON LOCAL TAXATION.

VICTORIA R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith,

To Our trusty and well-beloved George Herbert Murray, Esquire, Companion of Our Most Honourable Order of the Bath, greeting !

Whereas We did by Warrant under Our Royal Sign Manual, bearing date the fifteenth day of August one thousand eight hundred and ninety-six, appoint Our right trusty and well-beloved Councillor, Alexander Hugh, Baron Balfour of Burleigh, together with the several gentlemen therein mentioned, or any five or more of them, to be Our Commissioners to inquire into the present system under which taxation is raised for local purposes, and report whether all kinds of real and personal property contribute equitably to such taxation, and, if not, what alterations in the law are desirable in order to secure that result :

And whereas one of Our Commissioners so appointed, namely, Our trusty and well-beloved Sir Alfred Milner, Knight Commander of Our Most Honourable Order of the Bath, hath, on being appointed Governor and Commander-in-Chief of the Colony of the Cape of Good Hope with its Territories and Dependencies, humbly tendered unto Us his resignation of his appointment as one of Our said Commissioners :

Now know ye, that We, reposing great confidence in you, do by these presents appoint you, the said George Herbert Murray, to be one of Our Commissioners for the purposes aforesaid in the room of the said Sir Alfred Milner, resigned, in addition to and together with the other Commissioners whom We have already appointed.

Given at Our Court at Saint James's, the third day of April 1897, in the sixtieth year of Our Reign.

**By Her Majesty's Command,
(Signed) M. W. RIDLEY.**

**George Herbert Murray, Esq., C.B.,
To be a Member of the Royal Commission
on Local Taxation.**

ROYAL COMMISSION ON LOCAL TAXATION.

SECOND REPORT.

TO THE QUEEN'S MOST EXCELLENT MAJESTY:

MAY IT PLEASE YOUR MAJESTY:

1. Since the commencement of the inquiry entrusted to us in accordance with the Commission issued by Your Majesty on August 15, 1896, we have made enquiries into the system by which tithe rentcharge is valued for the purpose of levying local rates, and we, the undersigned Commissioners, consider that it is desirable to submit to Your Majesty the information we have acquired, and the conclusions we have arrived at, independently of any further recommendations we may have to make upon this and the other subjects still under our consideration.

I.—*The Origin of Tithes.*

2. Tithes have been described as the tenth part of the increase yearly arising upon lands and on the personal industry of the inhabitants of the parish.*

"Of common right, tithes were to be paid for such things only as do yield a yearly increase by the act of God."

An estate in tithes is no more than a "title to a share or portion of the produce after it shall have been separated from the general mass. For tithe is payable not in respect of the land, but of the person; it is not an estate in the land, but a right to a determinate proportion of the fruits with all the industry and expense that have been bestowed in bringing them forward and collecting them." Tithes were estimated, not on the rental, but on the produce of the land. "Tithes are incorporeal hereditaments, and as such they, or the rentcharges substituted for them, are land within section 2, subsection 10, of the Settled Land Act, 1882. Where they belong to laymen they are subject to the incidents of other freehold property, and descend to the heir-at-law, but not to the heir, according to the custom of any district or manor; they are subject to dower and tenancy by the courtesy; they can be settled, willed, or leased; and are assets for payment of debts."†

3. They are of very ancient origin, and it is known that they existed at the Anglo-Saxon period. Edgar was the first king to enforce by law the payment of tithes,‡ but, even at the date of the Conquest, it is by no means certain that their payment was altogether general or compulsory.§

4. They were devoted to the maintenance of the church's fabric,|| the use of the bishop and of the incumbent, and also, to some extent, to the feeding of the poor and the entertainment of strangers.

The monasteries and other spiritual corporations acquired many advowsons from patrons of churches, and with the licence of the king and the consent of the bishop

Phillimore's Ecclesiastical Law, 2nd ed., Vol. II., p. 1150.

Bacon's Abr. of the Law, 5th ed., 1798, Vol. VI., Art. on Tythes, p. 709.

De Bock Porter, 11,046–51.

45 & 46 Vict. c. 38.

* Stephen. Commentaries on the Laws of England, 1895, 12th ed., Vol. II., Book IV., Part 2., p. 718.

† "The Law of Tithes and Tithe Rentcharge."—E. F. Studd. 2nd ed., pp. 5, 6.

‡ "Ancient Facts and Fictions concerning Churches and Tithes."—Selborne. 2nd ed., pp. 106, 216.

§ "The Law of Tithes and Tithe Rentcharge."—E. F. Studd. 2nd ed., pp. 1, 2. Phillimore's Ecclesiastical Law, 2nd ed., Vol. II., p. 1147, says:—The payment of tithes was compelled by ecclesiastical censures, enforced by the writ de excommunicato capiendo: statutory authority for their payment was given first by 27 Hen. VIII. c. 20, and 32 Hen. VIII. c. 7, and then by 2 & 3 Ed. VI. c. 13.

|| The burden of repairing the church, originally the duty of the bishop, and by the Canon Law imposed upon the rector, or other recipient of the tithe and other ecclesiastical revenue of the parish, was, so far as that part of the church is concerned which was appropriated to the use of the people—the nave of the church—cast in very early times on the parishioners, while the part of the church appropriated to the priest—the chancel—was generally left to be repaired by the parson, though sometimes by custom transferred to the parishioners.—[Parliamentary Paper, 486 of 1843, Part I., p. 10.]

Selden's History
of Tithes, 1618,
c. 12.
Castle, 14,073.

15 Rich. II. c. 6.

"appropriated" the benefices to themselves, and applied the endowments to their own purposes. They undertook the repair of the church's fabric, dispensed charity, and deputed one of their own body to perform the services of the church in the parishes of which they had become the rectors or parsons. This deputy was called a *vicarius*, or vicar; hence the distinction between rectorial and vicarial tithes.

Selden's History
of Tithes, 1618,
c. 13.

4 Hen. IV. c. 12.

5. By 15 Richard II. c. 6, it was provided that upon the appropriation of parish churches, the diocesan of the place should ordain, according to the value of such churches, a convenient sum of money of the fruits and profits of the same churches, to be paid and distributed yearly by those that should have the said churches in proper use, and by their successors, to the poor parishioners of the said churches, in aid of their living and sustenance for ever; and also that the vicar should be well and sufficiently endowed.

6. When the monasteries and other religious houses were dissolved in the reign of Henry VIII., the "appropriations" were vested in the Crown, and many were granted at different times to religious foundations and corporations, and also to subjects who became lay rectors or "impropriators," as distinguished from the original "appropriators," who were spiritual.

7. By 4 Hen. IV. c. 12., the vicar was made independent of the appropriator as regards his stipend and the security of his tenure as vicar. The Act provided that in every church appropriated there should be a secular person, that is not a member of any religious house, ordained vicar perpetual, canonically instituted and inducted, conveniently endowed by the discretion of the ordinary to do divine service and inform the people, and to keep hospitality.

8. The endowments granted to vicars were usually a portion of the glebe belonging to the parsonage, and a share of the tithes. They were not, however, of a uniform character, and some vicarages were more liberally endowed than others. Tithes which in some parishes belonged to the vicar, in others belonged to the rector or parson. The distinction between rectorial and vicarial tithes, therefore, did not depend on the nature of the titheable produce, but it appears that the appropriators generally assigned the tithes which were most difficult to collect, the result being that there was in practice, a certain amount of uniformity in the assignments. This is the reason, it is stated, that small or privy tithes are usually vicarial, and great tithes rectorial. The distinction between great and small tithes is one arising from the nature,* and not from the quantity, of the titheable produce.†

II.—*The Statutory Liability of the Incumbent to be assessed to the Poor Rate.*

9. By Magna Carta the king granted to God and confirmed "that the English Church shall be free and enjoy all her rights in their integrity and her liberties untouched," "No clerk shall be amerced for his lay tenement except after the manner of the other persons aforesaid, and not according to the value of his ecclesiastical benefice."

10. Ecclesiastical persons, prior to and during the reign of Elizabeth, were, by the Common Law, considered exempt from tolls, pontage, &c., and not subject to general charges imposed on subjects as to highways, &c., unless charged by Statute, either in express or general terms.‡

11. Such was the recognized law at the time when the Statutes of Elizabeth having reference to rating were passed. It was afterwards held during the reign of Charles II.

* Phillipmore's Ecclesiastical Law, 2nd ed., Vol. II., p. 1148:—Tithes, with regard to the several kinds or natures, were divided into praedial, mixt, and personal.

Praedial tithes were such as arise merely and immediately from the ground, as grain of all sorts, hay, wood, fruits, herbs.

Mixt tithes were those which arise not immediately from the ground, but from things immediately nourished on the ground, as by means of goods depastured thereupon, or otherwise nourished with the fruits thereof, as colts, calves, lambs, chickens, milk, cheese, eggs.

Personal tithes were such profits as do arise by the honest labour and industry of man, employing himself in some personal work, artifice, or negotiation, being the tenth part of the clear gain, after charges deducted.

† "The Law of Tithes and Tithe Rentcharge."—E. F. Studd. 2nd ed., p. 5.

‡ Phillipmore's Ecclesiastical Law, 2nd ed., Vol. I., pp. 477-8; also see Vol. II., p. 1373. See also Godolphin's Abridgment of the Ecclesiastical Law, 1680, pp. 193-4.

that ecclesiastical persons were liable to all public charges imposed by Act of Parliament. *

12. The support of the poor was in the earliest times a parochial concern, being connected with the maintenance of the Church. The Church rate was for a long period the only parochial tax, and, subsequently, the only parochial taxes were the Church Rate and the Poor Rate.† It is stated in the Report of the Poor Law Commissioners in 1843 that before 1536 "the relief of the poor had been a legal charge, " but undefined in amount, on the revenues of the secular clergy, aided by the " many exclusively charitable foundations, and by the regular alms of the monasteries " and religious houses, collegiate churches, hospitals, and cathedrals."

13. In 1535-6, the year of the suppression of the smaller monasteries and about three years before the suppression of the larger ones, the Act of 27 Hen. VIII. c. 25 was passed dealing with the establishment of the poor, and providing for the gathering and procuring of "such charitable and voluntary alms of the good Christian people," for the purposes of poor relief. The Act enacted that "all the governors and ministers of every of the same cities, shires, towns, hundreds, wapentakes, lathes, rapes, ridings, tithings, hamlets, and parishes, as well within liberties as without, shall not only succour, find, and keep all and every of the same poor people, by way of voluntary and charitable alms, . . . but also to cause and compel all and every the said sturdy vagabonds and valiant beggars to be set and kept to continual labour, in such wise as by their said labours they and every of them may get their own livings with the continual labour of their own hands." The parson or some other honest man in a parish was to keep accounts to show receipts and expenditure, but the books were to be in the custody of two or three of the constables and churchwardens or of some other indifferent man by their consents. Preachers, parsons, vicars, and curates, as well in their sermons, collations, bidding of beads, as in the time of confession and making of wills, were to exhort, move, stir, and provoke people to be liberal for these purposes.

14. But "voluntary and charitable alms" were found insufficient to meet the increasing difficulty of providing for the poor. Various Statutes dealing with the maintenance of the poor and of vagabonds, and with the collection of alms, were passed. By an Act of 1552 collectors were required to "gently ask and demand of every man, " and woman, what they of their charity, will be contented to give weekly toward "the relief of the poor." And if any "able to further this charitable work" obstinately or frowardly refused, he might be summoned by the Bishop, who would, according to his discretion, "take order for the reformation thereof."

15. In the following reigns further compulsion was gradually introduced. In 1555 2 & 3 P. & M. parishioners of wealthy parishes in cities and corporate towns were to be moved, induced, or persuaded "to contribute somewhat, according to their ability, towards

* "That an Act of this King for repairing of the Highways appoints, that such persons as keep Carts and Horses, &c., should send them at certain times to assist in the repairing of the Ways, not having a reasonable excuse, and that warning was given to the Parishioners of the Parish whereof the Plaintiff was Parson, to send in their Carts; and that the Plaintiff omitting to do it; a Justice of Peace made a Warrant to the Defendant, to distrain him according to the Authority given by the Act, &c. It was alleged for the Plaintiff, . . . That Clergymen were not obliged by this Act; for Ecclesiastical Persons have always had Immunities from such charges, as Pontage, Murage, &c., and shall not be comprehended by the general word, Parishioners."

Curia Contra.—"The Clergy are liable to all public charges imposed by Act of Parliament; and that hath been resolved, as Hale said, upon debate before all the Judges." [Webb v. Batchelour (1673), 1 Vent. 273; 3 Keb. 476, 507. See also Hopkins' case (1672), 3 Keb. 255.]

It was provided by 14 Cha. II. c. 6 that, if what was done towards mending the highways by the loan of wagons or carts, oxen, horses, or other cattle, and by able men was not sufficient, Surveyors of Highways should lay Assessments "upon every Inhabitant rated to the Poor, and upon every Occupier of Lands, Houses, Tithes, Improprie or Appropriate, Portions of Tithes, Coal Mines, and other Mines, saleable Underwoods, Stock, Goods, or other personal Estate, not being Household-stuff, within the said Parish," which Assessments were not to exceed "the sum of Six pence in the pound in any one year, according to the real value of the same, and Twenty pounds in Money, Goods, Stock, or other personal Estate, shall be rated equally to Twenty shillings a year in Land." And it was again provided by 22 Cha. II. c. 12 that Assessments for the repair of the highways might be made and levied "upon all and every the inhabitants, owners, and occupiers of lands, houses, tenements, and hereditaments, or any personal estate usually ratable to the poor."

† The rate next to the Church Rate in antiquity was the Sewers' Rate. "The districts within which it is raised are entirely arbitrary, and have no legal relation to any other civil or ecclesiastical divisions." (Parliamentary Paper, 486 of 1843, Part I. p. 11.)

Webb v. Batchelour (1673),
1 Vent. 273; 3 Keb.
476, 507.

Parliamentary
Paper, 486 of
1843, Part I.,
pp. 10, 11.

27 Hen. VIII.
c. 28.
31 Hen. VIII.
c. 13.
27 Hen. VIII.
c. 25.

1 Ed. VI. c. 3.
3 & 4 Ed. VI. c. 16.
5 & 6 Ed. VI. c. 2

Trin. Anno,
26 Cha. II.
in King's Bench.
14 & 15 Hen. VIII.
c. 6.
2 & 3 P. & M. c. 8.
14 Cha. II. c. 6.
22 Cha. II. c. 12.

5 Eliz. c. 3.

"the weekly relief" of the poor in other parishes. In 1562 it was provided that if any person of his foward or wilful mind obstinately refused to give weekly for the relief of the poor according to his ability, the bishop was to bind him to appear at the next General Sessions, and at the said Sessions the justices there were to charitably and gently persuade and move the said obstinate person to extend his charity towards the relief of the poor of the parish where he dwelt. If he would not be persuaded, the justices, with the churchwardens, might tax him according to their good discretion. On default, he might be committed to prison until he paid the sum so taxed, with arrears. In 1572 the poor were to be settled and numbered, and after the numbering, the county justices and town magistrates "shall by their good discretions tax and assess all and every the inhabitants dwelling in all and every city, borough, town, village, hamlet and place . . . to such weekly charge as they and every of them shall weekly contribute towards the relief of the said poor people; and the names of all such inhabitants taxed shall also enter into the said register book, together with their taxation; and also shall . . . appoint or fee collectors . . . and also shall appoint overseers of the said poor people." If any person or persons being able to further this charitable work, "did obstinately refuse to give towards the help and relief of the said poor people," or did "wilfully discourage others from so charitable a deed," he was to be brought before the justices to show cause, and to abide their order, and, on default, he might be committed to the next gaol for the shire. The Act also imposed a rate for conveyance of the poor from parish to parish, and for the relief of vagabonds in prison.

39 Eliz. c. 3.

16. In 1597 the important Act of 39 Eliz. c. 3. made the burden of relieving the poor within the parish wholly compulsory. The Act provided for the raising by the overseers, "weekly or otherwise (by taxation of every inhabitant and every occupier of lands in the said parish, in such competent sum and sums of money as they shall think fit) a convenient stock of flax, hemp, wool, thread, iron, and other necessary ware and stuff to set the poor on work, and also competent sums of money, for and towards the necessary relief of the lame, impotent, old, blind, and such other among them being poor, and not able to work, . . . to be gathered out of the same parish, according to the ability of the said parish." Distress might be levied on any one refusing to contribute, and, in default of distress, it was lawful for the Justices of the Peace to commit him to prison.

17. The Act thus provided that every inhabitant, and also every occupier of lands in the parish was to be taxed, but it was not laid down that taxation was to be upon the basis of the ability of the occupier or inhabitant, but that competent sums of money were to be "gathered out of the same parish, according to the ability of the said parish." No directions were given to the overseers as to the actual basis upon which taxation was to be raised, nor in respect of what properties, nor as to the manner in which rates were to be levied or collected. Further, the parson or vicar was not specially mentioned in the Act.

Lambard's
Eirenarcha:
or of the Office of
the Justices of
Peace, 1599.
Bk. II., c. 7.

18. Upon the interpretation of this Act a conference of Judges in 1597 or 1598, came to 20 resolutions, and they laid down in resolutions 18 and 19 that "parsons, or vicars, &c. be bound (as inhabitants) to the relief of the poor, as well as others that inhabit within the parish," . . . "every one that hath tithes impropriate, coal mines, or lands in manual occupation, &c. is chargeable. And so for such as have saleable woods, proportioning the same to an annual benefit."

43 Eliz. c. 2.

19. In 1601 the famous Act of 43 Eliz. c. 2 defined more specifically than the Act of 1597 the persons liable to be taxed.

By this Act the overseers were enabled to "raise weekly or otherwise (by taxation of every inhabitant, parson, vicar, and other, and of every occupier of lands, houses, tithes impropriate or propriations of tithes, coal mines, or saleable underwoods in the said parish, in such competent sum and sums of money, as they shall think fit) a convenient stock of flax, hemp, wool, thread, iron, and other necessary ware and stuff to set the poor on work, and also competent sums of money, for and towards the necessary relief of the lame, impotent, old, blind, and such other among them being poor, and not able to work;" and also for the putting out of the children of parents thought unable to help and maintain them to be apprentices, "to be gathered out of the same parish, according to the ability of the same parish, and to do and execute all other things, as well for the disposing of the said stock, as otherwise concerning the premises, as to them shall seem convenient."

20. The Act directed that parsons and vicars should be taxed, not specially in respect of tithes, but as inhabitants within the parish. Parsons and vicars were especially mentioned among inhabitants as subject to be taxed, probably to prevent any suggestion that the clergy were exempt. In the Hue and Cry Act (1585) taxation was expressly stated to be according to the ability of the inhabitants, but under the Act of 1601, although the ability of the inhabitant, parson, vicar, &c., was not expressly stated, but the ability of the parish, it appears to have been generally agreed that the intention of the Act was that inhabitants were to be taxed according to some standard of ability, and the Courts inferred the intention to tax them in respect of property other than that specifically mentioned in the Act.* On the other hand, owners of tithes severed from the benefice were not to escape taxation, such tithes being expressly mentioned in the Act. They were to be treated as other occupiers and rated according to their respective means arising in the parish, that is, upon the basis of the annual benefit arising from their property situated in the parish.

21. The view has been constantly put forward that the express mention in the Act of Elizabeth of tithes inappropriate or propriations of tithes in connexion with occupiers, and the omission of any reference to tithes not severed from the benefice, was evidence of the intention of the Act to exclude those kinds of tithes not specifically named from direct liability to assessment, and that, therefore, the incumbent was liable to be rated only as an inhabitant according to his ability, and not specially in respect of tithes not severed from the benefice. This view receives support from the fact that the express mention of the words "coal mines and saleable 'underwoods'" was held to exclude all other kinds of mines and woods from its operation until the passing of the Rating Act of 1874.†

22. With reference to the construction of the Act, Mr. Meadows White, solicitor to the Tithe Commissioners and to the Ecclesiastical Commissioners, when giving evidence before the Select Committee of the House of Lords, appointed in 1850 to consider the Laws relating to Parochial Assessments, said:—

"As I read the Poor Laws, in which I have had some little experience, I do not think that originally it was the intention of the framer of the Act of Elizabeth to rate spiritual tithes at all: there is an analogy to that in regard to the sewers' rate, which was first enacted in the 23rd Henry 8th: under that Act spiritual tithes have never been rated: impropriations of tithes have always been rated; but they were property which, as your Lordships are aware, before the dissolution of monasteries, was charged with that hospitality which was, in fact, the Poor Law of the day; when they were granted out again, there was a clause in the Acts of Dissolution that the grantees should maintain that hospitality, and doubtless, when that came to be a legal statutable charge, extending the power and enforcing the obligation of maintaining the poor, it was intended that all property which before bore the burden, should continue to bear it, and that the parties who were possessed of that property should be the persons assessed: in the 43rd of Elizabeth, it will be found, that there are enumerated 'propriations and impropriations of tithes,' and there are also enumerated parsons and vicars as inhabitants, whose ability is to be the test of their contribution."

23. If the incumbent had been classed as an occupier, and had been rateable directly in respect of tithes not severed from the benefice, he would, in many cases, have been rated practically in respect of the whole of his available resources, but, if he had been rated on the basis of an inhabitant, and rated solely according to his ability, he would have been rated not unequally with the other inhabitants of the parish. Having regard to the unremunerative nature of his calling, and the many parochial claims made upon him, a comparison of his ability with theirs would probably have operated considerably to his advantage.

24. But the difficulties of rating inhabitants according to their ability were apparent. The Act of Elizabeth provided no machinery for making inquisitorial inquiries into their means, nor is it likely that such a system would ever have been tolerated.

* In R. v. Christopherson, 1885 (16 Q. B. D. 7; 53 Law Times Rep. 804) Cotton, L.J., said "Under the Act of Elizabeth a person might be rateable under two heads, either as inhabitant, parson, vicar, or other, or as occupier of certain specified hereditaments, and the sum of money to be raised was to be raised in each parish according to the ability of the same, that is, of the parish. That provision appears to me to involve that the persons rated must be rated according to their respective means arising in the parish."

† House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850, Willis, Q. 2157-8, and memorandum handed in by witness, p. 289. See also evidence of the Ven. Archdeacon Burney, Q. 2000-1, 2057. Castle on the Law and Practice of Rating, 3rd ed., p. 453. Castle, 13,986.

Moreover, so long as the parish was the area for the purposes of assessment and of levying rates, taxation by ability would not be a feasible method. Therefore all that could be done in practice was to measure the ability of inhabitants by property within the parish of a visible or tangible kind easily cognisable. This was not necessarily limited to real property, but it came by the force of circumstances to be mainly real property.

R. v. Christopher-
son, 16 Q.B.D. 7;
53 Law Times
Rep. 804.
Parliamentary
Paper, 486 of
1843, Part I.,
p. 20.

25. In the case of the incumbent his property, namely tithes received in kind, was easily cognisable, and the value easily estimated by the overseers. A practice therefore arose of rating the incumbent in respect of this class of property, not because he was liable to be rated specially in respect of tithes under the Act of Elizabeth, as were occupiers of tithes severed from the benefice, but because it was found to be the easiest and most feasible method of assessing him. Thus, as the Poor Law Commissioners said in 1843, the ability of the incumbent "was recognised as being usually derived from tithes."

26. Attempts were made in the 18th century in certain parishes to rate in respect of all classes of personal property. Such property was not, however, held rateable without evidence of usage until 1792-3,* and, even after that, the practice is said to have been a very limited one.†

27. The case of the incumbent was therefore one of hardship. His ability came to be measured by his cognisable property of tithes, and he was thus dealt with upon the same basis as the owner of tithes severed from the benefice, who performed none of the services of the church, who could live anywhere he might select, and was free to pursue any remunerative calling he chose. In addition, the incumbent was rateable in respect of the annual value of the house in which he lived, and of his glebe, if he had any and occupied it. On the other hand, inhabitants possessing many other classes of property escaped taxation in respect of it, for the annual value of the houses in which they lived was taken as the sole measure of their ability.

III.—*The Assessment of Tithes from 1601 to 1840.*

43 Eliz. c. 2.

28. Little is known of the method by which the incumbent was assessed, if he was assessed at all, for some time after the passing of the Act of Elizabeth.

R. v. Christopher-
son, 16 Q.B.D.
7; 53 Law Times
Rep. 804.

Phillimore's Eccle-
siastical Law,
2nd ed., Vol. II.,
p. 1373.

R. v. Carlyon,
3 T.R. 385; 2 Eaq.
and Yo. 339.

29. In Dalton's "Country Justice," in 1742, nearly 150 years after the passing of the Act of Elizabeth, it is stated that "every clergyman is to be rated for his glebe " and tithe according to their yearly value, so long as they are in his own occupation, " because the statute charges every occupier of tithes, &c., and the clergy are con- " tained in these general words unless particularly excepted."

30. Though this statement may point to the conclusion that the practice of rating the clergy in respect of their tithes probably prevailed to a considerable extent at that time, the construction placed by Dalton upon the Act of Elizabeth appears to have been erroneous, and not warranted by any known legal decisions. Referring to this passage, Lord Justice Lindley, the present Master of the Rolls, said, "There is undoubtedly " some confusion here, because the only occupiers of tithes mentioned in the Statute " are the occupiers of tithes inappropriate or propriations of tithes."

31. It is stated in Phillimore's Ecclesiastical Law that "it has been long holden, " though the law at first was uncertain, that incumbents of benefices are liable to the " rate for the relief of the poor according to 43 Eliz. c. 2.‡ These rates have been " imposed on them, not only in respect of their glebes, but also in respect of tithes, " even tithes of fish, and apparently even oblations§ and pensions."||

In the case of R. v. Carlyon,§ 1789, Lord Kenyon, C.J., said, "Then it is said that " only property which is visible should be rated; but I think that is carrying the rule " of exemption too far; for oblations and other offerings which constitute the rectorial " or vicarial dues are rateable." Upon this statement, Cotton, L.J., remarked in the case of R. v. Christopherson (1885) that he could find no case where a parson had been held so rateable, and, if he was so, it must be on the same principle as that on which he was rateable in respect of tithes, namely that these were matters visible and tangible by the overseers.||

* R. v. White, 4 T. R. 771. R. v. Dursley, 6 T. R. 53. R. v. Darlington, 6 T. R. 468.

† Parliamentary Paper, 148 of 1840. Parliamentary Paper, 486 of 1843, Part I., pp. 21-2. House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850, pp. 3, 4.

‡ See Parson of Pancras quoted in Hopkins' case in 1672, 3 Keb. 255. R. v. Turner (1718), 1 Stra. 77; 1 Bott. No. 147 (1827 ed.). R. v. Bartlett, 16 Viner's Abr. 427.

§ R. v. Carlyon, (1789), 3 T. R. 385; 2 Eaq. and Yo. 339.

|| Lowndes v. Horne (1779), 2 W. Black 1254; 1 Bott. No. 175; 2 Eaq. and Yo. 341.

¶ R. v. Christopherson, 16 Q.B.D. 7; 53 Law Times Rep. 804. See also Esdaile v. The Assessment Committee of the City of London Union, 19 Q.B.D. 431.

32. Although the cases of *R. v. Skingle*, 1718, and *R. v. Lambeth*, 1722, were cited in argument in the case of *R. v. Christopherson*, with the object of showing that at least in the early part of the eighteenth century the incumbent was rated as an occupier of tithes, the judgment of all the Lords Justices in that case proceeded upon the ground that "parsons have been rated in respect of tithes, but not as occupiers"; but, looking to the nature of the case and the decisions, the general words of the Statute received some limitation with regard to the profits for which the parson was rateable, and these profits were held only to include tithes or payments substituted for them. The Court pointed out that, since the passing of the Act of Elizabeth (43 Eliz. c. 2.), all the decisions "had gone on the footing that his ability "from certain sources must be looked to."

R. v. Skingle
(*Powell v. Bull*),
(1718), 1 Stra. 100
1 Bott. No. 148;
Comyns 265;
1 Eag. and Yo.
733.
R. v. Lambeth,
(1722), 1 Stra. 525
1 Bott. No. 149;
Fortescue's Re-
ports for period
1695 to 1738.
p. 319.

These sources were said by Lindley, L.J., the present Master of the Rolls, to be tithes. "It seems to me that they (parsons) were held to be rateable in respect of tithes, because tithes formed the visible means of the parson which the overseers could see and estimate. I cannot find that the parson was ever rated as such in respect of anything but tithes or payments substituted for them, and perhaps, if Lord Kenyon is correct, for oblations and other such offerings."

Lord Justice Cotton, in the same case, stated the liability of the parson as follows:— "The parson is especially mentioned among the inhabitants as subject to the rate, probably to prevent any suggestion that the clergy were exempt. And with regard to the question for what he is rateable, it is expressly laid down by Littledale, J., in *R. v. Boldero*, that the statute of Elizabeth makes the parson rateable as such in respect of profit which he receives from the parish as parson. In respect of glebe in his occupation he would, of course, be rateable as an occupier as any other occupier is rateable in respect of land occupied by him. With regard to his rateability as an inhabitant, the question is whether, looking to the nature of the case, and the decisions, the general words of the statute must not receive some limitation with regard to the profits for which the parson is rateable."*

R. v. Boldero,
4 B. & C. 467.

33. But whatever the legal liability of incumbents was in respect of the assessment of tithes, it was stated by the Rev. R. Jones, a Tithe Commissioner, that they were frequently not assessed at all, even as late as 1838. When such assessments were made, the methods greatly varied in different parts of the country.

In many instances the farmers paid a money composition in lieu of tithes, and also paid the rates, and, as at that time the farmers chiefly levied the rates in rural districts, their interest was to assess the tithe as low as possible.

34. The Rev. R. Jones, in a pamphlet published in 1838 on the manner in which tithe should be assessed to the Poor's Rate,† says:—

"The modes of rating which convenience, convention, or other circumstances have established in different districts of the country, are multiplied and various . . . Over a very large proportion of England the tithe has never been rated at all. Till lately this practice of omitting the tithe from the assessment prevailed more generally still, and when at length householders and others insisted that the tithe should appear

* Lord Justice Cotton said (53 L. T. 807) "It shows that inhabitants, as such, were liable to be rated in respect of that which was visible and tangible which the overseers could get at. Parsons have been rated in respect of tithes, but not as occupiers, for the only occupiers of tithes mentioned in 43 Eliz. c. 2 are occupiers of tithes impropriate and proprieties of tithes which had been taken from the parsons. But tithes were the ostensible and tangible means of support of the parson, because when they were paid in kind, there was a tenth to which he was entitled which was the tangible and visible property which he had for his support."

Sir Furrer (now Lord) Herschell, who was counsel for the appellants (the Assessment Committee), in *R. v. Christopherson*, argued that the Poor Rate Exemption Act (3 & 4 Vict. c. 89) which gave legal sanction to the practice of exempting personal property from the poor rate, expressly leaves untouched any liability of the parson under 43 Eliz. c. 2. His liability under that statute being reserved by the Poor Rate Exemption Act, he remains liable in respect of his personal ability to contribute as rector of the parish, that is to say, in respect of any sums received by him, forming part of the annual value of his rectory. "There is nothing in the words of the Statute of Elizabeth to confine the liability of the parson or vicar to tenements or hereditaments occupied by him. . . . There is nothing in the statute of Elizabeth to warrant any distinction, as far as the rector is concerned, between any emolument of his benefice which is a tenement, and any emolument which is not." [R. v. Toms (1780), Doug. 401.] [Rann v. Pickin (1782), Cald. 196.]

† Shaw and Sons, pp. 31 and 32.

" in the rate-book, the occupiers of the land very generally paid the tithe (? rate) themselves, and had a direct interest in rating the tithe as low as possible . . . There still remained a comparatively small class of cases in which the clergyman was assessed and paid his own rates ; but even of this comparatively small class of cases a large proportion were assessed on conventional usages, utterly inconsistent with the notion that any legal principle of rating was present to the mind of either party."

35. Again, the Rev. C. A. Stevens, a well-known authority on the subject of tithes, stated in 1879 :—

App. (Part II.) to Vol. I. of Min. of Ev., No. XXVI., pp. 206-7, pars. 43-5.

" Previously to the commutation, the total amount of the tithes in a parish was in most cases as much unknown to anyone except the titheowner himself, and as much a subject of estimate as the gross produce of the land. In nearly two-thirds of the cases the farmers agreed with the titheowner to pay him a money composition on the plan of their paying all rates. Thus no question of total amount of tithes and modes of assessment could arise. The farmers levied the whole rate among themselves. In the remaining cases where tithe was taken in kind, very different practices seem to have prevailed. In some districts they were not rated at all. In others he was charged with a fifth, a sixth, or an eighth of the whole rate of the parish. In some places in later years a valuer was called in, and the titheowner was rated with reference to his supposed gross income. When rates were levied, as they generally were, at half rents, or two-thirds rents in some cases at least the titheowner was rated at an aliquot reduction."

House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850, Q. 16.

R. v. Joddrell,
1 B. & A. 403.

R. v. Capel,
12 A. & E. 382.

36. Also, Sir George Cornwall Lewis, when a witness before the Select Committee of the House of Lords on the Laws relating to Parochial Assessments, said :—
" I am aware that before the Tithe Commutation Act, the practice as to rating tithe varied considerably. In some cases the rate upon the tithe was paid by the occupier, and no rate at all was imposed upon the clergyman."

37. In 1830 an important case having reference to the rating of tithes, namely R. v. Joddrell, came before the Courts, and it was decided that the titheowner was rateable only for that proportion of the value of his tithe which the rent received by the landlord for all the land in the parish bore to the whole annual value of such land, including the profits of the tenant. " If the rent is one-half or two-thirds of the total annual profit or value of land, the rate on all other property should be one-half or two-thirds of its annual value."

Effect appears to have been given to this decision in a number of cases until after the decision in the case of R. v. Capel in 1840.

IV.—*The object of the Tithe Act, 1836, and its effect upon Incumbents.*

6 & 7 Will. IV.
c. 71. ss. 17, 81,
82.
54 Vict. c. 8.
54 Vict. c. 8.
ss. 1, 2, 4, 6.

6 & 7 Will. IV. c. 71.
Peterson, App. (Part II.) to Vol. I. of Min. of Ev., No. XXIV., par. 53 *et seq.*

6 & 7 Will. IV.
c. 71. s. 37.

38. By the Tithe Act, 1836, an agreed rentcharge, instead of a tithe in kind, received legal sanction. The titheowners' remedy, in case of non-payment of the rentcharge by the occupier, was, up to the passing of the Tithe Act, 1891, to recover it by distress from him, or, in default of sufficient distress, by taking possession of the land out of which it issued. But the Tithe Act, 1891, provided that the landowner, instead of the occupier, should be immediately liable for the payment of the tithe rentcharge, and it is now recoverable in the County Court.

39. The Tithe Act of 1836 provided that the tithes be commuted either voluntarily by the titheowners and landowners of the parish, subject to certain conditions and restrictions, or else compulsorily by the Tithe Commissioners, the Act in the latter case directing the mode of conversion to be as follows :—

(1.) To find the clear average annual value of the tithes of each parish, after making all just deductions on account of the expenses of collecting, preparing for sale, and marketing, where such tithes had been taken in kind, during the seven years preceding Christmas 1835.

In estimating this, no deductions were allowed on account of any rates, charges, or assessments to which the tithes were liable, and where the tithes had been compounded for on the basis of the tithe-payers paying the rates, the Commissioners were directed to make such additions to the composition as would be the equivalent of the rates paid.*

* Peterson, App. (Part II.) to Vol. I. of Min. of Ev., No. XXIV., pars 58-62. Stevens, App. (Part II.) to Vol. I. of Min. of Ev. No. XXVI.B., par 58. De Bock Porter, 11,024-31. Also evidence of Sir G. Cornwall Lewis, Select Committee of House of Lords on Parochial Assessments; House of Lords Paper, 150 of 1850, or House of Commons Paper 622 of 1850, Q. 17. The Tithe Acts, 6th ed., G. P. Leach, p. xx.

(2.) To apportion the amount upon the lands of the several landowners, having regard to the average titheable produce and productive quality of the lands. 6 & 7 Will. IV. c. 71. ss. 54, 55.

(3.) To ascertain how much corn could be purchased with such amount, one-third to be laid out in wheat, one-third in barley, and one-third in oats, at the average price ascertained by the weekly official returns for the same seven years. c. 71. s. 57.

(4.) To make annually payable a sum of money equal in value to the same number of bushels of wheat, barley, and oats respectively, according to their several prices as shown by the averages of the seven years then last ascertained and published. 6 & 7 Will. IV. c. 71. s. 7. 7 Will. IV. & 1 Vict. c. 58. s. 11. 3 & 4 Vict. c. 15. s. 20.

40. The object of the Tithe Act, 1836, was stated in the Poor Law Commissioners' Report on Local Taxation in 1843, as follows:— Parliamentary Paper, 486 of 1843, Part I., p. 102.

"It was quite clearly understood at that time (the time of the passing of the Commutation Acts) that there was to be assured to the titheowners, lay and clerical, an income as nearly as possible equivalent in real value to their then revenue, to be rendered, by the provisions as to averages, independent as far as possible even of fluctuations in the value of money. With this assurance of a certain revenue, the titheowner abandoned his prospect of increased revenue from improving cultivation But little, if any attention was paid to the operation upon the rentcharge of increasing taxes, as being capable, while they improved improvable incomes, of almost annihilating, in the very same process, a fixed* income."

41. The report of the Select Committee on Tithe (Rentcharges), 1881, stated that, "The Tithe Commutation Act (1836) was founded upon the principle that a corn rent payable in money and permanent in quantity, though fluctuating in value, should be substituted for all tithe, which was theretofore payable either to ecclesiastical or to lay persons." House of Commons Paper, 340 of 1881, pp. iii, xi.

42. With reference to the question of rates, the Act provided that "every rent-charge payable as aforesaid instead of tithes shall be subject to all parliamentary, parochial, and county and other rates, charges, and assessments, in like manner as the tithes commuted for such rentcharge have heretofore been subject." 6 & 7 Will. IV. c. 71. s. 69. See Lamplugh v. Norton, 22 Q.B.D. 452.

The words "in like manner as the tithes commuted for such rentcharge have heretofore been subject" appear to have been inserted in order to insure that no fresh liability in respect of assessment should be imposed upon titheowners.

43. With regard to this section, the report of the Poor Law Commissioners on Local Taxation in 1843, states that it was then alleged that, at the time of the passing of the Tithe Act, "there was a distinct understanding in Parliament that the tithe-owners, in consideration of their acceptance of a fixed* instead of an improvable income, were to be secured against any variation in the mode of taxation which then prevailed," and that it was the object of section 69 to give effect to this understanding. The legal position of the incumbent under the Act of Elizabeth was therefore left unaltered. Parliamentary Paper, 486 of 1843, Part I., p. 100.

44. At the time of the passing of the Tithe Act in 1836 it had in many cases ceased to be the practice for titheowners to take the tithe in kind, owing to the expense and inconvenience which it entailed, and also to the bad feeling it frequently engendered between titheowners and tithepayers. In fact, probably the chief advantage which the clergy contemplated would be derived from the Act was the assurance of a more stable revenue recoverable by a process less calculated to cause dissension than that which had previously obtained. But for some time before the passing of the Act, many of the clergy, in order to maintain friendly relations with their parishioners, had made considerable sacrifices rather than take any proceedings calculated to create ill-feeling. Mr. (afterwards Sir) James Caird stated in 1881 before the Select Committee of the House of Commons on Tithe (Rentcharges): "It was certainly to the credit of the Church, and that was fully stated by all the great statesmen who entered into this subject previous to 1836, and in 1836, and they all of them said that the Church had been extremely lenient in every way in her exaction of tithe." Peterson, App. (Part II.) to Vol. I. of Min. of Ev., No. XXIV., par. 48. House of Commons Paper, 411 of 1846, Q. 4979. House of Commons Paper, 340 of 1881, Q. 189.

* See footnote (T) to paragraph 81.

V.—*The effect of the Parochial Assessments Act, 1836, upon Incumbents.*

6 & 7 Will. IV. c. 96. s. 1. 45. In the same year as the Tithe Act the Parochial Assessments Act was passed for the purpose of establishing "one uniform mode of rating for the relief of the poor throughout England and Wales," and it enacted that "no rate for the relief of the poor in England and Wales shall be allowed by any justices, or be of any force, which shall not be made upon an estimate of the net annual value of the several hereditaments rated thereunto; that is to say, of the rent at which the same might reasonably be expected to let from year to year, free of all usual tenants rates and taxes, and tithe commutation rentcharge, if any, and deducting therefrom the probable average annual cost of the repairs, insurance, and other expenses, if any, necessary to maintain them in a state to command such rent: provided always, that nothing herein contained shall be construed to alter or affect the principles or different relative liabilities (if any) according to which different kinds of hereditaments are now by law rateable."

R. v. Lumsdaine,
10 A. & E. 160;
10 Q.B.D. 157;
2 P. & D. 219.

The Act was explained by Lord Denman in 1839 in the case of *R. v. Lumsdaine* as follows:—"The object of this Act does not appear to have been to introduce any new principle of rating, but to affirm that which had already been established by decisions of this court."

R. v. Joddrell,
1 B. & A. 403.

46. The proviso in section 1 of the Act was inserted as a compromise* at the instance of the clergy, after much controversy, in order to preserve the benefits accruing to them from the decision in *R. v. Joddrell* which they were afraid the provisions of the Act having reference to the basis of assessment would nullify.

47. In 1838, before the case of *R. v. Capel*, the Rev. R. Jones, a Tithe Commissioner, referring to the effect of the Parochial Assessments Act, 1836, upon the method of rating tithe rentcharge, and to some circulars of instructions issued by the Poor Law Commissioners in 1837, wrote as follows†:—

"When the time came that Mr. Powlett Scrope's Act was to be put in motion, the Poor Law Commissioners, into whose hands the general superintendence of the measure naturally and properly fell, issued some circular letters of instruction on the subject to the Guardians of Unions and Parish Officers. Such a circular appeared on the 19th September, 1837‡, and in it the following passage occurred:—

"As respects the relative proportion in which Lands and Tithes are to be rated, it is to be observed that this question has, previously to the Parochial Assessments Act, been frequently the subject of legal controversy, and it is understood that the proviso at the end of the first Section of the Parochial Assessments Act is intended to preserve to the Tithe Owner the benefit of the decision in the case of the King v. Joddrell, (1 B. and A. 403)."

"That case decides that any profit accruing to the Occupiers of Land after payment of rent and necessary outgoings beyond that which would repay the expense of cultivating lands, and which would compensate for the Farmer's trouble and labour, and superintendence, ought to be included in the Assessment; and that when (as might be done before the passing of the Assessments Act) a profit so accruing to the Occupier was omitted in the Rate, a proportionate remission should be made to the Tithe Owner in rating the Tithes."

"The Parochial Assessments Act, however, which prescribes the Rent which might reasonably be expected to be obtained, to be the criterion for estimating rateable hereditaments generally, appears generally to exclude, in making of the estimate, the consideration of such an Occupier's profit as is referred to in the case."

"But if after the estimate is made of rateable hereditaments (including the tithe according to the Parochial Assessments Act) there should appear to be a profit accruing to the Occupier, of the kind described in the case, as that profit will not be

* See evidence of the Rev. R. Jones, a Tithe Commissioner, who was a party to drawing the Proviso [House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850, Questions 1821-4]. Also Castle on the Law and Practice of Rating, 3rd ed., p. 453.

† Pamphlet published in 1838 on the manner in which tithe should be assessed to the Poor's Rate (Shaw & Sons), pp. 39 to 41.

‡ Circular Letter to Guardians of Unions and Parishes, and to the Churchwardens and Overseers of Parishes and Townships, dated 19th September 1837.

" rated under the Parochial Assessments Act, the Tithe Owner would appear to be
" entitled to a deduction proportionate to that profit."

" After the appearance of this circular, nothing seemed necessary to secure to the
" clergy the full benefit of the law as it stood. But of the persons employed to make
" the valuations under the new Act many did not understand, many showed themselves
" extremely unwilling to execute, the law as thus explained to them, and, in spite of
" the restraining proviso in the Act, proceeded to rate the tithe (ordinarily for the
" first time) at its extreme value. From that time to the present, my own table, as
" ecclesiastical Tithe Commissioner, has been covered with letters from the clergy,
" complaining that the conventions and usages on which tithe had
" ordinarily been rated were broken up; that their position in the rate book was worse
" than it had been."

48. In 1850 Mr. Jones, when giving evidence before the Select Committee of the House of Lords on the Laws relating to Parochial Assessments, on being asked whether he thought that the titheowner was assessed higher in 1850 than before the passing of the Parochial Assessments Act, replied: " I can only answer that question by appealing to the eternal complaints and wailings of the titheowners, who every year of my life say so, and say it very emphatically indeed." Also, when giving evidence in 1846 before the Select Committee of the House of Lords on the Burdens on Land, Mr. Jones said that he had never heard of one instance where the clergyman was fairly rated compared with other occupiers, and he added, " The clergy are hoping to get some modification of Mr. Powlett Scrope's Act, and they are all lying by for that. I have heard them constantly state that they hope something will be done for them; and I know that otherwise many appeals would have taken place."

49. Mr. (afterwards Sir) George Cornwall Lewis also stated to the Select Committee of the House of Lords on the Laws relating to Parochial Assessments, " There is no doubt that this Act (the Tithe Act, 1836) has operated very considerably to the disadvantage of the titheowner with respect to rating, and that is a point which I am desirous of mentioning to the Committee. It has acted injuriously to the titheowner in this manner: it has exhibited the entire amount of his tithe in a public and authentic form; and, therefore, the tithe commutation being known and ascertained, the overseer has put down the titheowner in the rate book at that full amount; but, being himself generally a farmer, he rates other farmers in the parish at an amount less than the net annual value. That practice certainly gives to occupiers of land within the parish an advantage in comparison with the titheowner."

50. The position of the clergy with reference to rating after the passing of the Tithe Act, 1836, and the Parochial Assessments Act, 1836, was thus stated by the Rev. C. A. Stevens, in a pamphlet written in 1879:—

" But on commutation, the actual amount of the titheowner's receipts became for the first time known, and so became assessable under the Parochial Assessment Act at that known full value, But the full value of land remained unknown, while for want of access to the Property Tax Assessment (refused by the Commissioners, though not by law), no one could prove the land was under-assessed, even with regard to actual rent, at all. From that time the titheowner has been fair game. Parishioners have not failed to secure their advantage of under-assessment at his expense, and assessment committees have cheerfully aided them. As Sir R. Phillimore said in 1856, the principle of the new law has been rigorously applied to the titheowner, while that of the old law has been continued in practice with respect to the occupiers of land."

51. Four years after the passing of the Parochial Assessments Act in 1836, the important case of *R. v. Capel*, 12 A. & E. 382. was brought before the Courts with the object of raising the question to what extent the interests of tithe owners were protected by the proviso in section 1. It was also contended that tithes were not " hereditaments " within the meaning of the Act.

As it was assumed in the case that the titheowner was rateable as an occupier of tithes, the general question of the precise liability of the incumbent under the Act of Elizabeth was not raised.

52. The Court held that under section 1 of the Parochial Assessments Act, the vicar of a parish, receiving composition for small tithes, was to be rated on such receipt in the same way as the occupier of land, that is, on the sum for which the same would let free from tenant's rates and taxes and ecclesiastical dues.

Lord Denman, in giving judgment, said :—“ It cannot be questioned that the words used in the enacting part of the Statute are large enough to embrace tithes. ‘ Hereditaments’ is the division under which a lawyer would class tithes : the expressed object of the statute is to break down distinctions, and establish uniformity of rating ; and the rule which it propounds is thus far applicable to tithes that they are demisable at a yearly rent. It is indeed true that many of the deductions required to be allowed from the rateable (? gross) value are not commonly, and others perhaps cannot be, incident to tithes. But, as they are incident to other hereditaments, the expression of all such deductions was necessary, and indicates no intention to exclude any species of hereditaments,” and he further added “ that the titheholder had never been rateable on any principle different from the landholder ” ; that viewing “ the decisions according to their avowed intention, and not with a minute reference to particular expressions, we find no variety in the principles of rating,” and “ that R. v. Joddrell does not convince us that there was any difference in the legal liabilities of the titheowner and occupier of land.”

R. v. Joddrell,
1 B. & A. 403.

Parliamentary
Paper, 486 of 1843,
Part I., pp. 98-9.
R. v. Joddrell,
1 B. & A. 403.

53. The causes which led to the hearing of R. v. Capel are thus described by the Poor Law Commissioners in their Report on Local Taxation in 1843 :—

“ In the year 1830 the case of *the King v. Joddrell* was decided, and from some expressions in the judgment of the Court, as reported, it was inferred, though it appears to us that such an inference could hardly have been made by those who had read the previous statement of the case with care, that the effect of the decision was, that the ordinary profits of farmers are rateable.”*

“ Still upon this inference the clergy claimed, and in numerous instances obtained, for a few years, a reduction in the proportion at which their tithes were rated, as compared with the scale of assessment of all the other property in the parish, it being in such cases admitted that when the farmers were rated only upon their net rental, omitting the farmers’ proper profits, the parson was entitled to have a deduction made from the net value of his tithe in the same proportion that the farmers’ profits bore to the net rent of their farms.”

“ The claim which the clerical titheowners urged was not generally admitted ; but when the Parochial Assessments Act was passing through the House of Lords in 1836, it was represented on their behalf that the declaration contained in the bill that ‘ no rate should be valid unless made upon the net annual value of the several hereditaments rated thereunto,—that is to say, at the rent at which the same might reasonably be expected to let from year to year,’ &c., would repeal that operation which they attributed to the decision in *R. v. Joddrell*. It was conceded that if they had any legal ground for their claim, it ought not to be interfered with ; on the other hand it was not admitted that they really had any such legal ground for their claim ; but with a view not to prejudice either the claim of the clergy or the adverse claims of the landowners, a proviso was inserted in the Bill in these words :—‘ Provided always, that nothing herein contained shall be construed to alter or affect the principles, or different relative liabilities (if any) according to which different kinds of hereditaments are now by law rateable.’†

* But see extract from circular letter of instructions, dated 19th September 1837, issued by the Poor Law Commissioners to guardians and parish officers, p. 16, par. 47.

† In a paper of 1879, the Rev. C. A. Stevens states it was expressly “ to save the principle of the Act of Elizabeth from being infringed, that the Duke of Richmond, on the remonstrance of the Archbishop of Canterbury, engaged to introduce, in the Parochial Assessment Bill, the proviso, ‘ That nothing herein contained shall be supposed to alter or affect the principles or proportion according to which the different kinds of hereditaments may now by law be rateable.’ The words in italics, recorded in the *Mirror of Parliament*, were, it is not known how, altered in the Act by the substitution of the words ‘ different relative liabilities,’ which the court, in 1840, held to be meaningless. *But the record of the intention remains.*”

“ The agreed language was, by some unknown means, altered, and the Queen’s Bench, in *R. v. Capel*, was obliged to hold that the Act, as its wording stood, did not secure equality in the manner intended, i.e., by a proportionate reduction of the rateable tithe value. While the remedy which remained to the tithe-owner, as the judgment in *R. v. Lumsdaine* decided, of having the omitted portion of land profits brought under the rate, was immediately and arbitrarily, though only from year to year, taken away by the passing of the Inhabitants’ Exemption Act.”

“ That the intention of Parliament in this proviso was to ‘ maintain unaltered, the principle already established by law as to the proportionate liability of the two hereditaments’ ‘ and the benefit to the tithe-owner of the decision in *R. v. Joddrell*,’ and other land cases, is certain : From the pledge given by the Duke of Richmond on the part of Government in the House of Lords. From distinct assertions of the Poor Law Commissioners, in two successive circulars ; and from direct testimony. From Mr. Shaw Lefevre’s abortive Bill of 1838, confessedly designed to cancel the effect of the proviso. From the terms of Mr. Law Hodges’ Bill, 1841, which, reciting both the proviso and the Inhabitants’ Exemption Act, aimed at ensuring a proportionate reduction to restore just treatment to the titheowner.”

Mr. Stevens also quotes part of a letter written to Sir Robert Peel in 1840 by the Rev. R. Jones, a Tithe Commissioner, which states : “ The proviso was the result of a stout conflict, and a deliberate compromise, which made it morally impossible that any person concerned either in opposing or conducting Mr. Scrope’s Bill in the House of Lords should not fully understand the object.”

Stevens, App.
(Part II.) to Vol. I.
of Min. of Ev.,
No. XXVI. B.,
p. 197, par. 14.

Ibid., pp. 190-1.

Ibid., p. 198,
par. 16.

" After the passing of the Act doubts were generally entertained as to the effect of this proviso, and, in order to prevent unnecessary litigation, a case was chosen for the purpose of raising and trying the question in the Court of Queen's Bench. The titheowners and landowners, on the recommendation of the Poor Law Commissioners, and of the Rev. Mr. Jones, one of the Tithe Commissioners, agreed very generally to forego the prosecution of the then pending or impending appeals until the decision in this case was obtained. The case so chosen was that of *The Queen v. Capel, clerk* (1840). The Court of Queen's Bench at length, upon a carefully drawn case, and after ample argument, gave their decision against the claim of the tithe-owner. They decided that the rule of rating which the Parochial Assessments Act propounded was applicable to tithes, and that the proviso did not support the claim of the titheowner to be exempted from the general rule laid down by the Act. This decision of the Court of Queen's Bench has, as yet, been acquiesced in by the tithe-owners, but with an understanding either that their claim, in connexion with the rating of tithe, is to be brought under the consideration of the Legislature, and it was with this view, and at their instance, that the Acts for exempting stock-in-trade from the Poor's Rate have been made only temporary instead of permanent Acts."

54. The effect of the decision in the case of *R. v. Capel* upon the incumbent was serious. The actual value of the rentcharge was easily ascertainable after the Tithe Act, 1836, and he was held by this case liable to be rated under the provisions of the Parochial Assessments Act, which were not suitable to such a property, on a basis which resulted in his contributing upon a high percentage of gross value.

R. v. Capel,
12 A. & E. 382.

VI.—*The Practice and Method of assessing Tithe Rentcharge from 1840 to 1858.*

55. On whatever basis the taxation in respect of tithes had previously been legally made, the titheowner, subsequent to the decision in *R. v. Capel* in 1840 upon the construction of the Parochial Assessments Act, 1836, was rated upon the basis of an occupier of his own rentcharge, and the Courts in estimating the amount of tithe rentcharge upon which rates could legally be levied, followed the analogy of the basis on which occupiers of land were rated, and uniformly held that the principle to be applied to tithe rentcharge was to find the amount of the rent at which the same might reasonably be expected to let from year to year.

R. v. Capel,
12 A. & E. 382.
6 & 7 Will. IV.
c. 96.

56. After the decision in the case of *R. v. Capel* the Poor Law Commissioners issued a letter on September 16th, 1840, explaining the method by which the rateable value of tithe rentcharge should be ascertained.*

The gross annual value was described as "the gross amount of the commutation rentcharge, including the sum allotted for rates and taxes."

The Commissioners proceeded to say that the net annual value was founded on the supposed rent which might be realised by the letting of the rateable hereditament, and that the rent which a tenant would consent to pay for the rentcharge, supposing the rentcharge to be let, "would obviously be a sum which would remunerate him for the trouble of collection and insure him against all risks of loss of rentcharge itself, and of loss of interest incurred by the obligation to advance rent, and by occasional delays in recovering the rentcharge, and against all incidental expenses incurred in enforcing his rights."

With regard to deductions, the Commissioners stated that they should be made in respect of rates and taxes for which the tenant is liable, ecclesiastical dues, and expenses of repairing the chancel in cases where the titheowner was liable for that expense.

They quoted the deductions allowed from the gross annual value to the incumbent of the parish in the case of *R. v. Capel* as an example, as follows:—

	£ s. d.
Gross annual value of tithe compositions, estimated at	660 0 0
<i>Deductions:—</i>	
1. For the compensation of a lessee undertaking to collect the tithe composition, and to pay a fixed net rent to the titheowner	37 5 0
2. For usual tenant's rates and taxes	82 15 0
3. For ecclesiastical dues	—
Total deductions	120 0 0
Leaving a <i>net annual value, or rateable value of</i>	<u>£540 0 0</u>

* Further Instructional Letter to Churchwardens and Overseers on the Rating of Tithes, dated 16th September 1840. (Official Circular, No. 8, issued 25th September 1840.)

The Commissioners added that deductions for instalments of payments to Queen Anne's Bounty for advances for improvement of the living were not allowed, nor expenses of providing for the performance of the duties of incumbency, as for a curate's salary.

No deductions therefore were allowed for personal services, or for curates, or for tenant's profits, except in so far as the element of tenant's profits was included in the sum allowed for the cost of collection.

VII.—*The effect of the Poor Rate Exemption Act, 1840, upon Incumbents.*

R. v. Lumsdaine,
10 A. & E. 160;
10 Q.B.D. 157;
2 P. & D. 219.

3 & 4 Vict. c. 39.

57. At the time of the passing of the Parochial Assessments Act, 1836, rating in respect of stock-in-trade was of rare occurrence. The Act made no provision for its assessment, and prescribed "a rule of rating generally inapplicable to personal property." But in the case of R. v. Lumsdaine (1839) it was decided that, whatever the intentions of the Act may have been, it did not repeal the law that personal property should be the subject of assessment. In the course of his judgment, Mr. Justice Littledale said that, though the practice had been confined to the case of stock-in-trade and shipping, "on future occasions other kinds of personal property may perhaps be rated and be held rateable."

58. This decision was the signal for a considerable agitation among the manufacturing and commercial classes. In consequence, an Act was passed in 1840 "to exempt, . . . inhabitants of parishes, townships, and villages from liability to be rated as such, in respect of stock-in-trade or other property, to the relief of the poor." It recited the provisions of 43 Eliz. c. 2, and 14 Cha. II. c. 12, and stated that "It has been held that inhabitants of parishes, townships, and villages, as such inhabitants, are liable, in respect of their ability derived from the profits of stock-in-trade and of other property, to be taxed for and towards the relief of the poor, and it is expedient to repeal the liability of inhabitants, as such, to be so taxed."

59. It provided that "it shall not be lawful for the overseers of any parish, township, or village to tax any inhabitant thereof as such inhabitant, in respect of his ability derived from the profits of stock-in-trade or any other property, for or towards the relief of the poor: Provided always, that nothing in this Act contained shall in anywise affect the liability of any parson or vicar, or of any occupier of lands, houses, tithes inappropriate, propriations of tithes, coal mines, or saleable underwoods, to be taxed under the provisions of the said Acts for and towards the relief of the poor."

60. Without the proviso limiting its operation, the Act would probably have exempted all inhabitants who were occupiers of rateable hereditaments. The occupiers of property mentioned in the Statute of Elizabeth were, therefore, excepted, and also the parson or vicar who was not expressly mentioned among the occupiers in that Act. This was no doubt done to prevent the inconvenient results which would have arisen in many parishes if the parsons or vicars had escaped the payment of rates in respect of tithes in accordance with the practice which had grown up since the passing of the Act of Elizabeth. Parsons or vicars were, therefore, singled out for exceptional treatment. They were not exempted as inhabitants from taxation "in respect of their ability derived from the profits of stock-in-trade and of other property," neither were they treated as occupiers and exempted on the ground that they were not occupiers of the kind of tithes referred to in connexion with occupiers in the Act of Elizabeth, namely tithes inappropriate or propriations of tithes, but they were classed with, though not as, occupiers, and specially excepted from the operation of the Act.

R. v. Carlyon, 8 T.R. 588.
Lowndes v. Horne,
2 W. Black 1264;
2 Ear. and Yo. 341.
R. v. Christopherson, 16
Q.B.D. 7; 53 Law Times
Rep. 804.

But, though the Act took special precautions to deny them relief as inhabitants under the Act of Elizabeth, it apparently did not affect their liability to be rated in that capacity under the provisions of that Act. If this is so, they are still liable to be rated in respect of their ability derived from tithes or other property in the parish, which would include such property as oblations and other offerings.

A further result of exempting the owners of stock-in-trade from liability to pay rates in respect of such property was to increase the liability of other ratepayers, including the owners of tithes.

Parliamentary
Paper, 486 of
1843, Part I.,
pp. 98-9.
R. v. Capel,
12 A. & E. 382.

61. The clerical titheowners made a strong protest at the time of the passing of the Act. The Poor Law Commissioners stated in 1843 that, though the titheowners had up to that time acquiesced in the decision of R. v. Capel, it was with the understanding that their claim in connexion with the rating of tithe was to be brought under the

consideration of the Legislature, "and it was with this view, and at their instance, that "the Acts for exempting stock-in-trade from the poor's rate have been made only "temporary instead of permanent Acts."

62. Mr. Coode, Assistant Secretary to the Poor Law Commissioners, when giving evidence before the Select Committee of the House of Lords on the Burdens on Land, 1846, referring to the passing of the Poor Rate Exemption Act, 1840, and the attitude of the clergy towards it, said:—

"What took place was this: the Parochial Assessment Act made no reference to stock-in-trade, and it directed that a valuation should be made with reference to the rent that could be obtained for the rateable hereditaments. Now, as stock-in-trade was not considered capable of being let for a rent such as that described in the Act, it was inferred that the rating of stock-in-trade was not contemplated by that statute; and upon being applied to on behalf of various parishes, the Poor Law Commissioners stated, that they considered that the terms of the statute led to the conclusion that the rating of stock-in-trade was not intended to be carried out. The question was, however, tried in the case of the Queen *v.* Lumsden. The Court decided that stock-in-trade was still liable, upon which there was a very great clamour in all parts of the country. It became known, for the first time, in Lancashire and other manufacturing places, that their stock-in-trade was liable; hence there was very great clamour, and Sir Robert Peel made some strong observations upon the Government for not bringing in a Bill immediately upon the promulgation of that decision to set the question at rest. Upon which the Government, who had certainly been advised by the Poor Law Commissioners to take some steps to prevent the mischief which they saw would result from the rating of personal property in the manufacturing districts, gave directions to the Poor Law Commissioners to prepare that Bill, which was prepared accordingly."

Mr. Coode was then asked why the Bill was made a temporary one, and he replied:—
"Because there were then various matters in question, especially the rates of the clergy and the titheowners in respect of their tithe, and in order not to prejudice those pending questions the Bill was made annual, the Government at the time contemplating, I believe, a general dealing with the subject."

VIII.—*The position of Incumbents after 1836.*

63. After the passing of the Parochial Assessments Act in 1836, and the Poor Rate Exemption Act in 1840, and after the decision in the case of R. *v.* Capel, the argument that they should only be assessed under the Act of Elizabeth as "inhabitants" on the basis of their ability to pay, and not specially in respect of tithes as "occupiers," does not appear to have been seriously pressed by the clerical titheowners or their representatives. The Poor Rate Exemption Act had struck the final blow at rating on the basis of ability, and, though not admitting their liability to be rated specially in respect of tithes, they accepted the inevitable, and came to the Courts to endeavour to obtain a just method whereby they might be assessed on the footing of occupiers of tithe rentcharge, in accordance with the provisions of section 1 of the Parochial Assessments Act, 1836.

64. In the case of R. *v.* Goodchild, in 1858, although the question before the Court was not with reference to the rateability of tithe rentcharge in the hands of an incumbent under the Act of Elizabeth, Coleridge, J., treated their position as settled for all practical purposes. He said:—"It is not an open question whether tithe rentcharge in the hands of a spiritual incumbent makes him rateable at all in respect thereof under the Statute of Elizabeth. . . . We are aware of ingenious theories, which, however, have been at all events started too late to influence us."

65. Referring to the position of clerical tithe-owners under the present system of valuing tithe rentcharge, the following question was put to Mr. Castle, Q.C., when giving evidence before this Commission:—

"You rest the case of the owner of the tithe rentcharge mainly on equitable considerations, and not on legal considerations?"

And he replied:—

"Yes. I think there has been such a long course of decisions that you could not attempt to upset them in a Court of Law, but the Legislature might give relief."*

* See also "Land—Rental, Tithes, and Tithe Rentcharge."—C. A. Stevens, M.A. (P. S. King, Westminster) p. 38. Pamphlet published in 1838 on the manner in which tithe should be assessed to the Poor's Rate, by the Rev. R. Jones (Shaw & Sons), p. 36. Stevens, App. (Part II.) to Vol. I of Min. of Ev., p. 202, par. 27. Kennedy, 18,851. Lodwick Ellis, 18,903. Manners Smith, 19,005-17. Molloy, 19,159. But see also Macpherson, 14,130-6.

3 & 4 Vict. c. 59.
House of Commons
Paper, 411 of
1846, Q. 2995-6,
3000.

6 & 7 Will. IV.
c. 96.
3 & 4 Vict. c. 89.
43 Eliz. c. 2.

3 & 4 Vict. c. 89.

R. v. Goodchild,
E., B. & E. I ;
27 L.J., M.C. 233.

IX.—The Practice and Method of assessing Tithe Rentcharge after 1858.

E. v. Goodchild,
R. B. & E. 1;
27 L.J., M.C. 233.

66. The impossibility of an equitable application of the Parochial Assessments Act, 1836, if strictly construed, to the case of tithe rentcharge not severed from a benefice was admitted by Coleridge, J., in the case of *R. v. Goodchild* (1858), who said that "if we were required to draw the terms of the proposition into strict accordance, it ought to have been held that the statute did not apply to the case of tithe rentcharge at all, because if so interpreted, the titheowner would be placed in a different condition from every other ratepayer, and not be allowed deductions the same in principle as those allowed to every other occupier."

The learned judge, referring to the method to be adopted in applying the principle of the Act to tithe rentcharge, said:—"In rating the titheowner the Parochial Assessments Act must be complied with, but as the language of the Act is literally applicable, if all its particulars be looked to, only to corporeal hereditaments, it is necessary in the assessment of the titheowner to proceed by analogy, which analogy must be as large and liberal as is necessary to effectuate substantial equality in the assessment, and at the same time compatible with the maintenance of the principle."

"It is obvious that of the allowances and deductions specified in the first section of the Act, some, such as 'tithe commutation rentcharges,' 'repairs,' 'insurance' are wholly inapplicable to the case of a rate on the titheowner as such. It is certain, also, that the titheowner, as such, is commonly subject to other charges and outgoings which have no existence with regard to land, and yet fall within the same principle as those specified in the Act when that object is to get at the net value which must be the subject of the rate. If, therefore, the statute applies to a rate on the titheowner, and, if equality among all the contributors to the rate must be pursued, both which propositions are incontestable, it is only by considering the deductions and allowances specified in the Act as applicable to one great class of property, and not as a complete enunciation of all, and by applying these analogically to other classes, that the statute can have its proper effect given to it."

67. Also, Crompton, J., in delivering judgment, said:—"The principle on which we think the assessment should be made is, that the rentcharge is to be assessed, like all other property, according to what it might reasonably be expected to let for from year to year. And in deciding upon such amount, the nature of the property is to be regarded, and it is to be considered whether a profit can be looked to or expected, as in the case of farms; and whether in each particular case, anything over the expenses for collecting, and the allowances for bad debts and law expenses would be necessary to induce a tenant to take it. . . . And we think that this is a question of fact to be determined according to the circumstances of each particular case; the rule in every case being, that the amount must be ascertained as that at which a tenant might reasonably be expected to take from year to year."

Vol. II., 2nd ed., p. 1375.

68. Again, in Phillimore's Ecclesiastical Law, it is stated, "Many of the deductions specified in this section are inapplicable to tithe rentcharge; while a tithe owner is subject to other charges and outgoings which are not mentioned in this section. The exceptions contained in this section must, therefore, be taken as instances applicable to one class of property, and applied by analogy to other classes of property."

69. Notwithstanding the inapplicability of the deductions named in section 1 of the Parochial Assessments Act to the case of tithe rentcharge, and the elasticity contemplated by the wording of that section, with a view to arrive at the rateable value of the hereditament, a narrow scope for deduction was established by the Courts.

R. v. Goodchild,
R. v. Lamb,
R. v. Hawkins,
E. B. & E. 1;
27 L.J., M.C. 233.

70. After the cases of *R. v. Goodchild*, *R. v. Lamb*, and *R. v. Hawkins*, commonly known as the Hackney cases (1858), which raised the question as to what deductions should be allowed in determining the rateable value of tithe rentcharge, the Poor Law Board issued a letter, dated September 4th, 1858, pointing out the effect of the decisions.* They stated that the cases had been brought "with the view, on the part of the Appellants, of obtaining a more satisfactory exposition of the true mode of estimating the rateable value of that hereditament than had previously existed."

* Circular Letter to Churchwardens and Overseers of the Poor on the Rating of Tithe Rentcharge, dated 4th September 1858.

After a detailed review of the decisions in these cases, the Commissioners explained that after the annual value of the rentcharge for the current year had been ascertained, deductions in respect of the following items should be made:—

- A. The annual amount chargeable on the rateable value for Tenants' rates and taxes.
- B. An annual average percentage—
 - (a.) for the costs of collection,
 - (b.) for legal process, and
 - (c.) for losses.
- C. The proportionate charge for the Ecclesiastical dues and fees, and an average sum for the annual cost of repairing the Chancel.
- D. A reasonable sum for a curate's salary if in your parish a curate is employed to supply necessary aid to the minister, and not as his substitute.
- E. If the parish has been legally divided, and the tithes have been severed, or a fixed rent charged upon the living in behalf of the new district, deduct the amount payable to the minister of that district.

Deductions were not allowed in respect of land tax, of personal services of the incumbent, of providing for the duties of the incumbency, or of money paid annually to Queen Anne's Bounty for liquidation of principal and interest of a mortgage debt borrowed for the purpose of rebuilding or repairing the residence.

71. Subsequently the Board submitted this letter for the consideration of the Law Officers of the Crown, and, in consequence of their opinion, they issued a further letter on May 9th, 1859.*

They quoted the opinion of Counsel as follows:—

" We understand by ' Gross estimated Rental ' mentioned in the Schedule to the " Parochial Assessment Act, the Rent at which the property might be expected to be " let free of Tenant's Rates and Taxes, and Tithe Commutation Rent Charge, the " Tenant taking these burthens upon himself, and we suppose that in practice the " column is usually filled up, so far as regards Corporeal Hereditaments, with figures " expressing or approximating to the Conventional or Rack Rent, on a tenancy from " year to year. After making the deduction therefrom of average repairs, &c., the " rateable value of such property is arrived at."

" Applying the liberal analogy prescribed by the judgment in the cases referred to, " to Incorporeal Hereditaments, it appears to us to be inaccurate, where the Gross " Rental of other property is stated in the mode which we have supposed, to treat the " amount of the Annual Rent Charge as the Gross estimated Rental, and that the figure " in the column of ' Gross estimated Rental ' should be the amount at which the Rent " Charge might be let to a Tenant, taking upon himself the Tenant's taxes, and all " the risks of losses, law expenses, &c."

" In fairness to the owner of the Tithe Rent Charge, we think that his Gross Rental " ought to be stated in a manner analogous to that in which the Gross Rental of " Corporeal Hereditaments is stated in the same assessment."

As regards the allowance on account of Curate's salary, Counsel stated that " There " may be a doubt whether Curates' Salaries, where allowable as a deduction, should " be deducted before the Gross Rental is stated, or afterwards. According to analogy " we are inclined to think that they should be first deducted, and that the Gross Rental " is the Rent receivable from a Tenant, minus the necessary Curates' Stipends."

The Commissioners then proceeded to state that the deductions A, B, C, D, referred to in their letter of September 4, 1858, must be allowed from the annual value of the rentcharge for the current year, but that E should be read as follows:—

" The amount payable to the minister of a district, if the parish has been legally " divided, and the tithes have been actually or virtually severed, and an amount " charged upon the living in behalf of such minister."

They further added (F) that a reasonable sum for Tenants' profits was to be allowed under certain circumstances.

72. The Court in the Hackney cases refused to allow deductions for the personal services of the incumbent, and pointed out that the amount of the rentcharge is not either increased or decreased by his services or that of his curate, the value of the occupation not being dependent on whether the services are performed or not, and that, consequently, deductions should not be allowed in respect of expenses which are not necessary to maintain the subject matter in a state to command the rent. In the

R. v. Goodchild,
E., B. & E. 1;
27 L.J., M.C. 283.
Also see R. v.
Sherford, L.R.
2 Q.B. 503.

* Circular Letter to Churchwardens and Overseers of the Poor on the Rating of Tithes, dated 9th May 1859.

words of the Poor Law Commissioners in a letter of September 16, 1840,* "There are many payments of ecclesiastical titheowners consequent upon the receipt of tithe, but which, not being necessary to maintain the value of the tithe, do not appear to constitute subjects for deduction for (?) from the gross value of their tithe."

R. v. Hawkins,
E. B. & E. 1;
27 L.J., M.C. 248.

73. On the other hand, Mr. Bovill (afterwards Chief Justice), during his argument in the case of R. v. Hawkins, said:—"As to personal services, the question in every case is what would a tenant give? And it is clear he would not give so much where he would have to perform certain duties himself, or get another to perform them for him. These services are necessary to enable the subject-matter to command the rent. If the minister does not do the duty from some physical infirmity, a curate must be employed, and his salary would have to be deducted, and that diminishes the sum receivable in respect of the rentcharge. In principle, therefore, a reduction for the personal services of the minister ought to be allowed."

Frend v. The
Churchwardens
of Tolleshunt
Knights, 1 E. & E.
753;
28 L.J., M.C. 169.

74. Subsequent to the Hackney cases, in the case of Frend v. The Churchwardens of Tolleshunt Knights (1859), it was held that the minister of a district chapel, part of whose endowment consisted in a rentcharge granted under the powers of several statutes by the incumbent of the mother church out of all his rectory, with powers of distress and entry in the event of non-payment, was not liable to be rated in respect of this rentcharge, though, if he had exercised his power of entry and possessed himself of the tithes, he would have been rateable.

Lawrence v. Over-
seers of Tolleshunt
Knights,
2 B. & S. 533;
31 L.J., M.C. 148.

In the case of Lawrence v. The Overseers of Tolleshunt Knights (1862) it was held that the incumbent of the mother church was rateable in respect of the whole rentcharge received by him, without deduction for the amount compulsorily paid over by him to the minister of the district church.

R. v. Sherford,
L.R. 2 Q.B. 503.
Jones v. The
Mersey Docks,
11 H.L. Cases, 443;
35 L.J., M.C. 1.

75. In 1867 the Courts further limited the deductions, and in the case of R. v. Sherford, the Court of Queen's Bench, acting on the decision of the House of Lords in the case of Jones v. The Mersey Docks, which was to the effect that all property capable of beneficial occupation is to be assessed to the poor rate, irrespectively of the amount of remunerative value to the particular occupier, held that, as regards the deduction for curate's salary, the case of R. v. Goodchild was overruled, and that such a deduction could no longer be allowed.

76. Ten years after this decision, Mr. Slater Booth, the President of the Local Government Board, in clauses in the Valuation Bills introduced by him in 1876, 1877, 1878, and 1879, which Bills were subsequently dropped, provided that a deduction should be made in respect of the payment to a curate. The clause in the Bill of 1879 was as follows:—"The gross value of tithe commutation rentcharge shall mean the yearly rent which a tenant might reasonably be expected, taking one year with another, to pay for such rentcharge, if the tenant thereof were deemed to undertake to pay all tenants' rates and taxes payable in respect of the tithe rentcharge, and also all tenths, first fruits, synodals, and other ecclesiastical dues payable by the ecclesiastical person entitled to the tithe rentcharge in respect of the benefice to which the rentcharge belongs, and where the owner of the rentcharge is liable as such owner to bear the costs of the repairs of a chancel, the costs of the repairs and insurance of that chancel. Where the person entitled to the rentcharge is so entitled as the incumbent of an ecclesiastical benefice, and the circumstances of that benefice are such that, in addition to the personal services rendered by the incumbent, the employment of any curate or curates is required by the bishop of the diocese, or is otherwise necessary for the due performance of the duties of the benefice, there shall be deducted, in calculating the rateable value of such rentcharge, the salary of the curate or curates actually employed and paid out of such rentcharge."

St. Asaph, Dean and
Chapter v. Llanrhaiadr-
yn-Mochnant (Over-
seers), L.R. 1 Q.B. 511.
De Bock Porter, 11,100.

77. As recently as 1897 a deduction for chancel repairs was disallowed in the case of the Dean and Chapter of St. Asaph v. the Overseers of Llanrhaiadr-yn-Mochnant on the ground that it would not be incumbent upon the tenant of a tithe rentcharge to do such repairs. Mr. De Bock Porter, Secretary to the Ecclesiastical Commissioners, observing that the obligation is one which it is impossible to avoid, characterises this decision as a "gross injustice."

* Further Instructional Letter to Churchwardens and Overseers on the Rating of Tithes, dated 16th September 1840. (Official Circular, No. 8, issued 25th September 1840.)

78. The Courts have held that the following deductions should be made from the gross value of tithe rentcharge to determine the rateable value* :—

I. The expenses of collecting the rentcharge, including therein law expenses to enforce payment and losses by ultimate non-payment.

II. First fruits, tenths and other ecclesiastical dues.†

III. A deduction in respect of the profit which a tenant might reasonably consider to be an adequate inducement to take a demise of the rentcharge in cases where the existence of such necessity can be demonstrated to Quarter Sessions.

IV. All usual tenants' rates and taxes, including :—

(1.) Poor rates, including county, highway, and school board rates.

(2.) Income tax under Schedule B.‡

(3.) General rate under Metropolis Management Act, 1855.

(4.) Lighting rate.

(5.) General district rate under the Public Health Act, 1875.

(6.) Rate for public libraries and museums.

But the following deductions have not been allowed :—

(I.) Landlord's property tax.

(II.) Land tax.

(III.) Liability to repair the chancel of the parish church.

(IV.) The personal services of the parson or vicar.

(V.) Payments to curates.

(VI.) Payments to daughter churches.

(VII.) Pensions to retired incumbents.

(VIII.) Sums paid to the Governors of Queen Anne's Bounty in liquidation of loans contracted by the existing or by a former incumbent.

79. The actual amounts now allowed as deductions from the gross value are the usual rates and taxes, ecclesiastical dues, and a sum, frequently as little as 5 per cent., to cover expenses of collection, legal expenses, losses, and tenant's profits. In some cases an allowance of only $2\frac{1}{2}$ per cent., in addition to the rates and taxes, is made.

Theobald, 5597.
Peterson, 8265.
De Bock Porter,
10,982; also App.
to Vol. II. of Min.
of Ev., No. XV.

80. Mr. De Bock Porter, Secretary to the Ecclesiastical Commissioners, states that the tithes are "closely rated," that the assessment on tithes is very "closely made," and that it is really "very tight on tithe because the amounts are so easily ascertainable."§

De Bock Porter,
10,979, 10,985-6.

X.—*Imposition of Rates for new purposes since the Tithe Act, 1836.*

81. Tithe rentcharge is not only valued upon a high percentage of the gross value, but it has been made subject to rates for a large number of new purposes,|| the expenditure of such rates having no effect in the direction of improving the property. This, it is argued, is contrary to the principle of the agreement made in 1836.

Parliamentary
Paper, 486 of
1843, Part I.,
p. 101.

The report of the Poor Law Commissioners of 1843, referring to this subject, says:—
" But his rentcharge being from that time (the passing of the Tithe Act, 1836) a fixed income,¶ which cannot be improved by any further improvements in the land, it becomes after this time inconsistent with that principle which regulates taxation by the benefit derivable from a tax, that he should be forced to contribute, as tithe-owner, to any new rate, or to any addition to those old rates, which may be imposed for the improvement of property."

Parliamentary
Paper, 486 of
1843, Part I.,
p. 101.

* R. v. Joddrell, 1 B. & A. 403. R. v. Capel, 12 A. & E. 382. R. v. Goodchild, R. v. Lamb, R. v. Hawkins, E., B. & E. 1; 27 L.J., M.C. 233. R. v. Sherford, L.R. 2 Q.B. 503. Wheeler v. Bunnington, 1 B. & S. 709. Frend v. The Churchwardens of Tolleshunt Knights, 1 E. & E. 753; 28 L.J., M.C. 169. Lawrence v. The Overseers of Tolleshunt Knights, 2 B. & S. 533; 31 L.J., M.C. 148. St. Asaph v. Llanrhaidr-yn-Mochnant, L.R. 1 Q.B. 511. Rating by Farraday, p. 152. Law of Tithes and Tithe Rentcharge, 2nd ed., E. F. Studd, p. 116. The Principles of Rating, 2nd ed., Boyle and Humphreys-Davies, p. 536. The Tithe Acts, 6th ed., G. P. Leach, p. xxxii.

† In a letter written by the Poor Law Commissioners to the churchwardens and overseers on September 16, 1840, it is stated:—"But ecclesiastical dues, payable by the titheowner, were decided by the same case (R. v. Joddrell) to be a subject of deduction, inasmuch as they diminish the ability of the titheowner in respect of which he is by the statute of Elizabeth rateable." They also considered that for the same reason an allowance should be made for chancel repairs.

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‡ See Penfold on Rating, 8th ed., A. Glen, pp. 285-6.
§ See also Theobald, 5550. Peterson, 8257-61. Gepp, 8514-7. Manners Smith, 18,986-94, 18,999-19,004. McLeod, 19,292-304, 19,380-49; also App. to Vol. II. of Minutes of Evidence, No. XV.

|| For a statement showing the purposes for which new or additional local taxation has been authorised by Parliament to be raised in England and Wales since the year 1869, see pp. 54 to 76 of App. (Part I.) to Vol. I of Minutes of Evidence.

¶ "The fluctuations in the amount of the rentcharge effected by the variations in the averages are not a material consideration in the present question."

House of Lords Paper, 150 of 1850, or House of Commons Paper, 622 of 1850. Q. 2043, 2050.
De Bock Porter, 10,995-6, 11,016-7. See also Theobald, 5553. Peterson, 8244. Lodwick Ellis, 18,908.

3 & 4 Will IV, c. 90.
14 & 15 Vict. c. 80.
38 & 39 Vict. c. 55.
Rotton, 173-5.
Theobald, 5500-12.
Peterson, 8244; and App. (Pt. II.) to Vol. I. of Min. of Ev., No. XXIV., pars. 66-7.

Protests on behalf of the clergy were made by witnesses before the Select Committee of the House of Lords on the Laws relating to Parochial Assessments in 1850, against the imposition of rates for new purposes after the passing of the Tithe Act of 1836. Archdeacon Burney asserted that when the arrangement was made for the clergy to have an unimprovable property they did not anticipate increased taxation.

Mr. De Bock Porter also says:—"I do not think a tithe ought to have additional burdens laid on it because the tithe rentcharge does not profit from many of the additional burdens."

XI.—*Exemptions made by the Legislature in favour of Tithe and Tithe Rentcharge.*

82. The exceptional nature of the titheowner's property has been recognised by exceptional treatment in the Lighting and Watching Acts, 1833 and 1851, and also in the Public Health Act, 1875.

The latter Act enacts in section 211 (1) (b):—"The owner of any tithes, or of any tithe commutation rentcharge, or the occupier of any land used as arable meadow or pasture ground only, or as woodlands market gardens or nursery grounds . . . shall be assessed in respect of the same in the proportion of one-fourth part only of such net annual value thereof."

XII.—*Effect of the Agricultural Rates Act, 1896, on Titheowners.*

83. Relief was not given in respect of tithe rentcharge, as in the case of land, by the Agricultural Rates Act of 1896, and it has been a matter of complaint that, in the event of the imposition of additional rates, or of the increase of existing ones, the rates upon tithe rentcharge would be greater than they would have been if the Act had not been passed, because the Government contribution is fixed at a definite amount.*

XIII.—*The Claims put forward on behalf of Incumbents for alterations in the System of valuing Tithe Rentcharge.*

84. The witnesses representing the case of the clerical titheowners have strongly urged that tithe rentcharge not severed from the benefice is not at present assessed upon the rent at which the hereditament could be let from year to year. They have pointed out that such rentcharge cannot be earned unless the services of the church are performed; that the obligation to render services detracts from the lettable value of the benefice, and that no hypothetical tenant would take a lease of the tithe rentcharge at the amount at which it is accustomed to be valued, while he had also to pay for the maintenance of the services of the church.

85. The position of the clerical titheowner with regard to payment of rates may according to views which have been expressed in arguments in the Courts of law, and by witnesses before this Commission, be stated as follows:—

He has property in tithe rentcharge only so long as he occupies the position of parson (for which he has qualified by a considerable expenditure of capital), performs the services incidental thereto, resides in the parish, and is of good behaviour. He receives the tithe rentcharge in consideration of his performing the necessary services. It is the income he is paid so long as he performs them. If he had not been rated specially in respect of tithes, but treated as other inhabitants, such as lawyers and doctors, he would be rated in respect of the rent of the house he occupies, subject to certain deductions, and would then be rated, roughly speaking, on the tenth of his income. But he has not entered upon such profitable professions, and is rated not only in respect of the occupation of his house, which is frequently larger than his requirements, but is also rated in respect of his glebe land, if he has any in his own occupation, and of the whole of the rest of his professional income derived from tithes. He pays not upon any basis measuring his ability, but upon the whole of his receipts payable in cash or in kind, in respect of the services which he contracts to render.

App. to Vol. II.
of Min. of Ev.
No. XV.

* Theobald, 5525, 5541, 5558. D. J. Davies, 5661-75. Boscowen, 10,893, 10,898; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXXV., par. 21. De Bock Porter, 10,999, 11,105-6, 11,111-5. Kennedy, 18,785, 18,817. Lodwick Ellis, 18,925-7, 18,975. Manners Smith, 19,005.

86. But if he is to be rated as an occupier of his tithe rentcharge, he is then, it is urged, not treated in accordance with the principles applied to the case of an occupier of agricultural land, for he is assessed on a basis nearer akin to the gross than to the lettable value. He is not assessed in accordance with the principles laid down in the Parochial Assessments Act, 1836, because, as has been shown, some of the deductions referred to in that Act do not apply to his case, and he is not allowed other deductions which, it is suggested, should in fairness be made.

87. It has been pointed out that before taking a farm and agreeing to pay the gross rental, a tenant makes a calculation of the rate of interest he is likely to obtain upon his invested capital, and that he expects to secure a larger sum than if it had remained in an ordinary investment, because he would look for a fair remuneration for his personal services or supervision, which he withdraws from other remunerative employment. In the case of tithe rentcharge, although it has been decided by the Courts that the letting value should be the basis for the purposes of assessment, no allowance is made for the personal services of the occupier, or for other matters which it is asserted it would be necessary to take into consideration if the true letting value were to be ascertained.

88. The witnesses who have appeared before us, though unanimous in their request for relief in connexion with the present system of valuing tithe rentcharge not severed from the benefice, have differed as to the precise means by which this should be effected.

Mr. Boscowen, M.P., Mr. Peterson, Secretary and Solicitor to the Tithe Rentcharge Owners' Union, and the Rev. E. F. Gepp, a member of the Council of the Tithe Rentcharge Owners' Union, urged that, in addition to the existing deductions, allowances should be made for the professional services of the clerical titheowner and for the stipends of necessary curates.

In addition, Mr. Boscowen and Mr. Peterson advocated deductions for sums paid to the incumbents of district churches, and for pensions to retired incumbents.*

A deduction was also claimed for chancel repairs.

DeBock Porter, 10,978,
10,982, 11,100, 11,102.

89. With regard to a deduction for personal services, most witnesses agree that, having regard to the fact that tithe rentcharge has been for so long the subject of assessment, it is not possible for incumbents to claim total exemption. Several have suggested that a fixed sum of 150*l.*, such as would be paid to a stipendiary curate, representing the minimum cost of the services which the incumbent is under legal obligation to render, should be deducted from the gross value, as a rough-and-ready method of making some allowance.

Davies, 5718-9.
Gepp, 8550, 8558
Manners Smith,
19,009.

90. Others consider that a certain percentage deduction should be allowed. Mr. Peterson, Secretary and Solicitor to the Tithe Rentcharge Owners' Union, expressed the opinion that, if a percentage deduction is made for personal services, it should be at least 30 per cent., but he considered that a deduction of 45 or 50 per cent. would have to be given to induce anyone to take a lease of a tithe rentcharge not severed from the benefice. Mr. Boscowen, M.P., thought that 30 per cent. would be a very small deduction to make if a rentcharge were leased with all its obligations, burdens, and outgoings.

Peterson, 8447-8,
8470.
Gepp, 8524-8.

Boscowen, 10,905

91. The Rev. E. F. Gepp, who has been for many years chairman of the Dunmow Board of Guardians, and of the Assessment Committee, informed us that he thought an allowance of 25 per cent. in the case of rectorial tithes, and of 30 per cent. in the case of vicarial tithes, should be made to represent all deductions. Upon this point he gave the following evidence:—"I will tell you what the practice of the Dunmow Union is; it is not a legal system, but it has not worked unfairly, nor do I complain. Some years ago, they agreed to take the gross average annual value of the year, and from that to deduct 20 per cent. in the case of rectorial tithes, and 25 per cent. in the case of vicarial tithe, to represent all deductions—not, of course income tax or land tax—but all deductions which the tithe was liable to, as between the titheowner and the Assessment Committee. That was a fair and liberal allowance at that time—I think it was 20 years ago, or something of that sort—but

Gepp, 8553.

* Peterson, 8274, 8283-9, 8298; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXIV., pars. 80-89. Gepp, 8525-7, 8550, 8551-2. Boscowen, 10,896-9, 10,908-14, 10,919-31; and App. (Part II.) to Vol. I. of Min. of Ev., No. XXXV., pars. 28-32. Kennedy, 18,806-8, 18,845, 18,851. Lodwick Ellis, 18,903-5, 18,975. Manners Smith, 19,009, 19,089. But see also Poland, 2500-1. Theobald, 5544. De Bock Porter, 11,000-4, 11,013-7. Molloy, 19,204-5.

" considering how much the tithe since then has been reduced in value, and the still greater extent to which the land has been reduced, that 20 per cent. and 25 per cent. do not so fairly represent the outgoings as they did then. I tried to get that altered, but the Assessment Committee turned a deaf ear to us; I asked for 25 per cent. and 30 per cent. instead of 20 per cent. and 25 per cent."

Lodwick Ellis, 18,904-5.
Manners Smith, 19,014-7.
Molloy, 18,148.

92. Several witnesses suggested that the principle of the Income Tax Acts should be applied to the assessment of tithe rentcharge in the hands of an incumbent, and that an abatement should be allowed from the gross value in cases where it did not exceed a certain sum.

Theobald, 5541.
Peterson, 8470-1.
Gepp, 8528.
Lodwick Ellis, 18,903.
18,978.
Manners Smith, 19,013.
19,023.

93. But Mr. Peterson, Mr. Gepp, and several other witnesses, stated that if tithe rentcharge had been included within the scope of the Agricultural Rates Act, 1896, the grievance which is now felt by clerical titheowners would have been substantially and practically met.

XIV.—*The pressure of the present Law upon Incumbents.*

94. Although the question of the basis upon which the rateable value of tithe rentcharge should be calculated has given rise to considerable discussion ever since the passing of the Parochial Assessments Act in 1836, it has never been denied by such a high authority as Sir George Cornewall Lewis, nor by the Poor Law Commissioners in 1843, nor by Mr. De Bock Porter, the Secretary to the Ecclesiastical Commissioners, who gave evidence before this Commission, that the clergy suffer injustice in one form or another in this matter. Though some undoubted grievances have existed for many years, and, though continual agitation has been carried on by and on behalf of the clergy, no measures for their relief have been adopted. On the contrary, their position has gradually been rendered worse, owing to the passing of certain Acts of Parliament and also to decisions of the Courts.

Castle on the Law
and Practice of
Rating, 3rd ed.,
p. 441.

95. "The present law," says Mr. Castle, Q.C., "is no doubt very oppressive in some cases, for, if a parson or vicar had been rated according to his ability, then he would have been entitled to deduct his necessary expenses from his income, especially where he has necessarily provided a curate, &c.; There may have been great justice in rating an appropriator of tithes, who drew an income from the parish—for which he made no return—on the full value of his tithes; but the law presses hardly where a parson has to perform his ecclesiastical duties and often to pay for the aid of a curate, and otherwise devote not only his labour, but some part of his income to the benefit of the parish."

96. We do not think that any useful purpose can be served by discussing in detail the decisions of the Courts since the passing of the Parochial Assessments Act in 1836, with regard to the method by which tithe rentcharge not severed from a benefice is valued, because we are of opinion that section 1 of that Act is inapplicable to this class of property.

Peterson, 8426-9,
8265; App.
(Part II.) to Vol. I.
of Min. of Ev.,
pp. 148-9.

97. Such a rentcharge cannot be let, and never has been let, so far as we are aware, on an ordinary business footing, that is, to a tenant who seeks to secure a fair rate of interest on money invested, and, at the same time, has to provide for the necessary services and duties incidental to the holding of a benefice. We therefore think that it is useless to endeavour to arrive at any satisfactory solution of this question by attempting to draw analogies for the purpose of applying the principles and provisions of an Act designed for properties of an entirely different character.

98. We have already shown that the Courts at the outset admitted the inapplicability of the Act, and stated that, if they were required to comply strictly with its actual terms, the clerical titheowner would be placed in a different position to other ratepayers, and that it would be necessary to proceed by drawing a large and liberal analogy.

99. But it was found impossible to proceed by analogy in assessing tithe rentcharge not severed from the benefice, upon the basis of the rental value to a hypothetical tenant as applied to occupiers of land. The Courts endeavoured to apply an Act which was inapplicable, and they found the legal difficulties too great.

R. v. Goodchild.
E. B. & E. I.; 27 L.J.,
M.C. 253.
St. Asaph, Dean and
Chapter, v. Llanrhaidadr-
yn-Mochount (Over-
seers), L.R. 1 Q.B. 511.

100. It is true they have decided that a deduction should be made in respect of the profit which a tenant might reasonably consider an adequate inducement to take a demise of a rentcharge, where the existence of such a necessity can be demonstrated to Quarter Sessions. But, in throwing the burden upon the incumbent of proving

what a tenant would give for a property, which is in fact never let, before he can obtain any deduction beyond the present allowances, it is apparent that he cannot look to the Courts for a liberal interpretation of the present law in the case of his exceptional class of property.

101. We have shown that under the Act of Elizabeth (43 Eliz. c. 2) owners of tithes severed from the benefice were to be rated as occupiers, and that owners of tithes not severed from the benefice were to be rated as inhabitants; that both classes of tithe-owners came to be rated on the same footing; and that incumbents therefore became rateable in respect of their tithes, which frequently formed the larger portion, or even the whole, of their incomes, while the ability of other ratepayers came to be measured only by the annual rental value of the houses or land they occupied. We have also shown that when at length the Legislature by the Parochial Assessments Act, 1836, provided a basis upon which hereditaments should be valued, the Courts held that tithe rentcharge not severed from the benefice should be assessed upon the same principle as land, that is upon its letting value as laid down in the Act. It has further been pointed out that a strict legal application of this principle to a property of such an exceptional character, has resulted in its being assessed almost on the gross value, and to the same extent as tithes severed from the benefice to which no services or other obligations are attached.

102. We know of no other class of ratepayers whose basis of assessment results in the contribution of so large a proportion of income towards local taxation.

103. Since 1836 tithe rentcharge has decreased in value to the extent of over 30 per cent. During this period the Courts have gradually deprived the incumbent of deductions which at one time were allowed in ascertaining the rateable value. Moreover, many rates for new purposes have been placed upon tithe rentcharge, which cannot have any effect in the direction of improving that property, and the incumbent cannot shift the incidence upon others, according to the circumstances of supply and demand. The operation of the Agricultural Rates Act, 1896, in districts where rates have increased, reductions in assessments, and the under valuation,* of agricultural land, have, it is said, in some cases, thrown additional burdens upon incumbents.

R. v. Christopher-
son, 16 Q.B.D. 7;
53 Law Times
Rep. 804.

App. to Vol. II.
of Minutes of
Evidence,

Nos. XV. & XVI.

XV.—Conclusions.

104. The conclusions at which we have arrived are:—

- I. That the representations made to the Commission on behalf of the owners of tithe rentcharge not severed from the benefice have shown that the burden of local taxation upon such owners is unduly onerous, and that sufficient allowance is not made for the fact that the persons entitled to the rentcharge are under a legal obligation to render services and to perform duties in return therefor.
- II. That the case of the owners of tithe rentcharge not severed from the benefice is based on the ground, which we consider to have been fully established, that the present law, as interpreted by the Courts, works unjustly and places those owners in a much less favourable position than other owners who are also occupiers of rateable property.
- III. That there exists an exceptionally acute feeling of dissatisfaction with regard to the hardship of the law as it stands.
- IV. That, in view of all the circumstances, although incumbents are not entitled to be wholly relieved from liability to be assessed to local rates in respect of tithe rentcharge—indeed, such a claim has not generally been made by

* The Rev. E. F. Gepp, who has been for many years Chairman of the Dunmow Board of Guardians [Essex] and of the Assessment Committee, says:—"I wish to point out that although tithe rentcharge has always been assessed at its full value, land has not, in my experience, been similarly treated. On the contrary, it has been rated on the whole at much below its proper value. The reason for this is that the value of the rentcharge is known, and the assessment made accordingly. . . . The assessment committees are composed almost entirely of those whose interest it is to depreciate the value of the land. ". . . My own Vice-Chairman of the Dunmow Union, a farmer, told me that if the assessment committee put the land at its proper value, he dare not show his face in Bishop Stortford market." (Gepp, 8560; App. (Part II.) to Vol. I. of Minutes of Evidence, No. XXV., par. 13. See also Peterson, 8257-61; App. (Part II.) to Vol. I. of Minutes of Evidence, No. XXIV., pars. 90-2. Kennedy, 18,354-9, 18,873-8. Manners Smith, 18,986-94, 18,999-19,004. McLeod, 19,292-304, 19,330-49. But see contra Clare Sowell Read, 10,326.)

witnesses who have appeared before us—yet, pending the final recommendations of the Commission on this and the other matters referred to us, the case of the parochial incumbent owning tithe rentcharge not severed from the benefice may properly be met by some special measure of relief.

All which we humbly submit for Your Majesty's gracious consideration.

(Signed)	BALFOUR OF BURLEIGH (<i>Chairman</i>).	C. N. DALTON.
	CAWDOR.	*C. A. CRIPPS.
	*JOHN T. HIBBERT.	HARCOURT E. CLARE.
	CHARLES B. STUART WORTLEY,	T. H. ELLIOTT.
	E. W. HAMILTON.	EDWARD ORFORD SMITH.
	*G. H. MURRAY.	JOHN L. WHARTON.

ARTHUR WILSON FOX,
Secretary.
T. LLEWELYN DAVIES,
Assistant Secretary.

10th January, 1899.

Addendum by Sir J. T. Hibbert, Mr. G. H. Murray, and Mr. C. A. Cripps.

We desire to add that, in our opinion, the inequality which exists to the detriment of the owners of tithe rentcharge not severed from the benefice is due to the fact that, in ascertaining the rateable value of such tithe rentcharge, sufficient deductions from the gross value have not been allowed; and that it is necessary, in order to place the owners of such tithe rentcharge on a footing of equality with the owners or occupiers of other rateable property, to provide by legislation for the allowance of further deductions from the gross value, and in such deductions to recognise the liability, which is imposed on the owners of such tithe rentcharge, to render certain services as a condition of enjoying their emoluments.

(Signed) C. A. CRIPPS.
 JOHN T. HIBBERT.
 G. H. MURRAY.

Memorandum by Mr. J. B. Balfour.

I regret that I am unable to concur in the suggestion that, pending the final recommendations of the Commission on Rating in respect of Tithe Rentcharge and the other matters referred to it, the case of the parochial Incumbent owning Tithe Rentcharge not severed from the Benefice may properly be met by some special measure of relief.

No special measure of relief is indicated in the Report, but so far as I can see, the relief suggested could only be given either (1) by a grant from Exchequer, or (2) by a reduction of the local rates payable in respect of Tithe Rentcharge. The former of these would, in my judgment, be open to the objections frequently and, as I think, justly urged against the making of grants out of public funds towards paying the local rates of particular classes, and the latter would, in my view, be objectionable because the loss resulting from the reduction of the rates payable in respect of the Tithe Rentcharge, would require to be made good by the other ratepayers in the area of assessment, whose case has not yet been considered and reported upon. These ratepayers would naturally complain of this. It seems to me that it would be better that the case of all the different classes of ratepayers should be considered and reported upon at the same time.

(Signed) J. B. BALFOUR.

* See also the subjoined addendum.

Report by Mr. Arthur O'Connor.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

1. I regret to find myself unable to concur with the majority of the Commissioners in the conclusions set out in their Second Report, or to assent to the statement of the case on which those conclusions purport to be founded.

2. It appears to me to be amply established by the evidence taken by the Commission, that the undue burden in the matter of rates which now presses upon the owners of tithe rentcharge, whether severed from the benefice or not, arises, not from "the system by which tithe rentcharge is valued for the purpose of levying "local rates," but from the exclusion of this form of agricultural property in land from the relief which has been afforded to other agricultural interests.

Further, I am unable to recognise any ground of history, law, or expediency, for making a distinction in the matter of rating between tithe rentcharges themselves, according as they happen to be in the hands of clerical or of lay occupiers.

The only difference between them, in fact, is that where severed from the benefice, they are in actual individual ownership, and where not severed, they form a kind of trust fund to secure the performance of certain services.

3. Tithes were a species of incorporeal hereditament originally the property of the church exclusively.

In the reign of Henry VIII., on the dissolution of the monasteries and the confiscation of the monastic property, the tithes included in that property were taken by the Crown.

Parliamentary sanction was then obtained for grants by the Crown, made or to be made by Letters Patent, of any part of the property of the monasteries; and under such grants tithes came into lay hands. But they did not on that account cease to be "land" in the legal sense (they are "land" for the purpose of settlement under the Settled Land Act, 1882); and in respect of conveyance or descent they have always been dealt with as other hereditaments.

The tithes which remained in the hands of the church, though not subject to the same rules of descent and alienation, nevertheless remained like the others an interest in land.

The Acts passed for the commutation of tithes affected tithes in the hands of laymen as well as those belonging to the church. The liability to the payment of poor rate which attached to the one class of tithes as well as to the other before the date of the Commutation Act (1836), still attaches to the tithe rentcharges in the hands of lay and clerical owners alike.

4. In respect of other rates they have been recognised as being on the same footing with other forms of agricultural property.

Under the Lighting and Watching Act of 1833 (3 & 4 Will. IV. c. 90. s. 33), and the Public Health Act of 1848 (11 & 12 Vict. c. 63. s. 88), as amended by 14 & 15 Vict. c. 50; and under the Public Health Act of 1875 (38 & 39 Vict. c. 55. s. 211), as amended by 53 & 54 Vict. c. 17, they are expressly classed with land used as arable, meadow, or pasture, woodlands, orchards, market gardens, or nursery grounds, lands covered with water, or used as a canal or towing path, or railway; and rated like all these at a fourth of the net annual value. They are also, like these, assessed to land tax.

5. Like other agricultural interests, tithe rent charge has suffered from the fall in the price of the agricultural productions on which it was calculated. This it is which furnishes the true explanation of the pressure which has been experienced by many of the clergy, and not the "system of valuation for the purposes of rating."

But while the tithe rentcharge has shared in the general agricultural distress, it has not been admitted to a share of the relief which has been afforded to other agricultural interests under the Agricultural Rates Act, 1896. For such exclusion I can see no good ground. At the same time witness after witness assured the

Commission that the extension to the tithe rentcharge of the benefit of the Act referred to would satisfy the class for which they spoke.

Such a measure would moreover be unattended by the obvious disadvantages which would most probably beset any special measure of relief which might be proposed to remedy the grievance.

6. I am, therefore, of opinion that the case of hardship which has admittedly been made out would be, naturally, sufficiently, and prudently met by the extension to tithe rentcharge of the provisions of the Agricultural Rates Act, 1896.

My respect for the judgment of the other members of the Commission constrains me to add some of the reasons why I cannot associate myself with the Report at large.

7. (a.) Part II. of the Report is headed "*The Statutory Liability of the Incumbent to be assessed to the Poor Rate,*" and consists of paragraphs numbered 9 to 27.

It appears to me to amount to an implication, whether intended or not, that from early times till the beginning of the 17th century the incumbent was not under any such liability.

To this implication I cannot subscribe. I believe it to be in clear contradiction of history, statute, and recorded legal decisions (*see Note I.*).

(b.) Paragraph 9 consists of two short extracts from Magna Charta, removed from their context, and calculated to produce very different impressions when read in connexion with matter relating to liability to poor rate, and when taken in their original association.

The best way to show this is to place the extracts and the original text in juxtaposition, thus:—

Paragraph 9:—

By Magna Charta the King granted to God and confirmed—

"That the English Church shall be free and enjoy all her rights in their integrity and her liberties untouched."

"No clerk shall be amerced for his lay tenement except after the manner of the other persons aforesaid, and not according to the value of his ecclesiastical benefice."

Actual words of Magna Charta.

(1.) Quod Anglicana Ecclesia libera sit, et habeat jura sua integra et libertates suas illæsus, et ita volumus observari quod apparet ex eo quod libertatem electionum, que maxima, et magis necessaria reputetur ecclesiae Anglicanæ, mera et spontanea voluntate, ante discordiam inter nos et Barones nostros motam, concessimus et charta nostra confirmamus et eam obtinimus a Domino Papa Innocentio Tertio confirmari.

[xx. 9.] Liber homo non amercietur pro parvo delicto, nisi secundum modum delicti; et pro magno delicto amercietur secundum magnitudinem delicti, salvo tenemento suo, et mercator eodem modo, salva mercandisa sua, &c.

[xxi.] Comites et Barones non amerciantur nisi per Pares suos et non nisi secundum modum delicti.

[xxii. 10.] Nullus clericus amercietur de laico tenemento suo, nisi secundum modum aliorum praedictorum, et non secundum quantitatem beneficii sui ecclesiastici.

It will be seen that neither of these extracts really refers to the matter in connexion with which it is cited.

The first relates to freedom from intrusion of the Crown upon the liberty of elections, &c.; the second to amercements for delicts, or fines for offences, and in no way to the payment of taxes or rates.

(c) Paragraph 10 states, that "Ecclesiastical persons prior to and during the reign of Elizabeth, were, by the Common Law, considered exempt from tolls, pontage, &c., and not subject to general charges imposed on subjects as to highways, &c., unless charged by Statute, either in express or general terms."

Now, as regards tolls, pontage, murage, &c. the immunity simply consisted in this, that when actually engaged in his duty as parson, vicar, or curate, the ecclesiastic was not liable to pay toll at bridge or city gate, or highway. As regards the latter portion

of the paragraph, it will be enough to recall the fact that the clergy were held liable as inhabitants under the Statute of Bridges in 1530–31 (22 Henry VIII. c. 5.).

The point, however, as to special mention is again brought up in paragraph 17, which deals with the Statute 39 Eliz. c. 3., evidently with reference to this earlier passage.

Paragraph 11. “Such was the recognized law at the time when the Statutes of “Elizabeth having reference to rating were passed. It was afterwards held during “the reign of Charles II., that ecclesiastical persons were liable to all public charges “imposed by Act of Parliament.”

I cannot understand the object of inserting these paragraphs 9, 10, and 11, unless they are to be read as suggesting that by Magna Charta, and by Common Law, the clergy were not liable to be assessed to the poor rate, or any other rate, until the time of Charles II., unless specially mentioned.

But such a position can be clearly shown to be wrong.

It is admitted in paragraph 12 of the Report, that till 1535–6 relief of the poor had been a legal charge on the revenues of the secular clergy, aided by charitable foundations and the alms of religious houses.

In 1562–3 justices and churchwardens were empowered to rate those who would not contribute.

In 1572 provision was made by statute for the registration (by the justices) of the inhabitants for the purpose of rating for poor relief; for the appointment of overseers of settled poor persons; and for the employment of rate-collectors.

In these statutes the clergy were not specially mentioned.

In 1585, twelve years before the first of the two great statutes of Elizabeth, that of 1597 (in which also the clergy were not specially mentioned), it was held in a celebrated case (Parson of Pancras case) that a parson was bound to contribute to the poor rate. Chief Justice Hale, in giving judgment in a later case (Hopkins case, 3 Keble 255), said that the decision on this point in the former was arrived at after consultation, and “so it had been agreed by all the judges of England in Sergeant’s ‘Inn in the Parson of Pancras case, and they are also contributory to many other ‘charges notwithstanding Magna Charta. Quod ecclesia sit libera, as to Highways, ‘&c.’”

This, then, and not what appears to be suggested in paragraph 11 of the Report, was the recognised law as to the “Statutory Liability of the Incumbent to be assessed to the Poor Rate,” when in 1597 overseers were (by 39 Eliz. c. 3) appointed to collect a tax from every inhabitant and occupier of lands in each parish for the relief of afflicted and decrepit poor, according to the ability of the parish. [As to “inhabitant” see Note II. hereto.]

It is stated in paragraph 17 of the Report that no directions were given to the overseers as to the actual basis upon which or the properties in respect of which taxation was to be raised. But this is just what might be expected. At that time no one thought of any other basis than that of the value of real or immovable property.

Paragraph 17 further says that “the parson or vicar was not specially mentioned “in the Act.” No, he was not; but why should he be? He was necessarily an inhabitant occupier. At that time no person would have thought of claiming exemptions. The matter had long been settled. And indeed it was not till 75 years later, viz., in 1672, that the point was first definitely taken and decided against the parson in the case of *Webb v. Batchelour*. (1 Ventriss, 273.)

(d.) Immediately after the passing of the Act of 1597 the Judges held a conference on its terms and provisions, and drew up certain resolutions (chiefly relating to *rogues*) which appear to have been intended partly as a kind of definition clause, and partly as an agreed set of rules for the administration of the Act. In one of these rules it is said that “Parsons or vicars, &c. be bound (as inhabitants) to the relief of the poor, as well as “others that inhabit within the parish.” The words “parson, vicar, and other” are reproduced in the great Act of 1601 [43 Eliz. c. 2], probably in deference to the judges and possibly (in view of the Pancras Parson’s case) to prevent any suggestion that the clergy were exempt; but most certainly not to alter the existing law.

I am therefore driven to dissent from the proposition in paragraph 25 of the Report, that, because tithes were more easily cognisable and estimated by overseers, whereas personal property was difficult to trace, “a practice therefore arose of rating “the incumbent in respect of this class of property, *not because he was liable* to be rated “specially in respect of tithes under the Act of Elizabeth, as were occupiers of

" tithes severed from the benefice, but because it was found to be the easiest and most feasible method of assessing him."

It is not, in fact, accurate to say that "a practice therefore arose." From the beginning the parson had been liable like the rest of the owners of landed property. The other tithe-owners were specially mentioned only because after the impropriation of tithes many occupiers of tithes did not dwell or possess any other property in the parish from which the tithes were drawn.

The case would really appear to be sufficiently plain. Yet in Part III. of the Report (paragraph 28) occur the words:—

" 28. Little is known of the method by which the incumbent was assessed; if he was assessed at all, for some time after the passing of the Act of Elizabeth."

(e.) Paragraph 29 consists of a quotation from Dalton's Country Justice (edition of 1742), viz. :—" Every clergyman is to be rated for his glebe and tithe according to their yearly value, so long as they are in his own occupation, because the statute charges every occupier of tithes, &c., and the clergy are contained in these general words unless particularly excepted."

This quotation is followed by this comment. " Though this statement may point to the conclusion that the practice of rating the clergy in respect of their tithes probably prevailed to a considerable extent at that time, the construction placed by Dalton upon the Act of Elizabeth appears to have been erroneous, and not warranted by any known legal decisions."

The comment is made without any distinct ground being alleged for it; and also in face of the fact that in no less than four cases *cited in the Report itself*, and all anterior to the edition of 1742, [viz., R. v. Bartlett (7 Anne) 16 Viner's Abridgment, 427; R. v. Turner (4 Geo. I.) 1 Str. 77; R. v. Skingle (4 Geo. I.) 1 Str. 100; and R. v. Lambeth (8 Geo. I.) 1 Str. 525] the liability of the parson to be rated in respect of his tithes is laid down in express terms.

(f.) The remaining portion of Part III. of the Report is in great part made up of *obiter dicta* of judges, and of an argument of a learned counsel in a case in which he was not successful (paragraph 32, note).

The unusual course of putting forward as more or less authoritative the arguments of counsel which did not ultimately prevail is adopted again in paragraphs 51 and 73.

(g.) This Part III. is headed "The Assessment of Tithes from 1601 to 1840," and shows, what cannot, of course, be questioned, that in the enormous number of parishes existing throughout the country different practices prevailed as to the assessment of tithes as of other forms of property, and that irregularities presented great diversity, as irregularities are wont to do.

(h.) Part IV. of the Report, on "The object of the Tithe Act, 1836, and its effect upon Incumbents," shows:—

- (1) that lay and clerical tithe-owners were under the Act treated alike; and
- (2) that the legal position of the incumbent under the Act of Elizabeth was left unaltered.

(k.) Part V. of the Report, on "The effect of the Parochial Assessments Act, 1836, upon Incumbents," explains that although the Act referred to did not introduce any new principle of rating, the owners of tithe rentcharge whose property is exactly known, can be rated to the full, while the other ratepayers are frequently under-assessed. The blot here pointed out, however, is not the over-assessment of the tithe-owner, but the under-assessment of his fellow ratepayers, and this blot has been already abundantly provided for in the recommendations contained in the Commission's First Report (On Valuation).

(l.) Parts VI., VII., VIII., and X. do not call for comment, as they do not contain anything which substantially advances any particular view.

(m.) Part IX., on "The Practice and Method of assessing Tithe Rentcharge after 1858," (paragraphs 66 to 80) is concerned chiefly with—

- (1) the decisions in the cases of R. v. Goodchild, R. v. Lamb, and R. v. Hawkins, collectively known as the Hackney cases, in which was considered the question of deductions to be made in the assessment of tithe rentcharge not severed from the benefice;
- (2) the Circulars of the Poor Law Commissioners founded upon these decisions; and

- (3) the opinion of the law officers as to the exact point in the calculation at which curates' salaries were to be deducted.

But as the Hackney cases were, as regards the deduction of the curate's salary, over-ruled in the latter case of *R. v. Sherford* (L.R. 2 Q.B. 503), it is not necessary to offer any observations upon this part of the Report.

(n.) Part XI. is headed, "Exemptions made by the Legislature in favour of Tithe and Tithe Rentcharge."

"82. The exceptional nature of the tithe-owner's property has been recognised by exceptional treatment in the Lighting and Watching Acts, 1833 and 1851, and also in the Public Health Act, 1875."

"The latter Act enacts in section 211 (1) (b):—'The owner of any tithes, or of any tithe commutation rentcharge, or the occupier of any land used as arable meadow or pasture ground only, or as woodlands market gardens or nursery grounds . . . shall be assessed in respect of the same in the proportion of one-fourth part only of such net annual value thereof.'

A reference to the Acts cited will show that so far from the exceptional nature of the tithe-owner's property being recognised by exceptional treatment, the very object of the statutes was just the reverse. They secure that the owner of tithes or tithe rentcharge shall be dealt with in the same manner as the owners of other agricultural landed property [see paragraph 4 above].

I am pleased to find myself in agreement with Part XII., and paragraph 93 of Part XIII. of the Report of the majority of my colleagues. These deal with the hardship involved in the exclusion of the tithe rentcharge from the benefit of the Agricultural Rates Act, and the concurrence of testimony of the witnesses who have appeared before us in favour of their inclusion as a practical method of dealing with the grievance complained of.

All which I humbly submit for your Majesty's gracious consideration.

11th January 1899.

(Signed) ARTHUR O'CONNOR.

NOTE I.

Coke's Institutes, Part II., p. 649.

And the Levite (to whom tithes were assigned) shall come, and the stranger, the fatherlesse and the widow which are within thy gates shall eat and be filled.

Deut. 4. v. 29
Here is shown
the true use
whereto tithes
should be
employed.

NOTE II.

Inhabitant.—There is no reason to suppose that in the statutes of Elizabeth, or of Henry VIII., the word inhabitant is taken in a varying sense, or that the definition of the term supplied by Sir Edward Coke in his Institutes (Part II., pp. 702-3), Statute of Bridges, does not represent its true significance:—

"(1.) The persons to be charged by this Act are comprehended under this only word (inhabitants); which word is needful to be explained, being the largest word of the kind. First, although a man be dwelling in an house or a foraigne county, riding, city, or towne corporate, yet, if he hath lands or tenements in his own possession and manurance in the county, riding, city, or towne corporate, where the decayed bridge is, he is an inhabitant, both where his person dwelleth, and where he hath lands and tenements in his owne possession within this statute.

Nota, habitatio dicitur ab habendo, quia, qui propriis manibus et sumptibus possidet, et habet, ibi habitare dicitur.

* * * * *

"(3.) *Ex vi termini.*—Every person that dwelleth in any shire, riding, city, or towne corporate, though he hath, but a personal residence, yet is said in law to be an inhabitant, or a dweller there, as servants, &c. But the statute extendeth not to them, but to such as be householders."

Memorandum by Mr. J. Stuart.

I regret I am unable to agree with the Report or its conclusions. I associate myself with the historical portions of the memorandum of Mr. Arthur O'Connor, and with the criticisms made on the Report in that memorandum.

Considering the terms of reference to the Commission, I think it undesirable to recommend relief to one class of ratepayers without reporting with respect to other classes at the same time.

The Report does not state the sources from which it proposes that relief should be given to those with whom it deals, namely, the owners of tithe rentcharge not severed from the benefice. That relief, if given from public funds, must be given by means of money provided either by the general taxpayers or by the other ratepayers of the district. It will thus be either a relief to a special class, similar to that embodied in the Agricultural Rates Act, 1896, the propriety of whose fiscal policy is still under discussion, or it will add to the burdens of other ratepayers, whose case is not yet taken into consideration.

It is impossible to shut one's eyes to the fact that what the beneficed clergy really suffer from is the fall in the value of tithe, and not from the rates, except in so far as those, like any other outgoing, form a charge on their gross income.

The relief sought is really an addition by the nation to the funds of the Church of England, and would more fittingly be made a charge on the revenue of the Ecclesiastical Commissioners.

Indeed, so far as rates are concerned, the position of the beneficed clergy has in general been considerably improved since the period when tithes were commuted. At that time the rates of a large proportion of the beneficed clergy (probably of three-quarters of the whole) were paid by the owner or occupier, and deducted before the payment to the clergyman was made. When the commutation took place the amount of the rates as they then were was added to the net tithe, which had hitherto been paid to the clergyman, and the future payment of rates was left to be made by him direct. As in general in country districts the rates have fallen considerably since that time, the clergy have been proportionately benefited. Take the case of a living where the net income before commutation was 1,000*l.*, rates having been paid by the landlord at 10*s.* in the pound (or 500*l.* in all), as was not infrequent in rural districts at the period of tithe commutation. The incumbent of the time received a total of 1,500*l.* of commuted tithe, and had to pay the rates himself direct in future. This sum of 1,500*l.* has become, by the fall in the value of tithe to about two-thirds, a reduced sum of 1,000*l.*, and on this the present rates are probably about 2*s.* 6*d.* in the pound, or 125*l.* The present clergyman receives thus a net sum of 875*l.*; and, finding his net income reduced below that of his predecessor by the amount of the rates, he may blame the rates for that reduction, if he does not go very deeply into the matter, but nevertheless the reduction is clearly due to other causes. Yet this case is not very dissimilar, so far as the proportion of the amounts involved is concerned, to a considerable number of other cases, and its principle applies in greater or less extent to all.

It is farther to be remembered that every beneficed clergyman in accepting his living has done so with the knowledge that the income he thus accepted was not the total amount at any time of the commuted tithe, but was that sum diminished by the full amount of the rates thereon.

(Signed) JAMES STUART.

13th January 1899.

CHRONOLOGICAL INDEX TO ACTS OF PARLIAMENT REFERRED TO IN THE REPORT.

Act of Parliament quoted.		Paragraphs in which Acts are referred to.	Act of Parliament quoted.		Paragraphs in which Acts are referred to.
Number of Act.	Year.		Number of Act.	Year.	
Magna Carta -	1215	9	14 Cha. II. c. 12 (Poor Relief Act).	1662	58, 59
15 Rich. II. c. 6 -	1391	5	22 Cha. II. c. 12 -	1670	11
4 Hen. IV. c. 12 -	1402	7	3 & 4 Will. IV. c. 90 (Lighting and Watching Act).	1833	82
14 & 15 Hen. VIII. c. 6 -	1523	11	6 & 7 Will. IV. c. 71 (Tithe Act).	1836	36, 38-45, 49, 50, 54, 81.
22 Hen. VIII. c. 5 (Statute of Bridges).	1530-1	10	6 & 7 Will. IV. c. 96 (Parochial Assessments Act).	1836	45-55, 57, 62, 63, 66, 68, 69, 71, 86, 94, 96-101.
23 Hen. VIII. c. 5 (Sewers Act).	1531-2	22	7 Will. IV. & 1 Vict. c. 69 (Tithe Act).	1837	39
27 Hen. VIII. c. 20 -	1535	3	3 & 4 Vict. c. 15 (Tithe Act).	1840	39
27 Hen. VIII. c. 25 -	1535	13	3 & 4 Vict. c. 89 (Poor Rate Exemption Act).	1840	32, 53, 58-63.
27 Hen. VIII. c. 28 -	1535	13	5 & 6 Vict. c. 35 (Income Tax Act).	1842	92
31 Hen. VIII. c. 13 -	1539	13	14 & 15 Vict. c. 50 -	1851	82
32 Hen. VIII. c. 7 -	1540	3	37 & 38 Vict. c. 54 (Rating Act).	1874	21
1 Ed. VI. c. 3 -	1547	14	38 & 39 Vict. c. 55 (Public Health Act).	1875	82
2 & 3 Ed. VI. c. 13 -	1548	3	45 & 46 Vict. c. 38 (Settled Land Act).	1882	2
3 & 4 Ed. VI. c. 16 -	1549	14	54 Vict. c. 8 (Tithe Act) -	1891	38
5 & 6 Ed. VI. c. 2 -	1552	14	59 & 60 Vict. c. 16 (Agricultural Rates Act).	1896	83, 93, 103
2 & 3 P. & M. c. 5 -	1555	15			
2 & 3 P. & M. c. 8 -	1555	11			
5 Eliz. c. 3 -	1562	15			
14 Eliz. c. 5 -	1572	15			
27 Eliz. c. 13 (Hue and Cry Act).	1585	20			
39 Eliz. c. 3 -	1597	11, 16-19			
43 Eliz. c. 2 (Poor Relief Act).	1601	11, 19-25, 28-32, 51-53, 58-60, 63, 64, 78, 101.			
14 Cha. II. c. 6 -	1662	11			

LIST OF CASES REFERRED TO IN THE REPORT.

Cases quoted.		Paragraphs in which Cases are referred to.	Cases quoted.		Paragraphs in which Cases are referred to.
Name of Case.	Reference.		Name of Case.	Reference.	
Atkins v. Davis - Eedaile v. The Assessment Committee of the City of London Union.	Cald. 315 - 19 Q.B.D. 431 -	20 31	Lowndes v. Horne	1779, 2 W. Black 1254; 1 Bott. No. 175; 2 Eag. & Yo. 341.	31, 60
Frend v. The Churchwardens of Tolleshunt Knights.	1869, 1 E. & E. 753; 28 L.J., M.C. 169.	74, 78	Morgan v. Crawshay.	1871, L.R., 5 H.L. 304; 40 L.J., M.C. 202.	21
Hopkins' case -	1672, 3 Keb. 255	11, 31	Parson of Pancras.	Quoted in Hopkins' case in 1672, 3 Keb. 255.	31
Jones v. The Mersey Docks.	11 H.L. Cases, 443; 35 L.J., M.C. 1.	75	Rann v. Pickin -	1782, Cald. 196	32
Lamplugh v. Norton.	22 Q.B.D. 452 -	42	R. v. Bartlett -	16 Viner's Abr. 427.	31
Lawrence v. Overseers of Tolleshunt Knights.	1862, 2 B. & S. 533; 31 L.J., M.C. 148.	74, 78	R. v. Boldero -	4 B. & C. 467 -	32
			R. v. Capel -	1840, 12 A. & E. 382	37, 47, 51, 53-56, 61, 63, 79.
			R. v. Carlyon -	1789, 3 T.R. 385; 2 Eag. & Yo. 339.	31, 60

LIST OF CASES REFERRED TO IN THE REPORT—*continued.*

Cases quoted.		Paragraphs in which Cases are referred to.	Cases quoted.		Paragraphs in which Cases are referred to.
Name of Case.	Reference.		Name of Case.	Reference.	
R. v. Christopher- son.	1885, 16 Q.B.D. 7 ; 53 Law Times Rep. 804.	20, 25, 30-32, 60, 101.	R. v. Mast -	6 T.R. 150	20
R. v. Darlington -	6 T.R. 468 -	26	R. v. Sherford -	1867, L.R. 2 Q.B. 503.	72, 75, 78
R. v. Dursley -	6 T.R. 53 -	26	R. v. Skingle (<i>Powell v. Bull</i>). -	1718, 1 Stra. 100 ; 1 Bott. No. 148 ; Comyns 265 ; 1 Eag. & Yo. 733.	32
R. v. Goodchild -	1858, E., B. & E. 1 ; 27 L.J., M.C.233.	64, 66, 70, 72, 75, 78, 100.	R. v. Toms -	1780, Doug. 401.	32
R. v. Gosse -	7 B. & C. 60. -	20	R. v. Turner -	1718, 1 Stra. 77 ; 1 Bott. No. 147 (1827 ed.)	31
R. v. Hawkins -	1858, E., B. & E. 1 ; 27 L.J., M.C.233.	70, 73, 78	R. v. White -	4 T.R. 771	26
R. v. Hogg -	1 T.R. 726 -	20	St. Asaph (Dean and Chapter) <i>v. Llanrhaidr- yn - Mochnant</i> (Overseers).	1897, L.R. 1 Q.B. 511.	77, 78, 100
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R. v. Lamb -	1858, E., B. & E. 1 ; 27 L.J., M.C. 233.	70, 78	Webb v. Batchelour	1673, 1 Vent. 273 ; 3 Keb. 476, 507.	11
R. v. Lambeth -	1722, 1 Stra. 525 ; 1 Bott. No. 149 ; For- tescue's Re- ports for period 1695, to 1738, p. 319.	32	Wheeler v. Bun- nington.	1 B. & S. 709 -	78
R. v. Lumsdaine -	1839, 10 A. & E. 160 ; 10 Q.B.D. 157 ; 2 P. & D. 219.	45, 53, 57, 62			

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ROYAL COMMISSION ON LOCAL TAXATION.

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FINAL REPORT
OF
HIS MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

LOCAL TAXATION.

SCOTLAND.



Presented to Parliament by Command of His Majesty.



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TERMS OF REFERENCE.

To inquire into the present system under which taxation is raised for local purposes, and report whether all kinds of real and personal property contribute equitably to such taxation; and, if not, what alterations in the law are desirable in order to secure that result.

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| C. 9142-1899 | - Second Report on Valuation and Rating in respect of Tithe Rentcharge in England and Wales. |
| Cd. 638-1901 | - Final Report for England and Wales. |
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| C 9528-1899 | - A Volume of Memoranda relating chiefly to the Classification and Incidence of Imperial and Local Taxes. |
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TABLE OF CONTENTS.

	Page
REPORT (signed by THE RIGHT HON. LORD BALFOUR OF BURLEIGH, K.T., EARL CAVDOR, THE RIGHT HON. LORD BLAIR BALFOUR, THE RIGHT HON. SIR JOHN T. HIBBERT, K.C.B., THE RIGHT HON. C. B. STUART-WORTLEY, K.C., M.P., MR. C. N. DALTON, C.B., MR. C. A. CRIPPS, K.C., M.P., MR. HARCOURT E. CLARE, MR. T. H. ELLIOTT, C.B., MR. E. ORFORD SMITH, MR. JAMES STUART, and THE RIGHT HON. JOHN L. WHARTON, M.P.—<i>Analysis</i>	v
<i>Report</i>	1
 SEPARATE RECOMMENDATIONS by LORD BALFOUR OF BURLEIGH and LORD BLAIR BALFOUR—<i>Analysis</i>	29
<i>Recommendations</i>	31
 REPORT by SIR EDWARD HAMILTON, K.C.B., and SIR GEORGE MURRAY, K.C.B.	49
 REPORT ON URBAN RATING AND SITE VALUES by LORD BALFOUR OF BURLEIGH, LORD BLAIR BALFOUR, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, and MR. STUART	49
 REPORT by HIS HONOUR JUDGE O'CONNOR, K.C.	51
 APPENDIX	53,

A N A L Y S I S.

	Page
CHAPTER I.—VALUATION AND RATES	1
Origin of Poor Rate	1
Early instances of Division of Rates between Owners and Occupiers	1
Rating of Occupiers on "Means and Substance"	2
Origin of the Classification of Properties for Rating	2
Early Poor Rates in Burghs	2
Various methods of Rating authorised by Poor Law Amendment Act, 1845	2
Gradual Disappearance of Rating on Means and Substance	3
Burgh Assessments	3
County Assessments	3
Properties now assessed for Local Rates	3
Existing provisions regarding Division of Rates between Owners and Occupiers	4
System of Valuation—Gross and Net Value	4
Definition of Gross Value—Actual Rent and Estimated Rent	4
Valuation based on "Contractors' Rent"	4
Valuation based on Profits	5
Valuation Authorities and the appointment of Assessors	5
Valuation Roll	5
Objections and Appeals	5
Valuation of railways, &c. by Railway Assessor	6
Valuation Rolls form the basis for all local Assessments	6
Deductions to arrive at net value for Parochial Rates	6
No Supplementary Valuation Roll can be made	6
Spending Authorities and separate Rates	6
Rating Areas	7
Collection of Rates	7
Differential Rating	7
Classification of Properties for Rates	7
Agricultural Rates Act	8
CHAPTER II.—SUBVENTIONS	9
The re-arrangement of the Subventions in 1888–90	9
Amounts of the discontinued grants	9
The Subventions now pass through the Local Taxation (Scotland) Account	9
Revenues payable into the Account under the arrangements of 1888–90	9
Payments into the Account under the arrangements of 1896–8 for the relief of agricultural occupiers, and other purposes.	9
Amounts paid into the Account in 1890–91 and 1900–1	10
Provision was originally made for defraying from the Account the cost of the abolition of school fees, but the cost is now principally borne upon the Votes.	10
Payments out of the Account in 1900–1	11
The grants are mainly fixed grants	14
Summary of grants payable from the Account in separate parts	14
CHAPTER III.—HOW RELIEF TO LOCAL RATES IN SCOTLAND SHOULD BE PROVIDED	14
This problem is similar to that which arises in England and should be dealt with on uniform lines.	14
The surrender of certain Imperial revenues to local purposes is desirable, or, alternatively, assistance should be given from the Consolidated Fund.	14
Under either proposal the question arises as to the proportion to be allocated to England and Scotland respectively.	14
Present basis of allocation of Estate Duties and Beer and Spirit Duties. Population would be a better basis.	15
Population would also be a better basis than expenditure on Poor Relief, Police, &c.	15
Population of England, Scotland, and Ireland	15
The proportion allocated to Scotland would be much the same whether present basis of allocation or population basis be adopted.	15
CHAPTER IV.—HOW EXCHEQUER CONTRIBUTIONS SHOULD BE DISTRIBUTED	15
The Services regarded as national and to which assistance should be given	15
Relation of total Proposed Grant to expenditure upon National Services	16
Occupiers of agricultural lands and heritages should be partially exempted from the payment of Rates, and the cost of the relief thus given should, for the present, be paid out of the Estate Duties on personalty.	16
The additional moneys should be distributed with due regard to the effect on Local Administration. The proposals made in the case of England and Wales.	16
These proposals might it is thought be extended to Scotland	16
198606.	b

	Page
CHAPTER IV.—HOW EXCHEQUER CONTRIBUTIONS SHOULD BE DISTRIBUTED—continued.	
Police Grant should be one half of whole net cost of Police	16
The distribution of the Lunatic Asylums Grant offers some difficulties	17
But these may be removed by an amendment of the existing system of meeting the cost of Asylum accommodation in certain districts.	17
Grant for Main Roads. A Commission suggested to determine which are Main Roads	17
The total amount of Grant	17
Grant for Sanitary Inspection	17
Grant for Secondary and Technical Education should be distributed by Scotch Education Department.	17
Supplementary School Fee Grant should, with the Voted Grant, be distributed at the rate of 12s. per scholar.	17
These proposals involve a re-arrangement of the Scottish Grants. Objects of the existing Grants.	18
The Grants should be paid direct to the Authorities administering the Services, and provision should be made for the distribution of a sum to Counties and Burghs in aid of their general expenditure.	18
Approximate amount of this Grant	18
Increased powers of control should be given to the Government Departments concerned in the administration of the Services assisted.	18
CHAPTER V.—RECOMMENDATIONS CONCERNING THE RAISING OF LOCAL RATES	18
(a.) Valuation	18
All Rates should be levied upon the net value, which should be determined by the Valuation Authority and entered in the Valuation Roll.	18
Maximum scale of deductions should be fixed by Parliament	19
Surveyors of Taxes should be appointed Lands Valuation Assessors wherever possible.	19
Valuation Authorities should have power to make up a Supplementary Valuation Roll in the middle of each year.	19
Suggested alterations with regard to date and place for holding County and Burgh Valuation Appeal Courts.	19
The Lands Valuation Appeal Court should consist of three Judges of the Court of Session and should hear all Valuation Appeals.	19
In certain cases the Railway Assessor should be supplied with Counsel	20
The valuation of Railways	20
Present method of valuing Railways	20
Receipts, deductions, and total valuation of Caledonian Railway for 1901-2	21
Allocation of total value of Railways between various rating areas, and valuation of stations, &c.	21
Valuation of sidings	21
Proportion of total value of Caledonian and North British Railways allocated to stations and lines respectively.	22
The deductions should be determined by the Railway Commission or the Court of Session.	22
The value of the line should be apportioned between the various rating areas according to train mileage and not line mileage.	22
(b.) Other Rating Questions	22
Division of Rates between Owners and Occupiers should continue	22
“Stereotyped” County Rates should be divided	22
Parochial rates should be divided so as to leave an equal rate in the £ upon Owners and Occupiers.	23
Classification of Occupiers for Parochial Rates should be optional	23
Underground piping should be assessed at one-quarter of its Annual Value	23
Consolidation of rates and of rate-collecting machinery	24
Exemption of unoccupied property	24
Exemption on ground of poverty	24
Exemption of Crown Property and contributions in lieu of Rates	24
Local public property is mostly rateable	25
Various exemptions granted by Statute	25
No further exemptions should be granted, and Cemeteries worked at a profit should be rated.	25
Special Districts should be conterminous if possible	25

ROYAL COMMISSION ON LOCAL TAXATION.

FINAL REPORT—SCOTLAND.

TO THE KING'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

IN accordance with the intention expressed in our Final Report for England and Wales* we now present the conclusions at which we have arrived with regard to Local Taxation in Scotland.

The evidence which we have taken, and certain memoranda which have been put before us, have already been issued, and the information specially relating to Scotland is contained in Volumes I., III., and IV.*

CHAPTER I.

VALUATION AND RATES.

Although the Statutes under which the principal rates in Scotland are levied are of comparatively recent date, yet, in order to understand the present system, it is necessary to refer briefly to earlier legislation on the subject. When provision for the poor was first made a legal obligation by an Act passed by the Scots Parliament in 1579,† the imposition of an assessment was authorised for that purpose. Under that Statute the assessment was to be raised from "the whole inhabitants within the parish, according to the estimation of their substance, without exception of persons." The poor had previously been maintained almost wholly by charitable contributions, and there was so much dislike to making the contributions compulsory that the practice did not become general. In consequence of the distress occasioned towards the end of the seventeenth century by a succession of bad harvests, the Privy Council issued certain Proclamations‡ directing the more rigorous enforcement of the law, and prescribing in more detail the method by which the assessment was to be levied.

Notwithstanding these provisions, compulsory assessments for relieving the poor were, until the middle of the eighteenth century, only occasionally resorted to and were regarded merely as an expedient to be employed in particular circumstances and for a limited time.

The first of the Proclamations referred to was issued in 1692, and it directed that the assessment in landward parishes (i.e., parishes not in burghs) was to be cast "the one-half upon the heritors, and the other half upon the householders of the parish."

The Act of 1579 still remained in force, and the co-existence of provisions for levying the assessment, which were not altogether consistent with each other, led to some dispute. There was also much speculation as to how far it was the intention of the Privy Council, in framing the Proclamation, to follow the method prescribed by a Statute of 1663, providing for the employment of vagabonds and authorising the imposition of an assessment for that purpose, one-half leviable from the heritors, and the other half from the "tenants and possessors according to their means and substance." Although these disputes were to some extent settled by the Courts, many different systems of levying the assessment for the poor prevailed. It is only necessary, however, to state generally the lines upon which they usually proceeded.

Early instances of
Division of Rates
between Owners
and Occupiers.

* See List of Reports, Evidence, &c., *supra*.

† Some of the provisions of this Act were evidently borrowed from an English Statute of seven years earlier.

‡ These Proclamations were subsequently ratified by Parliament.

The heritors* were assessed in respect of their lands and heritages within the parish, whether they resided there or not. In the apportionment of the assessment between them the real or the valued rent† of the property might be taken, but the assessment might not be imposed partly on the one and partly on the other. Where the valued rent was adopted house property was not subjected to the rate, and where the assessment was levied according to the real rent it was customary to allow to proprietors of houses a deduction for repairs.

Rating of Occupiers on "Means and Substance."

It would appear that all inhabitants were liable in the other half of the assessment, and that they were to be assessed in proportion to the amount of their means and substance. In the application of this principle the rents might be taken as a fair measure of each individual's means and substance, or a direct estimate might be made; but whichever method was adopted, it was to be applied uniformly throughout the parish.

Origin of the Classification of Properties for Rating.

The plan of apportioning the assessment according to rental was obviously the simpler of the two, and the Court intimated an opinion that it was preferable. But in parishes containing different classes of property (e.g., partly agricultural and partly residential or commercial) it was felt that the rents did not bear a sufficiently constant relation to means and substance, and with a view to making the assessment conform more nearly to this principle a plan was sometimes adopted of dividing the property into classes, according to the purposes for which it was used, and levying different rates of assessment upon the occupiers of each class.

When rent was not taken as the basis, but an estimate of the means and substance of each inhabitant was made, the assessors might include stocks, shares, mortgages, ships, stock-in-trade, and other descriptions of personal property, wherever situated, but not landed estate in Scotland (for which the proprietor was liable as heritor). Wages and salaries were also included, but incomes of small amount were frequently exempted. Inhabitants assessed as such in more than one landward parish were liable in each parish in respect of their whole means and substance.

Heritors living in the parish in which their property was situated were liable in both the heritors' and inhabitants' shares of the assessment.

Early Poor Rates in Burghs.

The second Proclamation, issued in 1693, commands the magistrates in Burghs to raise the necessary funds for the poor in accordance with established usage and in such a way "as may be most effectual to reach all the inhabitants." In consequence, the method of assessment in one burgh nearly always differed to some extent from that in another. In some the proprietors were assessed according to the rents of their property, in some the occupiers, and in others the assessment was divided between these classes. The whole inhabitants were sometimes assessed according to their means and substance, and in some instances the cost of relief was paid out of the general funds of the burgh.

Various methods of Rating authorised by Poor Law Amendment Act, 1845.

The Poor Law Commission of 1844 contended that this variety in the methods for raising poor law assessments had considerable advantages, and reported that they were not prepared to recommend any alteration. The Poor Law Amendment Act of 1845, which followed upon the report of this Commission and established the Board of Supervision (now the Local Government Board) and Parochial Boards (now Parish Councils), accordingly sanctioned the continuance of nearly all the then existing methods.

Under that Statute the assessment might be imposed—

- (a.) One-half on owners and the other half on tenants or occupants of lands and heritages‡ according to their annual value.§ For the purpose of levying the latter half, the lands and heritages might be classified and different rates of assessment imposed.
- (b.) One-half on owners according to the annual value§ of their lands and heritages,‡ and the other half on inhabitants according to means and substance.

* Feuars and proprietors were assessed along with the heritors in some parishes, but not in others (see Poor Law Inquiry, Scotland, Part VII., 1844, pp. 181-2). Superiors were held not liable to contribute as heritors in respect of their feu duties (Parish of North Leith v. Magistrates of Edinburgh, Nov. 12, 1833).

† The "valued rent" was a valuation made originally in the year 1643, and rectified in the reign of Charles II., after which it remained unaltered. In later years it became very inequitable, more especially as many new classes of property had then come into existence, and the practice seems to have been therefore to use it only where it formed at all a fair basis, and to make a rough estimate of the real rent where it did not.

‡ See footnote (†) on p. 5.

§ That is, the net valuation (see p. 6).

(c.) As an equal percentage upon the annual value* of lands and heritages,† and upon means and substance.

(d.) According to local Acts or established usage.

In course of time, however, the inconvenience of assessing upon means and substance became intolerable. No machinery had been provided for ascertaining the incomes of the inhabitants, and the growing volume of personal property in stocks, shares, &c., combined with the increasing mobility of the population, rendered the task more difficult year by year. The system was, in consequence, gradually abandoned either voluntarily or in accordance with statutory enactment, although it did not entirely cease to exist until 1880.‡ Assessments previously sanctioned on the ground of established usage have also been prohibited during the continuance of the Agricultural Rates, &c. Act, 1896, and assessments for the poor are now everywhere levied in proportion to the annual value of the lands and heritages within the parish, one-half of the total sum required being payable by the owners and the other half by the occupiers.§ There were still, however, in 1900 five parishes in which the revenue obtained from voluntary contributions and Imperial Grants was sufficient to provide for the poor and no Poor Rate was consequently levied.

Assessments for burghal purposes were in ancient times imposed according to the amount of property or an estimate of the trade and merchandise of each inhabitant, but the custom was largely neglected during the eighteenth century. Local Acts had, however, permitted voluntary assessments in many burghs for police, improvements, and similar purposes, and in 1833 a general adoptive Statute enabled burghs to establish a police force, and, for that purpose, to levy an assessment upon tenants and occupiers according to rental.

In accordance with a recommendation of the Royal Commission on Municipal Corporations in Scotland (1835), an assessment for the cost of prisons was in 1839 authorised to be levied on the net annual value of immovable property|| within each burgh, but in this case one-half of the amount levied upon each property was to be paid by the tenants or occupants and one-half by the proprietors.¶

Later Statutes, authorising burgh assessments, also adopted the rental value of immovable property as the basis of apportioning the charge. Of such assessments, while the majority in number are divided between owners and occupiers, the more important are charged wholly on occupiers.

County assessments date from the seventeenth century, and have almost invariably been imposed according to some estimate of the rental value of immovable property. At first the "valued rent" was taken as the basis, and when this became inequitable, the real rent of the property assessed was adopted.

The owners were generally made liable for the payment of the rate, though in some cases moieties of the sum charged against each property were levied from the owner and occupier respectively.

With the establishment in 1890 of popularly elected authorities for the administration of county affairs, a change was effected in the method of charging those county rates which had previously been levied wholly from owners. The Local Government Act of 1889 provided that so long as those rates did not increase they should continue to be levied from owners, and that any increase above an average rate in the £ to be determined for each rate, and for each county over the period of 10 years, ending at Whitsunday 1889, ** should be divided equally between owners and occupiers.

It will thus be seen that, although the means and substance of the ratepayers were an important consideration in the Scottish rating system in the earlier part of the nineteenth century and continued to form the basis in some places as late as 1880, rates are now levied on the annual value of lands and heritages only.

* That is, the net valuation (see p. 6).

† See footnote (†) on page 5.

‡ The parish in which the system continued until 1880 was Greenock, which, since 1845, had been assessing on means and substance under the clause relating to established usage. Assessments upon means and substance were abolished by Statute in 1861 in all parishes in which the system had been adopted under clause (b) or (c) above and was then in force.

§ Subject to the provisions of the Agricultural Rates, &c. Act, 1896, as to which, see p. 8.

|| "Property" was to include houses, shops, warehouses, mills, manufactories, cellars, gardens, yards, and all buildings and pertinents thereof.

¶ The whole amount might be charged to the tenants or occupants who were, in that case, entitled to deduct one half from their rent.

** In the fixing of the averages, any portion of the rates which had been applied to the payment of interest or repayment of principal of borrowed money was to be omitted, and rates sufficient to pay the principal and interest of money borrowed before 1890 were, so long as necessary, to be raised from owners.

Certain properties are exempt* by common law or Statute (as to which see pp. 24 and 25), but with these exceptions all lands and heritages capable of beneficial occupation, that is to say, of yielding a rent in excess of the necessary outgoings, are rateable.

Existing provisions regarding Division of Rates between Owners and Occupiers.

There is not the same uniformity with regard to the persons liable for the payment of rates. For some rates the owner is liable, for others the occupier, whilst all parochial rates† and some others are divided between owners and occupiers, and are, as a general rule, collected separately from each of those parties.‡

To rates leviable upon "owners" or "proprietors" all persons are liable who are in the actual receipt of the rents and profits of lands and heritages. Tenants holding upon leases of more than 21 years' duration, or, if the property be minerals, of more than 31 years, are deemed to be the proprietors, but have a right of relief against the actual proprietors to the extent of that proportion of the owner's rates as corresponds to the proportion borne by the rent to the valuation. Tenants holding under leases of shorter duration are taken to be the proprietors of any erections or structural improvements made by them, except in the case of certain agricultural and mineral properties. Superiors are not liable in respect of their feus.

Where premises are sub-let it appears that the tenant's or occupier's rates are charged upon the principal tenant, leaving him to seek relief from his sub-tenant.

In the case of subjects let for less than a year, or with a rental of less than 4*l.* per annum, the occupiers' rates may be charged upon the owners, who generally have the power of recovering from the occupiers the amounts paid.§ Occupiers' rates cannot, of course, be collected in respect of unoccupied property.

According to the latest information available, 57 per cent. of the total amount of rates was raised in respect of occupancy, and 43 per cent. in respect of ownership.

System of Valuation: Gross and Net Value.

The valuation upon which rates are raised is determined partly by the Valuation Act of 1854, and its amending Statutes, and partly by the Poor Law Act of 1845. A gross value is first of all fixed under the former Statutes, and this value forms the basis upon which all rates are levied, but for Parochial rates deductions from the gross value are allowed under the Act of 1845 for certain outgoings.

Definition of Gross Value: Actual Rent and estimated Rent.

The gross value is simply the rent actually paid in all cases in which the lands and heritages are "*bona fide* let for a yearly rent conditioned as the fair annual "value thereof, without grassum or consideration other than the rent," and were not let upon leases of over 21 years, or, in the case of minerals, 31 years. A considerable proportion of rateable properties form the subject of contracts of this description, and the adoption of the rent paid as the measure of rateability in these cases entirely avoids the introduction of hypothetical considerations.

Where these conditions are not, however, fulfilled, as, for instance—

- (1) in the case of long leases; or
- (2) where there is some consideration in addition to the rent, as, e.g., with many licensed premises,

it is obvious that the rent paid need not represent the true value; and where property is in the occupation of the owner, or is unlet, the test of rent is not available. The Act accordingly directs that in these cases an estimate shall be made of the rent at which, one year with another, the premises might in their actual state be reasonably expected to let from year to year.||

There is, of course, more room for speculation in the application of this rule, but it will be observed that the value is still to be determined by circumstances which, although absent in the case of the property to be valued, are frequently met with in other cases. Accordingly, where possible, the value of the premises in question is determined by reference to the rents actually paid for sufficiently similar properties which are let on the terms implied by the Statute.

Valuation based on "Contractors' Rent."

If comparisons of this description are not available, recourse is sometimes had to a method known as the "contractors' principle," under which the valuation is

* Some properties formerly exempt have now been made liable by Statute, e.g., unlet shootings and deer crests, and advertising stations.

† Certain ecclesiastical assessments are borne by the heritors, but we do not propose to deal with these.

‡ But in the case of some of the rates which are divided in this way, the whole of the rate may, under certain conditions, be levied from the occupier, who may then deduct the owner's proportion from his rent.

§ For the rates levied under the Burgh Police (Scotland) Act, 1892, the owners are, when charged with the occupiers' rates in respect of premises under 4*l.*, allowed a discount of 10 per cent., but they may recover the full amount from the occupiers.

|| The terms of the Statute were similar to those previously adopted in the Parochial Assessments Act, 1836, for England.

determined by taking a percentage upon (a) the value of the site, and (b) the sum it would cost to erect the building. This method has been sanctioned by the Court in particular cases, and the valuation of railway stations, depôts, &c. is, under Statute, carried out on the "contractors' principle." It must not be forgotten, however, that, except in the case of railway stations, &c., the results obtained by this method are not conclusive, but merely *prima facie* evidence of value, and that other methods of estimating the rent at which the premises might reasonably be expected to let are also valid.

For instance, neither of the two methods indicated is followed in the case of an Valuation based increasingly important class of properties such as railways, tramways, canals, gas or Profits. and water works, and nearly all premises extending into more than one rating area. On the one hand, these properties are seldom, if ever, let, and a comparison with similar properties is not therefore available; whilst, on the other, the application of the contractors' principle might not bring out their true value, inasmuch as they partake of the nature of monopolies. A system is consequently adopted whereby the gross receipts of the undertakings, less certain deductions for working expenses, tenants' profits, and interest on capital, &c., are taken as the value for rating purposes. The system is more fully described in Chapter V.; and it is only necessary here to point out that whilst, in the case of business premises which are valued upon the other methods mentioned, the valuation is only indirectly dependent upon the revenue actually accruing to the parties interested in the premises, and is not therefore so liable to fluctuate with short periods of prosperity or depression; in the case of the properties valued on the profits principle, the valuation is wholly dependent upon the fortunes of the undertaking, and varies with every change in its condition.

The Valuation Authorities in Counties (including the Police Burghs situated therein) are the County Councils, and in Royal and Parliamentary Burghs the Town Councils. Each of these Authorities appoints, as occasion requires, an Assessor or Assessors who may be the Officers of Inland Revenue for the district, in which case the cost of the valuation is defrayed by the Treasury, or any other fit and proper person,* when the cost falls upon the locality. In any case the Inland Revenue Officers are bound to assist the Valuation Authority. More than half in value of the rateable properties in Scotland (apart from the railways, &c. to be presently mentioned) are thus in fact valued by officers of the Central Government.

The Assessors are required to value all lands and heritages (except railways, canals, &c., which are valued by an Assessor appointed by the Crown) within their area, and to make up a Valuation Roll annually.† For this purpose they may call for returns as to rent and other particulars from owners and occupiers, and, where Inland Revenue Officers are the Assessors, they may enter and inspect the premises to be valued.

The Roll is to contain a list of all the properties valued, the yearly rent or value of each of them, the names of the proprietors and tenants, and, if the premises be sub-let, the names of the occupiers as well as those of the principal tenants. Where premises are in the occupation of the owner, he is entered both as owner and occupier.

On the completion of the Roll, it is forwarded by the Assessor to the County or Town Clerk (as the case may be), who furnishes the Clerks of the several Parish Councils with copies of those portions of the Roll which relate to the respective parishes; whilst with the County or Town Clerk, the Roll is to be open to inspection.

Provision is made for notice being given to the parties interested in any properties as to an alteration in the valuation of those properties, and for any person who considers himself aggrieved by the valuations contained in the Roll to obtain redress by complaint to the Assessor, or by appeal to the Valuation Authority or its

Valuation Authorities and the appointment of Assessors.

Objections and Appeals.

* An Assessor may not, however, be a Sheriff Clerk, a County Clerk, or a Collector of Poor Rates, and he must not be employed as a factor for heritable property, or as a land agent, in the County or Burgh for which he may be the Assessor.

† "Lands and heritages" are defined by the Valuation Act to extend to and include all lands, houses, shootings, and deer forests, fishings, woods, copse and underwood from which revenue is actually derived, ferries, piers, harbours, quays, wharfs, docks, canals, railways, mines, minerals, quarries, coalworks, waterworks, factories and all buildings and pertinents thereof, and all machinery fixed or attached to any lands or heritages. The definition is not exhaustive, nor does the Act make the properties entered in the Roll liable to local rates. It may be stated generally, however, that all rateable property is entered in the Valuation Roll, and that, with few exceptions, all property entered in the Roll is rateable.

Committee, or thereafter to the Lands Valuation Appeal Court, which consists of two Judges of the Court of Session. The Local Assessors may also appeal to the Lands Valuation Appeal Court against the decision of the Valuation Authority.

Valuation of railways, &c. by Railway Assessor.

All railways and canals are valued by the special Assessor of Railways and Canals appointed by the Crown on the recommendation of the Secretary for Scotland; and any Local Authority or any gas, water, or other company having any continuous lands and heritages liable to be assessed in more than one parish, county, or burgh may request that such properties shall be valued by the same Assessor. A Valuation Roll is to be made up annually for these properties, showing the yearly rent or value of the portions situated in each rating area, and in order to obtain the necessary information, the Railway Assessor may require the attendance of any persons as witnesses, and may call upon the companies or Local Authorities for detailed statements, books, &c. respecting the properties to be valued.

The Railway Assessor's Valuation Roll is to be open to inspection, and copies of every entry in which the companies or Local Authorities appear are to be sent to them. If aggrieved, they may apply to the Assessor for redress, or they may appeal to the Lord Ordinary, or, in certain cases, to the Sheriff of the County. Any parish, county, or burgh having an interest in the Valuation Roll may appeal in the same way.

Finally, the Railway Assessor is to furnish the County and Town Clerks with certified copies of so much of his Valuation Roll as relates to their areas, which details are then to be copied into the ordinary Valuation Rolls for the respective Counties and Burghs.

Valuation Rolls form the basis for all local assessments.

As thus made up the County and Burgh Valuation Rolls form the basis of all assessments for local purposes and are final and conclusive. Where the Inland Revenue Officers act as Assessors, the valuations contained in the Roll are also conclusive for the purposes of Imperial Taxation.

Deductions to arrive at Net Value for Parochial Rates.

It must be remembered, however, that the valuations contained in the Roll are the yearly rents or gross values of the several lands and heritages, and that for Parochial rates, which are levied upon a net valuation, deductions are allowed by the Parish Councils for "the probable annual average cost of the repairs, insurance, and other expenses, if any, necessary to maintain such lands and heritages in their actual state, and all rates, taxes, and public charges payable in respect of the same." Each Parish Council determines for its own area the amount of the deductions to be allowed, and the percentages deducted for similar classes of property in different parishes vary considerably.

No Supplementary Valuation Roll can be made.

The Valuation Authority has no power (unless under a local Act) to make up a Supplementary Valuation Roll for subjects acquiring a value after the ordinary Roll is completed, but under section 346 of the Burgh Police (Scotland) Act, 1892, an occupier entering upon premises during the course of a year may be charged, whether his name appear in the Valuation Roll or not, with a proportion of the current Burgh General Assessment.

Spending Authorities and separate Rates.

The principal Spending Authorities are Parish Councils, School Boards, County Councils, and Town Councils; but for some purposes the Spending Authority consists of a Committee appointed by one or more of these bodies, as, for instance, the provision of Public Libraries, expenditure upon which is incurred by a Committee of the Town Council or Parish Council, and Highways and Public Health for which the Spending Authority is in most counties a District Committee, composed of members of the County and Parish Councils. The control of Police expenditure in counties is vested in a Standing Joint Committee of the County Council and the Commissioners of Supply.*

To meet the expenditure incurred by these Authorities a large number of separate rates may be levied, which, as a rule, are named according to the purposes for which they are required. The County and Burgh General Assessments and the County General Purposes Rate are, however, important exceptions to this rule. In the Memorandum furnished by the Scottish Office there is a tabular Statement of the various rates leviable. The following Table shows the more important rates, the

* Commissioners of Supply were formerly the Administrative Authorities in Counties, but nearly all their functions were transferred to the County Councils in 1889. To appoint members to the Standing Joint Committee and to act as Land Tax Commissioners are now the only duties left to them.

Spending Authorities for whom the rates are levied, and the purposes to which they are applied:—

Principal Rates.	Spending Authorities.	Purposes.
1. Poor Rate 2. School Rate } Parochial	Parish Council	Relief of Poor.
3. Burgh General Assessment	School Board	Education.
4. Public Health Rate	Town Council	Police, Streets, Sanitation, &c.
5. Lunatic Asylums Rate	Town Council and County Council or District Committee.	Sanitation, &c.
6. Roads Rate	District Lunacy Board elected by County, Town, and Parish Councils.	Provision and maintenance of lunatic asylums.
7. County Police Rate	Town Council and County Road Board (a Committee of the County Council) or District Committee.	Roads and Bridges.
8. County General Assessment	Standing Joint Committee of County Council and Commissioners of Supply.	Police.
9. County General Purposes Rate	County Council	Salaries of officials, upkeep of buildings, &c.
	County Council	Purposes for which special rates are not separately leviable.

The areas over which rates are levied are, as a rule, conterminous with the areas of the Spending Authorities. Whilst, however, the area of levy never extends beyond that of the Spending Authority, it may be only a portion of the latter, e.g., Burgh Special Sewer Rates may be imposed by a Town Council upon separate drainage districts within the Burgh.

The Authorities responsible for the levying and collection of the rates are the Parish Councils, the County Councils, and the Town Councils. As a general rule, each of these Authorities employs a separate staff, and each ratepayer in Royal and Parliamentary Burghs, and in the rural areas of Counties has therefore to pay his rates to two collectors, and in Police Burghs to three collectors.*

School Rates are, with one or two exceptions, collected by the Parish Councils.

For the Burgh General Assessment and other rates leviable under the Burgh Police (Scotland) Act, 1892,† and also for the Public Health Rate, the Sewer Rate, the Light Railways Rate, the Public Parks Rate, the Housing of Working Classes Rate, and the Small Dwellings Acquisition Rate, certain properties in Burghs and Police Burghs are assessed at one-fourth of their full annual value.‡ It was considered that these properties, derived less benefit from the expenditure out of these rates than did other properties, and that they were, therefore, entitled to an abatement in respect of them. The provision applies both to occupiers' rates and also to owners' rates in cases in which part of a rate is charged upon owners, but it does not extend to non-burghal areas. The following are the properties referred to:—

All lands and premises used exclusively as a canal or basin of a canal, or towing path for the same, or as a railway or tramway, constructed under the powers of any Act of Parliament for public conveyance (excepting the stations, depôts, and buildings, which shall be assessable to the same extent as other lands and premises within the Burgh) and all bridges, frontages, and ferries not being private property.

All the underground gas and water pipes, or underground works of any gas or water company or corporation.

Salmon fishings, and all woodland, arable, meadow, or pasture ground, or other ground used for nurseries, market gardens, or for agricultural purposes.

Reference has already been made to the system of classification for the occupiers' share of the Parochial Rates. Under the Poor Law Act of 1845, Parish Councils may classify the lands and heritages according to the purposes for which they are used,

Rating Areas.

Collection of Rates.

Differential Rating.

Classification of Properties for Rates.

* Power was given by the Local Government Act of 1894 for Local Authorities to agree to a consolidation of their rate-collecting machinery, but this provision has only been utilised in a few cases.

† These are the General Improvement Rate, and a special assessment to pay the damage occasioned by riots.

‡ The Burgh General Assessment is payable by occupiers, whilst the other rates to which this provision applies are payable partly by owners and partly by occupiers.

and, subject to the concurrence of the Local Government Board, may levy different rates of assessment upon the occupiers of the property in each class. In parishes in which assessments upon means and substance were abolished by the Poor Law Act of 1861, a scheme of classification is compulsory. During the continuance of the Agricultural Rates, &c. (Scotland) Act, 1896, no scheme of classification can remain in force as to which the Secretary for Scotland has not certified that "the rates leviable on the occupiers of agricultural lands and heritages in pursuance of the classification are less than, or as nearly as may be the same as, the rates which would be leviable on such occupiers in terms of this Act",* and no parish can adopt a new scheme of classification.

The basis of this system differs from that of the system just described in connexion with burghal rates, for in this case the abatements are confined to occupiers' rates, and are made on the ground that the ability of some classes of occupiers is less in proportion to the annual value of the property occupied than it is in the case of other classes of occupiers.†

Agricultural Rates Act.

By the Agricultural Rates, &c. (Scotland) Act of 1896, which came into operation in 1897, occupiers of agricultural lands and heritages, i.e., "lands and heritages used for agricultural or pastoral purposes only, or as market gardens, orchards, or allotments," are assessed to county rates on three-eighths of the annual value appearing in the Valuation Roll, that is to say, they are relieved of five-eighths of their rates.

In the case of Parish Council rates, in parishes where there was no classification under the Poor Law Act of 1845, or in which the classification was not "certified" by the Secretary for Scotland, similar relief is given to occupiers of agricultural lands and heritages, the annual value being that upon which the parochial rates are levied, namely, after the deductions in pursuance of section 37 of the Act of 1845. In parishes where a certified classification exists, no further relief was given to agricultural occupiers.

The deficiency caused by these abatements in county and parochial rates was made good from Imperial sources, a fixed sum, which is practically equivalent to five-eighths of the county and parochial rates levied from agricultural occupiers in 1895-96,‡ being distributed amongst County and Parish Councils in proportion to the estimated amount of the rates so raised.§

The Act gave no relief or grant in respect of burgh rates on agricultural land.

The operation of the Act was originally limited to five years, but by the Agricultural Rates Act, 1896, &c. Continuance Act of 1901, it was continued for a further period of four years, i.e., to 31st March 1906.

* Owing largely to this provision the number of classified parishes fell from 162 in 1895-6 to 97 in 1896-7.

† The late Sir John Skelton has referred to the system of classification as "a rough method of adjusting the assessment to the 'taxable capacity' of the ratepayer." The system is discussed at greater length in our Report for England and Wales (Cd. 638), pp. 36-7.

‡ In respect of parochial rates in classified parishes the sum was equivalent to five-eighths of the rates which would have been levied from agricultural occupiers had there been no scheme of classification.

§ This Act differs in some important respects from its English analogue. In England, the whole of the rates to which the Agricultural Rates Act, 1896, applies, are paid by the occupiers, and the Act provided for their exemption to the extent of one-half of those rates, but confined the exemption to the land, leaving the buildings connected with the land assessable at their full annual value. In Scotland, however, where the rates to which the Agricultural Rates, &c. (Scotland) Act, 1896, applies, are divided between owners and occupiers, the exemption was confined to the occupiers' share of the rates, but the amount of the exemption was fixed at five-eighths of the occupiers' rates, and was given not only in respect of the land, but of the buildings also.

As the grant given to Scotland from Imperial funds was at first a fixed sum dependent on the amount of the English grant, and not, as in England, on the amount of rates raised from land apart from the buildings connected with it, there was no necessity to separate buildings from land for the purposes of determining the extent of the exemption, and of distributing the grant. The extent of the exemption was determined partly by the sum available for distribution and partly by the exemption customarily allowed in those parishes which were then classified under the Poor Law Act of 1845. It was subsequently found that the extent of the exemption allowed to the agricultural occupier was greater than the sum available (according to the revised English figures) for distribution, but the discrepancy was rectified by the grant of an additional sum from Imperial sources by the Local Taxation Account (Scotland) Act, 1898.

CHAPTER II

SUBVENTIONS.

Parliament has for many years voted money in aid of certain items of expenditure incurred by Local Authorities. Under the re-organised scheme of Local Government and Taxation which came into force in 1888–90, some of the more important grants ceased to be made from the Votes but were charged upon certain revenues which, although continuing to be imposed and collected by the Imperial Authority, were given over to local purposes. The principal grants still voted—those for Education—are referred to elsewhere.* Those ceasing to be voted by Parliament were the grants for roads, police, pauper lunatics, and poor law medical relief. The amount of these grants was, to a large extent, dependent upon the expenditure incurred.

The re-arrangement of the subventions in 1888–90.

The grant for the maintenance of roads was first made in 1882–83, and from 1884–85 to 1886–87 it amounted to 35,000*l.* per annum. This amount was increased to 70,000*l.* in 1887–88, the last year in which the grant was voted by Parliament. The other discontinued grants were voted for the last time in 1889–90 and amounted in that year to—

Amounts of the discontinued grants.

	£
Police (pay, &c.)	154,034
Maintenance of pauper lunatics	91,322
Poor law medical relief	19,981
	<hr/> 265,337

The total amount of the four discontinued grants was, therefore, about 335,000*l.*

The revenues surrendered by the Government are paid into the Local Taxation (Scotland) Account, and distributed in accordance with statutory provisions amongst the various Local Authorities by order of the Secretary for Scotland. The payments into and out of the Account are, shortly, as follows. Further details will be found in the Memorandum prepared by the Scottish Office printed on pp. 76 to 111.

The subventions now pass through the Local Taxation (Scotland) Account.

The revenues from which the Account is fed are—

Revenues payable into the Account under the arrangements of 1888–90.

1. The Death Duty Grant, originally 11 per cent. of one-half of the Probate Duties [Probate Duties (Scotland and Ireland) Act, 1888, s. 1], and now a corresponding sum out of the Estate Duty derived from personal property (Finance Act, 1894, s. 19.).
2. The Local Taxation Licence Duties† collected in Scotland, and the penalties recovered in respect of the duties. [Local Government (Scotland) Act, 1889, s. 20.]

The discontinued grants were charged against the foregoing revenues.

Revenues payable into the Account under the arrangements of 1888–90.

3. The Local Taxation (Customs and Excise) Duties which consist of 11 per cent. of the produce of 3*d.* per barrel from the Beer Duty, and an additional duty of 6*d.* a gallon upon spirits (Customs and Inland Revenue Act, 1890, ss. 4, 6, 7).

The allocation of the Death Duty Grant and the Local Taxation (Customs and Excise) Duties between England, Scotland, and Ireland, was based upon the general contributions of the three countries (as calculated in 1888) to the Imperial Exchequer, under which arrangement 80 per cent. was assigned to England, 11 per cent. to Scotland, and 9 per cent. to Ireland.

For the purpose of relieving the occupiers of agricultural lands and heritages from a portion of the burden of local taxation, and for certain other purposes, additional sums were placed to the credit of the Local Taxation Account in 1896 and 1898. This arrangement was a temporary one, and in the absence of further legislation would have ceased at the end of 1901–2, but by the Agricultural Rates Act, 1896, &c.,

Payments into the Account under the arrangements of 1896–8 for the relief of agricultural occupiers, and other purposes.

* See pp. 62–67.

† Consisting of the licences for the sale of intoxicating liquors for consumption on or off the premises; licences for dealers in beer, spirits, wine, sweets, game, tobacco, and plate, and for appraisers, auctioneers, hawkers, house agents, and pawnbrokers; dog, gun, carriage, and light locomotive licences; and licences for killing game, for armorial bearings, and for male servants. The licences to vendors of intoxicating liquors produce rather more than one-half of the total receipts from all these licences.

Continuance Act of 1901, the grants will now be continued until 1905-6. These sums were—

4. A further grant out of the proceeds of the Estate Duty derived in Scotland from personal property, consisting of a fixed sum equal to eleven-eightieths of the amount payable to the Local Taxation (England) Account under the Agricultural Rates Act, 1896. [Agricultural Rates, &c. (Scotland) Act, 1896, s. 3(1)].
5. A fixed sum from the Consolidated Fund equivalent to the difference between the amount of the preceding item and seven-sixteenths of the total amount raised by county and parochial rates in Scotland from the owners and occupiers of agricultural lands and heritages during 1895-96. [Local Taxation Account (Scotland) Act, 1898, s. 1(1)].

When the Agricultural Rates, &c. (Scotland) Act was passed in 1896 it was decided to give to Scotland an equivalent grant to that given by the analogous Act for England, and, in the calculation, to adopt the same proportion as that governing the allocation of the Death Duty grant and the Customs and Excise Duties. In 1898, however, it was provided that the grant to Scotland should no longer be determined upon this method, but should represent one-half of the rates actually levied upon agricultural land (apart from the buildings attached to it) in the year 1895-96. No separate valuation of the land apart from the buildings was made in Scotland as was done in England, and for the purpose of calculating the amount due upon this principle it was estimated that buildings represented one-eighth and the land itself seven-eighths of the total annual value of both land and buildings, and the grant was, therefore, fixed at seven-sixteenths of the rates levied upon both land and buildings in 1895-96. The concession of this principle involved an additional grant from central funds and this was charged not against any particular item of revenue, as was the grant under the 1896 Act, but upon the Consolidated Fund.

The amount paid into the Local Taxation Account under each head in the years 1890-91* and 1900-1, was as follows:—

Amounts paid into the Account in 1890-91 and 1900-1.

Sources of Revenue.	1890-91.	1900-1.
1. Death Duty grant - - -	£ 265,504	£ 300,091
2. Local Taxation Licence Duties - - -	322,432	370,533
3. Local Taxation (Customs and Excise) Duties - -	143,052	174,449
4. Grant from Estate Duty under Agricultural Rates, &c. (Scotland) Act, 1896. - -	—	182,509†
5. Grant from Consolidated Fund under Local Taxation Account (Scotland) Act, 1898. - -	—	97,626‡
Total - - -	730,988	1,125,208

It will be seen from this Table that, under the re-arrangement of 1888-90, the Government gave over to Scotland at the commencement of the new system more than twice the amount of the discontinued grants. Since that time the sums paid into the Local Taxation Account have fluctuated to some extent, but in 1900-1 they were considerably in excess of those for 1890-1.

Provision was originally made for defraying from the Account the cost of the abolition of school fees, but the cost is now principally borne upon the Votes.

When these re-arrangements were first made a large proportion (upwards of £300,000) of the money passing through the Account was applied to the abolition of school fees, but when a grant from the Exchequer was given for that purpose to elementary schools in England and Wales in 1891, a corresponding grant was allocated to Scotland. This change made available for other purposes almost the whole of the sum hitherto paid from the Scottish Local Taxation Account in relief of school fees. § Provision was made for the application of this money in the Education and Local Taxation Account (Scotland) Act of 1892.

* This year is selected as being the first in which the financial re-arrangement of 1888-90 became completely operative.

† Includes a repayment of 10*l.* by a Parish Council.

‡ In consequence of adjustments of the amount payable to the Local Taxation (England) Account, under the Agricultural Rates Act, 1896, the amount payable to the Local Taxation (Scotland) Account from the Consolidated Fund was increased in 1900-1 by 46*l.* Part of this increase, viz., 28*7d.*, is not included in the account for 1900-1, but will be included in that for 1901-2.

§ A small part is still devoted to this purpose, in addition to the Voted Fee Grant of 10*s.* per child in average attendance. If the combined grants are insufficient to provide 12*s.* per child, the deficiency is made good from a Supplementary Vote.

The services to which the money paid into the Local Taxation Account is devoted, the Authorities to whom it is paid, the method of distribution, and the amount appropriated to each service in 1900–1, are as follows:—

Services and Authorities to whom Payments are made.	Method of Distribution.	Total Amount appropriated in 1900–1.	Whether (a) Total Amount appropriated and (b) Sums received by the various Authorities are fixed or vary from year to year.
<i>Payments out of the Death Duty Grant (Finance Act, 1894) and Local Taxation Licences.</i>		£	
1. Highlands and Islands grant (County Councils in Highlands and Islands).	In proportion to grants paid out of Exchequer to Commissioners of Supply and County Road Trustees in 1888–89.	10,000	(a) and (b) Fixed.
2. Contribution to cost of roads. (Road Authorities.)	In proportion to cost of maintenance of roads maintained out of public rates.	35,000	(a) Fixed. (b) Varies.
3. Contribution to cost of pay and clothing of police. (Police Authorities.)	In proportion to cost of pay and clothing of police, provided such expenditure has received the sanction of the Secretary for Scotland.	155,000	(a) Fixed. (b) Varies.
4. Contribution to cost of Poor Law Medical Relief. (Parish Councils.)	Half the cost of trained sick nursing is first charged against the grant, and the residue is distributed in proportion to vouched expenditure on medical relief.	20,012	(a) Fixed. (b) Varies.
5. Contribution to cost of maintenance of pauper lunatics (Parish Councils.)	In proportion to expenditure on maintenance not exceeding 8s. per lunatic per week.	115,615	(a) Fixed. (b) Varies.
6. Contribution to cost of Secondary Education. (Scotch Education Department.)	- - - - -	60,000	(a) Fixed.
7. Contribution to cost of Universities. (Glasgow, Aberdeen, Edinburgh, and St. Andrew's Universities.)	Under Ordinance of University Commissioners.	20,000	(a) and (b) Fixed.

Notes.

1. The principal part of this amount is usually applied towards the cost of maintaining roads. The grants governing the distribution were for the maintenance of roads and for the cost of the pay and clothing of the police. The former grant amounted to 70,000*l.* for the whole of Scotland, the distribution being the same as that for the existing roads grant, and the latter consisted of half the pay and clothing of the police. The counties having a share in the Highlands and Islands Grant, are Argyll, Caithness, Inverness, Orkney, Ross and Cromarty, Shetland, and Sutherland; the grants to these counties for roads and police, in 1888–89, amounted to about 15,000*l.*
2. For this purpose the term "road" has in burghs a limited meaning.
3. The grant is fixed at 20,000*l.* per annum. The small additional amount distributed in 1900–1, consisted of part of an unspent balance remaining at the end of 1899–1900. Certain regulations have to be complied with and a minimum expenditure upon medical relief incurred before a parish can participate in the grant. For this purpose the expenditure on medical relief includes the sums spent upon approved salaries of Poor Law Medical Officers, on medicines and medical appliances, and on subscriptions to Hospitals and Infirmarys under Section 67 of the Poor Law Act of 1845. Out of 876 parishes in Scotland, 797 received a share of the grant in 1899–1900.
4. The grant is fixed at 115,500*l.* per annum. The small additional amount distributed in 1900–1, consisted of part of an unspent balance remaining at the end of 1899–1900.
5. The grant is administered in accordance with minutes submitted to Parliament.
6. A further grant of 42,000*l.* is voted annually by Parliament.

**Payments out
of the Account
in 1900-1.**

Services and Authorities to whom Payments are made.	Method of Distribution.	Total Amount appropriated in 1900-1.	Whether (a) Total Amount appropriated and (b) Sums received by the various Authorities are fixed or vary from year to year.
8. Contribution in relief of parochial rates. (Parish Councils.)	Half the grant in proportion to valuation, and half in proportion to population.	£ 50,000	(a) Fixed. (b) Varies.
9. Payment to Cattle Pleuro-pneumonia Account. (Board of Agriculture.)	- - -	3,000	(a) Varies.
10. Contribution in relief of County and Burgh rates, &c. (County and Town Councils.)	Half the grant in proportion to valuation, and half in proportion to population.	146,933	(a) and (b) Varies.
11. Relief of school fees. (Scotch Education Department.)	- - -	45,191	(a) Varies.
Total payments out of Death Duty Grant (Finance Act, 1894) and Local Taxation Licences		£ 670,751	
<i>Payments out of the Local Taxation (Customs and Excise) Duties.</i>			
12. Police superannuation. (Police Authorities.)	To each authority is given a sum equal to the deductions from the constables' pay and the amount expended on pensions during the preceding year, and the residue is distributed according to the number of efficient men in each force.	£ 40,000	(a.) Fixed. (b.) Varies.
13. Relief of school fees. (Scotch Education Department.)	- - -	40,000	(a.) Fixed.
14. Medical officers and sanitary inspectors. (County and Town Councils.)	In proportion to expenditure upon approved salaries and travelling expenses.	15,000	(a.) Fixed. (b.) Varies.
15. Relief of County and Burgh rates, or to Technical Education. (County and Town Councils.)	In proportion to valuation	79,449	(a) and (b.) Varies.
Total payments out of Local Taxation (Customs and Excise) Duties		£ 174,449	

Notes.

8. The grant may be applied to the reduction of any parochial rates.
9. The amount of this payment depends upon the state of the Cattle Pleuro-pneumonia Account for Great Britain. Eighty-eight per cent. of any deficit on that account is charged against the Local Taxation Account for England and 12 per cent. against the Local Taxation (Scotland) Account.
10. This grant, together with the four preceding ones and a portion (25,000*l.*) of the grant for pauper lunatics, are the grants which were substituted for the Scottish School Fee Grant when that grant was placed upon the Votes, and the amount of the contribution in relief of County, &c. rates is the residue of a sum equal to the Fee Grant for the year, after the deduction of the other payments referred to. In 1900-1 the Fee Grant was 314,933*l.* (see Estimates), and the other payments amounting to 168,000*l.* the grant in relief of County and Burgh rates, &c., was therefore 146,933*l.* A small part of this grant is each year devoted to other purposes than the relief of rates.
11. This is the residue of the Death Duty Grant and the Local Taxation Licences. The grant is in addition to the sum voted by Parliament for the relief of school fees, and is administered in accordance with the provisions of the Scotch Education Code annually submitted to Parliament.
13. The grant may not exceed 40,000*l.*, but the full amount has been given each year since the Customs and Excise Duties were transferred. As to its ultimate disposal, see note to similar grant from Death and Licence Duties.
15. This is the residue of the Customs and Excise Duties. Of the Grant for 1898-9 the latest year for which the figures as to the disposal of the grant by Local Authorities are available, 24 per cent. was devoted to the relief of rates and 76 per cent. to Technical Education.

Services and Authorities to whom Payments are made.	Method of Distribution.	Total Amount appropriated in 1900-1.	Whether (a) Total Amount appropriated and (b) Sums received by the various Authorities are fixed or vary from year to year.	Payments out of the Account in 1900-1.
<i>Payments out of Estate Duty Grant under Agricultural Rates, &c. Act, 1896.</i>		£		
16. Burgh Land Tax relief. (Commissioners of Inland Revenue and Councils of certain Burghs.)	To Commissioners of Inland Revenue the amount of Land Tax payable by Burghs and to Councils of Burghs in respect of which the Land Tax has been redeemed a sum equal to the annual amount of such redemptions.	7,990	(a) and (b.) Fixed.	
17. Contribution to Congested Districts in Highlands and Islands of Scotland. (Congested Districts Board.)	-	15,000	(a.) Fixed.	
18. Contribution for the relief of agricultural occupiers. (County and Parish Councils.)	In proportion to the estimated amount of the rates raised from agricultural occupiers in 1895-96.	159,637	(a) and (b.) Fixed	
Total payments out of Estate Duty Grant under Agricultural Rates, &c. (Scotland) Act, 1896.		182,627		
<i>Payments out of Sum derived from Consolidated Fund.</i>				
19. Contribution for the relief of agricultural occupiers. (County and Parish Councils.)	In proportion to the estimated amount of the rates raised from agricultural occupiers in 1895-96.	20,000	(a) and (b.) Fixed.	
20. Contribution to cost of pay and clothing of police. (Police Authorities.)	In proportion to cost of pay and clothing of police, provided such expenditure has received the sanction of the Secretary for Scotland.	25,000	(a.) Fixed. (b.) Varies.	
21. Marine Superintendence (Scotch Fishery Board.)	-	15,000	(a.) Fixed.	
22. Contribution to Secondary or Technical (including Agricultural) Education. (Scotch Education Department.)	-	37,626	(a.) Fixed.	
Total payments out of sum derived from Consolidated Fund		97,626		
Total payments out of Local Taxation (Scotland) Account.		1,125,453		

Notes.

16. The amount payable to Commissioners of Inland Revenue is 6,951*l.*, and the amount payable to Burghs is 1,039*l.*
17. The grant is applied to the improvement of the Congested Districts in the Highlands and Islands, the purposes upon which the money may be spent being enumerated in the Congested Districts (Scotland) Act, 1897.
18. After providing for the payments for the Burgh Land Tax relief and to the Congested Districts Board, it will be seen that the amount available for the relief of agricultural occupiers under the Agricultural Rates, &c. (Scotland) Act, 1896, was 182,509*l.* minus 22,990*l.*, or 159,519*l.* The amount actually distributed was, however, 118*l.* more than the amount available, the excess consisting of the balance between an over-payment of 461*l.* in the year and a deduction of 343*l.* on account of an over-payment in 1899-1900. Of the total of this grant and the supplementary grant (No. 19) from the Consolidated Fund, County Councils received 69,882*l.* and Parish Councils 109,755*l.*
19. It was found that the sum given to County and Parish Councils under the Agricultural Rates, &c. Act, 1896, was insufficient to compensate for the relief given to agricultural occupiers by that Act, and this sum of 20,000*l.* was given with a view to correcting the anomaly. (See preceding note as to distribution between County and Parish Councils.)
20. The expenditure upon police having grown considerably since 1889, the original grant of 155,000*l.* had become insufficient to meet one-half of the cost of pay and clothing, and the additional sum of 25,000*l.* was given in consequence.
21. The grant is expended upon the provision and maintenance of vessels for marine superintendence and otherwise enforcing the Scottish Sea Fisheries Laws.
22. The grant is administered in accordance with minutes submitted to Parliament. 287*l.* of the grant for 1900-1 is not included in the amount shown in the Table. (See footnote † on page 10.)

The grants are mainly fixed grants.

Summary of grants payable from the Account in separate parts.

It will be seen from the Table that of the 22 separate grants made from the Local Taxation Account, 18 consist of fixed annual sums, whilst only 4 vary in amount from year to year.

In the case of certain services, the grant is charged partly to the sum payable to the Account under one Act and partly to that payable under another. The total sums paid from the Account in these cases are shown in the following Table:—

Services.	Total Amount Appropriated in 1900-1.
Contribution to cost of pay and clothing of police*	£ 180,000
Contribution to Scotch Education Department for Secondary and Technical (including Agricultural) Education.†	177,075
Relief of school fees	85,191
Contribution for the relief of agricultural occupiers	179,637

* Not including the grant of 40,000*l.* for police superannuation.

† Including the grant of 79,449*l.*, which may be applied either to the relief of County and Burgh rates, or to Technical Education.

CHAPTER III.

HOW RELIEF TO LOCAL RATES IN SCOTLAND SHOULD BE PROVIDED.

This problem is similar to that which arises in England, and should be dealt with on uniform lines.

The surrender of certain Imperial revenues to local purposes is desirable, or, alternatively, assistance should be given from the Consolidated Fund.

The problem which presents itself under this head does not differ in any essential particular from that which we have already discussed in our Report with respect to England and Wales, and, as in that case, we are not unanimous in the conclusions at which we have arrived with regard to it.

It is evidently extremely desirable as a part of any permanent settlement of the Local Taxation question, to establish on as simple a basis as possible some principle which would enable us to treat England and Scotland on an equal and uniform footing. But not only is the question surrounded with difficulties and points of possible controversy, but also it is obvious that the treatment of Scotland must depend on the solution given to the financial question for the United Kingdom generally.

Those of us who attach primary importance to the diversification of the mode in which local expenditure is defrayed, and who advocate the surrender and appropriation for local purposes of particular revenues, especially of taxes upon non-rateable property, see no reason for any departure in the case of Scotland from the views which they have already expressed on the subject. Under such a scheme, local rates in Scotland would be supplemented by a substantial contribution from the Death Duties on personality, by trading and establishment licences increased and extended as suggested (page 21) in our Final Report for England and Wales, by surtaxes on beer and spirits, by the Inhabited House Duty, and possibly by taxation of posters and advertisements, and of pleasure horses and bicycles, as suggested by our Chairman in his "Separate Recommendations" (pages 71-2).

If, however, it were decided, as some of us would prefer, that the assistance to be given to Local Taxation should be by means of fixed amounts charged upon the Consolidated Fund, the arrangement would be applicable to Scotland as well as to England and Wales, and the only question would be how to fix the respective amounts, regard being had to due proportion between the two countries.

Under either proposal the question arises as to the proportion to be allocated to England and Scotland respectively.

This question of proportion also arises, but not to the same extent in connexion with the proposals put forward for the assignment of particular revenues in aid of local finance. Imposts such as trading and establishment licences, the Inhabited House Duty, and the taxation of posters and advertisements are capable of easy and accurate allocation to the country in which they are collected, but the Estate Duties on personality and the surtaxes on beer and spirits cannot be assigned with any great

accuracy to the particular localities from which they are derived and their apportionment on the basis of origin must depend on elaborate calculations based more or less upon hypothetical considerations.

At the present time the allocation of the surrendered revenues derived from the Estate Duties on personality and the Beer and Spirit Duties is, as we have already explained, based upon the general contributions to the Exchequer of the three countries (as calculated in 1888), and under this arrangement 11 per cent. of the whole is allocated to Scotland as against 80 per cent. to England and Wales.

This proportion appears to us to do substantial justice as between the two countries at the present time, but in view of the complexity and obscurity of the calculations made in 1888, we consider that the populations of the two countries constitute a better and simpler measure of their respective claims.

It has been suggested that the actual expenditure upon such services as poor relief and police should be taken as the basis of apportionment, but it must be remembered that the law and practice of Scotland differs from that of England to some extent with regard to both these services, and still more so as to other matters; and although it might appear that the burden of national services except, perhaps, in the matter of education, is lighter in Scotland than in England and Wales, we are not sure that this would be a valid reason as between the two countries for reducing the amount of assistance to Scotland, especially if it is remembered that as regards *ability*, Scotland probably has relatively less resources than England; though here again, a satisfactory statistical measure could hardly be devised. We conclude, therefore, in favour of a population basis as the simplest and fairest, i.e., that the payments to the Scottish Local Taxation Account should bear to the payments to the English Account, the proportion which the population of Scotland bears to that of England.

In this connexion the following Table compiled from the Preliminary Report on the Census of 1901 (Cd. 616) will be of interest.

	1881.		1891.		1901.		Population of England, Scotland and Ireland.
	Population.	Proportion per Cent.	Population.	Proportion per Cent.	Population.	Proportion per Cent.	
England and Wales	25,974,000	74·5	29,002,000	76·8	32,526,000	78·4	
Scotland	3,736,000	10·7	4,026,000	10·7	4,472,000	10·8	
Ireland	5,175,000	14·8	4,705,000	12·5	4,457,000	10·8	
Total	34,885,000	100·0	37,733,000	100·0	41,455,000	100·0	

It will be seen from this Table that, if population were adopted as a test of the proportions in which either fixed amounts charged upon the Consolidated Fund or revenues of a general character, such as the Estate Duties on personality, or the surtaxes on beer and spirits, should be distributed as between England and Wales, Scotland, and Ireland, the result would be that Ireland would be placed in a slightly more favourable position than at present, as compared with England and Wales, whereas the position of Scotland relatively to the two other countries would be practically unaltered—a conclusion which would probably be regarded as not inconsistent with the equities of the case.

The proportion allocated to Scotland would be much the same whether present basis of allocation or population basis be adopted.

CHAPTER IV.

How EXCHEQUER CONTRIBUTIONS SHOULD BE DISTRIBUTED.

We now pass to consider the distribution of the amounts which would be paid into the Scottish Local Taxation Account under the proposals made in the preceding chapter.

The same services which we regard as national in England should, on the same grounds, be so treated in Scotland. They are:—

- (1) Poor Relief, including Lunatic Asylums;
- (2) Police;

The services regarded as national and to which assistance should be given.

- (3) Education, Elementary, Secondary, and Technical;
- (4) Main Roads;
- (5) Sanitary Inspection;

and all of these services should be liberally assisted from the grant. In addition, historical and practical reasons justify, in our opinion, the continuance of the system whereby the Local Taxation Account provides for a few miscellaneous services which, though they are not administered by locally elected bodies and do not impose any charge upon the rates, are nevertheless national in character.

Relation of total proposed grant to expenditure upon national services.

Occupiers of agricultural lands and heritages should be partially exempted from the payment of rates and the cost of the relief thus given should, for the present, be paid out of the Estate Duties on personality.

The additional moneys should be distributed with due regard to the effect upon local administration. The proposals made in the case of England and Wales.

Those proposals might, it is thought, be extended to Scotland.

Police grant should be one-half of whole net cost of police.

Under either of the schemes propounded in the preceding chapter, the Scottish grant would work out at somewhat more than one-half the expenditure upon national services, so far as can be calculated. In Scotland, however, a larger proportion of the existing contributions passing through the Local Taxation Account is applied to educational purposes than in England, and when provision has been made, as we think it should be, for the continuance and slight increase of such of those grants as are devoted to education as well as the continuance of the miscellaneous grants, it will be found that the remainder of the grant is approximately one-half of the total expenditure upon the national services, exclusive of education.

We think that the provision contained in the Agricultural Rates, &c. (Scotland) Act, 1896 (which has been continued to 1906 by an Act of 1901), whereby the occupier of agricultural lands and heritages is exempted from the payment of rates upon five-eighths of the annual value of those properties, should be continued. The argument that persons should contribute to local expenditure in proportion to their ability applies no less to Scotland than to England, and we think it clear that the ability of the occupier of agricultural lands and heritages is much smaller in proportion to the annual value of those properties than is the case with other ratepayers. The agricultural owner does not, however, enjoy, and we do not propose that he should be granted, any such exemption. In Scotland, as in England and Wales, we think that in order to avoid the accentuation of the complaints and the increase of the burden of other classes of ratepayers, the cost of the relief thus given should be paid out of the produce of the Estate Duties on personality until it is found practicable to finally establish the system of Local Taxation on a sound and equitable footing.

In the distribution of the additional moneys which would be available in aid of local expenditure if the proposals referred to in Chapter III. are carried into effect, it is of extreme importance that the effect upon local administration especially in regard to the relief of the poor should be kept in view. In our Report for England and Wales some of us have placed on record our objections to a scheme of block grants to be given to Boards of Guardians, and based, not on selected items of expenditure, but on calculations made from the rateable value, population and expenditure in each union, and have recommended that the increased moneys, which it is suggested should be made available in aid of local expenditure on Poor Law services, should be specifically based upon the payments made to Poor Law officers, and upon the number of children required to be maintained and educated, and of sick and infirm persons in the charge of the Poor Law authorities. It has also been proposed that new and extended grants should be made towards the accommodation and maintenance of pauper lunatics.

Those of us who are associated with these proposals see no sufficient reason to suppose that the general principles upon which they are based are not capable of application to Scotland, but at the same time they recognise that those members of the Commission who are intimately acquainted with Poor Law administration in Scotland, speak with great weight on the question, and that a scheme of distribution on lines such as those indicated in the Separate Recommendations appended hereto* may possibly be more feasible and less open to objection on administrative grounds than might be the case in England and Wales.

The next grant to be considered is that in aid of the expenditure on police, and, as in the case of England and Wales, it is proposed that as an alternative to the scheme of distribution propounded by our Chairman, the existing grant of one-half of the cost of the pay and clothing of the police should be extended to cover one-half of the whole net cost of the police and police stations in the financial year preceding legislation revising the present system.

* See p. 31.

The grant which we have recommended in our Report for England and Wales should be made towards the provision of asylum accommodation for pauper lunatics receives support, not only from the English Lunacy Commissioners, but from the General Board of Lunacy for Scotland. The distribution of such a grant in Scotland offers some slight difficulty chiefly owing to the fact that in certain cases the District Lunacy Boards do not provide asylum accommodation themselves, but merely arrange for the accommodation of the patients from their districts in Royal Asylums which are more or less of a private character. In these cases the charge for the support of the patients is paid direct to the Governors of the Royal Asylums by the Parish Councils, and includes the cost of both accommodation and maintenance.

In order not only to meet this difficulty, but also to make further provision in the cases referred to for the more equitable distribution of the burden imposed by this service, we are of opinion that the system of defraying the cost of asylum accommodation in lunacy districts which do not possess asylums of their own should be assimilated, so far as possible, to the system in force in districts which have such asylums. With this object, provision should be made for setting out the cost of accommodation apart from the cost of maintenance in all contracts made between District Lunacy Boards and the Governors of Royal Asylums with regard to the support of pauper patients. The charges in respect of accommodation should then be made payable by the District Lunacy Board, who would obtain the necessary funds from the County and Burgh Authorities as in the case of those Boards which provide asylum accommodation themselves; whilst the cost of maintenance would continue to be charged direct to the parishes from which the patients are sent.

If this were done, the charges for the accommodation of pauper patients in Royal Asylums would be spread over much larger areas than at present, and the Asylums Grant could be paid to the County and Burgh Authorities, to be applied towards meeting the precepts of the District Lunacy Boards. In the case of Parochial Asylums the grant would be paid to the Parish Councils concerned.

With a few and unimportant exceptions, all public highways are controlled either by the County or the Burgh Authorities, no distinction being made between main roads and roads of a more local character. It would, therefore, be necessary, before attempting the distribution of a grant in aid of the maintenance of main roads to determine the roads which should be so classed, and, for this purpose, we think that a small expert Commission, similar to that which we suggested for England, should also be appointed in Scotland. The consideration of the distribution of the grant might well await the result of this inquiry.

The total grant suggested for this service is 140,000*l.*, or about one-seventh of the corresponding grant suggested for England and Wales, and it would supersede not only the grant of 35,000*l.* now made towards the cost of roads, but also that of 10,000*l.* contributed to the County Councils in the Highlands and Islands of Scotland, and which is chiefly applied to the same purpose. The extreme poverty of these counties would doubtless require to be taken into consideration in the scheme of distribution.

A grant of not less than one-half of the cost of sanitary inspection should, we think, be made and distributed as at present, viz., in proportion to expenditure upon approved salaries of medical officers and sanitary inspectors, and their travelling expenses. One-half of the present expenditure amounts to about 19,000*l.*

We now come to the Education Grants passing through the Local Taxation Account. There are, at present, three grants in aid of secondary, technical, and agricultural education, and in 1900 a Bill was introduced into Parliament for the purpose of bringing them all into one common fund. "Local Higher Education Committees" were to be formed, and the grants were to be administered in accordance with the provisions of the Bill, partly by those Committees, and partly by the Scotch Education Department. Some such arrangement as this seems highly desirable for the administration of the increased revenues which could be made available in aid of higher education if the proposals made in Chapter III. are carried into effect. The Scotch Education Department would, in this way, be able to ensure the distribution of the money on more equitable principles, and to procure the best results.

The principal grant to make good the abolition of school fees, amounting to 10*s.* per scholar, is charged upon the votes, and the two sums paid from the Local Taxation Account for the same object enable the Voted Grant to be increased to about 12*s.* per scholar. One of these sums varies from year to year, principally on account of the

The distribution of the Lunatic Asylums Grant offers some difficulties.

But these may be removed by an amendment of the existing system of meeting the cost of asylum accommodation in certain districts.

Grant for main roads. A Commission suggested to determine which are main roads.

The total amount of grant.

Grant for sanitary inspection.

Grant for secondary and technical education should be distributed by Scotch Education Department.

Supplementary School Fee Grant should, with the Voted Grant, be distributed at the

rate of 12s. per scholar.

varying yield of the Death Duties and Local Taxation licences, and in 1897 the Government undertook to maintain the combined grants from the Votes and the Local Taxation Account at an amount sufficient to permit of a total grant of 12s. per scholar by means, if necessary, of a supplementary Parliamentary Vote. In 1899-1900 and 1900-1, however, the amount available from the Local Taxation Account was more than sufficient to meet the extra payment of 2s. per scholar. We are of opinion that the amount payable from the Local Taxation Account should consist of a fixed sum of 65,000*l.* per annum, and that the arrangement made in 1897 for the maintenance of the grant at 12s. per scholar should be continued.

These proposals involve a re-arrangement of the Scottish grants. Objects of the existing grants.

The grants should be paid direct to the Authorities administering the services, and provision should be made for the distribution of a sum to Counties and Burghs in aid of their general expenditure.

Approximate amount of this grant.

Increased powers of control should be given to the Government Departments concerned in the administration of the services assisted.

It will now have been seen that our proposals involve the re-arrangement of the more important grants at present passing through the Local Taxation Account. Those grants differ from their English equivalents in some respects, the chief distinction being that they are charged direct upon the Local Taxation Account, without the interposition of anything like the English County Exchequer Contribution Accounts. As in England, however, their principal object was improvement in the administration of national services, and it is no doubt true that, to a certain extent, that object has been attained.

With regard to procedure, we propose, as in the case of England and Wales, that any grants to be made to Local Authorities in respect of specific services should continue to be paid out of the Local Taxation Account for Scotland direct to the authorities who undertake the services, and the majority of us think that the amounts to be paid into that Account should be sufficient not merely to provide for the specified grants, but also to enable a sum to be placed at the disposal of County Councils and the Councils of Royal and Parliamentary Burghs in aid of their general expenditure and particularly that on the housing of the working classes, the provision of open spaces and recreation grounds, rifle ranges, and other objects of national importance.

For the purposes of our Report for England and Wales, the amount of these "free balances" was placed at 1,000,000*l.*, and, if a sum proportionate to the population of the two countries respectively were provided for Scotland, the amount available for the purposes in question would be approximately 138,000*l.*

It would, of course, be necessary under our proposals to place in the hands of the Central Authority additional powers with regard to the regulation and superintendence of the national services. The checks already exercised are, no doubt, considerable, but we suggest that the Central Authority should be invested with the power of withholding the whole or a proportion of any grant to any Local Authority in the event of non-compliance with such regulations as might be framed. Further than this it is unnecessary for us to go. The various Departments concerned, and the competent officers at their command, are well acquainted with the conditions under which these national services are administered and with the best methods to be followed, and there is no doubt that they would be in a better position to lay down and enforce uniformly such regulations as would produce a considerable and permanent improvement in administration, if effect were to be given to our proposals.

CHAPTER V.

RECOMMENDATIONS CONCERNING THE RAISING OF LOCAL RATES.

Apart from the questions discussed in the preceding chapters, there are certain amendments we deem to be necessary in the present system of raising local rates, and we shall now proceed to set them out, separating those relating to valuation from those referring to other rating matters.

(a.) Valuation.

All rates should be levied upon the net value, which should be determined by the Valuation Authority and entered in the Valuation Roll.

One of the peculiarities of the Scottish Rating System is that, whilst parochial rates are levied upon the net value of the properties rated, other rates are levied upon the gross value. The Poor Law Act of 1845, which established the parochial system, did not affect county and burgh assessments, many of which were then levied upon the "real rent" without deduction. Again, the object of the Valuation Act was merely to establish a uniform gross value for all rates, and the powers of Parochial Boards to make deductions for repairs, &c. from the values determined under the Act

were expressly preserved. The dual basis has thus continued to the present time, and it causes much unnecessary confusion both to ratepayers and Local Authorities. If all rates were levied upon the same value, the rating system would be greatly simplified and more thoroughly understood, and we suggest that the net value, being, as we think, the fairer to all classes of ratepayers, should be the value adopted both for owners' and for occupiers' rates. If this were done, the present system of obtaining the net value could not, of course, be continued, for, as the county and burgh contributions would be determined by the results, the Parish Councils would have a direct inducement to make the deductions as large as possible. Moreover, the County and Burgh Authorities, who perform the primary duties of valuation, are more qualified to arrive at this net value than the Parish Councils, and if they were charged with the duty of making the necessary deductions from the gross value, greater equality would be obtained throughout the country. We accordingly recommend that the Valuation Authorities should determine the net value as well as the gross value, and that both amounts should be entered in the Valuation Roll.

In order to guide these Authorities in carrying out this additional duty, we suggest that a maximum scale of deductions should be fixed by Parliament, but at the same time wish it to be borne in mind that the deductions specified in the scale should not be regarded as those to be allowed in every case, but should be accepted simply as the limits beyond which no further deduction could be given. A maximum scale of deductions is already in force in London, and we have also recommended the provision of a similar scale for the rest of England and Wales.*

The County and Burgh Valuation Authorities, who value all properties, except railways and certain other large undertakings, appear on the whole to perform their work in a very satisfactory manner, and we do not think that they should in any way be superseded. It seems to us, however, that the appointment of Surveyors of Taxes as Lands Valuation Assessors in those Counties and Burghs in which they are not now appointed, would not only result in a reduction of the total cost of valuation, but would also bring about greater uniformity in the methods adopted, and we therefore suggest that this course should be followed, so far as possible, whenever a vacancy occurs.

The absence of any provision for bringing into the Valuation Roll property acquiring a value after the completion of the Roll is, it is stated, a cause of considerable loss to the rating authority. That property enhanced in value by the erection of new buildings or the structural improvement of old ones should escape its fair share of local burdens for a considerable period, appears to us to be inequitable. In England and Wales the Valuation Authorities have the option of making up Supplementary Valuation Lists, and the power to charge the properties entered therein with a proportion of the current rates. In order that some contribution may be obtained from the properties we have mentioned, we think that similar powers should be given to the Scottish Valuation Authorities, though, if prepared at all, the Supplementary Valuation Roll should be made up before 15th March in each year, and be subject to the same conditions as in the case of the Annual Valuation Roll, the parties interested being entitled to the same notices and rights of appeal.

Attention was drawn by the Select Committee of the House of Commons on Rating and Valuation (Scotland) in 1890 to the short interval allowed to the Valuation Authorities between the receipt of the Annual Valuation Roll from the Assessor (viz., the 8th of September) and the date before which their Appeal Court must be held (viz., the 15th of September), and the Committee also stated that inconvenience arises from there being no power to adjourn those Courts from one place to another. We endorse the recommendation of that Committee that section 8 of the Valuation Act should be amended by substituting "twenty-fifth" for "fifteenth," and inserting the words "from place to place" after "from time to time."

A further point to which the Select Committee attached some importance was the desirability of an alteration in the constitution of the Lands Valuation Appeal Court. As is shown in Chapter I., appeals from decisions of the County and Burgh Valuation Appeal Courts are heard by two Judges of the Court of Session, whilst appeals from valuations made by the Assessor of Railways and Canals are determined by but one Judge of the same Court, and in neither case is there an appeal to a higher tribunal. It appears to us desirable that all valuation appeals should be brought before the

Maximum scale of deductions should be fixed by Parliament.

Surveyors of Taxes should be appointed Lands Valuation Assessors wherever possible.

Valuation Authorities should have power to make up a Supplementary Valuation Roll in the middle of each year.

Suggested alterations with regard to date and place for holding County and Burgh Valuation Appeal Courts.

The Lands Valuation Appeal Court should consist of three Judges of the Court of Session and should hear all Valuation Appeals.

* See First Report, pp. 24, 31, and 41, and Final Report for England and Wales p. 52.

same tribunal, and we agree with the Select Committee in recommending that that tribunal should consist of three Judges of the Court of Session. The decision of the majority of these Judges would be the decision of the Court, and the uncertainty and inconvenience which now arise in the event of the two Judges of the Lands Valuation Appeal Court differing in opinion would be avoided.

In certain cases
the Railway
Assessor should be
supplied with
Counsel.

It appears that there is, at present, no provision for supplying the Railway Assessor with counsel in the cases coming before the Appeal Court, and he is consequently at some disadvantage as compared with the other side, for whom some of the leading members of the Bar are frequently engaged. We are of opinion that this disadvantage should be removed, and that the Railway Assessor should be empowered to employ counsel in any case in which the Secretary for Scotland approves, and that the cost incurred should be met in the same way as the other expenses of the Assessor's office, which are paid by the various railway and other companies whose undertakings are valued by the Assessor.

The valuation of
railways.

In Chapter I. we gave a brief account of the various methods adopted in the valuation of rateable properties. Except where the valuation is determined by the rent actually paid for the property, those methods have no statutory foundation, and are merely adopted and sanctioned by the Courts in the absence of a tenancy of the character contemplated by the Statute of 1854. We do not propose, however, to enter into greater detail with regard to these methods, except in the case of railways, as to the valuation of which we have certain recommendations to make. These properties are valued upon the profits principle. This principle is the most complicated of those now in use, but, as all the more important properties which are so valued are valued by the Railway Assessor, a greater amount of uniformity is thereby secured than is at present found in England.

Present method of
valuing railways.

Mr. Munro, the late Assessor of Railways and Canals, informed us that the method adopted for the valuation of railways at the passing of the Act of 1854, and since adhered to, has been to take the gross revenue of each company for the preceding year, and to make certain deductions therefrom, the balance being the *cumulo* or total valuation for rating purposes.* The deductions are:—

(1) *Working Expenses*, including therein "one-half of the expenses incurred in " maintaining or repairing the permanent way,"† but not including "the " cost of repairs of stations, engine-houses, workshops, wharfs, docks, " depôts, &c."

(2) *Tenants' Allowances*.—(a.) *Working Stock and Plant*.—25 per cent. upon the estimated present value of the working stock and plant, the items for which the allowance is made and the percentages allowed in respect of each being as follows:—

	Per cent.
Tenants' profits	12
Depreciation	5
Interest	5
Accidents and incidents and tenants' proportion of law charges and Parliamentary expenses	3
	<hr/>
	25

For the purposes of this deduction a valuation of the working stock and plant was made immediately after the passing of the Valuation Act of 1854, and since then the valuation thus obtained has been annually increased by 75 per cent. of the sum shown in the published accounts of each company, as expended upon additional working stock and plant during the preceding year.

(b.) *Locomotive Machinery, Station Furniture, &c.* — 25 per cent. on the value of locomotive workshop machinery and tools, office and station furniture and plant, horse and carting plant, telegraph instruments, and sacks, the value being taken from statements supplied by the companies. This allowance is made up in the same way as that for working stock and plant.

* Munro, Appendix (Part I.) to Vol. I. of Minutes of Evidence, No. V.

† "Permanent way" is defined by section 2 of 30 & 31 Vict. c. 80 as "the line or lines of railway, bridges " under and over the same, viaducts, tunnels, fences, and ditches along the said lines, signals and apparatus " connected therewith."

(c.) *Stores*.—10 per cent. for interest and deterioration on the value of general and locomotive stores on hand.

(d.) *Floating Capital*.—5 per cent. for interest on an estimated sum for floating capital necessary to carry on the business.

(e.) *Plant employed in Working Small Lines*.—This reduction refers to the working by the larger companies of lines belonging to other smaller companies, and consists of 18 per cent. upon the value of the plant employed in the working.*

(f.) *Traders' Wagons*.—An abatement is given in respect of earnings accruing to each company from traffic carried in plant belonging to traders.†

The following Table shows the actual amount of deductions allowed from the total receipts of the Caledonian Railway in arriving at the valuation for the year 1901-2:—

Receipts,
deductions, and
total valuation
of Caledonian
Railway for
1901-2.

	Amount.	Percentage of Total Receipts.
Total Receipts	£ 4,122,554	100·0
Deduct—Working Expenses (including one-half maintenance of permanent way).	1,963,592	47·6
Net Revenue	2,158,962	52·4
Deduct—Tenants' Allowances:—		
1. In respect of working stock and plant, locomotive workshop machinery, station furniture, &c. (being 25 per cent. upon 5,395,037L.).	1,348,758	32·7
2. In respect of stores, floating capital, traders' wagons, &c.	132,252	3·2
Total Value	677,952	16·5

The total receipts and working expenses are for the year ending 31st July 1900, this being the year upon which the valuation for 1901-2 was based. It will be seen from the Table that 47·6 per cent. of the gross receipts was deducted on account of working expenses, and 35·9 per cent. on account of tenants' allowances, leaving 16·5 per cent. of the gross revenue as the total value of the undertaking. The percentages for the North British Railway were substantially the same.

The total value having been ascertained, a sum equal to 5 per cent. of the capital value of the stations, wharfs, docks, depôts, &c. (including the *solum*) is deducted, and the balance divided proportionately among the parishes, counties, and burghs, and other rating areas, according to the lineal measurement of the portion of the line situated therein. Single and double lines are treated in the same way, but triple and quadruple lines are counted as of twice the length of single ones. To the proportion of the line valuation thus allotted to each rating area is added a sum equal to 5 per cent. of the capital value of any stations, wharfs, docks, depôts, &c. within that area.‡

The valuation of all sidings is based on the capital value in the same way as stations, and under the term "sidings" are included all lines used for loading and unloading.

* Owing to the accounts not showing separately the actual cost of working these lines, the amount cannot be deducted from the expenses of the working company, and the expedient is adopted of including the cost of working the lines as expenditure, and the remuneration received as receipts, of the working company. A deduction is then made in respect of the profits which it may be expected the larger companies will make by the arrangement.

† This plant is composed almost entirely of coal and iron wagons, and the receipts therefrom are included in the gross revenue on which the valuation is based. A separate deduction has always been claimed and allowed in respect of these earnings, on the ground that a leasing company would be entitled to a trade profit for their trouble in controlling and supervising the traffic, in addition to the usual allowances on stock owned by the company. The amount of the earnings is estimated from the total mineral receipts of the company, and a comparison of the number of wagons belonging to the company and to traders respectively and 12 per cent. upon the sum so estimated is the amount of the abatement.

‡ 17 & 18 Vict. c. 91. s. 22; 8 & 9 Vict. c. 83. s. 45; 30 & 31 Vict. c. 80. s. 4, 5; 57 & 58 Vict. c. 58. s. 45 (2).

unloading goods, for standing room for trains, and for shunting and marshalling — in fact, all lines of rails except those which are kept clear and used for the passage of the traffic.

Proportion of total value of Caledonian and North British Railways allocated to stations and lines respectively.

The deductions should be determined by the Railway Commission or the Court of Session.

The value of the line should be apportioned between the various rating areas according to train-mileage and not line-mileage.

The portion of the Caledonian Railway Company's system which is situated in Scotland was valued at 642,870*l.* for the year 1901–2, and of this sum 269,909*l.*, or 42·0 per cent., was allocated to the stations, &c., and 372,961*l.*, or 58·0 per cent. to the lines. In the case of the North British Railway the corresponding percentage were 33·9 per cent. and 66·1 per cent. respectively.

We do not propose to discuss the deductions now made for working expenses and tenants' allowances. In many cases these deductions are based upon hypothetical considerations and are highly debatable, and we think that the Railway Commission or the Court of Session should be given the power to vary them as occasion requires.

But the present system of distributing the value of the line amongst the various rating areas through which it passes is not, we think, altogether satisfactory. We have already recommended that the Irish system of apportionment, according to the number of train-miles run in each area, should be applied to England, and we would also apply the same system to Scotland. There can be no doubt that the train-mileage system produces more equitable results than the distribution according to line-mileage, for it discriminates between those portions of the line upon which the traffic is small and which are, therefore, of small value, on the one hand, and the busier and more valuable portions of the line on the other. It has been urged that this system would be too complicated in Scotland, owing to the system of through workings between the Scottish and English companies, but we fail to see that any insurmountable difficulty would arise. The receipts by the owning company for the use of its line should be included in the gross revenue taken for the purposes of the valuation, and no distinction need then be made between the trains of one company and those of another.

(b.) Other Rating Questions.

Division of Rates between Owners and Occupiers should continue.

Perhaps the most important distinction between the Scottish and English rating systems is that, whilst in England the occupier is almost invariably liable for the payment of the whole rate, in Scotland the majority of rates are, as is shown in Chapter I., divided between the occupiers and their immediate landlords. Notwithstanding this distinction, we are inclined to think that the final incidence of the rates in Scotland does not differ in any important respect from that in England. In fact, no transfer from occupiers to owners or from owners to occupiers of the whole or any part of the liability for the payment of rates can have much effect upon their final incidence, so long as contracts are respected. But the system of securing some direct payment from owners has its advantages over the somewhat simpler method of making the occupiers responsible for the entire charge. In the first place, the fallacy that owners do not bear any part of the burden of local taxation does not obtain much credence if a part of the charge is levied directly upon them; and, in the second place, this plan increases the volume of wealth upon which the local authorities may draw directly, and the burden of any unforeseen increase in the rates is consequently more lightly borne. On the other hand, it may be doubted how far it is prudent to combine a direct charge upon owners with entirely democratic government in local affairs.

But balancing these considerations, one against the other, and bearing in mind that, as with the English method, the arrangement in Scotland has its origin far back in the history of local taxation, we see no reason to suggest any alterations of primary importance in the system of dividing the rates, which is now in force in Scotland. All parties are thoroughly accustomed to the present system, and we are of the opinion that a change of any magnitude is entirely uncalled for. No demand for it has been formulated to us, and it would be ridiculous to make proposals merely for the sake of a uniformity which is not desired, and which could not be carried out without a great deal of annoyance and unnecessary confusion, in view of the necessity for exempting existing contracts. A few amendments in detail are, however, desirable.

"Stereotyped" county rates should be divided.

The system in force for the division of county rates is considerably complicated by the provisions contained in the Local Government Act of 1889 for the levying of some of the rates, up to a certain amount in the £, upon owners only. These parts of the county rates are known as the "stereotyped" or "average" rates, and it appears

that, grouping the various rates to which the provisions apply, the "stereotyped" rates are highest in Bute, and in one of the Police Districts of Caithness, where they slightly exceed 4d. in the £. In Inverness, Nairn, and Sutherland, they are between 3d. and 4d.; while in some counties they are only slightly in excess of 1d. in the £. In most counties the full amount of the stereotyped rates is levied each year, but in some the expenditure upon the services to which those rates are applied does not entail a rate in the £ of as much as the stereotyped rate. The total produce of the stereotyped rates in 1898–9 was £12,249*l.*, and if this sum be divided by the aggregate owners' assessable rental for all Scottish counties (amounting to about £4,000,000*l.*) the result is an average rate of about 2d. in the £. Therefore, if these rates were now divided equally between owners and occupiers the result would be a shifting, on the average, of a rate of 1d. in the £. There is no doubt that the abolition of the complicated system now in force would be of great advantage in simplifying calculations for levying rates, in cheapening procedure, and in making the division between owner and occupier more readily understood by the ratepayers, and we consider that the transfer of the small burden from owners to occupiers which the change would entail should not prevent so desirable an improvement being effected. It should be pointed out that there would be few cases, if any, in which the additional burden thrown upon occupiers would not be wholly discounted if the other recommendations of the Commission be passed into law.

Although both parochial rates and county rates are, in general terms, divided equally between owners and occupiers, yet the calculation of the rate in the £ to be levied upon each class is made upon different methods. In the case of parochial rates, one moiety of the total sum required is raised from owners, and one moiety (less the agricultural grant during the continuance of the Agricultural Rates, &c. Act) from occupiers. As unoccupied property is assessed for the owners' rate, but not for the occupiers' rate, it follows that the rate in the £ levied upon occupiers is frequently greater than that levied upon owners.*

On the other hand, in the case of those county rates which are divided between owners and occupiers, the same rate in the £ is levied upon both classes, irrespective of whether the amount produced by the occupiers' rate will equal that produced by the owners' rate.

The co-existence of the two systems leads to a good deal of confusion and misunderstanding, and we urge the substitution of the county system for that in force with regard to parochial rates. The change would be a slight concession to occupiers, and would, to some extent, balance the abolition of the stereotyped rate.

The classification of properties for the occupiers' share of parochial rates is another peculiarity of the Scottish rating system, but, except in regard to agricultural land, its importance is gradually diminishing. In some parishes the schemes previously in force have been superseded by the Agricultural Rates, &c. Act. In nearly all the other classified parishes it is entirely in the discretion of the Parish Councils to abandon existing schemes, but in the event of their abolition the provisions of the Agricultural Rates, &c. Act, with regard to the rating of agricultural lands and heritages, would still remain in force. Apart from the parishes in which the schemes were suspended by that Act, the number of classified parishes is steadily declining, and out of 871 parishes which levied assessments in 1900 only 77 were classified.

There is much to be said in favour of this system as a means of distributing the burden more in accordance with the ability of the occupiers. But there are many practical difficulties in the way of making it compulsory, and serious anomalies would arise from the great variation in the proportion of the different classes of property in different parishes. Except with regard to agricultural lands and heritages, with which we have dealt in a previous chapter, we do not, therefore, make any recommendation upon this question, preferring to leave it in the hands of the Parish Councils who are familiar with the particular circumstances of their areas and the demands of the ratepayers for schemes of this nature.

Our attention has been drawn to the fact that, whilst underground gas and water piping in Burghs and Police Burghs is rated at one-quarter of its annual value for Police and Public Health purposes, it is rated in full elsewhere. We are of opinion that the argument upon which the differential treatment of this class of property under the Burgh Police and Public Health Acts is based is equally applicable

Parochial rates should be divided so as to leave an equal rate in the £ upon owners and occupiers.

Classification of occupiers for parochial rates should be optional.

* This discrepancy is further increased during the continuance of the Agricultural Rates, &c. Act in the event of an increase in the total amount required by the Parish Council.

wherever the piping is situated, and we think that the rates in rural areas which correspond to those leviable under the Acts named should only be levied upon one quarter of the annual value of this description of property.

Consolidation of
rates and of
rate-collecting
machinery.

We have already alluded to the large number of rates which are now separately leviable, and to the duplication of rate-collecting machinery. This system involves much unnecessary detail and expense, and we think that from every point of view it is desirable that there should be but one local rate in each area and one authority charged with its collection. An arrangement of this nature was embodied in the Irish Local Government Act of 1898, and it has considerably simplified the levying and collecting machinery of the Irish Local Authorities. The London Government Act of 1899 accomplished a similar reform in the Metropolis.

In Scotland we would make the County and Town Councils the Collecting Authorities. The Parish Councils would then issue precepts for the amounts they require to the County Councils or the Town Councils of Royal and Parliamentary Burghs, whilst the County Councils would in the case of the Police Burghs issue precepts to the Town Councils of those Burghs, not only for the sums required for their own purposes, but also for the sum required from the Burgh ratepayers for the purposes of the Parish Council. One rate would then be levied and collected by each County or Town Council to cover the requirements of the different Local Authorities, and separate accounts would be kept and separate demand notes prepared by the Councils for each rating area, or, in the case of overlapping areas, for each part. The Councils' collectors should be required to attend in each parish or other convenient centre on specified days to receive the payments of ratepayers who prefer to pay in this way rather than through the post. And finally we think it desirable that the demand note issued to the ratepayers by the Collecting Authority should specify the rateable value upon which the rate is charged, the period for which it is made, the total rate in the £ levied and amount payable, and the approximate rate in the £ required by each Authority, and for each of the more important services. A statement of the rates in the £ for the preceding year would also be of much advantage, for it would enable each ratepayer to see which services were causing an increase or decrease in the amount he has to pay.

Exemption of
unoccupied pro-
perty.

Unoccupied property is entered in the Valuation Roll in the owner's name only, and occupiers' rates cannot, of course, be charged against it.* The owners of such property are also exempt from the Sheriff Court House Rate in Burghs,† but from no other rates wholly or partly chargeable upon owners.

Exemption on
ground of poverty.

The rating authorities may, in certain cases, grant exemption from parochial and county rates‡ on the ground of poverty, and similar provisions are contained in several of the statutes§ under which burgh rates are leviable.

Exemption of
Crown property
and contributions
in lieu of rates.

Lands and heritages occupied by or for the purposes of the Crown are not rateable, on the ground that the Crown is not mentioned in the rating statutes. But this exemption is hardly more than a technicality, for full contributions in lieu of rates are now given in respect of such property out of a special Parliamentary Vote,|| and the only point in connexion with local taxation upon which it differs from rateable property is that the valuation is made by a Government valuer and not by the County and Burgh Valuation Authorities. No contribution is, however, given in respect of property occupied for the purposes of the police or the administration of justice—to which the exemption has been held to extend—on the ground that such property is not maintained at the cost of the Exchequer. Lighthouses, and Volunteer and Militia Store-houses are in a similar position, except that these properties have been specially exempted by Statute.¶

* Where, however, an occupier enters upon premises during the course of a year, he may, under the Burgh Police Act, be charged with a proportion of the current burgh general assessment, whether his name be in the Valuation Roll or not.

† 23 & 24 Vict. c. 79, s. 19.

‡ 8 & 9 Vict. c. 33, s. 42; 52 & 53 Vict. c. 50, s. 62 (4).

§ See, e.g., 55 & 56 Vict. c. 55, ss. 343, 359; 60 & 61 Vict. c. 38, ss. 133, 134, 136.

|| The changes in the attitude of the Government on this question are shown in a Treasury Memorandum to be included in the Appendix to the English Report.

¶ 17 & 18 Vict. c. 106, s. 36; 26 & 27 Vict. c. 65, s. 26; 57 & 58 Vict. c. 60, s. 731. On the other hand, a limited rateability has been placed by Statute upon property acquired under the Telegraph Act, 1868 (31 & 32 Vict. c. 110, s. 22); but as the contributions in lieu of rates are now given upon the full value in this case, the provision is of no practical importance. Moreover, even in the absence of the contribution, the provision would have little value, for no means exist whereby payment of the rates could be enforced.

No doubt appears ever to have existed with regard to the rateability of parochial property, such as poor houses and registrars' and inspectors' offices, but other local public property was frequently held to be exempt until its rateability was established by the House of Lords in the Mersey Docks Cases in 1865.* Underground sewers, and public parks, roads, and bridges are, however, still apparently exempt, as well as property occupied by the police or for the administration of justice as already mentioned. All burial grounds are specially exempt by Statute.†

The following exemptions have also been granted by Statute, but various qualifications frequently accompany them:—

Various exemptions granted by Statute.

- (1) All churches, chapels, meeting houses and premises exclusively appropriated to public religious worship are exempt.†
- (2) The minister of a parish is exempt from the poor rate, but not from other rates, in respect of his manse and glebe.‡
- (3) Voluntary schoolrooms, offices and playgrounds are exempt.§
- (4) Societies established exclusively for purposes of science, literature, or the fine arts are not liable either as occupiers or owners.||
- (5) Sunday and ragged schools may be exempted from occupiers' rates by the authority levying them.¶
- (6) Mines and quarries are not to be assessed unless worked during some part of the year to which the assessment applies.**

A town council may wholly or partially exempt any portion of the burgh for a definite period from any of the assessments leivable under the Burgh Police Act, on the ground of such portion "being newly included within the boundaries, or its "not being built upon, or upon any other ground."††

And lastly, by many local Acts, lands and premises held for charitable purposes are exempt.

All exempted properties should be entered in the Valuation Roll.‡‡

We are strongly opposed to any extension of the system of exempting certain classes of property from liability to local rates, but, as a general rule, we are not prepared to suggest the withdrawal of such exemptions as have already been granted. We would, however, specially refer to the case of cemeteries managed as profit-making concerns, which obtain the benefit of the exemption granted to all burial-grounds in 1874. For the most part cemeteries worked at a profit have come into existence since 1874. We doubt if it was the intention of the Legislature to include them within the scope of the exemption, and we see no good reason for the continuance of the present practice. We do, however, consider that in the valuation of such properties due allowance should be made for the fact that the value of the property is exhausted by use.

No further exemptions should be granted, and cemeteries worked at a profit should be rated.

Under the Local Government (Scotland) Act, 1894, and the Public Health (Scotland) Act, 1897, special districts may be formed in any county for the supply of water, or for drainage, lighting, scavenging, the provision of baths, &c., and at the present time new districts are frequently formed quite independently of those already in existence. It is clear that the multiplication of rating areas, differing only to a slight extent from one another, must create unnecessary work for the Valuation, Administrative, and Rating Authorities, and we consider that it would be a great convenience and result in a saving to local funds if the districts created for the various special purposes were made conterminous wherever this is practically possible. We also agree with the suggestion of some witnesses that properly authenticated plans of special districts should be prepared and made available to all parties concerned.

Special districts should be conterminous if possible.

The railway companies complain that they do not at present receive adequate notice of the intention to form these districts. The large number of parishes through

* 11 H.L.C. 443; 3 M. (H.L.) 102.

|| 6 & 7 Vict. c. 36, s. 1.

† 37 & 38 Vict. c. 20.

¶ 32 & 33 Vict. c. 40, s. 1.

‡ Forbes, 1850, 13, D. 341. 1 Macq. 106.

** 17 & 18 Vict. c. 91, s. 42.

§ 60 & 61 Vict. c. 62, s. 3.

†† 55 & 56 Vict. c. 55, s. 373 (3).

†† Parish churches are, however, excluded on the ground that they cannot be valued in accordance with the Valuation Act.

which railways usually pass makes it somewhat difficult for the companies to keep themselves informed as to what propositions are being made, and, in this respect, their position is peculiar. We are of opinion that it would not be unreasonable to require the insertion of a short notice of such proposals in the "Edinburgh Gazette," which notice would no doubt be useful to other persons as well as to railway companies.

ALL WHICH WE HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

* BALFOUR OF BURLEIGH, Chairman.	C. A. CRIPPS.
CAWDOR.	HARCOURT E. CLARE.
* J. B. BALFOUR.	T. H. ELLIOTT.
JOHN T. HIBBERT.	EDWARD ORFORD SMITH.
CHARLES B. STUART WORTLEY.	JAMES STUART.
C. N. DALTON.	JOHN L. WHARTON.

10th April, 1902.

ARTHUR WILSON Fox, *Secretary.*

T. LLEWELYN DAVIES, *Assistant Secretary.*

*Report by Sir Edward Hamilton, K.C.B., and
Sir George Murray, K.C.B. (see page 49).
Report by His Honour Judge O'Connor, K.C. (see page 51).*

* Except as to Chapter IV., and subject to the observations contained in the Separate Recommendations (pages 27 to 48).

- SEPARATE RECOMMENDATIONS

BY

LORD BALFOUR OF BURLEIGH

AND

LORD BLAIR BALFOUR

ON THE

DISTRIBUTION OF EXCHEQUER CONTRIBUTIONS

AND THE

VALUATION OF RAILWAYS AND CORPORATION WATERWORKS.

**Separate Recommendations by Lord Balfour of Burleigh
and Lord Blair Balfour.**

A N A L Y S I S.

I.—THE DISTRIBUTION OF EXCHEQUER CONTRIBUTIONS.

	Page
Scottish Subventions should be distributed upon same broad principles as English Subventions	31
Chief features of scheme of distribution proposed for England	31
The services regarded as national, and to which assistance should be given	31
Expenditure upon national services, and allocation of total grant between them	32
Grants should be fixed for a period of years	32
Occupiers of agricultural lands and heritages should be partially exempted from the payment of rates	32
Definition of "assessable value" under these proposals	32
Poor Relief Grant. Equalisation and economy should be the main considerations in its distribution	32
The smallness of the administrative units causes great inequalities in the poor rates, and makes equalisation even more necessary than in England.	32
The principles of "ability" and "necessity" should be maintained, with slight modifications	33
The grant to each parish should be a prescribed proportion of the expenditure, the proportion being greater in the poorer parishes and smaller in the richer parishes.	33
The proportion should also be greater in so far as the expenditure is indisputably economical, and smaller as it becomes more extravagant.	34
The scale of percentages suggested	34
Illustration of the method of calculating the grants	35
The reason for certain features of the scale	35
Full effect of the proposals	36
Poor parishes will receive larger grants per inhabitant than rich parishes, and economical parishes will require a smaller rate than extravagant parishes.	36
The equity of these principles	36
The high proportion of the expenditure which would be given in certain hypothetical cases is not incompatible with economy.	36
The grants should nowhere fall below the present Pauper Lunacy and Medical Relief Grants	37
Results of proposals compared with existing system in certain cases	37
Total amount of Poor Relief Grant, and effect upon the proposals of the adoption of net value as the basis for all rates.	39
In the distribution of the Police Grant, equalisation may be carried to a greater extent than with the Poor Relief Grant.	39
Proposals already made for the distribution of the English Police Grant	39
Each Police Authority should receive a grant equal to (1) the difference between the products of 1s. 2d. per inhabitant and a 1d. rate upon the assessable value, and (2) one-half of its expenditure above 1s. 2d. per inhabitant.	39
General result of this scheme	40
Illustration showing how the grant would be calculated	40
Full effect of the scheme in all cases	40
Total amount of Police Grant	40
The distribution of the Lunatic Asylums Grant on the lines of "ability" and "necessity" offers some difficulties.	41
But these may be removed by an amendment of the existing system of meeting the cost of asylum accommodation in certain districts.	41
How the grant to each authority should then be calculated	41
Grant for Main Roads. A Commission suggested to determine which are main roads	41
Total amount of grant	41
Grant for Sanitary Inspection	41
Grant for Secondary and Technical Education should be distributed by Scotch Education Department.	42
Amendment of grants to Necessitous School Boards and to small schools is desirable	42
Supplementary School Fee Grant should, with the Voted Grant, be distributed at the rate of 12s. per scholar.	42
These proposals involve a re-arrangement of the Scottish Grants. Objects of the existing grants	42
Objections to some of the existing grants	43
Advantages of our proposals	43
Objections to stereotyping the grants to certain items of expenditure	43
The existing Pauper Lunatics Grant has not equalised the burden of pauper lunacy, and whilst it has unnecessarily increased the number of asylum patients in some districts, it has not adequately encouraged asylum treatment in the poorer districts.	43
Opinion of Mr. W. Penney, General Superintendent of Poor, as to desirability and possibility of equalising the Poor Rate.	44
Increased powers of control should be given to the Government Departments concerned in the administration of the services assisted.	44
An efficient audit system should be established for all local accounts	44

II.—THE VALUATION OF RAILWAYS AND CORPORATION WATERWORKS.

	Page
(a.) RAILWAYS:	45
There should be a statutory definition of the term "undertaking" as used in the Valuation Act.	45
The tenants' working stock and plant should be revalued periodically. Suggested amendment in present method of ascertaining value for intermediate years.	45
A deduction for depreciation should be continued, but that for expenditure upon renewals should cease, and the amount of that expenditure should be added to the value of the tenants' stock.	46
The deduction for occupiers' income tax should cease	46
Summary of proposals with regard to deductions	46
The actual amount of the percentages allowed should be determined by the Railway Commission or the Court of Session.	47
Stations should be valued at not less than 3 per cent. upon their capital value, but the percentage should vary above that figure according to the value of the line per train mile.	47
(b.) CORPORATION WATERWORKS:	47
Exceptional circumstances to be considered in the valuation of Corporation Waterworks	47
Existing method of valuing Corporation Waterworks	47
The question of trade profits in relation to the valuation	47
The gross revenue is a wrong starting point and should be modified	48
"Profits principle" and "contractors' rent" principle not inconsistent in these cases	48
Deductions for tenants' interest, &c.	48
Allocation of total value	48
Determination of net value of properties valued by Railway Assessor	48

Separate Recommendations by Lord Balfour of Burleigh and Lord Blair Balfour.

I.—THE DISTRIBUTION OF EXCHEQUER CONTRIBUTIONS.

We are unable to concur in the belief expressed by our colleagues in Chapter IV. that the same general principles which they have advocated for the distribution of the Exchequer Grants in England could be made applicable to the case of Scotland. We are of opinion that such a course would be open to all, and more than all, the objections which we have pointed out in our separate recommendations for England, and we adhere to the following proposals which are substantially those contained in the Draft Report on Scotland as originally submitted to the Commission by the Chairman.

In considering the distribution of the sum which would be paid into the Scottish Local Taxation Account under the proposals made in Chapter III., we naturally revert to the principles we had in view in our recommendations as to the disposal of the English subventions. The broad principles upon which those recommendations are based are, we think, equally applicable to Scotland, notwithstanding that the Scottish local taxation system differs in many respects from that in force in England. Owing, however, to these differences, and to some extent to historical, economic, and practical considerations, considerable modifications are necessary in the detailed application of the principles.

Scottish subventions should be distributed upon same broad principles as English subventions.

It will be remembered that the chief features of the English proposals are :—

- (1.) That the contributions from the Exchequer should be confined to expenditure upon national services administered locally ;
- (2.) That they should form a liberal proportion of such expenditure, but should not in the total exceed one-half of it ;
- (3.) That they should be fixed in amount for a period of years ; and
- (4.) That in the distribution of the money, strict regard should be paid to the requirements of the Local Authorities in the discharge of their duties as administrators of national services, and also to the ability of the various districts to meet their obligations in respect of those services.

Chief features of scheme of distribution proposed for England.

We agree with our colleagues that the services which are regarded by us as national in the case of England should also be so treated in Scotland. These are :—

The services regarded as national, and to which assistance should be given.

- (1.) Poor Relief, including Lunatic Asylums.
- (2.) Police.
- (3.) Education, Elementary, Secondary, and Technical.
- (4.) Main Roads.
- (5.) Sanitary Inspection.

But a part of the existing subventions is applied to certain other definite services which are not locally administered, and the importance of making provision for these services appears to us to be ample justification for the continuance of those grants. Moreover, a larger proportion of the existing contributions passing through the Local Taxation Account is applied to educational purposes in Scotland than in England, and, as we deprecate any curtailment of the existing educational facilities, we consider it highly desirable that the amount of the subventions devoted to this service should not be diminished, but should, in fact, be somewhat increased. After providing for this increase, as well as for the miscellaneous grants, the Exchequer Contributions would (whether given in the form of assigned revenues or grants from the Consolidated Fund) amount approximately to one-half of the expenditure upon the national services, omitting education.

Expenditure upon national services, and allocation of total grant between them.

The net expenditure upon the more important national services, i.e., the gross expenditure less receipts-in-aid from local sources, and the amount which should, we think, be given in aid of each service are:—

Services.	Expenditure.	Amount of Proposed Grant.
Poor Relief	£ 1,050,000	£ 528,000
Lunatic Asylums	100,000*	65,000
Police	530,000	290,000
Main Roads	—	140,000
Sanitary Inspection	37,400	19,000
Education:—		
Technical and Secondary	—	200,000
Supplementary Fee Grant	—	65,000
Miscellaneous:—		
Universities	—	30,000
Congested Districts Board	—	15,000
Marine Superintendence	—	15,000
Burgh Land Tax Relief	—	8,000
Total Grant	—	£ 1,875,000†

Grants should be fixed for a period of years.

Occupiers of agricultural lands and heritages should be partially exempted from the payment of rates.

The amount of each of these grants as well as the total grant should be fixed for a period of years, and the balance of expenditure thrown upon the rates. The burden of any increase in the expenditure would thus fall entirely upon the locality in which it was incurred.

The proposed grants would take the place of all the existing grants, including those under the Agricultural Rates, &c. (Scotland) Act, 1896, and the Local Taxation Account (Scotland) Act, 1898, but at the same time we think that the provision contained in the former Act, whereby the occupier of agricultural lands and heritages is exempted from the payment of rates upon five-eighths of the annual value of those properties, should be continued. The argument that persons should contribute in proportion to their ability applies no less to Scotland than to England, and we think it clear that the ability of the occupier of agricultural lands and heritages is much smaller in proportion to the annual value of those properties than is the case with other ratepayers. The agricultural owner does not, however, enjoy, and we do not propose that he should be granted, any such exemption.

Definition of "assessable value" under these proposals.

Inasmuch, therefore, as one-half of the rate in the £ (the owner's half) is levied upon the full valuation, and the other half upon the same valuation, less five-eighths of the value of agricultural lands and heritages, the assessable value of each rating area or the measure of the resources on which the rate collector draws, is the gross valuation, less five-sixteenths of the value of agricultural property, the fraction five-eighths being reduced to five-sixteenths, because the exemption applies to one-half (the occupier's half) of the rates only. It will be seen later on that we propose to adopt assessable value in this sense as the measure of ability of each rating area.‡

Poor relief grant. Equalisation and economy should be the main considerations in its distribution.

In the distribution of the grant for poor relief, equity, economy, and administrative improvement should be kept constantly in view. So long as the burden of the necessary expenditure upon national services falls with greater severity upon one district than another it is difficult to insist upon general administrative reforms without making constant additional calls upon the Central Government for monetary assistance. From every point of view, therefore, the object is to devise the best means of equalising the burden of poor relief with due regard to economy.

The smallness of the administrative units causes great

Poor relief is a parochial service, i.e., though parishes may combine for certain purposes, there is no general system of grouping (such as English Poor Law Unions), and the parish still remains the administrative unit. On an average the Scottish

* This is the amount of assessments raised by District Lunacy Boards. The expenditure upon Royal and Parochial Asylums is not readily ascertainable.

† It has already been recommended in the English Report that the whole of the expenditure incurred by the Board of Agriculture in connection with the Diseases of Animals Acts should be defrayed from the Votes, and that the payment now made from the English and Scottish Local Taxation Accounts to the Cattle Pleuro-Pneumonia Account for Great Britain should cease.

‡ See footnote * on p. 33.

rich, though larger than the English parish, is much smaller both in extent and in population than the English Union. Consequently one Scottish parish may by some fortunate circumstance have within its boundaries an amount of rateable property fit of all proportion to its needs, while another may be composed of property which presents a taxable capacity inadequate for the barest needs of civilisation. For instance, the parish of Temple in Midlothian has a gross valuation of over 44*l.* to each inhabitant, whilst Barvas, in Ross and Cromarty, has only 9*s.* per inhabitant, and a penny rate will therefore produce nearly 100 times as much per inhabitant in Temple as it will in Barvas.

Owing to these and other circumstances, the inequalities in the poor rates in Scotland are far greater than in England, and a scheme of equalisation is, therefore, much more necessary. But the wide divergencies in natural advantages and in the administrative requirements of the various parishes renders it more difficult to secure the same amount of uniformity as was found possible in England, and equalisation must, therefore, proceed by degrees.

The precise methods recommended with this object in England cannot be conveniently applied in the more extreme circumstances of Scottish parishes, and we therefore propose a moderate scheme, which will effectually carry out the same principles of giving more assistance to the poorer districts and putting a premium upon economy, though it will not result in so thorough an equalisation of the local burdens as our English proposals.

We still propose that the ability of the various parishes should be tested by their assessable value,* and that their requirements should be measured partly by population and partly by the expenditure actually incurred.† The grant should in every parish consist of a prescribed proportion of the expenditure, but the proportion should be different in different parishes. In the first place, in order to give larger sums to the poorer parishes, the grant should bear a higher proportion to the expenditure in those parishes where the assessable value is small as compared with the population, and a lower proportion where the assessable value is great. For instance, if one parish has an assessable value of £5 per inhabitant, the grant it receives should form a larger proportion of its expenditure than in the case of a parish with an assessable value of 15 per inhabitant. By this means a considerable equalisation will be effected. For instance, suppose both parishes spend 8*s.* 4*d.* per inhabitant upon poor relief. Without

inequalities in the poor rates, and makes equalisation even more necessary than in England.

The principles of "ability" and "necessity" should be maintained, with slight modifications.

The grant to each parish should be a prescribed proportion of the expenditure, the proportion being greater in the poorer parishes and smaller in the richer parishes.

* We have suggested elsewhere (pp. 18 and 23) that all rates should be levied upon the net annual value of the properties rated, and also that, in the case of the rates which are divided between owners and occupiers, the rate in the £ leviable upon owners should always be the same as that upon occupiers. If effect be given to these proposals, the rate in the £ leviable upon each of the two classes would be ascertained by dividing the amount to be raised by the sum of one and three-eighths of the net annual value of agricultural property, and twice the net annual value of other properties; or, put in another way, the total rate in the £ leviable upon each property (one-half of which would be payable by the owner and one-half by the occupier) would be ascertained by dividing the amount to be raised by one-half of the annual values previously used, i.e., by the sum of $(1\frac{3}{8} \div 2) = \frac{11}{16}$ ths of the annual value of agricultural property and the annual value of other properties. The assessable value for the purpose of calculating the rate in the £ to be levied would therefore be the full annual value of all properties less $\frac{1}{16}$ ths of the annual value of agricultural lands and heritages.

An example will enable the process to be seen more clearly. We will suppose that £500 is required from a parish in which the valuation is made up as follows:—

	£
Agricultural lands and heritages	3,200
Other rateable properties	7,800
Total valuation	<u>11,000</u>

In the case of the agricultural lands and heritages, the owners would be rated upon the full annual value, i.e., £3,200, whilst the occupiers would only be rated upon $\frac{1}{2}$ ths of the full annual value, viz., £1,200. And in the case of the other rateable properties the owners would be rated upon £7,800, and the occupiers would be rated upon £7,800. The rate in the £ leviable upon each of the two classes would be—

$$\frac{\text{£}500}{(\text{£}3,200 + 1,200) + (\text{£}7,800 + 7,800)}$$

6*d.* in the £, whilst the total rate in the £ leviable upon each property would be—

$$\frac{\text{£}500}{\left(\frac{\text{£}3,200 + 1,200}{2}\right) + \left(\frac{\text{£}7,800 + 7,800}{2}\right)} \text{, which equals } \frac{\text{£}500}{\text{£}10,000}$$

1*s.* in the £. The assessable value of the parish is, therefore, £10,000; that is, the full annual value of all rateable properties, (£11,000) less $\frac{1}{16}$ ths of the annual value of agricultural lands and heritages (£1,000).

† By expenditure we mean the expenditure of the financial year preceding legislation, "standardised" in the manner prescribed in the Irish Local Government Act, 1898 (sec. 49).

any grants the rates* required would be 1s. 8d. and 6½d. respectively; but if a grant of 60 per cent. of its expenditure be given to the poorer parish, and one of only 20 per cent. to the richer, the rates required would be 8d. and 5½d.

The proportion should also be greater in so far as the expenditure is indisputably economical and smaller as it becomes more extravagant.

But this plan would not, of itself, discriminate between necessary expenditure and expenditure for which there is less justification, i.e., it would treat economy and extravagance in the same way. To avoid this we suggest, in the second place, that the expenditure per inhabitant should be the test of economy and extravagance, and that each parish should receive a larger proportion of that part of its expenditure which is indisputably economical, and a progressively smaller proportion of each additional shilling of expenditure per inhabitant. Expenditure up to 2s. per inhabitant is necessary in nearly every parish, and should be assisted as liberally as possible, having regard to the ability of the locality. Expenditure above 2s. per inhabitant is undoubtedly necessary in many localities, and may also be assisted, though less freely. We therefore propose that the proportion given to each parish of each shilling of expenditure per inhabitant above 2s. should be two per cent. less than the proportion given of the preceding shilling. Thus, if the expenditure in a parish be 3s. 6d. per inhabitant, and 40 per cent. be given of the first 2s., that parish would receive 38 per cent. of the third shilling and 36 per cent. of the last sixpence per inhabitant. If its expenditure be 15s. per inhabitant it would, in addition to the 40 per cent. of the first 2s., receive 38 per cent. of the third shilling, 36 per cent. of the fourth shilling, and so on, until of the last shilling per inhabitant it would only receive 14 per cent. But where a parish spends more than 20s. per inhabitant, we think it proper that no grant should be given in respect of the excess, and that the whole burden of that part of the expenditure should be thrown upon the locality.

The Scale of Percentages suggested.

After carefully considering the circumstances of the various parishes throughout the whole of Scotland, we recommend that the grants should be determined by the following Scale:—

Parishes with the under-mentioned Assessable Values per Inhabitant†—	Should receive Grants equivalent to the under-mentioned Percentages of their Expenditure within the following Amounts per Inhabitant—																			
	Per cent.																			
	2s. and under.	Over 2s. and up to 3s.	3s.	4s.	5s.	6s.	7s.	8s.	9s.	10s.	11s.	12s.	13s.	14s.	15s.	16s.	17s.	18s.	19s.	20s.
£1 and under	72	70	68	66	64	62	60	58	56	54	52	50	48	46	44	42	40	38	36	34
Over £ 1 and up to £ 2	68	66	64	62	60	58	56	54	52	50	48	46	44	42	40	38	36	34	32	30
" 2 "	64	62	60	58	56	54	52	50	48	46	44	42	40	38	36	34	32	30	28	26
" 3 "	60	58	56	54	52	50	48	46	44	42	40	38	36	34	32	30	28	26	24	22
" 4 "	56	54	52	50	48	46	44	42	40	38	36	34	32	30	28	26	24	22	20	18
" 5 "	52	50	48	46	44	42	40	38	36	34	32	30	28	26	24	22	20	18	16	14
" 6 "	48	46	44	42	40	38	36	34	32	30	28	26	24	22	20	18	16	14	12	10
" 7 "	44	42	40	38	36	34	32	30	28	26	24	22	20	18	16	14	12	10	8	6
" 8 "	40	38	36	34	32	30	28	26	24	22	20	18	16	14	12	10	8	6	4	2
" 9 "	36	34	32	30	28	26	24	22	20	18	16	14	12	10	8	6	4	2	1	1
" 10 "	32	30	28	26	24	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1
" 11 "	30	28	26	24	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1
" 12 "	28	26	24	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1
" 13 "	26	24	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1
" 14 "	24	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1
" 15 "	22	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1	1
" 16 "	20	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1	1	1
" 17 "	18	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1	1	1	1
" 18 "	16	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1	1	1	1	1
" 19 "	14	12	10	8	6	4	2	1	1	1	1	1	1	1	1	1	1	1	1	1

* Here, and throughout this Chapter, the rates mentioned are obtained by dividing the amount to be raised in any district by the "assessable value" of that district, and are therefore the full rates in the £ leviable upon each property, one-half of which would be payable by the owner and one-half by the occupier, who, in the case of agricultural lands and heritages, would only pay the rates upon three-eighths of the net annual value of those properties. No account is, however, taken of losses due to empties, arrears, &c., and consequently the rates actually required might be a little higher in the £ than those shown.

† It might be desirable, in the application of this Scale, to vary the percentages for each 10s. of assessable value per inhabitant. The Scale would then commence with 74 per cent., 72 per cent., &c., for parishes with an assessable value of 10s. and under per inhabitant, and the downward steps in each column would consist of one-half the amounts at present deducted. It might even be desirable, in the case of the poorest parishes, to vary the percentages with each 5s. of assessable value per inhabitant.

The application of this Scale is very simple, as will be seen from the following illustration. The parish of Lanark has a population of 8,103, according to the Census of 1901. Its assessable value per head of that population was 4*l.* 16*s.* 2*d.* in 1900 (rather less than the average for the whole of Scotland), and its expenditure per head of the same population was 5*s.* 7*·5d.* in 1899-1900 (rather more than the average for the whole of Scotland). In the above Scale the series of percentages, commencing with 56 in the left hand column would be applicable to this parish, and the grant per inhabitant would be as follows:—

	Grant per Inhabitant.*
56 per cent. of first two shillings of expenditure per inhabitant	<u>13·44d.</u>
54 " third shilling of expenditure per inhabitant	<u>6·48d.</u>
52 " fourth " " " "	<u>6·24d.</u>
50 " fifth " " " "	<u>6·00d.</u>
48 " expenditure between five and six shillings per inhabi- tant, viz., 7·5d.	<u>3·60d.</u>
	<u>35·76d.</u>

As the population is 8,103, and the grant per inhabitant would be 2*s.* 11·76*d.*, the total grant would be 1,207*l.*

Glancing down the columns of the above Scale, it will be observed that the percentages first of all decrease by four for each increase of 1*l.* in the assessable value per inhabitant, and then by two.

If the assessable values per inhabitant in parishes A and B are 1*l.* and 2*l.* respectively, and in parishes X and Y 19*l.* and 20*l.* respectively, then B differs from A, and Y differs from X, by the same amount (1*l.*) of assessable value per inhabitant; but the advantage which parish B possesses over parish A is much greater proportionately than the advantage possessed by parish Y over parish X. The difference between the grants to parishes A and B should, therefore, we think, be greater than the difference between the grants to parishes X and Y, and, as will be seen from the first column of the Table, the percentages are accordingly made to differ by four in the one case (where they are 72 per cent. and 68 per cent.) and by only two in the other (where they are 18 per cent. and 16 per cent.).

In other words parish A would require a rate of 2*s.* in the £ to raise 2*s.* per inhabitant, whilst parish B would raise an equal amount per inhabitant with a rate of 1*s.* in the £, or one-half the amount required in parish A, and as the difference in the rates would be large, so the difference in the grants should be considerable. On the other hand, parishes X and Y could each raise 2*s.* per inhabitant with rates of 1·26*d.* and 1·20*d.* in the £ respectively, and as the difference in the rates would be small, so should the difference in the grants be small.

It will also be observed not only that the Scale gives no grant to any parish in respect of its expenditure over 20*s.* per inhabitant, but that the wealthier parishes would receive no grant in respect of some parts of their expenditure below that amount. For instance, parishes having an assessable value of over 12*l.* per inhabitant would get nothing in respect of their expenditure over 16*s.* per inhabitant, and where the assessable value is upwards of 17*l.* per inhabitant, nothing would be received in respect of expenditure over 11*s.* per inhabitant. A high expenditure in these parishes is not usually as necessary as it may be in the poorer parishes; and even if it should be necessary in a few cases, the burden it imposes is comparatively small. Even so large an expenditure as 20*s.* per inhabitant would, without any assistance at all, involve a rate of only 1*s.* in the £ where the assessable value is 20*l.* per inhabitant.

* The grants per inhabitant for complete shillings would always be the same for parishes coming within the same limits of assessable value per inhabitant.

Full effect of the proposals.

The effect of the proposal is shown in the following Table, which embraces hypothetical cases ranging between the extremes of poverty and wealth, and of economy and liberality:—

Assessable Value per Inhabitant.		Expenditure per Inhabitant.					
		2s.	4s.	8s.	12s.	16s.	20s.
£1	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	1s. 5·8d. 6·7d.	2s. 9·8d. 1s. 2·2d.	5s. 4·1d. 2s. 7·9d.	7s. 6·5d. 4s. 5·5d.	9s. 5·0d. 6s. 7·0d.	10s. 11·8d. 9s. 0·2d.
£2	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	1s. 4·3d. 3·8d.	2s. 7·9d. 8·0d.	5s. 0·2d. 1s. 5·9d.	7s. 0·7d. 2s. 5·6d.	8s. 9·4d. 3s. 7·3d.	10s. 2·2d. 4s. 10·9d.
£3	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	1s. 3·4d. 2·9d.	2s. 6·0d. 6·0d.	4s. 8·4d. 1s. 1·2d.	6s. 7·0d. 1s. 9·7d.	7s. 11·7d. 2s. 7·4d.	9s. 4·6d. 3s. 6·5d.
£4	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	1s. 2·4d. 2·4d.	2s. 4·1d. 5·0d.	4s. 4·6d. 10·9d.	6s. 1·2d. 1s. 5·7d.	7s. 6·0d. 2s. 1·5d.	8s. 7·0d. 2s. 10·3d.
£5	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	1s. 1·4d. 2·1d.	2s. 2·2d. 4·4d.	4s. 0·7d. 9·5d.	5s. 7·4d. 1s. 3·8d.	6s. 10·8d. 1s. 0·9d.	7s. 9·4d. 2s. 5·3d.
£10	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	8·6d. 1·5d.	1s. 4·6d. 3·1d.	2s. 5·5d. 6·6d.	8s. 2·6d. 10·5d.	3s. 7·9d. 1s. 2·8d.	3s. 9·4d. 1s. 7·5d.
£20	Grant per inhabitant Rate in £ required to meet remainder of expenditure.*	8·8d. 1·0d.	7·0d. 2·1d.	10·3d. 4·3d.	10·6d. 6·7d.	10·6d. 9·1d.	10·6d. 11·5d.

Poor parishes will receive larger grants per inhabitant than rich parishes, and economical parishes will require a smaller rate than extravagant parishes.

The equity of these principles.

By the aid of this Table the general effect of the proposals can be seen at a glance. If, for example, a parish has an assessable value of 4*l.* per inhabitant, and spends upon poor relief 8*s.* per inhabitant, it would receive a grant of 4*s.* 4·6*d.* per inhabitant, and would require a rate of 10·9*d.* in the £—5½*d.* on owners and 5½*d.* on occupiers—to meet its expenditure over and above the amount of the grant. The more liberal treatment accorded to the poorer parishes will be seen by glancing down any of the columns, in each of which the grant per inhabitant always diminishes as the assessable value per inhabitant increases. Similarly the more advantageous position in which the economical parishes would be placed, can readily be ascertained by following the figures across the columns, when it will be seen that, although economical parishes receive a smaller amount per inhabitant than parishes with a higher expenditure per inhabitant, yet the rate in the £, which would still have to be levied, is always considerably smaller.

The highest grants per inhabitant would, of course, be given to the poorer parishes whose expenditure is high in proportion to population. If a parish with an assessable value of only 1*l.* per inhabitant spends 12*s.* per inhabitant upon poor relief, it would receive a grant of 7*s.* 6½*d.* per inhabitant, or 62·8 per cent. of its expenditure, but this high grant could not, we think, encourage extravagance, for a rate of 4*s.* 5½*d.* in the £ would still be required. On the other hand, improvements in administration in the poorest parishes are frequently retarded owing to the heavy burden which the necessary expenditure upon them would entail, and whilst the grants per inhabitant to these parishes would be smaller than those given to parishes of equal ability whose expenditure is greater, yet, they would represent a greater proportion of the expenditure actually incurred.

For instance, if the expenditure had been only 4*s.* per inhabitant in the previous illustration, the grant would have been 2*s.* 9·8*d.* per inhabitant, or 70·5 per cent. of the expenditure.

All the richer parishes would be treated much more sparingly, though the general effect would be similar to that in the case of the poorer parishes.

The high proportion of the expenditure which would be given in certain hypothetical cases is not incompatible with economy.

In certain hypothetical cases in which the assessable value per inhabitant and expenditure per inhabitant are very low, the grants under the Scale might be equivalent to as much as 72 per cent. of the expenditure, but it is improbable that this would actually occur, as there are only about a dozen parishes in Scotland in which the assessable value per inhabitant does not amount to 1*l.*, and in these cases an expenditure much in excess of the minimum is usually required, and is reasonable. Where, however, the grant is approaching to 72 per cent. of the expenditure, the extreme liberality is easily defensible, for the rate in the £ which would still be left

* See footnote * on p. 34.

To be raised in the locality would always be far in excess of that required, in the wealthier localities, and would thus be a powerful inducement to economy. In the 12 parishes in which the assessable value is below 1*l.* per inhabitant, the rates required would range between about 1*s.* 6*d.* and 3*s.* 6*d.* in the £, notwithstanding the high proportion of their expenditure, which would be defrayed from the grants.

Moreover, the application of the proposed Scale in a few of the wealthier parishes would result in a reduction of the grants now given and, consequently, an increase in the rates in the £ levied. From the point of view of equity only, this course is perfectly defensible, for the present rates in these parishes are invariably much lower than the average, and the increase necessitated by the reduction of the grants would be very small. But we do not lose sight of the fact that effective control of Poor Relief administration is more easily secured by the Central Government if accompanied by financial inducements, and we think it essential that the grants should nowhere be reduced to such an extent as to weaken the control already exercised. In order, therefore, that this may not occur, we suggest that in no parish should the grant be less than the amount at present received from the Pauper Lunacy and Medical Relief Grants. These grants procure for the Central Authority a certain influence in regard to the administration of Poor Relief, which is not the case with the other grants now given, and the retention of the present amounts as a minimum would be of much assistance to the Local Government Board in its difficult task of supervising the work of the numerous bodies to which the administration is now entrusted. This provision would, as already stated, only operate in a few of the wealthier parishes.

With regard to the parishes having an assessable value of more than 20*l.* per inhabitant, of which there are about eight, we would also suggest that the amount of the grants should be the same as at present received from the Pauper Lunacy and Medical Relief Grants, but in the one or two parishes in which nothing is received from these grants, the amount of the future grants might be determined by the same percentages as are proposed for parishes with assessable values of over 19*l.* and up to 20*l.* per inhabitant.

We will now compare the results of the proposals in a few actual cases with the position under the existing system of distribution.

The parish of Ettrick in Selkirk, which is almost wholly agricultural, has an assessable value of nearly 20*l.* per inhabitant, and is, in this respect, one of the wealthiest parishes in Scotland. Its expenditure upon Poor Relief is equal to 9*s.* 4*d.* per inhabitant, an amount which is considerably above the average for the whole of Scotland, but which, owing to the high assessable value, would involve a rate of less than 6*d.* in the £, even if it received no assistance from central funds whatever. Notwithstanding these circumstances it receives grants (including those under the Agricultural Rates, &c. Act) from the Local Taxation Account, amounting in the aggregate to more than one-half of its expenditure, and representing 5*s.* 1*d.* per inhabitant—one of the largest amounts, if not the largest amount, throughout Scotland. Of the total it appears that about one-quarter, or 1*s.* 2*d.* per inhabitant, is derived from the "grant in relief of parochial rates," and with this and the other grants the Poor Rate is reduced to less than 3*d.* in the £.

The parish of Old Monkland (Lanark), which is partly within the burgh of Coatbridge, has less than one-quarter of the assessable value per inhabitant possessed by Ettrick, and administers its Poor Relief much more economically, having an expenditure equal to only 4*s.* 2*d.* per inhabitant, or less than one-half of the amount spent in Ettrick. But notwithstanding the more restricted resources and greater economy in Old Monkland, the parish only receives grants amounting to 8*d.* per inhabitant, a sum which is only just over one-half of the amount granted to Ettrick under the head of "relief of rates" alone, and is left with a rate of 8*½d.* in the £.

The grants should nowhere fall below the present Pauper Lunacy and Medical Relief Grants.

Results of proposals compared with existing system in certain cases.

These details are summarised in the following Table, in which the effect of our proposals is also shown :—

Parish.	Popula-tion (1901).	Assessable Value (1900) per Head of Population (1901).	Expenditure upon Poor Relief (1899-1900) per Head of Population (1901).;	Present Position.			Future Position.		
				Amount of Grants (1899- 1900).	Grants per Head of Population.	Rate in £ required.	Amount of Grants.	Grants per Head of Population.	Rate in £ required.
Ettrick (Selkirk) -	231	£ s. 19 11	s. d. 9 4	£ 84	s. d. 5 1	s. d. 0 2½	£ 15	s. d. 0 11	s. d. 0 5½
Old Monkland (Lanark) -	53,288	4 15	4 2	1,670	0 8	0 8½	6,000	2 3	0 4½

It will be seen that although the grants to Ettrick would be decreased to 11d. per inhabitant by the scheme, and those to Old Monkland would be increased to 2s. 3d. per inhabitant, yet the rate in the £ left to be raised in the former parish would only be slightly in excess of that left to the latter, a result which is due to the more expensive administration in Ettrick. In the interest of economy it is desirable that the burden of this expense should be felt by the locality.

In the following Table similar details are shown for two agricultural parishes whose expenditure in proportion to their population is nearly the same :—

Parish.	Popula-tion (1901).	Assessable Value (1900) per Head of Population (1901).;	Expenditure upon Poor Relief (1899-1900) per Head of Population (1901).;	Present Position.			Future Position.		
				Amount of Grants (1899- 1900).	Grants per Head of Population.	Rate in £ required.	Amount of Grants.	Grants per Head of Population.	Rate in £ required.
Glenbucket (Aberdeen) -	403	£ s. 4 9	s. d. 7 7	£ 41	s. d. 2 0	s. d. 1 3	£ 78	s. d. 3 11	s. d. 0 10
Southend (Argyll) -	732	11 6	8 1	136	3 9	0 4½	79	2 2	0 6½

Southend, the richer parish, now obtains 3s. 9d. per inhabitant from the grants and, consequently, provides for its poor with a rate of no more than 4½d. in the £. Glenbucket, the poorer parish, receives only 2s. per inhabitant and requires a rate of 1s. 3d. in the £, or more than three times as much as Southend. Our proposals would considerably reduce this inequality, for whilst the rate in Southend would become 6½d. in the £, that in Glenbucket would be reduced to 10d.

The next Table gives the same details for an agricultural parish in Dumfries, and one of the principal parishes in the Isle of Skye :—

Parish.	Popula-tion (1901).	Assessable Value (1900) per Head of Population (1901).;	Expenditure upon Poor Relief (1899-1900) per Head of Population (1901).;	Present Position.			Future Position.		
				Amount of Grants (1899- 1900).	Grants per Head of Population.	Rate in £ required.	Amount of Grants.	Grants per Head of Population.	Rate in £ required.
Portree (Inverness) -	2,798	£ s. 2 16	s. d. 7 2	£ 272	s. d. 1 11	s. d. 1 10½	£ 599	s. d. 4 3	s. d. 1 0½
Hutton (Dumfries) -	668	11 10	7 8	129	8 11	0 3½	66	2 0	0 5½

In these cases the expenditure per inhabitant is again almost the same, each parish spending a sum equal to rather more than 7s. per inhabitant. Hutton, the parish in Dumfries is, however, over four times better off in assessable value per inhabitant than Portree in Skye, but the grants per inhabitant are more than twice as much in Hutton as they are in Portree, the rate in the £ in Portree being, under this system of distribution, more than six times as great as it is in Hutton.

Our proposals will effect a considerable alteration in these conditions, and by giving the larger grant per inhabitant to the poorer parish, the rate in the £ in that parish will then be little more than twice the amount of the rate in the wealthier parish. The proposed grant to Portree is equal to about 60 per cent. of its expenditure upon poor relief, and we think it would be impolitic to go beyond that proportion in this case, although the rate in the £ left to the parish is still rather high.

Finally, we give a Table showing the corresponding figures for the five parishes in Scotland having a population of over 100,000. These are, of course, urban parishes, and they would all appear to be economical in their expenditure. They at present receive very small grants in proportion to population, and would obtain more ample assistance under our proposals. In no case would the proposed grants leave a rate of as much as 7d. in the £.

Parish.	Popula- tion (1901).	Assessable Value (1900) per Head of Population (1901).	Expenditure upon Poor Relief (1899-1900) per Head of Population (1901).	Present Position.			Future Position.		
				Amount of Grants (1899- 1900).	Grants per Head of Population.	Rate in £ required.	Amount of Grants.	Grants per Head of Population.	Rate in £ required.
Glasgow (Lanark)	571,569	£ 6 s. 6	s. d. 4 9	£ 24,989	s. d. 0 10	£ 0 7½	£ 62,552	s. d. 2 2	s. d. 0 5
Govan (Lanark)	331,443	5 8	4 1	11,472	0 8	0 7½	34,823	2 0	0 4½
Edinburgh (Edinburgh)	308,594	8 4	4 7	13,918	0 11	0 5½	26,222	1 9	0 4
Dundee (Forfar)	163,619	5 0	5 7	8,882	1 1	0 10½	22,513	2 9	0 6½
Aberdeen (Aberdeen and Kincardine).	153,497	4 16	3 11	5,312	0 8	0 8	16,461	2 2	0 4½

So far as we have been able to ascertain, the total grant under these proposals would work out at about 528,000*l.*, but it must be borne in mind when considering the proposals that so far as the valuation is concerned, we have only had at our disposal statistics relating to gross values. If, as we have suggested elsewhere,* the net value of rateable properties should be made the basis for all local taxation, it is possible that, although the principles advocated would not be in any way affected, slight amendments might be required in the various figures which we have recommended for adoption, which would also to some extent affect the total amount of the grant. It is true that statistics relating to the net valuation of parishes under the Poor Law Act of 1845 already exist, but the methods upon which those valuations are constructed vary so considerably that the results form a very imperfect basis from which to draw important conclusions such as we have just indicated.

The next grant to be considered is that in aid of expenditure on Police. This service is controlled by the County and Burgh Authorities, and the inequalities in the resources and requirements of the rating areas are consequently much less extreme than in the case of Poor Relief. It is, therefore, possible to adhere more closely to the plan we proposed for the distribution of the Police Grant in England, and it is also desirable to do so, as the result of this plan has a more thoroughly equalising tendency than the modified scheme it has been necessary for us to adopt for the Poor Relief Grant in Scotland.

It will be remembered that the English Police Grant was to be distributed by giving to each authority the difference between the minimum expenditure, for which it was found that the service could be efficiently performed, and which was taken at 1*s.* 4*d.* per inhabitant, and the produce of a standard rate of 1½*d.* in the £ upon the assessable value. In addition to this, a further sum, equal to one-half of the expenditure incurred in excess of the minimum, was to be distributed from the grant.

The only modifications which we think necessary in the application of this arrangement to the Scottish Police Grant, are that the minimum expenditure should be taken at 1*s.* 2*d.* per inhabitant, and the standard rate at 1*d.* in the £. These changes may be justified on various grounds, but chiefly because the average cost of the Scottish Police is lower than that of the English forces, and because the assessable value, which we propose to adopt in Scotland, represents a greater proportion of the full valuation than the assessable value adopted for England.

Total amount of Poor Relief Grant, and effect upon the proposals of the adoption of net value as the basis for all rates.

In the distribution of the Police Grant equalisation may be carried to a greater extent than with the Poor Relief Grant.

Proposals already made for the distribution of the English Police Grants.

Each Police Authority should receive a grant equal to (1) the difference between the products of 1*s.* 2*d.* per inhabitant and a 1*d.* rate upon the assessable value, and (2) one half of its expenditure above 1*s.* 2*d.* per inhabitant.

* See p. 18.

Our proposal is, therefore, that the grant to each Police Authority should be a fixed sum consisting of :—

- (1.) The difference between the minimum expenditure, i.e., the produce of 1s. 2d. per inhabitant, and the produce of a 1d. rate on the assessable value; and
- (2.) One-half of the expenditure in excess of 1s. 2d. per inhabitant.

General result of this scheme.

The result of this scheme would be that the Police Authorities which confine their expenditure to the minimum would never need more than a 1d. rate; while the burden of expenditure beyond that limit would be assisted liberally, but as the grant would be a fixed sum, a stimulus to economy would still be retained. Moreover thorough effect would be given to the fundamental principles of ability and necessity.

Illustration showing how the grant would be calculated.

The following calculation of the grant to the County of Lanark will serve as an example :—

	£
The population of the police area of Lanark is 365,477, and the minimum expenditure at 1s. 2d. per inhabitant is, therefore	21,319
Its assessable value is 1,745,093 <i>l.</i> , and a 1d. rate would, therefore, produce	7,271
The first part of the grant is, therefore	<u>14,048</u>
The net expenditure of the police authority is 32,466 <i>l.</i> , which is in excess of the minimum expenditure (21,319 <i>l.</i>) by	<u>11,147</u>
One-half of the excess, which forms the second part of the grant is, therefore	<u>5,574</u>
And adding the first part, viz.	<u>14,048</u>
The total grant would be	<u>19,622</u>

The Police Authority of the County of Lanark would thus receive a grant equal to 60·4 per cent. of its expenditure, and would require a rate of 1*½*d. in the £ for police purposes:

Full effect of the scheme in all cases.

From the following Table the full effect of the scheme will be seen at a glance. So far as we have been able to ascertain, the expenditure of the various Police Authorities is everywhere within the limits of this Table, and in no case does the assessable value per inhabitant of the police areas exceed 10*s.*

Assessable value per Inhabitant.	£2 10 <i>s.</i>	Expenditure per Inhabitant.		
		1s. 2d.	2s. 6d.	4s. 6d.
		11·5 <i>d.</i>	1s. 7·5 <i>d.</i>	2s. 7·5 <i>d.</i>
£5	Grant per inhabitant	11·5 <i>d.</i>	1s. 7·5 <i>d.</i>	2s. 7·5 <i>d.</i>
	Proportion of expenditure met by grant	82·1%	65%	58·3%
	Rate in £ required to meet remainder of expenditure*	1·0 <i>d.</i>	4·2 <i>d.</i>	9·0 <i>d.</i>
£7 10 <i>s.</i>	Grant per inhabitant	9·0 <i>d.</i>	1s. 5·0 <i>d.</i>	2s. 5·0 <i>d.</i>
	Proportion of expenditure met by grant	64·3%	56·7%	53·7%
	Rate in £ required to meet remainder of expenditure*	1·0 <i>d.</i>	2·6 <i>d.</i>	5·0 <i>d.</i>
£10	Grant per inhabitant	6·5 <i>d.</i>	1s. 2·5 <i>d.</i>	2s. 2·5 <i>d.</i>
	Proportion of expenditure met by grant	46·4%	43·3%	49·1%
	Rate in £ required to meet remainder of expenditure*	1·0 <i>d.</i>	2·1 <i>d.</i>	3·7 <i>d.</i>
	Grant per inhabitant	4·0 <i>d.</i>	1s. 0·0 <i>d.</i>	2s. 0·0 <i>d.</i>
	Proportion of expenditure met by grant	28·6%	40·0%	44·4%
	Rate in £ required to meet remainder of expenditure*	1·0 <i>d.</i>	1·8 <i>d.</i>	3·0 <i>d.</i>

Total amount of Police Grant.

As the average net expenditure upon police throughout the whole of Scotland appears to be rather less than 2s. 6d. per inhabitant, and the average assessable value per inhabitant about 5*s.* 18*s.*, it will be seen from this Table that the grant

* See footnote * on p. 84.

would average about $1s.$ $4d.$ per-inhabitant, or $290,000l.$ in all. In the event, however, of the adoption of the net value as the basis for all rates, all these figures would be subject to the same qualifications we made with regard to the Poor Relief Grant.

A grant towards the provision of asylum accommodation for pauper lunatics receives support both from the English Lunacy Commissioners and the General Board of Lunacy for Scotland. The distribution of such a grant in Scotland upon the principles of "ability" and "necessity" offers some slight difficulty chiefly owing to the fact that in certain cases the District Lunacy Boards do not provide asylum accommodation themselves, but merely arrange for the accommodation of the patients from their districts in Royal Asylums which are more or less of a private character. In these cases the charge for the support of the patients is paid direct to the Governors of the Royal Asylums by the Parish Councils, and includes the cost of both accommodation and maintenance.

In order not only to meet this difficulty, but also to make further provision in the cases referred to for the more equitable distribution of the burden imposed by this service, we are of opinion that the system of defraying the cost of asylum accommodation in Lunacy Districts which do not possess asylums of their own should be assimilated, so far as possible, to the system in force in Districts which have such asylums. With this object provision should be made for setting out the cost of accommodation apart from the cost of maintenance in all contracts made between District Lunacy Boards and the Governors of Royal Asylums with regard to the support of pauper patients. The charges in respect of accommodation should then be made payable by the District Lunacy Board who would obtain the necessary funds from the County and Burgh Authorities as in the case of those Boards which provide asylum accommodation themselves; whilst the cost of maintenance would continue to be charged direct to the parishes from which the patients are sent.

If this were done, the charges for the accommodation of pauper patients in Royal Asylums would be spread over much larger areas than at present, and the asylums grant could be paid to the County and Burgh Authorities to be applied towards meeting the precepts of the District Lunacy Boards. In the case of Parochial Asylums the grant would be paid to the Parish Councils concerned.

For the distribution of the total grant we make precisely the same recommendations as we did for England, viz., that each County, Burgh, or Parish Council should receive a fixed sum equal to the produce of a $\frac{1}{2}d.$ rate upon its assessable value and the produce of $6d.$ per inhabitant.

With a few and unimportant exceptions all public highways are controlled either by the County or the Burgh Authorities, no distinction being made between main roads and roads of a more local character. It would, therefore, be necessary, before attempting the distribution of a grant in aid of the maintenance of main roads, to determine the roads which should be so classed, and for this purpose we think that a small expert Commission, similar to that which we suggested for England, should also be appointed in Scotland. The consideration of the distribution of the grant might well await the result of this inquiry, but we would suggest that no plan should be finally adopted which does not take adequately into consideration the ability of the districts liable to provide the balance of the expenditure.

The total grant suggested for this service is $140,000l.$, or about one-seventh of the corresponding grant suggested for England and Wales, and it would supersede not only the grant of $35,000l.$ now made towards the cost of roads, but also that of $10,000l.$ contributed to the County Councils in the Highlands and Islands of Scotland, and which is chiefly applied to the same purpose. Especially, we think, should the extreme poverty of these counties be taken into consideration in the scheme of distribution.

The proposed grant of $19,000l.$ in aid of Sanitary Inspection should be distributed as at present, viz., in proportion to expenditure upon approved salaries of medical officers and sanitary inspectors and their travelling expenses. The sum named represents about one-half of the present expenditure, and, as with the other grants, both the total amount and the amount payable to each authority should be fixed sums.

The distribution of the Lunatic Asylums Grant on the lines of "ability" and "necessity" offers some difficulties.

But these may be removed by an amendment of the existing system of meeting the cost of asylum accommodation in certain districts.

How the grant to each authority should then be calculated.

Grant for Main Roads. A Commission suggested to determine which are main roads.

Total amount of grant.

Grant for Sanitary Inspection.

Grant for Secondary and Technical Education should be distributed by Scotch Education Department.

Amendment of grants to Necessitous School Boards and to small schools is desirable.

Supplementary School Fee Grant should, with the Voted Grant, be distributed at the rate of 12s. per scholar.

These proposals involve a rearrangement of the Scottish grants. Objects of the existing grants.

We now come to the Education Grants passing through the Local Taxation Account. There are at present three grants in aid of Secondary, Technical, and Agricultural Education, and in 1900 a Bill was introduced into Parliament for the purpose of bringing them all into one common fund. "Local Higher Education Committees" were to be formed and the grants were to be administered in accordance with the provisions of the Bill partly by those Committees and partly by the Scotch Education Department. Some such arrangement as this seems highly desirable for the administration of the increased and fixed sum of 200,000*l.* which we now propose should be granted in aid of higher education. The Scotch Education Department would, by this means, be able to ensure the distribution of the money on more equitable principles and to procure the best results.

As regards primary education, we do not desire to suggest any alteration in the amount or distribution of the main Educational Grants paid out of the Parliamentary Vote. The portion of the Agricultural Grant which goes in aid of school rates would of course disappear, but the agricultural occupier would continue to be rated at three-eighths of the net annual value of his lands and heritages as under the Agricultural Rates Act. Under these circumstances it will evidently be necessary to amend the system of grants to Necessitous School Boards under section 67 of the Education Act of 1872 and section 1 of the Education Act of 1897,* by substituting assessable value (as defined on pp. 32-3) for rateable value as the measure of ability for the purpose of those grants. This would at once prevent any serious burden being thrown on the agricultural districts by our proposals. But, with a view to relieve further all heavily rated districts, urban and rural alike, we also recommend (as was suggested for England) that the 4*d.* step in the sliding scale under the Act of 1897 should be increased to 5*d.* And further, we think that it would be opportune to extend to Scotland another small privilege which was given in 1890 to schools in thinly populated districts in England.

The greater comparative burden involved by the maintenance of small schools among a widely scattered population has been already recognised in 1876, when grants were instituted both in England and Scotland on the following scale:—

	£
For each school where the population within two miles does not exceed 200	15
For each school where the population within two miles exceeds 200, but does not exceed 300	10
In England a further grant of 10 <i>l.</i> (in addition to the above) was given in 1890 to every school where the population within two miles does not exceed 500. This provision was not at the time extended to Scotland, but we recommend that it should now be so extended, and we are satisfied that this measure will meet a real difficulty. As with the original grants, the additional amounts required for these purposes should be charged on the Votes.	

The principal grant to make good the abolition of school fees, amounting to 10*s.* per scholar, is also charged upon the votes, and the two sums paid from the Local Taxation Account for the same object enable the Voted Grant to be increased to about 12*s.* per scholar. One of those sums varies from year to year, principally on account of the varying yield of the Death Duties and Local Taxation Licences, and in 1897 the Government undertook to maintain the combined Grants from the Votes and the Local Taxation Account at an amount sufficient to permit of a total grant of 12*s.* per scholar, by means, if necessary, of a Supplementary Parliamentary Vote. In 1899-1900 and 1900-1, however, the amount available from the Local Taxation Account was more than sufficient to meet the extra payment of 2*s.* per scholar. We are of opinion that the amount payable from the Local Taxation Account should consist of a fixed sum of 65,000*l.* per annum, and that the arrangement made in 1897 for the maintenance of the grant at 12*s.* per scholar should be continued.

It will now have been seen that our proposals involve the re-arrangement of the more important grants at present passing through the Local Taxation Account. Those grants differ from their English equivalents in some respects, the chief

* Section 67 of the Education Act of 1872 provides that where a rate of 3*d.* in the £ on the rateable value of a parish or burgh is levied and does not produce 7*s.* 6*d.* per child in average attendance, a grant equal to the difference is made from the Parliamentary Vote; and section 1 of the Act of 1897 increases the 7*s.* 6*d.* per child by 4*d.* per child (up to a maximum of 16*s.* 6*d.* per child) for each 1*d.* in the £ by which the rate actually levied exceeds 3*d.*

distinction being that they are charged direct upon the Local Taxation Account, without the interposition of anything like the English County Exchequer Contribution Accounts. As in England, however, their principal object was improvement in the administration of national services, and it is no doubt true that, to a certain extent, that object has been attained. Moreover, the Highlands and Islands Grant, the method upon which it was distributed during the first two years of its existence,* and the grant to the Congested Districts Board bear witness that at any rate one principle to which we attach importance, viz., the adjustment of the burden to the ability of localities, has received more recognition in Scotland than upon the other side of the border.

Under these circumstances it is somewhat anomalous that at least three of the present grants are still distributed, wholly or in part, in direct proportion to valuation. This system undoubtedly results in the granting of greater relief to wealthy districts than to poorer districts, and we trust that it will not again be adopted in any amendment or extension of the grants. Moreover, the three grants referred to are not appropriated to any specific purpose, and may consequently be applied to services which are not in any sense of a national character. We are strongly of opinion that this form of assistance to the rates should cease, and that the Imperial aid should be strictly ear-marked to National Services. These grants were objected to on behalf of the County Councils Association by Mr. Renshaw,† and Mr. Patten MacDougall, a member of the Local Government Board for Scotland, expressed the opinion that they do not tend to the best administration.‡

We believe that the redistribution of the Imperial Subventions upon the lines we have indicated, even apart from what appears to us its manifest fairness, would have far-reaching results upon the economic condition of the poorer localities, and would especially be a more effective and less costly means of securing the best forms of administration, than the present method of giving various grants for particular branches of the great National Services.

To confine the grants to certain unvarying items of expenditure is apt to tie the hands of the Central Authority, and to prevent the necessary elasticity in administration which natural variations in the circumstances of different districts and periodical changes in public opinion demand. Nor is this the only objection which can be urged against such grants, for, in enforcing any improvements which involve expenditure, no matter how essential those improvements may be, the Central Authority is bound to meet with greater opposition in poor districts than in wealthier districts, and that opposition, although it may be reduced by *per capita* grants, or grants in proportion to expenditure, will not be entirely removed until both districts are placed upon an equal footing, and the burden of the expenditure is, so far as possible, equalised.

We have much evidence in support of this view. One of the largest grants now given is that towards the maintenance of pauper lunatics, which is distributed in proportion to the expenditure on maintenance, not exceeding 8s. per lunatic per week. Notwithstanding this grant, the General Board of Lunacy for Scotland inform us that, "The burden of pauper lunacy falls very unequally upon the various counties of Scotland, the reason being that while asylum treatment is of the same kind, and equally expensive to all, the assessable rental upon which the burden falls varies greatly"; and again that "even with the Government contribution now given, the present burden of maintaining the insane poor in asylums bears much more heavily on many of the poorer districts than the burden which was borne by the wealthier districts before the Government grant in-aid was first given." These statements are supported by a comparison of the burden actually falling upon certain counties,§ and similar figures were also furnished by the Local Government Board for Scotland.|| Moreover, whilst the Board state that, generally speaking, the grant has caused an unnecessary accumulation of inmates in asylums, and "the relief to local rates has in this way proved to be by no means commensurate with the amount of the

Objections to some of the existing grants.

Advantages of our proposals.

Objections to stereotyping the grants to certain items of expenditure.

The existing Pauper Lunatics Grant has not equalised the burden of pauper lunacy, and whilst it has unnecessarily increased the number of asylum patients in some districts, it has not adequately encouraged asylum treatment in the poorer districts.

* This method will be found on page 75 of the English Report. It consisted in giving grants of specified amounts per inhabitant to each parish, the amounts being higher in parishes with a low valuation per inhabitant than in those where the valuation per inhabitant was high.

† Renshaw, 14,363-4; and Memo., pars. 33-5 (Vol. III., p. 161).

‡ Patten MacDougall, 18,117, 18,077, &c.; and Memo., par. 14 (Vol. III., p. 286).

§ See Vol. IV. of Minutes of Evidence, p. 192, par. 33; and p. 197, par. 16.

|| See Vol. III. of Minutes of Evidence, pp. 300 to 304.

" grant, if, indeed, it has actually relieved the rates at all";* yet they add that the heavy burden entailed by the maintenance of the insane in the poorer districts "has stood in the way of the removal of patients to asylums in cases where that mode of care was called for in the patients' interests."†

And lastly, it is argued by the Board that, "If it be admitted that all the insane poor who require asylum treatment, whether in their own interests or in those of the public, are entitled to such treatment . . . it would further that end if special consideration were given to those districts on which the burden of maintaining pauper lunatics in asylums falls so heavily as to constitute a bar to that mode of care in cases calling for it."‡

Opinion of Mr. W. Penney, General Superintendent of Poor, as to desirability and possibility of equalising the Poor Rate.

We may also refer to the Report made by Mr. W. Penney, General Superintendent of Poor for the Northern Highland District,‡ to the Local Government Board for Scotland in June 1900.§ In that Report the following passage occurs:—"Another point which has long caused anxiety is the unequal pressure of the Poor Rate assessment. The miserably poor parish of Walls, in Shetland, has to pay nearly 12s. in the pound as a Poor Rate, while many much wealthier parishes escape with less than half the number of pence. The poorer a parish is the more it suffers in this respect, with the inevitable result that the able-bodied men are driven from it to work in less heavily-taxed districts, only returning when health and strength alike fail.

" I hope it may yet be found possible to impose an equal Poor Rate on all parishes; the poorer would be greatly relieved, and the wealthier would not feel it. It ought not to be 'beyond the wit of man' so to regulate the expenditure in each parish, and by each Parish Council, as to prevent the anticipated prodigality which is, I understand, at present the chief objection to the scheme."

Increased powers of control should be given to the Government Departments concerned in the administration of the services assisted

It would, of course, be necessary under our proposals to place in the hands of the Central Authority additional powers with regard to the regulation and superintendence of the National Services. The checks already exercised are, no doubt, considerable, but, in order that the altered form of some of the grants might not withdraw the pecuniary inducement to the best forms of administration, we suggest that the Central Authority should be invested with the power of withholding the whole or a proportion of the grant to any Local Authority in the event of non-compliance with such regulations as might be framed. The payment of a fixed proportion of the grant might, for instance, be made conditional upon the proper treatment of those classes of paupers for whom it is desirable, and sometimes essential, that special accommodation should be provided. Further than this it is unnecessary for us to go. The various Departments concerned, and the competent officers at their command, are well acquainted with the conditions under which these National Services are administered and with the best methods to be followed, and there is no doubt that, if the burden were equalised, they would be in a better position to lay down and enforce uniformly such regulations as would produce a considerable and permanent improvement in administration.

An efficient audit system should be established for all local accounts.

And lastly, as a further safeguard, we would recommend the establishment of an efficient audit system, where it does not exist, for the accounts of all Local Authorities in aid of whose expenditure Imperial grants would be given. The accounts of County and Parish Councils are already subject to audit under the Local Government Acts of 1888 and 1894. Those of District Lunacy Boards are still, we understand, not brought under the audit provisions of those Acts, and we think that the extension of the system to the accounts of these bodies would be advantageous.

By the Town Councils (Scotland) Act of 1900, the Secretary for Scotland, as in the case of County and Parish Councils, was empowered to appoint Auditors of Burgh accounts. The question seems to arise whether the time may not be approaching when the system of audit by Government Auditors giving their whole time to their official duties, as in England and Ireland, should be applied to Scotland.

* See Vol. IV., p. 192, par. 35.

† See Vol. IV. of Minutes of Evidence, p. 192, par. 33; and p. 197, par. 16.

‡ Mr. Penney has since been transferred to the Southern Highland District.

§ See Sixth Annual Report of Local Government Board for Scotland (Cd. 701), p. 15.

II.—THE VALUATION OF RAILWAYS AND CORPORATION WATERWORKS.

Whilst we concur in the opinion expressed by our colleagues as to the desirability of allocating the total valuation of Scottish railways between the various rating areas upon the basis of train mileage, we desire to make some further recommendations upon the subject of railway valuation, and also to suggest some amendments in the present system of valuing waterworks owned by Corporations.

(a.)—Railways.

It has been brought to our notice that there is a difficulty in determining whether some subjects belonging to or leased by a railway company really form part of its undertaking, and, in consequence, some doubt arises as to whether they should be included in the Railway Assessor's Valuation Roll or in those of the Local Assessors. There have been numerous judicial decisions upon the question, but, so far from establishing a clear and intelligible rule, they have created many anomalies, and still leave room for doubt in certain cases. The question was considered by the Select Committees upon Valuation of 1865 and 1890, and both Committees were of opinion that the term "undertaking" should be defined by Parliament. We cordially agree with them, and would recommend that the definition should be upon the lines suggested by Mr. Munro. That suggestion, which received the support of the Committee of 1890, is as follows:—

"The word 'undertaking' used in the Act 17 & 18 Vict. c. 91, and Acts amending the same, in relation to the valuation of railways and canals in Scotland, shall mean all lands and heritages belonging to, or leased by, each railway or canal company, including the permanent way as defined by section 2 of the Valuation Act, 30 & 31 Vict. c. 80, canals, ferries and all erections used as stations, offices, waiting-rooms, hotels, platforms, loading banks, sheds, stores, stables, workshops, gasworks, wharves, docks, basins, depôts, railway sidings, and all other houses, erections, works and places of business used for the traffic purposes of such company, or in connection with the management, working, or maintenance of the railway or canal, or any part thereof, and all lands, buildings, privileges, and others within, or adjoining to, or abutting upon any of the works herein-before mentioned, let to or used by or for the convenience of persons using the railway or canal, including such erections as may be placed thereon by occupiers; the following subjects amongst others being held to come under this interpretation, namely, hotels sanctioned by statute as station hotels, refreshment rooms, bookstalls, cab-stands, advertising spaces, dépôt ground, warehouses, stores, sheds, offices, stables, and the slopes and banks of canals or railways; but declaring that the said word 'undertaking' shall not include any dwelling-house or garden, or other accommodation occupied in connection therewith, nor shall it include offices or places of business leased and occupied by railway or canal companies, as separate subjects, and used as booking or goods or parcel receiving offices, or as stables, or for any like purpose, where such are not situated within or adjoining to the undertaking as herein-before defined."

The deductions made from the gross revenue are, as is shown on page 20, grouped under two main heads, viz., working expenses and tenants' allowances.

In the calculation of the more important of the tenants' allowances, i.e., those for the tenants' working stock and plant, there are two distinct operations, the ascertainment of the value of the stock and plant, and the application thereto of various percentages, each representing certain returns which the tenant would expect from his capital invested in that stock and plant.

There has been only one valuation of the companies' stocks since the Act of 1854 was passed, and we think not only that a revaluation is urgently needed, but also that it should be repeated periodically, say every 10 years. For the intervening years, we would also suggest some amendments in the present system of estimating the valuation of the companies' stocks. The hypothetical tenant is at present allowed a deduction of 5 per cent. from the value of his stock for depreciation. Whilst expressing no opinion as to the amount of the percentage, we do not think, for reasons which we

There should be a statutory definition of the term "undertaking" as used in the Valuation Act.

The tenants' working stock and plant should be revalued periodically. Suggested amendment in present method of ascertaining value for intermediate years.

will explain later on, that this allowance should be discontinued, but it seems to us illogical that a corresponding reduction should not be made year by year in the estimated value of the stock. If, in the course of a year the depreciation in respect of a wagon worth 100*l.* amounts to 5*l.*, and if that 5*l.* is allowed to the tenant as a deduction, it is clear that the value of that wagon is, and should be taken to be, only 95*l.* next year. We accordingly suggest that, in estimating the value of the tenant's stock in the intermediate years, the value for the preceding year should be first of all reduced by the same amount that is allowed as a deduction for depreciation. It is true that an attempt is now made to take the depreciation into account by adding to the preceding year's valuation not the entire expenditure upon additional stock but only 75 per cent. of that expenditure. We think, however, that this method is too crude, for we fail to see why the other 25 per cent. of the expenditure upon additional stock should necessarily be equivalent to the depreciation occurring in the previously existing stock,* and, moreover, such expenditure may and does vary from year to year to a considerable extent, and the proportion it bears to the value of the previously existing stock varies between one company and another. If, however, the valuation should be first of all reduced in the manner suggested, it would follow that the full cost of additional stock should be added each year instead of merely 75 per cent. of it.

A deduction for depreciation should be continued, but that for expenditure upon renewals should cease, and the amount of that expenditure should be added to the value of the tenants' stock.

The deduction for occupiers' income tax should cease.

Summary of proposals with regard to deductions.

With regard to the deductions from the gross revenue, it is frequently contended that, under the present system, the depreciation of the tenants' working stock and plant is allowed for twice over, once under the head of tenants' allowances, and again in the name of "repairs and renewals," the whole expenditure upon which is included in the working expenses; and in support of this contention it is argued that, owing to the invariable practice of renewing worn-out stock by other stock of greater working capacity, more costly, and with all the latest improvements, the repairs and renewals leave the stock, as a whole, in a more valuable condition than it was before. Whilst we admit that there is some force in this argument, we do not think that the proper way of correcting the anomaly is to withdraw the allowance for depreciation. No amount of repairing alone will arrest the depreciation which is taking place, and although the practice in regard to renewals may have that effect, we think it would be more in accordance with the general principles of railway valuation if expenditure upon renewals were treated in the same way as expenditure upon additional stock, and added to the preceding year's valuation of the tenants' working stock and plant.† The deduction for renewals under the head of working expenses would then, of course, cease, whilst that for repairs would be continued as at present.

There is but one other deduction to which we would refer, and that is, occupiers' income tax, which is allowed for under the head of working expenses, and is calculated at the current rate per £ of the income tax on the amount of the tenants' allowances for profits, interest, and depreciation for the previous year. We do not think that this is a proper subject of deduction. If there is any argument in support of it, it is merely that the percentages allowed for trade profits, interest, and depreciation are insufficient, and if this is the case, those percentages should be increased; but if not, the deduction should be withdrawn.

Our proposals with regard to the deductions are, therefore, briefly as follows§:—

- (1.) A periodical revaluation of the working stock and plant.
- (2.) In estimating the value of the working stock and plant in intermediate years, take the figure for the preceding year, and—
 - (a) reduce it by the same amount that is allowed as a deduction for depreciation;
 - (b) add the whole expenditure upon additional stock, instead of only 75 per cent. of that expenditure as at present;
 - (c) add the expenditure upon renewals.

* It appears that the deduction for depreciation of working stock and plant allowed to the Caledonian Railway Company in the valuation for 1901–2 amounted to 251,131*l.*, whilst 25 per cent. of the expenditure upon additional working stock and plant only amounted to about 107,000*l.* The corresponding figures for the North British Railway for the same year were 255,933*l.* and 50,000*l.* respectively.

† The expenditure upon "repairs and renewals" includes the cost of replacing each worn-out coach, wagon, &c. by a new one, but does not include the cost of additional coaches, wagons, &c.

‡ If, as is generally agreed, the effect of the expenditure upon renewals is not only to arrest depreciation but also to improve the value of the stock, it will readily be seen that under no circumstances should the actual amount allowed for depreciation exceed the average annual amount expended upon renewals.

§ If, as we have suggested elsewhere, the net value should be adopted for all rates, we would, for the sake of uniformity, further suggest that the whole cost of maintaining the permanent way should be deducted after the gross value has been fixed, and not, as at present, one-half before and one-half afterwards.

- (3.) Continue the deduction for repairs under working expenses, but discontinue that for renewals.
 (4.) Discontinue the deduction for occupiers' income tax.

We do not propose to discuss the various percentages which now determine the amount of the tenants' allowances. Those percentages are purely hypothetical figures, highly debatable at all times, and liable to become inequitable with each change in commercial prosperity or depression. In order, therefore, that these changes may be adequately considered, we suggest that the Railway Commission or the Court of Session should be given the power to vary the percentages as occasion requires.

On the question of the valuation of the stations, &c. Mr. Jackson, the Assessor of Railways and Canals, has drawn our attention to the fact that the total valuation of the Highland Railway for the year 1901-2 was insufficient to provide for the statutory 5 per cent. on the capital value of the stations, &c., and that in consequence no annual value could be assigned to the lines themselves. Such a result appears to us to be very inequitable, and was probably not contemplated when the allowance to the stations was increased from 3 per cent. to 5 per cent. upon their value in 1867. The profitable occupation of the stations as such apart from the lines is clearly impossible, and whatever fluctuations there may be in the valuation of the whole undertaking should, we think, be shared to some extent by both. At the same time we consider that, as the stations usually occupy important positions, they should, at least as regards the portion of the value attributable to their sites, be assessed at no less a sum than the adjacent properties.

We accordingly suggest that from the total valuation of each undertaking there should be allotted to the stations, &c., a minimum sum equal to 3 per cent. upon their capital value, so long as the total valuation is sufficient for that purpose; and that the percentage should vary above that minimum with the resulting valuation of the line per train mile run.

(b.) Corporation Waterworks.

Though there are still in Scotland a few private undertakings for the supply of water, the waterworks for most of the larger burghs are now owned by the Corporations, and the valuation of the latter presents numerous difficulties which do not arise in the case of the former. First, the Statutes under which the waterworks have been acquired or constructed usually prohibit the Corporations from making a profit; that is to say, the water rates levied by the Corporations must as nearly as possible equal the amount required to defray the working expenses and the debt charge in connection with the undertakings. Secondly, the debt charge, which thus has to be defrayed out of the rates, includes not only the interest on outstanding debt but also the sums which the Corporations are under a statutory obligation to set aside in order to pay off, within a prescribed period, the capital borrowed in connection with the undertakings. And, lastly, when the Corporations undertook the provision of the water supply, they first of all invariably acquired the private undertakings then in existence, though those undertakings have since been enlarged or replaced by other works. Moreover, the payment to the shareholders of the private undertakings usually took the form of annuities, and when these annuities are not perpetual (as, however, they frequently are), the sums required for their redemption are also obtained from the water rate.

Under these circumstances the valuation of Corporation waterworks is now made up by deducting from the gross receipts from each undertaking:—

1. The whole of the working charges.
2. Five per cent. for interest upon floating capital, the amount of such capital being estimated at one-half of the working charges.
3. Seven-and-a-half per cent. for interest, depreciation and risks on value of meters and plant.

The total valuation so arrived at is distributed between the various areas in which the undertaking is situated, in proportion to the structural value of the works in each.

As these undertakings are prohibited from making a profit, it is, *prima facie*, somewhat anomalous that they should be valued upon what is called the profits principle. It may be pointed out that the effect of this prohibition is simply to leave in the pockets of the ratepayers the profits that might otherwise be made, and that one necessary modification in the application of the principle required on this ground is the

The actual amount of the percentages allowed should be determined by the Railway Commission or the Court of Session.

Stations should be valued at not less than 3 per cent. upon their capital value, but the percentage should vary above that figure according to the value of the line per train mile.

Exceptional circumstances to be considered in the valuation of Corporation waterworks.

Existing method of valuing Corporation water-works.

The question of trade profits in relation to the valuation.

disallowance of any deduction from the gross receipts for trade profits, a restriction which the Court has already imposed. It is, however, interesting to observe that, under these circumstances, the resulting valuation of these undertakings differs in one important respect from the valuation of those (whether waterworks, railways, or any other properties) of commercial companies, which are valued upon the same principle, and which do produce a profit. In the latter case, as the allowance for trade profits is a fixed amount, the fluctuations in the prosperity or depression of the undertakings are thrown into the valuation of the rateable portion of it, whereas in the case of Corporation waterworks, the revenues from which contain no profits, the valuation of the rateable portions is not liable to fluctuations from those causes.

The gross revenue
is a wrong start-
ing point and
should be
modified.

Apart from this question, however, it appears to us that the present system of making the gross revenues the starting point is open to considerable objection, in so far that, on the one hand, they contain sums raised for the extinction of debt, and on the other hand they do not contain interest upon debt which has been already repaid.

We regard the portion of the water rates raised for and applied to the extinction of debt, whether incurred in respect of the existing works or of works now abandoned, as practically analogous to sums applied by the owners of a private undertaking to the redemption of a mortgage on their property, and it is as illogical to assume that they enhance the value of the waterworks as it would be to maintain that the owners of the private undertakings could, in the face of competition, raise the price of their products in order to provide the sums required for the redemption of the mortgage. In other words this part of the water rates is raised for the *acquisition* of the undertaking and, being quite distinct from the part raised by the Corporation as trader or tenant, should not be included in the revenues from which the valuation is deduced. But, on the other hand, we think that the additional amount which would have been raised to meet the interest on the debt, had no part of it been repaid, should be added to those revenues. The application of the sinking fund is merely converting the Corporation into its own landlord, and we see no reason why this operation should effect any alteration in the rent the Corporation as tenant would be willing to pay.

We would include in the sums so added the interest upon debt incurred in respect of works now abandoned, for the acquisition of those works has conferred a sort of monopoly value upon the existing undertakings. The position of the Corporation in this respect is, in fact, very similar to that of the holder of a public-house license, and we have already expressed the opinion, in our Report for England and Wales (p. 53), that the additional value given to a property by reason of the occupier having a special privilege to carry on his trade, ought to be fully considered in ascertaining the rateable value.

"Profits principle"
and "contractors'
rent" principle
not inconsistent in
these cases.

It may be observed that, although the course we suggest would be as nearly as may be in accordance with the profits principle, it would be substantially equivalent to taking a percentage upon the cost of construction, the two principles being, in the exceptional circumstances of these undertakings, not inconsistent.

Deductions for
tenants' interest,
&c.

As with railways, the percentages determining the deductions to be made for tenants' interest, &c. should be fixed by the Railway Commission or the Court of Session. It appears that under a decision of the Lands Valuation Appeal Court the same deductions for maintenance and repairs are made before fixing the gross value, and again when determining the rateable value. If the principles we have laid down be adopted, this deduction should be made only once.

Allocation of
total value.

We see no reason for any alteration in the present method of distributing the total valuation between the various rating areas.

Determination of
net value of pro-
perties valued by
Railway Assessor

With reference to the recommendation in Chapter V. that all rating should in future be upon *net* value, which should be fixed by the Valuation Authorities, we desire to express the opinion that the Assessor of Railways and Canals should determine the net value as well as the gross in the case of all properties valued by him.

BALFOUR OF BURLEIGH.
J. B. BALFOUR.

REPORT BY SIR EDWARD HAMILTON AND SIR GEORGE MURRAY.

TO THE KING'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

We agree with the views expressed by our colleagues in Chapters I., II., and V.; and as regards the Distribution of Exchequer Grants, we concur generally with the recommendations of the Chairman, whose opinion on Scottish Administration is entitled to special weight.

In these circumstances, we think it unnecessary to deal on our own account, separately and at length, with the case of Local Taxation in Scotland. But it must be understood that, in abstaining from a full explanation of our own views, we do not commit ourselves to any arrangements which may be found to be inconsistent with the principles laid down in our Final Report on England and Wales.

The main principles to which we refer, and to which we attach great importance are:—

- (1.) That the only local expenditure to which the State ought to contribute is expenditure which is incurred by Local Authorities more in the interests of the community at large than in those of their own locality, and which may thus be deemed to be onerous;
- (2.) That the contribution should take the form of a fixed grant for a specified period;
- (3.) That the fixed grant should constitute a charge on the Consolidated Fund;
- (4.) That the distribution of the grant should be made on the principles of "necessity" and "ability," with a view to equalising burthens and promoting sound administration;
- (5.) That for rates for national purposes agricultural land should be classified, and the occupier should receive differential treatment.

ALL WHICH WE HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

E. W. HAMILTON.
G. H. MURRAY.

10th April, 1902.

REPORT ON URBAN RATING AND SITE VALUES, BY
LORD BALFOUR OF BURLEIGH, LORD BLAIR BALFOUR,
SIR EDWARD HAMILTON, SIR GEORGE MURRAY, AND
MR. JAMES STUART.

The conclusions set forth in our Separate Report on Urban Rating and Site Values Introductory. in England and Wales* should, in our opinion, be applied to Scotland without any modification in principle. But a few words are necessary on certain points of detail, because the law and custom relative to the tenure of land in Scotland are in some respects different from those in England. It must be remembered also that a considerable part of the rates in Scotland are already divided between occupiers and "owners," and the proposals which have been put forward on this subject in Scotland differ somewhat from the English schemes discussed in our former Report.

* See pp. 149 to 176 of Final Report for England and Wales.

Urban tenures.

Building Leases of heritable property in Scottish burghs are comparatively rare. The various interests arise most commonly as follows:—

- (1.) A, the original landowner, "feus" the land to B, a builder or speculator i.e., he grants the land to B subject to the payment of a fixed perpetual annuity called a feu duty. The relation thus created between A and B is by Scots law a feudal relation. A is called the "superior" and B the "vassal"; but, on the other hand, so long as B pays the feu duty and observes the other stipulations of the feu charter, he is the proprietor or owner of the land, and consequently if the land increases in value after the date of the feu grant, that increase, as well as the entire value of the building, belongs to him. The value of the superior's interest is only slightly increased by the improvement of the security which he has for his feu duty and other prestations due under the feu grant. Economically this system is identical in effect with the chief rent system common in the north of England.
- (2.) The builder, having erected a house, sells it subject to the feu duty and any other prestations to which it may have been liable in his hands.
- (3.) The purchaser, who thus becomes the proprietor and vassal, may either occupy the house himself or let it.
- (4.) If the property is let, the letting is usually annual, from Whitsunday to Whitsunday, but it may be for any other period.

The above conditions are the simplest and most common, but other possible modifications should be noticed:—

- (a.) In addition to the feu duty, certain payments may become due to the superior on the entry of a new vassal or proprietor, or at fixed periods. These payments, which are known as feudal casualties, have been simplified and restricted by recent legislation. A common example is the liability to pay an extra year's feu duty every 19th year, or at some similar interval.
- (b.) Instead of selling outright for a lump sum, the proprietor of a building feu may either (1) subfeu where subinfeudation is not prohibited by the titles, or (2) sell the feu subject to payment of a fixed perpetual annuity charged on the property called a ground annual. If he subfeus, he retains an interest in the property called a mid-superiority and receives payment of the feu duties payable by the sub-vassal, which would in the ordinary case be larger than those payable by the vassal to the over-superior.

Ground annuals are stipulated for in building feus where subinfeudation is validly prohibited by the titles, and it is found more advantageous to dispose of the land in lots in consideration of an annual rent or ground annual than for a price immediately payable. Although the practical result of a feu grant and a ground annual may be much the same, they are in their nature distinct. By a feu grant an annual return from land is secured by the reservation of an intermediate feudal superiority, while the object of a contract of ground annual is to secure a similar yearly return without creating a new fee, or feudal estate.

- (c.) Sales and mortgages of feu duties and ground annuals are frequent.

The system under which certain rates are divided half and half between owner and occupier is explained elsewhere (p. 4). It may be observed that a considerable part of urban rates are not divided, but charged wholly on the occupier.

Further, the system of division operates in practice for the most part only between the occupier who is a yearly tenant and his immediate landlord. The person having a right to a feu duty or ground annual is not, therefore, directly rated, though we think it clear that a share of the rates falls on him indirectly, in accordance with the laws of incidence. The rates are payable by the vassal—first, because it is customary to stipulate in the titles that they shall be payable by him, and secondly, because, apart from stipulation, the rates would be payable by him as the proprietor of the land.

Division of rates between owner and occupier.

Proposals and criticisms.

Some of the witnesses who appeared before the Commission advocated the taxation of ground values in an extreme form, but none of them propounded any definite detailed scheme. Bills have, however, been introduced into Parliament, advocating a land value assessment charged upon owners exclusively, with right of proportionate deduction from ground annuals and feu duties, regardless of contracts. These proposals are open to all the criticisms which we urged against such schemes as that of Mr. Fletcher Moulton in regard to England.

The rating of feu duties fixed under existing contracts would be a peculiarly objectionable and indefensible breach of contract.

For the reasons explained in the former Report, we conclude that a separate Recommendation. valuation of sites, apart from the structures upon them, should be made, and a rate proportioned to the site value alone should be levied for urban improvement purposes in the larger burghs. It should be divided equally between occupiers and owners. All existing contracts should be absolutely respected, but, in the case of future contracts, the owner should be entitled to deduct from any rent, feu duty or ground annual payable to a superior, the amount of the rate in the £ upon the value which attaches to the site at the date when the contract is made: a like right of deduction being given to any intermediate parties against their superiors. The rate should apply to unoccupied property and uncovered land under the conditions laid down for England.

BALFOUR OF BURLEIGH.

J. B. BALFOUR.

E. W. HAMILTON.

G. H. MURRAY

JAMES STUART.

REPORT BY HIS HONOUR JUDGE O'CONNOR, K.C.

TO THE KING'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

The evidence which has been submitted to this Commission by witnesses from Scotland in no way invalidates, but in many respects confirms and illustrates, the views and the principle which I have endeavoured to set forth in a separate Report relating to England and Wales.*

That principle is applicable to every country alike, and to every modification of social and administrative conditions. As England belongs to the people of that country, so Scotland belongs to the people of Scotland; and if the consent of the majority for the time being, under the name of existing law, secures to a section only of the community an endowment which embraces all the land of the country, urban and rural, the plainest dictates of equity would seem to require that that endowment should at any rate be charged with whatever may be necessary to defray the cost of the general needs of the community.

The conclusion which I draw from this principle is the answer to the question referred to this Commission. It is that in Scotland, as in England, while services locally administered for the benefit of individuals (as gas and water supply) should be paid for by the individuals served; and while general public services should be provided for out of the general public resources, the local public services, properly so-called, should be defrayed out of the local fund represented by the value of the land of the locality.

For the general public services locally administered there should be paid from the Imperial Revenue to Scotland whatever sum may be found necessary to secure for the same services the same degree of completeness and efficiency as is recognised to be properly required in England.

* See pp. 177 to 184 of Final Report for England and Wales.

But, as the circumstances and the administrative systems of the two countries are not alike, it is neither necessary nor desirable to strain after any rigid uniformity in the distribution of the two funds. The Scottish authorities, local and central, may be trusted to know best how the resources at their disposal may be most advantageously applied. For this reason I should prefer to associate myself with the Recommendations of the Chairman rather than with the terms of Chapter IV. of the Report of the majority of the Commissioners.

The contribution from the Imperial Revenue should, I think, in the interest of economy, be an amount fixed for a certain term of years, and should be charged on the Consolidated Fund.

The system of appropriated tax revenue should be altogether abandoned, and the Local Taxation Accounts brought to an end.

ALL WHICH I HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

ARTHUR O'CONNOR.

10th April, 1902.

A P P E N D I X.

TABLE OF CONTENTS.

	Page
I.—MEMORANDA upon the PRINCIPAL SERVICES LOCALLY ADMINISTERED:	
<i>Part I.—Poor Relief, &c.</i>	54
(1.) Poor Relief	54
(2.) Lunatic Asylums	59
<i>Part II.—Police</i>	60
<i>Part III.—Education</i>	61
(1.) Elementary Education	61
(2.) Higher Education (Secondary and Technical)	63
(3.) Reformatory and Industrial Schools	67
<i>Part IV.—Public Health and Public Works</i>	67
II.—REVENUE AND EXPENDITURE OF LOCAL AUTHORITIES	74
III.—MEMORANDUM on the LOCAL TAXATION (SCOTLAND) ACCOUNT (PREPARED for the COMMISSION by the SCOTTISH OFFICE):	
<i>Part I.—Introductory</i>	76
<i>Part II.—Development of Account</i>	78
Abstract of Payments into and out of Account, 1888–1901	78
General Summary for years 1888–1901	92
<i>Part III.—Historical Notes on Grants payable out of Account</i>	94
(1.) Highlands Grant	94
(2.) Roads	94
(3.) Police Pay and Clothing	96
(4.) Poor Law Medical Relief	97
(5.) Maintenance of Pauper Lunatics	99
(6.) Secondary Education	100
(7.) Universities (Scotland)	100
(8.) Parish Councils (Relief of Rates)	100
(9.) Counties, Burghs, and Police Burghs (Relief of Rates, &c., &c.)	100
(10.) Police Superannuation	101
(11.) Relief of School Fees	103
(12.) Sanitary Officers	103
(13.) Residue (Customs and Excise Duties)	104
(14.) Burgh Land Tax	105
(15.) Congested Districts (Scotland) Fund	106
(16.) Agricultural Rates Relief	107
(17.) Marine Superintendence (Fisheries)	109
<i>Part IV.—Schedule of Acts relating to Local Taxation (Scotland) Account</i>	110

I.—MEMORANDA UPON THE PRINCIPAL SERVICES LOCALLY ADMINISTERED.**PART I.—POOR RELIEF, &c.****(1.) Poor Relief.**

Scottish Poor Law system founded by an Act of 1579. Provisions of the Act.

The Scottish Poor Law system has its foundation in an Act passed in 1579, 24 years before the accession of James VI. of Scotland to the English throne. Numerous statutes relating to the suppression of strong and idle beggars, and the licensing of the sick and impotent poor to beg, had been previously passed, and provision had also been made for the sustenance of the aged and infirm poor in each parish by means of a fund supported by voluntary contributions. But it was not until the passing of the Act of 1579 that aged and impotent poor persons were given a legal right to relief. Amongst other provisions that Act directed magistrates in towns and justices in landward parishes to prepare a list of the poor born within the parish, or dwelling or having their most common resort therein during the previous seven years, and, according to their discretion, to raise by taxation the funds necessary to sustain such poor persons. Overseers and collectors were to be appointed, and persons refusing to contribute or discouraging others from so doing might be imprisoned. The overseers might set to work such of the persons relieved as were able to work, and children might be apprenticed.

The Act of 1579 was largely neglected, and measures were taken for its enforcement.

Further provision was also made for the punishment of strong and idle beggars. The Act was, however, largely neglected, and, in consequence, other statutes were passed at various later dates, giving additional powers to the authorities, and directing them to carry out the provisions of the earlier statutes. This intermittent action of Parliament continued for upwards of a century, and finally between 1692 and 1698 certain proclamations, which were given the force of law, were issued by the Privy Council with much the same object.

Changes in the administering authorities from 1597 to 1672.

The provisions of the Act of 1579 had, in the meantime, undergone various modifications. In 1597, the powers given to justices in landward parishes were transferred to the Kirk Sessions (a body somewhat similar in its constitution to the old parish Vestries in England); and, although in 1661 a temporary return to relief by justices was made, in 1672 the Kirk Sessions were again entrusted with the duties of administering the law. At the same time the heritors were associated with the Kirk Sessions for this purpose; but they seldom took any part in the administration, unless an assessment was levied. Moreover, the stringency of the law as to the treatment of vagabonds had been increased more than once, but many of the enactments on this subject do not appear ever to have been put into force.

For many years compulsory assessments were disliked, and they did not become general until after the commencement of the nineteenth century.

The eighteenth and the earlier part of the nineteenth centuries were not marked by any Poor Law legislation of importance. Notwithstanding various provisions which had been made for raising by assessment funds for the relief of the poor, this method appears for many years to have been but seldom adopted, for there was a prevalent opinion that it tended to encourage pauperism and to discourage thrift. The system was, in fact, looked upon as an evil which ought, if possible, to be avoided, and, in consequence, the poor continued to be for the most part supported by voluntary contributions, such as church door collections and mortifications (i.e., charitable bequests). Begging was also still authorised, but various limitations were attached to the practice in many parishes. Towards the end of this period, however, assessments became more frequent, and in 1844 it was stated that "there is now hardly any considerable town or populous parish in Scotland in which an assessment is not either in existence, or in contemplation."*

Circumstance leading to the appointment of the Poor Law Inquiry Commission in 1843.

In the statutes upon which the Scottish Poor Law system was thus founded the right to relief was never conferred upon able-bodied persons. It is true that in practice such persons had occasionally been assisted from the Poor Law funds, but their wants were as a rule provided by voluntary agencies. The expediency of this

* Report of Poor Law Inquiry Commission of 1844, p. vii.

arrangement, as well as the general sufficiency of the Poor Laws for the requirements of the times, were frequently questioned during the periods of bad harvests and trade depression which occurred towards the end of the eighteenth century and during the early part of the nineteenth; and this agitation, coupled with the prominence which had been given to Poor Law matters in England and Ireland by the Acts of 1834 and 1838, and the inquiries which preceded those Acts, led to the appointment of a Commission in 1843 to make a "full inquiry into the practical operation of the laws which provide for the relief of the poor in Scotland."

On the Report of this Commission the Poor Law (Scotland) Act of 1845 was passed. Among the more important provisions of this Act were the establishment of a central Poor Law Authority, known as the Board of Supervision for the relief of the poor, and the creation of Parochial Boards in each parish, to whom were transferred all the powers and duties of magistrates or heritors and Kirk Session, or other authorities in connexion with the administration of the Poor Laws. The Act also made provision for the levying of assessments where they were required, for the erection of poor-houses, for the appointment of inspectors of poor, for the removal of lunatics to asylums, and for the combination of parishes for Poor Relief purposes.

The Parochial Boards in burghal parishes consisted of owners or occupiers of lands and heritages the annual value of which exceeded a certain amount, and of nominees of the magistrates and Kirk Session. In non-burghal parishes they consisted of the owners of lands and heritages of the yearly value of 20*l.* and upwards, the provost and bailies of any Royal Burgh in the parish, the Kirk Session, and certain other members elected from amongst the ratepayers.

By the Local Government (Scotland) Act of 1894, however, the Parochial Boards were replaced by Parish Councils consisting wholly of elected members, the qualification for electors and councillors being the same as that for County and Town Council electors, who are, in effect, the Parliamentary electors with the addition of peers and women. The councillors hold office for three years, and the elections take place at the same time as those for County and Town Councils.* Councillors may not hold office under the Council or its committees, or be interested in any of their contracts.

By the same Act the Board of Supervision was superseded by the Local Government Board, which consists of the Secretary for Scotland (who is President of the Board), the Solicitor-General for Scotland, the Under Secretary for Scotland, and three paid members appointed by the Crown, who are respectively the Vice-President, the Legal Member, and the Medical Member.

Whilst, therefore, the character of the administering authorities has varied considerably, the parish has remained the administrative area from the earliest times. According to the 1901 Census the average population of the Scottish parish is rather more than 5,000, but in this respect the parishes vary greatly. Whilst Glasgow, Govan, Edinburgh, Dundee, and Aberdeen have each a population of upwards of 150,000 (Glasgow parish containing 571,569 persons), there are eight parishes in which the population is less than 200 (Lyne, in Peebles, having but 98), and 126 parishes with a population of less than 500.

In their Report of 1844 the Poor Law Commissioners discussed at great length the question of extending the right to relief to able-bodied persons reduced to destitution through want of employment. The majority were strongly opposed to the extension, and a provision was inserted in the Poor Law Act the effect of which, although disputed for some years, was finally decided by the House of Lords to prohibit the relief of the able-bodied poor from the poor rates.† In this important respect the Scottish Poor Laws differ from those of England and Ireland, which proceed upon the principle that all destitute persons, whether able-bodied or impotent, should be entitled to relief. At the same time, it has been pointed out that, although relief in Scotland is confined to the poor who are both destitute and disabled, yet "if a person is really destitute, no long period would elapse before he also became disabled from want of food," and the Poor Law Authorities have now been informed that "in the case of a person really destitute the Inspector should not carry the letter of the law to an extreme."‡

* One-third of the Town Councillors resign, and a new election is held each year, but it is only with every third election that a Parish Council election is held.

† But women with children depending on them are, although themselves able-bodied, entitled to relief, as also are orphans and deserted children.

‡ Minute of Board of Supervision, dated 12th December 1878.

Establishment
of Board of
Supervision and
Parochial Boards,
and other pro-
visions of the
Poor Law Act of
1845.

Constitution of
Parochial Boards.

Parochial Boards
replaced by Parish
Councils in 1894.
Qualification for
Councillors and
Electors.

Board of Super-
vision superseded
by Local Govern-
ment Board in
1894. Constitu-
tion of latter.

The parish has
always been the ad-
ministrative area.
Varying size of
parishes.

The right to relief
in Scotland has
never been ex-
tended to the
able-bodied poor,
who are provided
for in other ways.

The destitute poor who are not recognised by the Poor Laws (amongst which class are the able-bodied vagrants) are left to apply to charitable agencies for assistance, and in their Report on the Relief of the Able-bodied Unemployed (1894) the Board of Supervision state that "it is a matter of great satisfaction to observe "the liberal and benevolent spirit with which the demands upon them have been "met." Persons who have fallen into temporary difficulties frequently receive aid from the church collections, a portion (6,549*l.* in 1899-1900) of which is still applied by the Kirk Sessions to the relief of the poor. Able-bodied vagrants are sometimes sheltered in police offices, but more often in cheap common lodging houses which private philanthropy has liberally provided. The Scottish Police take a census twice a year of the number of vagrants, beggars, migratory poor, &c.* on tramp within each county and burgh. On two Sunday nights in June and December 1900 the numbers were:—

	—	24th June.	23rd December.
In prisons or police cells	- - -	280	278
In houses of refuge, hospitals, and poor's houses.	-	438	493
In common lodging and other houses	-	3,849	3,629
In public parks, gardens, or streets, outhouses, sheds, barns; or about pits, brick or other works.	-	3,728	2,467
Total	- - -	8,295†	6,867

Classes entitled to relief, and parish of chargeability.

The poor persons entitled to relief may, therefore, be shortly described as all who are disabled from working either by age or bodily infirmity, widows or deserted wives burdened with infant children, and children under 14. Such persons may obtain relief in any parish in which they may be until the parish to which they are chargeable is ascertained. A pauper is chargeable to the parish in which he was born, but a settlement in any other parish can be acquired by three years‡ continuous residence therein without begging or receiving or applying for parochial relief. A settlement so acquired cannot be retained unless the pauper resides continuously for at least one year and a day out of any subsequent period of four years. In the absence of these tests, and with regard to women and children, the parish of chargeability has to be determined by other means laid down by the laws of settlement.§

Complaints by persons applying for relief.

Provision is made in the Poor Law Act for appeal to the sheriff by a person who is refused relief, and to the Local Government Board by a person who considers that the relief granted him is inadequate.

Powers and duties of Local Government Board in connexion with Poor Relief.

The powers and duties of the Local Government Board in connexion with Poor Relief are considerable. It meets, and has its offices, in Edinburgh, and submits an annual report to Parliament. The Board may inquire into the management of the poor in every parish or burgh in Scotland, and for this purpose four General Superintendents of Poor are attached to the Board. They may also require returns, answers to questions, the production of books, &c., and may summon witnesses. The Board may further appoint one of its own members or certain other persons to hold special inquiries in any part of Scotland. Any of the Board's officers may be authorised by the Board to attend the meetings of Parish Councils. The number of councillors for each parish is fixed by the County and Town Councils, but is subject to the approval of the Board, which also has numerous duties in connexion with the elections. The Board prescribes certain of the duties to be performed by inspectors of poor, and may suspend or dismiss those officers. A scheme of classification of lands and heritages for assessment purposes (see pp. 7, 8) has to be approved by the Board before adoption, but the power to adopt such schemes is suspended during the continuance of the Agricultural Estates, &c. (Scotland) Act, 1896. The power to combine parishes

* Under the Burgh Police (Scotland) Act, 1892, beggars, vagrants, and idle poor persons found in burghs may be apprehended, and vagrant beggars, if convicted, may be imprisoned. County Councils may, under the Local Government (Scotland) Act, 1889, frame byelaws for the prevention of vagrancy.

† The number of vagrants relieved by Parish Councils on 15th May 1900 was 137.

‡ The period of seven years laid down by the Act of 1579 was altered to three years by an Act of 1672, and to five years by the Poor Law Act of 1845.

§ Poor persons born in England or Ireland, and not having acquired a settlement or resided for five years in Scotland, may be removed to those countries.

for Poor Law purposes was conferred upon the Board by the Poor Law Act of 1845, but by the Local Government Acts of 1889 and 1894 wider powers with reference to the alteration, division, and combination of parishes for all purposes have been given to the Secretary for Scotland.

Parish Councils are required to keep a roll of the poor, and, for the purpose of revising and adjusting the roll and the paupers' allowances, they must hold two general meetings each year—May and November being suggested by the Local Government Board as the most convenient months for these meetings. But occasional poor, who may not be entered upon this roll, may also be given relief. The Parish Councils may hold such other meetings as they think well, but are bound to hold one in December for the purpose of electing a chairman and for other matters, and another in July to deal with finance. They must raise by assessment so much of the funds necessary for the relief of the poor as are not provided by voluntary contributions, Government grants, &c., and they may appoint committees for various purposes, but no committee has the power of raising money by rate or loan.

All property and debts of the Parochial Boards were transferred to the Parish Councils, whose accounts are audited by auditors appointed by the Local Government Board and paid by the Councils. The cost of relieving poor persons may be recovered by the Councils from relatives liable for their support, or from other parishes to which they are chargeable.

The lunatic poor must be maintained in asylums, lunatic wards of poor-houses, or other establishments legally authorised to receive lunatic patients, or be provided for in such other manner as the General Board of Commissioners in Lunacy may approve. In the case of the ordinary poor, relief may be granted either in or out of the poor-house, in money or in kind. Medicines, medical attendance, clothing, &c. must be provided, and inspectors of poor must be appointed for the distribution and superintendence of the relief. The system of boarding-out pauper children has been in practice in Scotland for nearly a century, and has attained considerable proportions and success.

The inspector, who is often also the collector of poor rates, acts in accordance with instructions received from the Parish Councils and the Local Government Board. He has the custody of, and is responsible for, all books, accounts, &c. relative to the management or relief of the poor. Applications for relief are made to him, and he is to make himself acquainted with the circumstances of the applicants. He keeps a register of all the recipients of relief, showing the amounts paid to each, and of all those whose applications have been refused, with the grounds of refusal in each case, and he is required to visit periodically the homes of the poor in receipt of relief.

Poor-houses may be built and maintained (1) by any parish* having a population of more than 5,000, or (2) by groups of contiguous parishes which have agreed to combine for poor-house purposes. Money for the erection, enlargement, or repairing of a poor-house may be borrowed by Parish Councils on the security of future rates. Sums so borrowed must not exceed three times the amount of the rates raised for the relief of the poor during the preceding year, and must be repaid with interest within 30 years. No new loan may be raised until the former one has been repaid, but this restriction does not apply to parishes of over 100,000 inhabitants, whose outstanding debt for poor-house purposes at any time must not, however, exceed the amount mentioned above.†

The management of each poor-house is delegated to a house committee, which, in the case of a parish poor-house, is a committee of the Parish Council, and, in the case of a combination poor-house, is composed of representatives from the combining parishes, the number for each parish being determined by the contract of combination. In these contracts provision is also made for apportioning the poor-house expenditure between the various parishes. As a rule, a certain number of shares or beds is assigned to each parish (on the basis of population or other basis agreed on) and the cost of the buildings and repairs thereto, and the establishment charges (i.e., salaries and board of the house governor, matron, and servants, &c.) is apportioned in proportion to the number of shares or beds held by each.

Powers and duties
of Parish Councils
in connexion with
Poor Relief.

Audit of Parish
Council accounts,
and recovery of
cost of relief from
relatives, &c.

Methods of reliev-
ing lunatic poor,
ordinary poor, and
pauper children.

Duties of Inspector
of Poor.

Parish Councils
may, under certain
conditions, provide
poor-houses.

Borrowing powers.

Poor-houses are
managed by com-
mittees of the
Parish Councils
concerned.

Method of meeting
cost in case of
combination poor-
houses.

* Including in this term groups of parishes which have been combined for all Poor Law purposes.

† The sanction of the Local Government Board is necessary to the raising of a loan if the outstanding debt of a Parish Council for all purposes exceeds one-fifth of the net annual value of the lands and heritages in the parish.

For the ~~cost~~ of "maintenance" (i.e., food, clothing, fuel, lighting, &c.) each parish is charged the approximate amount required for its own paupers, the calculation being usually based on the average cost per pauper per day and the aggregate number of days spent in the poor-house by those paupers.

Parish Councils possessing poor-houses may receive and accommodate in them poor persons from other parishes, and charge such rates for their maintenance as may be approved by the Local Government Board. They must also frame rules and regulations (which are subject to approval by the Board) for the management of the poor-houses, and provide proper medical attendance and medicine.

Observations of
Local Government
Board on necessity
of poor-house test
in certain cases.

The sanction of the Local Government Board has to be sought in connexion with the more important matters concerning the provision and management of poor-houses, and in 1895 the Board issued a circular to Parish Councils, in which they say that "the necessity of a test, in certain cases at least, is now generally acknowledged, and the only practically effective test that can be applied is the offer of indoor relief. While outdoor relief is, and has been, the rule in Scotland, prolonged experience satisfied the bodies to whom the administration of the Poor Law was entrusted, that, without the right to use a poor-house, they were powerless to check the growth of pauperism." And they add, "The inmates of a poor-house may be broadly divided into two classes:—

- "(1.) The test class;
- "(2.) The aged, the sick, and the infirm.

"It is obvious that the treatment of the two classes should be conducted on widely different principles.

"As regards the first class, strict discipline and deterrent administration are needed to make the test effective, and to secure order and decent conduct.

"As regards the second, the poor-house should be looked upon rather as a 'house of refuge for the destitute,' and the inmates should receive liberal and sympathetic treatment."

Statistics of poor-
house accommodation.

The following statistics, with reference to the provision of poor-house accommodation, are given in the last annual Report of the Local Government Board:—

"The number of parishes having poor-houses, either singly or in combination, is 483, with an aggregate population of 3,236,989, according to the Census of 1891. There are 65 poor-houses at present in operation, the accommodation in which is sufficient for 15,509 inmates. The population of the parishes that possess a right, in terms of the 65th section of the Act of 1845, to send paupers to the poor-houses belonging to other parishes is 742,638. The total population of the parishes to which poor-house accommodation is thus at present available amounts to 3,979,627. The total population of the parishes to which poor-house accommodation is still not available is 46,020."

The number of inmates of the poor-houses on three dates in 1900 was—

1st January	-	-	11,348
15th May	-	-	9,868
1st July	-	-	9,732

and from these figures and those for preceding years which are given in the Local Government Board Report, it appears that accommodation for about 4,000 additional persons is always available.

Number of paupers
has decreased
during last
30 years.
i superim
statistics.

During the last 30 years there has been a considerable diminution in the total number of paupers relieved as well as in their proportion to population. In 1868,* the year of highest recorded pauperism, they numbered 136,231, or 41 per 1,000 of population; in 1900, the number was only 99,016, or 23 per 1,000. But the number of lunatic poor, who are included in these figures, more than doubled during the same period, the increase being from 5,790, or 1·8 per 1,000 of population, to 13,166, or 3·1 per 1,000.

Rather more than one-third of the total number of paupers in 1900 were dependents, and of the remainder (excluding lunatics):—

- 22,260, or 43·26 per cent., were 65 years of age and upwards.
- 3,994, or 7·76 per cent., were orphan and deserted children, and
- 25,206, or 48·98 per cent., were between the ages of (say) 14 and 65.

51,460

* The figures relate to a certain day in the month of May.

The total number of sane poor relieved was 20 per 1,000 of population, 17·7 per 1,000 of population receiving outdoor relief and 2·3 per 1,000 being relieved in poor-houses. The proportion of indoor paupers to population has not varied greatly since 1868, and the reduction in the total pauperism is chiefly due to the reduction in the proportion of outdoor paupers to population. In the same year there were 6,143 pauper children and of these 5,446, or 89 per cent., were boarded out.

Grants from the Local Taxation Account are made to Parish Councils in respect of Grants from Local their expenditure on medical relief to the poor and on pauper lunatics. Under the Taxation Account. Education and Local Taxation Account Act, 1892, the Agricultural Rates, &c., Act, 1896, and the Local Taxation Account Act, 1898, the Councils also receive further grants from the Local Taxation Account. The total amounts and bases of distribution of these grants, and the conditions attaching to participation in those for medical relief and lunatics, are referred to elsewhere.*

(2.) Lunatic Asylums.

Until the year 1857 the provision of lunatic asylums was principally left to Asylum accommodation voluntary agencies. The Poor Law Commissioners of 1843 drew attention to the inadequacy of the available accommodation but made no recommendation on the subject.

The provision of asylum accommodation was first made compulsory by the Lunacy Act of 1857, to which additions and amendments have been made by subsequent statutes. The existing system of administration is fully stated in the memorandum supplied to the Commission by the General Board of Lunacy.†

By the Act of 1857 a General Board of Lunacy was established and the whole of Scotland was divided into lunacy districts, which have been altered from time to time, and of which there were 27 in 1901. These districts consist of single counties, groups of counties, single parishes, or groups of parishes. For each district a District Lunacy Board is elected annually, generally by the County and Town Councils of whose areas the district consists, but if the district consists of one parish or combination, the Parish Council may, if the Board of Lunacy think fit, be appointed to be the District Board.

The District Boards are responsible for the provision of asylum accommodation, and may acquire and manage asylums of their own (there are now 16 asylums managed by District Boards), or may enter into contracts with other asylums for the maintenance of the pauper lunatics from their district.

Besides the asylums managed by these Boards there are five Royal asylums and three Parochial asylums receiving pauper patients. Royal asylums are those which had been established by voluntary agencies before the Act of 1857 was passed, and which have still retained their private character. District Boards are required to utilise the available accommodation in these asylums before proceeding to erect others. Parochial asylums are managed by the Parish Councils chiefly for the patients of their own parishes, but patients from other parishes are also received into them.

The selection of patients for asylum treatment rests mainly with the Parish Councils, who, in cases where they consider such treatment unnecessary, may with the approval of the General Board of Lunacy, maintain the patients in lunatic wards of poor-houses, training schools for imbecile children, or private dwellings.

The extent to which each mode of accommodation is resorted to may be seen from the following figures giving the number of pauper lunatics on 1st January 1901 :—

In Royal asylums	-	-	-	2,402, or 17·8 per cent.
In district asylums	-	-	-	6,601, or 49·1 "
In parochial asylums	-	-	-	544, or 4·0 "
In lunatic wards of poor-houses	-	-	-	1,045, or 7·8 "
In private dwellings	-	-	-	2,669, or 19·8 "
In training schools	-	-	-	197, or 1·5 "
				<hr/>
				13,458, or 100 "

Under the Lunacy Act of 1857, Scotland is divided into lunacy districts, for each of which a District Lunacy Board is appointed.

Duties of District Lunacy Boards.

Royal and Parochial Asylums.

Parish Councils are responsible for the maintenance of pauper lunatics, who may be maintained elsewhere than in asylums.

* See Memorandum on the Local Taxation (Scotland) Account prepared for the Commission by the Scottish Office, *infra*.

† Vol. IV. of Min. of Ev., pp. 188 to 197.

Method of meeting cost of District Asylums, and of maintenance of patients therein.

The expenses of District Lunacy Boards in providing, furnishing and repairing district asylums are charged against the Counties and Royal and Parliamentary Burghs within their districts in proportion to the valuation of lands and heritages in each. A separate rate is levied to meet these expenses. In counties the rate is charged upon owners up to the average of the 10 years 1880-9, and any excess is divided equally between owners and occupiers.* The whole rate is so divided in burghs.

The cost of maintaining the patients, apart from the cost of the buildings, is payable out of the Poor Rate by the parishes to which they are chargeable.

Method of meeting cost of accommodation and of maintenance in other cases.

Where asylums have been provided by District Boards the cost of the buildings is thus spread evenly over the whole district, but in those districts in which the patients are maintained in asylums which do not belong to the District Board, the rates charged to the Parish Councils by the Asylum Authorities include the cost of accommodation as well as of maintenance. In these cases, therefore, the charges for asylum accommodation are not distributed evenly over the district, but fall on the parochial rates in accordance with the number of lunatics chargeable.

Borrowing powers for asylum purposes.

District Boards may borrow without limit for asylum purposes, provided that the debt be extinguished within 30 years. Parish Councils may also borrow money for the provision of accommodation for lunatics, but the sanction of the Local Government Board is necessary if the Council's outstanding debt for all purposes exceeds one-fifth of the net annual value of the parish.

Powers and duties of General Board of Lunacy.

The General Board of Lunacy supervises the whole administration. Amongst their numerous duties they determine when additional asylum accommodation is necessary, and may require the District Boards to provide it, and they make rules and regulations for the management of asylums. The Board's approval of all plans for the erection or alteration of District and Parochial asylums is necessary, and they have certain powers with reference to the charges made by the Asylum Authorities for the maintenance of patients. The Commissioners inspect all asylums and establishments for pauper lunatics twice a year, and officers of the Board visit and report upon all lunatics in private dwellings.

PART II.—POLICE.

Early provisions with regard to police administration.

A short account of the early provisions respecting the maintenance of prisons and police forces is contained in the Report upon Local Taxation in Scotland by the late Sir John Skelton (C. 7575, pp. xxvii to xxix). In Counties the first regular police force was founded in 1839, but the existing organisation was not established until 1857.

During the early part of the nineteenth century police forces in many Burghs were established under local Acts, and general provisions applicable to Burghs were contained in Statutes of 1833 and 1850. These were superseded by the General Police Act of 1862, which, in its turn, has been superseded by the Burgh Police Act of 1892.† For many years the Burghs bore a large share of the burden of maintaining prisons, but since 1877 all prisons have been vested in the Government and their cost charged to Imperial funds.

County police forces.

In Counties the administration of the Police Act‡ is placed in the hands of a Standing Joint Committee of the County Council and the Commissioners of Supply, upon whom is thrown the duty of maintaining a sufficient police force for the County, in accordance with rules made by the Secretary for Scotland for the government, pay, clothing, and accoutrements and necessities of the constables. The Act requires the appointment of a Chief Constable, who is to appoint the other constables, specifies the duties to be performed by the constables, and authorises the levy of an annual assessment, called the Police Assessment, to defray the expenses of the police, and to provide sufficient funds for all the purposes of the Act. The rate is one of those formerly payable by owners only, and still falls on owners to the extent of the average

* As to debt incurred before 1890, see footnote ** on p. 3.

† It may be noted that the Statutes referring to police administration in burghs have always provided for certain sanitary operations. Those will, however, be dealt with under the head of Public Health and Public Works.

‡ 48 & 49 Vict. c. 61.

police rate for the 10 years preceding 1889 but any increase above the average is now payable equally by owners and occupiers. It may be levied wholly upon the occupier, who is entitled to deduct the owners' share from his rent.

The County may be divided into districts for police purposes, in which case the expenditure is to be classed under two heads—general expenditure and local expenditure—the former to be defrayed by a rate levied uniformly throughout the county, and the latter by each district separately.*

Certain Burghs are consolidated for police purposes with the County in which they are situated or which they adjoin.† These consist of such Burghs of 20,000 inhabitants and upwards as elect to remain in the County for police purposes, Burghs with a population of between 7,000 and 20,000, which did not maintain a separate police force at the date of the passing of the Burgh Police (Scotland) Act, 1892,‡ and all Burghs with a population of less than 7,000 (except Renfrew and Lerwick).
Consolidation of certain burghs with counties for police purposes.

In these cases the contribution by the Burgh for the cost of the police may be calculated and levied in one of the following ways:—

- (1.) In the case of Royal and Parliamentary Burghs the amount required for police purposes may be apportioned between the County and Burghs in proportion to valuation, the part required from the Burghs being payable by the Town Councils out of the police rate, or, if there is no police rate, out of any other rate imposed and levied therein, or out of the common good of the Burghs.
- (2.) In the case of Police Burghs the County Council may assess the lands and heritages therein as in any other part of the County.
- (3.) The Burgh or Police Burgh may be regarded as a separate district of the County, and the amount required from the Town Council calculated in the same way as the amount due from any other district of a County, and levied as part of the Burgh General Assessment.

In Burghs and Police Burghs not policed by the County, the Town Council is responsible for the maintenance of the force, and appoints the Chief Constable who may hold certain other offices in the Burgh. The appointment of the other constables rests with him, but is subject to such regulations as may be framed by the Secretary for Scotland. The duties of the Chief Constable and constables are laid down in the Burgh Police Act, and the expenditure is to be defrayed from the Burgh General Assessment.
Burgh police forces.

The same person may be appointed as Chief Constable for two or more adjoining Counties, Burghs, or Counties and Burghs. Both County and Burgh police forces are inspected by an Inspector appointed and paid by the Crown, and the payment of the grants from the Local Taxation Account for pay and clothing and for superannuation are dependent upon his report. The details of the distribution of these grants are fully set out in the Memorandum on the Local Taxation (Scotland) Account prepared for the Commission by the Scottish Office (*see infra*).
Inspection, Government grants, &c.

PART III.—EDUCATION.

(1.) Elementary Education.

In Scotland, schools giving public education, not always wholly of an elementary character, have existed in every parish, and have been supported by compulsory assessments, since 1696, and to some extent even from earlier dates, the central control (so far as any existed) having been exercised by the Scottish Church. The schoolmaster

* 20 & 21 Vict. c. 72. ss. 58-60.

† 52 & 53 Vict. c. 50, s. 13. 55 & 56 Vict. c. 55, s. 78.

‡ Section 72 of the Police (Scotland) Act, 1857, permitted any burgh not having a police establishment to adopt one within six months, and section 61 of the same Act permits any burgh to agree to consolidate their police with the county police, and, under certain conditions, to subsequently abandon the agreement. If no agreement, the burgh police may be consolidated with the county police by order of His Majesty in Council, if so desired by the magistrates and town council (section 63 of Act of 1857). Under section 314 of the General Police and Improvement Act of 1862, only such burghs as had a population of 7,000 and upwards could maintain constables in terms of that Act, and section 13 of the Local Government Act of 1889 transferred the administration of police in all burghs having a population of less than 7,000 to the county council.

20 & 21 Vict. c. 72.

s. 51, 63, 72.

§ 1 & 26 Vict. c. 101

s. 114.

52 & 53 Vict. c. 50.

s. 13.

always had a freehold *ad vitam aut culpam*, and was bound to be provided with a house and garden at the expense of the heritors; his position was considerably improved by an Act of 1803; and by an Act of 1861 his salary was raised to a minimum of 35*l.* and a maximum of 80*l.* By this Act also the examination of school-masters was transferred from the Presbyteries to the Universities; they were no longer required to sign the formula of the Church of Scotland, and were answerable for their conduct, not to the Church but to the sheriff.

Central control.

The early Government grants for education from 1833 onwards were generally extended to Scotland, and Scottish education was under the charge of the same Committee of the Privy Council which supervised English schools. In 1872 a separate Scotch Education Department was constituted, and in 1885 the Secretary for Scotland was made Vice-President, and the separation of the administration from that of England practically completed.

The establishment
of School Boards
in 1872.

In 1872 there was passed the great Scottish Education Act, which followed, but in some respects went further than, the English Act passed two years before. In Scotland, School Boards were constituted in every burgh and parish without exception. The School Boards took over not only the old parish schools but also the burgh schools, in which the education was professedly of a secondary character; and no restriction was placed on the range of education which might be provided in the State-aided schools or on the class of children to whom they should be open. Uniform compulsory attendance was adopted from the start (without varying local byelaws) and was more strictly enforced under Acts of 1878 and 1883.

Parliamentary
Votes for Public
Education.

The main Parliamentary Vote for Public Education, Scotland, has generally followed the lines of the English Vote, and is now distributed mainly on the basis of average attendance, subject to the approval of the inspector and the Department. Scotland led the way with the partial abolition in 1886 of the system of payment by results (which was entirely put an end to in 1899), and the abolition of fees and introduction of Free Education in 1889. The money for this last purpose was originally provided for out of the sums assigned to the Local Taxation Account (License Duties and Probate Duty Grant), but since 1892 a sum corresponding to the English Fee Grant has been placed on the Vote, at first 11 per cent. of the English grant, but now 10*s.* per child in average attendance, or in certain circumstances a larger sum. The grant actually distributed amounts to 12*s.* per child, and it has been arranged that the sum required to provide the additional 2*s.* per child shall be made up partly from the Vote and partly from the money available in the Local Taxation Account, as the case may be.

The extreme disparity of the local resources available in different parts of Scotland has led to various special provisions for the assistance of necessitous districts. Grants are made to necessitous School Boards on the same lines as in England. Further, there are various provisions in the Scottish Code giving favourable terms to the poorer Highland parishes, and a small special sum is voted and distributed in accordance with Minutes of the Scotch Education Department of 1888 and 1895, which provide for associating the Government inspector with the local managers, in order to save a few Highland schools from insolvency.

The condition that the Parliamentary Grant to any school should not exceed the income of the school from other sources, which was repealed in England in 1876, still applies to Scotland, but was never applicable to the specified Highland counties.

Income of School
Boards.

Very roughly, Scottish School Boards have an annual income, excluding loans, of some 2,000,000*l.* for all purposes including those of Higher Education. Rather more than 1,000,000*l.* comes from Government grants in one shape or another, and rather more than 900,000*l.* falls upon the rates; the balance being made up of miscellaneous local receipts.

Average school
rates.

The average rates have been as follows in recent years:—

	1897-98.	1898-99.	1899-1900.
In Burghs	d. 10.61	d. 10.32	d. 10.91
,, Parishes and School Districts	8.23	8.46	8.74
Total	9.23	9.25	9.66

The variations from the average in particular districts are, however, very considerable, as shown in the following Table :—

Equivalent to a Rate of Assessment per £	Burghs.						Parishes.						Range of rates, and number of parishes and burghs having rates within certain limits.	
	Numbers.			Percentage.			Numbers.			Percentage.				
	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.		
Of 2s. and above	—	—	—	—	—	—	11	14	9	1·2	1·5	1·0		
" 1s. and below 2s.	21	21	22	36·8	36·8	38·6	140	141	139	15·3	15·4	15·1		
" 9d.	22	19	19	38·6	33·3	33·3	203	223	239	22·2	24·4	26·0		
" 6d.	12	15	12	21·1	26·4	21·1	360	340	347	39·3	37·1	37·8		
" 3d.	2	2	4	3·5	3·5	7·0	193	185	176	21·1	20·2	19·2		
" 1d.	—	—	—	—	—	—	8	13	8	0·9	1·4	0·9		
Classification	57	57	57	—	—	—	915	916	918	—	—	—		
Total	—	57	57	57	—	—	5	4	2	—	—	—		
	57	57	57	—	—	—	920	920	920	—	—	—		

(2.) Higher Education (Secondary and Technical).

It has already been noted that the National system of Education in Scotland was never limited to the Elementary branch. In the Parish Schools it was usual to teach some Latin, and pupils often passed direct from these schools to the University. The Burgh Schools, which were managed by Public Authorities and partly supported from the public funds of the Burghs, supplied a Secondary Education of a more or less complete character. And besides these there were Endowed Schools and other Voluntary Schools in which higher education was given.

Under the Act of 1872, eleven of the Burgh Schools, now placed under the management of the School Board, were scheduled as Higher Class Schools. The School Board were empowered, subject to the approval of the Department, to convert any of the schools under their management into Higher Class Public Schools, and an Act of 1878 authorised the application of the School Fund for the purposes of these schools. The Educational Endowments of Scotland were overhauled by a Special Commission appointed in 1882, and in 1886 a system of complete inspection of all Higher Class Schools was set on foot, together with a system of examination for the grant of "Leaving Certificates." This system embraced Burgh Schools under School Board management, Endowed Schools (under a governing body constituted under a scheme prepared by the Commissioners) and Voluntary Schools (under any other form of management). Under the Act of 1872, Higher Class Schools do not participate in the ordinary Parliamentary grant. Some of the schools earned grants from the Science and Art Department. But substantial grants in aid were not obtained until lately, when a considerable portion of the funds which have become available from the Local Taxation Account have been directed to the support of Higher Class Schools. In 1900 there were 95 Higher Class Schools, of which 32 were under the management of School Boards, 25 were endowed schools, and the remainder under voluntary management. Two schools (Fettes and George Heriot's Hospital School) which do not claim grants are included in these numbers, but there are a few schools of similar standing which are not examined or inspected by the Department.

Higher Education is by no means confined to Higher Class schools. As already explained, the Schools aided under the Day-School Code are not restricted to purely elementary teaching. Numbers of these schools have higher departments, in which the instruction of scholars who have marked the completion of a primary education by obtaining the "Merit Certificate" is carried further, and by the Code of 1899 higher rates of grants on the average attendance at these departments were introduced, partly by commuting a portion of the Science and Art Vote to this purpose.

In some of these higher departments, recognised under a special chapter of the Code as Higher Grade Science or Commercial Departments, the curriculum approximates to that of the Higher Class Schools, but is of a more practical character. In others the provision varies widely. Generally speaking, the instruction, while it is sufficiently advanced to be placed here under the head of Higher Education, is adapted to a class of pupils who do not usually remain at school after they are fifteen years of age and is therefore more or less limited in its scope.

Provision of education before 1872.

Higher class schools.

Higher departments of State-aided schools.

Continuation classes.

The third important field of Higher Education, and especially of Technical Education, is found in the classes hitherto conducted partly under the Evening Continuation School Code, and aided from the Parliamentary Vote; and partly under the Science and Art Directory and aided from the Vote for Science and Art. To these must be added Central Institutions, such as Technical Colleges, Agricultural Colleges, Navigation Schools, &c., at which Technical Education is carried to the highest point. All the above are now embraced by the Continuation Class Code of 1901, under which a single set of regulations was introduced applicable to all classes for the further instruction of those who have left school. The classes are graded according to the practical purpose which they serve, and the grants are paid on the average attendance of students at rates varying according to the grade of the class attended, except in the case of those Central Institutions, for which special conditions are provided by Minute of the Department. One section of the Continuation Classes is concerned with instruction of an elementary kind, and therefore does not fall to be considered here, but the financial cost of the elementary and higher branches respectively cannot at present be accurately separated, as the Code is for the first time in operation during the present year.

In connexion with the Technical Institutions referred to above, it may perhaps here be mentioned that Scotland anticipated England in obtaining a Technical Instruction Act in 1887, empowering School Boards to provide and maintain Technical Schools out of the School Fund. But this power has been little acted upon : the institutions above mentioned are established under special management, and are sufficiently supported from other sources than the school-rate.

Grants for higher education

The main lines of organisation of Higher Education have now been indicated. In order to form an idea of the extent to which in its various branches it is a burden on local resources, it is necessary, first, to speak of the grants annually paid for Higher Education from Imperial Funds and from the Local Taxation Account.

(1.) Treasury Grants.

(a.) Grants under the Day-school Code.

The first of these to be mentioned is the portion of the total grant under the Day School Code, that goes to the higher departments which we have included under the head of Higher Education. The principal grant for these higher departments amounted in the year ended 31st August 1901 to 45,483*l*. The proportion of the total Fee Grant and Aid [Grant which was paid on the average attendance of scholars at such departments is 6,675*l*. Roughly, therefore, the total amount paid under the Day School Code for Higher Education, may be stated as 52,000*l*.

(b.) Science and Art Grants.

A grant for instruction in Science and Art has for many years been annually voted by Parliament, and was administered by the Science and Art Department, but by a minute of July 1897, the administration was transferred to the Scotch Education Department. Since then by successive minutes and changes in the Codes, the application of this Vote has been co-ordinated with that of the principal Parliamentary Vote, with the object of promoting unity and definiteness of aim in the curricula of the various schools and centres aided therefrom. The total Vote amounted in 1901 to 73,858*l*. A portion is spent on grants for Drawing under the Day School Code; a small sum on Training Colleges; and the remainder goes to Higher Education. Of this, about 12,000*l*. is spent on grants to Higher Class Schools under the minute of 24th August 1900, and the rest, together with the amount hitherto paid under the Evening School Code constitutes the funds spent on grants under the Continuation Class Code.

(2.) Grants from the Local Taxation Account.

(c.) The Technical Education Grant or "Residue Grant."

(d.) The Secondary Education Grant.

The grants derived from the Local Taxation Account are three in number:—

(a.) The "Residue Grant" for Technical Education or the relief of rates.

Particulars as to the origin and mode of distribution of this grant are given in the Memorandum on the Local Taxation (Scotland) Account, prepared for the Commission by the Scottish Office, *infra*. For the year 1899–1900, the sum at the disposal of the Local Authorities (with the addition of contributions under Section 2(5)c of the Education and Local Taxation Account (Scotland) Act 1892, Bank Interest, &c.) amounted altogether to 72,527*l*., and the amount expended on Technical Education was 54,136*l*. Of the latter sum 13,937*l*. was handed over to the Secondary Education Committees (*see* below) to be allocated by them.

(b.) A grant of 60,000*l*. for Secondary Education under the Education and Local Taxation Account (Scotland) Act 1892 (*see* the Memorandum on the Local Taxation (Scotland) Account, prepared for the Commission by the Scottish Office, *infra*). A small portion of this grant (for the year 1900–

1901, 4,700*l.*) is spent on the examination and inspection of Higher Class Schools. The remainder under the Department's Minute of June 1897, is distributed in aid of Secondary Education through specially constituted committees. Each county, each of the five principal burghs, and the parish of Govan is represented by a committee. These form schemes for the distribution within their district of the sum allocated to them by the Department, the amount of which above a minimum of 200*l.* is fixed by the Department having regard to the population of the district.

- (c.) A grant not exceeding 37,000*l.* under the Act of 1898 (see the Memorandum quoted above) for the purposes of Secondary and Technical (including Agricultural) Education. In terms of the Department's Minute of 27 April 1899, the sum available for the year 1899-1900 was allocated as follows:—

	£
Inspection of Higher Class Schools and Leaving Certificate Examinations -	2,000
Agricultural Education -	2,000
Reserve Fund -	7,659
Grants to Higher Class Schools (under para. 3 of the Minute) -	25,450
	<hr/>
	£37,109

The grants under paragraph 3 of the Minute are distributed by the Department with the help of the Secondary Education Committees by such means and on such terms as to prevent the grants merely going to diminish the contribution to the school from rates or endowments.

It remains to examine the total annual income for higher education of each of the three classes of school or centre in which it is provided, and to estimate so far as possible the proportion of such income, which is derived from local taxation. Statistics cannot be obtained for precisely the same period in all cases, and to some extent are not available at all owing to the short time that some of the recent changes have been in operation. But the following figures will give an idea of the relative amount of income derived from various sources in each case:—

Income of schools
for Higher
Education.

I.—Higher Class Schools.

	£
(i.) Grant under the Minute of 24th August, 1900	11,909
(ii.) Grants from the Local Taxation Account:	
(a.) By Secondary Education Committees -	24,000
(b.) By Technical Education Committees -	666
(c.) By the Department under the Minute of 27th April, 1899 -	25,450
(iii.) (a.) Endowments -	33,331
(b.) Fees -	85,381
(iv.) Rates (including £11,409 required for repayment of building loans)	23,007
	<hr/>
Total Income -	203,744

The above figures are taken from Returns for the year 1900-1, except those of the Technical Education Grant, which are for the year 1899-1900. The endowments and fees of two schools which do not claim grants are not included.

II.—*Higher Departments of Schools under the Day School Code.*

As the majority of the Higher Departments have not accounts separate from those of the Elementary Departments with which they are connected, the income of such departments, as distinct from the income of the whole school to which they belong, can only be very roughly estimated and analysed.

	£
(i.) The grants under the Code amount to about - - -	52,000
(ii.) The grants from the Local Taxation Account shown by the latest returns were :	
(a.) By Secondary Education Committees	- 26,503
(b.) By Technical Education Committees	- 2,020

The remaining income is made up of :

- (iii.) Endowments and fees.
- (iv.) Rates (and in a very few cases Voluntary Contributions.)

The total income of schools under the Day-School Code from endowments is about 9,000*l.*, and from School Fees about 23,000*l.* The greater part of the former sum belongs to schools having higher departments, and may be regarded as applied to Higher Education, though not, for the most part, in such a manner as to diminish the charge made upon the rates for the purpose; of the latter sum between 2,000*l.* and 3,000*l.* is probably paid by scholars in higher departments. All expenditure not met by such forms of income falls upon the rates.

III.—*Continuation Classes.*

As the results of the first year's operation of the Continuation Class Code are not yet known, it is only possible now to say that the grants under this Code are estimated at 95,000*l.* and that, under the terms of the Code, the income from other sources must be not less than one-third of this amount (*i.e.* about 32,000*l.*), and may be much more. About 10,000*l.* of this local contribution will be supplied by the contributions from the Technical Education Grant. There is thus left a balance of not less than 22,000*l.* to be supplied from the rates (or, in the case of the few voluntary schools, from voluntary contributions). But, as already mentioned, one section of the classes is of an elementary type, and what proportion of the grant, and of the rate may be said to be applied to Higher Education cannot be stated until the comparative attendance at the several grades of classes has been ascertained.

Bursaries, &c.

It must here be remarked that the total expenditure upon Higher Education in Scotland is not limited to expenditure from the sources indicated above. Over 50,000*l.* is annually paid in bursaries and scholarships under the educational endowments schemes, and this amount is increased by about 8,000*l.* under the schemes of the Secondary and Technical Education Committees. The opportunities afforded by the number of such payments in Scotland is an important feature in the national system of education.

Conclusion.

To conclude, the total amount raised by school rate in Scotland cannot at present be definitely apportioned between Elementary and Higher Education. A general idea has been given of the comparative expenditure on Higher Education from Imperial funds and local sources respectively. In estimating the extent to which Higher Education is a direct burden on local taxation, the grants obtained from the Local Taxation Account must be included with the sums raised from the rates, inasmuch as the former either might be spent on the relief of rates by the authorities responsible for their allocation or else correspond to sums which in England are devoted to the relief of rates.

(3.) *Reformatories and Industrial Schools.*

Reformatories and Industrial Schools in Scotland are inspected by the same Inspector as in England.

Reformatories.

Local Authorities have no power to establish Reformatories, but County and Town Councils may, with the sanction of the Secretary for Scotland, contribute to any

Reformatory which has been certified by him. There are at present seven of these institutions in Scotland,* and part of the expenses are borne upon a Parliamentary Vote, the grant being 6s. a week per inmate, or 4s. a week after the offender has completed three years' detention and attained 16 years of age. Parents may be compelled to contribute, if of sufficient ability, and their contributions are paid into the Exchequer in relief of the voted grant.

Industrial Schools, of which there are 33 in Scotland, are also controlled by Industrial Schools Voluntary Managers,* for, although School Boards have the power to establish and maintain certified Industrial Schools, this power has not been exercised. School Boards and County and Town Councils may contribute towards the expense of maintaining Industrial Schools, and Parish Councils may contribute towards the maintenance of children detained on their application. There is also a Parliamentary Vote from which a grant is made at the rate of 5s a week per inmate for schools certified before March 1st 1872, and 3s. 6d. for schools certified since that date, though in certain cases the rates are 2s., 3s., and 6s. per week. Parents of sufficient ability are required to contribute, and their contributions are payable to the Exchequer. In certain cases Parish Councils must also refund to the Exchequer the cost of maintaining children chargeable to the parish.

Day Industrial Schools may be established and maintained by School Boards, and Day Industrial Schools those Boards and County or Town Councils may contribute. There are at present four of these schools, three of which are under the control of the Glasgow Juvenile Delinquency Board, and the fourth is managed by the Edinburgh School Board. The Parliamentary Grant does not exceed 1s. per week, and the parental contributions are payable to the School Authority.

The gross expenditure upon Reformatories and Industrial Schools in Scotland in Finance of 1900, and the revenues derived from the Exchequer and Local Authorities respectively Reformatories, &c. were :—

—	Reformatories.	Industrial Schools.	Day Industrial Schools.
Gross Expenditure	£ 15,150	£ 82,680	£ 5,083
Treasury Allowances	10,384	54,413	1,182
Payments by Local Authorities	2,652	12,692	3,795

There are sundry other receipts from voluntary subscriptions, &c. Part of the sums paid by the Treasury are, as already stated, recovered from parents and Parish Councils.

PART IV.—PUBLIC HEALTH AND PUBLIC WORKS.

The numerous services included under this head account for considerably more than one moiety of the total expenditure of Local Authorities in Scotland. Of these services the provision of roads is not only the oldest, but is also the service which, at the present time, casts the greatest burden upon the rates.

Sanitary works and regulations are of comparatively recent origin, and may be said to have commenced in Burghs with an adoptive Act of 1833, and elsewhere with the temporary Removal of Nuisances Act of 1846. They have received considerable attention from Parliament during the last 10 years, for the Public Health Statutes were codified, extended, and adapted to existing forms of local government in 1897.

* One Reformatory and two Industrial Schools are controlled by the Glasgow Juvenile Delinquency Board which was established in 1841 under a Local Act.

and the Burgh Police Acts under which certain sanitary operations in Burghs, such as paving, lighting, cleansing, sewerage, supplying with water, and improvements generally, have from their commencement been provided for, were consolidated and extended by a Statute of 1892.* In 1894 the adoption of certain of the provisions of the Act of 1892 was made possible in non-burghal areas.

Authorities administering the sanitary laws.

In Burghs the Burghal Authorities have always administered not only the services provided for under the Police Acts, but also such other sanitary matters as have from time to time received legislative recognition under the Nuisances Removal, Public Health, and other Acts. In non-burghal areas the sanitary laws were, for upwards of 40 years, administered by the Parochial Authorities, but by the Local Government Act, 1889, nearly the whole of the powers of these Authorities in connexion with sanitary matters were transferred to the newly created County Councils and District Committees. The Parochial Authorities still retain, however, the administration of Burial Grounds and Vaccination, and under the Local Government Act of 1894 they were charged with certain other duties, but these have not, at present, resulted in financial transactions of any magnitude.

Varying character of the services included under this head.

Part of the expenditure upon Public Health is incurred upon the framing and enforcement of sanitary regulations in connexion with such matters as the abatement of nuisances, the prevention of infectious diseases and of diseases of animals, the cleanliness of bakehouses, the purity of foods and drugs, the supervision of lodging-houses, of new dwellings, of dairies, and of slaughter-houses, and the sanitary requirements of factories and workshops, and it is not possible to analyse this part of it exhaustively.

There are also certain undertakings carried on by Municipalities and other Local Authorities which are more or less reproductive, and, under ordinary circumstances, impose no charge, or only a small one, upon the rates. Such undertakings are of various kinds, but the most important are waterworks, gasworks, tramways, electric lighting works, markets, dwellings, baths, and slaughter-houses. The main object of this chapter is, however, to give a short account of the administration of those public works which involve a considerable outlay and are not in any direct sense remunerative, and are mainly responsible for the increasing burden of the sanitary and public health rates.

Imperial grants in aid of certain of these services.

As is shown in Chapter II. of the Report, grants are given from the Local Taxation Account towards the cost of roads and the expenditure upon medical officers' and sanitary inspectors' salaries and expenses. A part of the grants in aid of County and Burgh rates generally must also be regarded as a contribution towards the sanitary matters administered by those Authorities.

Rates from which the expenditure is mainly defrayed.

The rates from which most of the expenditure upon Public Health and Public Works is defrayed are the Burgh General Assessment and the Public Health Rate. The former is chargeable wholly upon occupiers, whilst the latter is divided equally between owners and occupiers. The differential rating provisions described on page 7 apply to both rates. The Burgh General Assessment is limited to 2s. in the £, and the Public Health Rate in Counties is limited to 1s. in the £. There is no limit to the Public Health Rate in Burghs or Police Burghs.†

Road administration before the introduction of the present system.

There is no liability at common law for the maintenance of public highways in Scotland. Road legislation of a general character dates from the year 1617, the justices of the peace being appointed the Road Authority. The system of personal service, known as "statute labour," was introduced in 1669. The sheriff and justices were the administering Authority, and the tenants and cottars were called upon to do the work. When the labour thus provided was insufficient the heritors of the shire, including the burghs, were to stent themselves, the maximum rate being 10s. Scots in each 100l. of valued rent, and when the stent was not sufficient tolls might be levied at bridges, causeways, and ferries. This system was gradually abolished, partly by Local, County, and Burgh Acts, partly by an adoptive Statute of 1845, and finally by the Roads and Bridges Act of 1878.

* This Statute does not apply to Edinburgh, Glasgow, Aberdeen, Dundee, or Greenock, all of which have private Acts, but it is open to these Burghs to adopt the Act in whole or in part.

† The former limit to the Public Health Rate was repealed by the Burgh Sewerage, Drainage, and Water Supply (Scotland) Act, 1901, which comes into operation on 15th May, 1902, but here and throughout this chapter the provisions of that Act are referred to as being now in force.

During the eighteenth century many new roads were constructed under Turnpike Acts, and maintained by the levying of tolls, the surplus revenue from which was devoted to the extinction of the debt incurred for the construction of the roads. These roads were merged into the general system by the Local Acts and the Act of 1878. Certain military and parliamentary roads constructed entirely, or in part, by the Government during the latter part of the eighteenth and earlier years of the nineteenth centuries were similarly dealt with by an Act of 1863. The Act of 1878 permitted some of the local Acts to continue in force, but those remaining were repealed by the Act of 1889, and, with a few unimportant exceptions, all roads are now managed by the County and Burgh Authorities in accordance with the Roads and Bridges Act, 1878, as amended by the Local Government Act, 1889, and certain other statutes.

Under the Act of 1878, Road Trustees were appointed for each County (including therein all Police Burghs with a population of less than 5,000), this body consisting of the Commissioners of Supply (except factors and those deriving their qualification from burgh lands), together with representatives of certain Corporations and Incorporated Companies, and of the Parishes and the Police Burghs included in the area administered by the Trustees. The Trustees appointed from their own number a County Road Board, and, except in certain of the smaller Counties, District Committees.

This organisation was retained, so far as possible, under the 1889 scheme of local government. The County Road Trustees are replaced by the County Council, who continue to appoint the County Road Board, but the members of the District Committees are determined by Statute instead of being selected, subject to certain restrictions, by the supervising Authority.

The County Council is the paramount Road Authority in each County, and is responsible for the raising of all money required for highway purposes, whether by rate or by loan. On the recommendation of the County Road Board they have the power of taking over or abandoning any road within the County, unless, on appeal by three ratepayers, the Sheriff otherwise determines.

The County Road Board is a committee of not more than 30 members of the County Council, and is appointed for one year. They have all the powers of the County Council in connexion with road matters except that of raising money, and such other powers as the Council expressly reserve. Subject to the approval of the Council and the Standing Joint Committee of the Council and Commissioners of Supply, the Board may provide for the construction of new roads. All the Counties except eight are divided into districts in which the highways are administered by District Committees. These Committees consist of the County Councillors for the electoral divisions included in the district (excluding representatives of Police Burghs which manage their own roads), and one representative of each Parish Council wholly or partly within the district.

Road Surveyors, whose salaries are subject to the approval of the County Council, may be appointed by the District Committees. These Surveyors are required to submit to the District Committee an annual report, estimates, &c., upon which the Committee reports to the County Road Board, whose decision in regard to the matters contained in the reports, &c. is final. Roads may be closed for repairs by order of the Road Board or District Committee, subject to compliance with certain formalities.

In Counties not divided into districts one representative from each Parish Council wholly or partly in the County sits with the County Council, which, as thus constituted, is charged with the powers and duties of District Committees.

Assessments for the management and repair of the roads and the construction of new roads in each district, together with a proportion of the general expenses, are charged upon the district, and divided equally between owners and occupiers. Prior to 1890 (when the Local Government Act of the previous year came into force) assessments for the construction of new roads were charged upon owners alone, and might, in the option of the County Road Trustees, be thrown uniformly over the whole County. Until the debt in connexion with these roads is extinguished, the assessments required for that purpose continue to be levied in the same manner.

Existing administration of roads in counties.

Certain public
ways maintained
by Parish Councils.

Existing adminis-
tration of roads
and streets in
burghs.

A Parish Council* may repair and maintain all or any of the public ways not controlled by the County Authorities, and the expenses are defrayed out of the special parish rate.†

Under the general Police Acts and certain local Acts, a large number of Burgh Authorities had obtained control of their roads some years before the Roads and Bridges Act of 1878 was passed. That Act placed in the hands of the Burgh Authorities the control of the highways‡ in all Royal and Parliamentary Burghs and in all Police Burghs with a population of over 5,000; but it allowed any burgh or Police Burgh, with a population of less than 10,000, to devolve the management of its highways upon the County. Where this has been done, the Town Council is permitted to nominate a member of the District Committee, or, if the County is not divided into districts, of the County Council.

The control of the highways‡ within Police Burghs is now, however, mainly governed by the Roads and Streets in Police Burghs (Scotland) Act, 1891, under which any such Burgh may undertake the management and maintenance of its highways, or the Council of the County in which it is situated may require it to do so. The terms of the transfer are to be arranged between the Town and County Councils, or, failing agreement, to be settled by the Sheriff. On the other hand, if a Police Burgh does not undertake the management and maintenance of its highways, it may claim annually from the County Council or District Committee a contribution towards the expense of managing and maintaining such streets and roads within the Burgh as are maintained by the Town Council.

It will thus be seen that whilst some Burghs and Police Burghs may have entire control of the whole of their streets, others may be within the County or County district for highway purposes, though having control over such streets within their area as have not been taken over by the County Council.

With regard to highways, the Town Council has all the powers possessed by a County Council, and the Town Council may cause all or any of the streets, foot pavements, and footpaths which are maintained by them to be raised, lowered, altered, &c. The Council may require certain private streets to be properly levelled, paved, &c. and must thereafter maintain such streets themselves, and they may, upon application by certain interested persons, take over any private street which has been made, paved, &c. to the satisfaction of the Council. They may also require the provision of foot pavements by the owners of adjoining lands or premises, and must then maintain the pavements themselves.

Rates from which
burgh road expen-
diture is met.

In Burghs and Police Burghs the expenditure upon roads maintained under the Burgh Police Act is defrayed from the Burgh General Assessment. If incurred under the Roads and Bridges Act, it may, whether it be for the maintenance and repair of existing roads or for the construction of new roads, be raised as a separate Roads Rate or as part of the Burgh General Assessment, which latter may be increased beyond the statutory limit to the extent necessary to meet the expenditure so incurred.

Bridges.

Bridges are as a rule constructed and maintained by the same Authorities as roads, and the expenditure is met from the same assessments.

Lighting,
scavenging, and
the provision of
baths in burghs
and "special
districts."

The powers and duties in connexion with—

- (1) Lighting,
- (2) Scavenging and removal of house refuse,
- (3) The provision and maintenance of public baths or bathing places, wash-houses, and drying grounds,

are in Burghs and Police Burghs conferred by the Burgh Police Act, 1892, upon the Town Councils. In non-burghal areas these operations can only be carried out by the formation of "special districts" under the Local Government Act, 1894. The

* In the case of parishes partly within a burgh or police burgh, these powers are conferred upon the "Landward Committee" only.

† Other expenditure is also charged to this rate, which is levied along with the Poor Rate, and limited to 6d. in the £.

‡ For the purposes of the Roads and Bridges Act, 1878, and the Roads and Streets in Police Burghs Act, 1891, the term "highways" does not include any street or road which is vested in the Local Authority of any burgh or police burgh.

provisions for the formation of districts for the different purposes are very similar, and, before referring to them, it will be convenient to deal with the powers and duties of Town Councils in connexion with all the above purposes.

Town Councils are required to make provision for lighting all the streets within their area, and may also light such other places as, in their judgment, seems necessary. They may themselves provide the gas or other light, or they may enter into contracts for the supply. If the Council desire to contract with the owners of works authorised by Parliament, and the price and other conditions of the supply be not agreed upon, they must be settled by arbitration in accordance with the Lands Clauses Acts. Common stairs or passages or private courts, &c. are to be lighted by the owners, or, if insufficiently lighted, the Council may light them and charge the owners with the cost. In all cases, however, the owners may recover the cost from the occupiers.*

The duties of scavenging and watering the streets and removing house refuse in urban areas are also imposed upon the Town Councils, who may either do the work directly or through contractors, and may provide lands, &c., for the treatment and disposal of the dust and refuse. The Council may erect and maintain public conveniences, and may provide, either within their area or a reasonable distance therefrom, public baths, wash-houses, drying grounds, &c.†

Expenditure by Town Councils upon lighting, scavenging, and baths, &c., is charged to the Burgh General Assessment.

"Special districts" for any or all of the three purposes mentioned above can be formed in non-burghal areas by the District Committees upon requisition by the Parish Councils or by not fewer than ten parish electors of any landward parish or landward part of a parish. These districts may consist of the parish or parishes, or any part thereof, from which the application is received, and the District Committee may appoint a sub-committee, consisting wholly or partly of Parish Councillors of the parishes concerned, for carrying out the purposes for which the district is formed. The expenses are defrayed from a Special District Rate which is limited to 9d. in the £ and levied along with and as an addition to the Public Health Rate.

Drainage and sewerage in Burghs and Police Burghs are provided for in both the Burgh Police Act, 1892, and the Public Health Act, 1897. All sewers and drains, except private drains and certain others, are vested in the Town Councils, who may purchase or construct such other sewers and drains as may be necessary within their district, or, if for disposing of the sewage, without their district, and must keep all the sewers properly cleansed. Some Burghs and Police Burghs are divided into districts for sewerage purposes, but certain restrictions have now been placed upon the adoption of this plan, and the tendency is towards making each Burgh and Police Burgh one sewerage district.

Sewerage and drainage expenses are charged to a Sewer Rate levied in the same manner as the Public Health Rate.‡

In Burghs and Police Burghs a water supply might formerly have been provided by Burgh Authorities in accordance with the provisions of the Burgh Police Act or the Public Health Acts. Since 1897, however, the Burgh Authorities have been compelled to proceed under the former Act, as the provisions of the Public Health Act of 1897, with regard to this service, were not extended to urban areas, though the Burgh Sewerage, Drainage, and Water Supply Act, of 1901 enables those authorities again proceed under the Public Health Act.

Town Councils are required to maintain all existing sources from which water is obtained gratuitously so long as the water is not dangerous or injurious to health or unfit for dietetic purposes. They may contract for the supply of water on such terms as may be agreed or settled by arbitration, or they may provide a sufficient supply themselves if no waterworks company or Water Commissioners having works established are prepared to provide it. Where a supply is provided by the Council the owners of houses and tenements may lay service pipes, and may be compelled to do so,

Powers and duties of Town Councils with regard to lighting.

Powers and duties of Town Councils with regard to scavenging, &c., and baths.

Formation of "special districts" for lighting, scavenging, and provision of baths

Drainage and sewerage in burghs.

* 55 & 56 Vict. c. 55, ss. 99 to 105.

† 55 & 56 Vict. c. 55, ss. 107 to 112 and 309 to 314.

‡ The combined Sewer and Water Rates are limited to 4s. in the £ unless permission to exceed that limit is given by the Local Government Board.

but the water supplied must not be used for other than domestic and ordinary purposes unless by agreement with the Council. The expenditure incurred by Town Councils in connexion with water supplies is defrayed from a Special Water Assessment levied in the same manner as the Public Health Rate.*

*Sewerage and
water supply in
non-burghal areas.*

Under the Public Health Act the sewerage and water supply districts in non-burghal areas may be either the whole area of a District Committee or a Special Drainage or Water Supply District. Special Districts may be formed, altered, or combined by a District Committee on its own initiative, or at the request of a Parish Council, or not fewer than ten ratepayers, but the decision of the Committee is subject to appeal to the Sheriff. Sub-committees for the control of the sewers and drains and the water supply in Special Districts are appointed as in the case of other Special Districts.

The expenses incurred by a District Committee upon these purposes are defrayed from the Public Health Rate. In the case of Special Districts the expenditure is met by a separate Sewer or Water Supply Rate levied by the County Council in the same manner as the Public Health Rate, but the amount of the two rates taken together is limited to 3s. in the £, unless permission to exceed that limit is given by the Local Government Board.

If, however, an application to adopt the Public Health Act, 1891, be made to the County Council by a District Committee and the Council by resolution accede to the application, the expenses incurred by a District Committee for water supply may be met from an assessment, called the Domestic Water Rate, levied in the same manner as near as may be, as the Public Health Rate upon all lands and heritages within the district which shall have been supplied with water at such rate in the £ as may be sufficient, when supplemented by the Public Water Rate, if any, to defray such expenses. The levy of a Public Water Rate is also in the discretion of the County Council, and it may be charged upon all lands and heritages within the district, at a rate not exceeding 3d. in the £. No part of these rates may be charged upon Special Water Supply Districts in which a sufficient supply of water has been obtained, and is maintained, nor may the Domestic and Public Water Rates together exceed the limit prescribed for the Water Supply Rate referred to in the preceding paragraph.

District Committees and Town Councils may combine for the purposes of Drainage and Water Supply.

*The provision of
pleasure grounds,
parks, &c.*

Under the Burgh Police Act, Town Councils may provide pleasure or recreation grounds either within the Burgh or at not more than two miles from the Burgh boundary. A resolution of the intention to provide such grounds must be agreed to and confirmed by two-thirds of the Councillors present at the meetings at which the question is raised, and any such resolution shall not be carried into effect if opposed by a majority of the householders.

The Council may also expend money upon the maintenance of commons, parks, or open spaces, and for defending public rights therein. Under the Public Parks Act, 1878, Town Councils may acquire land compulsorily (under the Lands Clauses Acts) for the provision of public parks and pleasure grounds, whether within or without their district. The expenditure of Town Councils under these heads may be met from the Burgh General Assessment or the Public Health Rate.

In non-burghal areas recreation grounds may be provided by Parish Councils or Landward Committees at the charge of the Special Parish Rate, which is limited to 6d. in the £.

*Housing of the
working classes.*

The expense of providing dwellings for the working classes does not, of course, fall entirely upon the rates, but a passing reference may be made to the powers given to Local Authorities under the Housing of the Working Classes Act, 1890. That

* The combined Sewer and Water Rates are limited to 4s. in the £ unless permission to exceed that limit is given by the Local Government Board. For the Water Rate the annual value of all quarries and manufactories is to be held to be one-fourth of their annual value. Similar relief is granted to shops, unless in special circumstances the Town Council see cause to charge the ordinary rates, an appeal against such decision lying to the Sheriff. Disputes as to the lands and premises falling under the above exceptions may be settled by the Sheriff-substitute with power of appeal to the Sheriff, whose decision is final. It is provided, however, that where any of these subjects were before 1892 assessed on the annual value either under any general or local Police Act, the Public Health Acts, or the Local Government Act of 1889, and money was borrowed on the security of these assessments, such subjects shall be liable to be assessed on the annual value until such borrowed moneys have been repaid.

Act is divided into three parts and the authorities charged with its administration are the Town Councils and District Committees, though the latter authorities have no power to act under Part I.

Parts I. and II. relate primarily to the improvement of unhealthy areas and the demolition of unhealthy dwelling-houses respectively, though power is also given to rebuild working-class dwellings upon the vacant land, or to sell or let the land for the same purpose. Under Part III. the Local Authorities may provide lodging-houses, separate houses, or cottages with gardens for the working classes.

The expenditure under the Act, so far as it is not met from rents, &c., is defrayed from a rate levied in the same manner as the Public Health Rate, except that in non-burghal areas it is only levied within the parish or parishes in respect of which the expenditure is incurred.

Temporary or permanent hospitals for infectious diseases and houses of reception Hospitals, or convalescents from infectious diseases, or for persons who have been exposed to infection, may be provided by Town Councils and District Committees, and two or more Local Authorities may agree or may be required to unite for this purpose. The institutions may be built by the Local Authorities themselves, or may be hired from other persons, but the approval of the Local Government Board must first of all be obtained. Infectious cases may also be provided for by agreement with persons having the management of suitable institutions. The Local Authorities may employ nurses to attend infectious cases at the patients' homes, and provide medical attendance, &c. Carriages for the conveyance of infectious cases and mortuaries may also be provided. The expenditure incurred is charged upon the Public Health Rate.

Burial grounds may be provided and maintained by Parish Councils of parishes Burial grounds. outside the limits of Parliamentary Burghs, and the Town Councils of Parliamentary Burghs comprehending more than one parish or parts of more than one parish. If a Parliamentary Burgh lies wholly within one parish which is also in part landward, the sheriff may determine whether the Town Council or the Parish Council shall be the Burial Authority. Burial Authorities may unite to provide joint burial grounds, and under certain circumstances the Sheriff may compel a Burial Authority to provide a burial ground. Burial grounds which are dangerous to health may be closed, and proposed burial grounds may be forbidden by order of the King in Council. So far as the cost of maintenance is not met by burial fees it is charged to an assessment levied in the same manner as the Poor Rate.

Public libraries may be established by Parish and Town Councils. If part of a Public libraries. parish consists of the whole or any part of a Burgh or Police Burgh, the authority in the non-burghal area is the Landward Committee. The Public Libraries Act can only be adopted on the initiative of the householders, and a majority in favour of its adoption is necessary before the Act can be put into force. The Councils may appropriate and acquire land, and erect and equip buildings suitable for public libraries, public museums, schools for science, &c., and are required to appoint annually a Committee of Management, half from their own number and half from the householders. A special rate is leivable, and this may not in any year exceed 1d. in the £, or such smaller sum as the householders may determine. In Burghs or Police Burghs the rate is levied in the same manner as the Burgh General Assessment, and elsewhere as the Poor Rate.

II.—REVENUE AND EXPENDITURE OF LOCAL AUTHORITIES.

The following figures relate to the year 1899–1900, the latest year for which complete statistics have been published.

Gross rental.

The gross rental of the whole of Scotland was 27,784,000*l.*, of which rather more than 15,800,000*l.* was in burghal areas, and nearly 12,000,000*l.* in landward areas excluding Police Burghs.

Revenue of Local Authorities.

The revenue, excluding receipts from loans, was—

—	Amount.	Per cent.
From assessment	£ 4,599,248	41·5
From Imperial subventions and payments	1,965,038	17·8
From tolls, dues, fees, and fines	1,111,824	10·0
From miscellaneous sources	3,404,282	30·7
Total	11,080,392	100·0

Amount of assessments raised by various Authorities.

This 4,599,248*l.*, received from assessments, was raised by the following Authorities:—

Burghal Authorities:—**Burghs, for—**

Water supply purposes	£ 308,459
All other purposes	1,731,800
Harbours and ports	522
Total	<u>2,040,781</u>

Landward Authorities:—**County Councils, for—**

Water supply purposes	£ 78,175
All other purposes	681,813
District Fishery Boards	12,785
Total	<u>772,773</u>

Parochial Authorities (comprising the whole area of Scotland, burghal and landward):—**Parish Councils, for—**

Poor Law purposes	£ 841,966
Education	869,105
All other purposes	34,122
Heritors for ecclesiastical purposes	40,501
Total	<u>1,785,694</u>

Total for all assessments £4,599,248

Amount of owners' and occupiers' rates.

The rates raised in respect of ownership and of occupancy were—

Local Authorities.	Total Amount of Assessment.	In respect of Ownership.	In respect of Occupancy.
Burgh Authorities	£ 2,040,259	£ 520,963	£ 1,519,296
County Councils	759,988	494,213	265,775
District Fishery Boards	12,785	12,785	—
Parish Councils (including School Rate)	1,745,193	928,155	817,038
Heritors for Ecclesiastical purposes	40,501	40,501	—
Harbours and Ports	522	268	254
Total	4,599,248	1,996,885	2,602,363

The average rate per £ of assessment, ascertained by dividing the total amount of Average rate in £. all assessments collected by the gross valuation of the country, was 3s. 3*d*.

The gross expenditure (including debt charges) of Local Authorities amounted to Gross expenditure upon principal services administered by Local Authorities. £ 11,103,000*l.*, and was principally incurred upon the following purposes:—

	£
Poor relief (including cost of collection of school rate)	1,123,644
Providing and building, &c., of district asylums	104,083
Education	2,138,216
Public libraries	28,372
Police	526,709
Roads and bridges	864,581
Sanitation:—	
Sewers and drains	181,983
Water supply	726,464
Hospitals	204,505
General sanitary operations	122,578
Cleansing streets and courts	353,368
Burial grounds	59,545
Dwelling-house improvements	86,607
Public baths and wash-houses	42,719
Public parks	130,945
Public lighting	215,317
Private lighting	1,783,820
General burgh improvements	82,587
Harbours and ports, &c.	924,619
Tramways	533,487
Other expenditure	868,533
Total	<u>£11,102,682</u>

The outstanding loans of Local Authorities amounted to 42,638,000*l.*, but this sum Outstanding loans. does not include interminable annuities, the capitalised value of which is estimated at over 5,000,000*l.*

Of the 42,638,000*l.* outstanding loans, 10,929,000*l.* had been incurred on account of harbours and ports, 8,269,000*l.* on account of water supplies, and 4,647,000*l.* on account of education. Burghal Authorities were responsible for 35,440,000*l.* of the outstanding loans.

The outstanding loans were equivalent to 1*l.* 10*s.* 8*d.* per £ of gross rental if spread over the whole of Scotland, but Burghal Authorities were in debt to the extent of at least 2*l.* 4*s.* 9*d.* per £ of gross rental, whilst the outstanding loans in non-burghal areas may be taken to be less than 6*s.* per £ of gross rental. The outstanding debt in urban areas does not, however, fall entirely upon the rates, as it is, to a large extent, a charge upon the revenues derived from such undertakings as harbours, gasworks, tramways, &c.

**III.—MEMORANDUM ON THE LOCAL TAXATION (SCOTLAND) ACCOUNT
(PREPARED FOR THE COMMISSION BY THE SCOTTISH OFFICE).**

PART I.

INTRODUCTORY.

51 & 52 Vict. c. 41. ss. 21 and 121. By the Local Government Act, 1888, and the Probate Duties (Scotland and Ireland) Act of the same year, Local Taxation Accounts were directed to be opened for England and Scotland respectively at the Bank of England, and for Ireland at the Bank of Ireland, and to these Accounts the Commissioners of Inland Revenue were directed to transfer, in 1888–89 *one-third*, and in subsequent years *one-half*, of the revenue derived in the United Kingdom from the Probate Duty, the amount so transferred (called the Probate Duty Grant) being allocated to the three Accounts in the proportions 80 per cent., 11 per cent., and 9 per cent.* These moneys became applicable to certain specified local purposes in the three countries; the duty of administering the Scottish Account being placed upon the Secretary for Scotland.

One of the objects in view, in opening these Local Taxation Accounts, was to remove from the Estimates, in the case at least of England and Scotland, certain Grants in Aid for police, pauper lunatics, and other local purposes which were then voted annually by Parliament, effecting thereby a clear separation in the National Accounts of moneys raised respectively for Imperial and Local services, and obviating that duplication of expenditure which inevitably occurred under the Grants in Aid system through the Grants being classed, firstly, as Imperial Expenditure in the Imperial Budget, and, secondly, as local expenditure in the Local Budgets.† As regards England the votes hitherto taken for the Grants in Aid were discontinued in 1889–90; the Grants became chargeable on the County and County Borough Exchequer Contribution Accounts (to which the sums paid out of the Local Taxation Account were transferred); and, in addition to the Probate Duty Grant, the Commissioners of Inland Revenue were directed to credit the Local Taxation Account, as from 1889–90, with the proceeds of certain licence duties exigible from, or in respect of, publicans, game dealers, tobacco dealers, dogs, guns, carriages, &c., &c., in England, and referred to in the Local Government Act, 1888, as Local Taxation Licences. A grant of the proceeds of the corresponding licence duties collected by the Inland Revenue authorities in Scotland was only made to the Local Taxation (Scotland) Account a year later, i.e., as from 1890–91, pursuant to Section 20 of the Local Government (Scotland) Act, 1889, but in the meantime Scotland continued to receive the voted Grants in Aid for police, pauper lunatics, and poor law medical relief, which had ceased in the case of England in the preceding year.

Sector 121 (1) (b) and First Schedule to Act. Excise Duties (Local Purposes) Bill (1888). Included in the Local Taxation Licences which the Local Government Act, 1888, had assigned to local purposes in England were certain proposed new duties in respect of trade carts, locomotives, horses, mules, and horse dealers, a Bill providing for the collection of which was duly brought in by the Chancellor of the Exchequer. This Bill, however, failed to become law,‡ and the revenues of the County and County Borough Councils having in consequence fallen short of their expectations, it was urged that Parliament should do something to make good the deficiency.§ To remove any cause of complaint on this account, and at the same time to enable local authorities,

* The percentages 80, 11, and 9 were based on the general contributions of the three countries (as calculated in 1888) to the Imperial Exchequer. The general contribution of Ireland worked out to only 8·7 per cent., but, as the poorest country of the three, it was allowed to share on the basis of a 9 per cent. contribution. If the principle of handing back to each country in proportion to the amount contributed by it to the Probate Duty alone had been followed, the percentages allotted to the three accounts would have been: England, 85 per cent.; Scotland, 10 per cent.; and Ireland, 5 per cent. *Vide* Mr. Goschen's Budget Speech, 1888, Hansard, Vol. 324, col. 301.

† It may be noted in this connexion that, by the creation of a Local Loans Fund in 1887, loans raised by the State for local services had been clearly separated in the National Accounts from loans raised for Imperial services.

‡ In consequence of this the proposed new licences were omitted from the list of Local Taxation Licences scheduled to the Local Government (Scotland) Act, 1889. Cp. with schedule in English Act of preceding year.

§ It was estimated that the new duties would produce in Great Britain, about 840,000*l.* a year. *Vide* House of Commons Return, No. 123, of 1888. C. 5418 [1888] put the Scotch share at 74,000*l.*

by the grant of an Imperial subsidy, to deal effectively with the question of police superannuation, the Government in 1890* introduced and passed a measure assigning for local purposes to England, Scotland, and Ireland, in the same proportions as the Probate Duty Grant, certain additional duties of Customs and Excise on spirits, and a portion of the existing duties on beer.

53 Vict. c. 8.
s. 7.

More recent Acts, passed in 1896 and 1898,† have assigned further portions of the revenue from Imperial taxation to local purposes, the occasion for this being the necessity, in the opinion of the Government, for affording some relief to the burden of local taxation falling on the agricultural occupier. The nature of this legislation will be explained in more detail in a subsequent part of this Memorandum.‡ For the present it is only necessary to add that the various duties payable into the Local Taxation (Scotland) Account are transferred to it by the Commissioners of Inland Revenue and Customs at frequent intervals during the year, and that an account of the receipts and expenditure is furnished quarterly by the Secretary for Scotland to the Comptroller and Auditor-General, by whom it is audited as a public account in accordance with Section 24 (1) of the Local Government (Scotland) Act, 1889.

59 & 60 Vict.
c. 37.
61 & 62 Vict.
c. 56.

* See Budget Speech, 1890, Hansard, Vol. 343, cols. 730-736, for full statement of Government policy. The proposals, so far as they contemplated the appropriation of part of the new grant by the local authorities to the formation of a Compensation Fund for reducing by purchase the number of existing public-house licences, failed to become law.

† These Acts were to expire on 31 March 1902, but have been continued for four years more by 1 Edw. VII. c. 13.

‡ See pp. 107-9.

PART

DEVELOPMENT OF

The following Table traces the course of legislation in regard to the Local Taxation

Year. 1.	Payments into Local Taxation (Scotland) Account.* 2.	Payments out of Local Taxation (Scotland) Account.* 3.																																																						
		£	s. d.																																																					
1888-89 (1st year).	$\frac{1}{3}$ ds of one-third of total proceeds of Probate Duties - = 155,157 8 3																																																							
		(1.) Relief of rates in Highlands and Islands - - - 30,000 0 0 (2.) Cost of roads - - - 70,000 0 0 (3.) Residue towards cost of management of parochial boards, cost of pauper lunatics, &c. - - - 55,157 8 3																																																						
		Total - - -	£155,157 8 3																																																					
1889-90 (2nd year).	$\frac{1}{2}$ ds of one-half of total proceeds of Probate Duties - = 249,084 2 6																																																							
		(1.) Relief of rates in Highlands and Islands - - - 30,000 0 0 (2.) Cost of roads - - - 85,000 0 0 (3.) Residue towards relief of school fees - - - 184,084 2 6																																																						
		Total - - -	£249,084 2 6																																																					
1890-91 (3rd year)	<p><i>I. Probate and Licence Duties.</i></p> <table> <tr> <td>(1.) $\frac{1}{2}$ds of one-half of Probate Duty - - - 265,503 10 4</td> <td>£</td> <td>s. d.</td> </tr> <tr> <td>(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 - - - 322,432 16 10</td> <td></td> <td></td> </tr> <tr> <td>Total - - -</td> <td>£587,936</td> <td>7 2</td> </tr> </table> <p><i>II. Customs and Excise Duties.</i></p> <table> <tr> <td>(1.) $\frac{1}{2}$ds of proceeds of certain excise duties on beer and spirits assigned to Local Government purposes - - - 120,429 9 6</td> <td>£</td> <td>s. d.</td> </tr> <tr> <td>(2.) Do. Customs do. - - - 22,622 5 8</td> <td></td> <td></td> </tr> <tr> <td>Total - - -</td> <td>£143,051</td> <td>15 2</td> </tr> </table>	(1.) $\frac{1}{2}$ ds of one-half of Probate Duty - - - 265,503 10 4	£	s. d.	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 - - - 322,432 16 10			Total - - -	£587,936	7 2	(1.) $\frac{1}{2}$ ds of proceeds of certain excise duties on beer and spirits assigned to Local Government purposes - - - 120,429 9 6	£	s. d.	(2.) Do. Customs do. - - - 22,622 5 8			Total - - -	£143,051	15 2	<p><i>I.</i></p> <table> <tr> <td>(1.) Relief of rates in Highlands and Islands - - - 10,000 0 0</td> <td>£</td> <td>s. d.</td> </tr> <tr> <td>(2.) Cost of roads - - - 35,000 0 0</td> <td></td> <td></td> </tr> <tr> <td>(3.) Cost of police pay and clothing - - - 155,000 0 0</td> <td></td> <td></td> </tr> <tr> <td>(4.) Cost of poor law medical relief - - - 20,000 0 0</td> <td></td> <td></td> </tr> <tr> <td>(5.) Cost of pauper lunatics - - - 90,500 0 0</td> <td></td> <td></td> </tr> <tr> <td>(6.) Residue—Relief of school fees - - - 277,436 7 2</td> <td></td> <td></td> </tr> <tr> <td>Total - - -</td> <td>£587,936</td> <td>7 2</td> </tr> </table> <p><i>II.</i></p> <table> <tr> <td>(1.) Police superannuation - - - 40,000 0 0</td> <td>£</td> <td>s. d.</td> </tr> <tr> <td>(2.) Relief of school fees - - - 40,000 0 0</td> <td></td> <td></td> </tr> <tr> <td>(3.) Cost of medical officers and sanitary inspectors - - - 15,000 0 0</td> <td></td> <td></td> </tr> <tr> <td>(4.) Residue—Relief of rates, or Technical Education - - - 48,051 15 2</td> <td></td> <td></td> </tr> <tr> <td>Total - - -</td> <td>£143,051</td> <td>15 2</td> </tr> </table>	(1.) Relief of rates in Highlands and Islands - - - 10,000 0 0	£	s. d.	(2.) Cost of roads - - - 35,000 0 0			(3.) Cost of police pay and clothing - - - 155,000 0 0			(4.) Cost of poor law medical relief - - - 20,000 0 0			(5.) Cost of pauper lunatics - - - 90,500 0 0			(6.) Residue—Relief of school fees - - - 277,436 7 2			Total - - -	£587,936	7 2	(1.) Police superannuation - - - 40,000 0 0	£	s. d.	(2.) Relief of school fees - - - 40,000 0 0			(3.) Cost of medical officers and sanitary inspectors - - - 15,000 0 0			(4.) Residue—Relief of rates, or Technical Education - - - 48,051 15 2			Total - - -	£143,051	15 2
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* The payments into and out of the Account as recorded throughout this table are the payments in respect of each Government financial year ending 31st March. The final instalment payable by the Inland Revenue for any year on account of probate and other duties is not usually ascertained and paid over till June, fully two months after the close of the year.

II.

ACCOUNT, 1888-1901.

(Scotland) Account, and shows how it has developed since established in 1888 :—

Acts under which Payments made. 4.	Remarks. 5.										
Probate Duties (Scotland and Ireland) Act, 1888, 51 and 52 Vict. c. 60 (Preamble, and ss. 1 and 2).	<p>In addition to the contributions from the Local Taxation (Scotland) Account, the following grants in aid of local expenditure were provided by <i>Votes of Parliament</i> in this year; viz :—</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: right; width: 10%;">£</th> <th style="text-align: right;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">(1.) Cost of police pay, &c.</td> <td style="text-align: right;">151,282</td> </tr> <tr> <td style="text-align: right;">(2.) Cost of maintaining pauper lunatics</td> <td style="text-align: right;">89,070</td> </tr> <tr> <td style="text-align: right;">(3.) Cost of poor law medical relief</td> <td style="text-align: right;">19,982</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">£260,334</td> </tr> </tbody> </table> <p>(<i>Vide Appropriation Accounts for 1888-9, pp. 196, 284, and 422.</i>) The Vote hitherto taken for the grant towards cost of disturnpiked roads was abolished, the grant becoming a charge against the Local Taxation (Scotland) Account.</p>	£		(1.) Cost of police pay, &c.	151,282	(2.) Cost of maintaining pauper lunatics	89,070	(3.) Cost of poor law medical relief	19,982	Total	£260,334
£											
(1.) Cost of police pay, &c.	151,282										
(2.) Cost of maintaining pauper lunatics	89,070										
(3.) Cost of poor law medical relief	19,982										
Total	£260,334										
Probate Duties (Scotland and Ireland) Act, 1888, 51 & 52 Vict. c. 60, s. 1 (a), and Local Government (Scotland) Act, 1889, 52 & 53 Vict. c. 50, s. 19.	<p>The following grants in aid were also provided by <i>Votes of Parliament</i>; viz :—</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: right; width: 10%;">£</th> <th style="text-align: right;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">(1.) Cost of police pay, &c.</td> <td style="text-align: right;">154,034</td> </tr> <tr> <td style="text-align: right;">(2.) Cost of maintaining pauper lunatics</td> <td style="text-align: right;">91,322</td> </tr> <tr> <td style="text-align: right;">(3.) Cost of poor law medical relief</td> <td style="text-align: right;">19,981</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">£265,337</td> </tr> </tbody> </table> <p>(<i>Vide Appropriation Accounts for 1889-90, pp. 190, 280, and 484.</i>) In deference to Scottish opinion, Parliament directed that the Scotch share of the Probate Duty Grant should in the main be devoted to relief of School Fees, instead of (as in England) to relief of Local Taxation.†</p>	£		(1.) Cost of police pay, &c.	154,034	(2.) Cost of maintaining pauper lunatics	91,322	(3.) Cost of poor law medical relief	19,981	Total	£265,337
£											
(1.) Cost of police pay, &c.	154,034										
(2.) Cost of maintaining pauper lunatics	91,322										
(3.) Cost of poor law medical relief	19,981										
Total	£265,337										
Local Government (Scotland) Act, 1889, 52 & 53 Vict. c. 50, ss. 20-22.	<p>In this year the grants in aid of cost of police, &c., &c., ceased to be provided by <i>Votes of Parliament</i>, and became charges against the Local Taxation (Scotland) Account. The increased charge against the account was, however, more than met by the transfer to it of the proceeds of certain Excise licence duties under s. 20 of the Local Government Act.</p>										
Customs and Inland Revenue Act, 1890, 53 Vict. c. 8, s. 7; Local Taxation (Customs and Excise) Act, 1890, 53 & 54 Vict. c. 60, s. 9, and Police (Scotland) Act, 1890, 53 & 54 Vict. c. 67, s. 17.	<p>Certain additional duties of Customs and Excise imposed on spirits, and a proportion of the existing duties on beer, were also assigned to local government purposes, 11 per cent. of the proceeds going to the Local Taxation (Scotland) Account in terms of s. 7 of the Customs and Inland Revenue Act, 1890. This money was appropriated as directed in s. 2 of the Local Taxation (Customs and Excise) Act, 1890.</p>										

† See speeches of Lord Advocate in House of Commons, 8th April 1889, and of Secretary for Scotland (Marquis of Lothian) in House of Lords, 1st August 1889.

ROYAL COMMISSION ON LOCAL TAXATION:

Year.	Payments into Local Taxation (Scotland) Account.		Payments out of Local Taxation (Scotland) Account.	
	1.	2.	3.	4.
<i>I. Probate and Licence Duties.</i>				
1891-92 (4th year).		£ s. d.		£ s. d.
	(1.) 1/2 ths of one-half of Probate Duty -	309,230 10 6	(1.) Relief of rates in Highlands and Islands -	10,000 0 0
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 -	327,299 1 4	(2.) Cost of roads -	35,000 0 0
	Total -	<u>£636,529 11 10</u>	(3.) Cost of police pay, &c. -	155,000 0 0
			(4.) Cost of poor law medical relief -	20,000 0 0
			(5.) Cost of pauper lunatics -	90,500 0 0
			(6.) Residue—Relief of school fees -	326,029 11 10
			Total -	<u>£636,529 11 10</u>
<i>II. Customs and Excise Duties.</i>				
		£ s. d.		£ s. d.
	(1.) 1/2 ths of proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes -	129,870 9 6	(1.) Police superannuation -	40,000 0 0
	(2.) Do. Customs do. -	23,553 0 0	(2.) Relief of school fees -	40,000 0 0
	Total -	<u>£153,423 9 6</u>	(3.) Cost of medical officers and sanitary inspectors -	15,000 0 0
			(4.) Residue—Relief of rates or technical education -	53,423 9 6
			Total -	<u>£153,423 9 6</u>
<i>I. Probate and Licence Duties.</i>				
1892-93 (5th year).		£ s. d.		£ s. d.
	(1.) 1/2 ths of one-half of Probate Duty -	268,783 4 11	(1.) Relief of rates in Highlands and Islands -	10,000 0 0
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act -	329,784 10 8	(2.) Cost of roads -	35,000 0 0
	Total -	<u>£598,517 15 7</u>	(3.) Cost of police pay, &c. -	155,000 0 0
			(4.) Poor law medical relief -	20,000 0 0
			(5.) Pauper lunatics, 90,500/-	90,500 0 0
			Do. (additional), 25,000/- } 115,500 0 0	
			(6.) Secondary education -	60,000 0 0
			(7.) Universities of Scotland -	30,000 0 0
			(8.) Parochial boards (relief of rates) -	50,000 0 0
			(9.) Counties, burghs, and police burghs (relief of rates, &c.) -	100,000 0 0
			(10.) Balance—Relief of school fees -	18,017 15 7
			Total -	<u>£598,517 15 7</u>
<i>II. Customs and Excise Duties.</i>				
		£ s. d.		£ s. d.
	(1.) 1/2 ths of proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes -	127,564 18 3	(1.) Police superannuation -	40,000 0 0
	(2.) Do. Customs do. -	21,746 18 10	(2.) Relief of school fees -	40,000 0 0
	Total -	<u>£149,311 17 1</u>	(3.) Cost of medical officers and sanitary inspectors -	15,000 0 0
			(4.) Residue—Relief of rates or technical education -	54,311 17 1
			Total -	<u>£149,311 17 1</u>
<i>I. Probate and Licence Duties.</i>				
1893-94 (6th year).		£ s. d.		£ s. d.
	(1.) 1/2 ths of one-half of Probate Duty -	259,936 10 4	(1.) Relief of rates in Highlands and Islands -	10,000 0 0
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 -	333,580 12 4	(2.) Cost of roads -	35,000 0 0
	Total -	<u>£598,517 2 8</u>	(3.) Cost of police pay, &c. -	155,000 0 0
			(4.) Poor law medical relief -	20,000 0 0
			(5.) Pauper lunatics, 90,500/-	90,500 0 0
			Do. (additional), 25,000/- } 115,500 0 0	
			(6.) Secondary education -	60,000 0 0
			(7.) Universities of Scotland -	30,000 0 0
			(8.) Parochial boards (relief of rates) -	50,000 0 0
			(9.) Counties, burghs, and police burghs (relief of rates, &c.) -	107,660 0 0
			(10.) Balance—Relief of school fees -	10,357 3 8
			Total -	<u>£598,517 2 8</u>
<i>II. Customs and Excise Duties.</i>				
		£ s. d.		£ s. d.
	(1.) 1/2 ths of proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes -	127,458 4 7	(1.) Police superannuation -	40,000 0 0
	(2.) Do. Customs do. -	21,977 9 1	(2.) Relief of school fees -	40,000 0 0
	Total -	<u>£149,430 13 8</u>	(3.) Cost of medical officers and sanitary inspectors -	15,000 0 0
			(4.) Residue—Relief of rates or technical education -	54,430 13 8
			Total -	<u>£149,430 13 8</u>

Acts under which Payments made. 4.	Remarks. 5.
<i>Vide supra</i> (1890-91).	By the Elementary Education Act, 1891 (54 & 55 Vict. c. 56), provision was made for payment out of moneys voted by Parliament of a Fee Grant in aid of the cost of elementary education in England and Wales at the rate of 10 <i>s.</i> a year for each child—not less than three nor more than 15 years of age—in average attendance in public elementary schools. This raised the question of an "Equivalent" grant for Scotland. For the year 1891-92 the English grant was 806,225 <i>l.</i> , and on the analogy of the probate duty grant apportionment, Scotland received a sum equal approximately to $\frac{1}{10}$ ths of this amount, viz. 110,000 <i>l.</i> , which was provided on the Supplementary Estimates for 1891-92 (Class VII., 5). A large sum from the Local Taxation (Scotland) Account having been already devoted to the freeing of education in Scotland, it was decided, as a temporary expedient, to allocate the 110,000 <i>l.</i> thus becoming available among counties, burghs, and police burghs according to valuation, to be applied in relief of local rates, the settlement of the matter on a more permanent basis being postponed till the following year.
As specified above for 1890-91.	The Education and Local Taxation Account (Scotland) Act, 1892, passed in this year had the effect of transferring to the Public Education (Scotland) Vote the main charge falling on the Local Taxation (Scotland) Account in respect of elementary education. It enacted that a Fee Grant, to be fixed with reference to the amount of the English Fee Grant for the year, should be voted for Scotland annually, and that out of the residue of the Scotch share of the Probate and Licence duties which, under s. 22 (6) of the Local Government (Scotland) Act, 1889, had hitherto been devoted to relief of school fees, a sum equal to the Scotch Fee Grant for the year should be appropriated as indicated in Col. 3. On referring to that column it will be seen that the additional grant for pauper lunatics, together with the four new grants immediately following, exactly amount to 265,000 <i>l.</i> , this being the amount of the Scotch Fee Grant (as calculated at $\frac{1}{10}$ ths of the estimated English Fee Grant) for 1892-93. The balance of 18,017 <i>l.</i> 15 <i>s.</i> 7 <i>d.</i> was paid over to the Scotch Education Department, as an addition to the voted Fee Grant, in accordance with s. 2 (6) of the new Act. By this important re-arrangement the Scotch share of the Probate Duty Grant became, to a large extent, applicable (as in England) in relief of local burdens on realty as originally contemplated by the Government, while the grant in relief of School Fees ceased to be dependent on revenues which were liable to irregular fluctuations and had no relation to educational requirements.
As in 1892-93.	The Scotch Fee Grant for 1893-94, as calculated at $\frac{1}{10}$ ths of the estimated English Fee Grant, was 272,660 <i>l.</i>
As in 1890-91.	

ROYAL COMMISSION ON LOCAL TAXATION:

Year.	Payments into Local Taxation (Scotland) Account.			Payments out of Local Taxation (Scotland) Account.		
	1.	2.		3.	4.	
<i>I. Probate and Licence Duties.</i>						
1894-95 (7th year).		£ s. d.			£ s. d.	
	(1.) Proceeds of Probate (or Estate) Duty Grant -	235,404 13 2		(1.) Relief of rates in Highlands and Islands -	10,000 0 0	
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 -	335,653 7 4		(2.) Cost of roads -	35,000 0 0	
				(3.) Cost of police pay, &c. -	155,000 0 0	
				(4.) Poor law medical relief -	20,000 0 0	
				(5.) Pauper lunatics, 90,500 <i>l.</i> Do. (additional) 25,000 <i>l.</i> } -	115,500 0 0	
				(6.) Secondary education -	60,000 0 0	
				(7.) Universities of Scotland -	80,000 0 0	
				(8.) Parish councils (relief of rates) -	50,000 0 0	
				(9.) Counties, burghs, and police burghs (relief of rates, &c.) -	95,558 0 6	
	Total -	<u>£571,058 0 6</u>		Total -	<u>£571,058 0 6</u>	
<i>II. Customs and Excise Duties.</i>						
		£ s. d.			£ s. d.	
	(1.) Proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes -	123,715 2 6		(1.) Police superannuation -	40,000 0 0	
	(2.) Do. Customs do. -	21,385 12 5		(2.) Relief of school fees -	40,000 0 0	
				(3.) Cattle Pleuro-pneumonia Account -	10,800 0 0	
				(4.) Cost of medical officers and sanitary inspectors -	15,000 0 0	
				(5.) Residue—Relief of rates or technical education -	89,300 14 11	
	Total -	<u>£145,100 14 11</u>		Total -	<u>£145,100 14 11</u>	
<i>I. Probate and Licence Duties.</i>						
1895-96 (8th year).		£ s. d.			£ s. d.	
	(1.) Proceeds of Probate (or Estate) Duty Grant -	269,357 17 8		(1.) Relief of rates in Highlands and Islands -	10,000 0 0	
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 -	342,153 12 5		(2.) Cost of roads -	35,000 0 0	
				(3.) Cost of police pay, &c. -	155,000 0 0	
				(4.) Poor law medical relief -	20,000 0 0	
				(5.) Pauper lunatics, 90,500 <i>l.</i> Do. (additional) 25,000 <i>l.</i> } -	115,500 0 0	
				(6.) Secondary education -	60,000 0 0	
				(7.) Universities of Scotland -	80,000 0 0	
				(8.) Parish councils (relief of rates) -	50,000 0 0	
				(9.) Counties, burghs, and police burghs (relief of rates, &c.) -	132,344 0 0	
				(10.) Balance—Relief of school fees -	3,667 10 1	
	Total -	<u>£611,511 10 1</u>		Total -	<u>£611,511 10 1</u>	
<i>II. Customs and Excise.</i>						
		£ s. d.			£ s. d.	
	(1.) Proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes -	180,744 18 2		(1.) Police superannuation -	40,000 0 0	
	(2.) Do. Customs do. -	23,817 7 5		(2.) Relief of school fees -	40,000 0 0	
				(3.) Cattle Pleuro-pneumonia Account -	19,800 0 0	
				(4.) Cost of medical officers and sanitary inspectors -	15,000 0 0	
				(5.) Residue—Relief of rates or technical education -	38,262 5 7	
	Total -	<u>£153,062 5 7</u>		Total -	<u>£153,062 5 7</u>	

Acts under which Payments made. 4.	Remarks. 5.
As in 1892-93, and in addition the Finance Act, 1894, 57 & 58 Vict. c. 30, s. 19.	<p>The Probate Duty being abolished as a separate tax and merged in the new Estate Duty by the Finance Act of this year, the Act (s. 19) prescribed the manner in which the Probate Duty Grant to local purposes should in future be calculated.</p> <p>The Scotch Fee Grant for the year was 286,000<i>l.</i> (<i>see</i> Estimates, page 373), so that, as explained above in connection with the 1892-93 Account, a sum of 121,000<i>l.</i> might, if available, have been distributed among counties, burghs, and police burghs. Owing to a falling off in the revenue from probate (or estate) duty, the sum available was only 95,558<i>l.</i> 0s. 6<i>d.</i></p>
As in 1890-91, and in addition the Diseases of Animals Act, 1894, 57 & 58 Vict. c. 57, s. 18.	<p>The Local Taxation (Scotland) Account had been liable since the passing of the Contagious Diseases (Animals) Act, 1890, to provide 12 per cent. of the deficiency arising in any year on the Cattle Pleuro-pneumonia Account (Great Britain). This liability was continued by the Diseases of Animals Act, 1894. The first claim was made in 1894-95, and the amount (10,800<i>l.</i>) was charged against the Customs and Excise Duties pursuant to Section 2 of the Local Taxation (Customs and Excise) Act, 1890.</p>
As in 1894-95.	<p>The Scotch Fee Grant for the year, as calculated at $\frac{4}{5}$ths of the estimated English Fee Grant, was 297,344<i>l.</i></p> <p>The question having been raised of Scotland's claim to a like proportion of a sum of 30,000<i>l.</i> voted for England on the Supplementary Estimates for the year, Treasury agreed to take steps to obtain a grant of $\frac{4}{5}$ths of that sum for Scotland in the following year.</p>
As in 1894-95.	

Year. 1.	Payments into Local Taxation (Scotland) Account. 2.		Payments out of Local Taxation (Scotland) Account. 3.	
	<i>I. Probate and Licence Duties.</i>		<i>I.</i>	
1896-97 (9th year).	(1.) $\frac{1}{10}$ ths of Probate (or Estate) Duty Grant - - - - -	£ 253,428 9 9	(1.) Relief of rates in Highlands and Islands - - - - -	£ 10,000 0 0
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 - - - - -	347,255 5 7	(2.) Cost of roads - - - - -	35,000 0 0
	Total - - - - -	£ 600,683 15 4	(3.) Cost of police pay, &c. - - - - -	155,000 0 0
			(4.) Poor law medical relief - - - - -	20,000 0 0
			(5.) Pauper lunatics, 90,500 <i>l.</i> Do. (additional), 25,000 <i>l.</i> - - - - -	115,500 0 0
			(6.) Secondary education - - - - -	60,000 0 0
			(7.) Universities of Scotland - - - - -	30,000 0 0
			(8.) Parish councils (relief of rates) - - - - -	50,000 0 0
			(9.) Counties, burghs, and police burghs (relief of rates) - - - - -	125,183 15 4
		Total - - - - -	Total - - - - -	£ 600,683 15 4
	<i>II. Customs and Excise Duties.</i>		<i>II.</i>	
	(1.) $\frac{1}{10}$ ths of proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes - - - - -	£ 134,456 19 7	(1.) Police superannuation - - - - -	40,000 0 0
	(2.) Do. Customs do. - - - - -	23,016 4 2	(2.) Relief of school fees - - - - -	40,000 0 0
	Total - - - - -	£ 157,473 3 9	(3.) Cattle Pleuro-pneumonia Account - - - - -	14,400 0 0
			(4.) Cost of medical officers and sani- tary inspectors - - - - -	15,000 0 0
			(5.) Residue—Relief of rates or tech- nical education - - - - -	48,073 3 9
		Total - - - - -	Total - - - - -	£ 157,473 3 9
	<i>III. Estate Duty [Agricultural Rates, &c., Act].</i>			
	(1.) $\frac{1}{10}$ ths of grant to England under Agricultural Rates Act, 1896 (half-year) - - - - -	£ 91,629 19 1	Carried forward to year 1897-98 - - - - -	91,629 19 1
1897-98 (10th year).	<i>I. Probate and Licence Duties.</i>		<i>I.</i>	
	(1.) $\frac{1}{10}$ ths of Probate (or Estate) Duty Grant - - - - -	£ 285,647 13 10	(1.) Relief of rates in Highlands and Islands - - - - -	£ 10,000 0 0
	(2.) Proceeds of licences specified in schedule to Local Government (Scotland) Act, 1889 - - - - -	351,679 7 1	(2.) Cost of roads - - - - -	35,000 0 0
	Total - - - - -	£ 637,327 0 11	(3.) Cost of police pay, &c. - - - - -	155,000 0 0
			(4.) Poor law medical relief - - - - -	20,000 0 0
			(5.) Pauper lunatics, 90,500 <i>l.</i> Do. (additional), 25,000 <i>l.</i> - - - - -	115,500 0 0
			(6.) Secondary education - - - - -	60,000 0 0
			(7.) Universities of Scotland - - - - -	30,000 0 0
			(8.) Parish councils (relief of rates) - - - - -	50,000 0 0
			(9.) Counties, burghs, and police burghs (relief of rates) - - - - -	145,625 0 0
			(10.) Balance—Relief of school fees - - - - -	16,202 0 11
		Total - - - - -	Total - - - - -	£ 637,327 0 11
	<i>II. Customs and Excise Duties.</i>		<i>II.</i>	
	(1.) $\frac{1}{10}$ ths of proceeds of certain Excise duties on beer and spirits assigned to Local Government purposes - - - - -	£ 188,620 4 3	(1.) Police superannuation - - - - -	40,000 0 0
	(2.) Do. Customs do. - - - - -	22,926 19 8	(2.) Relief of school fees - - - - -	40,000 0 0
	Total - - - - -	£ 161,547 3 11	(3.) Cattle Pleuro-pneumonia Account - - - - -	7,800 0 0
			(4.) Cost of medical officers and sani- tary inspectors - - - - -	15,000 0 0
			(5.) Residue—Relief of rates or tech- nical education - - - - -	58,747 3 11
		Total - - - - -	Total - - - - -	£ 161,547 3 11
	<i>III. Estate Duty [Agricultural Rates, &c., Act].</i>		<i>III.</i>	
	(1.) $\frac{1}{10}$ ths of Grant to England under Agricultural Rates Act, 1896 - - - - -	£ 183,303 9 3*	(1.) Burgh land tax - - - - -	£ 7,989 19 10
	Total - - - - -	£ 183,303 9 3	(2.) Congested districts in Highlands and Islands of Scotland - - - - -	15,000 0 0
			(3.) County and parish councils—Re- lief of rates on agricultural occupier - - - - -	160,313 9 5
			Total - - - - -	£ 183,303 9 3

* It will be noticed that this amount is rather more than double the half-yearly payment in advance made in the preceding year. The £183*l.* 19*s.* 1*d.* was an approximate amount subject to later modification.

Acts under which Payments made. 4.	Remarks. 5.
As in 1894-95 - - - -	<p>In this year a change was introduced in the method of computing the voted Scotch Fee Grant. According to s. 1 (1) of the Education and Local Taxation Account (Scotland) Act, 1892, the Scotch Fee Grant was to be such amount as Parliament might determine, "having regard to the amount of the fee grant (for England and Wales) under the Elementary Education Act, 1891." The English grant was, pursuant to the 1891 Act, based on an allowance of 10s. for each day scholar in average attendance at the elementary schools, and the Scotch grant, on the analogy of the Probate Duty Grant apportionment, was at the outset fixed at $\frac{1}{5}$ths of the English grant. But from 1896-97 the Treasury agreed to calculate the Scotch (like the English) Grant on the basis of a payment of 10s. per child. The Scotch grant for 1896-97, so computed, was 303,609<i>l.</i>, but was increased, in accordance with the agreement alluded to under 1895-96, by a Supplementary Vote of 4,125<i>l.</i> (being $\frac{1}{5}$ths of a Supplementary Vote to England in 1895-96), which raised the Scotch Fee Grant for 1896-97 to 307,734<i>l.</i> As in 1894-95, the Fee Grant exceeded the amount available for distribution under Section 2 of the 1892 Act.</p> <p>[Note.—Treasury subsequently agreed, on the representation of the Scotch Education Department, to make the alteration in the method of computing the Scotch Fee Grant retrospective to 1892-93, the first year of the grant. This brought out a sum due to Scotland of 23,875<i>l.</i>, which was placed on the Scotch Education Estimates of 1898-99 and 1899-1900.]</p>
As in 1894-95.	
Agricultural Rates, &c. (Scotland) Act, 1896, 59 & 60 Vict. c. 37.	<p>Although paid into the Local Taxation (Scotland) Account in 1896-97, this sum of 91,629<i>l.</i> 19s. 1d. was really an advance half-yearly payment in respect of, and fell to be distributed in, the following year.</p>
As in 1894-95 - - - -	<p>The voted Scotch Fee Grant for this year was 310,625<i>l.</i></p>
As in 1894-95.	
As in 1896-97 - - - -	<p>This was the first year of the effective operation of the Agricultural Rates &c. (Scotland) Act, 1896. England had received under an Act passed in the same Session a grant out of the Estate Duty equal to one-half of the local rates raised from agricultural lands in 1895-96, and Scotland, on the usual "equivalent" basis, received $\frac{1}{5}$ths of that amount. The Scotch Grant was applied as indicated in Col. 3.</p>
	<p>[Note.—The Acts mentioned were only to operate for five years commencing 1897-98, but have been continued for four years by 1 Edw. VII. c. 13 (1901).]</p>

Year. 1.	Payments into Local Taxation (Scotland) Account. 2.		Payments out of Local Taxation (Scotland) Account. 3.	
<i>I. Probate and Licence Duties.</i>				
1898-99 (11th year.)	(1.) ^{1/2} ths of Probate (or Estate) Duty Grant -	£ 291,978 17 0	(1.) Relief of rates in Highlands and Islands - - -	£ 10,000 0 0
	(2.) Proceeds of Licences specified in schedule to Local Govern- ment (Scotland) Act, 1889 -	359,212 15 2	(2.) Cost of roads - - -	35,000 0 0
			(3.) Cost of police pay, &c. - -	155,000 0 0
			(4.) Poor Law medical relief - -	20,000 0 0
			(5.) Pauper lunatics, 90,500 <i>l.</i> - Do. (additional) 25,000 <i>l.</i> - } 115,500 0 0	
			(6.) Secondary education - - -	60,000 0 0
			(7.) Universities of Scotland - -	30,000 0 0
			(8.) Parish Councils—relief of rates -	50,000 0 0
			(9.) Cattle Pleuro-pneumonia Ac- count - - -	8,400 0 0
			(10.) Counties, burghs, &c. (relief of rates, &c.) - - -	161,912 0 0
			(11.) Balance—Relief of school fees	5,379 12 2
	Total - - -	£651,191 12 2	Total - - -	£651,191 12 2
<i>II. Customs and Excise Duties.</i>				
	(1.) ^{1/2} ths of proceeds of certain Excise Duties on beer and spirits assigned to Local Government purposes - - -	£ 143,604 1 3	(1.) Police superannuation - - -	£ 40,000 0 0
	(2.) Do. Customs do. - - -	22,588 1 6	(2.) Relief of school fees - - -	40,000 0 0
	Total - - -	£166,192 2 9	(3.) Medical officers and sanitary inspectors - - -	15,000 0 0
			(4.) Counties, burghs, &c. (relief of local rates or technical educa- tion) - - -	71,192 2 9
			Total - - -	£166,192 2 9
<i>III. Estate Duty [Agricultural Rates, &c. (Scotland) Act, 1896].</i>				
	^{1/2} ths of grant to England under Agricultural Rates Act, 1896 - - -	£ 183,303 9 3	(1.) Burgh land tax relief - - -	£ 7,989 19 10
	Total - - -	£183,303 9 3	(2.) Congested districts in Highlands and Islands of Scotland - - -	15,000 0 0
			(3.) County and parish councils— Relief of rates on agricultural occupier - - -	160,313 9 5
			Total - - -	£183,303 9 3
<i>IV. Consolidated Fund [Local Taxation Account (Scotland) Act, 1898].</i>				
	Additional grant towards relief of agricultural rates, &c. (half year)	£ 48,554 18 0	Amount carried forward to 1899— 1900 - - -	£ 49,554 18 0

Acts under which Payments made. 4.	Remarks. 5.
As in 1894-95, with the addition of the Local Taxation Account (Scotland) Act, 1898, s. 2, <i>proviso</i> .	<p>The voted Scotch Fee Grant for the Year was 335,312<i>l.</i> In virtue of the proviso in the Act of 1898, referred to in preceding column, any sum payable to the Cattle Pleuro-Pneumonia Account out of the Local Taxation (Scotland) Account became, from this year, chargeable against the grant to counties, burghs, &c., under section 3 (5) of the Education and Local Taxation Account (Scotland) Act, 1892, instead of, as formerly, against the residue of the Customs and Excise Duties. The "unholy alliance" between technical education and swine fever was thus dissolved.</p> <p><i>Note.</i>—The Act of 1898, as passed, would have expired at close of financial year 1901-2, but it has been continued for four years more by 1 Edw. VII. c. 18. (1901).</p>
As in 1894-95, but subject to modification by proviso in Act of 1898, as explained in next column.	
As in 1896-97.	
Local Taxation Account (Scotland) Act, 1898, 61 & 62 Vict. c. 56.	<p>Although paid into the Local Taxation (Scotland) Account in 1898-99, this sum of 48,554<i>l.</i> 18<i>s.</i> was really an advance half-yearly payment in respect of, and fell to be distributed in, the following year.</p>

ROYAL COMMISSION ON LOCAL TAXATION:

Year. 1.	Payments into Local Taxation (Scotland) Account. 2.		Payments out of Local Taxation (Scotland) Account. 3.	
	<i>I. Probate and Licence Duties.</i>		<i>I.</i>	
1899-1900 (12th year.)	(1.) <i>Part</i> s of Probate (or Estate) Duty Grant - - - - -	£ 328,503 16 11	(1.) Relief of rates in Highlands and Islands - - - - -	£ 10,000 0 0
	(2.) Proceeds of Licences specified in schedule to Local Govern- ment (Scotland) Act, 1889 - - - - -	£ 864,665 18 6	(2.) Cost of roads - - - - -	£ 35,000 0 0
			(3.) Cost of police pay, &c. - - - - -	£ 155,000 0 0
			(4.) Poor Law medical relief - - - - -	£ 20,000 0 0
			(5.) Pauper lunatics, 90,500 <i>l.</i> - - - - -	£ 115,500 0 0
			Do. (additional), 25,000 <i>l.</i> - - - - -	
			(6.) Secondary education - - - - -	£ 60,000 0 0
			(7.) Universities of Scotland - - - - -	£ 30,000 0 0
			(8.) Parish councils (relief of rates) - - - - -	£ 50,000 0 0
			(9.) Cattle Pleuro-pneumonia Ac- count - - - - -	£ 4,560 0 0
			(10.) Counties, burghs, &c. (relief of rates, &c.) - - - - -	£ 149,078 0 0
			(11.) Balance—Relief of school fees - - - - -	£ 64,086 15 5
	Total - - - - -	£ 693,169 15 5	Total - - - - -	£ 693,169 15 5
	<i>II. Customs and Excise Duties.</i>		<i>II.</i>	
	(1.) <i>Part</i> s of proceeds of certain Excise Duties on beer and spirits assigned to Local Government purposes - - - - -	£ 156,751 10 5	(1.) Police superannuation - - - - -	£ 40,000 0 0
	(2.) Do. Customs do. - - - - -	£ 25,848 12 7	(2.) Relief of school fees - - - - -	£ 40,000 0 0
			(3.) Medical officers and sanitary inspectors - - - - -	£ 15,000 0 0
			(4.) Counties, burghs, &c. (relief of local rates or technical educa- tion) - - - - -	£ 87,600 3 0
	Total - - - - -	£ 182,600 3 0	Total - - - - -	£ 182,600 3 0
	<i>III. Estate Duty [Agricultural Rates, &c. (Scotland) Act, 1896].</i>		<i>III.</i>	
	(1.) <i>Part</i> s of grant to England under Agricultural Rates Act, 1896 - - - - -	£ *182,960 7 9	(1.) Burgh land tax relief - - - - -	£ 7,989 19 10
			(2.) Congested districts in Highlands and Islands of Scotland - - - - -	£ 15,000 0 0
			(3.) County and parish councils— Relief of rates on agricultural occupier - - - - -	£ 160,313 9 5
	Total - - - - -	£ 182,960 7 9	Total - - - - -	£ 183,303 9 3
	<i>IV. Consolidated Fund [Local Taxation Account (Scotland) Act, 1898].</i>		<i>IV.</i>	
	(1.) Additional grant towards relief of agricultural rates, &c. - - - - -	£ 97,452 17 6	(1.) Additional contribution in relief of agricultural rates - - - - -	£ 20,000 0 0
			(2.) Additional contribution to cost of pay and clothing of police - - - - -	£ 25,000 0 0
			(3.) Marine superintendence (Fisher- ies) - - - - -	£ 15,000 0 0
			(4.) Residue to Secondary or Techni- cal (including Agricultural) Education - - - - -	£ 37,109 16 0
	Total - - - - -	£ 97,452 17 6	Total - - - - -	£ 97,109 16 0

Acts under which Payments made. 4.	Remarks. 5.
As in 1898-99. -	The voted Scotch Fee Grant for the year was £18,633 <i>l.</i> . •
As in 1898-99.	
As in 1896-97.	<p>* The grant under the Agricultural Rates, &c. (Scotland) Act, 1896, was reduced by a sum of 34<i>l.</i> 1<i>s.</i> 6<i>d.</i>, as compared with the preceding year, in consequence of a reduction in the total English grant following on an alteration of rating areas. An equivalent increase was, however, made in the payment to the Local Taxation (Scotland) Account under the Local Taxation Account (Scotland) Act, 1898. (See below.)</p> <p>† There was an <i>over payment</i> under this head of 34<i>l.</i> 1<i>s.</i> 6<i>d.</i> This arose from the fact that the reduction referred to above was not notified to Scottish Office until after the grant for 1899-1900 had been issued. The over payment was rectified in distributing the grant for 1900-1901.</p>
Local Taxation Account (Scotland) Act, 1898, 61 & 62 Vict. c. 66.‡	<p>† This was the first year of the effective operation of the 1898 Act. The purpose of the Act was to make up the Scotch grant, under the Act of 1896, to one-half of the total rates levied on agricultural <i>lands</i> in 1895-96, and to provide for the distribution of the additional sum. The total amount of rates levied on agricultural <i>lands and heritages</i> was certified at 640,945<i>l.</i>, but of this it was estimated that only seven-eighths related to <i>lands</i>. The Scotch grant, therefore, worked out to one-half of seven-eighths of 640,945<i>l.</i> — 280,413<i>l.</i> 5<i>s.</i> 3<i>d.</i> and this is the sum payable annually to the Local Taxation (Scotland) Account under the two Acts.</p> <p>§ There was an <i>under payment</i> under this head of 34<i>l.</i> 1<i>s.</i> 6<i>d.</i> This was made good in following year. See † above.</p>

ROYAL COMMISSION ON LOCAL TAXATION:

Year 1.	Payments into Local Taxation (Scotland) Account. 2.		Payments out of Local Taxation (Scotland) Account. 3.	
<i>I. Probate and Licence Duties.</i>				
1900-1901 (18th year).		£ s. d.		£ s. d.
	(1.) ^{1/10ths of} Probate (or Estate) Duty Grant -	300,091 0 10	(1.) Relief of rates in Highlands and Islands -	10,000 0 0
	(2.) Proceeds of licences specified in Schedule to Local Government (Scotland) Act, 1889 -	370,533 3 8	(2.) Cost of roads -	85,000 0 0
			(3.) Cost of police pay, &c. -	155,000 0 0
			(4.) Poor law medical relief -	20,000 0 0
			(5.) Pauper lunatics, 90,500L Do. (additional), 25,000L -	115,500 0 0
			(6.) Secondary education -	60,000 0 0
			(7.) Universities of Scotland -	30,000 0 0
			(8.) Parish Councils—Relief of rates	50,000 0 0
			(9.) Cattle Pleuro-pneumonia account	3,000 0 0
			(10.) Counties, burghs, &c. (relief of rates, &c.) -	146,933 0 0
			(11.) Balance—Relief of school fees	45,191 4 1
	Total -	£670,624 4 1	Total -	£670,624 4 1
<i>II. Customs and Excise Duties.</i>				
		£ s. d.		£ s. d.
	(1.) ^{1/10ths of} proceeds of certain Excise Duties on beer and spirits assigned to Local Government purposes -	150,395 5 6	(1.) Police superannuation -	40,000 0 0
	(2.) Do. Customs do. -	24,053 9 11	(2.) Relief of school fees -	40,000 0 0
			(3.) Medical officers and sanitary inspectors -	15,000 0 0
			(4.) Counties, burghs, &c. (relief of local rates or technical education) -	79,448 15 5
	Total -	£174,448 15 5	Total -	£174,448 15 5
<i>III. Estate Duty [Agricultural Rates, &c. (Scotland) Act, 1896].</i>				
		£ s. d.		£ s. d.
	^{1/10ths of} grant to England under Agricultural Rates Act, 1896 -	*182,499 5 9	(1.) Burgh land tax relief -	7,989 19 10
			(2.) Congested districts in Highlands and Islands of Scotland -	15,000 0 0
			(3.) County and parish councils—Relief of rates on agricultural occupier -	†159,627 6 5
	Total -	£182,499 5 9	Total -	£182,617 6 3
<i>IV. Consolidated Fund [Local Taxation Account (Scotland) Act, 1898].</i>				
		£ s. d.		£ s. d.
	Additional grant towards relief of agricultural rates, &c. -	£97,626 13 6	(1.) Additional contribution in relief of agricultural rates -	20,000 0 0
			(2.) Additional contribution to cost of pay and clothing of Police -	25,000 0 0
			(3.) Marine superintendence (Fisherries) -	15,000 0 0
			(4.) Residue to Secondary or Technical (including Agricultural) Education -	§37,795 19 0
	Total -	£97,626 13 6	Total -	£97,795 19 0

Acts under which Payments made. 4.	Remarks. 5.
As in 1898-99	The voted Scotch Fee Grant for the year was £14,933 <i>l.</i>
As in 1898-99	*A further reduction occurred in the amount receivable under Head III. consequent on a reduction in the English Grant. This reduction was not notified to Scottish Office, however, until the close of financial year, when the agricultural rates grant had already been issued.
As in 1898-97	<p>†In issuing this grant it was assumed that the total sum payable to the Local Taxation (Scotland) Account for 1900-1901 would be £182,960<i>l.</i> 7<i>s.</i> 9<i>d.</i> as in the preceding year. On this assumption the grant payable in relief of agricultural rates for the year under the 1896 Act, worked out to £159,970 9<i>l</i> 1<i>s.</i> but this had to be diminished by the over payment made in 1899-1900 of 34<i>3s.</i> 1<i>d.</i> making the sum issuable £159,627 6<i>s.</i> 5<i>d.</i> This again was increased by a small sum repaid to the credit of the grant, viz. 9<i>10s.</i> 2<i>d.</i> making the sum actually issued £159,636 16<i>s.</i> 7<i>d.</i></p> <p>but for the sake of simplicity this 9<i>s.</i> 10<i>s.</i> 2<i>d.</i> is excluded from Cols. 2 and 3. As the sum eventually paid into the Local Taxation (Scotland) Account for the year was only £182,499<i>l.</i> 5<i>s.</i> 9<i>d.</i> as against the assumed figure of £182,960<i>l.</i> 7<i>s.</i> 9<i>d.</i> there was an over issue in the year under Head III. of 46<i>1s.</i> 2<i>s.</i></p> <p>‡A sum of 28<i>7s.</i> 6<i>s.</i> was owing from the Consolidated Fund at the close of the financial year.</p> <p>§Like the residue under Head III. of the Account (see note † above), the payment for Secondary Education, &c., under Head IV., was issued on the assumption that the total sum payable into the account under Head IV. would be the same as in the preceding year. On this assumption the residue for the year worked out to 37,452<i>l.</i> 17<i>s.</i> 6<i>d.</i>, but it had to be increased by 34<i>3s.</i> 1<i>s.</i> 6<i>d.</i> in respect of the under payment in 1899-1900, making the sum payable 37,795<i>l.</i> 19<i>s.</i> In consequence of the reduction of the sum paid into the Account under Head III. an equivalent increase of 46<i>1s.</i> 2<i>s.</i> fell to be made under Head IV. Only 17<i>3s.</i> 16<i>s.</i> of this was received within the year, leaving 28<i>7s.</i> 6<i>s.</i> still due. When latter sum is received, a further amount of 46<i>1s.</i> 2<i>s.</i> will be payable as residue in respect of 1900-1901.</p>

PART II.—

SUMMARY of the foregoing ACCOUNTS

Payments into Local Taxation Accounts.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
I. Probate Duty Grant - - -	£ 155,157	£ 249,084	£ 265,504	£ 309,231	£ 268,783	£ 259,936	£ 235,405
Local Taxation Licences - - -	—	—	322,432	327,299	329,735	338,581	335,653
II. Customs Duties - - -	—	—	22,622	23,553	21,747	21,978	21,886
Excise Duties - - -	—	—	120,430	129,870	127,565	127,453	123,715
III. Estate Duty (Agricultural Rates (Scotland) Act, 1896).	—	—	—	—	—	—	—
IV. Consolidated Fund (Local Taxation (Scotland) Act, 1898).	—	—	—	—	—	—	—
TOTAL - - -	155,157	249,084	730,988	789,953	742,830	742,948	716,159

Payments out of Local Taxation Accounts.	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
HIGHLANDS GRANT - - -	£ 80,000	£ 30,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000
Roads Maintenance - - -	70,000	35,000	35,000	35,000	35,000	35,000	35,000
Parochial Boards (Cost of Management, &c.).	55,157	—	—	—	—	—	—
Police Pay and Clothing - - -	†	†	155,000	155,000	155,000	155,000	155,000
Poor Law Medical Relief - - -	†	†	20,000	20,000	20,000	20,000	20,000
Pauper Lunatics - - -	†	†	90,500	90,500	115,500	115,500	115,500
Parish Councils - - -	—	—	—	—	50,000	50,000	50,000
Counties, Burghs, &c. - - -	—	—	—	‡	100,000	107,560	95,558
Medical Officers and Sanitary Inspectors - - -	—	—	15,000	15,000	15,000	15,000	15,000
Residue (Customs and Excise) - - -	—	—	48,052	58,423	54,312	54,431	39,301
Burgh Land Tax - - -	—	—	—	—	—	—	—
County Councils, &c.: Relief of Agricultural Rates.	—	—	—	—	—	—	—
Secondary Education - - -	—	—	—	—	60,000	60,000	60,000
Universities of Scotland - - -	—	—	—	—	30,000	30,000	30,000
Relief of School Fees - - -	—	184,084	317,436	366,030	58,018	50,357	40,000
Cattle Pleuro-pneumonia Account - - -	—	—	—	—	—	—	10,800
Police Superannuation - - -	—	—	40,000	40,000	40,000	40,000	40,000
Congested Districts in Highlands and Islands.	—	—	—	—	—	—	—
Marine Superintendence (Fisherries) - - -	—	—	—	—	—	—	—
Advance Half-yearly Payments under Acts of 1896 and 1898.	—	—	—	—	—	—	—
TOTALS - - -	155,157	249,084	730,988	789,953	742,830	742,948	716,159

* The sum of 287*l.* 6*s.* mentioned in marginal notes on preceding page is included
 † Provided by Vote of Parliament in this year. See "Remarks" column, p. 79.

continued.

for the YEARS 1888-1901.

1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901.	TOTAL.	Payments <i>into</i> Local Taxation Accounts.
£	£	£	£	£	£	£	
269,358	258,429	285,648	291,979	328,504	300,091	3,467,109	I. Probate Duty Grant.
342,154	347,255	351,679	359,213	364,666	370,538	3,784,200	Local Taxation Licences.
22,317	23,016	22,927	22,588	25,849	24,058	252,036	II. Customs Duties.
130,745	134,457	138,620	143,604	156,751	150,395	1,483,605	Excise Duties.
—	91,630	183,303	183,303	182,960	182,499	823,695	III. Estate Duty (Agricultural Rates (Scotland) Act, 1896).
—	—	—	48,555	97,458	*97,914	243,922	IV. Consolidated Fund (Local Taxation (Scotland) Act, 1898).
764,574	849,787	982,177	1,049,242	1,156,183	1,125,485	10,054,567	TOTAL.

1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	1900-1901.	TOTAL.	Payments <i>out of</i> Local Taxation Accounts.
£	£	£	£	£	£	£	
10,000	10,000	10,000	10,000	10,000	10,000	170,000	Highlands Grant.
35,000	35,000	35,000	35,000	35,000	35,000	490,000	Roads Maintenance.
—	—	—	—	—	—	55,157	Parochial Boards (Cost of Management, &c.).
155,000	155,000	155,000	155,000	180,000	180,000	1,755,000	Police Pay and Clothing.
30,000	20,000	20,000	20,000	20,000	20,000	220,000	Poor Law Medical Relief.
115,500	115,500	115,500	115,500	115,500	115,500	1,220,500	Pauper Lunatics.
50,000	50,000	50,000	50,000	50,000	50,000	450,000	Parish Councils.
132,344	125,184	145,625	161,912	149,078	146,938	1,164,289	Counties, Burghs, &c.
15,000	15,000	15,000	15,000	15,000	15,000	165,000	Medical Officers and Sanitary Inspectors.
38,262	48,073	58,747	71,192	87,600	79,448	637,841	Residue (Customs and Excise).
—	—	7,990	7,990	7,990	7,990	31,960	Burgh Land Tax.
—	—	160,313	160,313	180,313	179,627	680,566	County Councils, &c.: Relief of Agricultural Rates.
60,000	60,000	60,000	60,000	97,110	97,796	614,906	Secondary Education.
30,000	30,000	30,000	30,000	30,000	30,000	270,000	Universities of Scotland.
43,668	40,000	56,202	45,380	104,037	85,191	1,390,403	Relief of School Fees.
19,800	14,400	7,800	8,400	4,560	8,000	68,760	Cattle Pleuro-pneumonia Account.
40,000	40,000	40,000	40,000	40,000	40,000	440,000	Police Superannuation.
—	—	15,000	15,000	15,000	15,000	60,000	Congested Districts in Highlands and Islands.
—	—	—	—	15,000	15,000	30,000	Marine Superintendence (Fisherries)
—	91,630	—	48,555	—	—	140,185	Advance Half-yearly Payments under Acts of 1896 and 1898.
764,574	849,787	982,177	1,049,242	1,156,183	1,125,485	10,054,567	TOTALS.

† A grant of 110,000*l.* for relief of rates in counties, burghs, and police burghs was provided by Vote of Parliament in 1891-92. See p. 81.

PART III.

HISTORICAL NOTES UPON THE SEVERAL GRANTS PAYABLE OUT OF THE LOCAL TAXATION
(SCOTLAND) ACCOUNT.

(1.) HIGHLANDS GRANT.

Origin and Amount.—The grant in relief of local taxation in the Highlands and Islands of Scotland (*i.e.*, the counties of Argyll, Inverness, Ross and Cromarty, Sutherland, Caithness, Orkney, and Shetland) originated in 1888–89, when a sum of 30,000*l.* was allotted to that purpose by the Probate Duties (Scotland and Ireland) Act, 1888, Section 2. The grant was continued at the same amount in 1889–90 by Section 19 (1) of the Local Government (Scotland) Act, 1889, but it was objected in Parliament* that any exceptional relief to the highland counties should properly constitute an Imperial charge, and should not be met out of moneys assigned for the benefit of Scotland generally, and the grant was accordingly reduced from 1890–91 onwards (*vide* Section 22 (1) of the Local Government (Scotland) Act, 1889) to 10,000*l.* per annum.

Mode of Distribution.—In the first two years of the grant, *viz.*, 1888–89 and 1889–90, the money available was distributed according to a scheme approved by the Secretary for Scotland. In brief, this scheme provided—

- (a) that 2,000*l.* should be handed over to the Scotch Education Department to be administered by them for behoof of necessitous school boards in the highlands and islands, subject to the provisions of Clause 7 of a Minute of the Committee of Council on Education in Scotland, dated 21st December 1888;
- (b) that the balance of 28,000*l.* should be allocated among the parochial boards in the highland counties, the parishes being divided into four classes according to the ratio of rental to population in each (*viz.*, Class I. containing parishes with average rentals not exceeding 1*l.* 12*s.* per head; Class II., with average rentals from 1*l.* 12*s.* to 3*l.*; Class III., with average rentals from 3*l.* to 6*l.*; and Class IV., with average rentals exceeding 6*l.*), and a higher or lower rate of grant being paid according to the class in which a parish was placed. Thus, parishes in Class I. got 1*s.* 8*d.* per head of population; Class II. parishes got 1*s.* 8*d.* per head; Class III. parishes got 1*s.* 6*d.* per head; and Class IV. parishes 1*s.* 3*d.* per head.

From 1890–91, inclusive, the grant (10,000*l.*) has, in accordance with Section 22 (1) of the Local Government (Scotland) Act, 1889, been distributed among the county councils of the Highland counties in proportion to the grants paid out of Exchequer to the Commissioners of Supply and County Road Trustees of each such county (excluding the burghs therein) during the financial year ending 31st March 1889. The sums annually payable to the several counties are as follows:—

	£	s.	d.
Argyll	3,089	1	8
Caithness	952	3	7
Inverness	2,768	8	7
Orkney	372	8	4
Ross and Cromarty	1,859	6	3
Shetland	204	4	9
Sutherland	754	6	10
 Total	 £10,000	 0	 0

Application of Grant by County Councils.—Section 22 (1) of the Local Government (Scotland) Act, 1889, directs each county council to apply its share of the grant to the relief of local taxation in the county (excluding the burghs therein). That enactment is modified by Section 4 of the Western Highlands and Islands (Scotland) Act, 1891, which enables a county council to apply its share in aid of the construction and maintenance of piers, &c. The returns C. 6583 (1892), C. 7516 (1894), C. 7826 (1895), C. 8218 (1896), and C. 8574 (1899) show that the grant for the six years, 1890–96 has been mainly applied by the several counties towards the cost of maintenance of roads. This is also true of the years 1896–1901, in which, as shown by the County Abstracts of Accounts, approximately nine-tenths of the total grant was appropriated in aid of road expenditure, and the balance in aid of other rates. It may be noted that the road maintenance rate is levied equally from owners and occupiers.

(2.) ROADS GRANT.

Origin of Grant.—This grant originated in 1882–83, when a sum of 250,000*l.* was voted by Parliament to relieve the charge falling upon local rates, in connexion with the maintenance of roads, consequent upon the compulsory abolition of tolls. In Scotland the abolition of tolls had

* See proceedings in Committee on Local Government (Scotland) Bill, 1889.

been going on since 1863, in the first instance under the provisions of local Acts, and latterly in consequence of the passing of the Roads and Bridges (Scotland) Act, 1878, by Section 33 of which the exaction of tolls and statute labour was directed to be discontinued, as from 1st June 1883, in all counties in which abolition had not already taken place. [See Mr. Dodson's speech, 11th August 1882, Hansard, ccixiii., p. 1,577.]

Amount of Grant and Mode of Distribution.—Of the 250,000*l.* voted in 1882–83, a sum of 30,000*l.* was allotted to Scotland. The method of distribution adopted was to give to each road authority entitled to participate one-fourth of the cost of maintaining, during the year ended Whit Sunday 1882, roads disturnpiked since 1860. This exhausted only 20,487*l.* of the Scotch share of the grant, and a balance of 9,513*l.* was accordingly surrendered to the Exchequer.

Next year—1883–84—the Scotch share was reduced to 25,000*l.*, and the mode of distribution was at the same time somewhat modified. It had been objected that the principle adopted in the preceding year, wholly excluding, as it did from participation, roads disturnpiked prior to 1860, and excluding also districts which had never possessed turnpike roads (but which, it was urged, had an equal claim to relief), operated somewhat unequally. The regulations were accordingly modified so as to give—

- (a) to counties, districts, and burghs containing roads disturnpiked since 1850, one-fourth of the cost of maintenance of such roads;
- (b) to counties, districts, and burghs which had never possessed turnpikes, a proportion of the total charge falling upon public rates in respect of the maintenance of their roads corresponding to the ratio which the total grant paid to disturnpiked road authorities bore to the cost of maintaining out of public rates all the roads under the control of these authorities.

The total sum allocated under these regulations was 23,882*l.*, so that 1,118*l.* was surrendered to Exchequer.

In framing the Estimate for 1884–85 it became necessary to consider what effect the provision in Section 33 of the Roads and Bridges (Scotland) Act, 1878, already alluded to, would have upon the number and amount of the claims upon the grant. It was estimated that the total additional expenditure claimed on would be about 88,000*l.*, requiring (on the basis of a contribution of one-fourth) an addition to the Scotch grant of 22,000*l.* But, by Treasury minute (2082–84) of 5th February 1884, the total annual grant for Great Britain had been limited to 250,000*l.*, and an increase of 22,000*l.* could not therefore be given to Scotland, without unduly encroaching on the English share of the grant. Eventually the total grant was re-apportioned between the two countries on the basis of population qualified by consideration of the mileage of roads per head. On the basis of population alone Scotland would have received 12½ per cent., but in view of the higher mileage of roads per head in that country, its share was fixed at 14 per cent., or 35,000*l.* At this point a further modification of the rules governing the distribution of the grant among the road authorities became necessary. It was no longer possible to pay one-fourth of the cost of maintaining disturnpiked roads. The new regulations then framed by the Home Secretary, and continued by the Secretary for Scotland, who took over the administration of the grant in 1885–86, are as follows:—

"The following regulations, subject to any modifications required to meet exceptional cases will, till further notice, govern the distribution of the grant for each financial year, ending at or before Whit Sunday.

"To each county, district, and burgh forming a separate district for road-rating purposes, for roads maintained out of public rates, a sum bearing the same proportion to the total amount of the grant as the cost of the materials and labour employed in the maintenance of such roads, during the financial year ending as above, bears to the total cost of the materials and labour employed in the maintenance of roads maintained out of public rates, in all the counties, districts, and burghs in Scotland, during the said financial year.

"In the application of this minute to burghs, 'road' shall not include a street or other road within a burgh, except in so far as the same is part of a highway which was subsequent to 1850, a turnpike road, or a county road maintained by statute labour or out of the rates levied under a County Road Act."

These regulations were stereotyped by Section 22 (2) of the Local Government (Scotland) Act, 1889, and can only be altered by statute.

The amount of the grant remained at 35,000*l.* down to 1887–88, when a supplementary vote of 35,000*l.* was taken in accordance with Budget arrangements,* raising the total vote for that year to 70,000*l.* In the following year, 1888–89, the grant became a charge on the Local Taxation (Scotland) Account, and was again 70,000*l.* From 1889–90, inclusive, it has been regularly 35,000*l.*

Statistics as to Distribution.—The following table shows the number of road authorities participating, the total admitted expenditure on which the allocation of the grant has been based,

* Vide Mr. Goschen's Budget Speech, 21st April 1887. Hansard, Vol. 313, cols. 1453–4. This additional sum of 35,000*l.* was given to Scotland, and a sum of 245,000*l.* to England for road purposes, in anticipation of the future transfer of the Carriage Tax to the local authorities under the Local Government Acts.

and the aggregate sums paid to the county and burgh road authorities respectively from the commencement of the grant:—

Year of Grant.	Number of Road Authorities participating in Grant.		Amount of Expenditure upon which Grant allowed.		Amount of Grant paid.	
	County Districts.	Burghs.	County Districts.	Burghs.	County Districts.	Burghs.
1882-83	-	61	50	£ 67,496	£ 14,452	£ 16,874
1883-84	-	98	67	84,100	*	21,025
1884-85	-	134	95	*	*	30,527
1885-86	-	133	94	317,814	46,292	30,550
1886-87	-	133	95	325,449	46,252	30,645
1887-88	-	134	99	315,075	55,622	59,497
1888-89	-	132	99	312,908	50,805	60,222
1889-90	-	130	99	315,917	52,486	80,026
1890-91	-	134	99	324,597	50,487	30,198
1891-92	-	125	111	323,209	54,456	29,951
1892-93	-	124	105	345,256	56,646	80,067
1893-94	-	124	119	358,483	† 78,487	28,979
1894-95	-	123	139	357,657	77,877	28,742
1895-96	-	123	143	354,839	79,099	28,620
1896-97	-	123	145	372,945	83,548	28,594
1897-98	-	123	148	369,717	87,666	28,292
1898-99	-	122	152	379,624	100,284	27,689
1899-1900	-	124	153	392,007	100,389	27,867
1900-1901	-	124	155	396,826	106,885	27,573

As these statistics show, the grant, which was to begin with at the rate of 5s. per £. of the expenditure on disturnpiked roads only, dropped to 2s. per £. when the area of distribution and the class of roads entitled to participate were widened by the regulations of 1884-85, since which date, owing to the gradual growth of expenditure, it has further fallen to 1s. 5d. per £. It may be added that the road rate, in relief of which the grant is applied, is levied equally from owners and occupiers.

(3.) POLICE PAY AND CLOTHING GRANT.

20 & 21 Vict. c. 72. *Origin of Grant and Conditions Regulating Distribution.* — The institution of this grant followed directly on the passing of the Police (Scotland) Act, 1857, which had for its object the securing of a more efficient system of police throughout Scotland. A similar Act had been passed for England in the preceding year (19 & 20 Vict. c. 69). The Act of 1857 (Section 1) required the Commissioners of Supply of each county (other than the counties of Orkney and Shetland, which were excluded by Section 76) to establish a sufficient police force for their respective counties as from 15th March 1858, and authorised the levy of a rate upon owners for the purpose (Section 29). Burghs which had not already set up police forces, under the Burgh Police Acts then in operation, were empowered to establish such forces within six months, failing which they would be policed as part of the county in which they were situated (Section 72). Rules with respect to the government, pay, clothing, &c. of the police were ordered to be made (Section 3) by the Secretary of State (now Secretary for Scotland), a system of inspection was established (Section 65), and provision was made for the payment to each force of an annual grant towards the cost of pay and clothing, subject to the force being certified efficient by the Secretary of State (Section 66); but (Section 67) no grant was allowed to be paid to a burgh with less than 5,000 population which maintained a separate force. If the certificate of efficiency is withheld in any case, the county or burgh affected forfeits its right to share in the grant, but a statement of the grounds for withholding the certificate, and of the observations of the police authority thereon, has to be laid before Parliament.

In view of the growing charge for the annual contribution, the Treasury, by Minute dated 7th August 1876, directed that no grant should thenceforward be payable out of voted money towards the expenses of any police force unless the Secretary of State (now Secretary for Scotland) certified that the number of men belonging thereto for whom a contribution was claimed had not been in excess of the number required for maintenance of the peace in the district of the police authority rendering the claim, and that the scale of pay and cost of clothing were reasonable and proper. The grant is accordingly refused in respect of all increases in numbers, pay, and clothing expenditure, which have not received the sanction of the Secretary for Scotland.

The foregoing conditions were continued and stereotyped by Sections 22 (3) and 23 of the Local Government (Scotland) Act, 1889.

The Scottish police forces are now governed by the before-described Act of 1857; by the Local Government (Scotland) Act, 1889, which transferred the control of the county police to the county councils and standing joint committees thereby constituted, and at same time (Sec. 13) vested in

* Expenditure on which grant allocated cannot be ascertained from old Home Office papers.

† Provisions of Roads and Streets in Police Burghs (Scotland) Act, 1891, enabling police burghs to take over management of their roads from the county authorities, began to have effect in this year.

the county authorities the police administration in burghs with less than 7,000 population (except Lerwick and Renfrew); by the Burgh Police (Scotland) Act, 1892, which consolidated and amended the previous enactments relating to burgh police; and by the Police (Scotland) Act, 1890, which established a system of police superannuation—more particularly referred to below in connexion with the Exchequer Grant for that purpose.

A report by His Majesty's Inspector of Constabulary with respect to the county and burgh police forces is annually laid before Parliament.

Amount of Grant.—The amount of the annual grant was originally fixed at a sum not exceeding one-fourth of the cost of the police pay and clothing (sec. 66 of 1857 Act), but this limit was suspended by 37 & 38 Vict. c. 58 (1874) and subsequent Acts, the proportion from 1874 onwards being raised to one-half.

The first Vote for the grant in 1858–59 amounted to 25,950*l.*, representing a police expenditure of nearly 104,000*l.* In 1874, the expenditure in respect of which a grant was payable had increased to 210,896*l.*, and the raising of the proportional contribution to one-half therefore required a grant of upwards of 105,000*l.* From 1874 the expenditure grew steadily, and in 1889–90, the last year in which provision was made for the grant by a Vote of Parliament, the expenditure in respect of which a contribution was payable had reached a total of 308,068*l.*, necessitating a grant of 154,034*l.* The Local Government (Scotland) Act, 1889, section 22 (3) in making the grant from 1890–91 onwards, a charge on the Local Taxation (Scotland) Account fixed the total grant at 155,000*l.* But the expenditure on which the contribution was payable still continued to grow, and in 1897–98 had risen to 368,849*l.*, the *pro rata* contribution falling gradually in consequence from 10*s.* per £ to 8*s. 5d.* per £. The opportunity was therefore taken, in appropriating the additional moneys made available for local purposes under the Local Taxation Account (Scotland) Act, 1898, to increase the total grant by 25,000*l.* per annum. That Act was only to operate during the three years 1899–1902, but has been continued for four years more by the Act 1 Edw. VII. c. 13.

Statistics as to Distribution.—The following table shows the apportionment of the total grant between county forces and burgh forces, and the rate per £ of expenditure at which it has been allocated since 1889–90, the last year in which the grant was provided by Vote of Parliament:—

Year of Grant.	Aggregate Amount of Expenditure on which Grant was Distributed.	Share of Grant paid to		Rate of Grant per £ of Expenditure.
		Counties.	Burghs.	
1889–90	308,068	62,000	92,034	10 0
1890–91	318,240	59,880	95,120	9 8 <i>4</i>
1891–92	322,250	60,625	94,375	9 7 <i>1</i>
1892–93	339,820	57,319	97,681	9 1 <i>4</i>
1893–94	350,121	56,141	98,859	8 10 <i>4</i>
1894–95	355,058	55,176	99,824	8 9
1895–96	362,342	55,888	99,112	8 7
1896–97	369,451	54,912	100,088	8 5
1897–98	369,849	55,808	99,192	8 5
1898–99	378,200	55,826	99,674	8 2 <i>1</i>
1899–1900	383,392	64,729	115,271	9 5
1900–1901	390,284	64,834	115,666	9 2 <i>1</i>

The claims on the grant are audited by the King's and Lord Treasurer's Remembrancer, Edinburgh, who certifies the amount at which they have been allowed to the Secretary for Scotland.

Incidence of Relief.—Prior to the passing of the Local Government (Scotland) Act, 1889, the whole sum paid to the counties went in relief of the owners, who alone were liable for the county police rate. By section 27 (4) of that Act an "average" rate for police purposes was struck on the basis of the rates of the preceding 10 years, and it was enacted that any subsequent increase in the rate should be divided equally between owners and occupiers. In counties where such an increase has occurred, and the increase is due to an increase of the expenditure on police pay and clothing, it may be said that the occupier now participates in the relief afforded by the grant. But the proportion going to occupiers in this way is relatively small. In burghs, the relief goes wholly to the occupiers, who pay the Police Rate.

(4.) POOR LAW MEDICAL RELIEF GRANT.

Origin and Object of Grant.—The first grant for Poor Law Medical Relief, amounting to 10,000*l.*, was voted in 1847. The Poor Law (Scotland) Act, 1845, 8 & 9 Vict. c. 83, s. 69, had required parochial boards "out of the funds raised for the relief of the poor, to provide for "medicines, medical attendance, nutritious diet, cordials, and clothing for such poor in such "manner and to such an extent as may seem equitable and expedient." The grant was intended partly to relieve the charge falling on the rates, partly to increase the efficiency of the supply of medical relief.

3rd Annual Report of Board of Supervision (1848), App. p. 3.

Amount of Grant.—Up to 1882 the annual grant amounted to 10,000*l.* In 1882 it was raised to 20,000*l.*, and was continued at that amount by section 22 (4) of the Local Government (Scotland) Act, 1889, which transferred the charge to the Local Taxation (Scotland) Account as from 1890-91.

Regulations as to Distribution.—Inquiry made in 1846 and 1847, showed that the expenditure on Poor Law Medical Relief, in a large majority of parishes, was most inadequate. Thus, the expenditure was found to have amounted in 1845-46 to only 4,056*l.*, and in 1846-47 to 12,879*l.* It was felt that to allocate the new grant simply in proportion to expenditure would not meet the case. There was a strong probability that, in many parishes, in the absence of suitable conditions, the grant would merely be applied *pro tanto* in reduction of the existing charge on the locality, with the result that the inadequacy in the relief given would continue. The regulations drawn up for the distribution therefore required, as a condition of participation in the grant of any year, that a certain minimum amount of expenditure on Poor Law Medical Relief should have occurred in the parish in the year preceding the distribution. For the purpose of ascertaining this minimum the parishes were divided into seven classes, according to density of population, and an average rate of expenditure per head was then fixed for each class, so as to bring out an aggregate minimum expenditure for the whole of Scotland approximately equal to twice the Government Grant. The following Table summarises the results:—

Class.	Approximate Population per Square Mile according to 1841 Census.	Minimum Expenditure per Head on Medical Relief which will qualify for Share of Grant.	Total Amount of Minimum Expenditure for each Class.
I.	1 to 25	d. 2 per head	£ 2,182
II.	26 to 50	1 <i>1</i> / <i>2</i> "	1,920
III.	51 to 100	1 <i>1</i> / <i>2</i> "	2,694
IV.	101 to 200	1 <i>1</i> / <i>2</i> "	2,749
V.	201 to 400	1 <i>1</i> / <i>2</i> "	2,403
VI.	401 to 1,000	1 <i>1</i> / <i>2</i> "	1,704
VII.	1,001 and upwards	1 <i>1</i> / <i>2</i> "	5,686
		Total - - - £	19,338

Each parish received as its share of the first annual grant a sum equal to one-half of the minimum expenditure ascertained for it according to the above scheme. Edinburgh and Glasgow, in view of the exceptional number of casual poor coming upon them for relief, were treated exceptionally in making the distribution, being placed in the highest class. In subsequent years the same apportionment was followed, but, when a parish failed to comply with the condition as to minimum expenditure, the share which it would otherwise have received was distributed among the parishes which had so complied in proportion to their actual expenditure on medical relief.

It was further provided, as a condition of participation, that all parishes should appoint legally qualified medical officers, at fixed salaries, to attend the poor; that these officers should be bound to obey all the rules and regulations made by the Board of Supervision for their guidance and approved by one of Her Majesty's Secretaries of State, and should be liable to dismissal by the Board of Supervision in the event of their failing, or being found incompetent, to discharge the duties of their office.

In 1882, on the grant being increased to 20,000*l.*, it was considered that the apportionment fixed in 1848 had, in view of changes in population and expenditure, ceased to be equitable, and the principle of simply allocating the total grant in proportion to the vouched expenditure on medical relief of the participating parishes was introduced. The conditions laid down in 1848 with regard to minimum expenditure, &c., in each parish were, however, still maintained.

In 1885 the rule defining "medical relief," for the purpose of participation in the grant, was altered so as to include trained sick nursing in poor-houses, and the grant became distributable as follows:—(1) Half the cost of trained sick-nursing was allowed as a first charge against the grant, and then (2) the balance was distributed *pro rata* on the basis of the vouched expenditure of the respective parishes on medical relief.

Section 22 (4) of the Local Government (Scotland) Act, 1889, in making the grant, from 1890-91 onwards, a charge on the Local Taxation (Scotland) Account, enacted that until Parliament otherwise determined, the grant should be distributed according to the like scale and regulations as nearly as might be, as in the financial year ending 31st March 1889. Copies of the regulations as thus stereotyped, appear in the Handbook of the Rules, Instructions, &c., issued by the Local Government Board for Scotland [see pp. 98-105 and 248-9 of 1897 edition]. A Bill has, however, been introduced by the Government in the present Session by which it is provided that the grant shall be distributed "in such manner and according to such scale and regulations as may be from time to time prescribed by order of the Local Government Board for Scotland with the approval of the Secretary for Scotland, provided that a copy of every such order shall be laid before both Houses of Parliament so soon as may be after it is made." If this Bill becomes law, the Secretary for Scotland will be enabled to modify the existing regulations in certain respects in which they are recognised to be out of date (e.g., as regards the condition relating to minimum expenditure).

Statistics as to Distribution.—The following Table shows the rate per £. of expenditure at which the grant has been distributed in recent years:—

Year of Grant.	Number of Parishes participating in Grant.	Expenditure on which Allocation based	Grant per £. of Expenditure on Medical Relief.
1890-91	796	£ 40,674*	s. d. 9 6½
1891-92	891	42,217	9 5½
1892-93	804	43,847	9 0½
1893-94	794	45,845	8 8½
1894-95	796	46,281	8 6½
1895-96	798	47,732	8 2½
1896-97	794	48,067	8 1½
1897-98	798	49,468	7 10½
1898-99	799	50,099	7 9½
1899-1900	794	50,822	7 7½
1900-1901	797	50,137†	7 8½

Full details of the allocation appear in the annual reports of the Local Government (Scotland) Board [formerly Board of Supervision], upon whose certificate the grant is annually distributed by the Secretary for Scotland.

Incidence of Relief.—The grant relieves the poor rate, which is levied equally from owners and occupiers.

(5.) PAUPER LUNATICS GRANT.

Origin of Grant.—This grant originated in 1875. Similar grants were at the same time given to England and Ireland.

Amount of Grant.—Commencing in 1875 at 59,483*l.*, the grant grew till in 1889-90—the last year in which a Vote of Parliament was taken for the service—it had reached a total of 91,322*l.*. In 1890-91 it became a charge on the Local Taxation (Scotland) Account, pursuant to section 22 (5) of the Local Government (Scotland) Act, 1889, and was fixed at 90,500*l.* per annum. By section 2 (3) of the Education and Local Taxation Account (Scotland) Act, 1892, the grant was increased, as from 1892-93 inclusive, to 115,500*l.*.

Mode of Distribution.—While the grant was provided for by Vote of Parliament, i.e., from 1875 to 1890—the rule was to pay to the participating parishes one-half of the net cost of maintenance, not exceeding 8*s.* per week, of each pauper lunatic. The net cost of maintenance was taken as the actual charge on the rates in respect of the lunatic, after deducting sums recovered or recoverable from relatives.

In 1890-91, when the grant was fixed at 90,500*l.*, it became necessary to slightly modify the above rule, as a contribution of one-half could no longer be maintained. It was accordingly provided, by regulations approved by the Secretary for Scotland on 10th June 1890, that the fixed grant of 90,500*l.* should be distributed at such rate per £. of expenditure on maintenance not exceeding 8*s.* per lunatic per week, as should exhaust, or as nearly as might be, exhaust the grant. A complete copy of these regulations will be found in the Handbook of Rules, &c., issued by the Local Government Board for Scotland [see pp. 249-251 of 1897 edition].

Statistics as to Distribution.—The following figures summarise the results of recent distributions:—

Financial Year.	Number of Parishes participating.	Total Cost of Maintenance.	Expenditure admissible under Scheme of Participation.	Amount of Grant.	Rate of Grant per £. of admitted Expenditure.
1889-90	813	£ 211,386	£ 182,644	91,322	s. d. 10 0
1890-91	817	216,552	188,366	90,500	9 7
1891-92	820	223,851	198,822	90,500	9 4
1892-93	822	230,844	199,193	115,500	11 7½
1893-94	817	233,681	202,346	115,500	11 5½
1894-95	818	238,725	205,089	115,500	11 3½
1895-96	820	247,587	211,886	115,500	10 10½
1896-97	815	253,051	216,305	115,500	10 8½
1897-98	817	261,498	222,993	115,500	10 5
1898-99	812	270,230	230,511	115,500	10 0½
1899-1900	814	283,045	239,763	115,600	9 8
1900-1901	816	297,728	247,845	115,500	9 4½

* This amount included a sum of 1,949*l.* for trained sick-nursing in poorhouses, upon which a grant of 97*l.* was paid.

† This included 5,597*l.* for trained sick-nursing, on which a grant of 2,798*l.* was paid.

Details of the allocation are given in the Annual Reports of the Local Government (Scotland) Board, on whose certificate the grant is annually distributed by the Secretary for Scotland. Statistics relative to the growth in the number of pauper lunatics are given in the reports of the General Board of Lunacy for Scotland, laid annually before Parliament.

Incidence of Relief.—The grant relieves the poor rate, which is levied equally from owners and occupiers.

(6.) SECONDARY EDUCATION GRANT.

An annual grant of 60,000*l.*, commencing in 1892–93, was allotted for the purpose of Secondary Education by section 2 (1) of the Education and Local Taxation Account (Scotland) Act, 1892. The grant is administered by the Scotch Education Department, subject to Minutes of that Department submitted to Parliament, the Minutes now in force being dated 10th June 1897 and 30th April 1900.

A further sum exceeding 37,000*l.* per annum became available for the purposes of secondary or technical (including agricultural) education in Scotland, pursuant to section 2 (4) of the Local Taxation Account (Scotland) Act, 1898. This Act, as passed, was to operate only for the three years 1899–1902, but has been continued for four years more by the Act 1 Edw. VII, c. 13 (1901). Minutes by the Scotch Education Department providing for the distribution of this sum were issued in April and June 1899 (*see C. 9275 and C. 9356*).

(7.) UNIVERSITIES (SCOTLAND) GRANT.

Under the Education and Local Taxation Account (Scotland) Act, 1892, section 2 (2), an annual sum of 30,000*l.*, commencing in 1892–93, was allotted for distribution among the Universities of Scotland in such manner, and subject to such conditions, as might be set forth in Ordinances of the Commissioners under the Universities (Scotland) Act, 1889. In addition to this sum, a grant-in-aid of 42,000*l.* is payable annually to the Scotch Universities pursuant to section 25 of the Universities (Scotland) Act, 1889. The latter grant, which commenced in 1890–91, is provided by annual Vote of Parliament. It represents an increase of fully 16,000*l.* a year on the sums formerly voted in aid of the Scottish Universities (*see footnote to page 363 of the Civil Service Estimates for 1890–91*).

Ordinances were made by the University Commissioners, allocating the above grants, as follows:—

No. of Ordinance.	Date.	Name of University.	Share of Annual Grant.	
			Payable from Local Taxation (Scotland) Account.	Payable from Annual Vote of Parliament.
H. C. 151 (1893)	{ XXV. XXVI. XXVII.	5th June 1893	Glasgow - - - Aberdeen - - - Edinburgh - - - St. Andrews - - -	£ 8,700 6,000 10,800 4,500
H. C. 6 (1894)	XLVI.	3rd February 1894	Total - - £	12,480 8,400 15,120 6,300
				80,000 42,000

(8.) PARISH COUNCILS (RELIEF OF RATES).

An annual sum of 50,000*l.*, commencing in 1892–93, was appropriated for distribution among parish councils by section 2 (4) of the Education and Local Taxation Account (Scotland) Act, 1892. The grant is distributable in proportion to the valuation and population of the respective parishes, *i.e.*, the share of a parish is first ascertained on the basis of valuation alone, and then on the basis of population alone, the parish council receiving the mean between the two amounts. In other words, half of the total grant is allocated on the basis of valuation, and half on the basis of population. The valuations adopted for the purpose of the distribution are those annually ascertained pursuant to the Lands Valuation (Scotland) Act, 1854, while the populations taken are those ascertained at the decennial census preceding the distribution.

The grant for 1900–1901 was distributed on the basis of a total ascertained valuation of 28,490,252*l.* and a total population of 4,025,647. Each parish received a grant at the rate of about 17*s.* 6*d.* for every 1,000*l.* of valuation *plus* a grant at the rate of 6*l.* 4*s.* for every 1,000 of population.

The grant is applicable in relief of any rates levied by the parish councils. These rates are all levied equally from owners and occupiers.

(9.) GRANT TO COUNTIES, BURGHS, AND POLICE BURGHS [SECTION 2 (5) OF 1892 ACT].

As explained in the marginal remarks at p. 81 *supra*, the Secretary for Scotland is empowered as from 1892–93 to distribute annually, under section 2, subsections (1) to (5), of the Education and Local Taxation Account (Scotland) Act, 1892, out of the Scotch share of the probate and

licence duties assigned to local purposes, a sum equal to the fee grant voted to Scotland for the year. The sums distributable under subsections (1) to (4) are fixed, and amount to 165,000*l.* per annum. The sum that may be distributed under subsection (5) is, therefore (subject to the revenue from the probate duty grant and licences proving sufficient) equal to the amount of the Scotch fee grant for the year minus 165,000*l.*

From 1898-99 a further factor enters into the calculation, the proviso appended to section 2 of the Local Taxation Account (Scotland) Act, 1898,* requiring that claims on the part of the Cattle Pleuro-Pneumonia Account (Great Britain), under section 18 of the Diseases of Animals Act, 1894, shall in future be charged against this grant instead of, as formerly, against the residue available under section 2 (iii) of the Local Taxation (Customs and Excise) Act, 1890. The amounts so charged in 1898-99, 1899-1900, and 1900-1901 were respectively 8,400*l.*, 4,560*l.*, and 3,000*l.*†

The grant is distributable, as in the case of the grant to parish councils referred to above, on the basis of valuation and population, and is applicable, in terms of section 2 (5) of the 1892 Act, as follows:—

- (a.) In relief of local rates levied by the county, burgh, and police burgh authorities respectively.
- (b.) In aid of the expenses incurred, or to be incurred, under any statutory power vested in them.
- (c.) Under any scheme of public utility approved by the Secretary for Scotland.

The following Table shows the annual amount of the grant from the outset, the proportions paid respectively to counties, burghs, and police burghs, and the manner in which the money has been applied:—

Year.	Share of Grant paid to			Total Grant.	Amount of Grant applied			Parliamentary Returns, giving Details.
	Counties.	Burghs.	Police Burghs.		(a) To Relief of Rates.	(b) In Aid of Statutory Expenses.	(c) Under Schemes of Public Utility.	
1892-93	-	42,157	47,588	10,255	100,000	98,156	350	1,494 C.—7826
1893-94	-	45,218	51,388	11,104	107,660	105,464	252	1,944 C.—8218
1894-95	-	39,522	45,696	10,840	95,558†	93,072	1,136	1,850 C.—8574
1895-96	-	54,214	63,660	14,470	132,344	127,590	1,292	3,522 C.—8574
1896-97	-	50,557	60,652	18,975	125,184†	§	§	
1897-98	-	59,086	70,228	16,361	145,625	§	§	
1898-99	-	65,218	78,826	18,868	161,912	§	§	
1899-1900	-	59,556	72,465	17,052	149,078	§	§	
1900-1901	-	58,246	71,819	16,868	146,933	§	§	
Total -	-	473,724	561,772	128,798	£1,164,289			

(10.) POLICE SUPERANNUATION GRANT.

Origin of Grant.—This grant commenced in 1890-91.

For many years there had been a growing demand for the establishment, in the interests of 25 & 26 Vict. the greater efficiency of the police service, of a compulsory system of police superannuation in c. 101. Scotland. Certain powers were, indeed, already possessed by police authorities. In burghs a 20 & 21 Vict. retiring allowance might be made pursuant to section 121 of the Police and Improvement c. 72. (Scotland) Act, 1862, while county police authorities were empowered, by section 52 of the Police (Scotland) Act, 1857, to pay a gratuity or lump sum down to a constable on retirement. But the payments made under these provisions were in fact small; no constable could claim a pension as a matter of statutory right, and numerous instances occurred of men being retained on the effective strength of police forces beyond an age at which they were fitted for active service, at a low rate of pay which was really in the nature of pension. The current of promotion was thereby stopped, a less satisfactory class of recruit was attracted to the service, and the general efficiency of the constabulary was correspondingly impaired.

Several attempts were made to remedy this state of things by legislation (*vide* the Police Bills 53 Vict.c.8. of 1882-87), but the ratepayers shrank from facing the necessary cost, and it was only in 1890 53 & 54 Vict. c. 60. that the Government was able to deal effectively with the matter. In that year a share of certain duties of customs and excise on beer and spirits was assigned for local purposes to 53 & 54 Vict. c. 67. Scotland, pursuant to section 7 of the Customs and Inland Revenue Act, 1890, and the opportunity was taken [*vide* section 2 (i) of the Local Taxation (Customs and Excise) Act, 1890] to appropriate a sum of 40,000*l.* per annum in aid of the establishment of police pension funds. The Police (Scotland) Act, 1890, which followed in the same session, provided *inter alia* for the setting up of a pension fund for each police force, as from 1st April 1891, for the distribution of the annual grant of 40,000*l.* for the making of deductions at the rate of 2½ per cent. from the pay of the

* This Act, which, as passed, was to expire on 31st March 1902, has been continued for four years more by 1 Edw. VII. c. 13 (1901).

† Particulars of the Revenue and Expenditure of the Cattle Pleuro-Pneumonia Account will be found in the Appropriation Accounts laid annually before Parliament.

‡ See marginal note *supra* at pp. 83 and 85.

§ Not ascertained after 1895-96.

constables, and for the payment of these and other miscellaneous receipts into the funds. It also prescribed scales of pensions, &c., and the conditions under which these pensions should be awarded. Orkney and Shetland were regarded as excluded from the Act, as they did not possess police forces within the meaning of the Police (Scotland) Act, 1857. (See notes on Police Pay Grant, p. 96.)

The pension funds are guaranteed by the rates levied for police purposes in the counties and burghs.

Regulations as to Distribution of Grant.—The first annual grant was distributed, in accordance with section 17 (1) (a) of the Police (Scotland) Act, 1890, in proportion to the number of efficient men in the several police forces during the police year ending 15th March 1891. In subsequent years the grant became distributable in manner provided by section 17 (1) (b) (c) of the Act, viz.:—

- (1.) Each force was to receive out of the grant for any Government financial year ending 31st March a sum equal to the rateable deductions made from the pay of constables during the local police year ending on 15th March preceding the close of the Government financial year.
- (2.) The residue was then to be allocated in proportion to the payments out of the several funds for pensions, allowances, and gratuities during the police year mentioned.

This method of distribution was, however, found to be not entirely satisfactory. In the first year in which it operated (1891–92) the residue available under the second head exceeded 32,000*l.* Many funds had no payments for pensions, &c., and were, therefore, altogether excluded from participation in this residue. Moreover, those funds which did participate had an aggregate expenditure for the year of only 5,483*l.*, and consequently had the amount of their payments returned nearly six-fold. This surplus payment in excess of the immediate claims on the funds, although in the natural course of things it must decrease annually as the pension list grew, was likely to be very large for some years to come; it was obviously in the nature of a provision for future liabilities, and these liabilities were as surely maturing in the forces which did not participate in the residue as in those which did.

In these circumstances the Secretary for Scotland, after consultation with the Government actuary, made regulations under the powers given him by section 17 (6) of the Police (Scotland) Act, 1890, providing that out of the residue in future there should be paid to each fund in the first instance a sum *equal* to its expenditure on pensions, &c. during the police year, and that the balance should then be allocated among *all* the funds according to the number of efficient men in the respective forces. At the same time a modification of a minor nature was made in regard to the allocation of the first part of the grant under section 17 (1) (b).

H.C. 291 and
291-1 of 26th
June 1893.

H.C. 144—
1895.

Two years later, i.e., on 14th March 1895, a further alteration of the regulations was made so as to enable the distribution of the grant for any Government financial year to be based on particulars relating to the local police year ending 15th March preceding the *beginning* (instead of "end" as formerly) of the Government financial year. This accelerated the distribution of each annual grant by about a year, and meant a corresponding gain in interest to the funds.

The regulations of 14th March 1895 are still in force. Before a police force can share in the grant for any year the Secretary for Scotland must certify, pursuant to section 17 (2) of the 1890 Act, that it has been maintained in a state of efficiency, and that its pension fund has been satisfactorily administered during the preceding police year. The withholding of that certificate means forfeiture of the grant, but a statement of the grounds on which the certificate is withheld, and of any observations which the police authority may desire to make thereon, must be laid before Parliament, as in the case of the grant towards the pay and clothing of police.

H.C. 34—1
1896.

H.C. 356.

Statistics as to Pension Funds.—Statistics as to the revenue and expenditure of the pension funds, the number and amount of the annual pensions awarded, &c., down to 15th March 1895, are given in a Return made to the House of Commons in 1896. Later, and more complete statistics, covering the whole period from 1st April 1891, when the pension funds were constituted down to 15th March 1900, will be found among the Appendices to the Select Committee Report on the Police Superannuation (Scotland) Bill, 1901. At 15th March 1900 the funds amounted, in the aggregate, to upwards of 426,000*l.*, of which, about 380,000*l.* was invested in trust securities; there were in all 421 constables on the pension list, while the widows and children of five more constables were in receipt of statutory allowances from the funds. The actual payments for pensions, &c., in the police year 1899–1900, amounted to 27,807*l.* made up thus:—

	£
Pensions to Constables, &c.	18,883
Gratuities to Constables, &c.	6,450
Other payments	2,474
Total	<u>£27,807</u>

Statistics of the revenue and expenditure of the funds appear annually in the Local Taxation (Scotland) Returns.

H.C. Bills
No. 68 (1897)
No. 18 (1898).

Proposed Amendment of 1890 Act.—Bills were introduced in the Commons by private members in 1897 and 1898, with the object of assimilating the pension provisions of the Police (Scotland) Act, 1890 to those in the English Police Act of same year. This would have enabled the Scotch

constable to get his maximum pension of two-thirds pay after 26 years approved service instead of 34 years as at present. The Bills were not supported by the Government, and failed to become law. A third Bill with the same object was introduced in 1901, and was remitted to a Select Committee, who reported, after hearing the evidence of actuarial experts and others that the charge which would be thereby thrown on the rates was so great as to preclude them recommending that the Bill should be passed.

H. C. Bill
No. 2 (1901).
H. C. 356.
[S. C. Report
(1901).]

It may be added that the Police Reservists (Allowances) Act, 1900, has enabled Police Authorities to pay certain Allowances and Gratuities in respect of Police Reservists called out for permanent service, and further that a Bill has been introduced in the present Session to enable military service in such a case to count as service for police pension purposes.

H.C.B.
106 of 1902.

(11.) RELIEF OF SCHOOL FEES.

In supplement to the provision made for the relief of school fees on the Vote for Public Education (Scotland), an annual sum of 40,000*l.* is paid over to the Scotch Education Department out of Scotland's share of the Customs and Excise Duties, together with any balance available under section 2 (6) of the Education and Local Taxation Account (Scotland) Act, 1892, after satisfying other claims on the Probate and Licence Duties. The sums so paid over are administered by the Scotch Education Department subject to the provisions of the Scotch Education Code annually submitted to Parliament.

The voted Scotch fee grant supplemented as above is sufficient to pay a fee grant at the rate of 12*s.* per head of average attendance. [See House of Commons Return, No. 224 of 1899, and Annual Estimates for Public Education (Scotland).]

(12.) SANITARY OFFICERS GRANT.

With the object of securing a more effective sanitary administration in the rural districts of Scotland, the Local Government (Scotland) Act, 1889, section 52, made compulsory the appointment of duly qualified medical officers and sanitary inspectors for every county, and in the following year, by the Local Taxation (Customs and Excise) Act, 1890, section 2 (iii) (a), an annual sum of 15,000*l.* was allotted, out of the Scotch share of the Customs and Excise Duties, for the purpose of assisting local authorities (burghal as well as county), in providing an efficient sanitary service. The grant was directed to be distributed "in such manner and according to such scale and regulations as may be prescribed by the Secretary for Scotland."

Regulations for distributing the grant on the basis of approved salaries were confirmed by the Secretary for Scotland on 22nd August 1890, but these were subsequently modified (15th June 1891), so as to allow the travelling expenses of county officers to rank also in the distribution. Complete copies of the regulations and relative conditions to be observed are contained in the Report of the Board of Supervision for 1890-91. Further modifications made in June 1896 required local authorities to submit all proposed alterations of approved salaries to the Local Government Board for sanction, and to send immediate intimation to the Board of the appointment, resignation, or death of a medical officer or sanitary inspector.

46th Report
of Board of
Supervision
pages xxii
and xxiii,
App. 59-63.

One of the principal conditions attached to participation in the grant laid down that, in the case of a county medical officer (certain small insular counties being however excepted), no grant should be paid if the officer was allowed to engage in private practice. This condition, although it had received the "unanimous approval of scientific sanitary opinion," evoked in some quarters a good deal of hostile criticism, it being contended that in view of the provision in section 52 (1) of the Local Government (Scotland) Act, 1889, to the effect that private practice should not be engaged in "without the express written consent of the council," the matter was primarily for the decision of the county councils. Accepting this view, the Secretary for Scotland (Sir George Trevelyan) in May 1893, while stating that he shared the opinion of his predecessor that county medical officers should, as a general rule, not engage in private practice, directed intimation to be made that in future failure to comply with the condition should not necessarily debar a county from participating in the contribution. This question has, however, been recently again under consideration, and the Secretary for Scotland (Lord Balfour of Burleigh) has intimated that in the light of the further experience that has been gained, he is now fully convinced that county medical officers should not be allowed to engage in *general* private practice, although he does not hold so strong an opinion with regard to their engaging in *Consulting* practice with the statutory consent of the county council.

47th Report
of Board of
Supervision,
p. xx.

48th Report
of Board of
Supervision.
App. 120-121.

The following figures show the total expenditure upon which the grant has been distributed from 1890-91 to date, and the rate per £ of the contribution:—

YEAR.	Amount of Expenditure on which Grant allocated.	Rate per £ of Contribution.	
		s.	d.
1890-91	16,491*	18	2*
1891-92	29,164	10	3½
1892-93	33,758	8	10½
1893-94	35,839	8	4½
1894-95	36,957	8	1½
1895-96	37,476	8	0
1896-97	37,348	8	0½
1897-98	37,400	8	0½
1898-99	38,249	7	10½
1899-1900	38,861	7	8½

* Part of year only.

The counties receive approximately two-thirds, the burghs one-third of the tributed. Full details relative to the allocation are published in the annual reports of the Local Government Board for Scotland upon whose certificate the Secretary for Scotland distributes the grant.

Incidence of Relief.—The grant relieves rates which, both in counties and burghs, are levied equally from owners and occupiers.

(13.) RESIDUE GRANT (CUSTOMS AND EXCISE DUTIES).

This grant originated in 1890-91. It is distributed among counties, burghs, and police burghs, on the basis of valuation, and is applicable in relief of rates, or, in the option of the participating authorities, may be appropriated in whole or in part to technical education.

Amount.—The amount of the grant varies annually with the produce of the Customs and Excise Duties assigned to local purposes. It is the balance of the Scotch share of these duties left over after paying the fixed grants, amounting to 95,000*l.*, specified in section 2 of the Local Taxation (Customs and Excise) Act, 1890. Up to 1898-99 this balance was liable to be reduced in the event of a deficiency arising on the Cattle Pleuro-Pneumonia Account (Great Britain), 12 per cent. of any such deficiency being made a charge upon it pursuant to the Diseases of Animals Acts. But, recognising the inexpediency of having a grant, which was largely devoted by local authorities to the organising of a system of technical education, liable to erratic demands arising out of the prevalence of Cattle and Swine Disease, the Government inserted a proviso in the Local Taxation Account (Scotland) Bill of 1898—which in due course became law—transferring the liability to meet such charges from the residue grant to the grant under section 2 (5) of the Education and Local Taxation Account (Scotland) Act, 1892. (See page 101 *supra*.)

Basis of Distribution.—As already noted, the grant is distributed on the basis of valuation. For this it was proposed to substitute, by a proviso inserted in the Bill of 1898 already referred to, distribution on the joint basis of valuation and population, as in the case of the grants under section 2 (4) and (5) of the above-mentioned Act of 1892. In consequence, however, of opposition in Parliament, the proviso was withdrawn.

In proceeding to allocate the first grant a question arose as to the valuations to be adopted for the purpose. Section 2 (iii) (b) of the Local Taxation (Customs and Excise) Act, 1890, had directed that the distribution should be based on the valuations of the counties, burghs, and police burghs, "as ascertained by the Secretary for Scotland at the date of the distribution." The Secretary for Scotland had been generally advised that the valuations taken should be those appearing on the County and Burgh Valuation Rolls for the year, as made up pursuant to the Lands Valuation (Scotland) Acts. A difficulty occurred in applying this rule to counties, the boundaries of which had been altered, for general administrative purposes, by the Boundary Commission constituted under section 45 of the Local Government (Scotland) Act, 1889. These counties (or, at any rate, those of them which had been increased by the changes of area) claimed to have the alterations given effect to in allocating their share of the grant. But section 95 of the last-mentioned Act had provided *inter alia* that nothing done in pursuance of the Act should be held to alter "the limits within which the Valuation Roll for a County . . . is made up." It was contended on behalf of the counties concerned that this provision, taken in connexion with the context, was merely intended to save existing arrangements in regard to electoral areas for Parliamentary purposes. The Scotch Law Officers, however, advised otherwise, and the alterations of area were consequently ignored in making the distribution. An amending clause was inserted in the Local Government (Scotland) Bill, introduced in April 1895, but the Bill failed to become law before the dissolution which occurred in the following summer.

H.C.B.,
215 of 1895,
clause 7.

Statistics as to Distribution.—The subjoined Tables show the amount of the grant from the outset, the shares of the counties, burghs, and police burghs respectively, and the manner in which, under the discretionary power referred to above, these shares have been appropriated:—

(1) AMOUNT OF GRANT.

YEAR.	Scotch Share of Customs and Excise Duties.	Balance left after deducting Fixed Grants (95,000 <i>l.</i>).	Payments to Cattle Pleuro-Pneu- monia Account.	Residue Distributed under Section 2 (iii.) (b) of 1890 Act.
1890-91 - - - -	143,052	48,052	—	48,052
1891-92 - - - -	153,428	58,428	—	58,428
1892-93 - - - -	149,312	54,312	—	54,312
1893-94 - - - -	149,431	54,431	—	54,431
1894-95 - - - -	145,101	50,101	10,800	39,901
1895-96 - - - -	153,062	58,062	19,800	38,262
1896-97 - - - -	157,473	62,473	14,400	48,073
1897-98 - - - -	161,547	66,547	7,800	58,747
1898-99 - - - -	166,192	71,192	—	71,192
1899-1900 - - - -	182,600	87,600	—	87,600
1900-1901 - - - -	174,448	79,448	—	79,448

(2) STATEMENT showing how GRANT appropriated by LOCAL AUTHORITIES.

		Share of Grant.	Applied to		Parliamentary Returns giving Details.	
			Technical Education.	Relief of Rates.		
1890-91	- { Counties - Burghs - Police Burghs -	£ 23,238	£ 16,184	£ 7,054	C. 6583 and C. 67.7	
		20,409	10,090	10,319		
		4,405	293	4,112		
	Totals	£ 48,052	£ 26,567	£ 21,455		
1891-92	- { Counties - Burghs - Police Burghs -	£ 27,358	£ 23,074	£ 4,279	C. 7516	
		26,486	11,477	14,959		
		4,634	606	4,028		
	Totals	£ 58,423	£ 35,157	£ 23,266		
1892-93	- { Counties - Burghs - Police Burghs -	£ 25,287	£ 22,019	£ 3,218	C. 7826	
		24,722	10,789	13,934		
		4,858	757	3,596		
	Totals	£ 54,312	£ 33,564	£ 20,745		
1893-94	- { Counties - Burghs - Police Burghs -	£ 25,122	£ 21,761	£ 3,361	C. 8218	
		24,888	12,840	12,043		
		4,426	817	3,609		
	Totals	£ 54,431	£ 35,418	£ 19,013		
1894-95	- { Counties - Burghs - Police Burghs -	£ 17,858	£ 16,127	£ 1,731	C. 8574	
		18,072	11,450	6,622		
		3,371	1,023	2,348		
	Totals	£ 39,301	£ 28,600	£ 10,701		
1895-96	- { Counties - Burghs - Police Burghs -	£ 17,100	£ 15,725	£ 1,375	C. 8574	
		17,810	11,812	5,998		
		3,352	1,295	2,057		
	Totals	£ 38,262	£ 28,832	£ 9,430		
1896-97	- { Counties - Burghs - Police Burghs -	£ 21,025	£ 19,951	£ 1,074	H.C. 368 (1898).	
		22,664	11,145	11,519		
		4,384	1,305	2,879		
	Totals	£ 46,073	£ 32,604	£ 15,472		
1897-98	- { Counties - Burghs - Police Burghs -	£ 25,896	£ 25,161	£ 735	H.C. 176 (1900).	
		27,432	18,060	9,372		
		5,419	1,963	3,456		
	Totals	£ 58,747	£ 45,184	£ 13,563		
1898-99	- { Counties - Burghs - Police Burghs -	£ 31,019	£ 29,336	£ 1,653	H.C. 140 (1901).	
		38,449	21,772	11,677		
		6,724	2,695	4,029		
	Totals	£ 71,192	£ 53,633	£ 17,359		
1899-1900	- { Counties - Burghs - Police Burghs -	£ 37,591	[Not ascertained.]			
		41,571	[Not ascertained.]			
		8,439	[Not ascertained.]			
	Totals	£ 87,600	—			
1900-1901	- { Counties - Burghs - Police Burghs -	£ 83,602	[Not ascertained.]			
		38,128	[Not ascertained.]			
		7,718	[Not ascertained.]			
	Totals	£ 79,448	—			

(14.) BURGH LAND TAX.

According to the historical accounts given of the Burgh Land Tax it represents a proportion of an annual subsidy, raised in Scotland from very early times, for the service of the Scottish Kings. This subsidy came to be known after the Union of Scotland and England as the Land Tax.

In consideration of certain exclusive privileges of carrying on foreign trade, which had been conferred on them by Royal Charters, dating back to David I. of Scotland (1124), and duly ratified by the Scottish Parliament, the Royal Burghs undertook collectively to pay one-sixth part of the subsidy in question, amounting in recent times to about £8,000 per annum. These privileges the Royal Burghs were empowered to communicate, and did communicate, to Burghs of Regality and Barony, and the latter in consequence became bound to contribute 20% towards the annual payment of £8,000.

The Convention of Burghs from very early times allocated the quotas respectively payable by the contributing burghs on account of the tax. The last allocation, made in 1805 after careful inquiry into the circumstances and trade of each burgh, remains still in force. These quotas may be "stentor" or assessed upon the inhabitants of the respective burghs on the basis of their trade profits and personal estate, as well as the rents of their houses.

Quite a disproportionate expense was incurred in the collection of this small tax; its incidence was most vexatious; and the burghs strongly felt that, as the monopoly of foreign trade had long been abolished, they ought in equity to be relieved of the payment. Failing that, it was urged, as a minor reform, that something should be done to cheapen and simplify the collection, and equalise the incidence of the tax, and a Bill to effect this was introduced in 1895, but failed to become law.

H. C. B.,
209 of 1895.

By the Agricultural Rates, &c. (Scotland) Act, 1896, the payment of the tax during the continuance of the Act—i.e., during the 5 years 1897-1902*—was made a charge on the Local Taxation (Scotland) Account. Provision was also made for payment from that Account, to the burghs which had redeemed part of their respective quotas as allocated in 1805, of a sum equal to the annual amount so redeemed. The payments made under these provisions in 1897-98 were:—

	£ s. d.
(a) To the Inland Revenue in respect of the portion of tax unredeemed	6,951 1 3
(b) To burghs in respect of annual amount redeemed	1,038 18 7
Total	<hr/> <hr/> £7,989 19 10

Full details of these payments are given in a Return to Parliament, C. 9173, pp. 4-5, of 1899.

(15.) CONGESTED DISTRICTS GRANT.

The backward economic condition of the highlands and islands of Scotland, and the poverty of a large proportion of the inhabitants, have on various occasions been the subject of consideration in Parliament, and of investigation by Royal Commissions; and special measures, both of a legislative and administrative nature, have from time to time been adopted for the amelioration of these conditions.

49 & 50 Vict.
c. 29.

Among legislative measures may be mentioned the Crofters' Holdings Act of 1886, which aimed at giving security of tenure, fair rents, compensation for improvements, and other advantages to the crofter. By the same Act (section 32), the Fishery Board was empowered to advance loans on favourable terms to fishermen in crofting parishes for the purpose of enabling them to obtain fishing boats and gear, and nearly 30,000*l.* was lent under this head during 1888-90. The provisions in the Probate Duties (Scotland and Ireland) Act, 1888, and the Local Government (Scotland) Act, 1889, with respect to the Highlands Grant (*see p. 94 supra*), may also be referred to as manifesting the recognition by Parliament of the abnormal pressure of local taxation in the highlands and islands, and the claims of the ratepayers to exceptional relief.

Administrative efforts for improving the lot of the people have mainly taken the direction of constructing, or aiding in constructing, lighthouses, piers, and harbours; providing facilities by means of telegraphic extensions and improved rail and steamer communications, for transporting fish and other produce to the southern markets; aiding emigration and colonisation; and the making of special grants to highland schools.

C. 6138,
C. 6242.

In December 1889 a Royal Commission was appointed to report whether in view of the prevailing destitution and consequent discontent among the population "any measures can be adopted to remedy these evils by developing the natural resources of the districts in question" or otherwise." Two reports by this Commission followed in July and December 1890, making a series of recommendations, and for the execution of works in furtherance of these recommendations, annual sums were placed on the Estimates in 1891-98 [*see Vote for Highlands and Islands of Scotland (Public Works and Communications)*], the administration of these moneys being entrusted to the Scottish Office. A memorandum by the Under Secretary for Scotland (Sir Colin Scott Moncrieff), descriptive of the work done during these years, with relative tables of expenditure appears as an Appendix to the First Report of the Congested Districts (Scotland) Board (*see Appendix I., pp. 3-12*). The total expenditure shown to have taken place in 1891-98, apart from subsidies to railway companies,† is 192,063*l.*

C. 9165.

To carry on the work thus begun, and to initiate and organise operations in other directions for the welfare of the Highlands, a Congested Districts Board was constituted under the Congested Districts (Scotland) Act, 1897.

By Section 4 (2) of the Agricultural Rates, &c. (Scotland) Act, 1896, an annual sum of 15,000*l.*, to commence in 1897-98, and continue for five years, had been appropriated, out of the moneys becoming available under that Act, for the improvement of the congested districts in the highlands and islands. This sum, together with "any sums, not exceeding 20,000*l.* annually, voted by

* The Act of 1896 has been continued to 31st March 1906 by the Act 1 Edw. VII. c. 13 (1901).

† e.g.—A grant of 45,000*l.* was made to the Highland Railway Company in 1897-98 (*see Supplementary Estimates for that year*) in aid of the construction of a railway extension from Stromness to Kyle, and of certain subsidiary piers.

Parliament,"* was directed to be carried to the Congested Districts (Scotland) Fund, established under the Act of 1897, and the fund was ordered to be applied to the aiding and developing of agriculture, dairy farming, breeding live stock, providing land for enlargement of holdings, aiding migration, aiding and developing fisheries and industries connected therewith, erecting fishermen's dwellings, providing or improving harbours, and sundry other purposes specified in section 4 of the Act.

60 & 61 Vict.
c. 53. ss. 3, 4.

A Bill to enable the Congested Districts Board to apply a portion of the fund "not exceeding H. L. B. 88
one-fifth thereof in further providing for the practical instruction of, or for such other purposes (1899).
as may appear to be of benefit to, the inhabitants of the said district," was introduced by the Government in 1899, but did not become law.

As already mentioned, the annual payment of 15,000*l.*, which is made from the Local Taxation (Scotland) Account, only continues for five years,† beginning in 1897-98. Section 3 (2) of the 1897 Act contemplated that the annual vote of 20,000*l.* to the Congested Districts Fund should run concurrently with the 15,000*l.* contribution and for a like period. But in view of the fact that a vote exceeding 20,000*l.* had been taken for the year 1897-98, under the title "Highlands and Islands of Scotland (Public Works and Communications)," for purposes similar to those to which the Congested Districts Fund was applicable, the statutory vote of 20,000*l.* for the service of the Congested Districts Board was only commenced in 1898-99.

The Congested Districts (Scotland) Board reports annually to Parliament in pursuance of section 9 of the 1897 Act.

(16.) AGRICULTURAL RATES GRANT.

The Royal Commission on Agricultural Depression having drawn attention, in their Second Report dated February 1896, to the severity of the prevailing agricultural distress and to the urgent need of something being done to mitigate this by lightening the excessive burden of taxation on land, the Government, in connexion with the Budget arrangements for 1896-97, announced their intention of initiating a grant in relief of the local rates falling on the agricultural occupier, and a Bill was in due course introduced (April 1896) to carry out this intention as regards England. C. 7981.
The Bill provided that, as from 1897-98, the occupier of agricultural lands, as therein defined, should pay only one-half of the rate charged upon the occupier of other classes of subjects, and in respect of the deficiency thereby caused in the produce of the rates, an annual sum to be calculated on the basis of the rates actually levied in 1895-96, was directed to be paid into the English Local Taxation Account "out of the proceeds of the Estate Duty derived in England from personal property," and to be distributed among the rating authorities. As introduced, the Bill was intended to be permanent, but, in deference to strong representations in Parliament, its continuance was eventually limited to five years, i.e., 1897-1902.†

59 & 60 Vict.
c. 16.

Later in the Session a Bill, likewise limited in its duration to five years,† was brought in 59 & 60 Vict.
providing for payment of an "equivalent" grant into the Local Taxation (Scotland) Account, "out c. 37.
of the proceeds of the Estate Duty derived in Scotland from personal property."‡ As in the case of the earlier grants from Probate Duty, &c., in 1888 and 1890, the Scotch "equivalent" was fixed at eleven-eightieths of the English Grant. The Scotch Bill in due course became law.

In framing a scheme for the appropriation of the Scotch Grant, it became necessary to take into consideration the difference between the English and Scotch rating systems. In England the rates relieved were leviable wholly from the occupier, while in Scotland the parochial rates to the extent of one-half, and the county rates to the extent of about three-fifths, were leviable from the owner. But notwithstanding the division of the burden between owners and occupiers in the latter case, it was intended that, in Scotland as in England, only the occupier should be relieved, and this restriction made it possible, and even expedient, that part of the Scotch "equivalent" grant should be devoted to purposes other than the relief of the agricultural ratepayer.

Calculations made in connexion with the proposals in the English Bill showed that the sum required for the annual grant to England would probably amount to about 1,560,000*l.*, and on this assumption the Scotch "equivalent" of eleven-eightieths worked out to 214,500*l.* From this was set aside (1) a sum, estimated at 7,000*l.* per annum, for payment of the Burgh Land Tax, (2) a sum of 15,000*l.* per annum for the improvement of the congested districts in the highlands and islands, leaving (3) a balance available of 192,500*l.* This balance, it was estimated, would be sufficient to pay to each county and parish rating authority in Scotland a sum equal to five-eighths of the amount of rates levied in 1895-96 from occupiers of "agricultural lands and heritages." The Scotch Rating Act, therefore, enacted that, as from 1897-98, the agricultural occupier in Scotland should, in respect of parochial and county rates, be only rated upon three-eighths of the annual value of the lands and heritages occupied by him [the annual value, in the case of parochial rates

* In this connexion, see remarks at page 94 *supra*, as to making any exceptional relief to the Highlands an Imperial charge.

† The period has been extended for four years by the Act 1 Edw. VII. c. 13. (1901).

‡ Referring to the English Bill which had just passed the third reading, the Lord Advocate, in asking leave to introduce the Scotch Bill, said, "I apprehend that the principle of the Bill was to attempt the partial redress of the inequality existing between personality and realty in the matter of local taxation and the application of that relief to the class of realty which suffers most from the undue impact of taxation, namely, agricultural land." [Vide "Parliamentary Debates," Vol. 42. col. 546.]

being the *net* value ascertained after the usual deductions for cost of repairs, &c., had been made pursuant to section 37 of the Poor Law (Scotland) Act, 1845], and that the balance available as above (estimated at 192,500*l.*) should be distributed among the rating authorities in proportion to the deficiency thereby caused in the produce of each rate.

The position of accounts as estimated in advance, and the actual results as finally ascertained after close inquiry and calculation, are set out in the following table:—

	Estimated Amount.	Actual Amount as finally ascertained.
English Grant	£ 1,560,000	£ 1,338,116
Scotch Grant ($\frac{1}{8}$ ths)	214,500	183,308
Appropriated thus:—		
(1.) Burgh Land Tax	7,000	7,990
(2.) Congested Districts	15,000	15,000
(3.) Agricultural Rates Relief	192,500	160,313
	214,500	183,308

The sum actually required to make up five-eighths of the amount raised from the agricultural occupier in Scotland in 1895–96 was ascertained to be 181,308*l.*, or thereby, being 21,000*l.* in excess of the amount (160,313*l.*) actually available. In other words owing to the over-estimate of the English Grant and consequent reduction of the Scotch Grant, it was only possible to pay a contribution slightly exceeding 11*s.* per £. of the rates raised from the agricultural occupier in 1895–96, instead of 12*s.* 6*d.* per £. (*i.e.*, five-eighths) as originally contemplated.

Local Government (Ireland) Act, 1898.
61 & 62 Vict. c. 37. s. 48.
Local Taxation Account (Scotland) Act, 1898.

Two years later (1898) the principle was conceded that the sums payable to Scotland and Ireland should not be a fixed proportion of the English grant (*i.e.*, $\frac{11}{8}$ ths and $\frac{9}{8}$ ths) but should be taken, as in England, at one-half of the total rates on agricultural land, whether levied from the owner or the occupier. For the purpose of determining the Scotch grant under these altered conditions the total amount of rates raised in Scotland in 1895–96, in respect of county and parish rates, and the proportion thereof borne by agricultural subjects were ascertained to be as follows:—

	Total Amount raised from Owners and Occupiers in 1895–96.	Amount raised in respect of Agricultural Lands and Heritages.		
		From Owners.	From Occupiers.	Total.
County rates	£ 684,088	£ 173,142	£ 113,055	£ 286,197
Parish rates	1,589,180	177,710	177,088	354,748
Total	2,273,218	350,852	290,093	640,945

The amount 640,945*l.* represented the proportion of the rates falling on agricultural lands and heritages, *i.e.*, on agricultural lands, together with the buildings thereon, and it was estimated that these buildings represented one-eighth of the total annual value of the agricultural lands and heritages. In other words, only seven-eighths of the amount, 640,945*l.*, actually fell on agricultural lands, and the Scotch grant, being taken like the English grant as equal to one-half of the rates levied on agricultural lands, therefore worked out as follows:—

	£ s. d.
Seven-sixtenths of 640,945 <i>l.</i>	= 280,413 5 3
Deduct—Amount already payable to the Local Taxation (Scotland) Account pursuant to the 1896 Act, <i>viz.</i> ,	183,308 9 3
Balance due to Scotland	<u>97,109 16 0</u>

61 & 62 Vict. c. 56. Section 1 (1) of the Local Taxation Account (Scotland) Act, 1898, provided for this balance being paid annually into the Local Taxation (Scotland) Account "out of the Consolidated Fund of the United Kingdom," during the continuance of the Agricultural Rates, &c. (Scotland) Act, 1896. The effect of the Act, as construed with the 1896 Act, was that the total Scotch grant, which in 1897–98 and 1898–99 was 183,303*l.* 9*s.* 3*d.*, was raised for each of the three years 1899–1902* to 280,413*l.* 5*s.* 3*d.*. Out of the increase, 20,000*l.* was appropriated as an additional

* The Act 1 Edw. VII. c. 13 (1901) continues the Acts of 1896 and 1898 in force till 31st March 1906.

grant in relief of the agricultural occupiers in Scotland, raising the grant for that purpose, for the three years 1899-1902* to 180,313*l.* per annum, a sum which, as shown above, approximately equalled five-eighths of the agricultural occupiers' share of the rates in 1895-96. The remainder of the additional sum of 97,109*l.* 16*s.* was devoted to sundry other purposes specified in the 1898 Act. (See p. 88 *supra.*)†

Complete details of the allocation of the first annual grant in relief of the agricultural occupier (amount 160,313*l.*) are given in the Parliamentary Return C. 9173 (1899).

(17.) MARINE SUPERINTENDENCE.

Frequent complaints having been made that adequate measures were not taken, in the interests of the fisheries, for policing the coasts of Scotland, and enforcing obedience to the sea fisheries laws, it was decided to set aside, out of the additional grant made to Scotland under the Local Taxation Account (Scotland) Act, 1898, an annual sum of 15,000*l.* for the purpose of organising an efficient marine police service. Unless the Act of 1898 is continued, the sum will only be available for three years, i.e., 1899-1902.*

The opportunity was taken to remove from the Vote for the Scotch Fishery Board the provision hitherto made for marine superintendence and purchase of vessels under sub-heads G. and K. of the Vote. The amounts so provided for these purposes and the amounts actually expended during the three years 1896-99 were as follows:—

	1896-97.		1897-98.		1898-99.	
	Amount Voted.	Amount Expended.	Amount Voted.	Amount Expended.	Amount Voted.	Amount Expended.
G.—Marine superintendence	2,839	2,786	5,339	4,267	6,079	6,386
K.—Purchase of vessels	—	—	8,500	5,866	8,725	4,284
Total	2,839	2,786	13,839	10,133	9,804	10,670

* The Act 1 Edw. VII. c. 13 (1901) continues the Acts of 1896 and 1898 in force till 31st March 1906.

† It should be noted that in consequence of changes in the amount of the English Agricultural Rates' Grant owing to alterations of rating areas, the amount of the Scotch Grant under the 1896 Act has been slightly reduced in 1898-1900 and subsequent years, but there is a corresponding increase in the amount received under the 1898 Act, i.e., the sum received under the two Acts remains constant at 280,413*l.* 5*s.* 3*d.*

PART IV.

SCHEDULE OF ACTS.

The following Table gives a complete list of the Acts relating to the Local Taxation (Scotland) Account, and indicates their purpose so far as affecting that Account.

Title of Act.	Purpose, so far as affecting Local Taxation (Scotland) Account.
(1.) Probate Duties (Scotland and Ireland) Act, 1888.	51 & 52 Vict. c. 60 - Establishes Account and provides for the transfer thereto annually of the Scotch share of the Probate Duty Grant (being 11 per cent. of the whole Grant), and for the distribution thereof for 1888-89.
(2.) Local Government (Scotland) Act, 1889, ss. 19-24.	52 & 53 Vict. c. 50 - Provides for the distribution of the Scotch share of Probate Duty for 1889-90, for the transfer to the Account in 1890-91 and future years of the proceeds of certain Excise licence duties, and for the distribution of such duties, and of the Scotch share of Probate Duty, from and after 31st March 1890.
(3.) Customs and Inland Revenue Act, 1890, s. 7.	53 Vict. c. 8 - Provides for the transfer to the Account of a proportion of certain duties of Customs and Excise on beer and spirits.
(4.) Local Taxation (Customs and Excise) Act, 1890.	53 & 54 Vict. c. 60 - Provides for the appropriation of the Customs and Excise Duties assigned to local government purposes by the immediately preceding Act [No. (3)].
(5.) Police (Scotland) Act, 1890, s. 17.	53 & 54 Vict. c. 67 - Prescribes basis of distribution of Police Superannuation Grant (s. 17). [Note.—The provisions of Section 17 (1) (b) and (c), have been modified by regulations under Section 17 (6) dated 14th March 1895, vide H.C. 144 of 1895.]
(6.) Western Highlands and Islands (Scotland) Act, 1891, s. 4.	54 & 55 Vict. c. 58 - Authorises application of Highland Grant (10,000/-) in aid of construction or maintenance of works under Act.
(7.) Education and Local Taxation Account (Scotland) Act, 1892.	55 & 56 Vict. c. 51 - Provides for the future application of the residue of the Probate and Licence Duties hitherto devoted to relief of school fees in terms of Section 22 (6) of the Local Government (Scotland) Act, 1889.
(8.) Technical Instruction Amendment (Scotland) Act, 1892.	55 & 56 Vict. c. 68 - Defines powers of local authorities in matter of contributions to technical education under Section 2 (iii.) (b) of Local Taxation (Customs and Excise) Act, 1890.
(9.) Finance Act, 1894, s. 19 -	57 & 58 Vict. c. 30 - In abolishing the Probate Duty, and merging it in the new Estate Duty, makes the necessary provision for calculating the Probate Duty Grant for the future.
(10.) Diseases of Animals Act, 1894, s. 18.	57 & 58 Vict. c. 57 - An Act to consolidate the Contagious Diseases (Animals) Acts, 1878 to 1893. Re-enacts with certain slight modifications the provisions in the Contagious Diseases (Animals) Acts of 1890, 1892 and 1893 affecting the Local Taxation (Scotland) Account.
	As modified these provisions direct that if in any year the money voted by Parliament to defray the expenses of executing the Act in Great Britain, supplemented by the net receipts for carcasses of slaughtered animals, should prove insufficient for the purpose,* 12 per cent. of the deficiency is to be advanced from the Local Taxation (Scotland) Account, and 88 per cent. from the English Local Taxation Account. The sum to be voted annually for the purpose of the Act is not to exceed 160,000/-, of which not more than 20,000/- may be allotted to Ireland. Of the sum (not to exceed 140,000/-) voted to Great Britain not more than 50,000/- may be specifically appropriated to stamping out swine fever.
	Advances made from the Local Taxation Accounts, as above, may be repaid if the Treasury, at the end of any financial year, is satisfied that the Cattle Pleuro-Pneumonia Account is in possession of a balance which will not be required for the purpose of the Diseases of Animals Act.
(11.) Local Government (Scotland) Act, 1894.	57 & 58 Vict. c. 58 - Inter alia provides for election of parish councils in place of existing parochial boards, and alters definition of "Police Burgh." (Sect. 54.)

* Note.—The Probate and Beer and Spirit Duties assigned to Local Government purposes are paid into the English, Scottish, and Irish Local Taxation Accounts in the proportions 80 per cent., 11 per cent., and 9 per cent. respectively. Any deficiency, on the other hand, arising on the Pleuro-Pneumonia Account (which relates to Great Britain only) has to be made up from the English and Scottish Local Taxation Accounts, and hence the percentages 80 and 11 are proportionately increased, England providing 88 per cent. and Scotland 18 per cent.

Title of Act.	Purpose, so far as affecting Local Taxation (Scotland) Account.
(12.) Agricultural Rates, &c. (Scotland) Act, 1896.	59 & 60 Vict. c. 37 - Provides <i>inter alia</i> for payment into the Local Taxation (Scotland) Account of 11/80ths of the Agricultural Rates Relief Grant made to England, and for the appropriation of the sum to the relief of agricultural occupier's rates in Scotland, and to other purposes. Act to continue in force till 31st March 1902 (five years).
(13.) Congested Districts (Scotland) Act, 1897.	60 & 61 Vict. c. 53 - Constitutes a Congested Districts Board for Scotland, and provides <i>inter alia</i> for the application of the annual grant of 15,000 <i>l.</i> from the Local Taxation (Scotland) Account, appropriated to the improvement of congested districts under the Act of 1896. [No. (12) <i>supra</i> .]
(14.) Local Taxation Account (Scotland) Act, 1898.	61 & 62 Vict. c. 56 - Provides (1) for payment of a supplementary grant to Scotland so as to make up the grant under the Act of 1896 [No. (12) <i>supra</i>] to one-half of the total rates raised from agricultural lands in Scotland in 1895-96, and (2) for the appropriation of the additional grant to sundry purposes. Act to continue in force till 31st March 1902 (three years).
(15.) Police Reservists (Allowances) Act, 1900.	63 Vict. c. 9 - Authorises grant of certain allowances and gratuities out of Police Funds in respect of Police Reservists called out on permanent service.
(16.) Agricultural Rates Act, 1896, &c., Continuance Act, 1901.	1 Edw. VII. c. 18 - Extends periods of continuance of Acts of 1896 and 1898 till 31st March 1906.

SCOTTISH OFFICE,
January 1902.

P. B. MOODIE.

K/428
ROYAL COMMISSION ON LOCAL TAXATION.

S 2369

FINAL REPORT

OF

HIS MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

LOCAL TAXATION.

IRELAND.

Presented to Parliament by Command of His Majesty.



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TERMS OF REFERENCE.

To inquire into the present system under which taxation is raised for local purposes, and report whether all kinds of real and personal property contribute equitably to such taxation; and, if not, what alterations in the law are desirable in order to secure that result.

REPORTS, EVIDENCE, &c. ALREADY PRESENTED TO PARLIAMENT.

- C. 9141-1899 - First Report on Valuation for and Collection of Local Rates in England and Wales.
 - C. 9142-1899 - Second Report on Valuation and Rating in respect of Tithe Rentcharge in England and Wales.
 - Cd. 638-1901 - Final Report for England and Wales.
 - Cd. 978-1902 - Report on Valuation in Ireland.
 - C. 8763-1898 - Volume I. of Evidence relating to English, Scottish, and Irish Local Taxation.
 - C. 8764-1898 - Part I. of Appendix, containing Memoranda by Official Witnesses from England, Scotland, and Ireland.
 - C. 8765-1898 - Part II. of Appendix, containing Memoranda by other English Witnesses.
 - C. 9150-1899 - Volume II. of Evidence with Memoranda, chiefly relating to the two subjects of London Local Taxation and the rating of Tithe Rentcharge in England and Wales.
 - C. 9319-1899 - Volume III. of Evidence with Memoranda, relating to Scottish Local Taxation.
 - Cd. 201-1900 - Volume IV. of Evidence with Memoranda, relating chiefly to the rating of Site Value, but containing also general evidence from the Lunacy Commissioners for England, Scotland, and Ireland, and from the Board of Inland Revenue, and papers as to Local Taxation in the Colonies, &c.
 - Cd. 383-1900 - Volume V. of Evidence with Memoranda, relating to Irish Local Taxation.
 - C. 9528-1899 - A Volume of Memoranda relating chiefly to the Classification and Incidence of Imperial and Local Taxes.
-

TABLE OF CONTENTS.

	Page
REPORT (signed by THE RIGHT HON. LORD BALFOUR OF BURLEIGH, K.T., EARL CAWDOR, THE RIGHT HON. LORD BLAIR BALFOUR, THE RIGHT HON. SIR JOHN T. HIBBERT, K.C.B., THE RIGHT HON. C. B. STUART-WORTLEY, K.C., M.P., SIR E. W. HAMILTON, K.C.B., SIR G. H. MURRAY, K.C.B., MR. C. N. DALTON, C.B., MR. C. A. CRIPPS, K.C., M.P., MR. HARcourt E. CLARE, MR. T. H. ELLIOTT, C.B., HIS HONOUR JUDGE O'CONNOR, K.C., MR. E. ORFORD SMITH, MR. JAMES STUART, and THE RIGHT HON. JOHN L. WHARTON, M.P.	
<i>Analysis</i>	4
<i>Report</i>	5
SEPARATE RECOMMENDATIONS by LORD BALFOUR OF BURLEIGH and LORD BLAIR BALFOUR	19
MEMORANDUM by SIR E. W. HAMILTON, K.C.B., and SIR G. H. MURRAY, K.C.B.	27
MEMORANDUM by His Honour Judge O'Connor, K.C.	28
REPORT ON URBAN RATING AND SITE VALUES by LORD BALFOUR OF BURLEIGH, LORD BLAIR BALFOUR, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, and MR. STUART	29
APPENDIX	33

A N A L Y S I S.

	Page
INTRODUCTION	5
CHAPTER I.—RATES AND RATING AREAS	5
Old System	5
Grand Jury (or County) Cess	5
Poor Rate	5
Municipal Rates	6
Present System	6
Changes effected by the Local Government Act, 1898	6
Owners and Occupiers and the Agricultural Grant	6
Collection of the Poor Rate	7
Distribution of the Poor Rate	7
Municipal Rates	8
Differential Rating	8
Graduated Rates in Belfast	8
Division of Municipal Rates between Owners and Occupiers	9
CHAPTER II.—SUBVENTIONS	9
The cost of Primary Education and Police in Ireland falls wholly on Parliamentary Votes	9
Old system of Grants-in-aid continued in Ireland down to 1898	9
The Death Duty Grant	9
Beer and Spirit Surtaxes	9
Agricultural Grant	9
Equivalent of License Duties and additional sum	10
I.— <i>The Death Duty Grant</i>	10
II.— <i>The Beer and Spirit Surtaxes</i>	10
III.— <i>The Exchequer Contribution of 40,000<i>l.</i> a year</i>	11
IV.— <i>Produce of License Duties and additional sum of 79,000<i>l.</i> a year</i>	11
V.— <i>The Agricultural Grant</i>	11
CHAPTER III.—THE AMOUNT AND DISTRIBUTION OF SUBVENTIONS	12
The Irish Local Taxation system does not differ materially from the English system, and the changes suggested for the improvement of the latter should be applied, so far as possible, to the former	12
Funds for local purposes should be supplemented by certain Imperial revenues	13
In determining the amount of the revenues to be transferred, the expenditure upon National services locally administered should be considered	13
How the amount of the Beer and Spirit Duties to be allocated to Ireland should be calculated	13
How the amount of the Local Taxation License Duties and Death Duties to be allocated to Ireland should be calculated	13
Local Taxation Account should continue	13
The National services to which assistance should be given	13
Technical and Intermediate Education	14
The present Grants for Poor Relief Expenditure should be continued	14
And sundry new Grants given	14
Main Roads	14
Sundry miscellaneous Grants should be continued	14
There should also be a Grant at the disposal of County and County Borough Councils. How this Grant should be distributed	14
The relief of the agricultural ratepayer should be continued for the present	14
CHAPTER IV.—MISCELLANEOUS RATING QUESTIONS	15
(1.) Exemptions	15
Wide range of exemptions	15
Rating of half-rents	15
Crown property	15
Other public or charitable property	15
Recommendations	15
(2.) Valuation of Special Properties	16
(a.) Railways	16
(b.) Licensed Premises	16
(c.) Shooting Rights	17
(3.) Valuation Appeals	17

ROYAL COMMISSION ON LOCAL TAXATION.

FINAL REPORT.—IRELAND.

TO THE KING'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

We have already presented a special Report* dealing with the question of Valuation in Ireland. We now humbly lay before Your Majesty the conclusions at which we have arrived with regard to the general question of Local Taxation in that country. As explained in our Final Report for England and Wales,† we were unable to carry out our intention of visiting Dublin, but the evidence which we heard in London from Irish witnesses will be found in Volume V.‡

CHAPTER I.

RATES AND RATING AREAS.

A full account of the various Local Rates leviable in Ireland before the passing of the Local Government (Ireland) Act, 1898,§ the areas over which they were levied, the persons and properties liable, and the purposes for which the rates were raised, will be found in the Memorandum supplied to the Commission by the Irish Local Government Board in 1897.|| It is not necessary to repeat here the information there available; but in order to make clear the changes brought about by that Act, a very short account of the most important rates leviable under the old system will be useful.

Old System.

The Grand Jury Cess was levied by the Grand Juries, and was, roughly, analogous Grand Jury (or to the "County" Rate in England. The amount to be raised for General County County) Cess. purposes was levied as an equal poundage rate over the whole County, but some charges were levied separately off Baronies and Half-Baronies, and for certain Special Expenses off Parishes or Townlands.

The rate was made twice a year on the net annual value of the rateable property in the area, and was payable by the occupier. For although the Landlord and Tenant Act of 1870¶ authorised the occupier under future tenancies to deduct from his rent one-half of the rate in the £ in respect of each pound of rent paid by him, no provision expressly providing for this division of the rate was inserted, and landlords were allowed to contract out of their liability to pay half the Cess. This provision remained, therefore, almost inoperative, and the Cess was paid in nearly all cases wholly by the tenant. Under the provisions of the same Act, in cases where the valuation was at or under 4*l.*, the whole of the rate was payable by the immediate lessor.

In the case of the Cities of Belfast, Dublin, Cork, Limerick, and Waterford, and of many municipal towns, the whole or part of the fiscal jurisdiction of the Grand Jury had been transferred to their governing Bodies.

Besides the general expenses of the County organisation, the most important services for which Grand Juries were authorised to raise money, were:—Roads and Bridges, Lunatic Asylums; County Infirmarys; Hospitals; Reformatory and Industrial Schools; and Guarantees for Railways. An Account of the system of administration and cost of these services will be found in the Appendix.*

Next in importance to the County Cess was the Poor Rate.†† This rate, as its Poor Rate. name implies, was originally raised for the purpose of Poor Relief, although since 1838,†† when a Poor Rate was first authorised to be raised in Ireland, the cost of the administration of many other local services had been thrown upon it.

* Cd. 973-1902.

† Cd. 638-1901.

‡ Cd. 383-1900.

§ 61 & 62 Vict. c. 37.

|| See C. 8764 of 1898.

¶ 33 & 34 Vict. c. 46.

** See p. 31.

†† A short history of the Irish Poor Law System and organisation is given in the Appendix, pp. 33-38.

‡‡ 1 & 2 Vict. c. 56.

The charges for which the Poor Rate was levied were divided into two parts, those leviable over the Union at large, and those leviable separately over each electoral division in the Union. The Union charges were levied as an equal poundage rate over the whole Union, being apportioned among the electoral divisions according to rateable value, and the Electoral Division charges were levied separately off each electoral division.

The Guardians made the rate once a year on the net annual value of the rateable property in the Union. Subject to certain exceptions, the rate was payable in the first place by the occupier, but he was authorised to deduct from his rent one-half of the poundage rate for each pound of rent paid by him, provided that the deduction should not exceed one-half of the total amount of the rate. Any contracts to the contrary were expressly forbidden.* The immediate lessor was given a like right of deduction against the superior landlord, if any.

The Poor Rate, like the County Cess, was payable since 1843 by the immediate lessor in the case of holdings valued at and under 4*l.*

Besides the Relief of the Poor, the Poor Rate was drawn upon for expenses under the Medical Charities, Vaccination and Dispensary Houses Acts, the Public Health Acts, and the Labourers' Acts, and other minor services.

Municipal Rates.

In addition to the County Cess and the Poor Rate, rates for the purposes of Municipal administration were levied in 120 towns in Ireland. We shall give below further details as to these rates, which were not materially affected by the Local Government Act of 1898.

Present System.

In a "Memorandum† as to the effect of the Local Government (Ireland) Act, 1898, on Local Taxation," prepared for this Commission by Sir Henry Robinson, K.C.B., Vice-President of the Local Government Board for Ireland, the changes recently introduced are fully described.

Changes effected by the Local Government Act, 1898.

Of these changes the most important, so far as they can be summarised in a sentence, are that representative Councils have been established in every Administrative County and in every Urban and Rural District: and to these Councils the powers and duties of the Grand Juries (except in connexion with judicial proceedings) have been transferred, as well as some of the powers previously exercised by Boards of Guardians.

As regards Local Taxation, County Cess has been abolished and the rates existing under the system established in 1898 fall under two heads only:—

- I.—The new Poor Rate.
- II.—Municipal Rates.

From the latter rates the charges for paving, lighting, sewerage and municipal administration in towns are defrayed, and to these we shall return later—they are of comparatively small importance in Ireland. From the new Poor Rate all other local charges are defrayed, not merely the expense of Poor Relief, but also all County expenditure and all Rural District expenditure.

Owners and Occupiers and the Agricultural Grant.

Following on the Agricultural Rates Acts of 1896 for England and Scotland, assistance to the rates on agricultural land was given in Ireland, on a similar but not identical plan, by means of the Agricultural Grant under the Act of 1898. At the same time advantage was taken of this opportunity to abolish the system of division of rates between owner and occupier. With unimportant exceptions† the new Poor Rate is wholly payable by the occupier and contracts to the contrary are declared void. But it was provided that the exemption of owners from the direct payment of rates and the concentration of the whole charge on occupiers should not involve any increased immediate burden on the latter.

With regard to tenancies of Agricultural Land, the amount of the Agricultural Grant (representing half the "standard rate" on Agricultural Land in the year 1896–7, i.e., including both County Cess and Poor Rate but omitting certain "excluded" or

* This provision was repealed by section 12 of the Poor Law Act of 1849.

† See Cd. 383 of 1900, p. 169, *et seq.*

‡ Where (a) a house is let in separate apartments or lodgings and (b) the landlord of a property exempt from rating on account of its public or charitable nature is rated on half the rent received from the property, the rate is made as heretofore on the immediate lessor.

“separate” charges), is deducted from the rates chargeable in respect of that land.* Consequently in the normal cases in which the Poor Rate was divided between owner and occupier but the County Cess was wholly paid by the occupier, the landlord gained by his exemption from the half of the Poor Rate which he formerly paid, and the tenant obtained the benefit of the Agricultural Grant in respect of County Cess.

With regard to property other than land, where the tenant had been entitled to deduct half of the rates, he was compensated for the fact that in future he was to pay the whole of the rates by a reduction of his rent representing a sum equal to half the produce of the standard rate in the standard year. More peculiar circumstances were met by special equitable adjustments.

The Poor Rate is levied throughout Ireland. In all Rural Districts it is collected by the County Councils, who retain the amount required to meet their own expenditure, but transfer to the Guardians of each Union and the Council of each Rural District the sums raised to meet the expenditure of each of these bodies respectively. In all Urban Districts (other than County Boroughs) the Urban District Council collects the Poor Rate and hands over to the County Council the sums raised to meet both County-at-large charges and Union charges. In County Boroughs the Borough Council collects the Poor Rate, and hands over to the Guardians the sums raised to meet Union charges. The necessary adjustments are made in the case of overlapping areas.

There are two sets of collectors—Collectors for Rural Districts and Collectors for Urban Districts.

The Rural Collectors are appointed by the County Councils with the approval and under the terms and conditions of an Order of the Local Government Board.† To each Collector is assigned a district. There is no rule as to size or valuation, but as a matter of practice there are about two collectors for a Rural District.

The Collectors must keep offices for collection purposes within their district, at which they attend on Market Days and other specified times; a good many payments are also made by post. Every fortnight the collectors must lodge the amount collected to the credit of the County Fund and they must either attend at the County Council to have their books examined, or, if the Council so direct, at the office of the Rural District in which they collect. In such cases the County Council pay the Clerk of the Rural District a fee for checking the books. Collectors are paid by poundage fees and are not bound to devote their whole time to their work.

Urban Collectors are appointed by the Urban Councils and collect all rates within the Urban Districts, i.e., Town Rates, Sanitary Rates, Poor Rates, &c., and the Urban Council remit to the County Council the amount collected each half-year on their behalf.

The part of the new Poor Rate required to meet County charges is raised off the whole County, the part required to meet Union charges off the Union, and the part required to meet Rural District charges off the Rural District. The sums required to meet certain “separate charges” are also in some cases raised off smaller areas within the Rural District.

The County charge is ascertained as follows:—In the first place, from the estimated County expenditure the estimated receipts (including Government Grants belonging to the County other than the Agricultural Grant) are deducted. The balance is apportioned over the rateable property in the county in proportion to its rateable value, but the fixed Agricultural Grant in respect of County charges is deducted from the amount to be levied off agricultural land.

A similar course is followed with regard to the Union charges, the Rural District charges and the Urban charges (if any). The “separate charges” are also levied off

* “Agricultural land” means every hereditament entered as land in the Valuation List, which is not part of a railway or canal, and which was not, at the commencement of the Act, situate within an Urban District. The exact process whereby the “standard rate” was ascertained is described on pp. 15–16 of the Report of the Local Government Board for Ireland for 1898–9 (C. 9480 of 1900). The “excluded charges” (now described as “separate charges”) were as follows:—

- (1.) Expenses in relation to additional constabulary (i.e., beyond the regular quota of men fixed by the Constabulary Acts for any place).
- (2.) Compensation for criminal injuries.
- (3.) Railway and harbour charges.
- (4.) Navigation charges.
- (5.) Public Health expenses (except those under the Labourers’ Acts).

† See page 74 of the Annual Report of the Local Government Board for Ireland for 1899–1900 (Cd. 338 of 1901).

the appropriate area, which may be either the whole or part of a Rural District, but in this case there is no Agricultural Grant to be deducted.

It will be observed that agricultural land is not rated at a half, as in England; but it is rated in full, subject to deduction of the amount of the Agricultural Grant. That Grant is a fixed sum amounting to half the rates raised off agricultural land (not including buildings) in the standard year 1896-97; and consequently so long as in any district the rate in the £ remains the same as in the standard year, land will in fact be rated at half. If, however, the rate in the £ comes to exceed the rate in the standard year, the land will contribute towards such excess in proportion to its full rateable value. On the other hand, if in any place the rate in the £ falls below the rate in the standard year, land will then, in effect, pay on less than half its value.

With regard to Union charges, another important change effected by the Act of 1898 was the abolition of rating by electoral divisions. All the Guardians' expenditure is now a charge on the Union-at-large.

In Rural Districts there is no differential rate for Public Health Services such as the "Special Expenses" rate in England, but agricultural land and railways are rated in full for such services except in so far as the former is relieved by the Agricultural Grant.

Municipal Rates.

Over and above the Poor Rate special Municipal rates are raised by County Borough Councils, other Municipal Borough Councils, other Urban District Councils, and the Town Commissioners of Towns not Urban Districts.

The powers of these bodies in regard to raising Municipal Rates have not been substantially altered by the Local Government Act, except that provision has been made for consolidating with the Poor Rate any Municipal Rates levied on an exactly similar basis. Accordingly we may refer to the exhaustive statement furnished to us by the Local Government Board in 1897 which shows the extraordinary variety and complexity of the rating arrangements in towns.* Rates are raised under several general statutes and under a large number of local Acts. They are all based on the same Valuation as the Poor Rate (no other Valuation existing in Ireland), but they differ considerably in the proportions in which rates are imposed on different kinds of property.

Differential Rating.

The Borough Rate which may be levied in the eleven Municipal Boroughs under the Municipal Corporations Act, 1840, is levied uniformly over all properties. But for expenditure on public works and improvements a system of Differential Rating similar to that in force in England is generally adopted so as to relieve agricultural lands and other properties which are presumed to receive less benefit from the expenditure. Thus rates under the Towns Improvement Act, 1854, and under the Public Health Acts are in nearly every case levied on the same differential scale which is adopted for the General District Rate in England, i.e., the following properties, are rated at one-fourth of their net annual value:—

- (1.) Land used as arable, meadow, or pasture ground only.
- (2.) Land used as woodlands; market gardens, or nursery grounds.
- (3.) Land covered with water and used as a canal, and any towing-path to the same.
- (4.) Railways (i.e., the lines, but not the stations).

Other more or less similar scales of differential rating have been adopted in particular places.

As regards the cost of roads in Urban Districts, the necessary sums were raised on a differential basis before 1898 in those cases in which the Urban Sanitary Authorities had been constituted Road Authorities under section 206 of the Public Health Act, 1878. In other Urban Districts such expenses were raised as part of the County Cess upon the full net annual value of the rateable property, and it is one of the important changes introduced into Urban Rating by the Local Government Act that, in these Urban Districts, lands, railways, and canals are now assessed to the expenditure on this service at only one-fourth of their valuation.

Graduated Rates Belfast.

In Belfast a system exists which deserves special mention, by which the rates are graduated according to the value of the hereditament.

Under various local Acts,† hereditaments of the annual value of 20*l.* and under are assessed to the Police Rate (which in addition to the payment of the Constabulary, includes the interest and repayment of loans, the cost of lighting, fire brigade, and other miscellaneous services) at half the amount of the rate on hereditaments above

* See C. 8,764 of 1898, pp. 174-225.

† 8 & 9 Vict. cap. cxlii., 16 & 17 Vict. cap. exiv., 27 & 28 Vict. cap. cxcviii.

20*l.* annual value. The value of property in Belfast of 20*l.* annual value and under was in 1898, 508,690*l.*, out of a total valuation of 1,059,000*l.*

All Municipal Rates are now to be paid by the occupier, with the same exceptions as in the case of the Poor Rate and subject always to equitable regard for existing contracts. But a rate made under a local Act in any County Borough may still be made upon the landlord or immediate lessor, "if the council of that borough by "a majority of not less than two-thirds of the members present at a meeting specially "summoned for the purpose so resolve." All the County Boroughs, with the exception of Londonderry, have passed such a resolution.

Division of Municipal Rates between Owners and Occupiers.

CHAPTER II.

SUBVENTIONS.

There are two very important services which impose a heavy burden on Local Taxation in England and Scotland, but to which in Ireland the ratepayer practically does not contribute, and which are not administered by Irish Local Public Authorities—Primary Education and Police. Almost the whole cost of these services is defrayed from Parliamentary Votes, and in any financial comparison between the constituent parts of the United Kingdom they must be constantly borne in mind. The main *data* respecting the finance of these services will be found in the Appendix*; and as the sums voted for them do not directly enter into the local budgets, we shall not here go into further details on the subject.† We accordingly pass to the direct relief afforded to local ratepayers through the medium of the Local Taxation Account; and we begin with a brief survey of the manner in which that Account has been built up.

The cost of Primary Education and Police in Ireland falls wholly on Parliamentary Votes.

The system by which assistance was given to ratepayers by means of Voted Grants in Aid (other than the Police and Education Votes) was in operation in Ireland, as in the rest of the United Kingdom, before the year 1888. But when the system was in that year abolished as regards England and Scotland, and the Local Taxation Licenses were assigned to the Local Authorities in lieu of the old Grants, no similar change was made in Ireland. From 1888 to 1898 the Grants-in-Aid of the maintenance of Pauper Lunatics, Poor Law Medical Officers, and other specific items of Local Administration in Ireland continued to be voted, and the proceeds of Excise Licences in Ireland continued to be paid into the Exchequer. Inasmuch however, as England and Scotland gained by the re-arrangement, a compensatory Exchequer Contribution of 40,000*l.* a year for Ireland was at first voted and in 1891 charged on the Consolidated Fund. It will be seen that this contribution continues to be paid, although the circumstances under which it originated have been altogether altered.

Old system of Grants-in-Aid continued in Ireland down to 1898.

The other feature of Mr. Goschen's reorganisation of 1888 was the assignment to the Local Taxation Accounts of a Death Duty Grant, consisting at first of half† the proceeds of the Probate Duty and since 1894 of a corresponding sum out of the proceeds of the Estate Duty. Of this revenue Ireland received and continues to receive the prescribed share based on her assumed contribution to General Imperial Revenue, viz., 9 per cent. of the total for the United Kingdom, or $\frac{9}{50}$ ths of the share assigned to England and Wales.

Similarly, when in 1890 the Beer and Spirit Surtaxes were assigned to Local Authorities, Ireland received 9 per cent. of the proceeds of the Surtaxes in the United Kingdom.

Beer and Spirit Surtaxes.

When, in 1896 a further large grant was made in aid of Agricultural ratepayers in England, the corresponding grant to Ireland was at first calculated at $\frac{9}{50}$ ths of the English share. But this arrangement proved only temporary, and two years later Irish Local Finance was wholly reorganised by the Local Government Act of 1898.

* See p. 44–48.

† Other miscellaneous Grants by the State more or less directly in aid of Local Taxation in Ireland are in connection with Reformatories and Industrial Schools, Technical Instruction, Diseases of Animals, Dublin Hospitals and Infirmarys, Valuation Office, Light Railways (Acts of 1883, 1889, and 1895) Harbours and Inland Navigation.

‡ In 1888–9, one-third only.

Equivalent of
License Duties
and additional
sum.

That Act, in the first place, gave Ireland an Agricultural grant, not based on any proportion of the English grant, but equivalent to one-half of the rates on Agricultural land in Ireland—a change which meant an almost five-fold multiplication of the Irish grant. This sum was not charged on any Assigned Revenue, but direct on the Consolidated Fund.

But this was not all. The system of Voted Grants-in-Aid (which, as above-mentioned, had been continued in Ireland after its abolition in England in 1888), was abolished, and in lieu thereof the Act provided fresh funds to be administered through the Local Taxation Account. It was desired to give to Ireland the benefit of such of the License Duties known in Great Britain as Local Taxation License Duties as were levied in Ireland, but instead of assigning those Duties to the Local Taxation Account (as had been done in Great Britain) there was made payable in each year to the Irish Local Taxation Account from the Exchequer a sum equal to the yield of the License Duties in Ireland in the preceding year. And to this was added a lump sum of 79,000*l.* a year, also charged on the Consolidated Fund.

We now proceed to recapitulate the result of these arrangements, adding also a statement of the purposes to which each grant is applied, and the manner in which it is allocated among the different Local Authorities.

The Irish Local Taxation Account was established under the Probate Duties (Scotland and Ireland) Act, 1888,* and is operated upon by the Lord Lieutenant.

I.—*The Death Duty Grant.*

Under section 1 of the above Act there is paid into the Account by the Commissioners of Inland Revenue the Irish proportion (9 per cent.) of half the proceeds of the Probate Duty (now a corresponding sum out of the Estate Duty under the Finance Act, 1894).

Under section 5 of the Land Purchase Act, 1891,† the grant is first paid into the Land Purchase Guarantee Fund, and so far as not required for meeting charges on that Fund, is transferred to the Local Taxation Account.

Section 3 of the Act provided for the apportionment of the grant as follows:—

- (1.) 5,000*l.* to be paid to the Royal Dublin Society for the improvement of the breed of horses and cattle.
- (2.) One-half of the balance to be distributed among the Boards of Guardians in proportion to the sums expended by them respectively during the year ending 29th September 1887, on the salaries, remuneration, and superannuation allowances of the officers of the union in connexion with the relief of the poor, or under the Act 14 & 15 Vict. cap. 68. (Poor Relief (Ireland) Act, 1851).
- (3.) The remaining half of the balance to be distributed among the Road Authorities in Ireland in proportion to the sums expended by them, out of any cess or rate, on roads and bridges during the year ending 31st December 1887.

II.—*The Beer and Spirit Surtaxes.*

Under the Local Taxation (Customs and Excise) Act, 1890,‡ the Irish share (9 per cent.) of the produce of these surtaxes is paid into the Local Taxation Account. Out of this grant 78,000*l.* per annum was set aside, and under the arrangement made in 1890 was paid to the Commissioners of National Education, and by them applied in aid of National Schools. But under section 15 of the Agricultural and Technical Instruction (Ireland) Act, 1899,§ this sum was diverted from the Commissioners of National Education, (for whom, however, Parliament provides an equivalent under the Public Education Vote) and placed at the disposal of the Department of Agriculture and Technical Instruction. It forms part of the general endowment of that Department, the application of which is provided for in section 16 of the Act.

The residue of this grant is paid to the Intermediate Education Board, and by them applied in aid of Intermediate Schools, under a scheme approved by the Lord Lieutenant and the Treasury. This residue has fluctuated in amount, but on the whole has largely increased since 1890.

* 51 & 52 Vict. c. 60.

† 53 & 54 Vict. c. 60.

‡ 54 & 55 Vict. c. 48.

§ 62 & 63 Vict. c. 50.

III.—*The Exchequer Contribution of £40,000 a year.*

Under section 5 of the Land Purchase Act, 1891,* the Exchequer Contribution of 40,000*l.* a year is charged on the Consolidated Fund, and in the first place paid into the Land Purchase Guarantee Fund. It was then carried to a reserve fund, until a sum of 200,000*l.* had accumulated. This result was attained in 1896, and since then the contribution has been paid into the Local Taxation Account, and is allocated between Counties and County Boroughs in proportion to the amounts received from the Death Duty Grant. In the Counties it is applied towards the provision of labourers' cottages.

IV.—*Produce of License Duties and additional sum of £79,000 a year.*

Under section 58 of the Local Government Act, 1898,† the grants for the following purposes ceased to be paid out of annual Parliamentary Votes, but are now paid from the Local Taxation Account, viz. :—

- (a.) One half of the salaries of medical officers of workhouses and dispensaries;
- (b.) One half of the cost of medicines and medical appliances in workhouses and dispensaries;
- (c.) The whole of the salaries of schoolmasters and schoolmistresses in the workhouses;
- (d.) One half of the salaries of sanitary officers;
- (e.) One half of the maintenance of pauper lunatics in lunatic asylums, not exceeding 4*s.* a week per head. This is by far the largest item.

Certain new grants were at the same time made payable from the Local Taxation Account, viz. :—

- (f.) One-half of the salary of the trained nurse in each workhouse;
- (g.) One-half of the excess over 6*d.* in the £ of a rate levied by a County Council in any area for the purpose of meeting a railway or harbour guarantee given before the passing of the Local Government Act;
- (h.) A sum not exceeding 2*s.* a week per head in aid of the maintenance of chronic and harmless lunatics in an auxiliary lunatic asylum. No payments under this head have yet been made.

To provide for all these grants there is paid to the Local Taxation Account from the Consolidated Fund in every year, first an amount equal to the proceeds of the Local License Duties in the preceding financial year; and, secondly, a fixed annual sum of 79,000*l.*

If these funds are insufficient, the grants are to be proportionately abated as directed by the Lord Lieutenant, and if they are more than sufficient, the excess is to be accumulated and applied to meet any future deficiency; and, subject thereto, to be applied in such manner as Parliament directs.

The Local Taxation License Duties in Ireland, enumerated in the Third Schedule to the Local Government Act, are the same as those assigned to the Local Taxation Account in Great Britain, with the important exceptions of the Establishment License Duties (for male servants, carriages, and armorial bearings), and the Dog License Duty, which are not levied in Ireland. It should be noted that a purely local Dog License Duty is levied in Ireland under a special Act.‡

V.—*The Agricultural Grant.*

Under section 48 of the Local Government Act there is paid yearly from the Consolidated Fund to the Local Taxation Account a fixed sum of 727,655*l.* This sum, which represented one-half of the rates levied in respect of agricultural land outside Boroughs and Urban Districts in the standard year 1896–7 (omitting the "excluded

* 54 & 55 Vict. c. 48.

† 61 & 62 Vict. c. 37.

‡ Under the Dogs Regulation (Ireland) Act, 1865 (28 & 29 Vict. c. 50), and the Petty Sessions Clerks (Ireland) Act, 1881 (44 & 45 Vict. c. 18), the proceeds from the sale of dog licenses, after deducting the cost of collection and certain sums for the remuneration and superannuation of Petty Sessions Clerks (who collect the duty) are paid over to the County Councils, Borough Councils, and other Town Authorities. The rate of the duty is 2*s.* a year for each dog. The total yield for the year 1900 was 41,133*l.* and 14,084*l.* was paid over to the Local Authorities.

charges"), is paid over to the County Councils and by them applied in relief of the new general poor rate on agricultural land.*

The following Table gives a brief survey of the working of all these arrangements for the last complete financial year for which figures are available:—

LOCAL TAXATION (IRELAND) ACCOUNT, 1900-01.

NOTE.—This Account shows the receipts and payments *in respect of* the financial year 1900-01, not those actually made during the year.

RECEIPTS.		EXPENDITURE.		
		Authority to whom Paid.	Purpose to which Applied.	Amount.
<i>From Assigned Revenues:—</i>				
Death Duty Grant†	£ 236,545	(a.) Royal Dublin Society (b.) County and County Borough Councils (for Boards of Guardians). (c.) County, County Borough, and Urban District Councils.	Horse and Cattle Breeding - Poor Relief Road maintenance	£ 5,000 115,530 116,015
Beer and Spirit Surtaxes	142,731	(a.) Department of Agriculture (b.) Intermediate Education Board.	Technical Education, &c. - Intermediate Schools -	78,000 64,731
<i>From Exchequer:—</i>				
Exchequer Contribution	40,000	County Councils (for Rural District Councils). County Borough Councils	Provision of Labourers' Cottages -	£ 36,841‡ 3,159
Agricultural Grant	727,655	County Councils -	In aid of the new General Poor Rate on Agricultural Land.	727,655
		County and County Borough Councils (for Boards of Guardians).	Salaries of Medical Officers of Workhouses and Dispensaries. Costs of Medicine and Medical Appliances. Salaries of Schoolmasters and Schoolmistresses in the Work-houses. Salaries of Trained Nurses in Workhouses.	55,077 18,935 8,995 1,143
Equivalent of Licence Duties.	208,086	County Councils (for Rural District Councils), County Boroughs and Urban District Councils	Salaries of Sanitary Officers under the Public Health Act.	18,827
Additional Sum	79,000	County Councils	Maintenance of Pauper Lunatics in Asylums. In aid of Railway and Harbour Guarantees.	160,282 12,283
Total	1,434,017		Total	£ 1,416,973

CHAPTER III.

THE AMOUNT AND DISTRIBUTION OF SUBVENTIONS.

The Irish Local Taxation system does not differ materially from the English system, and the changes suggested for the improvement of the latter should be applied, so far as possible, to the former.

Having set out the system under which the funds required for the administration of local services in Ireland are provided, we must now consider what changes are desirable in order to place Irish Local Taxation upon a similar footing to that which we had in view in framing our recommendations for England and Scotland.

In its broader aspects the question presents the same difficulties and raises the same controversies, and it is unnecessary for us to repeat the arguments upon which

* For further details as to the Agricultural Grant, cf. pp. 6-8.

† The Irish share of the revenue assigned under section 19 of the Finance Act, 1894, and paid into the Land Purchase Guarantee Fund was - £ 245,529
Deducting the sum required for the purposes of that fund - 8,984

There remained the balance of - £ 236,545

to be paid over to the Local Taxation Account.

‡ Though this amount is applicable towards the cost of providing labourers' cottages, 16,091*l.* was not actually paid over to the Rural District Councils, but was held in reserve.

our conclusions are based. They will be found fully set out in our English Report and apply, in our opinion, with equal force to Ireland.

It is true that the circumstances of Local Government in Ireland and the economic condition of the Irish population are somewhat different, but we nevertheless see no reason why the same principles which we have suggested for England and Scotland should not be applied to Ireland. It is important to bear in mind, however, that so recently as 1898 the local taxation system in Ireland was amended in many particulars by the Local Government Act. The arrangements of that Act should, we think, be disturbed as little as possible. They formed part of a broad scheme for the reorganisation of Local Government and have not only proved generally acceptable to the Irish people, but have also been instrumental in securing a greater popular interest in local affairs.

When dealing with England and Scotland our main contention was that there is not sufficient diversification in the method of raising funds for local purposes, and we recommended an extension of the system of assigned revenues already in force. It was suggested that local funds might be supplemented by the Beer and Spirit Surtaxes (as at present), by additional sums from the Estate Duties on Personality, and by the Local Taxation Licences, which, it was pointed out, are capable of considerable development. For England we suggested that the amount of the assigned revenues thus placed at the disposal of Local Authorities should be determined with reference to the proportion which the State might fairly be called upon to contribute of the expenditure upon certain national services locally administered. In dealing with Scotland, on the other hand, we relied more upon a population basis of distribution, as this appeared to adequately provide for the requirements of the locally administered national services of that part of the Kingdom.

Owing to the greater poverty of Ireland as compared with England and Scotland, and to the fact that certain national services locally administered in England and Scotland are centrally administered in Ireland and paid for from Imperial Funds, the population test would, we think, scarcely be a fair one to apply to Ireland for the purpose of ascertaining the total amount of the subventions which that country should receive. It would appear to be the better plan to take, so far as possible, as was done in England, the proportion which the State may fairly be called upon to contribute of the expenditure on the several national services locally administered for which subventions are recommended.

The Beer and Spirit Duties are at present distributed between the three countries in a proportion which was supposed to represent, at the time it was chosen, their respective contributions to the general revenues of the United Kingdom. This basis appears to do substantial justice at the present time, but in view of the complexity of the calculations upon which the proportions are based, we suggest that, whenever the present system of subventions is revised, the simpler and fairer method would be to take, in this case, the population basis. This method was recommended for Scotland, and it would have the effect of slightly increasing Ireland's share of the duties, a result which, in all probability, would not be considered inequitable. The proportion allocated to Ireland at the present time is 9 per cent. of the total yield of the duties, and it appears that upon the basis of population the proportion would be increased to somewhat less than 11 per cent.

The Local Taxation License Duties can be easily allocated to the areas of collection and no question, therefore, arises as to their distribution between England, Scotland, and Ireland. But in the case of the Death Duties derived from personality, localisation with any degree of fairness is impossible; and, as it is to this branch of the assigned revenues that we look for supplementing the Licence Duties in order to provide the amount necessary for paying the grants recommended below, we suggest that the amount payable from the Death Duties to Ireland should be sufficient for that purpose, and should be fixed for a period of years.

The present system whereby the Imperial subventions are paid into the Local Taxation Account, and distributed therefrom by the Lord Lieutenant in accordance with regulations prescribed by Parliament, should be continued.

The national services for which grants were recommended in England and Scotland were:—

- (1.) Poor Relief, including Lunatic Asylums.
- (2.) Police.
- (3.) Education, Elementary, Secondary, and Technical.

Funds for local purposes should be supplemented by certain Imperial revenues.

In determining the amount of the revenues to be transferred, the expenditure upon national services locally administered should be considered.

How the amount of the Beer and Spirit Duties to be allocated to Ireland should be calculated.

How the amount of the Local Taxation License Duties and Death Duties to be allocated to Ireland should be calculated.

Local Taxation Account should continue.

The national services to which assistance should be given.

Technical and Intermediate Education.

The present Grants for Poor Relief Expenditure should be continued,

and sundry new grants given.

Main roads.

Sundry miscellaneous grants should be continued.

There should also be a grant at the disposal of County and County Borough Councils. How this grant should be distributed.

The relief of the agricultural ratepayer should be continued for the present.

(4.) Main Roads.
(5.) Sanitary Inspection.

For reasons which it is unnecessary for us to discuss, Police and Elementary Education are not locally administered and no provision need therefore be made for them. With regard to Technical and Intermediate Education we suggest that whatever share Ireland may get from the Beer and Spirit Duties should continue to be applied to these objects and to be administered by the Department of Agriculture and Intermediate Education Board.

The grants in aid of certain items of Poor Relief Expenditure now given from the Local Taxation Account should, we think, be continued. It is very desirable that each Union should be equipped with a competent staff of officers and that proper provision should be made for pauper lunatics (both in asylums and elsewhere), and there can be no doubt that the grants have had a considerable influence in the attainment of those ends. Sundry amendments would no doubt be required in the method upon which the grants for Union Officers are calculated; but it is unnecessary for us to go into these details, which could easily be settled by the framers of any measure for giving effect to our proposals.

In addition, we would suggest that new grants analogous to those recommended for England should also be given with such modifications as may be necessary to adapt them to the circumstances of Irish Local Government. These would include grants for the maintenance of the sick and infirm, the maintenance and education of Poor Law children, and the provision of asylum accommodation for pauper lunatics and imbeciles. These grants would afford substantial relief to the ratepayers in respect of the local service which is more national in its character than any other, and would be a powerful agent in securing efficient administration and reforms which are urgently required in the poverty-stricken districts of the West.

As in the case of England and Scotland, we suggest that a grant should be given towards the upkeep of main roads and that a small Commission should be constituted to determine the roads to be entered in this category.

It is also desirable that provision should be made for the continuance of the grants for Sanitary Officers, the provision of Labourers' Cottages, in aid of Railway and Harbour Guarantees, and in connexion with Horse and Cattle breeding. It is always difficult to discontinue grants once given, and these objects, which are specially important in Ireland, appear to be such as may properly be assisted from Imperial Funds.

And finally after provision has been made for all these grants, we would place at the disposal of County and County Borough Councils a sum to be applied to such matters of public concern as they think desirable. For Scotland we suggested that this "free balance" should be about £138,000, and we think that a similar sum should be made available to Local Authorities in Ireland. The grants for the specific items of expenditure should be charged on the non-localisable revenues, so far as these will go, and then upon the other revenues paid to the Local Taxation Account. The residue, which would be the "free balance," would then be distributed according to the amount of the licences collected in each area.

We have already expressed the opinion that the provisions of the Local Government Act of 1898 should be disturbed as little as possible. Amongst those provisions were the arrangements for the partial relief of agricultural ratepayers from the burdens of Local Taxation, and especially with regard to this part of the Act we think that there is no justification for interference. These arrangements were analogous to those contained in the English and Scottish Agricultural Rates Acts; but whilst the operation of those Acts was limited to a period of years, it is clear that the Legislature did not intend the arrangements contained in the Irish Local Government Act to be temporary, for they were unaccompanied by any limit of time. We accordingly conclude that, until such time as the question of Local Taxation is reorganised throughout the whole of the United Kingdom, no withdrawal or interference with the relief now accorded to the agricultural ratepayer is justifiable.

CHAPTER IV.

MISCELLANEOUS RATING QUESTIONS.

(1.)—*Exemptions.*

Exemptions from rateability are very extensive in Ireland. Practically all classes of property which are exempt in England are also exempt in Ireland (notably churches and chapels under the Act 3 & 4 Will. IV. c. 30, and properties occupied by literary, scientific, and fine art societies under 6 & 7 Vict. c. 36). In addition to this, in Ireland, all properties are exempt which are "of a public nature, or used for charitable purposes" (section 2 of the Valuation Act, 1854, following section 63 of the Poor Relief Act, 1838, and sections 12 and 16 of the Valuation Act, 1852).

Where, however, a rent is paid to an owner in respect of any such exempted hereditament, half that rent is rated. The owner has obviously no claim to share in the exemption given on the ground of the charitable nature of the occupation ; and, consequently, when the rates were divided half and half between owner and occupier, it was thought right to impose half the rates on the owner in respect of his rent. Later (under section 2 of the Valuation Act, 1854), exactly the same result was attained by imposing the full rates upon half the rent; and this arrangement has been expressly continued by section 52 (1) of the Local Government Act, 1898.

In Ireland, as elsewhere, property occupied by or for the Crown is not legally rateable. But this point is now scarcely of more than technical importance, since Government property is valued like other similar property, and the Government makes a contribution equal to the full rates on that valuation (less the half rent, in cases where the Government occupies property as a tenant).

Apart from this, no exact or exhaustive definition has ever been given of the terms "public" and "charitable" as employed in the statutes, and the whole matter is involved in obscurity and confusion.

Certain kinds of property belonging to local public authorities are exempt, but other kinds are not. Thus, workhouses, lunatic asylums, and county infirmaries are exempt ; but, generally speaking, municipal offices, gasworks, and waterworks are not.

National Schools are all exempt, and Industrial and Reformatory Schools ; in some cases Intermediate Schools also, where they appear to come under the somewhat wide conception of a charitable trust. University Colleges are not generally exempt. Hospitals are exempt, but an attempt is made to rate their paying departments separately. Monasteries, convents, and religious homes and asylums are generally exempt ; and in one case a court went so far as to exempt the residences of persons carrying on a charitable work.

Such evidence as we have received upon this subject is unfavourable to the principle of exemptions, but at the same time indicates the practical difficulty of dealing with the matter. The Chairman of the Dublin County Council gave us some forcible illustrations of the anomalies to which the system leads, and urged that exemption should be confined to places of worship, and to such charitable and philanthropic institutions as are exclusively for the benefit of the taxable area in which they are situate.* Mr. Field, M.P.,† supported this view, and the Collector-General of Rates for the City of Dublin urged that exemptions should be abolished, except, perhaps, in the case of places of worship, charity schools, and institutions entirely depending on voluntary subscriptions.‡

We entirely agree in the general tendency of this evidence, and are strongly of opinion that exemptions are not defensible in principle, and cannot be made fair or consistent in practice. We therefore recommend, in the first place, without hesitation, that all property occupied by Local Public Authorities should be made rateable, as it is in England. Such a measure would inflict no hardship on anyone, and would do away with such an anomaly as that pointed out to us by Mr. O'Neill, that an asylum serving several counties should contribute nothing to the cost of the roads in the district where it is situate. It is also very clear that revenue-producing undertakings, such as docks, ought to contribute towards the rates.

* O'Neill, 25,128-68, and 25,178-80.

† Field, 24,835.

‡ Dawson, 23,670.

As regards charitable institutions, the case is much more difficult. Any drastic abrogation of existing rights would hardly be fair, and would certainly be impracticable under the circumstances; but we recommend that every opportunity should be taken as regards the future to curtail rather than extend the system.

(2.)—*Valuation of Special Properties.*

(a.) *Railways.*—Railways are not as a rule the subject of contract between landlord and tenant, and no rent of the character contemplated in the Valuation Act of 1852 therefore exists. But for the purpose of estimating the net annual value, a tenancy is assumed, and an endeavour is made to ascertain, from the profits actually earned, what rent the tenant might be expected to give.

Each railway is valued as a whole, and the total valuation is then divided up amongst the various rating areas. In determining the total value of each railway, the gross receipts from passenger, goods, and mineral traffic, and from other sources are first ascertained, and from these are deducted the expenses of earning them, such as the maintenance of way, works, and stations, locomotive power, carriage and wagon repairs, traffic expenses and general charges. The result is the net revenue divisible between landlord and tenant.

From this amount deductions are made for,—

- (1.) Renewal of permanent way (taken at 30*l.* per mile of single line),
- (2.) Renewal of fixed plant at 10 per cent. on existing capital value,
- (3.) The rates upon the undertaking,

and for the returns which it is assumed the tenant would expect from the capital he requires to carry on the undertaking, namely—

- (1.) The following percentages on value of rolling stock,—

- (a.) For trade profits 10 per cent.
- (b.) For interest 5 per cent.
- (c.) For renewals $2\frac{1}{2}$ per cent.

- (2.) Trade profits and interest at 15 per cent. on value of stores, implements, and station furniture.

- (3.) Trade profits and interest at 15 per cent. on floating cash.

The balance* is taken to be the total net annual value of the railway. In allocating this total between the various rating areas, a sum equal to four per cent. upon the existing capital value of stations, gatehouses, and other buildings is allotted to the areas in which they are situated, and the remainder of the valuation is apportioned according to the number of train miles run in each area.

This was the system of apportionment we recommended for application in England and Wales. It was initiated in Ireland by Mr. Barton, the Commissioner of Valuation, and is thus described by him:—

"The main line and the branches are divided into sections in each of which the traffic may be assumed to be fairly uniform throughout. These sections generally begin and end at junctions and centres of traffic. Having fixed these, the number of train miles (goods and passenger) run over each during two months of typical traffic in the preceding year is ascertained. This is closely examined, and if it is considered that, owing to abnormal circumstances, the figures for any district do not represent the average traffic in that district, an adjustment is made. The total sum remaining after the station valuations are deducted is then divided up amongst these sections in proportion to their train mileage. Each sum thus apportioned is divided by the number of perches or yards in the section; and a rate per perch or yard arrived at. The number of perches or yards of each section in each rating area having been ascertained, the value of each is calculated at their respective rates, and these, added together, give the valuation of the railway in the area."

We do not desire to recommend any alteration in this system of distribution, which appears to work satisfactorily.

(b.) *Licensed Premises.*—We understand that in the valuation of licensed premises in Ireland the value of the license has not hitherto been taken into account. On this subject we need only repeat, as stated in our Report relating to England and Wales (Cd. 638, p. 53), that we concur in the principle that the additional value given to a building by reason of the occupier having a special privilege to carry on his trade, ought to be fully taken into consideration in ascertaining what rent the hypothetical

* As a rule the calculations are based upon a three years' average.

tenant would be willing to pay for the building with the privilege attached, and unfettered by any agreement with the owner.

We understand that the general re-valuation lately undertaken in Belfast by Mr. Barton has been conducted on this principle.

(c.) *Shooting Rights.*—It was brought to our notice that, although fishing rights are rated in Ireland, shooting rights are not rated. We do not approve of this exemption, and we think that shooting rights should be assessed for local rates.

(3.)—*Valuation Appeals.*

As pointed out in our Report on Valuation in Ireland (Cd. 973, p. 4), ratepayers may appeal against the original valuation of the lands or hereditaments in respect of which they are rated to the Commissioner of Valuation, and from his decision to the Courts of Quarter Sessions. We think that it is questionable whether cases in which no point of law arises should be taken beyond the appeal to the Commissioner of Valuation.

ALL WHICH WE HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

*BALFOUR OF BURLEIGH, *Chairman.*

CAWDOR.

*J. B. BALFOUR.

JOHN T. HIBBERT.

CHARLES B. STUART WORTLEY.

†E. W. HAMILTON.

†G. H. MURRAY.

C. N. DALTON.

C. A. CRIPPS.

HARCOURT E. CLARE.

T. H. ELLIOTT.

†ARTHUR O'CONNOR.

EDWARD ORFORD SMITH.

JAMES STUART.

JOHN L. WHARTON.

11th April 1902.

ARTHUR WILSON FOX,
Secretary.

T. LLEWELYN DAVIES,
Assistant Secretary.

* Except as to Chapter III., and subject to the observations contained in the Separate Recommendations (pages 19 to 27).

† Except as to Chapter III., and subject to the Memorandum on page 27.

‡ Subject to the observations contained in the Memorandum on page 28.

SEPARATE. RECOMMENDATIONS

BY

LORD BALFOUR OF BURLEIGH

AND

LORD BLAIR BALFOUR

ON THE

AMOUNT AND DISTRIBUTION OF EXCHEQUER CONTRIBUTIONS.

**Separate Recommendations by Lord Balfour of Burleigh and
Lord Blair Balfour on the Amount and Distribution of
Exchequer Contributions.**

ANALYSIS.

	Page
Irish Local Government has been recently reorganised	-
Finance of Local Taxation Account	-
Present subventions are large in amount	-
But the pressure of local taxation is still severe owing to the poverty of the country	-
Large proportion and varying quality of agricultural land	-
Distribution of rural rates	-
Total rural rates in various districts	-
County charges	-
Union charges	-
District charges	-
Description of Congested Districts	-
Existing grants from Local Taxation Account	-
Grant for medical officers, etc.	-
Death Duty grant	-
Agricultural grant	-
Total effect of subventions illustrated	-
A redistribution of subventions is desirable	-
The Agricultural grant is not an inalienable endowment of particular districts	-
But the exemption of the agricultural ratepayer should be continued	-
Summary	-
Recommendations	-

Separate Recommendations by Lord Balfour of Burleigh and Lord Blair Balfour on the Amount and Distribution of Exchequer Contributions.

THE AMOUNT AND DISTRIBUTION OF SUBVENTIONS.

In proceeding to formulate our recommendations, we are bound to bear in mind that Irish Local Government was thoroughly reorganised less than four years ago. Accordingly, even if the financial arrangements of the Act of 1898 are not in all respects satisfactory, we feel that there is considerable weight in the contention that it would be unwise and impracticable immediately to uproot them. It is in any case necessary that the Government of the day, which alone has the means to survey Irish administration as a whole, should exercise a free discretion as to the time at which, and the extent to which, any further reforms should be introduced. At the same time, after a careful study of the evidence, we cannot but think that the hardships and disadvantages involved in the present system of Local Taxation in Ireland, are not less severe than in Great Britain; and we feel bound to indicate, as we have done for England and Scotland, the general lines on which improvement may be sought, but we shall not attempt to prescribe any scheme in detail.

It will have been seen that the arrangements for feeding the Irish Local Taxation Account have reached a singular degree of anomaly and complexity. We consider that in future the Subventions to be given to Ireland should either consist wholly of Assigned Revenues, selected in the same manner as in England and Scotland, or else should be a single fixed lump sum charged on the Consolidated Fund.

The questions of the amount to be thus provided, and its subsequent distribution, which have to be considered in the case of Ireland, are as important, and, if possible, more difficult than in England or Scotland. It will have been observed that by the legislation of 1898, the sums payable in aid of Irish Local Taxation were doubled. Ireland now receives larger Subventions, in proportion to population, than England or Scotland, besides having nearly the whole cost of Police and Education defrayed from Parliamentary Votes, and of the remaining services which we agree to class as National, Ireland already receives more than half the cost. But notwithstanding this, the burden of Local Taxation in Ireland is still heavy in proportion to the resources of the country, as the following rough survey shows.

In round figures, the population of Ireland (1901) is 4,457,000, and the rateable value is 15,200,000*l.*, or 3*l.* 8*s.* 2*d.* per inhabitant. But three-fifths of the value is agricultural land, and the "assessable value" in the sense of the English Agricultural Rates Act, that is, taking into account land at only one-half its value and other property in full, is 2*l.* 10*s.* per inhabitant; whereas the average assessable value in England and Wales is over 5*l.* per inhabitant. Thus it would appear that England is twice as rich in locally taxable ability as measured by this test in proportion to population. In Scotland the corresponding figure is not very easy to ascertain, but would be nearer to 5*l.* than 4*l.* per inhabitant.

But, in making any comparison with Great Britain, it must be remembered that, while the valuation in England and Scotland is somewhat irregular, that of Ireland is, by general agreement, actually in a considerable degree erroneous, in some places more, in others less.

But after making every allowance for defects of valuation, it remains true that Ireland is much poorer than England in general, and parts of the West reach extreme depths of poverty, 10*s.* "assessable value" per inhabitant being about the minimum in any Union, as compared with 2*l.* 10*s.* in England. The minimum is not lower than in a few Scottish parishes, but the general average is certainly higher in Scotland.

The proportion of agricultural land in Ireland is very large, and consequently the Agricultural Grant is relatively of great importance, nearly a third of all Irish rates (except municipal rates). In some local government areas 90 per cent. of the rateable property is agricultural land. What is also remarkable is that the purely agricultural unions are both the richest and the poorest; if we may use the expressions "rich" and "poor" to denote a high or low proportion of rateable value to population; a proportion which is, we think, for the purpose of Local Taxation, the fairest measure

Irish Local Government has been recently reorganised.

Finance of Local Taxation Account.

Present subventions are large in amount.

But the pressure of local taxation is still severe owing to the poverty of the country.

Large proportion and varying quality of agricultural land.

of wealth, because nothing but immovable property can be taxed by Local Authorities. This is largely due to the fact that the people are huddled together on the small poor, arable holdings in the West, while the rich grass lands in other parts support a comparatively thin population.

The average rural rates in Ireland are higher in the £, perhaps, by one-third, than in England or Scotland. This is certainly due to some considerable extent to under-valuation in Ireland, but to what extent cannot be accurately stated. The general ability of the average rural ratepayer is probably less in Ireland than in either of the other countries.

Distribution
of rural
rates.

The distribution of the burden in Ireland is very unequal; the prosperous grazing counties have little to complain of, but some of the Congested Districts bear a burden which has no parallel in England, though it is equalled or exceeded in a few of the Highland and Island parishes in Scotland. The Agricultural Grant did something to relieve this, but the high rates on buildings which remain must be a very serious hindrance to improvements. The urban ratepayers receive at present comparatively little assistance.

Total rural
rates in
various
districts.

The Local Taxation Returns for Ireland for 1899-1900 now give a survey of the varying pressure of rates in different parts of the country under the new régime, together with some indication of the causes to which such variations are due. In 1899-1900 the total rate in the £ levied in rural districts varied greatly in different parts of Ireland. In Armagh, Down, Fermanagh, Tyrone, Meath, Queen's County, and some other counties, it was between 2s. 6d. and 4s. (These figures are the rates on property other than agricultural land, the rate on agricultural land being rather more than half as much.) In some parts of Donegal, Mayo, Galway, Clare, Cork, and Kerry, the rate rises to 7s., 8s., and even 9s. in the £.

County
charges.

If we attempt to analyse these results, there comes first the portion of the rate required for County charges, which are largely "onerous" and which probably do not present much temptation to extravagance. This rate was 7d. in Kildare, 8d. in Tipperary, 9d. in Dublin, Carlow, Meath, King's Co., and Queen's Co. On the other hand it was 1s. 6d. in Galway, 1s. 7d. in Kerry, and 2s. 2d. in Donegal.

In Kerry this large rate is partly due to exceptional railway guarantees, which, under normal circumstances, should perhaps be reckoned as a beneficial local charge—but in Galway and still more in Donegal, it does not seem that the high rate is due to either exceptional "beneficial" outlay or to extravagant administration. The cause seems to lie rather in the fact that the rateable value per inhabitant in Donegal is about 1*l.* 15*s.*, while in Meath, by way of contrast, it is over 8*l.*

Union
charges.

The rate for Union charges (Guardians' expenditure) is more difficult to deal with, because the question of administration is here more important.

Glenties Union, on the Atlantic coast of Donegal, is an extreme case of poverty. It had in 1891 a population of 34,219, which has probably slightly diminished, since Reckoned on the 1891 figure, its rateable value per inhabitant was 13*s.* only. The rate for Union charges amounted in 1899-1900 to 3*s.* 4*d.* in the £, although the Guardians' expenditure was less than 2*s.* 6*d.* per inhabitant, i.e., was economical to a degree, which is very seldom, if ever, exceeded in England. Out-relief in Glenties is almost negligible, and is certainly far below the averages either in Ireland or England.

The case of Castletown (Cork) with a Guardians' rate of 3*s.* 8*d.* in the £ seems to be substantially similar; but the high rates of some of the Unions in the South-west are no doubt due not merely to their poverty, but also in part to expenditure which might be considered excessive or unwise. It appears also that in the South the valuation is considerably further below the proper level than in the North.

Passing to the low-rated Unions, Armagh and Downpatrick require a Guardians' rate of only 6*d.* in the £—this being due, not to great wealth, but to very economical administration (out-relief here again being almost negligible) combined with moderate wealth.

On the other hand, Dunshaughlin, in Meath (a prosperous grazing district), gets off with a rate of 1*l*. 1*d.* in the £, because, while the administration is very expensive, the resources of the Union are exceptionally ample. (See Table on page 24.)

District
charges.

The rate for Rural District Charges, varies also greatly, and while it is high in the poverty-stricken parts of Donegal, it is often also high in suburban districts, by reason of the considerable improvement services undertaken there.

Description
of congested
districts.

The circumstances of the Congested Districts are more fully described in the following statement, which is compiled from the evidence of Mr. W. L. Micks, formerly

Poor Law Inspector and Secretary to the Congested Districts Board, and now a member of the Local Government Board. (Vol. V. of Evidence, &c., Cd. 383 of 1900, Questions 26,823-27,001.)

In the Congested Districts there are two classes mainly, the poor and the destitute. There are hardly any resident gentry; there are a very few traders and officials; but nearly all the inhabitants are either poor or on the verge of poverty. In these districts, which are the very poorest in Ireland, the taxation is by far the highest; but the local resources are so low that even with a high rate of taxation the indispensable needs of the locality cannot be properly met.

The valuation, of course, is so low on this poor land that a sufficient amount is not raised to keep the Poor Law infirmaries and other Poor Law buildings in anything like as efficient a state as they ought to be in. The workhouses and infirmaries in most of the Congested Districts, owing to the poverty of the people, are necessarily in a worse condition than the infirmaries and Poor Law institutions elsewhere in Ireland.

For instance, in Annagarry district, in Donegal, the rates recently amounted to 10s. 6d. in the £. [This was before Union rating had been introduced by the Act of 1898.] The valuation in this district is by no means too low. The district is almost a continuous sheet of rock; there are little patches of potatoes taken in between the rocks and cultivated anyhow.

In the Congested Districts very little is spent on out-relief (though there is a good deal in other parts of Ireland). In some Unions there are very few cases of out-door relief, and in many Unions in Donegal there is not a single case. Moreover, there are very few in-door paupers. The people are very helpful to one another—the poor mainly support the destitute. The expenditure is not occasioned by profusion of any kind. The workhouses are really hospitals rather than workhouses in the ordinary sense. The workhouse in a Congested District is necessary as a provision for the sick, and there are not enough hospitals. The fittings are very bad, old wooden beds and straw bedding being used for the sick. The nursing is inefficient, and the dietary for the sick and infirm is very poor. The charge for salaries is moderate—a great many of the officers are insufficiently paid.

We now pass to the existing grants paid from the Local Taxation Account. The Beer and Spirit Surtaxes, as has been seen, are devoted to Education—Agricultural, Technical, and Intermediate. Funds must undoubtedly continue to be provided for these services, in which the new Local Authorities are, we understand, also showing an active and increasing interest. But, as the money thus provided only affects local budgets quite indirectly, we need not go into details on the subject of distribution.

Existing grants from Local Taxation Account.

Of the other grants now made from the Local Taxation Account, the oldest are those for Pauper Lunatics, Medical Officers and Medicines, Workhouse School Teachers, and Sanitary Officers. We have no doubt that these items are well selected, and that the grants have done much good. But they are open to criticism in one point, and that a very important one—that they pay no regard to the varying ability of the several Unions, and consequently fail to give adequate relief where it is most needed. This point was emphasised in a letter which the Irish Poor Law Board addressed to the Lord Lieutenant on 5th December 1867, when the grants were first instituted. The Board proposed that the grant for Medical Officers and School Teachers should be distributed “in such a way as to allow that portion of the expenditure within the scope of the grant which was not covered by it, to result in a uniform average union poundage throughout all the unions in the country.” Thus, each union, instead of receiving a fixed proportion of its own medical and educational expenditure, would receive such a sum as would reduce its expenditure on those purposes to a sum equivalent to an average union poundage slightly above 1d. in the £. “The advantage of the change,” they observed, “would be to afford more assistance from the grant to unions which stand greatly in need of it; and to avoid the anomaly of giving disproportionately large sums to unions which do not stand in need of assistance so much, if at all.” They added that, “it would appear to be rational to apply the grant with some regard to the degree of necessity for assistance existing in each union,” and that “the material benefit which will be seen to accrue to the highly rated unions from the change proposed, and the greatly increased facilities which will be thereby afforded for improving the existing medical and educational arrangements in those unions, are the objects which the Commissioners have in view.”

Grant for medical officers, &c.

This proposal was not carried into effect at the time, but we entirely concur in the principles thus laid down, and desire, as will be seen, to recommend their application on a wider scale.

Death duty grant.

Next there is the Death Duty Grant, which is distributed in equal moieties between Guardians and Road Authorities, but in each case in proportion to the expenditure of 14 years ago. This arrangement has now become unfair in more ways than one and it can hardly be disputed that it ought to be revised. The grants are of an unsatisfactory and makeshift character, because they pay no regard to the varying needs of different Unions, and do very little to encourage improved administration. It may be enough to state, as regards the Guardians' moiety, that while, if spread over Ireland equally, it would give about 6d. per inhabitant, some of the most necessitous Unions receive much less, e.g., Swineford, in Mayo, receives only about 2½d. per inhabitant, while richer Unions often receive more than the average, e.g., Rathkeale, Croom, Kilmallock, and Dunshaughlin (which are all above the average in rateable value) receive 1s., 1s. 1d., 1s. 2d., and 1s. 4d. per inhabitant respectively. Belfast Union gets less than 3d. per inhabitant.

Agricultural grant.

Lastly there is the Agricultural Grant, which is equal to half the rates on agricultural land in the standard year. Apart from the political importance of this measure as an essential part of a large reorganisation, it is clear that it has done much to relieve Irish ratepayers from a burden which was without doubt in many cases unduly heavy. But here also it seems to us that in the distribution too little regard was paid to the varying requirements of different districts, and of course the grant did nothing to help the towns.

Total effect of subventions illustrated.

If we now attempt to survey the total effect of the subventions thus distributed, we do not think it can be considered satisfactory. The following Table gives a few cases to illustrate the inequalities which have arisen between Unions :—

Union.	Population in 1891.	Rateable Value (1901) per Inhabitant (1891).	Expendi- ture* (1900) per Inhabitant (1891).	Present Grants-in-Aid of Union Charges, 1899-1900.				Rate in the £ for Union Charges on Hereditaments other than Agricultural Land for the Year 1899-1900.	
				Agricul- tural Grant-in- Aid of Union Charges.	Death Duty Grant to Guard- ians.	Other Grants from the Local Taxation Account.	Total Present Grants. Amount. Per Inhabitant.		
Glenties (Donegal)	34,219	£ 0 13	s. 2 3	1,059	589	480	2,128	1 3	3 4
Oughterard (Galway)	18,975	0 17	2 11	921	464	307	1,692	1 9	3 0
Swineford (Mayo)	48,261	0 17	2 1	2,123	554	390	3,067	1 3	2 10
Clifden (Galway)	20,569	0 18	3 9	1,020	599	336	1,955	1 11	2 10
Castletown (Cork)	12,389	1 0	3 8	710	370	217	1,297	2 1	3 8
Caherciveen (Kerry)	23,854	1 2	4 0	1,296	573	324	2,193	1 10	3 8
Belfast (Antrim and Down).	390,000†	3 4	3 9	845	3,980	3,469	8,294	0 5	1 4
Navan (Meath)	16,099	3 19	10 10	3,579	704	303	4,586	5 8	1 8
Kilmallock (Limerick and Cork).	28,168	4 14	10 2	6,104	1,628	683	8,415	6 0	1 9
Croom (Limerick)	12,539	5 2	10 7	2,677	679	355	3,711	5 11	1 6
Delvin (Westmeath)	9,365	5 14	7 3	1,718	430	197	2,345	5 0	1 0
Celbridge (Kildare and Dublin).	14,556	7 5	10 0	2,123	690	407	3,220	4 5	1 3
Dunshaughlin (Meath)	8,593	12 5	11 5	2,383	604	303	3,290	7 6	0 11

Especial attention should be called to the contrast between the richest Union and the poorest Union in Ireland ; Dunshaughlin, in Meath, which consists of valuable grazing farms, appears to be the richest Union ; Glenties on the west coast of Donegal is the poorest. The grants made in aid of Union charges in Glenties were greatly increased by the addition of the Agricultural Grant, but even now they only amount to 1s. 3d. per inhabitant. In Dunshaughlin they amount to 7s. 6d.

Consequently, as above stated, though Glenties is abnormally economical (even apart from the fact that the bulk of its population is exceptionally poor) it requires a rate for Union charges of 3s. 4d. in the £. Dunshaughlin, where the real need for poor relief is probably not very large, spends nearly five times as much in proportion to population

Description of congested districts.

* Expenditure means gross total expenditure of Guardians except expenditure out of Loans and less Local Receipts ("Union Fund").
† Estimated to the middle of 1901.

as Glenties, but requires a rate of 11d. only. Dunshaughlin, it will be seen, receives grants more than three times as great in proportion to population as the total expenditure of Glenties. Other districts show inequalities, similar in kind, though seldom so extreme in degree. And, as a rule, the urban Unions get comparatively little assistance, as may be seen in the case of Belfast.

The circumstances which we have thus briefly indicated point with irresistible force to the desirability of a redistribution of the aid to local taxation given from the Imperial Exchequer. With regard to most of the existing grants, such a proposal would meet, we believe, with ready concurrence. But the case of the Agricultural Grant, which is by far the largest item, may appear at first sight more doubtful, and needs careful consideration.

In the provisions of the Irish Local Government Act, 1898, as to the Agricultural Grant, there is no limit of time, and consequently it might be supposed that any modification of the whole arrangement would be a sort of breach of faith. We think it is possible to draw some distinction.

The feature of the Act, which was of the nature of a bargain, and which is irrevocable, was this: that, whereas landlords had hitherto paid half the Poor Rate, they should in future be relieved of that liability. This relief was given for various reasons, but more especially in consideration of the risks which a more representative system of local government in Ireland would undoubtedly bring to them. Consequently, all rates in rural districts (as well as most urban rates) are to be henceforth paid by occupiers, and this arrangement is admittedly beyond alteration.

At the same time it was provided by the Local Government Act that the rates in respect of agricultural land should be relieved to the extent of the Agricultural Grant. We do not consider that it is desirable or practicable to depart from the general policy of that grant; but we do not think it can be assumed that the arrangements as to the aggregate, and especially the distribution of the grant, are fixed to the last penny for all time. Indeed, demands have already been made for the increase of the grant, in order to bring it up to date. And, while the distribution is not in our opinion satisfactory at present, it may, owing to various possible changes in local finance, become grossly absurd. For instance, if the valuation of any district was considerably increased or diminished—as it probably should be in some cases—the rate in the £ would be altered, and the Agricultural Grant, based on the standard year, 1896-7, might become very anomalous. A considerable increase of buildings or railways might have a similar effect, or such a result might follow from changes in administration. Thus, if a union which has hitherto been very profuse in poor relief were to change its policy, it is not outside the bounds of practical possibility that the Agricultural Grant might be enough to cover more than the whole charge on the land. Or, if the other subventions in any district were varied, the rate would vary, and the Agricultural Grant would again become anomalous. Again, if it is held impossible to vary the distribution of the Agricultural Grant, it would seem equally impossible to alter the distribution of any other grant, for the effect on the ratepayers would be just the same.

Now, we are of opinion that, as between ratepayers, the relief afforded to the occupier of agricultural land by the Local Government Act was equitable, and should be continued, on the ground that the ability as measured by the occupation of land is less than the ability represented by the occupation of other property of equal annual value. We therefore propose that henceforth, as at present, the rate on agricultural land should be in each area less than the rate on other property by half the standard rate. If the position of the agriculturist be thus safeguarded, we hope that this further proposition may be admitted, viz., that the Agricultural Grant ought not to be regarded as an inalienable endowment of particular districts and particular ratepayers, but that equitable revision from time to time, as fairness and administrative policy demand, is legitimate and necessary.

We conclude that, in spite of the exceptional assistance rendered by Parliamentary Votes to the two great national services of Police and Education, and in spite of the liberality of the financial provisions of the Local Government Act, the question of Local Taxation in Ireland is not yet on a satisfactory footing. Though comparisons are very difficult, and will always remain difficult so long as the law of valuation and the circumstances under which valuation has to be carried out remain different, it is probable that the Irish ratepayer, not mainly through his own fault, is still as heavily burdened as the English or Scottish ratepayer, and if further assistance is to be

A redistribution of subventions is desirable.

The Agricultural Grant is not an inalienable endowment of particular districts.

But the exemption of the agricultural ratepayer should be continued.

given in Great Britain—as we unanimously think it should be—we do not think it possible to resist the claim of Ireland to a smaller simultaneous increase. In particular, we are convinced that the rating question in the West of Ireland is grave and urgent, and we think that the Imperial Parliament would be wise in recognising that exceptional measures in remedying this old and grievous evil would be well justified. Indeed, in periods of distress, the need has more than once proved itself too strong to be gainsaid, and too often the poorer districts, after years of almost hopeless struggle against bankruptcy, have been deluged with public money in a manner both wasteful and demoralising. One main object of the systematic and orderly relief which we urge would be that irregular doles might in future be dispensed with, to the great gain of the self-respect of the people. At the same time we desire to record our conviction that the piecemeal and casual character of the action taken by Parliament has resulted in giving ample, and, indeed, excessive, relief to the wealthy districts which are, comparatively, well able to bear their own burdens.

In the Scottish Report we have stated that as between England and Scotland population affords the fairest measure for determining the proportion of the grants to be assigned to each country. But we do not think this conclusion can be applied without modification to Ireland. However difficult it may be to establish satisfactory statistical criteria, the comparative poverty of Ireland is a palpable fact, and in our opinion it is a National duty to assist in bringing the efficiency of Irish Local Government up to a proper level, without imposing on the backward localities a deadweight crushing to enterprise and development. This seems to us by far the best way of remedying any grievance which is involved by the necessary incorporation of the poorer and predominantly agricultural country in the financial system adopted primarily to meet the needs of its richer and predominantly industrial neighbours. We should, therefore, start with the proposition that, in fairness, the assistance given to Irish Local Taxation might be somewhat larger than merely in proportion to population. But, on the other hand, we must once more recall that in respect to Police and Education, exceptional liberality has already been shown by Parliament, and that Irish ratepayers, as such, have no burden for these great services. For the present, this arrangement seems to us to do reasonable justice between the countries, so far as Local Taxation is concerned, but if and when an increase in English and Scottish Subventions is found practicable we think a moderate increase will also be justifiable in Ireland. Indeed, it might be urged that some such increase is necessary to counterbalance the increased charge on Irish taxpayers, involved by the proposed enlargement of the English and Scottish Subventions. At the same time we should be very reluctant to agree to any such increase if the money were to be poured out in the indiscriminate manner which has hitherto been the rule. We think that a small addition of, say, 125,000*l.* a year to the Irish Local Taxation Account, making 1,550,000*l.* in all, would make practicable a redistribution which would remedy all pressing evils, and would do substantial justice without putting any undue pressure on the districts which have been hitherto treated with excessive liberality; and it would be only on condition of its being applied as part of a large scheme for equalisation of burdens and the promotion of sound administration, that Parliament could be asked to make a grant.

Recommendations.

We accordingly recommend—

- (1.) That, when the reorganisation of Local Taxation for the United Kingdom can be taken in hand, the sum paid to the Irish Local Taxation Account should be increased to a moderate extent.
- (2.) That 150,000*l.* should be provided for Technical and Secondary Education, of which 85,000*l.* should be paid to the Department of Agriculture, &c., and 65,000*l.* to the Intermediate Education Board. Out of the former sum the Department of Agriculture should provide for the continuance of the grant of 5,000*l.* for horse and cattle breeding now paid to the Royal Dublin Society from the Local Taxation Account.
- (3.) That all other existing grants from the Local Taxation Account should, so far as concerns their present form, be abolished.
- (4.) That the occupiers of Agricultural Land should continue to enjoy the exemption conferred on them by the Local Government Act, i.e., that the rate on such land should be less than the rate on other property in each area by half the amount of the "standard rate."
- (5.) That the whole available balance in the Local Taxation Account should be divided among the Local Authorities in Ireland on a scheme framed on the general lines of "Necessity" and "Ability."

It remains to explain the meaning of this last proposition somewhat more fully. It can best be illustrated by a reference to the detailed schemes included in the Reports for England and Scotland. We do not indeed expect that either of those schemes would exactly fit the very different circumstances of Ireland. But we are confident that a suitable scheme could be framed which would embody the same principles in a manner appropriate to Ireland. Those principles are that regard should be paid on the one hand to the "Necessity" for expenditure in each district, and on the other hand to the "Ability" of the district to contribute towards that expenditure. The "Necessity" should be measured partly by the population of the district and partly by the expenditure actually incurred. The "Ability" should be measured by the value of the property in the district which is locally taxable, due allowance being made for the exemption granted to agricultural land. The grants for each service should be fixed for a term of years so as to bring home to the Local Authorities their responsibility for economical administration; and they should be framed on the one hand so as to give more to the poorer and less to the richer districts; and on the other hand so as to provide for a larger proportion of expenditure which is indisputably necessary, and a less proportion of expenditure which may be excessive or unwise. The results of this system are, on the side of equity, to equalise the burdens in all localities except where extravagance entails an exceptionally heavy charge; and on the side of policy, to discourage extravagance in wealthy districts and to make possible the levelling up of administration in backward districts to a proper pitch of efficiency. For this purpose full control over the application of the grants should be vested in the Local Government Board. Arrangements should also be made for continuing the system whereby the Local Taxation Grants are at present in part hypothecated for the purpose of the Land Purchase Guarantee Fund.

BALFOUR OF BURLEIGH.
J. B. BALFOUR.

Memorandum by Sir Edward Hamilton and Sir George Murray

We concur in the "Separate Recommendations" of Lord Balfour of Burleigh and Lord Blair Balfour; but we desire to record our strong opinion that the State Contribution in aid of Local Taxation in Ireland should take the form of a fixed grant charged on the Consolidated Fund. We have explained fully elsewhere the general grounds for this opinion, and we need only note here that the Irish Local Taxation Account (unlike the English Account) is already fed mainly from the Consolidated Fund. Certain fragments of Revenue are, however, still diverted to that Account from the Exchequer under Acts of 1888 and 1890, and this diversity of method inevitably produces great confusion and inconvenience.

E. W. HAMILTON.
G. H. MURRAY.

Memorandum by His Honour Judge O'Connor, K.C.

The fundamental economic principle which appears to furnish a solution of the problem involved in the Terms of Reference to this Commission, and which I have indicated in a separate Report on England and Wales,* applies as well to the case of Ireland as to that of Great Britain. For, as England belongs to the people of England, and the land of Scotland to the people who inhabit it; so the land of Ireland is the great asset of the inhabitants of that country at large.

Their existence depends upon the industrial output from it. The protected separate occupation of different parts of its surface is necessary for the safety of industry, and for the due reward of labour; but the ownership of it amounts to an endowment under the law of a section only of the community, and such ownership is reasonably and equitably chargeable with the cost of the public services.

In the application of this principle it makes no difference that there is now in progress in Ireland a process of transfer of ownership to the quondam occupying tenants; for with the ownership will be transferred also the equitable liability to furnish, in proportion to valuation, whatever may be necessary for the general and local needs of the community.

Whilst, therefore, as in England and in Scotland, services locally administered for the benefit of individuals (as refuse-removal and gas and water supply) should be paid for by the individuals served, without regard to the sources of their incomes; and whilst the general public services should be provided for out of the general public resources; the local public services, properly so-called, should be defrayed out of the local fund represented by the value of the land of the locality.

For the general public services locally administered there should be paid from the Imperial Revenue whatever sum may be found necessary to secure for the same services in Ireland the same degree of completeness and efficiency as is recognised to be properly required in England and in Scotland.

There is, however, one very important fact which it is necessary to bear in mind in considering the respective claims of England, Scotland, and Ireland to assistance from the Central Exchequer in aid of local requirements. It is the fact that for a hundred years there has been an unbroken stream of fiscal remittances from Ireland to England which has by no means been countervailed by public expenditure in the former country. There has never in all that time been expended in Ireland from the Imperial Exchequer a single pound sterling which had not previously been drawn from that country by taxation.

This continual drain Ireland did, though with difficulty, sustain without collapse whilst the Corn laws favoured agricultural interests; but since the repeal of those laws the economic results have been more and more plainly evidenced in every decade.

It must also be borne in mind that the process above referred to of land-purchase by the existing tenants involves successive advances of many millions sterling to the previous owners, which money will generally not be spent in Ireland, but will entail for its repayment, during the next 60 years, or more, a further economic drain from Ireland to Great Britain.

This established financial current always in one direction tends, of course, to the continual impoverishment of Ireland, and to the increase of wealth in Great Britain.

Further, it is to be remembered that of the money so diverted from Ireland to Great Britain much is spent on the employment of productive industry, whereas the administrative expenditure in Ireland is almost absolutely unproductive.

In view of these facts, the amount or the proportion of expenditure on the educational and police services in Ireland is a matter of secondary importance.

I desire to express my general concurrence with the separate Recommendations of Lord Balfour of Burleigh and Lord Blair Balfour; and also with the opinion expressed by Sir Edward Hamilton and Sir George Murray that the State contribution in aid of Local Taxation in Ireland should take the form of a fixed grant charged upon the Consolidated Fund.

ARTHUR O'CONNOR.

* See Cd. 638-1901, p. 177.

REPORT ON URBAN RATING AND SITE VALUES BY LORD BALFOUR
OF BURLEIGH, LORD BLAIR BALFOUR, SIR EDWARD HAMILTON,
SIR GEORGE MURRAY, AND MR. JAMES STUART.

TO THE KING'S MOST EXCELLENT MAJESTY:

MAY IT PLEASE YOUR MAJESTY:

Urban property in Ireland is mainly held on leasehold tenures.

In Belfast and the neighbourhood, and in a few other towns, land has been, and is, Urban generally granted for building on a perpetual, or practically perpetual, tenure.* In tenures. Dublin 99 years is a common term, as in England, but building leases for both longer and shorter terms (such as 150 years and 60 years) are by no means unknown. Leases for lives are still in existence in some parts. In some of the smaller towns buildings appear to have been erected on very short leases, and indeed, sometimes, it is stated, without any lease at all.

Many Borough Corporations (notably Dublin and Belfast) are large owners of land and ground rents.

Occupiers appear to hold on very varied conditions, but, on the whole, predominantly for short terms. There are often several middlemen between the occupier and the freeholder.

The system by which the Poor Rate and, generally, also Municipal Rates were divided between owner and occupier was abolished by the Local Government Act, 1898. But it was enacted by section 53 (1) that this provision should not apply to a rate under a local Act in any County Borough, if the Council of that Borough by a majority of not less than two-thirds of the members present at a meeting specially summoned for the purpose so resolve.

Division of rates between owners and occupiers.

Resolutions to this effect have been passed, we understand, in all the six County Boroughs except Londonderry, and certain rates will accordingly continue to be charged on the landlords in those Boroughs. We think that advantage should be taken of this circumstance to empower the Councils of those Boroughs to levy a limited Site Value Rate under the conditions laid down for England in the Separate Report on Urban Rating and Site Values.† All existing contracts should be strictly respected, but, subject to this, one-half of the rate should henceforth be charged on owners. As we have argued at length elsewhere, we are satisfied that the rating of Site Value (including the value of unoccupied houses and land) would not only result in a more equitable distribution of the charge for public improvements, but would also, by lightening the burdens on buildings, contribute to the solution of the housing problem, which is, we believe, not less urgent in the Irish cities than elsewhere.

ALL WHICH WE HUMBLY SUBMIT FOR YOUR MAJESTY'S GRACIOUS CONSIDERATION.

BALFOUR OF BURLEIGH.
J. B. BALFOUR.
E. W. HAMILTON.
G. H. MURRAY.
JAMES STUART.

11th April 1902.

* Cf. Sir S. Black, 23,973; Mr. M. O'Brien, 23,590; Mr. Barton, 27,276.
† Cw. 638-1901, p. 149 et seq.

A P P E N D I X.

TABLE OF CONTENTS.

	PAGE
1. POOR RELIEF	33
2. LUNATIC ASYLUMS	39
3. COUNTY INFIRMARIES AND FEVER HOSPITALS	40
4. PUBLIC HEALTH AND PUBLIC WORKS	41
5. EDUCATION	44
6. POLICE	47

APPENDIX TO REPORT.

1. POOR RELIEF.

The History of Poor Relief before 1838.

General and systematic provision for the relief of the Poor was not made in Ireland until 1838, a very much later date than in England and Scotland.

In 1703 and 1735 Acts* were passed for erecting workhouses in Dublin and Cork, the expenses connected therewith being thrown on the respective localities. These workhouses were intended for the repression of mendicancy and vagabondism and for the reception and maintenance of foundlings. Further Acts,† passed during the reign of Geo. III., recognised the principle of compulsory assessment for the country generally, but they appear to have been largely inoperative, partly owing to insufficient provision being made for carrying them into effect, and partly to the fact that they depended largely upon voluntary contributions. With regard to one of these Acts, passed in 1772, "for badging such Poor as shall be found unable to support themselves by labour," and providing for the establishment of workhouses in every county at large and county of a city or town, Sir George Nicholls observes in his "History of the Irish Poor Law":—"Like many other Irish enactments, the present does not appear to have been carried into effect, except in a very few instances . . . It possessed, however, so much of a general character, and seemed to hold out such a promise of efficiency . . . that it was for a time relied upon, and upward of half a century elapsed before anything further was attempted for the relief of the Poor in Ireland."

In 1801 the Union of Great Britain and Ireland took effect,§ and three years later a Select Committee of the House of Commons, appointed to make inquiry respecting the Poor of Ireland, reported "that the adoption of a general system of provision for the Poor of Ireland, by way of parish rate, as in England, or in any similar manner, would be highly injurious to the country, and would not produce any real or permanent advantage even to the lower class of people who must be the objects of such support."

The following year (1805) an Act|| was passed for promoting the establishment of dispensaries for giving medical aid and relief to the poor. For this purpose Grand Juries were empowered to raise, from the County at large, a sum equal in amount to the sums received by the Governors of the county infirmary from private subscriptions or donations. A further Act¶ for regulating and increasing the efficiency of infirmaries and hospitals was passed in 1806.

The necessity for attending to the lunatic and insane poor now became pressing, and in 1817** the Lord Lieutenant was empowered to direct that such asylums for the lunatic poor should be established in such districts as he should deem expedient. The Grand Juries were required to present such sums of money as were requisite for the erection and maintenance of these asylums. After the introduction into Ireland of a regular Poor Law organisation the care of the insane poor still continued to be a County charge, and an account of the system of administration is given on page 39.

In 1819 another Select Committee of the House of Commons inquired into the condition of the Irish Poor, and in 1823 and 1830 further Committees were appointed. No important legislation followed the Reports of these Committees, and Ireland still remained without any regular system of Poor Relief supported by compulsory assessment.

A Select Committee in 1804 reported against the adoption of the English system of Poor Relief.

The establishment of medical dispensaries and infirmaries.

Provision of asylums for the lunatic poor.

Ireland remained without any regular system of Poor Relief until 1838.

* 2 Anne c. 19. 9 Geo. II. c. 25.

† 11 & 12 Geo. III. c. 15. 11 & 12 Geo. III. c. 30. 13 & 14 Geo. III. c. 24.

‡ Nicholls' "History of the Irish Poor Law, 1856."

§ 39 & 40 Geo. III. c. 67.

|| 45 Geo. III. c. 111.

¶ 46 Geo. III. c. 95.

** 57 Geo. III. c. 106.

In 1832, however, came the great inquiry into the Poor Law Administration in England, and in the following year a Commission was appointed to inquire into the condition of the poorer classes in Ireland, and the various Institutions then established for their relief. The Commission issued their final Report in 1836, and although suggesting many alterations in the existing system of Poor Relief, the majority clung to the main principle of the old system, namely, the principle of providing for destitution by means largely dependent on voluntary subscriptions. The Government, however, despatched Mr. (afterwards Sir) George Nicholls to Ireland in the autumn to make further inquiries, and upon his Reports a measure was introduced into the House of Commons, which, after some modifications, finally became law in 1838.

The Poor Relief Act of 1838 and amending Acts.

Complete system
of Poor Relief and
Rating introduced
by Act of 1838.

The Act of 1838 for the more effectual relief of the poor of Ireland, as amended by a short Act passed the following year, provided for the division of Ireland into Unions, the election of Boards of Guardians in each Union, the erection of work-houses, and the levying of a Poor Rate.* The administration of the Act was controlled by the English Poor Law Commission until 1847, when the Irish Commission was created. In 1872 this body was merged in the Irish Local Government Board.†

Formation of
Unions.

By 1842 Ireland had been divided into 130 Unions. These areas were formed on very much the same plan as in England. The chief market town in each part of the country was taken as a centre and the adjoining rural district, within a radius of about 10 miles, was attached to it. The 130 Unions thus formed were subdivided into 2,049 Electoral Divisions. In 1850 the number of Unions was increased to 163, and the Electoral Divisions to 3,438. The number of Unions in Ireland at present is 159.

The system of
parochial settle-
ment was not
adopted, but the
cost of main-
tenance was
thrown upon the
Electoral Divisions
until 1898, when
it was spread over
the Union Areas.

There had never been anything like parochial settlement in Ireland, and it was decided not to introduce the system. The framers of the Bill of 1838 proposed to make the Union the area of chargeability, but the House of Lords modified the original proposal by throwing the cost of the maintenance of the destitute upon the Electoral Divisions within which they had resided before becoming inmates of the workhouse. The resulting inequality in the burden of the Poor Rate in one Electoral Division as compared with another, aggravated by the increase in the number of Divisions in 1850, gave rise to much complaint. From time to time modifications were introduced which tended to lessen the inequalities and the Poor Law Rating Act of 1876‡ limited the amount of indoor relief expenses which could be charged on an Electoral Division. In 1872, a Select Committee of the House of Commons reported in favour of Union rating for Ireland, but the system of rating within the area of Electoral Divisions was maintained until 1898, when the Local Government Act§ of that year provided that all the expenses of Boards of Guardians should be spread over the whole areas of the Unions.||

Powers of the
Guardians with
regard to indoor
and outdoor relief.

The Act of 1838¶ gave the Guardians power at their discretion to relieve the destitute poor *in the workhouse*. This power was extended by an Act passed in 1847,** which, besides making this discretionary power imperative, authorised Boards of Guardians to afford *outdoor* relief to the following classes of the destitute poor, viz., persons disabled by old age or infirmity, persons disabled by sickness or serious accident, and thereby prevented from earning a subsistence for themselves and their families; and widows having two or more legitimate children dependent upon them. Out-relief to the able-bodied was permitted only after special authorisation by the Poor Law Commissioners under stringent conditions.

Sir George Nicholls in his "History of the Irish Poor Law" says that these concessions were made because of the prevailing distress resulting from successive failures of the potato crop††; that the provisions relating to out-relief were regarded as exceptional, and that the workhouse test "never perhaps commanded more general assent, than at the time when a departure from it was thus sanctioned."

* 1 & 2 Vict. c. 56. 2 Vict. c. 1.

† 10 & 11 Vict. c. 90. 35 & 36 Vict. c. 69.

‡ 39 & 40 Vict. c. 50.

§ 61 & 62 Vict. c. 37.

|| The Union was adopted as the area for rating purposes in England in preference to the Parish in 1865, and in London in 1867. 28 & 29 Vict. c. 79.; 30 & 31 Vict. c. 6.

¶ 1 & 2 Vict. c. 56.

** 10 & 11 Vict. c. 31.

†† Special Government assistance was also given during the famine years. In 1848 Treasury Grants in aid of rates were made to the extent of £114,068. The British Relief Association also contributed funds amounting to £145,253. Under the provisions of 12 Vict. c. 24. a sum of £21,990. was levied in 1849 and 1850 over the whole of Ireland by two rates, of 6d. and 2d. respectively, in aid of the distressed Unions in the South and West.

A section of this Act,* known as the "Gregory Clause," rendered occupiers of more than a quarter of an acre ineligible for relief, but this restriction was removed, so far as indoor relief was concerned, by the Poor Relief Act of 1862† which also increased the powers of the Guardians in several directions, especially in regard to the sick poor.

The distress in Ireland in 1879-80, 1882, and 1886, laid a great strain upon the Poor Law organisation which was met by special legislation,‡ giving increased powers of relief to distressed Unions and providing for other exceptional assistance.

Additional Duties of Boards of Guardians.

In addition to their original duties of locally administering the Poor Laws, the Union organisation was utilised for the administration of various local government services, and additional duties were thrown upon the Boards of Guardians. Nearly all these duties were however transferred by the Local Government Act of 1898 either to the recently created Rural District Councils or to other bodies, and the duties of Boards of Guardians are now mainly confined to purposes of Poor Law Administration, the object for which they were originally created. Their powers of making and collecting the Poor Rate, which had been held since 1838, were also transferred.

Of the additional duties connected with the relief of the poor, the powers which the Guardians still possess in connexion with Medical Charities and Dispensaries, Emigration, and Seed Supply call for special description.

In 1851, the system of medical relief afforded through dispensaries, which had been, up to that time, supplied by means of private subscriptions and aided by grants from the County rates was transferred to the Poor Law organisation. Under the Medical Charities Act§ of that year, Dispensary Districts were formed, and the management of the institutions was placed in the hands of Committees, composed partly of Guardians and partly of qualified ratepayers, elected each year by the Guardians.

The Committees appointed their own medical and other officers, and controlled generally the administration of medical relief within their districts, but the regulation and payment of salaries, and the duty of hiring and maintaining suitable premises, and of providing medicines and other requisites, was vested in the Boards of Guardians.

Further facilities for providing Dispensary Houses and Dwelling Houses for Medical Officers of Dispensary Districts were given by the Dispensary Houses (Ireland) Act, 1879,|| under which the Local Government Board may issue certificates enabling a Board of Guardians or owner of land to apply to the Commissioners of Public Works for a loan for these purposes. Since the passing of the Act to the 31st March 1900, such certificates had been issued to 173 Dispensary Districts.

Under the Act of 1898¶ the entire management of Dispensary Districts was transferred to the Guardians.

The provisions of the Irish Poor Relief Acts, permitted Boards of Guardians, subject to the consent of the Local Government Board, to spend money to assist emigration,** but in recent years this power has only been exercised to a very small extent.

Under the Seed Supply (Ireland) Act, 1880† provision was made for the loan of money to Boards of Guardians for the purpose of supplying seed potatoes and other seeds to be sold to occupiers and cultivators of land, who were, through poverty, unable to procure a supply for themselves. The net amount of the loans advanced under this Statute to the Boards of Guardians of 153 Unions was 598,306l., of which the sum of 588,912l. was repaid by the Unions. The balance of 9,394l. remaining unpaid by nine Unions was extinguished by the Public Works Loans Act, 1899 (62 & 63 Vict. c. 31), the debts having been deemed free grants from Parliament.¶ Further Seed Potatoes Supply Acts were passed in 1890, 1891, and 1895, §§ and under these Acts loans were advanced amounting to 283,721l.

* 10 & 11 Vict. c. 31. s. 10.

† 25 & 26 Vict. c. 83.

‡ 43 Vict. c. 4.; 43 & 44 Vict. c. 14, 44.; 46 & 47 Vict. c. 24.; 49 & 50 Vict. c. 17.

§ 14 & 15 Vict. c. 68.

|| 42 & 43 Vict. c. 25.

¶ 61 & 62 Vict. c. 37. s. 30.

** 12 & 13 Vict. c. 104. s. 26.

†† 43 Vict. c. 1.

¶¶ See 28th Report of the Local Government Board, Cd. 338—1901.

§§ 54 & 55 Vict. c. 1 and 7. 58 & 59 Vict. c. 2.

Similar powers were given to Boards of Guardians by the Seed Supply and Potato Spraying (Ireland) Act, 1898,* and they were also enabled to borrow for the purpose of providing spraying machines and spraying material. The loans sanctioned under this Act amounted in the year 1899-1900 to 69,044*l.* for the supply of seed potatoes and oats, and to 5,957*l.* for the purchase of spraying machines and materials, making a total of 75,001*l.* In certain cases portions of the loans were refunded, and 35,716*l.* has been repaid under section 2 (2) of the Act.

The Constitution of Boards of Guardians—Methods of Election, &c.

Original constitution of Boards of Guardians and definition of electors.

The Boards of Guardians constituted under the Acts of 1838 and 1839† were composed partly of elected and partly of *ex-officio* Guardians. A property qualification was a condition of eligibility for the office of Guardians.

The Justices of the Peace formed the *ex-officio* element provided that their number did not exceed one-third of the elected members, but subsequent legislation removed this restriction and considerably increased the *ex-officio* element in the Boards.‡

The electors defined by the original Act consisted of occupiers and owners of property, to whom votes were given, varying in number according to the value of the property occupied or owned.

Under the Local Government Act, 1898, a property qualification as a condition of eligibility is no longer necessary, and the *ex-officio* element in the old sense of the word entirely disappears.

The electors now consist of Parliamentary electors and those persons who, but for being peers or women or being registered as Parliamentary electors elsewhere, would be entitled to be entered on the Parliamentary register.§ Any Local Government elector for the district, or any person who, during the whole of the 12 months preceding the election, has resided and continues to reside in the district, including women, is qualified to be a Guardian, except a minister of religion. Guardians are now elected triennially. Voting is by ballot, and each voter has one vote for each of any number of persons to be elected in the division. Except in Boroughs and other Urban districts there is no election of Guardians *as such*, but each Rural District Councillor is the Guardian for his own electoral division.

The Control of the Local Government Board.

Constitution of, and powers possessed by, the Irish Local Government Board.

The work of the Boards of Guardians is regulated by the Irish Local Government Board, which was established in 1872,|| absorbing, as already stated, the Irish Poor Law Commission. The Board consists of a President, who is the Chief Secretary to the Lord Lieutenant for the time being, a Vice-President, and three Commissioners, one of whom is the Under-Secretary to the Lord Lieutenant for the time being. Under Section 102 of the Local Government Act of 1898 an additional Commissioner has been appointed for a period not exceeding five years. By means of General Orders the Board regulates the procedure and meetings of Guardians, the mode of administering relief, the management of workhouses, and various other matters. Their consent is necessary before the Guardians can borrow money, and before any considerable expenditure can be undertaken. The Board appoints Inspectors who are authorised to attend meetings of the Guardians and to supervise the administration of relief, and the appointment and dismissal of Union Officers are subject to the Board's approval. The Board is the authority for forming Unions, for altering and adjusting boundaries, and for determining the number of Guardians to be elected in each Union. The accounts of each Union are audited by officers appointed by the Board who have power, subject to appeal, to disallow and surcharge illegal payments. Finally the Board has, if the Guardians do not meet regularly, or if they are guilty of default in the execution of their duties, in the last resort, the power to dissolve a Board of Guardians and to place the management of the affairs of the Union in the hands of paid officers. The power was used 38 times during the famine years 1847-9, and from time to time in subsequent years. The last occasion on which a Board of Guardians was dissolved was in October 1898. From October 1898 to January 1899 the business of the Clogher Union was administered by paid officers.

The Local Government Board has also supervising and controlling powers under the Medical Charities Acts.

* 61 & 62 Vict. c. 50.

† 1 & 2 Vict. c. 56. 2 Vict. c. 1.

‡ 10 Vict. c. 31. s. 10. 12 & 13 Vict. c. 104. s. 7.

§ 61 Vict. c. 2.

|| 35 & 36 Vict. c. 69.

Expenditure upon Relief of the Poor and Numbers Relieved.*

The 130 Unions, into which Ireland had been divided, were all in operation in 1846, and during that year the expenditure upon Poor Relief was £435,001^t. It reached its highest point during the famine year 1848-9,^f and then gradually decreased until 1859; since then it has shown a more or less steady increase in spite of many fluctuations. The following Table shows the total expenditure of Boards of Guardians upon Poor Relief, the amount of such expenditure attributable to the cost of In-door and Out-door Relief; the expenditure under the Medical Charities, Vaccination, and Dispensary Houses Acts; and the average daily number in receipt of In-door and Out-door Relief respectively.

Expenditure of
Boards of
Guardians on
In-door and Out-
door Relief, &c.

Year.	Expenditure on Poor Relief.				Expenditure under the Medical Charities, Vaccination and Dispensary Houses Acts.	Average Daily Number in Receipt of	
	In-door Relief (Maintenance and Clothing).	Out-door Relief.	Other Expenditure in connexion with the Relief of the Poor. ^f	Total Expenditure on the Relief of the Poor. ^{ff}		In-door Relief.	Out-door Relief.
1852-3	£ 446,030	£ 4,920	£ 334,768	£ 785,718	£ 88,440	—	—
1857-8	266,070	3,135	187,973	457,178	92,725	—	—
1862-3	380,737	18,372	206,872	605,981	109,206	55,610	6,283
1867-8	436,842	44,785	225,929	707,556	121,965	53,017	14,940
1872-3	446,760	91,154	252,646	790,560	139,170	45,753	27,509
1877-8	449,634	110,415	285,559	845,608	144,912	44,676	33,517
1882-3	470,922	186,064	385,859	1,042,845	159,405	50,569	58,835
1887-8	369,197	201,152	279,903	850,252	158,996	46,427 [§]	65,506
1892-3	352,638	188,566	316,706	857,910	164,569	41,582 [§]	59,137
1897-8	407,611	216,170	357,552	981,333	168,034	43,194 [§]	57,133
1898-9	402,353	213,864	391,203	1,007,420	174,344	44,176 [§]	64,604
1899-1900	407,005	200,053	338,041	945,099	162,766	43,480 [§]	58,012

It will be seen that, as regards In-door Relief, the cost, and the numbers relieved show little change during the period covered by the Table, but that a considerable increase has taken place in the cost of Out-door Relief and in the average daily number relieved. The increase in Out Relief has been less marked in recent years, particularly as regards the number in receipt of relief, which is almost the same in 1899-1900 as it was in 1882-3. The proportion of Out-door Paupers to population seems to be rather lower than in England and Wales.

Exchequer Contributions in aid of Poor Law Expenditure.^T

In 1846, when the first grant-in-aid of Poor Law expenditure was given in England, the Union organisation in Ireland had only just come into full operation, and it was not until 1867 that a similar grant was given in Ireland to provide for the cost of the salaries of the teachers in the workhouses and for half the cost of the salaries of union medical officers and of medicines and medical appliances. The necessary sum was voted annually until 31st March 1899, and was administered by the Irish Local Government Board, who paid over to the Boards of Guardians the amount due in each union. Since that date the grant for this purpose ceased to be paid out of the annual votes, and is now paid out of the Irish Local Taxation Account to the Councils of the Counties or County Boroughs in which the Unions are situated, but the amounts due to the Boards of Guardians are separately applied in aid of the expenditure in each Union. The total amount of this grant on account of expenditure during the year ended 31st March 1900 was £5,878^t.

* Up to 31st March 1899, the expenditure upon the Relief of the Poor formed a part only of the total expenditure of Boards of Guardians, who had been empowered to deal with Public Health and other miscellaneous services, quite apart from Poor Relief. Under the Local Government Act, the administration of these matters has been transferred to other bodies and the details of such expenditure have been omitted from this summary.

^t £2,177,651.

^f Including the expenditure upon the Salaries and Rations of Poor Law Officers.

^{ff} Including expenditure out of loans.

[§] Including those maintained in Hospital Institutions and District Schools.

^T See also pages 9-12.

Distribution of the
Guardians' share
of the Death
Duty Grant.

In 1888 a further contribution in aid of Poor Relief was given to Ireland, consisting of half the balance (after deducting the sum of 5,000*l.* to be paid to the Royal Dublin Society) of the Irish share of the Probate Duty Grant. This grant, which is charged on the Local Taxation Account, is distributed among the Boards of Guardians in proportion to the sums expended by them during the year ended 29th September 1887 on the salaries, remuneration, and superannuation allowances of the officers of the Union, in connexion with the relief of the poor. Up to the 31st March 1899, it was paid direct to the Boards of Guardians, but, under the Local Government Act, it is now paid to the County and County Borough Councils, and by them is applied in aid of the Poor Relief expenditure in each Union. The amount paid in respect of the financial year, 1899-1900, was 126,443*l.*

Grant-in-aid of
salaries of trained
nurses in work-
houses.

The only other grant-in-aid of Poor Law expenditure (apart from the relief afforded generally to local rates by the Agricultural Grant, see pp. 6-8) is under section 58 of the Local Government Act, which provided for the payment from the Local Taxation Account to the County and County Borough Councils of one-half of the salary of one trained nurse in each workhouse. The first payment for this purpose, in 1900-01, amounted to 1,143*l.*

Financial Summary.

Receipts of
Guardians,
excluding loans,
and amount falling
on the local rates
and the Agricul-
tural Grant.

In the year 1899-1900, the first year under the present system, the total receipts of the Guardians, excluding receipts from Loans, were as follows :—

Total receipts of Guardians (excluding Loans)	£	1,177,584
<i>Deducting—</i>		
(a.) Grants-in-Aid from the Local Taxation Account :—		
For Medical and Educational Purposes	75,878	
Guardians' portion of Death Duty Grant	126,443	
	<hr/>	
	202,321	
(b.) Miscellaneous Receipts to Union Fund	38,859	
	<hr/>	
	241,180	
<i>there remains</i>		
		£936,404

falling on the Local Rates and the Agricultural Grant, which represents an average rate of 1*s.* 3½*d.* in the £, calculated on the net annual value (14,852,508*l.*). But this sum (936,404*l.*) includes the Guardians' share of the Agricultural Grant (316,730*l.*), which leaves 619,674*l.* falling on the local rates.

Borrowing powers
and loan transac-
tions of Boards
of Guardians.

The powers of the Guardians to raise loans under the Poor Law Acts, and under the Dispensary Houses Act, were somewhat enlarged by a provision in the Local Government Act of 1898,* and it was enacted that future loans should be repaid within such period, not exceeding sixty years, as the Guardians, with the sanction of the Local Government Board, might determine. It was also enacted that the total debt should not exceed one-fourth of the valuation of the Union, except under a Provisional Order of the Local Government Board, who may extend the power of borrowing to double this amount.

The large liabilities incurred by Boards of Guardians before 1899, under the Public Health Acts and Labourers Acts, were transferred by the Local Government Act to the District Councils, and the amount of loans due by the Guardians on the 31st March 1900, was 220,202*l.*, of which 112,146*l.* was under the Dispensary Houses Act and 73,051*l.* for improvements and additions to workhouse buildings.

* 61 & 62 Vict. c. 37. s. 61.

2. LUNATIC ASYLUMS.

Provision for the care of the Lunatic Poor in Ireland was first made by Acts passed in 1806, 1817, and in 1820.* These Acts were, however, repealed and the Act passed in 1821† may be regarded as the beginning of modern legislation on this subject in Ireland. It provided for the formation of asylum districts and for the erection and establishment of lunatic asylums for each district. The asylum district might be a county or might include two or more counties, but in no case might a part only of a county be included in a district. There are at present 23 district asylums in Ireland.

The administrative responsibility and management of lunatic asylums was, under the Act of 1821 and various amending Acts, divided amongst three bodies, each of which was under the general control of the Lord Lieutenant.

The "Commissioners of General Control and Correspondence," commonly known as the Board of Control, which was appointed by the Lord Lieutenant, were entrusted with the *provision of accommodation* for the lunatic poor; and all works in connexion with the provision of land for, and the erection of, new asylums, and for the enlargement or restoration of existing asylums were carried out under their direction.

The Local Boards of Governors, who were appointed annually for each asylum by the Lord Lieutenant, had the entire management of the general *internal administration* of the asylums, such as the maintenance and clothing of the patients, in accordance with uniform rules laid down by the Lord Lieutenant. They appointed the officials, other than the resident medical superintendent, who was appointed by the Lord Lieutenant. The appointment of certain of the higher officers had, however, to receive his approval and the salaries and allowances of all officials were regulated by him.

The Inspectors of Lunatics, appointed by the Lord Lieutenant, visited and inquired into the condition and treatment of all lunatics in asylums and workhouses, and also exercised certain administrative functions in regard to district asylums, such as the framing of estimates, the approval of pensions, the regulation of scales of diet, the fixing of hours of meals, rising, retiring, &c., and also certain duties in connexion with the audit of accounts.

This system of administration was considerably altered by the Local Government Act of 1898. The duty of providing and maintaining sufficient accommodation for the lunatic poor, as well as the responsibility for their clothing and maintenance, was transferred to the County Councils, acting through a Committee. The Board of Control was abolished, but the duties of the Inspectors of Lunatics with regard to inquiring into the care and treatment of lunatics were not altered by the Act. Large powers of supervision and control are vested in the Lord Lieutenant, and the Local Government Board are entrusted with the regulation and audit of accounts, and the sanctioning of loans for building purposes.

The numbers of this Committee, which holds office for three years (the same period as the County Council), may be fixed by the Lord Lieutenant, and one-fourth of its number may be persons not members of the Council, of whom half may be appointed by the Lord Lieutenant and half by the Council. Although it is subject to the general control of the Council as respects finance, it may act without its acts being confirmed.

In cases in which a lunatic asylum district comprises two or more counties a Joint Committee is appointed, the combined counties being represented thereon in proportion to the expenses defrayed by each. The expenses are divided in the proportion of the number of lunatics in the asylum from each county according to the average for the three years before each triennial election.

Auxiliary lunatic asylums may be provided for chronic and harmless lunatics, and if this power is exercised in any county, lunatics in that county may no longer be boarded out in workhouses under contract between the Committees and Boards of Guardians. Workhouses or other suitable buildings may be taken over for the purpose of conversion into auxiliary asylums. So far, steps have only been taken to establish one such auxiliary asylum by the conversion of the Youghal Industrial School Buildings for the purpose, but sufficient time has not yet elapsed to enable the legal provision for the establishment of such asylums to be generally availed of.

Formation of Asylum Districts for the care of the Lunatic Poor.

Old system of administration. Duties of the Board of Control, the Local Boards of Governors, and the Inspectors of Lunatics.

Present system of administration. Management by Committees of the County Councils under the supervision of the Lord Lieutenant and the Local Government Board.

Constitution of the Committees of Management.

Joint Committees to be appointed in the case of an asylum district comprising two or more counties.

Provision of auxiliary lunatic asylums for chronic and harmless lunatics.

* 46 Geo. III. c. 95. 57 Geo. III. c. 106. 1 Geo. IV. c. 98.

† 1 & 2 Geo. IV. c. 33.

Expenditure on lunatics and lunatic asylums. Government grants in aid of maintenance of lunatics in district and auxiliary asylums.

The expenditure upon the provision of asylums and the maintenance of lunatics* (formerly defrayed from the County Cess or the corresponding rate in towns) is now in Counties a County-at-large charge on the New Poor Rate; and in County Boroughs generally on the Borough Rate; but towards the expenditure upon maintenance a Government grant is given (formerly an Annual Parliamentary Vote) from the Irish Local Taxation Account of one-half the net weekly cost of each lunatic (not exceeding 4s. per week). Provision is also made for a grant from the same source towards the cost of maintenance of chronic and harmless lunatics in auxiliary asylums. This grant is not to exceed 2s. per week for each lunatic. It will be noticed that, under these arrangements, the charge, both for the provision and up-keep of buildings and for the maintenance of the inmates, is spread equally over the whole county. In Ireland, there is no system such as that existing in England and Scotland for recovering the cost of the maintenance of pauper lunatics from the Poor Law Areas to which they are chargeable.

Table showing amount of Government grant, and amount falling on local rates.

The amount contributed for each of the years from 1891 to 1900-1901, from the local rates and from the Parliamentary Grant respectively, is shown in the following Table, together with the daily average number of lunatics resident, and the average rate in the £ of the amount falling on the local rates:—

Year. [†]	Amount of the Contribution towards the Provision of Asylums and the Maintenance of Lunatics in the District Asylums of Ireland.						Average Rate in £ on Rateable Value	
	From Local Rates.			From Parliamentary Grant for Maintenance.	Total.	Daily Average Number resident.		
	Maintenance (including "Up-keep of Buildings")	Cost of Buildings (Interest and Repayment of Loans).	Total.					
	1.	2.	3.	4.	5.	6.	8.	
1891	£ 146,351	£ 31,343	£ 177,694	£ 111,990	£ 289,684	11,644	d. 3·0	
1892	148,042	32,812	180,854	112,050	292,904	11,958	3·0	
1893	152,838	30,035	182,873	119,721	302,594	12,307	3·1	
1894	153,001	29,705	182,706	129,449	312,155	12,605	3·1	
1895	164,881	39,443	204,324	126,266	330,590	13,082	3·4	
1896	176,585	41,734	218,319	130,653	348,972	13,735	3·6	
1897	183,816	46,222	230,038	137,511	367,549	14,340	3·8	
1898	216,742	62,203	278,945	143,653	422,598	15,019	4·6	
1899-1900	211,902	50,799	262,701	153,467	416,168	15,785	4·3	
1900-1901	203,376	96,624	300,000	160,282	460,282	16,283	4·8	

Since 1898 the amount shown above as falling on local rates has been relieved by the proportion of the Agricultural Grant in aid of County charges attributable to this service.

3. COUNTY INFIRMARIES AND FEVER HOSPITALS.

Powers of Grand Juries in regard to county infirmaries and fever hospitals transferred to County Councils.

Public infirmaries were first established in Ireland in 1765 by an Act of the Irish Parliament,[‡] which provided for contributions by Grand Juries in aid of these institutions, but later these contributions became for a time a charge upon Imperial funds. In 1836, however, by the Grand Jury (Ireland) Act of that year, Grand Juries were empowered either themselves to erect and maintain, or to contribute towards the erection and maintenance of, county fever hospitals. They could also contribute towards the support of any existing fever hospital or county infirmary.

* The expenditure upon lunatics and idiots in workhouses forms part of the general expenditure upon Poor Relief.

† Prior to 1899-1900 the "maintenance" year ended on the 31st December, and the "cost of buildings" year on the 31st March, so that in the case of, say, 1891 the figures for "maintenance" refer to the calendar year 1891, and those for the "cost of buildings" to the year ended 31st March 1892. The figures for 1899-1900 and 1900-1901 for both purposes refer to the years ended 31st March.

‡ 5 Geo. III. c. 20.

The County Councils now possess these powers, which have been extended, and a County Council may, if they think fit, contribute towards the rebuilding or enlargement or erection on a new site of any county infirmary (as distinct from a fever hospital) or towards the re-opening of a closed county infirmary, a sum not exceeding one-third of the total sum actually contributed from private sources for any of these purposes.

Provision was also made for the continuance of the contribution formerly made by the Grand Juries and a County Council "shall annually contribute towards any county " infirmary or fever hospital a sum not less than was so contributed " out of the County Cess in the standard financial year, or any less minimum " which the Local Government Board sanction." A County Council may contribute up to 1,400*l.* per annum in the case of any county infirmary and up to 500*l.* a year to a fever hospital.

The control and management of both fever hospitals and county infirmaries is Management by placed in the hands of Joint Committees appointed triennially, provision being made Joint Committees. for the representation of the County Councils upon the governing bodies of the infirmaries and hospitals towards which they contribute.

Expenditure on this service is a county-at-large charge on the new Poor Rate. In 1899-1900, the county expenditure under this head amounted to 34,021*l.*

4. PUBLIC WORKS AND PUBLIC HEALTH.

Before 1898 all the services grouped under this wide heading were administered by the following authorities :— Reorganisation of system of administration. Present authorities are—

- (1.) Grand Juries administering County areas subdivided into Baronies which in some cases formed the area of charge.
- (2.) Town authorities of various types.*
- (3.) Boards of Guardians acting as Sanitary Authorities in Rural Districts.

The most important change introduced by the Local Government Act, 1898, County Councils. was the creation of County Councils elected on a representative and popular basis. To these Councils all the administrative powers of Grand Juries were transferred, and some other powers added. There are 33 County Councils which exercise jurisdiction over the whole of Ireland, exclusive of the six County Boroughs.

Dublin, Belfast, Cork, Londonderry, Waterford, and Limerick were at the same time County Borough created County Boroughs on the English model, i.e., roughly speaking, their Councils Councils. combine the functions of Counties and Municipalities.

All towns which were "Urban Sanitary Districts" under the Public Health Acts Other Urban before 1898 have become "Urban Districts," and other Districts have been added, so District Councils. that there are now 90 Urban District Councils (including the County Boroughs and all other Boroughs). There are also 29 small towns which are not Urban Districts, but have a separate municipal organisation, though for many purposes they form part of the Rural Districts in which they are situate.

All the Urban Districts together contain, however, not much more than a quarter of the population, and less than a quarter of the valuation of Ireland. The rest of the country is divided into 213 Rural Districts, each under a District Council, which takes over the functions hitherto performed by the Guardians in relation to Public Health.

The Rural District Councillors are elected on the same franchise as County Councillors, and serve also as Guardians for their Districts.

Rural District Councils may appoint special Public Health Committees for special parts of their Districts.

* There were 120 towns in Ireland under municipal government in 1898. Eleven of the principal towns, including Dublin, Belfast, Cork, Limerick, Londonderry, and Waterford, were governed under the provisions of the Municipal Corporations (Ireland) Act of 1840 (3 & 4 Vict. c. 103); 90 smaller towns under the Towns Improvement (Ireland) Act of 1854 (17 & 18 Vict. c. 103); six under the Lighting of Towns Act of 1828 (9 Geo. IV. c. 82); 12 under Special Acts, and Carrickfergus was governed by Municipal Commissioners under the Municipal Corporations (Ireland) Act of 1843 (6 & 7 Vict. c. 93).

Roads.

Old system of administration by Grand Juries, and by Road Authorities under the Public Health Act.

Of the Public Works carried out by these Authorities one of the most important is the making and maintenance of roads.

Before the passing of the Local Government Act, the construction and repair of mail or post roads* was undertaken by the Grand Juries, and the expenses were paid for out of the County Cess. Half the amount was levied off the County-at-large, and the remainder off the separate baronies through which the road ran. The Grand Jury also undertook the construction and maintenance of the other roads within the county, but these were entirely a baronial charge, and the amount spent in each barony was levied off that barony.

There were, however, at the time of the passing of the Local Government Act, 34 towns which maintained their own roads to the exclusion of the Grand Juries under powers conferred upon them by local Acts or transferred to them under section 206 of the Public Health Act, 1878.

Present system of administration by County, and County Borough Councils, and Urban District Councils.

Method of levying the expenditure on main roads,

and on district roads.

Urban District Councils may undertake the maintenance of that part of a main road which is within their district.

Classification of roads into main and district roads.

Powers of Rural District Councils in regard to expenditure on district roads.

Under the Local Government Act, 1898, the road authorities in Ireland now are—

- (1) County Councils and County Borough Councils.
- (2) Urban District Councils (including the non-County Borough Councils).

The six County Boroughs have entire control of all the roads within their respective areas, the expenditure being defrayed out of the Municipal Rates.

For the rest of Ireland the County Councils were empowered to determine the "main" roads in each county.† One half of the expenses of main roads is levied off the County-at-large and the remainder off the Urban and Rural Districts in which the road is situate.

Roads other than "main" roads are, in Urban Districts, under the entire control of the Urban District Councils, and their cost is levied as part of the Urban Rates.‡ In Rural Districts these roads are constructed and maintained by the County Councils, and their cost is a charge upon that part of the new poor rate which is levied as a district charge. A County Council may, however, charge the cost of expensive structural alterations, such as the filling up of hollows or lowering of hills, to the whole county or the particular district at their discretion.

Any Urban District Council may undertake the maintenance of that part of a main road which is within their district upon such terms as may be agreed upon with the County Council, or, in default of agreement, be fixed by the Local Government Board.

The practice as to the classification of roads differs greatly in different counties, and in 14 out of the 33 Counties it has been decided that none of the roads shall be deemed main roads.

The power of the Rural District Councils in regard to roads is limited to making proposals, and it is provided that, without the consent of the Local Government Board, a County Council shall not approve of any expenditure on roads proposed by a Rural District Council which shall exceed by more than one-fourth the average expenditure on the roads during the three years previous to the passing of the Act. The Board may, however, fix a new limit for any particular road or any particular year. On the other hand the County Councils cannot increase the amount proposed to be spent by the District Councils on the roads within their districts. In addition to the power of limiting expenditure, the sanction of the Local Government Board is necessary to the appointment and salaries of county surveyors and assistant surveyors. Except in these particulars, the Central Authority has no control over road administration.§

* These roads were prescribed to be roads "along which His Majesty's mails should be carried in mail carriages."

† This was to be done by a general declaration, against which Urban and Rural Districts were given an appeal (see section 8 of the Act). Every road which was at the time of the passing of the Act maintained partly or wholly at the expense of the County-at-large was to be a main road unless the Council otherwise declared. County Councils may make new declarations at intervals of not less than five years, and any new road may be declared a "main" road.

‡ The Local Government Act altered considerably the incidence of the road rate in most of the urban districts, for the 60 towns, which under the Act obtained for the first time the power of maintaining their own roads, had previously paid their share of the road expenditure in the form of county cess, which was levied as an equal poundage rate upon lands and buildings, whereas under section 46 (2) of the Act such expenditure in urban districts is now defrayed out of the rate for the cost of paving and cleansing the streets, which is levied upon a differential basis, lands, railways, and canals being generally assessed upon one-fourth of their valuation only.

§ See Vol. V. of Min. of Ev. (Cd. 383—1900) Sir H. Robinson, 23,409.

Bridges are a part of road in which they are situated, and the expense of their construction and maintenance may be levied either off the whole county or off the district. In practice, the building of important bridges has been always made a county charge, the repair of them afterwards usually falling on the district.

A part of the Death Duty Grant, under the Probate Duties (Scotland and Ireland) Act, 1888,* is paid out of the Irish Local Taxation Account towards the cost of roads (see p. 10). In 1899-1900, 99,511*l.* was distributed among the County Councils and 27,533*l.* among the County Borough and Urban District Councils.

Railway and Tramway and Pier and Harbour Guarantees.

In some districts a charge has been thrown upon the local rates in connexion with the provision of Railway and Tramway communication and the construction of Piers and Harbours for fishing purposes.

The Tramway and Public Companies (Ireland) Act, 1883,† empowered Grand Juries to charge baronies or parts of baronies in perpetuity, or for a term, with interest not exceeding 5 per cent. on the guaranteed capital required for the construction of a line of railway.‡ So long as the line is in use and efficiently maintained the Treasury may repay to the districts one-half the guarantee paid by them, but such contribution must not exceed 2 per cent. on the capital.

The Piers and Harbours constructed by the Commissioners of Public Works were vested in the Grand Juries by the Grand Jury Act of 1853,§ and they were empowered to borrow money for the purpose of providing such works in future. The interest on, and repayment of, the loans, as well as the cost of the maintenance and repairs of the harbours and piers, formed a charge upon the County Cess.

Under the Local Government Act all these powers have been transferred to the County Councils|| and relief is given to those districts where the charge for a railway or harbour guarantee is very heavy. Section 58 (4) provides for a grant out of the Irish Local Taxation Account of one-half of the excess over 6*d.* in the £ of a rate levied in any area to meet a guarantee. A rate for this purpose is an exception to the general provisions of the Act fixing the areas for rating purposes, and it is specially provided that such a rate "may be raised as heretofore off any area though less than a district or union." (Section 57 (2).)

The total charge upon the local rates for guarantees was, in 1899-1900, about 120,000*l.* The charge only occurs in certain counties, and varies greatly in amount, being especially heavy in Clare, Kerry, and Leitrim.

Public Health.

The Sanitary Authorities are charged, principally under the Irish Public Health Acts,¶ with the making of regulations and their enforcement by inspection in regard to many subjects, such as the regulation of buildings; lodging-houses, and offensive trades, and the prevention of nuisances and infectious diseases. Expenditure under this head is generally in the form of salaries, office accommodation, legal expenses, &c. A grant of half the cost of the salaries of Sanitary Officers was previously paid to the Sanitary Authorities in aid of such expenditure out of the annual Parliamentary Votes. Under the Local Government Act it is now paid from the Irish Local Taxation Account.

It should be noted that under section 15 of the Public Health Act of 1896,** the Local Government Board has power to enforce the performance of duties in case of default by a Local Authority.

The largest part of the expenditure of Sanitary Authorities is in connexion with water supply and sewerage. But it must be remembered that the cost of the supply of water (and also of gas) for private purposes is mostly defrayed by special charges, and does not fall on the ordinary rates.

Method of levying
the expenditure
on bridges.

Grant in aid of
the cost of road
maintenance.

Charges thrown
upon the local
rates in connexion
with the provision
of Railway and
Tramway commu-
nication and the
construction of
Piers and
Harbours.

Grant in aid of
such charges.

Expenditure up-
on Sanitary Inspec-
tion.

Grant in aid of
salaries of
Sanitary Officers.

* 51 & 52 Vict. c. 60.

† 46 & 47 Vict. c. 43.

‡ The guarantee was divided among the areas on apportioned parts of the capital. Provision was made for the representation on the management of the line of the baronies or parts of baronies charged with such guarantee. In addition, the districts were required on default of the promoters to complete and work the line at their own cost.

§ 16 & 17 Vict. c. 136.

|| The Councils may also take over any marine work constructed by the Congested Districts Board or under the Railways Act of 1896 (59 & 60 Vict. c. 34).

¶ 41 & 42 Vict. c. 52; 42 & 43 Vict. c. 57; 47 & 48 Vict. c. 77; 52 & 53 Vict. c. 69; 53 & 54 Vict. c. 59; 59 & 60 Vict. c. 54.

** 59 & 60 Vict. c. 19.

Sewerage and drainage.

Under the Public Health Act of 1878 all the existing sewers (with a few exceptions) were vested in the Sanitary Authorities, and they are authorised to purchase, construct, maintain, and cleanse the sewers within their district. They are also to purify and dispose of the sewage, and for this purpose they are empowered to construct, purchase, or contract for the use of sewage disposal works within or outside their district.

Scavenging and cleansing.

The same Act enabled Sanitary Authorities to undertake or contract for the removal of house refuse and the cleansing and watering of streets; and provides that if they do not themselves undertake or contract for the removal of house refuse, &c., they may make byelaws imposing the duty on the occupier of the premises.

Housing of the Working Classes and Labourers. Acts.

Under the Housing of the Working Classes Acts, 1890-96,* certain powers are conferred on Urban Sanitary Authorities in relation to the clearing of unhealthy areas or unhealthy dwellings and the erection of lodging-houses for the working classes. The loans sanctioned by the Local Government Board in connexion with houses for the working classes residing in towns amounted, at the end of the financial year 1899-1900, to 375,165*l.*

Some of these powers have been conferred upon the Rural Sanitary Authorities but in rural districts this service is principally administered under a special series of Acts†—the Labourers (Ireland) Acts—under which Rural Sanitary Authorities (formerly the Boards of Guardians, now the Rural District Councils) are empowered to provide house accommodation and allotments for agricultural labourers.

All schemes made under the Acts require to be confirmed by the Local Government Board, and, if their Order be appealed against, by the Lord Lieutenant in Council. The Local Government Board also has power to enforce the execution of the Acts where necessary.

From the inception of the Acts to the 31st March 1901, 17,166 cottages had been authorised, 14,689 had been constructed, of which 14,548 were actually let. During the same period the total amount of loans sanctioned by the Treasury is 2,051,374*l.*

The rent obtained from the cottages is not sufficient to meet the cost of building and maintenance, and the balance of the expenditure falls upon the local rates,‡ but the greater part of the Exchequer Contribution of 40,000*l.* a year is applied in aid of this expenditure (*see page 11*).

Miscellaneous services.

Urban and Rural District Councils act as Burial Boards for their districts, and are also the Authorities for dealing with the provision of Parks and Open Spaces and the establishment of Public Baths and Washhouses and other miscellaneous services.

5. EDUCATION.

(a.) Primary Education.

The cost of Primary Education is almost wholly defrayed from Votes of Parliament.

National Education in Ireland imposes practically no charge on Local Taxation proper, except expenses incurred in enforcing the Compulsory Clauses of the Irish Education Act, 1892. But it seems necessary to refer briefly to the amounts and principles of State expenditure on Irish Education, since the service is one which in England and Scotland must be regarded as a "local purpose," and the State expenditure upon it is to some extent parallel in the three countries. Moreover, part of the subventions passing through the Irish Local Taxation Account was, until very recently, devoted to Elementary Education; and a part is still devoted to Intermediate and Technical Education.

The main feature which distinguishes the educational finance of Ireland from that of England and Scotland is that (except as regards the original provision and, to some extent, the upkeep of certain of the school buildings) almost the entire cost of Primary Education is borne on Parliamentary Votes.

The cost of Primary Education consists of—

- (1.) Provision, improvement, and upkeep of school buildings, &c.
- (2.) Maintenance of schools, salaries of teachers, grants to training colleges, supply of books and school apparatus, &c.

* 53 & 54 Vict. c. 70.; 56 & 57 Vict. c. 33; 57 & 58 Vict. c. 55; 59 & 60 Vict. c. 11.

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‡ The Labourers Acts provided that an area of charge should be defined in any improvement scheme, and in that area a rate not to exceed 1*s.* in the £ in any one year could be imposed for the purposes of the Acts. The rate was levied by the Guardians as part of the Poor Rate. An important change was made, however, by the Local Government Act, and the expenditure of the Rural District Councils under these Acts is now levied equally as a District charge off the whole Rural District.

Of Irish National Schools nearly one half are "Vested," i.e., vested either in the Commissioners for National Education, or in Trustees: the remainder are "Non-Vested." The provision of schools.

With regard to Schools vested in Trustees, the Government contributes as a rule two-thirds of the cost of their original provision, and also makes grants for enlargement and improvement.

And with regard to schools vested in the National Board, the Government pays two-thirds of the cost of the original provision in most cases, and the entire cost in the case of the Model Schools; also the whole cost of repairs (from the Vote for Public Works, &c.).

The whole cost of the provision of Non-Vested Schools is borne locally by voluntary subscriptions.

It should be mentioned here also that the Government pays half the cost of erecting teachers' houses in connexion with Vested Schools provided the whole cost does not exceed 200*l.* The Government also contributes half the repayment of a loan to build a residence in connexion with either a Vested or Non-Vested School provided the total loan does not exceed 250*l.*

With regard to the maintenance of schools, the original intention of the Government seems to have been to insist in all cases on local support, but this soon proved impracticable.* At present, almost the whole cost is provided from the Public Education Vote in one form or another, and on somewhat varying principles as regards different classes of schools. There was, however, a sum of 71,373*l.* subscribed from local sources in 1900-1 for the erection and improvement of school premises, and a sum of 77,993*l.* towards incomes of teachers, repairs, &c.

Compulsory school attendance is only enforced at present in certain places.

Before 1890 the main Government contribution was the ordinary grant for National Schools under Subhead E. of the Vote for Public Education, providing for salaries of teachers, monitors, &c., partly on fixed scales and partly by "results fees."

In 1890 a sum of 78,000*l.* out of the Beer and Spirit Surtaxes was assigned for the purpose of assisting education, i.e., mainly increasing teachers' salaries. In 1899, this sum of 78,000*l.* was transferred to the new Department of Agriculture; but a similar amount was given under the Vote for Public Education as an addition to the ordinary grant under Subhead E., in lieu of the former contribution under the Local Taxation Act, 1890.

Meanwhile in 1892, following the English precedent, school fees were almost entirely abolished, and a new grant given under Subhead I. of the Vote for Public Education, which was first fixed at 9 per cent. of the School grant for the three Kingdoms, but was subsequently turned into a capitation grant of 10*s.* on the average attendance. The Fee Grant.

Books and other school equipments are provided free at the starting of a school, but the stock is maintained at the cost of the local managers.

The Teachers' Pension Fund was very largely endowed from Irish Church Funds (1,300,000*l.*), and receives also a yearly grant of 18,000*l.* from the Vote.

The only contribution from the rates towards the cost of education in Ireland was made between the years 1875 and 1900, under the following circumstances. By the National School Teachers Act† Guardians were empowered to contribute from the Poor Rates a sum equal to half the grant at that time given by the State in the shape of "results fees." Subsequently it was arranged that the Commissioners of National Education out of the portion of the Beer and Spirits Surtaxes assigned to them should relieve the Guardians by recouping to them so much as would have been paid directly to the Teachers, had the schools been in non-contributory Unions. These provisions, however, never had a very extended operation. In 1899-1900 only 25 Unions (out of 160) contributed in this manner, and their contributions came to 25,325*l.*, of which 16,685*l.* was recouped, so that the net charge on the rates was 8,637*l.* From 1st April 1900, the system of results fees was abolished, and the contributions by the Guardians came to an end.

There being no school rate in Ireland, the State contribution is considerably higher than in England or Scotland in proportion to the number of children in average attendance. But the proportion of children in average attendance to the whole population is low in Ireland, and in other respects the total expenditure on Education seems to be less than the average in Great Britain. Thus the Education Grants in Ireland are not much larger, in proportion to population, than in England or Scotland.

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† 38 & 39 Vict. c. 96.

(b.) Intermediate Education.

The Intermediate Education Board :
Source and disposal of funds.

By an Act of 1878 a Board was appointed to promote Intermediate Secular Education in Ireland. The purposes of the Act are thus defined :—

- (1.) " Providing for the payment of prizes and exhibitions, and the giving of " certificates to students " ; and
- (2.) " Providing for the payment, to managers of schools complying with the pre- " scribed conditions, of fees dependent on the results of public examinations " of students."

For these purposes the income arising from 1,000,000*l.*, part of the Irish Church Surplus, was placed at the disposal of the Board.

In 1890 a further endowment was provided, viz., the residue of the Irish share of the Beer and Spirit Surtaxes (after deduction of the 78,000*l.* then assigned to Elementary Education and now transferred to the Department of Agriculture). The amount of this residue varies, of course, from year to year. For the year 1898-9 it was 54,175*l.*, and for 1899-1900, 71,400*l.*

The scheme of payment, which was approved by the Lord Lieutenant and the Treasury, included—

- (1) Results fees to managers to schools, calculated on the " passes " of individual students ;
- (2) Rewards to students based on a competitive examination.

The members of the Intermediate Education Board were appointed in 1898 under a special Commission from the Lord Lieutenant to enquire into the working of the system. They made recommendations for the modification of certain details including additional inspection ; and these recommendations were ratified by an Act of 1900 (63 and 64 Vict. c. 43.).

(c.) Technical Education.

Technical Instruction Act.

The Technical Instruction Act of 1889 applied to Ireland, and the authorities for administering it are now County, Town and District Councils (61 & 62 Vict. c. 37. s. 7.). The rates for this purpose are limited to 1*d.* in the £.

Funds administered by the new Department of Agriculture, &c.

By an Act of 1899 (62 & 63 Vict. c. 50.) the whole service (including the part previously administered by the Science and Art Department) was placed in the charge of the new Department of Agriculture and Technical Instruction. The funds placed at the disposal of that Department are derived from various sources and include 78,000*l.* from the Beer and Spirit Surtaxes, besides certain sums from annual Votes. An annual sum of 55,000*l.* is specially set apart for Technical Instruction, and is to be apportioned among the Counties and County Boroughs. Other sums are applicable to agriculture, fisheries, &c.

The disposition of these funds is mostly subject to the concurrence of the Board of Technical Instruction or the Agricultural Board ; two bodies which were created under the Act, and are, to a large extent, representative of the Local Authorities.

The Act provides that " the Department shall not, in the absence of special considerations, apply or approve of the application of money under this section to schemes in respect of which aid is not given out of money provided by local authorities or from other local sources."

(d.) Reformatory and Industrial Schools.

Reformatory and Industrial Schools: Proportion of cost met from rates and from Parliamentary Votes respectively.

In 1868 the Reformatory Schools Act (31 & 32 Vict. c. 59) and the Industrial Schools Act (31 Vict. c. 25) empowered the Grand Juries and the Councils of Dublin, Cork, and Limerick to make arrangements with the directors or managers of any Reformatory or Industrial School for the reception of such children as are ordered to be sent to these schools, and to raise the money necessary for their maintenance from the local rates. Under a later Act (44 & 45 Vict. c. 59) they might contribute towards the cost of building Reformatory Schools.

Under the Local Government Act these powers passed to the County and County Borough Councils.

The expenditure upon these schools is largely met by a direct Parliamentary Vote, amounting to 6*s.* per head per week for children in Reformatories, and 5*s.* for children in Industrial Schools.

Besides small receipts from other sources the amounts received from the Treasury and the Local Rates respectively in the years 1898, 1899, and 1900 were—

REFORMATORY SCHOOLS.

	1898.	1899.	1900.
	£	£	£
From Parliamentary Vote ,, Local Rates	9,219 4,222	8,895 5,588	8,915 4,198
Total	£ 13,441	£ 14,483	£ 13,113

INDUSTRIAL SCHOOLS.

	1898.	1899.	1900.
	£	£	£
From Parliamentary Vote ,, Local Rates	101,225 41,261	100,524 55,478	97,853 41,944
Total	£ 142,486	£ 156,002	£ 139,797

6. POLICE.

(a.) The Royal Irish Constabulary.

The earliest Police Force (so-called) established in the United Kingdom was that set up in Dublin in 1786 by the Irish Statute 26 Geo. III. cap. 24. But all the forces which had been established in Ireland at earlier dates were in 1836 consolidated into one force called the Constabulary of Ireland, the present title having been conferred in 1867.

The cost of the Royal Irish Constabulary is mainly defrayed from Votes.

The cost of the force was charged primarily on the Consolidated Fund, but a moiety was recovered out of the County Cess, according to the numbers stationed in each county. In 1846 the whole cost of the normal force was made chargeable on the Consolidated Fund,* and in 1854 the charge was transferred to Votes of Parliament.†

When, however, a special force of extra Police is required in any locality, one-half of the cost may be recovered from that locality. Special contributions are also made by the Boroughs of Belfast and Londonderry.

These and other incidental receipts are appropriated in aid of the Vote.

The cost of resident magistrates was charged to this Vote until 1871-72, when it was transferred to the Vote for County Court Officers, &c.

The following Table shows the expenditure for a series of years and the sources from which it was defrayed:—

COST of the IRISH CONSTABULARY.

Year ending	Total Cost.	Net charge to the Imperial Exchequer.*	Charged to Local Rates or otherwise recovered.	Year ending	Total Cost.	Net charge to the Imperial Exchequer.*	Charged to Local Rates or otherwise recovered.
	£	£	£		£	£	£
31st March 1876	1,038,473	1,000,797	37,676	31st March 1890	1,412,680	1,842,651	70,029
" " 1881	1,169,032	1,140,768	28,264	" " 1891	1,424,520	1,357,289	67,241
" " 1882	1,295,840	1,259,519	36,321	" " 1892	1,421,008	1,362,348	58,660
" " 1883	1,573,209	1,488,392	84,817	" " 1893	1,409,180	1,342,768	66,412
" " 1884	1,429,125	1,294,892	134,233	" " 1894	1,396,078	1,356,580	39,498
" " 1885	1,407,222	1,304,707	102,515	" " 1895	1,402,077	1,354,449	47,626
" " 1886	1,387,169	1,286,498	100,571	" " 1896	1,404,261	1,364,341	39,920
" " 1887	1,421,855	1,365,470	56,385	" " 1897	1,404,728	1,369,294	35,434
" " 1888	1,410,454	1,359,266	51,188	" " 1898	1,375,469	1,342,228	33,240
" " 1889	1,412,946	1,318,790	94,156	" " 1899	1,362,654	1,336,102	26,552

* Not including sums charged on other Votes for buildings, &c.

* See Report of Devon Commission on the Occupation of Land in Ireland (1845) and Sir R. Peel's speech on 27th January 1846 (Hansard LXXXIII., pp. 238, &c.).

† See 6 Will. IV., c. 13; 9 & 10 Vict., c. 97; 17 & 18 Vict., c. 94.

(b.) *The Dublin Metropolitan Police.*

The cost of the Dublin Metropolitan Police is defrayed partly from Votes and partly from a special Police Rate.

This force was also established under the Act of 1836. The district which it guards is over 36 square miles, and includes six neighbouring townships, besides the City of Dublin.

The cost of the force is charged upon a Parliamentary Vote, but considerable sums are recovered from the locality, and appropriated in aid of the Vote, including a Police Rate of 8d. in the £ levied through the whole district.*

The produce of this rate in 1899–1900 was 35,166l. In addition, there are paid to Police Funds the proceeds of duties on Carriages, Publicans' Licences, and Pedlars' and Chimney Sweepers' Certificates. The cost of the Dublin Police Courts is charged against the Vote, and the fines, fees, and penalties imposed are credited thereto. The duty on Pawnbrokers' Licences, formerly paid to Police Funds, was transferred to the Local Authorities by section 67 of the Local Government Act 1898.

The following Table shows the gross cost of the force, and the local receipts available to meet it; the balance falls on the Exchequer:—

DUBLIN METROPOLITAN POLICE.

Year.	Expenditure	Receipts.	Year.	Expenditure.	Receipts.
1868–69	94,994	41,413	1884–85	146,492	51,412
1869–70	95,139	41,587	1885–86	144,511	51,926
1870–71	97,393	44,522	1886–87	147,095	49,406
1871–72	97,786	44,381	1887–88	145,996	49,280
1872–73	102,766	46,285	1888–89	144,558	55,269
1873–74	135,118	48,813	1889–90	143,740	50,713
1874–75	135,096	52,906	1890–91	142,874	53,201
1875–76	132,032	53,905	1891–92	142,949	50,950
1876–77	134,248	52,774	1892–93	142,213	49,394
1877–78	134,823	56,178	1893–94	142,386	51,100
1878–79	137,300	56,063	1894–95	143,127	52,505
1879–80	137,384	52,333	1895–96	141,502	51,242
1880–81	136,164	53,893	1896–97	144,758	52,661
1881–82	136,957	52,477	1897–98	144,199	53,446
1882–83	167,640	50,794	1898–99	145,257	52,324
1883–84	154,907	52,823			

(c.) *Prisons.*

Small expiring charge on rates in respect of former prison officers.

The cost of the maintenance of County and Borough gaols and bridewells in Ireland was a charge upon the County Cess until 1877, when the Prisons Service was taken over by the Central Government and the cost defrayed out of the annual Parliamentary Votes. Some small expenses, such as the cost of conveyance of prisoners before committal, and of the conveyance of juveniles from prisons to reformatories, are still paid by the County Councils, but the principal charge remaining on the local rates is for annuities to former prison officers. The sum required for this purpose, which is a gradually diminishing one, is a county-at-large charge on the new Poor Rate levied by the County Councils.

* See the Acts 6 & 7 Will. IV., c. 29 and 1 Vict. c. 25.

W.H.

R.H. 1902

ROYAL COMMISSION ON LOCAL TAXATION.

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A P P E N D I X

TO

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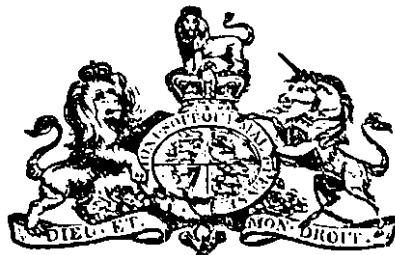
(ENGLAND AND WALES)



OF THE

ROYAL COMMISSION ON LOCAL TAXATION.

Presented to both Houses of Parliament by Command of His Majesty.



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-

TABLE OF CONTENTS.

I.—MEMORANDA UPON THE PRINCIPAL SERVICES LOCALLY ADMINISTERED.		PAGE
1. POOR RELIEF, &c.	- - - - -	4
(a.) Poor Relief	- - - - -	4
(b.) Lunatic Asylums	- - - - -	12
(c.) Registration of Births, Deaths, and Marriages	- - - - -	13
(d.) Vaccination	- - - - -	15
2. POLICE, AND CRIMINAL PROSECUTIONS	- - - - -	16
(a.) County and Borough Police	- - - - -	16
(b.) Metropolitan Police	- - - - -	17
(c.) City of London Police	- - - - -	18
(d.) Criminal Prosecutions	- - - - -	18
3. EDUCATION	- - - - -	19
(a.) Elementary Education	- - - - -	19
(b.) Technical Education	- - - - -	21
(c.) Reformatory and Industrial Schools	- - - - -	23
4. PUBLIC HEALTH AND PUBLIC WORKS	- - - - -	24

II.—STATISTICS OF LOCAL TAXATION.

1. AMOUNT OF LOCAL TAXATION AT VARIOUS PERIODS	- - - - -	37
2. BURDENS IMPOSED UPON THE RATES BY VARIOUS SERVICES	- - - - -	43
The Relief of the Poor, Lunatics, and Lunatic Asylums	- - - - -	44
Education	- - - - -	47
Police	- - - - -	48
Roads, Streets, Bridges, and Ferries	- - - - -	51
Public Lighting	- - - - -	52
Sewerage, and Removal and Destruction of House Refuse	- - - - -	52
Gas Works	- - - - -	53
Waterworks	- - - - -	54
Harbours, Piers, Docks, and Quays	- - - - -	54
Private Improvement Works	- - - - -	54
3. RATES LEVIED BY VARIOUS SPENDING AUTHORITIES	- - - - -	55
Poor Law Authorities	- - - - -	55
School Boards	- - - - -	59
County Councils	- - - - -	62
Borough Councils	- - - - -	62
Sanitary Authorities of Boroughs and other Urban Districts	- - - - -	63
Metropolitan Vestries and District Boards (now the Borough Councils)	- - - - -	63
Rural District Councils and Highway Authorities in Rural Districts	- - - - -	63
Parish Councils and Parish Meetings	- - - - -	64

	Page
4. RATES RAISED IN VARIOUS AREAS	64
5. VALUATION OF VARIOUS CLASSES OF PROPERTY AND IN DIFFERENT AREAS	66
6. LOCAL DEBT	69
7. SUMMARY	70
DETAILED TABLES	75
 III.—EXCHEQUER CONTRIBUTION ACCOUNTS OF COUNTY AND COUNTY BOROUGH COUNCILS	 187
 IV.—TABLE CLASSIFYING TAXES RAISED BY PARLIAMENT FOR IMPERIAL PURPOSES IN 1899-1900	 196
 V.—MEMORANDA UPON THE TREATMENT OF GOVERNMENT PROPERTY IN CONNEXION WITH LOCAL TAXATION	 200
 VI.—EFFECT OF SCHEME FOR THE DISTRIBUTION OF IMPERIAL GRANTS PROPOSED BY LORD BALFOUR OF BURLEIGH	 206

**Compiled by the Staff of the Commission, and issued for convenience
of reference in connexion with the Reports
published in Cd. 638—1901, viz.:—**

Report signed by the Right Hon. LORD BALFOUR OF BURLEIGH, K.T.; EARL CAWDOR; the Right Hon. LORD KINROSS OF GLASCLUNE; the Right Hon. Sir JOHN T. HIBBERT, K.C.B.; the Right Hon. C. B. STUART-WORTLEY, K.C., M.P.; Mr. C. N. DALTON, C.B.; Mr. C. A. CRIPPS, K.C., M.P.; Mr. HARcourt E. CLARE; Sir T. H. ELLIOTT, K.C.B.; Mr. E. ORFORD SMITH; Mr. JAMES STUART; and the Right Hon. JOHN L. WHARTON, M.P.

Report by Sir EDWARD HAMILTON, K.C.B., and Sir GEORGE MURRAY, K.C.B.

Report by His Honour Judge O'CONNOR, K.C.

ARTHUR WILSON FOX,
Secretary.

T. LLEWELYN DAVIES,
Assistant Secretary.

E. J. E. CRAVEN,
Statistical Clerk.

MEMORANDA UPON THE PRINCIPAL SERVICES LOCALLY ADMINISTERED.

(P. 1 of *Final Report for England and Wales, Cd. 638 of 1901.*)

ANALYSIS.

1. POOR RELIEF, &c. :—	Page
<i>(a.) Poor Relief :—</i>	
Poor Law Acts of 1597 and 1601	4
Enlargement of Poor Law Areas and erection of Workhouses	4
Evils of old Poor Law a century ago	4
The Poor Law Commission, 1832	5
Principles of reform	5
Poor Law Amendment Act, 1834	5
Central Poor Law Board. Creation of Unions	5
Reduction of Expenditure on Poor relief	6
Union Chargeability Act, 1865	6
Constitution and revision of Unions	6
Election of Guardians	6
Special Committees of Guardians	7
Obligation to give relief	7
Methods of relief	7
Erection of Workhouses and borrowing powers	7
Lunatics and vagrants	7
Pauper children	7
Number of paupers	8
<i>London Poor Relief :—</i>	
The Metropolitan Asylums Board	9
The Metropolitan Common Poor Fund	10
<i>Exchequer Contributions :—</i>	
Poor Law School Teachers	11
Lunatics' maintenance	11
Reorganisation of 1888. Union Officers' Grant	11
London grants	11
Proportion of Grants to Expenditure	12
<i>Central Control :—</i>	
Powers of Local Government Board in regard to Poor Law Officers	12
Regulation of administration of relief	12
The Poor Law Audit	12
<i>(b.) Lunatic Asylums :—</i>	
History of Asylum provision	12
Lunacy Act, 1890	13
Expenditure upon Asylum Buildings and upon maintenance of lunatics	13
<i>Central Control :—</i>	
Duties of Commissioners in Lunacy	13
General control of the Home Office	13
<i>(c.) Registration of Births, Deaths, and Marriages :—</i>	
Registration of Births and Deaths made compulsory in 1874	13
Registration Districts, usually conterminous with a Poor Law Union	13
Duties of Registrar of Births and Deaths	14
Registration of Marriages	14
Duties of Registrar of Marriages	14
Registration of Marriages by Clergymen	14
Public right of inspection of books	14
How the expenditure upon the Registration of Births, Deaths, and Marriages is met	14
<i>(d.) Vaccination :—</i>	
Vaccination Act of 1867. Formation of Vaccination Districts and appointment and remuneration of Public Vaccinators	15
Appointment of Vaccination Officers made compulsory in 1871	15
Grant in aid of expenses of Public Vaccinators	15
The Vaccination Act of 1898	15
Cost of Public Vaccination	15
2. POLICE AND CRIMINAL PROSECUTIONS :—	
<i>(a.) County and Borough Police :—</i>	
County and Borough Police. Treasury Contributions and Home Office Control	16
Police Pensions	16
Number and cost of Police Forces	17
<i>(b.) Metropolitan Police :—</i>	
Origin of Force. Administration by Home Office. Treasury contributions	17
Cost of Force	18
<i>(c.) The City of London Police :—</i>	
Cost of City Police	18
<i>(d.) Criminal Prosecutions :—</i>	
Cost of Criminal Prosecutions. Treasury contributions	18

	Page
3. EDUCATION :	
(a.) Elementary Education :—	
Early educational measures Different forms of Government grants	19
School Boards and Voluntary Schools	19
Provisions of Education Act, 1870	19
Growth of expenditure on education	20
Extension of Government grants	20
Increase of school rates	20
Proportion between Government grants and rates	20
(b.) Technical Education :—	
Origin of technical education	21
Technical Instruction Act, 1889	21
Grant of "whisky money"	22
Definition of technical instruction	22
Different methods of administration	22
Science and Art grants	22
Intermediate Education in Wales	23
(c.) Reformatories and Industrial Schools :—	
Different classes of Schools	23
Reformatories: management and distribution of cost	23
Industrial Schools: management and distribution of cost	23
Day Industrial Schools	24
4. PUBLIC HEALTH AND PUBLIC WORKS :—	
Authorities and Areas for Public Health administration	24
History of Public Health administration	25
Cost of Inspection, &c.	25
Reproductive undertakings	26
Roads, streets, and bridges	26
Highway law	26
Main Roads	26
Bridges	27
Streets in towns	27
Street lighting	27
Drainage and sewerage	28
Scavenging and cleansing	28
Parks, &c.	28
Housing of the Working Classes	28
Baths, washhouses, &c.	29
Hospitals, mortuaries, &c.	29
Burials	29
Public libraries, &c.	29
Miscellaneous	29
Financial summary	30
<i>London Public Health :—</i>	
London Public Health Authorities	30
The London County Council	30
The Metropolitan Borough Councils	30
The Metropolitan Asylums Board	30
Rates in the £	30
The Corporation of the City of London	31

I.--MEMORANDA UPON THE PRINCIPAL SERVICES LOCALLY ADMINISTERED.**1.—POOR RELIEF, &c.****(a.) POOR RELIEF.**

Poor Law
Acts of 1597
and 1601.

Although provision for relieving persons unable to maintain themselves has been made to some extent from the very earliest times, it was not until the end of the 16th century that the organisation of poor relief and the creation of a local fund wherewith to defray the necessary expenses were made compulsory by Statute. By an Act passed in 1597,* overseers were to be appointed for setting the poor to work and for relieving the lame, impotent, &c., in each Parish and the necessary funds were to be raised by the taxation of every inhabitant and every occupier of lands in the Parish.

This Act was superseded four years later (in 1601) by the Act† which, although altered in many important respects by subsequent Statutes, is still the basis of our Poor Law.

The Act contained similar provisions to those enacted in 1597. Overseers of the poor were to be appointed annually in each parish, the number varying from two to four according to the size of the parish, and anyone so appointed and refusing to serve, unless for special reasons, such as sickness, &c., was liable to a penalty. The churchwardens were to act in conjunction with the overseers, and the body thus formed was charged with the duties of setting the poor to work, of relieving the lame, impotent, old, blind, and others not able to work, and of raising by taxation‡ the necessary stock and sums of money. It was also provided that, if, in the opinion of the justices of the peace, a parish was not able to maintain its own poor, other parishes in the same hundred or county, or any of the inhabitants of such parishes, might be assessed to the relief of the poor in that parish.

The Parish was thus made the Area of administration and the churchwardens and overseers the administering Authority.

Enlargement
of Poor Law
areas and
erection of
workhouses.

It has been stated that this Act "was at first largely neglected, more especially in the northern parts of the kingdom, as the preambles of numerous Acts of Parliament sufficiently prove."§ In 1830 Charles I. appointed a Commission to inquire into and enforce the administration of the law. But, towards the end of the 17th century, when it got into full operation, it was found that in many cases the parish was too small in area for the purpose of efficient and economical administration, and many special Acts were passed for forming unions of parishes and for amending the law in other respects. A general Act|| was also passed in 1723 which, *inter alia*, gave powers to the churchwardens and overseers to purchase or hire houses wherein to maintain and employ the poor, and, in the case of small parishes, to unite for this purpose.

Owing to the want of proper regulations and management the provisions of the Act of 1723 did not prove satisfactory, and in 1782 the adoptive Statute, known as Gilbert's Act,¶ enabled parishes to exonerate churchwardens and overseers from the duty of relieving the poor, and to restrict their duties to the collection of rates and the accounting for the same. Thereupon the justices of the district were to appoint visitors and guardians, to whom, with such justices, the entire management and control of the poor was transferred. The parishes were then required to provide a proper workhouse, and any parishes not more than 10 miles from the workhouse might unite for this purpose.

Evils of old
Poor Law a
century ago.

The end of the eighteenth and the beginning of the nineteenth century was a period of exceptional distress, the conditions under which relief was given were much relaxed, and the evils of demoralisation and extravagance increased to an extreme extent.

* 39 Eliz. c. 3.

† 43 Eliz. c. 2.

‡ The methods upon which the rates were to be and are now levied are referred to in the First Report of the Commission, C. 9141 (pp. 14-19), and in the Final Report, Cd. 638 (pp. 2-6).

§ "History of the English Poor Law," by T. Mackay, p. 333. Compare also "Early History of Poor Relief," by Miss Leonard. || 9 Geo. I. c. 7. ¶ 22 Geo. III. c. 83.

According to Mr. Goschen's Report on Local Taxation* the expenditure upon poor relief rose from 4,078,000*l.* in 1802-3 to 6,911,000*l.* in 1817, and to 7,871,000*l.* in 1818. From this date it decreased considerably until 1824, when the amount expended was 5,737,000*l.*, but again reached seven millions in 1832—two years before the passing of the Poor Law Amendment Act of 1834.†

The enormous increase in the earlier years of the century led to the appointment in 1817 of a Select Committee to consider and report upon the Poor Laws. The Select Vestry Act of 1819,‡ which provided some remedy for the extravagance and mis-government of overseers, was one result of the appointment of this Committee. But the thorough reform in administration and the reduction of the undue burden of the poor rates was not effectively accomplished until some years later. A Commission was appointed in 1832 "to make a diligent and full inquiry into the practical operation " of the laws for the relief of the poor in England and Wales."§

Sir George Nicholls says that, at this period "The laws for the relief of the poor " had always continued to be essentially based upon the 43rd of Elizabeth. The " parish was considered responsible for relieving all who were destitute through age " or infirmity, and for setting to work all able-bodied persons who declared that they " were unable to find it for themselves, or, in the words of the Act, 'had no means " ' to maintain them and used no daily trade of life to get their living by.'||

The Commissioners reported in 1834,¶ that "in the greater part of the districts which we have been able to examine, the fund, which the 43rd of Elizabeth directed to be employed in setting to work children and persons capable of labour, but using no daily trade, and in the necessary relief of the impotent, is applied to purposes opposed to the letter, and still more to the spirit of that Law, and destructive to the morals of the most numerous class, and to the welfare of all"; and amongst the most important of their recommendations were those to the effect that out-door relief to able-bodied persons should cease, that a Central Board should be appointed to control the administration of the Poor Laws and to frame and enforce regulations for the government of workhouses, and that the Central Board should be empowered to unite parishes for the provision and management of workhouses, and to prescribe a complete, clear, and uniform system of accounts.

Effect was given to these recommendations in the Poor Law Amendment Act of the same year** (1834), as to which Sir George Nicholls, says, "The Act is avowedly based on the principle that no one should be suffered to perish through the want of what is necessary for sustaining life; but, at the same time, that if he be supported at the expense of the public, he must be content to receive such support on the terms deemed most consistent with the public welfare."††

A Central Board, known as the Poor Law Commissioners, was appointed, and the Assistant Commissioners made a tour of inspection of the whole country and grouped the parishes into Unions as appeared most convenient. In the grouping the general idea was to take a market town as a centre and to unite the surrounding parishes the inhabitants of which resorted to its market, such a centre being supposed to be convenient for the attendance of Guardians and Parish Officers. Single parishes were, in some cases, constituted separate Unions.|||

In each of the Unions thus constituted it was enacted that a Board of Guardians should be elected to whom the ordering, giving, and directing of all relief to the poor of any parish was to be transferred, the Overseers' powers as regards relief being restricted to cases of sudden and urgent necessity.

Unions which had already been formed under earlier Acts, whether general or local, were not abolished by the Act of 1834, §§ but all of them have now disappeared.

A "Common Fund" was created for each Union to which the several parishes contributed||| for the erection and maintenance of workhouses, but each parish

The Poor
Law Com-
mission,
1832.

Principles of
reform.

Poor Law
Amendment
Act, 1834.

Central Poor
Law Board.
Creation of
Unions.

* House of Commons Paper No. 470 of 1870, or reprint No. 201 of 1893, p. 69.

† 4 & 5 Will. IV. c. 76.

‡ 59 Geo. III. c. 12.

§ "History of the English Poor Law," by Sir George Nicholls, Vol. II., p. 237.

|| "History of the English Poor Law," by Sir George Nicholls, Vol. II., p. 231.

¶ Poor Law Commissioners, First Report of 1834. [Reprinted, 1894, from the Paper (H.C. 347), ordered, by the House of Commons, to be Printed, 12 August 1883] p. 12.

** 4 & 5 Will. IV. c. 76.

†† "History of the English Poor Law," by Sir George Nicholls, Vol. II., p. 286.

||| "Local Government and Taxation in England and Wales," by R. S. Wright and Henry Hobhouse, 2nd Edition, p. 9.

§§ 4 & 5 Will. IV. c. 76.

||| It was prescribed by s. 28 of the Act of 1834 that the contributions of the respective parishes should be in proportion to the poor relief expenditure incurred by each, an average of three years being taken, but in 1861 rateable value was substituted as the basis of contribution to the common fund. (24 & 25 Vict. c. 55.)

continued to bear the cost incurred in maintaining its own poor. With the consent of the Guardians, however, the whole of the cost of poor relief in the Union might be raised by a common rate over the respective parishes, but it is stated that this was only agreed to in one Union, namely, Docking, in Norfolk.*

The existence of the Poor Law Commission was limited by the Act to a period of five years, but was prolonged by successive Acts,† In 1847 it was reconstituted as the Poor Law Board,‡ and this again merged in the Local Government Board in 1871.§

Reduction of expenditure on poor relief.

The effect of the sweeping changes which were made in 1834 is well illustrated by the figures of expenditure for the years 1833 to 1837. The amounts were as follows|| :—

	Expenditure for poor relief.
	£
1833	6,790,800
1834	6,317,255
1835	5,526,418
1836	4,717,630
1837	4,044,741

Since the passing of the Poor Law Amendment Act of 1834|| no legislation of primary importance has taken place, such statutes as deal with the subject having been directed to amendments in details or to the extension of the powers and duties of the Boards of Guardians and the Central Authority. This brief sketch may serve to show how the poor law has developed during the last three centuries from Parochial administration by Overseers with no Central control to Union administration by Boards of Guardians subject to extensive powers of organisation and control by the Local Government Board.

Union Chargeability Act, 1865.

The most financially important of these amending statutes is, perhaps, the Union Chargeability Act of 1865,** which threw the whole cost of relieving the poor in each Union upon the "common fund" of that Union, which, as already stated, was then raised from the constituent parishes upon the basis of rateable value. The only expenditure directly connected with the administration of the poor law which is still chargeable to individual Parishes in a Union is the expenditure of overseers (including the salaries of parish rate-collectors and assistant overseers) and the special expenses of contested elections of Guardians.

Constitution and revision of Unions.

Under various statutes the Local Government Board is empowered to dissolve or alter the boundaries of existing Unions, and to constitute new ones, and with the consent of the Guardians, the Board may also combine two or more Unions for any poor law purposes. Under the Local Government Act, 1888,†† the Local Government Board or a County Council may, in the case of a Union situated in more than one County, divide it for out-relief purposes, whilst leaving it as one Union for in-door relief.†† By the Local Government Act of 1894,§§ County Councils may, subject to the approval of the Local Government Board, alter the boundaries of Unions in certain cases.

The number of Unions or Parishes under separate Boards of Guardians is 647, and there are somewhat over 15,000 Parishes. There is thus an average of rather more than 23 parishes to each Union.

Election of Guardians.

The Guardians are elected by the parochial electors to represent the various urban Parishes in the Union. In Rural parishes Guardians, as such, are not elected, but the District Councillors are the Guardians for such parishes.||| The term of office of a

* "History of the English Poor Law," by T. Mackay, p. 357.

† 2 & 3 Vict. c. 83.; 3 & 4 Vict. c. 42.; 4 & 5 Vict. c. 10.; 5 & 6 Vict. c. 57.

‡ 10 & 11 Vict. c. 109.

§ 34 & 35 Vict. c. 70.

|| Report on Local Taxation, by Mr. G. J. Goschen, House of Commons Paper No. 470 of 1870, or reprint No. 201 of 1893, p. 69.

¶ 4 & 5 Will. IV. c. 76.

** 28 & 29 Vict. c. 79.

†† 51 & 52 Vict. c. 41, ss. 36 (6), 58.

†† Four unions have been so treated, namely, Keynsham (Gloucester and Somerset), Grantham (Leicester and Kesteven Division of Lincoln), York (York County Borough and Yorks, East, North, and West Ridings), and Malton (Yorks, East and North Ridings).

§§ 56 & 57 Vict. c. 73, s. 86.

||| 56 & 57 Vict. c. 73, ss. 20, 24 (3).

Guardian is three years. Usually one-third of the Board go out of office each year, but the County Council may direct, on the application of a Board of Guardians, that all members of the Board should retire together every third year. In London it is everywhere the rule that all the Guardians retire together every third year.

One Guardian is usually elected for each Parish, but large parishes may be given extra representation, and small ones grouped and given only one representative, the determination resting with the Local Government Board or the County Council. Ex-officio Guardians were abolished by the Local Government Act of 1894,* but the elected Guardians have the power of co-opting a Chairman and Vice-Chairman and not more than two additional members.

Committees are formed by the Board of Guardians for certain purposes, e.g., the Union Assessment Committee for Valuation purposes, and the School Attendance Committee for enforcing school attendance and securing that the laws respecting the prohibition of employment of children are observed in Parishes in which there is no School Board. If there are Parishes in any Union which are more than four miles from the guardians' place of meeting, the Board may apply to the Local Government Board for power to form such Parishes into Districts and to appoint Committees for receiving applications for relief therein.

It is the duty of Guardians to provide relief for all persons who are unable to maintain themselves. But a Board of Guardians, although bound to temporarily relieve every applicant of this description, is not in every case required to do so permanently. If the applicant has resided for one year in any Parish in the Union to which he applies, he cannot be removed from that Union. But, if not, he may be removed to the Union in which he last resided for three years. Failing this, the Union to which he may be removed has to be determined by other tests according to the laws of settlement. Married women take the settlements of their husbands, and children under 16 years those of their parents.

The parties liable to maintain the persons relieved may be required to pay to the Guardians a sum equal to the value of the relief given.

The Guardians may give relief either in or out of the workhouse, but if out-relief is given to able-bodied male persons such persons must be set to work by the Guardians and be kept employed under their direction and superintendence. Subject to certain restrictions, out-relief may be given in money or kind, in the form of medical attendance, medicine, or surgical appliances, by the payment of funeral expenses, by apprenticing or assisting to educate children, or in other ways.

The Local Government Board are empowered to order a workhouse to be built, or may require the enlargement or alteration of an existing one. With the consent of the Local Government Board the Guardians may borrow money for any permanent work or object, or for anything the costs of which ought, in the opinion of that Board, to be spread over a term of years. The total debt, must not, however, exceed one-fourth of the annual rateable value of the Union, unless specially authorised by Provisional Order confirmed by Parliament, in which case a debt may be incurred to the extent of one-half the rateable value.

Erection of
workhouses
and borrow-
ing powers.

The Guardians of any Union may contract with the Guardians of other Unions for the support of their in-door poor, and may board out pauper children, and provide hospitals and dispensaries for the poor.

Pauper lunatics requiring asylum treatment are provided for in County, Borough, Lunatics and or private asylums, the Asylum Authorities charging the Guardians a weekly sum per head for the maintenance of the lunatics received into the asylum, and chargeable to their Union.†

The relief of vagrants is provided for in casual wards of the workhouses, certain work being exacted before their discharge is granted.

The majority of pauper children are now educated in ordinary public elementary schools, but in many cases the Guardians have established schools of their own either in connexion with the workhouses or separately, and in some places "District Schools" have been set up for the education of the children from special School Districts formed by the combination of Unions. These Districts are formed and altered by order of the Local Government Board, with the consent of the majority of the Guardians

Pauper
children.

in each Union or parish. The expenses of the schools are charged on the constituent Unions and parishes in proportion to their rateable values.* During the year 1900-1 there were nine of these school districts in existence in England and Wales (four of which were composed of Metropolitan Unions or parishes). Details as to the grant paid for Poor Law School Teachers will be found below (p. 11).

Number of Paupers.

It may be useful to note briefly the varying proportion of paupers to population. There has been a general tendency to a diminution in that proportion in recent years, though in the last decade the actual number of paupers increased slightly.

The mean number of paupers on the 1st July 1900 and 1st January 1901 was 781,298, or 24·3 per 1,000 of the estimated population, and of this proportion 6·6 per 1,000 were in-door paupers and 17·7 per 1,000 out-door (including lunatics in County and Borough Asylums, Registered Hospitals and Licensed Houses). In 1873, the first year for which exact figures can be given, the corresponding figures were 38·3, 6·3 and 32·0, but this high proportion of paupers to population gradually diminished, until in the eighties it varied from 31·8 to 28·3 per 1,000, and in the last decade from 27·3 to 25·6 per 1,000.

The ratio of in-door paupers to population was 6·3 per 1,000 in 1873, varied from 7·2 to 6·8 per 1,000 in the eighties, and from 7·0 and 6·4 per 1,000 since 1890. The proportion of out-door paupers, which was 32·0 per 1,000 in 1873, declined to between 24·7 and 21·5 per 1,000 in the eighties, and ranged from 20·7 to 19·2 per 1,000 in the nineties. There has also been a decline in the proportion to population of able-bodied paupers relieved. In the present decade the proportion has ranged between 3·1 and 3·5 per 1,000, whereas it was between 3·5 and 4·6 per 1,000 in the eighties, and 5·4 per 1,000 in 1873.

In the Metropolis, where the mean number of paupers of all classes in 1900-1 was 119,290, or 26·0 per 1,000 (rather higher than in England and Wales generally) of the estimated population, the proportion during the last 20 years has not materially altered, although it has fluctuated from 24·6 to 27·1 per 1,000. There is observable, however, a decided increase in the proportion of in-door paupers coupled with a corresponding diminution in the proportion of out-door paupers, the ratio to population being now 14·2 per 1,000 in the former class, and 11·7 in the latter.

In the different divisions of England and Wales the ratio of paupers of all classes to estimated population on 1st January 1901 was:—

	Ratio per 1,000.
South Western	- 35·5
Eastern	- 31·2
Welsh	- 29·8
London	- 26·9
North Midland	- 26·9
West Midland	- 26·8
South Midland	- 25·4
South Eastern	- 24·7
Northern	- 20·0
York	- 19·6
North Western	- 19·0
 Total	 - 25·0

London Poor Relief.

Special mention must be made of the Metropolitan Poor Act of 1867.† The administration of the Poor Laws in many of the large Metropolitan parishes had previously been governed by Local Acts, but by sections 73 and 74 of this Act the election of Boards of Guardians was in future to be in accordance with the general Poor Laws, and the Guardians were to have the same powers and authorities, and to be subject to the same orders, regulations, and restrictions as Boards of Guardians elected under the Poor Law Acts.

* "Local Government and Taxation in England and Wales," by R. S. Wright and Henry Hobhouse. 2nd Edition, pp. 84 and 85.
† 30 & 31 Vict. c. 6.

The Metropolitan Asylums Board.
The Metropolitan Asylums Board.

The Metropolitan Asylums Board was brought into existence under this Act.* Section 6 gave power to the Poor Law Board (now the Local Government Board) to form districts in the Union County of London for the provision of asylums for the reception and relief of the sick, insane, or infirm, or other class or classes of the poor, and shortly after the passing of the Act the Board issued an order forming the whole of the Union County into one district, to be known as the Metropolitan Asylum District, for the provision of hospitals and asylums for fever and small-pox patients and for the insane. A Board of Management was appointed which now consists of 55 members elected by the Guardians, and 18 members nominated by the Local Government Board. Besides hospitals and hospital ships, the Asylums Board maintain asylums for such imbeciles of the harmless class as would not, in all probability, derive any curative benefit from treatment in fully equipped lunatic asylums.

Under power conferred by the Metropolitan Poor Amendment Act, 1869,† the Board may, with the consent of the Local Government Board, provide and maintain ships for the training of boys for sea service. By later Acts‡ the Board are empowered to provide and maintain ambulances and vessels for the conveyance of persons suffering from any dangerous infectious disease. Under the Poor Law Act, 1889, the Board were authorised to receive diphtheria patients into their hospitals, and also to admit non-pauper patients suffering from fever, small-pox, or diphtheria. And lastly, with a view to giving effect to certain of the recommendations of the Departmental Committee on Poor Law Schools in the Metropolis which reported in 1896, the Local Government Board by an order of 1897 transferred to the Asylums Board the care of certain classes of Poor Law children requiring special treatment, such as those suffering from ophthalmia, or those who are intellectually or physically defective. The average daily number of inmates of the Board's hospitals in 1900 was 10,564, of which 3,969 were infectious sick, 5,883 were imbeciles, 544 were boys on the training ship, and the rest were children.

The expenses incurred by the Asylums Board in providing asylums, fixtures, furniture, medicines, and other necessaries for the up-keep of the asylums, and the salaries and maintenance of the officers are charged to the respective Unions and Parishes according to rateable value. The expenses incurred in or about the food, clothing, maintenance, care, treatment, and relief, or for the burials of pauper inmates are separately charged to the respective unions and Parishes from which they are sent,§ but through the operation of the Metropolitan Common Poor Fund, which is referred to below, the whole of the expenses of the Board are ultimately contributed by the Unions and Parishes in proportion to rateable value. By the Act of 1889|| which authorised the Board to receive certain classes of non-pauper patients, the expenses of their maintenance were recoverable from such patients or the persons liable to maintain them, but this provision was withdrawn in 1891.¶**

The expenditure of the Board in 1892-3 was 583,316*l.* (of which 80,420*l.* was for interest and repayment of loans), and for the year ending 29th September 1900, 832,466*l.*

The latter sum was expended as follows:—

	£
Imbeciles -	165,209
Training Ship -	19,449
Fever and Small-Pox Hospitals -	376,662
Ambulances -	31,241
Children -	8,553
General Expenses (including Loan Charges 197,146 <i>l.</i>)	231,352
 Total -	 832,466

This sum is equivalent to a rate of 5·3*d.* in the £ if calculated upon the rateable value of London on 6th April 1899.

* 30 & 31 Vict. c. 6.

† 32 & 33 Vict. c. 63. s. 11.

‡ 42 & 43 Vict. c. 54. s. 16; 52 & 53 Vict. c. 56. s. 3; 54 & 55 Vict. c. 76. ss. 79 and 80.

§ 30 & 31 Vict. c. 6. ss. 31, 32, 55.

|| 52 & 53 Vict. c. 56. s. 3. (2).

¶ 54 & 55 Vict. c. 76. ss. 80 (2), 142.

** The provision of hospitals for infectious disease in the rest of the country is, for the most part, a charge upon the rates raised by the Sanitary Authorities, who have a power of recovering, if possible, from non-pauper patients the expense of their maintenance.

The Metropolitan Common Poor Fund.

A further creation of the Metropolitan Poor Act of 1867* was the Metropolitan Common Poor Fund, the object of which was, by distributing a great part of the cost of in-door pauperism rateably over the whole of the Union County of London, not only to equalise, to some extent, the Metropolitan Poor Rates, but also to encourage the adoption of in-door relief. The Fund is supported by contributions from all the Metropolitan Unions in proportion to rateable value, and the items of the expenditure of Poor Law Authorities which are charged upon it, together with the amounts so charged in 1899-1900, are as follows:—

Paupers:—	£
Maintenance of in-door paupers -	299,878
,, „ pauper children -	185,573
„ „ insane poor -	319,943
School fees for out-door pauper children -	—
Vagrants.— Expenses under the Houseless Poor Acts -	26,813
Medical relief:—	832,207
Medicines and medical and surgical appliances -	20,008
Paid officers:—	
Salaries -	315,512
Rations -	104,046
Compensation for loss of office -	1,123
	420,681
Total for purposes immediately connected with the relief of the poor -	1,272,896
Registration fees -	11,020
Vaccination fees and expenses -	30,153
Maintenance of small-pox, fever, and diphtheria patients -	62,165
Ambulance expenses -	23,807
Total -	1,400,041 †

The expenditure of the Poor Law Authorities which is thrown equally over the Metropolitan Unions by the operation of the Common Poor Fund is equivalent to a rate of 9d. in the £, if calculated upon the rateable value in force on 6th April 1899.

For the year ended at Lady Day, 1869, the first parochial year after the passing of the Metropolitan Poor Act, the amount charged on the Fund was only 384,883l.

The fund is controlled by the Local Government Board, and all moneys are received by and paid to a Receiver appointed by the Board. The amounts actually expended by each Union or Parish in respect of expenses payable out of the fund are certified to the Local Government Board by the auditors, and the Act instructs the Board to issue precepts to the Guardians directing them to pay to the Receiver the amount of their contribution, and also to the Receiver directing him to repay to the Guardians the amount certified by the auditors. In practice, however, the net amounts only are dealt with, the payments by the Guardians or the Receiver, as the case may be, consisting of the difference between the amounts payable and receivable by each Board of Guardians.

* 30 & 31 Vict. c. 6.

† Certain items mentioned in the above Table were not cast upon the fund by the Act of 1867, but are now payable from it as a result of subsequent legislation, amongst the additions having been the cost of the maintenance of adult paupers in workhouses and sick asylums to the extent of 5d. per head per day, and the cost of the rations of in-door officers, in 1870; the school fees paid by Guardians for out-door pauper children in 1873 (this charge practically disappeared in 1891); and the expenses incurred by the managers for the maintenance of non-pauper patients suffering from fever or small-pox or diphtheria in 1889.

In addition to the expenses shown above, other payments, which are unconnected with the Guardians' expenditure, are also charged upon the fund. These are payments in respect of the salary of the Receiver for the fund (inclusive of payments for assistance), the expenses of the Quarter Sessions for the County of London under the Valuation (Metropolis) Act, 1869, and the remuneration and expenses of the clerk and other officers appointed to assist the Quarter Sessions; the fees received by the Quarter Sessions under that Act being paid into the fund. The expenses of the clerk to the London County Council under the same Act are also payable out of the fund, as well as the remuneration of clerks to Assessment Committees in the Metropolis for services rendered under section 4 of the London (Poor Law Valuation) Scheme, 1900, which was made in pursuance of the London Government Act, 1899. See Report of Local Government Board for 1900-1901, p. lxxxv., *et seq.*

The amount paid by the richer Unions and to the poorer Unions in respect of the year 1899-1900 was about 322,000*l.*

The net amounts contributed or received by each Union or Parish in the Metropolis during the year 1897-8 will be found on p. 99.

Exchequer Contributions.

The first contribution from the Central Government in aid of Poor Relief expenditure was made in 1846, grants being then voted in aid of the Salaries of Teachers and industrial trainers in Poor Law establishments, of the salaries of Poor Law Medical Officers, and of the costs incurred by Guardians for drugs and medical appliances.

The object of the grant-in-aid of Teachers' salaries was to increase the efficiency of the instruction of children in Poor Law establishments, and the distribution was based from year to year upon the number of children under instruction and the class of certificate awarded to the teachers by the Poor Law Commissioners (and later by the Poor Law Board and Local Government Board) on the recommendation of their inspector. The Poor Law Medical Officers' grant was also given with a view to improving the general efficiency of this class of officers, the grant acting as an inducement to the Guardians to pay higher salaries. One-half of the salaries of the officers during the preceding year was repaid from the grant, and also a moiety of the expenditure incurred for drugs and medical appliances for pauper patients.

In 1874 an additional grant was given towards the cost of Pauper Lunatics maintained in County, Borough, and private (licensed) asylums, and registered hospitals, the amount payable to each Authority being calculated at the rate of 4*s.* a week for each lunatic if the weekly cost of maintenance, after deducting sums recovered from relatives or otherwise, was not less than that sum.

Upon the re-organisation of the system of Imperial Grants in 1888,* the direct payment of these grants by the State ceased. But the newly created County Councils and County Borough Councils were required to pay to the Guardians from the revenues assigned to them the amount of the discontinued grants,† as well as some additional sums. The grants for Teachers in Poor Law schools and pauper Lunatics continued to be calculated as before. The additional grants which the Councils were directed to pay to the Guardians were in respect of the school fees for pauper children (now an insignificant amount) and the Union Officers' Grant. The latter consists of such sums as the Local Government Board certify to have been expended by the Guardians during the year ended 25th March 1888, on the salaries, remuneration, and superannuation allowances of the officers (other than teachers in Poor Law schools), and on drugs and medical appliances, and the grant previously made for the salaries of Poor Law Medical Officers and for drugs, &c. is merged in it. This grant, which is the largest now made to Guardians, is stationary in amount.

Inasmuch as the salaries of officers were already charged upon the Metropolitan London Common Poor Fund, special arrangements were required in London, and whilst the County Council was directed to pay the discontinued grant towards the remuneration of Poor Law Medical Officers and towards the cost of drugs and medical appliances, the grant was not extended as it was in the rest of the country. In lieu thereof, the Council was required to pay to each Metropolitan Board of Guardians a fixed sum, equal to 4*d.* a day per head for every in-door pauper, reckoned according to the average number maintained during the five financial years ending 25th March 1888. "In-door paupers" in this connexion include pauper children, whether maintained in district or separate schools or boarded out within or without the Union, and the inmates of the Metropolitan Asylums Board's Hospitals and Asylums. This last sum is not, however, required to be paid out of the Exchequer Contribution Account of the London County Council, but is charged upon the General County Fund, the free balance of the Exchequer Contribution Account being insufficient for the purpose.

Poor Law
School
Teachers.

Re-organisa-
tion of 1888.
Union
Officers
Grant.

* Local Government Act, 1888, 51 & 52 Vict. c. 41.

† One of the discontinued grants payable to Boards of Guardians was that in aid of the salaries of Registrars of Births and Deaths, towards which expenditure State aid was first given in 1875. Since 1867 a grant had also been given by the State to Public Vaccinators appointed by Guardians, the payment being at a rate not exceeding 1*s.* for each successful operation. The latter amounts were not paid to the Boards of Guardians, but direct to the Public Vaccinators. The Councils of Counties and County Boroughs were required to continue both of these grants and to charge the sums upon their Exchequer Contribution Accounts.

Grants which in effect go in aid of poor relief expenditure, though not specifically appropriated thereto, are also made under the Agricultural Rates Act, 1896,* and the Tithe Rentcharge (Rates) Act, 1899.†

A short financial review of the work of Poor Law Authorities will be found on pp. 44 to 46, from which it will be seen that the expenditure on Poor Relief is increasing rapidly, and in 1899-1900 amounted to 11,568,000*l.* Dividing the total cost of Relief given in each of the last 30 years by the estimated population it appears that the amount per head reached its lowest point in the period 1886 to 1889, since when there has been a considerable increase. The extent to which the gross expenditure upon Poor Relief is met from grants and other receipts in aid is shown in the Table on pp. 84-5.

**Proportion
of Grants to
Expenditure.**

Outside the Metropolis the amount received in aid of the relief of the poor from the Exchequer Contribution Accounts of County and County Borough Councils in 1899-1900 was 1,548,000*l.*, and from the Local Taxation Account under the Agricultural Rates Act* 427,000*l.* These sums are together equivalent to rather less than one-quarter of the total gross expenditure upon relief.

In the Metropolis the grants in aid of poor relief received under the Agricultural Rates Act* and from the London County Council's Exchequer Contribution Account amounted to 188,000*l.*, or only 5·2 per cent. of the gross expenditure. If, however, there were added to this sum the Indoor Pauper grant of 354,000*l.*, referred to above, the proportion would be increased to 15·0 per cent.

Central Control.

**Powers of
the Local
Government
Board in
regard to
Poor Law
Officers.**

The control of the Central Government over Poor Law Administration is more thorough and complete than over any other Department of Local Administration. Under the Act of 1834, the Local Government Board may require the Guardians to appoint such paid officers as it shall think necessary for administering the Poor Laws. Its powers of fixing and approving salaries, and of rejecting and dismissing many of the officers chosen by the Guardians, gives it a predominating voice in all the more important appointments.

**Regulation of adminis-
tration of
relief.**

The Local Government Board also has the power of issuing "orders" and "regulations." The administration of relief is regulated in great detail by orders of this character. In fact, it has been observed that the General Consolidated Order of 1847 is, in practice, almost more important than the Act of 1834 itself. Out-door relief is again regulated by two important orders (Out-door Relief Prohibitory Order of 1844 and Out-door Relief Regulation Order of 1852). A revised Order recently issued may also be referred to, viz., the one regulating the diet of workhouse inmates. The observance of these and other Orders is, in practice, secured by the appointment of inspectors responsible to, and paid by, the State, who periodically attend the meetings of the Guardians and visit the workhouses.

**'The Poor
Law Audit.**

A third means by which the State controls Poor Law Administration is to be found in the Financial Audit. Prior to 1834 the audit of accounts rested entirely with the Justices. But under the Act of 1834 the Poor Law Commissioners secured the appointment of certain officers as Auditors by the Unions. In 1844, the Commissioners were given power to combine several Unions for the appointment of an Auditor in common. In 1868 the power of appointment of Auditors was taken away from the Guardians altogether, and given to the Central Board. From 1879 the Auditors have been paid by the State, though the cost is largely recovered by means of fees. By gradual steps, therefore, the Central Government has got the audit of the accounts of Boards of Guardians into its own hands.

(b.) LUNATIC ASYLUMS.

**History of
Asylum
provision.**

Apart from charitable foundations, there was at the beginning of the nineteenth century no special public provision for the care of the insane, other than that provided for poor or delinquent persons generally. In 1744 the Justices had been empowered to lock up (and if necessary, chain up) dangerous lunatics. In 1808 they were authorised to erect asylums at the expense of the county rates, but the cost of the maintenance of each patient was charged to the parish to which he belonged. It was not until 1845 that the provision of asylums in every locality was made compulsory.

Under the Consolidating Lunacy Act, 1890,* the Councils of Counties, County Boroughs, and certain Non-County Boroughs (and also the City of London) are bound to provide asylum accommodation for the pauper lunatics belonging to their several areas. One Council may, however, unite with another to provide and maintain a joint "district" asylum, and a Borough Council, instead of providing an asylum of its own, may contract for the reception of its lunatics at another asylum. The Councils act through Statutory Visiting Committees; and these Committees have the entire management of the asylums, subject to inspection by the Lunacy Commission, and the control of the Home Secretary. But while the administrative responsibility is thus centred in the County and Borough Authorities, the expenditure is divided into two parts, which are treated differently :—

Lunacy Act,
1890.

- (1.) The provision and upkeep of the buildings.
- (2.) The maintenance of the patients.

Expenditure
upon asylum
buildings and
upon main-
tenance of
lunatics.

Of these the first only is a charge on County and Borough Funds, and the latter part, which includes charges for staff, victualling and practically all expenditure except that on buildings is recovered by means of a weekly charge from the Unions to which the pauper lunatics are chargeable. Accordingly the grant-in-aid of the maintenance of Pauper Lunatics (formerly paid from Parliamentary Votes, and now paid from the County Exchequer Contribution Accounts) goes, as above stated, to the Guardians in part recoupment of the charge upon them. There is, however, a relatively small number of lunatics who are not chargeable to any Union and the cost of their maintenance falls on County or Borough Funds, which also get the benefit of the grant in aid of the maintenance of these lunatics.

There is no Government contribution to the expenditure which falls on County and Borough Funds in respect of Asylum buildings (except in so far as a part of the "free balance" in the Exchequer Contribution Account, or of the grants under the Agricultural Rates Act may be so considered). This expenditure is, of course, defrayed in large part from loans, and thus appears in the annual accounts in the shape of debt charge.†

Central Control.

The duties of the Commissioners in Lunacy are confined to inspection, inquiry into all matters respecting the state of the Asylums, and treatment of the patients, criticism of all such matters, and suggestions and recommendations of additions, alteration, or improvement. They are not empowered to interfere, by way of direction, in the administration, nor have they any power to order the discharge of patients from the asylum. They may, however, report to the Secretary of State the failure of a Local Authority to satisfy the requirements of the Act as regards asylum accommodation, their report enabling him to call upon the Local Authority to comply with the Act. They are the advisers of the Secretary of State with regard to plans of, and various other subjects connected with, asylums.

Duties of
Commis-
sioners in
Lunacy.

The Secretary of State exercises general powers of control. The general rules for the government of an asylum, framed by the Visiting Committee, require his sanction. The appointments of the higher officers are subject to his approval. Agreements between different Local Authorities for the provision of a joint asylum and contracts for the reception of patients require his consent. He is able, on a report from the Lunacy Commissioners, to enforce the obligation of the Local Authority to provide sufficient accommodation.

General
control of
the Home
Office.

(c.) REGISTRATION OF BIRTHS, DEATHS, AND MARRIAGES.

The existing machinery for the registration of births, deaths, and marriages dates from 1836, when an Act‡ was passed empowering the Crown to establish a central office (the General Register Office) in London, and to appoint a Registrar-General. The registration of births and deaths was not, however, made compulsory until 1874.§

Registration
of births and
deaths made
compulsory
in 1874.

For each Registration District, which is usually co-extensive with a Poor Law Union, a Superintendent Registrar of Births and Deaths is appointed who is generally the Clerk to the Guardians. Registration Districts are divided into sub-districts, and a Registrar of Births and Deaths appointed for each sub-district.

Registration
Districts
usually con-
terminous
with a Poor
Law Union.

* 53 & 54 Vict. c. 5.

† For further details, see Memoranda by the Lunacy Commission, Vol. IV. of Evidence, Cd. 201, &c. pp. 188-7.

‡ 6 & 7 Will. IV. c. 86.

§ 37 & 38 Vict. c. 88.

Duties of Registrar of births and deaths.

Every Registrar of Births and Deaths is required to reside in, or have an office within, his sub-district, and to provide such other stations as may be necessary. He is to inform himself of all births and deaths (whether reported to him or not) occurring in his sub-district, and to register them in books provided by the Registrar-General. At the end of each quarter, he is to deliver to the Superintendent Registrar of the district certified copies of the entries in these books, and, when they are filled, the books themselves. Every Superintendent Registrar is provided by the Board of Guardians with an office for the preservation of the registers. Upon the receipt of the quarterly returns from the Registrars, he is required to verify them, and to certify them as true copies, and then to forward them to the Registrar-General. He is also to make and preserve indexes of the register books in his office.

Registration of marriages.

The Superintendent Registrar of Births and Deaths of any district is *ex officio* Superintendent Registrar of Marriages, and he may, subject to the approval of the Registrar-General, appoint such persons as he thinks fit to be Registrars of Marriages for his district, these appointments being generally given to Registrars of Births and Deaths. The Registrar-General determines the number of Registrars to be appointed, and may himself make and revoke the appointments.

Duties of Registrar of marriages.

Notice of every intended marriage, other than by Bishop's license or banns, has to be given to the Superintendent, who is required to record such notice and to issue certificates and licenses. Marriages celebrated in registered buildings, other than those for which "authorised persons" have been appointed under the Marriage Act of 1898,* must be attended by some Registrar of the district;† and if the marriage be celebrated in a register office, both the Superintendent Registrar and some Registrar of the district must be present. Registrars are required to register the necessary particulars of all marriages at which they are present, and, once a quarter, to deliver to the Superintendent certified copies of the entries made. The latter is to verify the particulars, to certify them as correct, and to forward the copies to the Registrar-General.

Registration of marriages by clergymen.

Marriages may be registered by clergymen and "authorised persons," who are required to provide the Superintendent Registrar of their district with duplicate copies of their registers once a quarter. These copies are also forwarded to the Registrar-General.

Public right of inspection of books.

The certified copies of all births, deaths, and marriages received by the Registrar-General are indexed, and upon the payment of certain fees any person may, at stated times, inspect the indexes, as well as those in the possession of the Superintendent Registrars, and the register books in the possession of the Registrars, and may demand a certified copy of any entry therein.

How the expenditure upon the Registration of births, deaths, and marriages is met.

The expenses of the Registrar-General's office are borne upon a Parliamentary Vote, as also are part of the remuneration and expenses of Superintendent Registrars and Registrars. The fees received by the Registrar-General for searches and certified copies are appropriated in aid of the Vote.

Superintendent Registrars (of whom there are 636) receive from the Vote 2d. for each entry—whether of births, deaths, or marriages—certified by them, and some small additional allowances. The payments are supplemented by fees received from the public for various special services: Superintendent Registrars receive no payment from the guardians.

Registrars of Births and Deaths† receive from the Guardians the sum of 2s. 6d. for each of the first 20 entries (whether of births or deaths) made in every quarter, and 1s. for each subsequent entry, and from the Vote, fees for collecting certified copies of marriage entries from the clergy and from "authorised persons." They also receive fees from the public for various special services.

Registrars of Marriages receive fees from the public but nothing from the Guardians.§ Clergymen are entitled to receive from the Guardians the sum of 6d. for every marriage registered by them.

Before 1874 Guardians were only required to make the higher payment of 2s. 6d. per entry to Registrars of Births and Deaths upon the first 20 entries of each year, but

* 61 & 62 Vict. c. 58.

† If requested by the contracting parties, some Registrar of the District must also be present at marriages celebrated in registered buildings, for which "authorised persons" have been appointed.

‡ These officers are also entitled to fees for various duties under the Acts relating to Vaccination, Friendly Societies, Elementary Education, Factory and Workshop, &c.

§ 61 & 62 Vict. c. 58. The fees payable to Registrars under the Marriage Act of 1898 will cease in 1908.

from that year Registrars were, as already stated, allowed to claim the higher payment on the first 20 entries of each quarter. To compensate the Guardians, a grant equal to the increase in their payments due to the change was made from the Exchequer. Under the Local Government Act of 1888* the grant ceased, but the County and County Borough Councils were required to pay annually from their Exchequer Contribution Accounts to each Board of Guardians a fixed annual sum equivalent to the grants made from the Exchequer in 1888-9.

The expenses of Guardians upon the provision and upkeep of register offices, the provision of fireproof repositories, &c. for the safe custody of the registers, and all other registration expenses are also charged upon the common fund of the Union.

(d.) VACCINATION.

Facilities for vaccination were first provided gratuitously at the expense of the Poor Rate in 1840,† and it was made compulsory in 1853.‡ All earlier legislation was, however, consolidated and amended by an Act of 1867,§ under which the Guardians were required to form Vaccination Districts in every Union, to appoint an approved medical practitioner as Public Vaccinator for each District, and to provide Vaccination Stations. The Public Vaccinator was to be remunerated by the Guardians, in accordance with a contract, which required the approval of the Poor Law Board. In addition to sums received from the Guardians, the Public Vaccinator, after due inspection and award by the Medical Department of Privy Council, was to receive not more than 1s. for each successful vaccination—this sum being provided from the Parliamentary Votes.

Vaccination
Act of 1867.
Formation of
Vaccination
Districts,
and appoint-
ment and
remuneration
of Public
Vaccinators.

The Guardians were empowered to pay the cost of enforcing the Act; and this provision was strengthened by the Act of 1871,|| which made obligatory the appointment in every Union of special "Vaccination Officers" who are paid by fees. In the same year the Local Government Board was created, and to it the powers of supervision which had been divided between the old Poor Law Board and the Privy Council were transferred.¶

Appointment
of Vaccina-
tion Officers
made com-
pulsory in
1871.

In 1888 the payments to Public Vaccinators from the Parliamentary Votes ceased, but, under section 24 (2) (a) of the Local Government Act, each County and County Borough Council pays from its Exchequer Contribution Account to the Public Vaccinators the sums certified by the Local Government Board to be due in substitution for the said payments.**

Grant in aid
of expenses
of Public
Vaccinators.

The Act of 1898†† made several important modifications in the law, notably in providing for the vaccination of children at their own homes instead of at a station.

The Vaccina-
tion Act of
1898.

The National Vaccine Establishment is provided for in the Parliamentary Votes, and its operations have been greatly extended in recent years. Glycerinated calf lymph is supplied free of charge to Public Vaccinators for use in their Public Vaccination only.

Cost of
Public
Vaccination.

Apart from this the cost of Vaccination since 1895-96 has been as follows:—

Year.	Vaccination Fees and Expenses paid by Guardians.	Payments to Public Vaccinators from County and County Borough Exchequer Contribution Accounts.
1895-6	£ 78,408	£ 14,986
1896-7	84,150	13,669
1897-8	76,676	10,689
1898-9	72,665	13,181
1899-1900	237,527	7,369††
1900-1901	—	17,652††

The large increase in the Guardians' expenses in 1899-1900 appears to be chiefly due to the higher contract rates necessitated by the more onerous conditions attaching to Public Vaccination under the Act and Order of 1898.

* 51 & 52 Vict. c. 41.

† 3 & 4 Vict. c. 29.

‡ 16 & 17 Vict. c. 100.

§ 30 & 31 Vict. c. 84.

|| 34 & 35 Vict. c. 98.

¶ 34 & 35 Vict. c. 70.

** These payments are not made annually, but from time to time, after inspection in each Union by the officers of the Local Government Board.

†† 61 & 62 Vict. c. 49.

†† Payments amounting to upwards of 3,000L., due in respect of 1899-1900, were not paid until the following year.

2.—POLICE AND CRIMINAL PROSECUTIONS.

Early police legislation.

The modern police organisation dates in the Metropolis from 1829,* and in the Provinces from between 1833 and 1856.† Before these dates no efficient system of police existed, though under various ancient statutes constables and watchmen were appointed.

The Lighting and Watching Act of 1833‡ if adopted by any Parish provided for the election of inspectors, who should from time to time appoint watchmen, &c. as required. The expenses of carrying out this provision were to be met by a special rate.

(a.) COUNTY AND BOROUGH POLICE.

County and borough police : Treasury contributions and Home Office control.

In 1839 provision was made for the establishment of a County police.§ The Acts were at first of an optional character, but in 1856 the Counties and Boroughs Police Act|| provided for the compulsory establishment of a force in all Counties, and for the consolidation of divisional into county establishments. This Act also provided that the Treasury should contribute to the expenses of each County and Borough police force a sum not exceeding one-fourth of the charge for pay and clothing upon a certificate from the Secretary of State that it had been efficiently maintained in numbers and discipline for the year past. This system of grants in aid, accompanied, as it was, with some measure of central control, led to the establishment for the first time of an efficient provincial police. With a view, however, of consolidating, as far as possible, the County and Borough forces, the Treasury contribution was not to be paid in the case of any Borough with not more than 5,000 inhabitants. The policy of bringing the smaller Boroughs into the County for police purposes has been continued by Parliament in subsequent legislation,¶ with the result that 59 of the Boroughs with populations varying from 10,000 to 65,000 are now policed by County forces.

In 1874 the Treasury contribution to the net cost of the pay and clothing of the County and Borough forces was increased from one-fourth to one-half,** and continued at that rate for the subsequent years in which the grant was annually voted by Parliament. In 1888 the contribution from the Exchequer ceased, but a like sum became payable by the County and County Borough Councils out of their Exchequer Contribution Accounts.††

The Act of 1888 also transferred the management of the County police from the justices to a Joint Committee, consisting of an equal number of justices appointed by the Quarter Sessions and of members of the County Council appointed by the Council.††

As regards Boroughs not policed by the Counties, the Municipal Corporations Act of 1882 §§ requires the appointment of a Watch Committee, who shall from "time to time appoint a sufficient number of fit men to be borough constables." The part of the expenses of the force falling upon the local rates is met in some Boroughs by a Watch Rate limited to 8d. in the £, and in others out of the Borough funds or rates.

The control of the Home Secretary is not exercised in such great detail in the case of the Boroughs as in that of the County forces. In both cases, however, his certificate is necessary before the contribution from the Exchequer Contribution Account towards the pay and clothing of the force can be made.

Police pensions.

The arrangements for the payment of pensions and gratuities to the police on retirement were revised by an Act passed in 1890.||| To meet the charge under this head, separate Police Pension Funds have been created.

* 10 Geo. IV. c. 44.

† 3 & 4 Will. IV. c. 90; 2 & 3 Vict. c. 93; 19 & 20 Vict. c. 69.

‡ 3 & 4 Will. IV. c. 90. s. 29.

§ 2 & 3 Vict. c. 93.

|| 19 & 20 Vict. c. 69.

¶ 51 & 52 Vict. c. 41. s. 39.

** 37 & 38 Vict. c. 58.

†† 51 & 52 Vict. c. 41. s. 24 (2) (i and j).

†† 51 & 52 Vict. c. 41. ss. 9, 30.

§§ 45 & 46 Vict. c. 50.

||| 53 & 54 Vict. c. 45.

Into these funds are paid—

- (1.) Deductions of not more than $2\frac{1}{2}$ per cent. from the pay of the police ;
- (2.) Certain fines and other sums; and
- (3.) The sum of 150,000*l.* annually from the Local Taxation Account.*

Any deficiency in the funds falls on the general revenues of the Police Authority.

In 1900 there were in England and Wales, excluding the Metropolis and the City of London, 58 County and 127 City and Borough police forces. The strength of these forces amounted to 27,123 men.

The gross cost of the County and Borough Police (including the deficiency of the Pension Funds) amounted to 2,802,000*l.* in 1899–1900, towards meeting which there are certain local receipts for special services of constables and the like. The payments from the Exchequer Contribution Accounts of County and County Borough Councils in respect of the Pay and Clothing and from the Local Taxation Account for Police Pensions were 1,270,000*l.* in the same year. But this sum does not show the full extent to which the service is aided from funds derived from Imperial sources, as some part of the free balances in the Exchequer Contribution Accounts and of the contributions under the Agricultural Rates Act† may also be regarded as assisting this service.

The only debt incurred is a relatively small sum for police stations, &c.

(b.) METROPOLITAN POLICE.

The Metropolitan Police Force was established in 1829‡ and the expenses were principally paid out of rates. A grant in aid was made from the year 1833§ out of the Consolidated Fund. In 1839|| further legislation extended the jurisdiction of the Metropolitan Force, and provided for an additional contribution out of the Consolidated Fund. Alterations were made in the amount or form of these contributions in 1854, 1857, 1868, and 1874.¶ Referring to the period 1875 to 1888, Sir H. Fowler's Report in 1893** states, "In 1875–76 the grant in aid was for one-half the net cost of the pay and clothing of the police and one-fourth of all other net charges. . . . For 1878–79 and subsequent years the grant was equal to 4*d.* in the £ on the rateable value of the police district, or four-ninths of the cost of the force."

In 1888, when the Local Government Act†† came into operation, these grants ceased to be voted by Parliament. But out of the Local Taxation moneys allocated to the Councils of the Counties within the Metropolitan District, the Local Government Board pay to the Receiver for the Metropolitan Police District a sum equal to that which "a Secretary of State certifies to be the proportion which would have been contributed out of the Exchequer under the arrangement in force during the financial year next before the passing of this Act."

By an Act of 1868‡‡ the expenditure on Police in the Metropolitan District is limited to the amount produced by a ninepenny rate on the area of that district. This limit can be exceeded only for the purpose of providing for any deficiency in the pension fund. §§ The Statutory limit has, in fact, never been exceeded. The Government grant being, as above stated, the equivalent of a rate of 4*d.* in the £, the actual rate raised amounts to 5*d.* in the £ in each year, which in London is levied as part of the General Rate under the London Government Act, 1899, and in the portion of the District which is outside London, as part of the Poor Rate.

The Metropolitan Police District includes the whole of the Counties of London and Middlesex, 39 parishes in Surrey, 19 parishes in Kent, 15 parishes in Essex, and 16 parishes or parts of parishes in Hertfordshire. The control of the Metropolitan Police is vested in a Commissioner acting under the immediate direction of the Home Secretary. The salaries of the Commissioner, Assistant Commissioners, and Receiver are paid out of a special Parliamentary Vote.

* Local Taxation (Customs and Excise) Act, 1890, 53 & 54 Vict. c. 60. As to the method upon which this sum is distributed see p. 7 of Final Report.

† 59 & 60 Vict. c. 16. † 10 Geo. IV. c. 44. § 3 & 4 Will. IV. c. 89. || 2 & 3 Vict. c. 47.

¶ 17 & 18 Vict. c. 94; 20 & 21 Vict. c. 64; 31 & 32 Vict. c. 67; 37 & 38 Vict. c. 58.

** House of Commons Paper, No. 168 of 1893, p. 80. †† 51 & 52 Vict. c. 41. s. 24 (2) k.

‡‡ 31 & 32 Vict. c. 67.

§§ Police Act, 1890, 53 & 54 Vict. c. 45.

Cost of force. In 1900-1 the gross cost of the Metropolitan Police (including the deficiency of the Pension Fund) was 1,898,000*l.*, of which 875,000*l.*, or 46·1 per cent., was defrayed from moneys derived from Imperial sources. The latter sum was made up as follows:—

	£
Amount received under Local Government Act, 1888	720,575
Amount received for Police Pensions	150,000
Amount received under Agricultural Rates Act, 1896	4,390
	<hr/>
	874,965

All of these sums were paid direct from the Local Taxation Account to the Receiver for the Metropolitan Police, but the first-named sum (720,575*l.*) is deducted from the amounts that would otherwise be payable from that Account to the Councils of the Counties included in the Police District.

In accordance with a general tendency which causes the cost of police to rise with the density of population, the cost of the Metropolitan Police, whether measured per inhabitant or per £ of rateable value, is considerably in excess of the average cost of the provincial police.

(c.) THE CITY OF LONDON POLICE.

Cost of City police.

The City of London, which stands outside the general scheme of municipal government, has a separate police force.* One-fourth of the cost of this force is paid out of the City funds other than rates, and the remainder is raised by rates. The City accepts no contribution from the Imperial Government, and therefore its force is not inspected by the Home Office.

The total cost of the City Police Force in the year ended 31st December 1900 was 149,311*l.*, towards which 33,918*l.* was contributed out of City funds other than rates.

(d.) CRIMINAL PROSECUTIONS.

**Cost of criminal prosecutions:
Treasury contribu.
tions.**

The cost of criminal prosecutions was first thrown as a charge on local rates in 1752, when an Act of Parliament† empowered the Court in cases of conviction for felony to require the County Treasurer to pay to the prosecutor such sums as it thought reasonable as compensation for the expenses of carrying on the prosecution. Later Acts extended this provision to other misdemeanours, and also enabled the expenses of witnesses to be paid by the county. In 1835 half of the expense, and from 1846 to 1888 the whole expense, of criminal prosecutions was paid by sums voted by Parliament.

The grant ceased on the passing of the Local Government Act of 1888,‡ and the costs of criminal prosecutions are now paid out of the County and Borough funds.

During the last 10 years in which Parliament voted the costs of criminal prosecutions the grant varied from about 135,000*l.* to 155,000*l.* per annum.

A part of the cost of the conveyance and maintenance of prisoners is repaid to the Local Authorities from a Parliamentary Vote. The sum so paid amounted to about 25,000*l.* in 1898-9.

The expenditure in the year 1898-9 for criminal prosecutions and the conveyance and maintenance of prisoners by the under-mentioned Authorities was as follows:—

	£
London County Council	20,227
Other County Councils	91,524
Town Councils	75,955
City of London	408
	<hr/>
	£188,114

3.—EDUCATION.

(a.) ELEMENTARY EDUCATION.

Measures for the spread of elementary education had been taken by voluntary religious and philanthropic associations long before the duty was recognised by the State; and the State had contributed to the cost of the schools thus established some time before education became a charge on local public funds.

It is, indeed, worth notice that in 1807 the House of Commons passed a Bill which would have enabled vestries to establish parochial schools, and to draw on the rates for this purpose. And in 1820 a similar proposal was made by Lord Brougham. But these proposals proved abortive, and the first step towards a system of national education was the voting of a grant from central funds in 1832, and each of the following years.

These first votes took the form of building grants to assist voluntary agencies in starting new schools; the cessation of such grants was provided for by the Act of 1870, but they did not actually come to an end till 1882. Grants in respect of teachers and pupil teachers were instituted in 1846. In 1861 Mr. Lowe's Revised Code introduced the system of "payment by results," viz., grants at so much for each child who (besides fulfilling other conditions) could pass an examination of a prescribed standard. This system, however, was greatly modified by the Codes of 1882 and 1890, and recent years have seen the establishment of a scheme whereby the grant depends almost entirely on average attendance, apart from examination, subject only to the general approval of the Government Inspector and the Board of Education.

With regard to local taxation, it may be noted that among the large proposals made by the Commission of 1858, and not carried into effect, was one for throwing part of the charge for education on the county rate (or the borough rate in the case of the larger boroughs).

Similar proposals were included in several unsuccessful Bills, but, in fact, the connexion of education with local taxation dates from the Act of 1870 only.* Even to-day school rates are confined to a portion only of England and Wales, a portion which includes, indeed, nearly all the large towns, but comparatively few of the rural parishes.†

School boards and voluntary schools.

The peculiar position of education in this respect makes it difficult to treat it quite on the same lines as services like Poor Relief and Police, which impose a burden on every ratepayer in the country. In one feature, it is true, the administration throughout the country may be said to be uniform, inasmuch as in every district there exists an Authority to secure the regular attendance of children at school, but the operations of school attendance Authorities do not, of course, involve any considerable expenditure.

The School districts under the Act of 1870,* for the purpose of local taxation are—

Provisions of
of Education
Act, 1870.

(1.) Boroughs;
and outside boroughs—

(2.) Parishes:

The Administrative County of London forms an area by itself. The Board of Education can unite districts, and make one district contribute to another.

Where in any such district the requisite school accommodation was not provided, a School Board was to be formed with the power and duty of supplying such accommodation, i.e., to provide, improve, enlarge, and fit up school houses, and to supply school apparatus and everything necessary for the efficiency of such schools.†

All expenses of a School Board are to be paid out of the school fund, and all the receipts are to be carried thereto. Any deficiency in the fund is met out of the local rate, i.e., the Borough Rate in Boroughs, and the Poor Rate in Parishes outside Boroughs, for which purpose the School Board sends a precept to the Borough Council or the Overseers as the case may be. In London the charge falls on the General Rate.

* 38 & 34 Vict. c. 75.

† Besides London, on 1st January 1900, 193 boroughs had school boards, and outside boroughs there were 2,333 school boards having jurisdiction over 3,377 parishes. More than two-thirds of the population of England and Wales is under school boards, but, nevertheless, the number of children attending voluntary schools is considerably greater than the number attending board schools because there are many voluntary schools in districts under school boards.

‡ 38 & 34 Vict. c. 75. ss. 10, 19.

With the consent of the Board of Education, a School Board may borrow money on the security of the school fund and local rate for the purpose—

- (a.) Of providing or enlarging a school house.
- (b.) Of paying off debt charged on a school house or land.
- (c.) Of works for improving or fitting up a school house, when the Board of Education consider that the cost, in consequence of the permanent character of the works, should be spread over a term of years.
- (d.) Of providing offices.

Loans must be repaid in not more than 50 years.

The accounts are audited by the district auditor, under the Local Government Board.

Growth of expenditure on education.

That the growth of our system of elementary education since 1870 has been steady and rapid is a fact of which no one is more conscious than the ratepayer. The drafts on the Central Exchequer have, it is true, increased even more than the School Board rates. And what is perhaps the most important financial innovation since 1870—the nearly universal abolition of school fees, with the consequent introduction of the Fee Grant in 1891*—was one which affected taxpayers, and not ratepayers as such. But the normal development of the system has resulted in an increase of expenditure which has gone far beyond the most extreme anticipations of its authors. The gradual strengthening of the law, and tightening of administration has very greatly increased the number of school children in attendance, the standard of accommodation has been raised, the remuneration of teachers improved, and the curriculum greatly extended. The work of elementary education proper has been carried further by the provision of science and art classes and evening continuation schools. Special arrangements have also been made for the education of blind and deaf children,† and epileptic and defective children,‡ arrangements which not only involve extra expense for teachers and apparatus, but in some cases make it necessary for the School Authorities to undertake the entire care and maintenance of the children.

Extension of Government grants.

The expenditure resulting from these causes has been partly met (as above indicated) by an enormous increase in the grants voted by Parliament. The Act of 1870 provided that the Government grant should not exceed the income of the school from other sources.§ But the principle was abandoned in 1876 by the enactment that this limitation should not apply so long as the grant did not exceed 17s. 6d. per child||; and this last restriction was abolished by the Act of 1897.¶ The “Necessitous School Board” grants, given originally under section 97 of the Act of 1870§ were greatly enlarged by the Act of 1897.¶ The State has also recently assumed a liability which will in the course of time be a heavy one in respect of the Teachers’ Pensions.**

Increase of school rates.

But, in spite of this extension of Treasury Grants, the burden borne by the ratepayers has also been continually growing heavier. The amount raised by rates has been nearly doubled in each of the two last decades. And though this does not imply a similar increase of the rates in the £ (because the value of rateable property has increased, and because new districts have come under the jurisdiction of School Boards), yet in most districts the rate in the £ has grown steadily. It has, however, grown much more rapidly in some places than in others, the burden being most noticeable on the one hand, in urban industrial districts, and especially in mining districts, and on the other hand in small rural parishes.

Proportion between Government grants and rates.

A feature of some interest is the relation between Government grants and rates. Taking elementary education as a whole, the Government pays rather more than half the cost, so far as it can be ascertained. Taking School Boards only, Government pays about three-eighths of the cost. But in particular cases the variations are very great. In some Rural parishes which have been fortunate and economical, the Government pays three-fourths, in London the Government pays less than a third. But it must be remembered that the Boards in London and other great Cities have adopted a standard which might be considered to go beyond the minimum requirements of elementary education.

* 54 & 55 Vict. c. 56.

† 56 & 57 Vict. c. 42.

‡ 62 & 63 Vict. c. 32.

§ 33 & 34 Vict. c. 75. s. 97.

|| 39 & 40 Vict. c. 79. s. 19.

¶ 60 Vict. c. 5. Cf. p. 76 of Final Report (Cd. 638).

** 61 & 62 Vict. cap. 57.

The following figures show the enormous growth of the financial operations in connexion with Elementary Education since 1871. The years 1891 and 1893 are given with a view to showing the effect of the abolition of school fees.

Receipts of School Boards and Voluntary Managers, and Expenditure by State.	1871.	1891.	1893.	1898.
<i>Receipts of School Boards and Voluntary Managers:</i>				
From rates	• £ 71,184	£ 3,331,473	£ 3,619,167	£ 4,782,828*
From Voluntary Subscriptions and Income from Endowments (for Maintenance of Elementary Schools and Training Colleges).	509,262	962,113	990,012	931,394
From Fees of Scholars in Elementary Schools and Students in Training Colleges.	546,421	2,000,676	393,261	301,448
Total Receipts from sources other than the State.†	1,126,867	6,294,262	5,002,440	6,015,670
State Expenditure (Education Department and Science and Art Department).	927,524	4,185,142	6,425,841	8,388,342*
Total Cost of Elementary Education	2,054,391	10,479,404	11,428,281	14,404,012
Proportion derived from :—				
1. Sources other than the State	54·9	60·1	43·8	41·8
2. The State	45·1	39·9	56·2	58·2

During the first five or six years of the above period the proportion of the total cost of Elementary Education borne by the State somewhat declined. From 1876 until 1891 the proportion remained fairly stationary, and ranged from 37 per cent. in the former year to 39·9 per cent. in 1889 and 1891. Owing to the abolition of school fees and the substitution of a compensatory grant from the State in 1892‡ the proportion rose in that year to upwards of one-half, and appears to be still increasing. A considerable increase took place in 1898, owing to the operation of the Voluntary Schools Act§ and the Elementary Education Act of 1897.||

(b.) TECHNICAL EDUCATION.

Technical education must be considered to be in some sense and to some extent a local purpose," since Local Public Authorities play a large part in its administration. But the connexion of Local Authorities with it is so recent, and the burden hitherto imposed on local taxation so insignificant, that it is not proposed here to attempt more than the briefest possible review of the present financial position of this large and intricate subject.

As with Elementary so with Technical education, the enterprise and benevolence of private persons and semi-private corporate organisations led the way, State assistance and regulation followed, and the taking of Local Public Authorities into partnership was only a late stage in a long history. Moreover, the financial conditions of the partnership are so peculiar and so elastic that it is hardly possible to summarise at all clearly the very complicated results.

The Technical Instruction Act, 1889,¶ empowered Local Authorities (i.e., the Councils of Counties, Boroughs and Urban Districts) to supply or aid the supply of technical or manual instruction. For this purpose they were enabled to raise a rate of not more than 1d. in the £. The rate is the County Rate in Counties (with the provision that the Council may charge on any part of their county, expenses incurred for the requirements of that part) in Boroughs the Borough Rate, and in Urban Districts the General District Rate. Local Authorities are also entitled to borrow for the purposes of the Act.

Technical
Instruction
Act, 1889.

* In addition to this amount of 4,782,828£, there was paid under the Agricultural Rates Act, 1896 (59 & 60 Vict. c. 16.), 107,185£, which sum is included under the amount paid by the State.

† These figures do not include the receipts from School Board Loans, nor any sums subscribed for the erection of Voluntary Schools.

‡ By the Elementary Education Act, 1891, 54 & 55 Vict. c. 56.

§ 60 & 61 Vict. c. 5.

|| 60 & 61 Vict. c. 16.

¶ 52 & 53 Vict. c. 76.

Grant of
"whisky
money."

These provisions by themselves might not have been operative to any very important extent. But in 1890 Parliament found itself in a position to provide from Imperial sources a fund to defray the cost of this service, the national importance of which was becoming more and more clearly recognised.

The "residue" of the Local Taxation (Customs and Excise) Duties (*i.e.*, the amount of those Duties in each year after deducting 300,000*l.* for police pensions) was given to the County and County Borough Councils to be applied at their option to technical education.* That residue (popularly known as "whisky money") amounted in 1890-91 to 740,376*l.*; it has since largely increased with the growing yield of the duties, and the Councils have devoted an increasing proportion of it to the purpose which Parliament may be said to have suggested to them.† In applying this money they have a wide discretion.

Definition of
technical
instruction.

The definition of technical and manual instruction in the Act of 1889‡ includes many branches of teaching which are found in schools of an elementary grade. But, for administrative reasons, the Act forbids the Local Authority to supply or aid the supply of technical or manual instruction to scholars receiving instruction at an elementary school in the obligatory or standard subjects prescribed for the time being. On the other hand, the definition includes subjects which are naturally and almost universally found in the curricula of secondary schools and of institutions of even higher grade.

Different
methods of
administra-
tion.

Again, the Councils have a wide option as regards administration. They may themselves establish and manage schools or provide lectures and classes; they may subsidise private institutions (if not conducted for private profit) on any principle they please, either in the shape of lump sums for capital outlay or annual grants for maintenance; they may assist technical or continuation schools managed by School Boards, or they may hand over sums to other Local Authorities to use at their discretion.§ A very large part of the current cost is, of course, defrayed from pupils' fees; but, on the other hand, Local Authorities have devoted a considerable proportion of their funds to scholarships and to paying the fees of pupils who require help.

The sums applied to technical education out of the "residue" may be said to be a charge on local funds in the sense that, if not so applied, they might be devoted to relieving the rates. Apart from this, the charge on local funds is (except perhaps in Wales) insignificant; although it is considered that certain small sums charged not on the technical education rate proper, but on the rate for public libraries, museums, &c., are in effect devoted to technical education. (*See also* p. 29.)

Science and
Art Grants.

The Government contribution to this service, however, is by no means limited to the assignment of the "residue." The Science and Art Grants borne on the annual votes of Parliament are largely, if not wholly, given to institutions which receive, or might receive, assistance from County and County Borough Councils. These Science and Art Grants amount for the current year to over 300,000*l.*; and it may be stated generally that they are now|| given in proportion to attendance, regard being also paid to the results of inspection and examination. Special grants (administered by the Board of Agriculture) are also given in aid of agricultural education.

The Central Government has exercised through the Science and Art Department (now part of the Board of Education) considerable influence on the proceedings of Local Authorities by virtue of a provision in the Act of 1889,¶ which includes under "technical instruction" "any other form of instruction (including modern languages and agricultural subjects) which may, for the time being, be sanctioned by that Department by a minute laid before Parliament and made on the representation of a Local Authority that such a form of instruction is required by the circumstances of its district." But, apart from this, it is worth noting that it is at present only in connexion with the grants administered by the departments named, and the system of inspection which they involve, that the Central Government has any direct power of ascertaining or securing the efficiency of the service to which it contributes so largely.

* 53 & 54 Vict. c. 60. s. 1. As to the mode of allocation, see p. 8 of the Final Report (Cd. 638).

† In 1899-1900, in England, 39 out of 49 counties (excluding London), and 55 out of 61 county boroughs applied the whole "residue" grant to technical education. In Wales all the counties and county boroughs devote the whole "residue" either to technical or intermediate education.

‡ 52 & 53 Vict. c. 76.

§ 54 Vict. c. 4. s. (1).

|| Government building grants for science and art schools were ordered to be discontinued in 1897.

¶ 52 & 53 Vict. c. 76. s. 8.

In Wales, besides the Technical Instruction Acts, special assistance towards intermediate education is provided under an Act of 1889.* Intermediate schools have been established in every County of Wales and in Monmouthshire, and the County Councils contribute towards such schools (in accordance with schemes approved by the Charity Commission) an amount equal to the produce of a county rate of $\frac{1}{2}d.$ in the £. The Treasury also contributes in each year the same amount out of a special vote.

Intermediate education in Wales.

(c.) REFORMATORIES AND INDUSTRIAL SCHOOLS.

Besides ordinary Public Elementary schools and besides Poor Law Schools which are dealt with under the heading Poor Relief (see p. 4), there is another class of schools which must be treated separately, viz., Reformatories and Industrial Schools. These Schools are, of course, comparatively few in number and of slight financial importance, but their peculiar position seems to demand a somewhat full statement.

Different classes of schools.

They are of three principal kinds, viz. :—

1. Reformatories.
2. Industrial Schools, including "Truant" Industrial Schools.
3. "Day" Industrial Schools.

These schools are all alike in that children can, as a rule, be sent to them only by order of a magistrate, that they are withdrawn from the control of the Board of Education and placed under the charge of a special Inspector subject to the Home Office, and (what is of special importance financially) that they have no share in the ordinary Education Grants, but receive grants of their own from a separate vote. But there are great differences between them as regards their financial position, as well as in other respects. The Government appears to have acted on the principle of giving larger assistance in proportion as the institution bears a more penal character.

(1.) *Reformatories* are designed for children up to the age of 16, who have been convicted of an offence punishable by penal servitude or imprisonment. All the existing Reformatories were instituted by voluntary effort, and remain under the control of voluntary Boards of Managers. They are regulated by the Consolidating Act of 1866,† as amended by later statutes. Treasury contributions began under an Act of 1854,‡ and in 1857§ the then existing Prison Authorities (viz., Quarter Sessions) were also authorised to contribute. Other sources of income are receipts from farm produce, industrial work, and the like, and voluntary subscriptions and legacies. The contributions which are exacted from the parents of the children are paid into the Exchequer in part recoupment of the Treasury grants. The current voluntary subscriptions have now been reduced to a trifling amount. The Treasury grant takes the shape of an allowance of 6s. per child per week (7s. and 8s. being paid in a very few exceptional cases).

Reformatories : management and distribution of cost.

The Local Authorities empowered to contribute are now County Councils, and, in Boroughs of more than 10,000 inhabitants, Borough Councils.|| They may either contribute towards the cost of providing or maintaining schools, or the disposal of inmates, or they may themselves undertake such provision, maintenance, or disposal, but this last-named power has not, in fact, been exercised.¶

In practice, the County and Borough Councils usually contract with one or more Reformatories to take over the children committed from within their jurisdiction at an agreed rate of payment per head. The system came into full working order about 30 years ago. The number of inmates of Reformatories increased up to 1881, but since that date has shown a tendency to decrease, and the Treasury Grant has correspondingly varied. The burden falling on rates is more variable, tending to bear a slightly larger proportion to the total outlay as voluntary subscriptions have fallen off. The total expenditure on Reformatories in 1900 was 102,278l., towards which 22,247l. was received from the Local Rates, and 62,053l. from the Treasury Grant. Roughly, the taxpayer now contributes about three times as much as the ratepayer.

(2.) *Industrial Schools* show more varied conditions. They are designed for younger children (up to the age of 14), "who may not actually have committed an offence, but whose circumstances are such that, if left in their surroundings, they are likely to join the delinquent population." As with Reformatories, the majority of the

Industrial Schools management and distribution of cost.

* 52 & 53 Vict. c. 40. † 29 & 30 Vict. c. 117. ‡ 17 & 18 Vict. c. 86. § 20 & 21 Vict. c. 45.
|| 51 & 52 Vict. c. 41. ss. 3 & 33 (2). ¶ 29 & 30 Vict. c. 117. s. 28; 35 & 36 Vict. c. 21. ss. 4, 5.

existing Industrial Schools were instituted by, and remain under the control of, voluntary managers. But many have also been instituted, and are managed by, Local Authorities. These Authorities may be either the former "Prison Authorities," and their successors, the County and Town Councils, under the powers given by the Industrial Schools Act of 1866*; or they may be School Boards, to whom powers in this respect were granted by the Education Acts of 1870† and 1876.‡

The number of children in Industrial Schools has increased steadily, and the Treasury grant has grown in proportion. The rates of Treasury allowance are as follows:—

5s. per inmate per week for schools certified before March 1, 1872.

5s. 6d. for schools certified since that date.

6s. for training ships, except in the case of the London School Board ship, "Shaftesbury."

Rates of 3s., 2s. 6d., and 2s. are paid in certain special cases.

There is also a further grant in respect of teachers. The expenditure on Industrial Schools (including Truant Schools) in 1900 amounted to about 345,000*l.*, and the Treasury Grant to 137,600*l.* The payments by County and Borough Councils and by School Boards and other Local Authorities have increased still more rapidly than the Treasury grants,—amounting to 160,000*l.* in 1900. The voluntary subscriptions are still very considerable.

Day Industrial Schools.

(3.) *Day Industrial Schools* are schools which provide meals, &c. as well as instruction, but not lodging. With one exception, all such schools in England and Wales have been instituted and are managed by School Boards§ under sec. 16 of the Education Act, 1876.† By that section the Treasury contribution is limited to 1s. per child per week, amounting in 1900 to 6,000*l.* The charge upon the rates was 17,600*l.*, nearly three times as much, and the total expenditure was nearly 28,000*l.* The parental contributions in this case go to the Local Authorities.

All Reformatory and Industrial Schools are entitled to receive, besides the above-mentioned allowances, a small grant for Drawing and Manual Instruction. A summary of the amount expended upon these Schools is given on p. 48.

4.—PUBLIC HEALTH AND PUBLIC WORKS.

Authorities and Areas for Public Health Administration.

Under this one heading are included a large number of miscellaneous services, which involve a vast expenditure and which are responsible for the larger part of the still rapidly increasing local debt.

The Borough and the Borough Council have always been an area and an Authority for such sanitary and kindred services as have been from time to time carried out; but in addition there was some 30 years ago a "jungle" of other areas and Authorities.—"Improvement Commissions" in special districts under local Acts, "local boards of health" under the Public Health Act, 1848,|| "local boards" under the Local Government Act, 1858,¶ "nuisance authorities" under the Nuisance Acts, sewer authorities, &c. But in spite of the existence of these numerous bodies there was until 1872 no systematic and compulsory institution of sanitary areas and Authorities throughout the whole country. Under the Public Health Act of 1872,** as amended by the great codifying Public Health Act of 1875,†† Urban and Rural Sanitary Districts were constituted for the whole country, exclusive of the Metropolis, as follows:—

Urban districts:—

All Boroughs and all districts constituted under a local Improvement Act, or the Local Government Acts.

Rural districts:—

Poor Law Unions, exclusive of any part contained in an Urban District.

* 29 & 30 Vict. c. 118.

† 33 & 34 Vict. c. 75.

‡ 39 & 40 Vict. c. 79.

§ See Inspector's Report for 1900 (Parliamentary Paper Cd. 840 of 1901).

|| 11 & 12 Vict. c. 63.

¶ 21 & 22 Vict. c. 98.

** 35 & 36 Vict. c. 79.

†† 38 & 39 Vict. c. 55.

'This mapping out of the country has substantially remained in force up to the present, except that under the Local Government Act of 1894* the areas have been in many cases divided and re-arranged so that each Urban and, with few exceptions, each Rural District falls entirely within an Administrative County, and each parish falls entirely within a district.

The existing areas and Authorities for Public Health Administration in England and Wales outside the Metropolis, are accordingly :—

Councils of { County boroughs.
Other municipal boroughs.
Urban districts.
Rural districts.

In addition, certain duties included under this heading are discharged by—

Councils of Administrative Counties.
Parish Councils and Parish Meetings.

History of
Public
Health Ad-
ministration.

The provision of means of communication, such as roads and bridges, is of course a primary necessity of civilisation; and further something like sanitary administration in a narrower sense almost necessarily follows upon the gathering of population in towns. This is not, however, the place to trace the early history of that administration in connexion with water supply, scavenging, and the visitations of epidemics. But though Public Health Administration has its roots far back, yet the development during the last 50 years has been so substantially a new start, that for practical purposes it is hardly necessary to go back earlier than 1847-8, when the first great Public Health Act† and a number of kindred Statutes became law.

The duties imposed upon the Local Authorities and the powers entrusted to them have been considerably extended since that date, especially in the case of those Authorities who have adopted the Public Health Act of 1890‡; but the enormous increase of expenditure has been due more to the growing needs of towns, the advance of science, and the increased administrative activity of local bodies, than to legislative changes.

The Local Government Board is empowered to consider complaints as to the default of Sanitary Authorities in any matters affecting the Public Health. It can order a local inquiry, and, as a result of that inquiry, may, by order, direct the defaulting authority to enforce the provisions of the Public Health Acts. This order may be enforced by a mandamus in the King's Bench Division of the High Court.

The Board collects and examines the returns of Medical Officers of Health and takes such action thereon as may appear necessary. It has powers with reference to threatened invasions of cholera and other epidemics, and to the importation of infected articles. Its sanction is necessary to the appointment, salaries and dismissal of Medical Officers of Health and Inspectors of Nuisances. Applications to proceed against manufacturers under the Rivers Pollution Prevention Acts and Local Acts relating to the pollution of streams require the consent of the Board. The Board considers the representations by County Councils that the Public Health Act of 1875 has not been put in force and may authorise inquiries thereon. The Board has power to constitute Port Authorities and supervises Port Sanitary business generally.

The sanction of the Board is necessary to the raising of Loans under the Public Health Act, 1875, and other Sanitary Acts; the Municipal Corporations Act, 1882, Local Government Acts, 1888 and 1894, the Baths and Washhouses Acts, Public Health Act, London, 1891, &c.

The administration of the various services included under this head entails, of course, some expenditure in almost every case, but expenditure of very different kinds and under very different conditions.

Thus, sanitary law is largely concerned with the making of regulations and their enforcement by inspection in regard to nuisances, infectious disease, building, hours and conditions of labour, sale of food and drugs, weights and measures, &c. Administration of this kind appears in the local budget almost solely in the shape of what may be called in a wide sense "establishment charges," i.e., salaries, pensions, travelling, office accommodation, legal expenses, and the like. And though the total of such expenditure is a formidable and increasing item, it is hardly possible to analyse it in great detail. It should be observed that the only direct Parliamentary subvention in aid of Public Health Services was that set on foot in 1872 in the shape of a grant equal to half the salaries of Medical Officers of Health and Inspectors of Nuisances

Cost of
Inspection,
&c.

* 56 & 57 Vict. c. 73.

† 11 & 12 Vict. c. 63.

‡ 53 & 54 Vict. c. 59.

appointed with the approval of the Local Government Board. The grant from the Exchequer ceased in 1888, but a like payment is still made to Sanitary Authorities from the Exchequer Contribution Accounts of the County Councils.*

Reproductive undertakings.

Further, out of the huge total representing the gross expenditure of Local Authorities, a very large portion is devoted to reproductive undertakings. The undertakings thus described, according to a recent Return obtained by the Local Government Board, on the motion of Sir H. Fowler, are as follows†:—

Water.	Gas and Electric Light.
Tramways.	Markets.
Baths.	Cemeteries.
Piers, &c.	Working Class Dwellings.

The cost of these services is in theory, and at least in very many cases in practice, defrayed not out of rates proper, but by charges which are, at any rate in part, voluntarily paid (e.g. Baths), and which even where compulsory in character (as with some so-called Water Rates) are yet supposed to represent on a commercial basis the value of the service rendered. With these services must be classed the not inconsiderable item of works charged as Private Improvement Expenses.

Thus a large part of the work of a modern municipality is carried on without calling in the rate collector's aid at all, and with many other services it is only the residuary burden, after the deduction of substantial special receipts, that falls on the ratepayer—e.g., allotments, slaughter-houses, and many others. And although it is not very easy to draw the line exactly, it is not proposed here to attempt any examination of the conditions under which Local Public Bodies carry on the undertakings which are supposed to pay their way on a commercial basis.

Roads, streets, and bridges.

Of those services which normally impose a burden on ratepayers the most important as well as the most ancient is the construction and maintenance of roads, streets, and bridges.

Highway law.

At common law the inhabitants of every "highway parish" were bound *prima facie* to maintain the highways therein, and Statutes providing for highway rates date at least from the 17th century. But in the course of last century and subsequently many important roads were under general and special Acts put under the charge of Turnpike Trusts, and the expenses provided for by Turnpike Tolls, so far as these were sufficient. In spite of this the old charge for highways, which was defrayed out of the highway rate (so far as the work was not done by direct "statute labour"), was a heavy one; the Poor Law Board in their 1843 Report‡ state that the annual average expenditure amounted in the years 1811–13 to 1,407,200*l.* In 1840 the expenditure from the highway rate is said to have amounted to 1,169,000*l.*, while at the same date the expenditure of Turnpike Trusts was reckoned at 1,659,000*l.*

The series of modern Statutes providing for this service began with the Highways Act, 1835,§ which required the appointment of a surveyor in every highway parish. The Highway Acts, 1862|| and 1864,|| provided for the grouping of parishes into districts under Highway Boards, and some two-thirds of the parishes in England and North Wales were thus grouped,** but the maintenance of the highways in each parish within the district remained separately chargeable upon that parish until 1878. Under the Local Government Act, 1894,†† the Urban and Rural District Councils have now in every case become the Highway Authorities for their respective districts.

Main Roads.

Returning to turnpike roads, a movement for the abolition of tolls arose about 40 years ago. As roads were disturnpiked†† they also became a charge on the Highway Authority until 1878, when the Highways and Locomotives (Amendment) Act, 1878,§§ made all roads disturnpiked since 31st December 1870 into main roads and threw half their cost on the County Authorities. A parliamentary grant-in-aid amounting to a

* For most of these services Agricultural Land is rated at one-fourth under the Public Health Act (38 & 39 Vict. c. 55.); but so far as it was rated in full (as for instance for rural highways) it was exempted from one-half the rates under the Agricultural Rates Act (59 & 60 Vict. c. 16.), and the Spending Authorities obtained a corresponding grant from the Local Taxation Account.

† House of Commons Paper No. 88 of 1899.

‡ Parliamentary Paper No. 486 of 1843.

§ 5 & 6 Will. IV. c. 50.

|| 25 & 26 Vict. c. 61.

¶ 27 & 28 Vict. c. 101.

** A system of highway districts was set up in South Wales by Acts of 1851, 1860, and 1878 (14 & 15 Vict. cap. 16; 23 & 24 Vict. cap. 68; 41 & 42 Vict. cap. 34). The Isle of Wight highways also formed the subject of special arrangements under local Acts.

†† The last Turnpike Trust expired in 1895.

†† 56 & 57 Vict. c. 73.

§§ 41 & 42 Vict. c. 77.

quarter of the cost was given from 1882, and for the one year 1887-8 a further grant of a quarter, making half the cost in all, was given. Under the Local Government Act, 1888,* these grants were abolished, and the whole charge was thrown on the County Councils.

The power of County Authorities since 1878 to "main," or of the Local Government Board to "dismain" roads has been, generally speaking, sparingly exercised. The policy of the County Authorities has been different in different places, and many counties prefer to contribute towards the cost of a highway rather than take the formal and nearly irrevocable step of making it a main road.

From being a Parish charge roads have thus become a District and in part a Bridges. County charge. Bridges, on the other hand, were *prima facie* a county charge from very early times (the liability having been affirmed by Statute in 1530),† except in so far as by special custom or obligation their maintenance was charged on any district or in some cases on particular properties. "A parish as to highways and a county as "to bridges are on precisely the same footing."‡ Bridges which are not county bridges are (in the absence of special obligation on any other party to maintain them) repairable by the Highway Authority. "Highways" are defined by sec. 5 of the Highways Act, 1835,§ to mean *inter alia* "bridges not being county bridges" and "street" under sec. 4 of the Public Health Act, 1875,|| includes "any public bridge " (not being a county bridge)." It appears that many bridges in public carriage-ways or footways which are not sufficiently important structures to be county bridges are thus in fact maintained by the Highway Authority; but the expenditure on such bridges is not shown separately in the Local Taxation Returns.

In County Boroughs the Borough Council maintains all roads and bridges alike. In other Boroughs and in Urban Districts the County Council has to maintain the main roads and county bridges, or if the Borough Council or Urban District Council claims or agrees to maintain the main roads, the County Council repays the cost.¶

Apart from this, under the Public Health Act, 1875,** every Urban Authority has Streets in generally the control of and responsibility for all highways, streets, and bridges Towns. within its area. They are empowered and bound to cause all streets to be levelled, paved, metalled, flagged, channelled, altered, and repaired, as occasion may require; they may raise or lower the level of streets, and place, and keep in repair fences and posts. And by a provision which has proved of very great importance in large towns Urban Authorities are empowered to "purchase any premises for "the purpose of widening, opening, enlarging, or otherwise improving any street, or " (with the sanction of the Local Government Board) for the purpose of making any " new street."††

The first formation of new roads and streets when a district is opened up is usually carried out by or at the expense of the landowner, builder, or other party directly interested.‡‡ Consequently, except as regards street widenings, clearances, and the like, the main part of the expenditure on roads is of the nature of maintenance and is chargeable to income or to short period loan accounts in the case of paving and similar works.

Under this head may perhaps be included some small miscellaneous services adding to the amenity and convenience of public places, such as the planting of trees, the erection of statues, and the provision of clocks.

An item which is now generally shown separately in the accounts is the lighting of Street light-streets, &c. Under the Public Health Act, 1875, an Urban Authority may undertake ing. or contract for the supply of gas or other means of lighting the streets, markets, and public buildings in their district, and may provide lamps, lamp posts, &c. §§

The power in regard to lighting conferred on rural parishes by the Lighting and Watching Act of 1833||| has been exercised to an increasing extent in recent years by Parish Councils under the Local Government Act, 1894.¶¶

* 51 & 52 Vict. c. 41.

† 22 Hen. VIII. c. 5.

† Littledale J. in *Rex v. Inhabitants of Oxfordshire*, 4 B. & C., 199.

§ 5 & 6 Will. IV. c. 50.

|| 38 & 39 Vict. c. 55.

¶ 51 & 52 Vict. c. 41. s. 11.

** 38 & 39 Vict. c. 55. ss. 144-160.

†† 38 & 39 Vict. c. 55. s. 154.

¶¶ The somewhat complicated conditions under which new roads may or must be taken over by the public do not greatly concern us here, nor such peculiar provisions as that by which in some cases railway companies are bound to maintain bridges over railways.

§§ 38 & 39 Vict. c. 55. s. 161.

||| 3 & 4 Will. IV. c. 90.

¶¶ 56 & 57 Vict. c. 73.

Drainage
and
sewerage.

The care of sewers and drains was naturally one of the first services provided for under the old Local Improvement Acts and under the first Public Health Act of 1848.*

Under the Public Health Act, 1875,† all sewers (with some small exceptions) vest in the Urban Authority. That Authority has also the power and the duty to purchase, construct, maintain, and cleanse such sewers as may be necessary for draining their district. They are also empowered to purify and dispose of the sewage, and for this purpose may construct, purchase or contract, as to sewage disposal works within or outside their district. The small receipts derived from such works do little to reduce the immense burden (largely in the shape of debt-charge) imposed by this service.‡

Scavenging
and
cleansing.

Section 42 of the Public Health Act, 1875,§ provides that the Urban Authority may undertake or contract for:—

- (1) The removal of house refuse, and cleansing of ashpits, closets, and cesspools.
- (2) The cleansing and watering of streets.

The Urban Authority may also themselves provide and maintain public conveniences.||

Parks, &c.

Under the Public Health Act, 1875,¶ Urban Authorities may purchase, take on lease, lay out, plant, improve and maintain lands for the purpose of being used as public walks or pleasure-grounds, and may support or contribute to the support of public walks or pleasure-grounds provided by other persons; and under the Public Health Acts Amendment Act, 1890,** they may contribute towards the cost of purchasing, laying out, planting, or improving lands provided by any person, which have been permanently set apart as public walks or pleasure-grounds, and which, whether in the district of the Urban Authority or not, are so situated as to be conveniently used by the inhabitants of the district.

Further, under the Commons Acts, 1876†† and 1899,†† Urban Authorities may contribute towards the utilisation of commons in the neighbourhood of their town. And under the Local Government Act, 1894,§§ similar powers are conferred on Parish Councils. Further powers are also given under the Open Spaces Acts, 1887 and 1890.||| Many parks have also been provided under Local Acts.

Housing of
the Working
Classes.

The provision of house accommodation for the working classes is a service which would usually be classed as reproductive. But, in some cases, the Local Authorities have not found it possible to carry out the duties entrusted to them by Parliament without incurring a charge on the rates.

The Housing of the Working Classes Act, 1890,¶¶ contains three Parts, each of which consolidates with modifications a series of previous enactments. Parts I. and II., continuing Cross's Acts and Torrens's Acts, aim primarily at the clearance of unhealthy areas, and the removal of unhealthy and obstructive houses respectively; but they also enable the Local Authority to erect dwellings themselves to replace the accommodation removed, unless they prefer, after clearance, to sell or let the land on condition that the purchaser or lessee shall erect and maintain dwellings in accordance with an approved scheme.

* 11 & 12 Vict. c. 63.

† 38 & 39 Vict. c. 55. ss. 13-34.

† There may be some doubt whether the work of Commissioners of Sewers and of Drainage Boards is included among "local purposes" in the terms of reference. In any case a very brief reference to their financial operations will suffice here.

Commissioners of Sewers are generally appointed either under Acts of Henry VIII., modified by later Sewers Acts: or under Part I. of the Land Drainage Act of 1861 (24 & 25 Vict. c. 133). Drainage, Embankment and Conservancy Boards are appointed under Part II. of the last named Act or under local Acts. Their functions, which are the construction and maintenance of drainage and embankment works and the like are confined to particular districts or "levels," the most numerous and important being situate in the Fens of the Eastern Counties. Their expenses are defrayed by rates on owners and occupiers, often in accordance with some ancient custom or charter. The Sewers Act, 1841 (4 & 5 Vict. c. 45. s. 1), directs the rates to be so made that the lands and hereditaments in each place "shall contribute thereto in proportion to the benefit and "advantage received or capable to be received, from the said court, as compared with the lands and heredita- "ments of the other parishes, townships, or places, within such jurisdiction."

The Land Drainage Act (24 & 25 Vict. c. 133. s. 38), provides that when any improvements or new works involve an expenditure exceeding 1,000*l.*, the expense is to be defrayed out of a rate levied on owners exclusively.

The various Commissioners of Sewers in 1898-9 spent in round figures 70,000*l.* towards which they raised some 65,000*l.* by rates, and had an outstanding debt of 89,000*l.* The Drainage and Embankment and Conservancy Boards spent 381,000*l.*, towards which they raised only 211,000*l.* by rates, their receipts from other sources being very considerable; and they had an outstanding debt of over 2,000,000*l.*

§ 38 & 39 Vict. c. 55. s. 42.

|| Ibid s. 39.

¶ 38 & 39 Vict. c. 55. s. 164.

** 53 & 54 Vict. c. 59. s. 45.

†† 39 & 40 Vict. c. 56. s. 8. Cf. 56 & 57 Vict. c. 73. s. 26, as to Rural District Councils.

|| 62 & 63 Vict. c. 30.

§§ 56 & 57 Vict. c. 73.

||| 50 & 51 Vict. c. 32.; 53 & 54 Vict. c. 15.

¶¶ 53 & 54 Vict. c. 70.

It will be seen that a clearance under the Act may be an almost indistinguishable part of a street improvement.

Part III. of the Act, consolidating the Labouring Classes Lodging-Houses Acts, enables the Local Authorities, apart from any clearance, to acquire land and erect, purchase, or lease and fit up buildings suitable for lodging-houses for the working classes. "Lodging-house" under this part of the Act includes a cottage with a garden not exceeding half an acre.

An amending Act of 1900* facilitated the adoption by Rural District Councils of this part of the Act, and enabled Local Authorities (other than Rural District Councils) to establish or acquire lodging-houses *outside* their district.

The provision of public baths, wash-houses, &c., is provided for by a special series of Acts beginning in 1846.† These Acts can be adopted by Urban Authorities, and also in Rural Parishes under the Local Government Act, 1894,‡ though the financial results of the latter provision have naturally hitherto been small. They enable the Local Authority to acquire or lease lands and erect or lease buildings to be used for supplying bathing and washing accommodation. About two-thirds of the cost of this service is met by the fees charged.

Under the Public Health Act, 1875, Local Authorities may provide permanent or temporary hospitals for the use of the inhabitants of their district.§ They may either themselves erect the buildings or may contract for the use of an existing hospital. They may provide ambulances and other means for the removal of persons suffering from infectious disease;|| and they may provide for a temporary supply of medicines.¶

The cost of maintenance in a hospital may be recovered from patients who are not paupers.

Local Authorities may also provide mortuaries, and places for *post-mortem* examinations.**

Burial grounds may be provided under the Burial Acts, and Cemeteries (which are technically different) under the Public Health (Interments) Act, 1879,†† or cognate Local Acts.

Beginning with the latter, the Authorities for provision of cemeteries are Town and District Councils, and the net cost is charged to the General District Rate in Urban Districts, and in Rural Districts generally to a Special Expenses Rate.

Under the Burial Acts a Burial Board might be appointed for a parish or for a group of parishes, or joint committees might be appointed for other areas. Under the Local Government Act, 1894,‡‡ where the area coincides with that of a rural parish, the Burial Board may be merged in the Parish Council. Burial Boards and joint committees, however, continue in large numbers.

Besides Burial Boards appointed *eo nomine*, other Local Authorities may act as Burial Boards, viz., Town Councils and Urban District Councils.

Rather more than half the gross cost of burial grounds is defrayed by fees, &c. The net cost is charged on the Poor Rate, or a special burial rate similar to the Poor Rate, or the Borough Rate, or the General District Rate in urban districts.

The provision of libraries should, perhaps, be regarded as educational, but is entrusted to the same Urban Authorities who carry out the sanitary services §§; though in the case of Boroughs it is classed as Municipal, and charged on the Borough Rate and not on the General District Rate.

The first Public Libraries Act was passed in 1855,||| but in 1892 all preceding Acts were superseded by a consolidating Statute.¶¶ Under this Act Local Authorities may provide and fit up libraries, museums, science schools, art galleries, and art schools. The rate for the purposes of the Act is not to exceed a penny in the £.

Urban Authorities are further empowered to provide museums and gymnasiums under an Act of 1891.***

Amongst a great variety of services promoting the health, convenience, and amenity of urban life, perhaps two deserve mention from a financial point of view, viz., the

* 63 & 64 Vict. c. 59.

† 9 & 10 Vict. c. 74.

† 56 & 57 Vict. c. 73. s. 7. (1).

§ 38 & 39 Vict. c. 55. s. 131.

¶ Ibid s. 123.

|| Ibid s. 133.

** 56 & 57 Vict. c. 73.

¶ 42 & 43 Vict. c. 31.

†† 56 & 57 Vict. c. 73.

||| The provision for the adoption of the Act in rural parishes has not hitherto produced any considerable financial result.

¶¶ 18 & 19 Vict. c. 40.

||| 55 & 56 Vict. c. 53. s. 11.

*** 54 & 55 Vict. c. 22. s. 4

maintenance of fire engines and fire brigades, and the provision of municipal slaughter-houses. The cost of the latter is, however, nearly covered by the special receipts.

Financial summary.

The extent to which the principal services noticed under this head impose a charge upon the local rates will be found on pp. 51 to 54, but it may here be mentioned that the only charge of first-rate importance in Rural Districts is that for highways and main roads. Of the sanitary or quasi-sanitary expenditure* the largest item is that for sewerage, the rates for such purposes being charged as Special Expenses Rates upon the places benefited.

In Urban Districts outside London the highway and sanitary expenditure (*i.e.*, the expenditure of Town Councils on purposes other than municipal, and the whole expenditure of Urban District Councils) has increased by at least 50 per cent. during the last 10 years, but in 1888-9 and in 1898-9 alike less than half the expenditure fell on rates, the remainder being almost wholly met from the revenues of reproductive undertakings. The rates raised to meet this expenditure were, however, more than one-third of the total amount of rates raised in England and Wales outside the Metropolis. The two services responsible for upwards of three-fourths of this charge are:—

- (1.) Roads and streets.
- (2.) Sewerage, scavenging, and removal of refuse.

Under "Roads" we include the making, maintaining, paving, cleansing, and lighting of all roads, streets, and bridges.

London Public Health.

London Public Health Authorities.

Almost all the services administered by Urban Authorities in the provinces are carried out on substantially similar lines in the Metropolis, but neither the authorities nor the statutes under which they act are quite the same. The duties which in a provincial County Borough are discharged by the Borough Council are in London divided between the London County Council, the Corporation of the City of London, and the Metropolitan Borough Councils instituted under the London Government Act, 1899.

The London County Council.

The London County Council, besides exercising most of the ordinary functions of a County Council (except with regard to Police), inherited from the Metropolitan Board of Works various special powers, of which the most important is the care of the main drainage of London. The County Council also builds and repairs bridges, embankments, and subways, manages parks and gardens, administers the fire brigade, and owns and works tramways; and it has large powers (in part concurrently with the Metropolitan Borough Councils) in regard to the housing of the working classes, and street improvements. The maintenance of main roads (of which there were very few in London) was transferred from the County Council to the Borough Councils by section 6 of the London Government Act, 1899.

The Metropolitan Borough Councils.

The Metropolitan Borough Councils undertake the maintenance of all roads and streets, and of sewers other than main sewers; and they provide for lighting, scavenging, and removal of house refuse. They are also the authorities for providing baths and washhouses, burial grounds, and public libraries. Multifarious duties of inspection are divided between the County Council and the Borough Councils. The statutes under which these duties are carried on are principally the Metropolis Management Acts, the Public Health (London) Act, 1891, and the London Government Act, 1899. The general Public Health Acts do not apply to London (though some of their sections have been specially applied), but the "adoptive Acts" relative to baths, libraries, and burials apply to London, *mutatis mutandis*.

The Metropolitan Asylums Board.

It is worth notice that infectious hospitals, which in provincial towns are largely provided or supported by the Borough Councils, are in London provided by the Metropolitan Asylums Board, though the Borough Councils also have powers in this connexion (section 75 of the Public Health (London) Act, 1891).

Rates in the £.

The rate raised for the expenses of the London County Council in 1898-9 was 1s. 2d. in the pound, and the average rate for the expenses of the Vestries and Local

* The sanitary powers conferred outright by statute on rural district councils are limited, but the Local Government Board can by order apply urban provisions in rural districts. 38 & 39 Vict. cap. 55, sec. 276; 53 & 54 Vict., cap. 59, sec. 5; 56 & 57 Vict. cap. 73, sec. 25 (5).

Boards (predecessors of the Borough Councils) was just over 1s. 6d., making 2s. 8d. in all, a rate considerably lower than that levied in most provincial towns for similar purposes.

The rates for lighting, street expenses, and expenses under the Public Health (London) Act, 1891, are to some extent equalised by means of the fund provided under the Equalisation of Rates (London) Act, 1894. (*See* First Report of Commission, C. 9141, p. 27.)

The position of the Corporation of the City of London with reference to the administration of Public Health and Public Works, is in many respects exceptional and it is not proposed to deal with it here.

The Corporation of
the City of
London.

STATISTICS OF LOCAL TAXATION.

(P. 1 of *Final Report for England and Wales, Od. 638 of 1901.*)

ANALYSIS.

	Page
I. AMOUNT OF LOCAL TAXATION AT VARIOUS PERIODS :—	
Reports on Local Taxation in 1871 and 1893	37
Increase in amount of local rates during the 50 years preceding 1871	37
Increase in rateable value during the same period	37
Distinction between the services upon which the increased expenditure had been incurred	37
Increase in amount of local rates from 1868 to 1891	37
Amount of rates raised in Urban and Rural areas in 1868 and 1891	38
Increase in total average rate in £ between 1868 and 1891	38
Increase in Urban areas	38
Increase in Rural areas	38
Increase in rate in £ in urban areas due to Sanitary and School Board rates. Sir H. H. Fowler's and Mr. Goschen's views with regard to the modern sanitary rates	38
Average rates in £ in urban and rural areas in 1890–1 as compared with previous years	38
Period covered by present inquiry	38
Statutes passed since 1891 affecting Local Taxation	39
Amount of total rates raised has more than doubled since 1871	39
Increase since 1891	39
Increase in amount of Imperial Contributions to Local Rates	39
Increase since 1891 in rates raised compared with increases in earlier periods	40
Rates raised per head of population in 1890–1 and 1898–9	40
Rates are principally raised by six classes of Local Spending Authorities	40
Increase since 1890–1 in amount of rates raised by each of these classes	41
Valuation per head of population in 1871, 1898, 1899, and 1900	41
Valuation of Urban and Rural areas in 1890 and 1898	41
Valuation has increased in Urban Districts but has decreased in Rural Districts	42
Increases in quinquennial periods since 1873–4 in Population, Rateable Value, and Rates raised	42
Rate in £ of Rates raised in 1868, 1890–1, and 1898–9	42
Increase in Rate in £ since 1890–1 of rates raised by various Local Authorities	43
II. BURDENS IMPOSED UPON THE RATES BY VARIOUS SERVICES :—	
Method of determining the burden imposed upon the rates by various services	43
Gross expenditure of Local Authorities upon the more important local services	44
<i>The Relief of the Poor, Lunatics and Lunatic Asylums :—</i>	
Poor Relief Expenditure compared with population from 1871–2 to 1899–1900	44
Analysis of Poor Relief expenditure in 1899–1900	45
Cost of Relief per pauper	45
Amount of relief given to each outdoor pauper	45
Sources of Revenue of Boards of Guardians and extent to which Poor Relief expenditure was met from each source—	
(a) Outside the Metropolis	46
(b) In the Metropolis	46
Lunatic Asylums. Approximate Cost falling on Rates	47
<i>Education :—</i>	
Expenditure upon Education	47
Elementary Education. Amount of Rates and Rate in £	47
Technical and Intermediate Education. Expenditure falling on general revenues of Local Authorities	48
Reformatories and Industrial Schools. Gross expenditure and payments by Local Authorities	48
<i>Police :—</i>	
Police Expenditure outside the City of London	48
Amount of such expenditure falling on Exchequer Contributions, Rates, and general revenues of Local Authorities and amounts per inhabitant	49
Corresponding figures for Boroughs, Counties, and the Metropolitan Police District	49
Transfers from Exchequer Contribution and Local Taxation Accounts in aid of such expenditure	49
Residue of Expenditure and rates in £	50
Corresponding figures for Boroughs, Counties, and the Metropolitan Police District	50
City of London Police. Expenditure, &c.	50
<i>Roads, Streets, Bridges, and Ferries :—</i>	
Various Highway Authorities in England and Wales	51
Road Expenditure of County Councils other than the London County Council and rates in the £ thereof	51
Road Expenditure of London County Council	51
Expenditure of Parish Councils on footpaths, &c.	51
Gross expenditure of other Authorities on Roads and amount thereof falling on rates, &c.	52
Average rates in the £ in Urban and Rural Areas	52
Expenditure on Bridges and Ferries. How met	52
<i>Public Lighting :—</i>	
Cost of lighting streets, roads, &c., and rate in £ in Urban and Rural Areas	52

	Page
II. BURDENS IMPOSED UPON THE RATES BY VARIOUS SERVICES—continued.	
<i>Sewerage and Removal and Destruction of House Refuse :—</i>	
Sewerage Expenditure in London, and how met	52
Sewerage Expenditure in rest of England and Wales and rates in £ in Urban and Rural Areas	53
Expenditure of Local Authorities on Removal and Destruction of House Refuse. Rates in £	53
<i>Gasworks :—</i>	
Income and Expenditure relating to Gas Undertakings in the hands of Local Authorities	53
<i>Waterworks :—</i>	
Expenditure in connexion with waterworks is mainly upon debt charges	54
Income and Expenditure relating to Waterworks belonging to Local Authorities	54
<i>Harbours Piers, Docks and Quays :—</i>	
Harbours, &c., Expenditure	54
<i>Private Improvement Works :—</i>	
Private Improvement Expenses	54
Burdens imposed on Rates by Various Services. Summary of rates in £	55
III. RATES LEVIED BY VARIOUS SPENDING AUTHORITIES :—	
<i>Poor Law Authorities :—</i>	
Total expenditure of Poor Law Authorities, and amount of such expenditure connected with Poor Relief, &c.	55
Amount of rates raised to meet the expenditure of Poor Law Authorities for each year since 1871–2	56
Rates in the £ in each Union County in 1868, 1899–91, and 1898–1900 compared	56
Changes in the rate in the £ between 1889–91 and 1898–1900	56
Counties showing the largest increases	56
Counties showing the largest decreases	57
Expenditure of Overseers and Guardians falling on Poor Rates in 1899–1900	57
Rates in the £ in each Union and each Union County	57
Lowest and highest rates in Extra-Metropolitan Unions	57
Comparison of the highest and lowest poor rates in the different Unions with the poor relief expenditure and valuation per head of population	57
Rates in the £ in London Unions	57
Rates raised for the purposes of Poor Law Authorities in Rural Areas and in the various classes of Urban Areas respectively	58
Variation between the average rate in Rural Districts and the general average for the Administrative County in certain Counties	59
Range of rates in Administrative Counties	59
And in County Boroughs	59
<i>School Boards :—</i>	
Number of Boroughs and Parishes with School Board Rates of various amounts in the £	59
Unequal rates in different districts	60
School Board rates in Wales are higher than in the extra-Metropolitan part of England	61
Changes in the School Board Rate in certain districts since 1870	61
Rural School Board Rates in each County	62
<i>County Councils :—</i>	
Rates raised by County Councils. Increase in rates in £ raised by County Councils other than the London County Council	62
Changes in rates in £ raised by various County Councils	62
<i>Borough Councils :—</i>	
Borough rates	62
<i>Sanitary Authorities of Boroughs and other Urban Districts :—</i>	
Sanitary Rates in Urban Areas	63
<i>Metropolitan Vestries and District Boards (now the Borough Councils) :—</i>	
Rates levied by Metropolitan Vestries and District Boards	63
The Equalisation Fund	63
Variation in rates levied by these Authorities	63
<i>Rural District Councils, and Highway Authorities in Rural Districts :—</i>	
Rural Sanitary Rates	63
Highway Rates in rural areas	63
Rural Sanitary and Highway Rates in 1899–1900	64
<i>Parish Councils and Parish Meetings :—</i>	
Parish Council Rates	64
IV.—RATES RAISED IN VARIOUS AREAS :—	
Rates raised in the different classes of areas in 1889–91 and in 1896–8	64
Increase in Rural Rates in 1897–8 as compared with 1896–7	65
Rates raised in different classes of areas in 1898–9	65
Rural Rates in each County	65
Lowest and highest rates in 1896–8	65
Rural Rates have increased in every County since 1891	65
Total rates raised in each County Borough	66
Rates levied in the Metropolis	66
Equalisation of London Rates	66

	Page
V.—VALUATION OF DIFFERENT CLASSES OF PROPERTY AND IN DIFFERENT AREAS:—	
Changes in the rateable value of various descriptions of rateable property since 1870	66
Rateable value per inhabitant in Union Counties	67
Changes since 1870	68
Assessable Value per inhabitant in Unions	68
Valuation and amount per inhabitant in different administrative areas	69
VI.—LOCAL DEBT:—	
Outstanding debt of Local Authorities	69
Amount incurred in respect of various purposes	69
Amount of Metropolitan debt	69
Outstanding debt of Town and Urban District Councils	70
VII.—SUMMARY:—	
Summary	70

II.—STATISTICS OF LOCAL TAXATION IN ENGLAND AND WALES.

I. AMOUNT OF LOCAL TAXATION AT VARIOUS PERIODS.

Two official inquiries into the amount of local taxation were made during the latter part of the 19th century. In 1871 Mr. (now Viscount) Goschen (who was then President of the Poor Law Board) issued his well known Report* upon the "Progressive Increase of Local Taxation, with especial reference to the Proportion of Local and Imperial Burdens borne by the different Classes of Real Property in the United Kingdom as compared with the Burdens imposed upon the same Classes of Property in other European Countries," and in 1893 Mr. (now Sir) H. H. Fowler continued the inquiry so far as it related to Local Taxation in England and Wales.[†]

Reports on
Local Taxa-
tion in 1871
and 1893.

Taken together, these two Reports trace in detail the history of local taxation raised for different purposes and in different areas from the commencement of the nineteenth century down to 1891. With regard to this period it is, therefore, necessary to do very little more than refer, as briefly as possible, to some of the conclusions of the Reports.

Mr. Goschen found that during the 50 years preceding the period at which he wrote, direct local taxes had, speaking broadly, increased from 8,000,000*l.* to 16,000,000*l.*, i.e., had doubled in amount, and that of this increase, the Poor Rate accounted for 2,000,000*l.*, Town Improvement Rates for 5,000,000*l.*, and Police and miscellaneous purposes for 1,000,000*l.* He also found that 6,500,000*l.* of the increase had fallen upon urban districts.

Increase in
amount of
local rates
during the
50 years pre-
ceding 1871.

During the same period the increase in rateable value had also been very great, and had followed generally the course of the increase of local taxation, being greater in the urban and manufacturing than in the agricultural districts.

Increase in
rateable value
during the
same period.

In commenting upon these facts Mr. Goschen drew a sharp distinction between the onerous expenditure defrayed from the Poor Rate and other more directly remunerative expenditure. He refers to the addition of 2,000,000*l.* to the Poor Rate as "a lamentable increase of burden, except so far as it represents, not an increase in pauperism, but the more humane, and, at the same time, more costly treatment of the helpless, the sick, and the insane."

Distinction
between the
services upon
which the
increased
expenditure
had been
incurred.

From the increase of 1,000,000*l.* in the expenditure upon police, registration, vaccination, burial boards, &c., he considered, however, that a distinct equivalent in value was secured, and spoke in similar terms of the 5,000,000*l.* increase in urban rates. "This sum," he said, "represents the municipal expenditure of our towns, the lighting and paving of the streets, sanitary improvements of every kind, and public works of various descriptions." A great portion of the outlay on these purposes must be regarded as remunerative in many senses, and as being not so much a burden as an investment."

The latest year for which statistics were available to Mr. Goschen was 1868, and the thread is then taken up by Sir H. H. Fowler, who compares the conditions existing in 1890-1 with those just described. During the interval of 23 years, the amount of rates raised annually had again taken an enormous stride. The increase had been even more rapid than during the preceding 50 years, for although the interval between the two reports was less than one-half of that period, the growth had been from 16,500,000*l.*[§] to 27,818,000*l.*, or 69 per cent.

Increase in
amount of
local rates
from 1868 to
1891.

* H.C. 470 of 1870 (or Reprint 201 of 1893).

† H.C. 168 of 1893.

‡ Amongst which were included vast enterprises like the Thames Embankment, the main drainage of the metropolis, the many important works undertaken at a large outlay by Liverpool, Manchester, and the other large growing towns of the North of England, and the smaller, but innumerable operations which had been instituted by the 700 local boards established during the preceding 10 years.

§ The difference between this sum and the one previously stated was the result of later investigations by Sir H. H. Fowler. (See footnote to p. xi of his Report.)

Amount of rates raised in Urban and Rural areas in 1868 and 1891.

The following Table distinguishes, so far as possible, the amounts raised in Urban and Rural areas in the two years:—

	1868.		1890-1.	
	Amount raised.	Percentage of Total.	Amount raised.	Percentage of Total.
London (all rates)	£ 3,703,000	22·4	£ 7,930,000	28·5
Rates peculiar to other purely Urban Districts.	3,027,000	18·3	9,583,000	34·4
Rates raised in Extra Metropolitan districts, partly Urban and partly Rural (chiefly by Poor Law and County Authorities).	8,358,000	50·7	8,196,000	29·5
Rates peculiar to purely Rural Districts	1,416,000	8·6	2,109,000	7·6
Total rates raised	16,504,000	100·0	27,818,000	100·0

A glance at this Table will show that much the greater part of the increased rates had again fallen on urban districts, and that whilst the rates raised in London, and those peculiar to other urban areas, only amounted to about 40 per cent. of the total in 1868, they represented well over 60 per cent. in 1890-1.

Increase in total average Rate in £ between 1868 and 1891.

Whilst the amount of the rates had grown by 69 per cent., the increase in the rateable value had not been so rapid, the percentage being only slightly over 51. There was consequently an increase of the average rate in the £ required in 1890-1. Calculated on the Poor Rate valuation this amounted to 3s. 4d. in 1868 and 3s. 8d. in 1890-1.

Increase in Urban areas.

The increase in the rate in the £ was not, however, uniform over both urban and rural areas. In London the rates rose from 4s. 4½d. to 5s. in the £. In extra-metropolitan urban districts they had also risen very considerably since 1868, but as the rates in the £ for that year could not be ascertained the precise increase is not known.

Decrease in Rural areas.

In rural districts, the average rate in the £ of all rates in 1868 (excluding certain rates raised by commissioners of sewers and drainage and embankment boards, which were levied in a limited number of counties) was 2s. 7½d. In 1890-1 it had decreased to 2s. 3d. This fall "was mainly due to the fall in the Poor Rate levied to meet the expenses of Poor Law Authorities. It was also attributable to the disappearance of the Church Rate and to a fall in many counties in the Highway Rate and the County Rate. As against these falls, the new Rural Sanitary Rates and Rural School Board Rates had come into existence since 1868. But the decreases in the rate in the £ of the old Rural Rates, i.e., the Poor Rate, the Highway Rate, and the County Rate, were considerably greater than the average rates in the £. of the new Rural Rates."

Increase in rate in £ in Urban areas due to Sanitary and School Board rates. Sir H. H. Fowler's and Mr. Goschen's views with regard to the modern sanitary rates.

Similar tendencies were observable in the urban rates, but here the rise in the Sanitary and School Board rates had more than counterbalanced the drop in the older rates. Referring to the modern sanitary rates, Sir H. H. Fowler is disposed to regard them in a somewhat different light from Mr. Goschen, who, as already stated, expressed the opinion that a great portion of urban rates was "not so much a burden as an investment." These rates, it is stated in the later report, "press with severity on the ratepayers in towns where the aggregation of large populations in comparatively small areas necessitates the provision of costly schemes of sewerage, scavenging, water supply, and other works of primary sanitary importance which cannot be neglected without serious danger to the public health."

Average rates in £ in Urban and Rural areas in 1890-1 as compared with previous years.

Sir H. H. Fowler concludes his summary of the course of local taxation by pointing out that at no time during the present century, for which statistics are available, had the average rate in the £ of the rural rates been so low, or that of the London rates so high, as during the years 1890-1; and that in extra-metropolitan urban districts the average rate in the £ of the new rates raised was also higher in 1891 than in any previous year.

Period covered by

Having sketched, with the aid of the two reports named, the conditions existing down to the year 1891, it is now proposed to show what changes have subsequently

taken place. It is also convenient to select the year 1890-1 as a basis of comparison, present for the reason that in that year was felt for the first time the full effect of the new scheme of Local Government and of the financial re-arrangements introduced by the Local Government Act, 1888, and its correlative Acts of 1890.

The information is carried down to the latest year for which statistics are available.

Generally speaking, this is the year 1898-9, but in the case of the services administered by Boards of Guardians and Overseers, and some other services, the figures can be given for the year 1899-1900. On the other hand, the computations of the average rates in the £ in urban and rural areas depend to a large extent upon a laborious analysis of the Poor Rate Returns from the Extra-Metropolitan Unions, and it has not been found possible to prepare complete statistics on this branch of the inquiry for a later year than 1897-8.

The most important statutes affecting local taxation in England and Wales which have come into force during this period, and the publications of the Commission in which information concerning them will be found, are as follows:—

- (1.) The Public Health (London) Act, 1891 (54 & 55 Vict. c. 76). See page 30, *supra*.
- (2.) The Local Government Act, 1894 (56 & 57 Vict. c. 73). See pages 101-2 of the Final Report, (Cd. 638).
- (3.) The London (Equalisation of Rates) Act, 1894 (57 & 58 Vict. c. 53). See page 27 of the First Report (C. 9141).
- (4.) The Agricultural Rates Act, 1896 (59 & 60 Vict. c. 16). See pages 5, 9, and 105 of the Final Report (Cd. 638).
- (5.) The Vaccination Act, 1898 (61 & 62 Vict. c. 49). See page 15, *supra*.
- (6.) The Tithe Rentcharge (Rates) Act, 1899 (62 & 63 Vict. c. 17). See pages 6, 10, and 105 of the Final Report (Cd. 638).

Under some of these statutes and others involving less important financial transactions, Local Authorities have been authorised by Parliament to raise additional Local Taxation for a large number of new purposes, a list of which was submitted to the Commission by the Local Government Board in 1897.* On the other hand, the Agricultural Rates Act and the Tithe Rentcharge (Rates) Act relieve the rates to the extent of about 1,400,000*l.*, whilst the object of the London (Equalisation of Rates) Act was simply the equalisation of a part of the London rates.

For purposes of comparison with the period dealt with by Sir H. H. Fowler, a Table (No. I.) has been compiled, showing the total amount of rates raised and of those raised for expenses of Poor Law Authorities, the expenditure on Poor Relief, and the Rateable Value and estimated population in each year from 1871-2 to 1898-9.

During this period the total amount of all rates raised has more than doubled, although the amounts now paid over yearly by the State to Local Authorities are far in excess of those paid in 1871, and notwithstanding the fact that the Local Authorities have been entirely relieved of the cost of prisons.

Since 1891, the last year dealt with by Sir H. H. Fowler, the rates have jumped from 27,819,000*l.* to 38,603,000*l.* in 1898-9, or, if the contributions under the Agricultural Rates Act be included, to 39,935,000*l.*

The increase in the amount falling upon the rates or the Agricultural Rates Grants has been, therefore, at the rate of more than 1½ millions a year.

Apart from the provisions of the Agricultural Rates Act, 1896, the system under which the State assigns certain revenues to the Local Authorities has remained the same since 1890, but the yield of those revenues has increased. The sum passing through the Local Taxation Account under the Acts of 1888 and 1890 has increased from 6,009,000*l.* in 1890-1 to 6,772,000*l.* in 1898-9. During the intervening years the amount has fluctuated, but the mean rate of increase has been about 95,000*l.* per annum. In the two years 1899-1900 and 1900-1—the latest years for which figures are available—the amounts passing through the Account were 7,145,000*l.* and 6,861,000*l.* respectively.

* See Appendix (Part I.) to Vol. I. of Minutes of Evidence, pp. 54-76 (C. 8764). The list goes back to the year 1870.

Increase
since 1891 in
rates raised
compared
with in-
creases in
earlier
periods.

The following Table compares the mean annual increments in local taxation since 1890-1 with the corresponding increments for three preceding sexennial periods before the passing of the Local Government Act, 1888:—

Period.	Rates raised in first year of each Period.	Rates raised in last year of each Period.	Mean Increment per Annum.
1867-8 to 1873-4 (6 years)	£ 16,504,000	£ 18,906,000	£ 400,000
1875-6 to 1881-2 (6 years)	19,485,000	23,905,000	737,000
1881-2 to 1887-8 (6 years)	23,905,000	27,195,000	548,000
1890-1 to 1898-9 (8 years)	27,819,000	39,935,000*	1,515,000

The years 1874-5, 1888-9, and 1889-90 are omitted, as the figure for the first of those years was disturbed by the measures for the relief of local taxation introduced by Sir Stafford Northcote, and those for the two last were also disturbed by the financial arrangements of 1888. The figures for the two periods subsequent to 1875 are not free from somewhat similar disturbing elements, as the transfer of the prisons took place in 1877, and local rates were relieved of half the cost of the maintenance of disturnpiked and main roads in 1887-8.[†]

Generally speaking, the Table shows that local rates are now increasing far more rapidly than in previous periods. This is also illustrated in a graphic manner by the accompanying diagram.

The growth of population, which is also traced in the diagram, is clearly accountable for a large part of the increase in the amount of rates raised by local bodies, but, owing to other causes, such as the authorisation by Parliament of expenditure upon new purposes and the more efficient administration of old-established services, the increase in the total rates raised has been much more rapid than the increase in the population. The diagram shows that this tendency has been more marked in recent years than in the earlier years of the period.

Rates raised
per head of
population in
1890-1 and
1898-9.

In 1890-1 the rates raised represented 19s. 4d. per head of population, whilst in 1898-9 they had grown to 1l. 4s. 6d., if the Agricultural Rates Grants be excluded, or to 1l. 5s. 4d., if those grants be included with the rates actually raised.

Rates are
principally
raised by six
classes of
Local
Spending
Authorities.

The amount of rates raised and Agricultural Grants received by the various classes of Local Authorities are shown for each year since 1890 in Table II., and an analysis of the figures for 1898-9 shows that the responsibility for the imposition of the rates mainly rests with six classes of local Spending Authorities. These classes and the proportion of the rates for which they are responsible are:—

		Rates raised in 1898-9.*	
		Amount.	Per Cent.
Sanitary Authorities in London and Urban Districts (both borough and other).	£ 13,888,000	34.8	
Poor Law Authorities	9,781,000	24.5	
School Boards	4,890,000	12.3	
County Councils [†]	4,884,000	12.2	
Rural District Councils [§]	2,452,000	6.1	
Town Councils acting as Municipal Authorities.	2,242,000	5.6	
Other Local Authorities	1,798,000	4.5	
Total	39,935,000	100.0	

* Including Agricultural Rates Grants.

† From 1882 to 1886-7 one-fourth of the cost was paid from the Exchequer.

‡ Including the London County Council.

§ Including Highway Authorities in Rural Districts.

ROYAL COMMISSION ON LOCAL TAXATION.

ENGLAND AND WALES—RATES RAISED.

Diagram showing the fluctuations during the period 1871-2 to 1898-9 in—

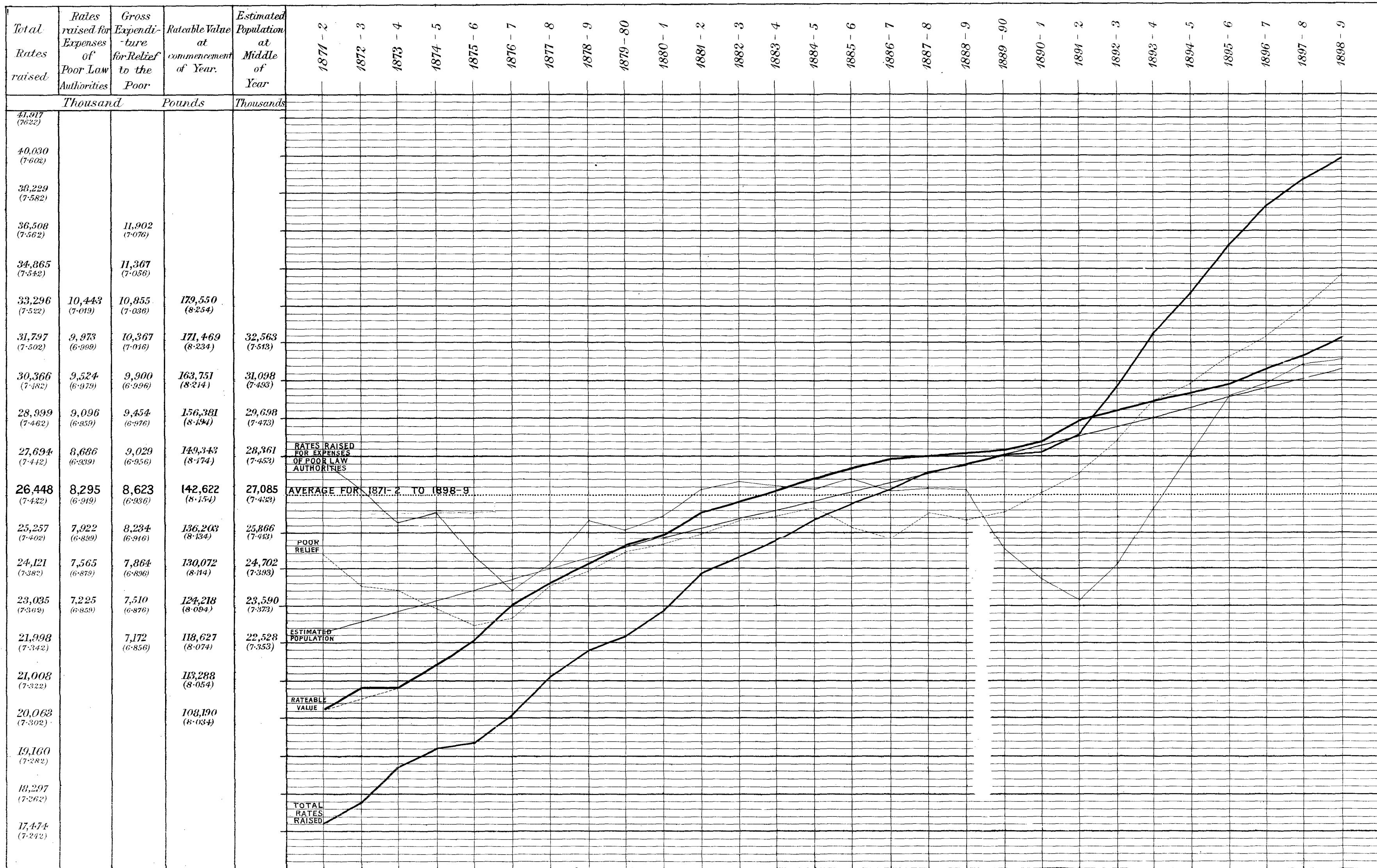
- (1) The Total Amount of Rates raised (including in 1897-8 and 1898-9 contributions under Agricultural Rates Act, 1896).
- (2) The Amount of Rates raised to meet the Expenses of Poor Law Authorities (including in 1897-8 and 1898-9 contributions under Agricultural Rates Act, 1896).
- (3) The Gross Expenses immediately connected with the Relief of the Poor.
- (4) The Rateable Value at the commencement of each year.
- (5) The Estimated Population at the middle of each year.

NOTE.—The Scale is constructed upon the logarithmic principle, and the logarithms corresponding to the average figures for the period covered by the Diagram are brought together. It will be seen that, by this method, the ratio between the figures represented at the point where any two of the curves cross each other is the same as the ratio between the average figures. At any other period in the Diagram the ratio of the figure represented by the lower curve to that represented by the upper curve is less than the ratio between the average figures, and vice versa. The more important ratios between the average figures are as follows:—

Total Rates raised	=	19s. 6 <i>4d.</i> per Head of Population, and 3s. 8 <i>5d.</i> per £ of Rateable Value.
Rates raised for Expenses of Poor Law Authorities	=	6s. 1 <i>5d.</i> per Head of Population, and 1s. 2 <i>0d.</i> per £ of Rateable Value.
Gross Expenditure for Relief to the Poor	=	6s. 4 <i>4d.</i> per Head of Population.
Rateable Value	=	£5 5 <i>3s.</i> per Head of Population.

About the year 1892 the thick red and thick black curves cross each other, and the total rates raised at that time were, therefore, equal to 3s. 8*5d.* per £ of Rateable Value. At no period before 1892 was the rate per £ as high, and at no period since 1892 has it been as low, as 3s. 8*5d.*

The logarithmic figures in the Scale are enclosed in brackets, and the equivalent numbers are given in bolder type above them.



Head (2) differs from Head (3) inasmuch as, whilst the latter represents the Gross Expenditure immediately connected with Poor Relief (from whatever source defrayed), the former includes not only the Rates raised for Poor Relief, but also those raised for the other services administered by Poor Law Authorities, and, of course, omits all receipts in aid of Poor Relief.

Of the 12,000,000*l.* increase since 1890-1 in the total—

Sanitary Authorities in London and Urban Districts (both borough and other) account for	- - - - -	$4\frac{1}{2}$ millions.	Increase since 1890-1 in amount of rates raised by each of these classes.
Poor Law Authorities for	- - - - -	$2\frac{1}{4}$ "	"
School Boards for	- - - - -	2 "	"
County Councils (including the London County Council) for	- - - - -	$1\frac{1}{2}$ "	"
Town Councils acting as Municipal Authorities for and	- - - - -	1 "	"
Rural District Councils and Rural Highway Authorities for	- - - - -	$\frac{3}{4}$ "	
		<u>12 millions.</u>	

The expenditure of Sanitary Authorities in urban districts therefore accounted for more than one-third of the entire increase, and is swelling at the rate of from 500,000*l.* to 600,000*l.* a year.

It should not be forgotten, however, in estimating the increase in the rates raised in urban and rural districts, "that every year the formation of new and the extension of existing urban districts have withdrawn from the jurisdiction of rural district councils, and the highway authorities in rural districts, many areas of an urban or suburban character in which the rate of expenditure has been much higher than in the remainder of the district from which they have been detached. During the 10 years ended on the 31st March 1899 as many as 164 new urban districts were formed, and 195 existing urban districts extended by the inclusion of places previously forming parts of rural districts. The number of existing rural districts extended by the inclusion of parts of urban districts during the same period was 49."*

In consequence of this, the increase in urban rates comprises the rates raised in certain districts which were counted as rural in earlier periods, though such districts being small, as compared with the whole country, would not greatly affect the conclusions to be drawn. Whatever effect they have, however, can be almost wholly eliminated by dealing with the rates in the £ in these districts, and this will presently be done.

A further qualification, not perhaps of great importance, but one of which it is impossible to take accurate account, is that whilst there is a sharp distinction between the rates raised in what are technically urban and rural districts, this partition of the country is and must be largely arbitrary, some urban districts being less densely populated than some parishes which still remain rural.

The valuation upon which by far the largest amount of local rates are levied is that made by the Union Assessment Committees for the purposes of the Poor Rate. In 1871 this valuation was 109*1* millions, or 4*l.* 1*s.* 1*d.* per head of the population. In 1898 it had grown to 172 millions, or 5*l.* 9*s.* 2*d.* per head. The course of the valuation during the intervening years† can be easily followed by referring to the diagram facing page 40. Until the year 1886 the increase in the valuation outgrew the increase in the population. Since that period the relation between the two has fluctuated slightly, but has not greatly changed, and, at the present time, the valuation appears to be again increasing somewhat more rapidly than the population.

In 1899 and 1900, the two years following those included in the diagram, the valuation per head reached 5*l.* 10*s.* 2*d.* and 5*l.* 11*s.* 1*d.* respectively.‡

In Table III. the valuation of the areas of the more important classes of Local Authorities are given for each year since 1890.

The following Table shows the valuation of Urban and rural areas in the years 1890 and 1898:—

	Rateable Value in	
	1890.	1898.
London (Union County)	£ 31,597,000	£ 36,889,000
Municipal Boroughs	43,545,000	54,212,000‡
Other Urban Districts	23,696,000	29,976,000
Total urban areas	98,838,000	121,077,000
Rural Districts	53,278,000	50,989,000
Total England and Wales	152,116,000	172,066,000

* Local Taxation Returns for 1898-9, Part VII., p. 47.

† The valuation at the commencement of the year 1872-3 does not appear to have been ascertained, the figures quoted in the Local Taxation Returns (1898-9) for the years 1872-3 and 1873-4 being practically the same. The dotted line in the diagram probably indicates more correctly the progress in the rateable value between 1871 and 1873.

‡ The amounts of valuation per head here given are calculated upon the estimates of population made by the Registrar-General. (See Table I. on page 75).

† This is the rateable value for the Borough Rate of those boroughs in which the Agricultural Rates Act applied to the Borough Rate and the assessable value for the Borough Rate of those (not very numerous) in which the Act did not apply or only partly applied to the Borough Rate.

Valuation has increased in Urban Districts but has decreased in Rural Districts. Although this increase of 22½ millions in the valuation of urban areas is partly due to the extension of those areas as well as to an actual increase in the value of the rateable property comprised therein, it has nevertheless counterbalanced, in some measure, the large increase in the amount raised by urban rates. On the other hand there has been an appreciable decrease in the valuation of rural areas.

Increases in quinquennial periods since 1873-4 in population, Rateable Value and Rates raised. The following Table taken from the last Annual Report of the Local Government Board,* brings together the changes which have occurred in the population, rateable value, and amount of rates raised in England and Wales since 1873-4:—

Period.	Increase Per Cent.		
	In Estimated Population.	In Rateable Value.	In Amount of Rates raised.
Between 1873-4 and 1878-9 (5 years)	6·9	16·6	15·3
" 1878-9 " 1883-4 (5 years)	6·4	9·3	14·4
" 1883-4 " 1888-9 (5 years)	5·7	4·5	10·0
" 1888-9 " 1893-4 (5 years)	5·8†	6·5	17·5
" 1893-4 " 1898-9 (5 years)	5·9†	7·9	23·9†
Between 1873-4 and 1898-9	34·6†	53·1	111·2†

It will be seen from these figures that, not only have the rates increased more rapidly than the population, but that they have also outstripped the rateable value. During the 25 years the rates increased at double the pace of the rateable value, and at no period was the disproportion so marked as during the last five years. (Compare also the course of the valuation and rates in the diagram facing page 40.)

Rate in £ of rates raised in 1868, 1890-1, and 1898-9. These conditions must necessarily have been accompanied by a rise in the average rate in the £ levied by Local Authorities.

No information is collected showing the total rates in the £ which are charged upon the ratepayers, and for the purpose of comparing the extent of local taxation at different periods, and in different districts, it is necessary to use the nominal rates in the £ obtained by dividing the amount of rates raised by the valuation of the districts in which they were levied. The following rates in the £ are the full approximate amounts payable upon the full net annual value of those properties which are not differentially treated. Properties which are so treated would be assessed at a lower rate in the £ on their full annual value, or at the full rate in the £ upon their assessable value. (See also notes to Table IV., p. 81.)

Calculated upon the Poor Rate Valuation, the rates raised in 1898-9, and in the latest years dealt with by Mr. Goschen and Sir H. Fowler, were equivalent to the following rates in the £:—

	s. d.
In 1868	- 3 4
In 1890-1	- 3 8
In 1898-9	- 4 10

The increase during the last eight years is remarkable, and has raised the charge to a point which has not been reached at any previous period for which the rates have been ascertained. And it should not be forgotten that the relief which has been afforded to the ratepayer from Imperial funds since 1888 has been greater in proportion to the total rates than at any previous period. The amounts passing through the Local Taxation Account in 1890-1 and 1898-9§ were equivalent to rates of 9½d. in the £ on the rateable values of those years.

* Thirtieth Annual Report of the Local Government Board, 1900-1, p. cxi.

† Amended in accordance with the estimates of the population given in the Preliminary Report on the Census of 1901. (See Table I. on page 75).

‡ Grants under the Agricultural Rates Act, 1896, have, for the purposes of this Table, been included with rates.

§ Excluding for this year the Agricultural Rates Grants, which, being given in aid of a particular class of ratepayers, do not directly affect the rates in the £ payable by the general ratepayer.

The following figures taken from Table IV. on page 80 enable the increase in the rates since 1890-1 to be traced to the particular authorities, and, in some measure, to the particular classes of districts in which it occurred:—

	Increase in Rate in £ since 1890-1.	d.	Increase in Rate in £ since 1890-1 of rates raised by various Local Authorities.
Poor Law Authorities (Metropolitan) -		3·2	
Do. do. (extra-Metropolitan) -		1·6	
Do. do. (England and Wales) -		2·1	
School Boards (London) -		1·8	
Do. (Boroughs) -		3·3	
Do. (Parishes) -		2·6	
Do. (England and Wales) -		2·5	
County Councils (London) -		0·7	
Do. (extra-Metropolitan) -		2·5*	
Metropolitan Vestries and District Boards, &c. -		2·6	
Town Councils (Municipal Accounts). County Boroughs -		3·3	
Do. do. Other Boroughs -		1·4	
Do. (other Accounts). County Boroughs -		6·3	
Do. do. Other Boroughs -		5·2	
Urban District Councils of Districts other than Boroughs -		7·2	
Rural District Councils and Highway Authorities in Rural Districts -		4·5*	
Parish Councils and Parish Meetings -		0·6	
Metropolitan Authorities -		7·4	
Extra-Metropolitan Authorities -		15·4	
England and Wales -		14·0	

These figures show that, whilst the rates in the £ raised by all the principal Local Authorities have contributed to the general increase, those levied by extra-Metropolitan Urban Authorities have, generally speaking, grown more rapidly than those raised in the Metropolis and in Rural Districts. In London the rates of the Poor Law Authorities have increased to the greatest extent, though in other urban districts the sanitary rates are responsible for the largest increases. The increase in the average School Board rates was larger in the Boroughs than in London and elsewhere.

II.—BURDENS IMPOSED UPON THE RATES BY VARIOUS SERVICES.

The proceeds of the three principal rates, viz., the Poor Rate, General District Rate (General Rate† in the Metropolis), and Borough Rate, by means of which some 90 per cent. of the total local taxation in 1898-9 was raised, are used to defray expenditure on a great variety of purposes, and a mere statement of the amount of these rates does not serve to show for what services local taxation is principally raised. A statement of the rates levied by each class of Local Spending Authorities is of much more assistance, but even this is not sufficient, as nearly all classes are charged with the administration of a great variety of services, and in some cases a service is administered in different districts by different classes of Authorities. In determining the burden imposed upon local rates by any particular service, it is, therefore, necessary to ascertain the gross expenditure upon the service, and to deduct therefrom any receipts, other than from rates, incidental to its administration.

As, however, County and County Borough Councils receive (under the Acts of 1888 and 1890) contributions from the Exchequer which are not earmarked to any service in particular, it is not possible to determine the net charge of each of the services administered by those Authorities falling upon such contributions and the local rates respectively. These and the majority of other Local Authorities also receive grants under the Agricultural Rates Act, which it is frequently impossible to identify with

Method of
determining
the burden
imposed upon
the rates by
various
services.

* See notes to Table IV. as to rates in £ for Special County Purposes and Special Expenses of Rural District Councils.

† Under the Local Government Act, 1899, the Poor Rate in the Metropolis has become part of the General Rate.

the administration of any particular service. In these cases, the charge imposed upon taxation, whether raised by the Local or the Imperial Authorities, is all that can be stated.

Further, nearly all Local Authorities have sundry receipts (such as profits from reproductive undertakings, rents, profits, and sales of property, interest and dividends on investments, fees, fines, penalties, and licences, &c.) which are not directly incidental to the administration of any particular service, but which go towards the reduction of the rates for all the services they administer. Moreover, certain receipts of Local Authorities are not classified in the Local Taxation Returns (upon which the following figures are largely based), according to the services in connexion with which they were received, and in these cases the entire receipts in aid cannot be set against the gross expenditure. It is seldom possible, therefore, to show the exact charge imposed upon the rates by any service; but as these receipts are not large as compared with the amount raised by rates, the figures showing the net cost of local services will still form an approximate guide to the charge imposed upon the rates, and the rates in the £ deduced therefrom will show, within a very small margin of error, the charges imposed upon ratepayers for the services dealt with.

Gross expenditure of Local Authorities upon the more important local services.

In Table V. will be found a list of the principal local services with the gross amounts expended (including debt charges, but not expenditure out of loans) upon each in 1897-8 and 1898-9. It will there be seen that the total expenditure of Local Authorities was, in 1898-9, nearly 72,000,000£., an increase of almost $3\frac{1}{2}$ millions over the expenditure in 1897-8. Nearly four-fifths of this expenditure was incurred upon a few of the more important services, these services, and the amount expended upon each in 1897-8 and 1898-9, being as follows:—

		Gross Expenditure.*	
		1897-8.	1898-9.
Relief of the Poor, Lunatics, and Lunatic Asylums.		£ 11,602,000	£ 12,191,000
Education	- - -	9,403,000	9,906,000
Police	- - -	5,033,000	5,155,000
Roads, Streets, Bridges, and Ferries	- - -	10,492,000	11,007,000
Lighting Streets, Roads, &c.	- - -	1,287,000	1,329,000
Sewerage	- - -	3,348,000	3,568,000
Gasworks	- - -	4,929,000	5,102,000
Waterworks	- - -	3,516,000	3,674,000
Harbours, Piers, Docks, and Quays	- - -	2,991,000	2,960,000
Private Improvement Works	- - -	1,132,000	1,214,000
		53,733,000	56,106,000

It is now proposed to show to what extent the administration of these services involves a charge upon the local rates, so far as the existing financial arrangements and published Returns enable this to be done.

The Relief of the Poor, Lunatics, and Lunatic Asylums.

Poor Relief Expenditure compared with population from 1871-2 to 1899-1900.

The relief of the Poor and the maintenance of Pauper Lunatics being devolved upon the Poor Law Authorities, whilst asylum accommodation for lunatics is provided by County and Borough Councils, makes it necessary to deal with the former, apart from the latter. Moreover, in consequence of the variety in the functions performed by the Poor Law Authorities, it is not possible to state the exact amount spent upon Poor Relief and the maintenance of Pauper Lunatics. But so far as the expenditure upon Relief is separable, it is shown for each year since 1871-2 in Table I., and in the Diagram facing page 40.

Of the years included in the Diagram, the ratio of Poor Relief expenditure to the estimated population was lowest in the period 1886 to 1890, and highest in 1898-9. In 1899-1900 it was still higher than in 1898-9. The gross Poor Relief expenditure per inhabitant in each County and Division of England and Wales is given for each year since 1890-1 in Table VIII.

Between 1890-1 and 1899-1900 the expenditure per inhabitant in England and Wales increased from 6s. to 7s. $3\frac{1}{2}$ d., i.e., by upwards of 21 per cent. During this period the expenditure per inhabitant in London (where in 1899-1900 it was

* Besides these amounts, some part of the expenditure upon public buildings, salaries, establishment charges, legal expenses, &c., which cannot be allocated to the separate services, would properly be regarded as expenditure upon the services included in the above Table. In each of the years 1897-8 and 1898-9 this expenditure amounted to upwards of 4 millions.

15s. 9½d.) has not only been much greater than in any other Division or County, but it also shows the largest increase.

It must be remembered, however, that in London the cost of maintaining the patients in the fever and small-pox hospitals of the Metropolitan Asylums Board falls upon the Poor Law Authorities, whereas the provision of hospitals for infectious diseases in the rest of the country is, for the most part, a charge upon the rates raised by the Sanitary Authorities. Moreover, the latter Authorities have a power of recovering, if possible, from non-pauper patients the expense of their maintenance, but the London Authorities have no such power of recovery. The expenditure of the Metropolitan Asylums Board in 1899-1900 was 816,000*l.* (of which about two-thirds appears to be incurred in the treatment of infectious diseases), or between one-fifth and one-quarter of the total expenditure of the Metropolitan Poor Law Authorities.

The expenditure immediately connected with Poor Relief is analysed for the years 1890-1 to 1899-1900 in Table VII. The expenditure on the different items in 1899-1900 was—

—	In the Metropolis.	Outside the Metropolis.	Total.
1. In-maintenance - - - -	£ 971,000	£ 1,577,000	£ 2,548,000
2. Out-relief - - - -	229,000	2,469,000	2,698,000
3. Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	421,000	1,399,000	1,820,000*
4. Principal of Loans repaid and Interest thereon :—			
a. Principal repaid - - -	351,000	268,000	619,000
b. Interest - - -	193,000	161,000	354,000
5. Salaries, &c., and superannuation allowances of Union Officers, &c.	822,000	1,274,000	2,096,000
6. Other expenses of, or immediately connected with, relief.	608,000	825,000	1,433,000
Total - - - -	3,595,000	7,973,000	11,568,000

Nearly one-third of the expenditure was, therefore, incurred in the Metropolis, and it may be noted that the amount spent upon out-relief there is very small as compared with the rest of the country.

The cost of relief per pauper (calculated on the mean number of paupers of all Cost of relief classes) in England and Wales has risen from 11*l.* 7*s.* 0½*d.* in 1890-1, to 14*l.* 10*s.* 4½*d.* per pauper in 1899-1900.

The corresponding figures for London and the rest of England and Wales were:—

		1890-1.	1899-1900.
		£ s. d.	£ s. d.
London - - - -		22 9 7½	28 14 2½
Rest of England and Wales - -		9 10 1½	11 17 5½

The striking contrast between the rates per pauper in London and the rest of England and Wales is referred to in the Annual Report of the Local Government Board for 1900-1 (p. lxxxi) in the following words:—

“ This result is, to a considerable extent, to be attributed to the fact that in the Metropolis the paupers relieved in the workhouses and infirmaries, &c., bear a much larger proportion to the total number of paupers of all classes relieved than they do in other parts of the country . . . It is no doubt also partly due to the improved accommodation provided for the poor in the Metropolis, and partly to the contributions required to be made to the Managers of the Metropolitan Asylum District.”

The average amount of relief given to each out-door pauper has, on the whole, increased during the last ten years, and in 1899-1900 was 5*l.* 6*s.* 10*d.* In the Metropolis alone the amount given averaged 5*l.* 17*s.* 2½*d.*, and in the rest of England and Wales it averaged 5*l.* 5*s.* 11½*d.*

* This does not include a sum of, roughly, 50,000*l.*, expended by County and Town Councils upon the maintenance of lunatics chargeable to them, and not to the Poor Law Authorities.

Sources of Revenue of Boards of Guardians, and extent to which Poor Relief expenditure was met from each source--

The sources from which the Guardians derive their revenue (other than that from loans) may be classed under four heads, namely :—

1. Revenue derived from property of Guardians, sales of produce, relatives, or property of paupers and all sources other than 2, 3, and 4.
2. Contributions from the Exchequer Contribution Accounts of County and County Borough Councils.*
3. Contributions from the Local Taxation Account under the Agricultural Rates Act, 1896.
4. Poor Rates.

In showing the extent to which the expenditure upon Poor Relief is met from each of the four sources named above, it will be convenient to deal with London apart from the rest of England and Wales. The following figures relate to the year 1899-1900, but those for the nine preceding years will be found in Table VI.

(a) Outside the Metropolis.

In the *extra-Metropolitan part of England and Wales* the gross expenditure immediately connected with the relief of the poor amounted to 7,973,000*l.*, and of this sum it is estimated that 546,000*l.*, or 6·8 per cent., was met from the local receipts mentioned under the first head above. The proportion of the gross expenditure met from this source has remained fairly constant during the last ten years, the limits of variation having been 6·1 and 6·8 per cent.

The net cost of relief falling upon rates and taxes was, therefore, 7,427,000*l.*, or 1*s.* 1*d.* in the £ on the rateable value. Of this sum 1,548,000*l.*, or 19·4 per cent. of the gross poor relief expenditure, was met by the grants received from the Councils of Counties and County Boroughs under the Local Government Act of 1888. In 1891-2 the proportion of the expenditure so met was 23·3 per cent., and since that year it has been steadily declining. This diminution in the ratio of these grants to the gross expenditure is attributable to the progressive increase in the latter, coupled with the fixedness of the Union Officers' Grant,—the most important of the grants made by the County and County Borough Councils.

A further sum, estimated at 427,000*l.*, was received in aid of this expenditure under the provisions of the Agricultural Rates Act, 1896, and the balance, namely, 5,452,000*l.*, or 68·4 per cent. of the gross expenditure, fell upon the poor rate. This sum represents a rate of 10*1*/*4**d.* in the £ upon the assessable value (*i.e.*, the rateable value reduced by one-half the value of agricultural land) of the extra-Metropolitan part of England and Wales.

(b) In the Metropolis.

The gross expenditure immediately connected with the relief of the poor in the Metropolis was 3,595,000*l.* in 1899-1900, of which 134,000*l.*, or 3·7 per cent., was defrayed from revenue derived from property, sales of produce, relatives, or property of paupers, and other local sources except rates. The balance, *viz.*, 3,461,000*l.*, was equivalent to a rate of 1*s.* 10*1*/*4**d.* in the £.

The grants made by the London County Council from its Exchequer Contribution Account amounted to 188,000*l.*, or 5·2 per cent. of the gross expenditure, and grants were received under the Agricultural Rates Act to the extent of about 1,000*l.*

The in-door pauper grant of 4*d.* a day per head, which is made by the Council to the Metropolitan Boards of Guardians, is not charged upon the Council's Exchequer Contribution Account, although it was given in lieu of the Union Officers' grant in the rest of England and Wales. Some part of the grant might, however, be regarded as coming out of that Account, but, as the free balance of the Account is less than the amount of the grant, it is clear that a part also falls upon the County rate. The amount received by the Guardians from the grant in 1899-1900 was 354,000*l.*, but as it is impossible to say how much of this sum was met from one source or the other, it will be desirable to show the average rates in the £ of the net expenditure, both including and excluding the grant. These rates are :—

—	Amount.	Rate in £.
	£	<i>s.</i> <i>d.</i>
Net expenditure on poor relief falling on the Guardians' rates and on in-door pauper grant.	3,273,000	1 9
Net expenditure on poor relief falling on the Guardians' rates only.	2,919,000	1 6 <i>1</i> / <i>2</i>

* Including under this head the in-door pauper grant payable to Metropolitan Boards of Guardians by the London County Council, but which is not charged upon the Council's Exchequer Contribution Account.

The gross expenditure of Local Authorities on *Lunatic Asylums* was approximately:—

703,000*l.* in 1897-8, and
793,000*l.* in 1898-9.

Lunatic Asylum,
approximate cost falling on Rates.

Owing to the receipts of Visiting Committees for the accommodation of the private patients not being separable from the receipts for their maintenance, it is not possible to ascertain the amount of the receipts in aid of this expenditure, but it seems probable that they did not exceed 30,000*l.* in each year. The gross expenditure, however, represents in each year a rate of a little more than 1*d.* in the £ on the rateable value of England and Wales.

Education.

The expenditure of Local Authorities upon Education may be divided into three classes, namely:—

	Approximate Gross Expenditure.*		Expenditure upon Education.
	1897-8.†	1898-9.†	
(1.) Elementary Education‡	£ 8,150,000	£ 8,612,000§	
(2.) Technical and Intermediate Education	979,000	1,013,000	
(3.) Reformatories and Industrial Schools‡	236,000	242,000	

Nearly the whole of the above expenditure upon Elementary Education was incurred by School Boards,|| and some 40 per cent. of it is defrayed by the State. The amounts raised by rates (including the Agricultural Rates grants) in the years ended September 1897 and 1898 were 4,910,000*l.*¶ and 4,890,000*l.*¶ respectively, which amounts were equivalent to rates of 10½*d.* and 10½*d.* in the £ in each year if calculated on the valuation of the districts in which the rates were levied. It has been shown in the Table on p. 43, that the increase in the average rate between 1890 and 1898 was 2½*d.* in the £. In the years ended September 1899 and 1900 the average rates were 11*d.* and 11½*d.* in the £ respectively, the figures for the London School Board, the Borough School Boards, and the Parochial School Boards for these years being as follows:—

	Amount of Rates raised (including Agricultural Rates Grants).¶				Average Rates in £.			
	1898-9.		1899-1900.		1898-9.		1899-1900.	
	England.	Wales.	England.	Wales.	England.	Wales.	England.	Wales.
London Boroughs	£ 1,973,000	—	£ 2,119,000	—	s. d.	s. d.	s. d.	s. d.
Boroughs	1,867,000	83,000	2,026,000	92,000	1 0·9	—	1 1·7	—
Parishes	1,149,000	205,000	1,249,000	239,000	0 10·1	0 10·3	0 10·3	0 11·1
Totals and Averages	4,989,000	288,000	5,394,000	331,000	0 9·7	0 11·5	0 10·1	1 1·2
					0 10·9	0 11·1	0 11·4	1 0·5

The figures for preceding years will be found in Tables II. and IV.

The expenses for interest on loans to meet capital charges and repayment of instalments of the principal of such loans, increased from 1,114,000*l.* in 1889-90

* Nearly 40,000*l.* in each year was also spent by the Corporation of London and Town Councils upon Colleges and Schools.

† The expenditure of School Boards included in these figures is for the years ending Michaelmas 1897 and 1898 respectively.

‡ The debt charges of School Boards in connexion with Industrial Schools are included under Elementary Education, as the amounts are not distinguished in the Reports of the Board of Education.

§ The expenditure upon the maintenance of Voluntary Schools is not, of course, included above.

|| School Attendance Committees incurred an expenditure of 64,000*l.* in each year.

¶ These figures include the rates raised by School Boards for contributions towards, or expenses of, Industrial Schools, amounting (exclusive of debt charges) in 1896-7 to about 117,000*l.*, and in 1897-8 to 126,000*l.*

to 1,762,000*l.* in 1899-1900, and now requires a rate of 3*·5d.* in the £ on the rateable value of the school districts.*

Technical and Intermediate Education is administered by the Councils of Counties, Boroughs, and Urban Districts. Of the total gross expenditure of these bodies, the following amounts fell upon their general revenues†:—

	£
1897-8	898,000
1898-9	909,000
1899-1900	953,000

These sums are each equivalent to about 1*½d.* in the £ upon the rateable value of the whole of England and Wales, but, for the reasons stated on pp. 43-4, the extent to which the expenditure actually fell upon the rates cannot be stated.

The majority of *Reformatories and Industrial Schools* are controlled by Voluntary Managers, but certain Local Authorities may also provide such institutions, and may contribute to those provided by other agencies. The following figures show the gross expenditure incurred upon these institutions, and also the contributions made by Local Authorities towards such expenditure‡:—

	1898.	1899.	1900.
	£	£	£
Gross Expenditure upon Reformatory and Industrial Schools.§	459,000	467,000	475,000
Payments towards such expenditure by—			
County and Borough Councils - - -	62,000	65,000	67,500
School Boards - - -	115,000	123,000	127,500
Boards of Guardians - - -	5,000	5,000	4,500
Total payments by Local Authorities - - }	182,000	193,000	199,500

It should be observed, however, that the payments by School Boards and Boards of Guardians are included in the rates raised by those Authorities shown elsewhere.

Police.

In presenting statistics with regard to Police expenditure, it will be convenient to deal with the City of London Police Force separately on account of the exceptional financial arrangements connected with that force.

According to the annual Police Reports issued by the Home Office and the Local Taxation Returns,¶ the gross expenditure upon Police other than the City Police in 1894-5 and the three latest years for which the information is available was:—

Gross Expenditure.**

	£.
1894-5	4,506,000
1897-8	4,819,000
1898-9	4,938,000
1899-1900	5,094,000

* Annual Reports of Committee of Council on Education and Board of Education, 1892-3 and 1900-1. (C. 7089 and Cd. 756.)

† See Technical Education Returns. H.C. 5 of 1899 and 257 of 1901.

‡ See Reports of Inspectors of Reformatories and Industrial Schools of Great Britain for 1898, 1899, and 1900 (C. 9450, Cd. 408, Cd. 840).

§ This expenditure includes some small losses incurred in connexion with industrial departments, but does not include the gross expenditure upon such departments. It also includes a small amount of capital expenditure.

|| These totals are smaller than the figures shown in the table on the preceding page, as those figures are based upon the Local Taxation Returns, and include the gross expenditure on Schools controlled by Local Authorities.

¶ For the extra-Metropolitan Districts the figures are taken from the Police Reports (H.C. 167 of 1896, 157 of 1899, 181 of 1900, and 200 of 1901), and for the Metropolitan District from the Local Taxation Returns. The figures on p. 44 are wholly based upon the Local Taxation Returns, and therefore differ to some slight extent from those shown above.

** These figures include the expenditure from the Pension Funds but omit expenditure by the Receiver for the Metropolitan Police District in respect of purely Imperial Services (amounting in 1899-1900 to 147,871*l.*). The expenses of the Metropolitan Police Courts have been included since 1st October 1897, on which date they were transferred to the Metropolitan Police Fund. In 1899-1900 these expenses amounted to 35,887*l.*

It will thus be seen that the expenditure has increased by 552,000*l.** in five years, that is at the rate of about 110,000*l.* a year.

Part of the above expenditure was met from sums received for the services of additional constables, fees, fines, and analogous receipts in aid specially credited to the Police and Police Pension Funds. The expenditure actually falling upon the Exchequer Contributions, rates, and other general sources of revenue of the Local Authorities, and the amounts per inhabitant of such expenditure were:—

YEAR.	Expenditure falling on Exchequer Contributions, Rates, and general revenues of Local Authorities.		Amount of such expenditure falling on Exchequer Contributions, Rates, and general revenues of Local Authorities and amounts per inhabitant.
	Amount.	Per Inhabitant.†	
1894-5 - - - -	£ 4,081,000	s. d. 2 8½	
1897-8 - - - -	4,343,000	2 9½	
1898-9 - - - -	4,361,000	2 9¼	
1899-1900 - - - -	4,511,000	2 10	

Upwards of one-third of this expenditure in each year was incurred in the Metropolitan Police District where the expenditure per inhabitant is more than double the average for all extra-Metropolitan Districts. The expenditure per inhabitant is higher in the Boroughs than in the Counties as the following figures for 1899-1900 will show:—

—	Population in 1901.	Expenditure falling on Exchequer Contributions, Rates, and general revenues of Local Authorities.		Corresponding figures for Boroughs, Counties and the Metropolitan Police District.
		Amount.	Per Inhabitant.	
Administrative Counties‡ - - - -	15,743,000	£ 1,446,000	s. d. 1 10	
Non-County Boroughs (69) - - - -	1,846,000	226,000	2 5½	
County Boroughs (58) - - - -	8,356,000	1,119,000	2 8½	
Extra Metropolitan Districts - - - -	25,945,000	2,791,000	2 1¾	
Metropolitan Police District - - - -	6,554,000	1,720,000	5 3	
England and Wales (except City of London) - - }	32,499,000	4,511,000	2 9¼	

The sums transferred to the Police and Police Pension Funds from the Exchequer Contribution Accounts of Counties and County Boroughs and from the Local Taxation Account amounted to—

YEAR.	Transfers from Exchequer Contribution and Local Taxation Accounts.		Transfers from Exchequer Contribution and Local Taxation Accounts in aid of such expenditure.
	Amount.	Percentage of Expenditure falling on Exchequer Contributions, Rates, and General Revenues.	
1894-5 - - - -	£ 1,949,000	Per cent. 47·8	
1897-8 - - - -	2,058,000	47·4	
1898-9 - - - -	2,094,000	48·0	
1899-1900 - - - -	2,123,000	47·1	

These amounts are thus equal to rather less than one-half of the Police expenditure not met from special receipts in aid.

* Omitting the expenses of the Metropolitan Police Courts.

† Based upon the estimated population in the middle of each year.

‡ Including four County Boroughs and all the Non-County Boroughs which do not maintain separate Police forces.

Residue of
Expenditure
and rates
in £.

After the deduction of these amounts the residue of the expenditure has to be met by the County and Borough Councils and the Metropolitan Police Authorities from other sources of revenue, which principally consist of rates, contributions under the Agricultural Rates Act, 1896, and the "free balances" from the Exchequer Contribution Accounts. The expenditure met from these sources, and the rates in the £ upon the rateable value which it represents, were, therefore—

YEAR.	Residue of Expenditure.	
	Amount.	Rate in £.
1894-5	£ 2,132,000	d. 3½
1897-8	2,285,000	3½
1898-9	2,267,000	3½
1899-1900	2,388,000	3½

Corresponding figures for Boroughs, Counties, and the Metropolitan Police District.

As would be expected, the rate in the £ in the Metropolitan Police District is higher than elsewhere, and it is also higher in the Boroughs than in the Counties. The following are the figures for these areas in 1899-1900:—

	Rateable Value.	Residue of Expenditure.	
		Amount.	Rate in £.
Administrative Counties*	£ 80,007,000	£ 804,000	d. 2½
Non-County Boroughs (69)	8,515,000	123,000	3½
County Boroughs (58)	37,327,000	592,000	3½
Extra-Metropolitan Districts	125,849,000	1,519,000	3
Metropolitan Police District	42,557,000	869,000	5
England and Wales (except City of London)	168,406,000	2,388,000	3½

The Metropolitan Police Rate actually levied amounts to 5d. in the £ in each year. The whole of the produce of this rate is not, however, spent, and a balance is accumulating, which amounted to £667,000*l.* on the 31st March 1901. It is not possible to show the amounts falling exclusively upon the rates in other areas.

City of London Police.
Expenditure,
&c.

The gross expenditure of the City of London Police, the receipts in aid of such expenditure (including the contribution payable by the Corporation) and the residue of the expenditure falling upon the rates and other revenues of the Corporation were—

YEAR.	Gross Expenditure.	Gross Expenditure less Receipts-in-aid other than Corporation Contribution.		Corporation Contribution.	Residue of Expenditure.	
		Amount.	Per Inhabitant.†		Amount.	Rate in £.
1894-5	£ 137,000	£ 124,000	£ s. d. 3 13 1½	30,000	£ 94,000	d. 5½
1897-8	154,000	142,000	4 14 6	32,000	110,000	5½
1898-9	149,000	136,000	4 13 6	32,000	104,000	5½

* Including four County Boroughs and all the Non-County Boroughs which do not maintain separate Police Forces.

† Calculated upon an estimate of the population in the middle of each year.

Roads, Streets, Bridges, and Ferries.

In estimating the cost of highways it is important to keep in mind the Local Authorities responsible for their maintenance. They are:—

In the Metropolis:—

- (a.) In the City of London.
- (b.) Outside the City.

Corporation of London.*

Borough Councils† and London County Council.

In County Boroughs.

Town Councils acting as Urban Sanitary Authorities.

In non-County Boroughs.

County Councils, and Town Councils acting as Urban District Councils.

In Urban Districts.

County Councils and Urban District Councils.

In Rural Districts.

County Councils, Rural District Councils,‡ Parish Councils, and Parish Meetings.

Various Highway Authorities in England and Wales.

In County Boroughs the Town Councils maintain all the roads. Elsewhere, the maintenance of main roads is defrayed by the County Councils, who may also contribute towards the cost of other highways. Parish Councils and Parish Meetings maintain footpaths and rights of way, and all other highways are maintained by the other Authorities mentioned above.

In the last three years the expenditure of County Councils, other than the London County Council, upon main roads and their contributions to other Local Authorities in respect of ordinary highways were:—

Road expenditure of County Councils other than the London County Council and rates in £ thereof.

	1897-8.	1898-9.	1899-1900.	
Main Roads—	£	£	£	£
Expenditure by County Councils themselves	876,000	926,000	931,000	
Payments by County Councils to Urban District Councils and other Highway Authorities	1,020,000	1,052,000	1,093,000	2,024,000
Total	1,896,000	1,978,000	2,154,000	
Highways not being Main Roads and Footpaths—				
Contributions by County Councils	128,000	128,000	130,000	
Total	2,024,000	2,106,000	2,154,000	

There are no receipts of importance which might be regarded as incidental to the management of main roads, and the whole of this sum, therefore, fell upon the general revenues of the County Councils. In each year the amount was equivalent to a rate of about 5d. in the £ if calculated on the net annual value in the County Rate Basis, but it is not possible to ascertain the charge actually falling upon the rates.

The London County Council expended 21,000£. in 1897-8 and 18,000£. in 1898-9 on the Thames Embankments, Main Roads, and Street Improvements, and sums estimated at 533,000£. in 1897-8 and 531,000£. in 1898-9 were paid in respect of the debt charge in connexion with those thoroughfares. Against this expenditure must be set receipts from ground rents, &c., amounting approximately to 99,000£. in 1897-8, and to 116,000£. in 1898-9, leaving 455,000£. in 1897-8 and 433,000£. in 1898-9 to be met from other sources. These two sums are equivalent to rates of about 3d. in the £ on the rateable value in each year, but, as with the expenditure of other County Councils upon main roads, it is not possible to say how much actually fell upon the rates.

Road expenditure of London County Council.

Parish Councils and Parish Meetings expended 11,000£. in 1897-8 and 10,000£. in 1898-9 upon footpaths and rights of way.

Expenditure of Parish Councils on footpaths, &c.

* The Commissioners of Sewers, who were previously the principal authority for the maintenance of the streets, were succeeded by the Corporation of London in January 1898.

† The Metropolitan Vestries and District Boards, who were previously the principal Authorities for the maintenance of the streets, were succeeded by the Borough Councils in November 1900.

‡ Provision was made for the transfer of the duties of Highway Surveyors and Highway Boards (who were previously the Highway Authorities in Rural Districts) to the Rural District Councils by the Local Government Act of 1894, but it was not until March 1899 that the last of the old bodies ceased to exist.

§ In addition to these sums, there was a small debt charge in each year amounting approximately to from 3,000£. to 5,000£.

Gross expenditure of other Authorities on roads and amount thereof falling on rates, &c.

Average rates in the £ in Urban and Rural areas.

The remainder of the expenditure upon Highways, amounting to about 7,453,000£. in 1897-8 and 7,829,000£. in 1898-9, was incurred by the Sanitary Authorities throughout the country. Against this expenditure must be set certain receipts (amounting to at least 267,000£. in 1897-8 and 319,000£. in 1898-9) incidental to the administration of highways, leaving less than 7,186,000£. in 1897-8 and 7,510,000£. in 1898-9 falling almost wholly upon the local rates or upon the contributions from the Exchequer under the Agricultural Rates Act of 1896. Of these sums, Highway Authorities in Rural Districts were responsible for 1,691,000£.* in 1897-8 and 1,695,000£.* in 1898-9, and the expenditure upon street improvements and street watering and scavenging in London and other urban districts therefore amounted to less than 5,495,000£. in 1897-8, and 5,815,000£. in 1898-9. The average charge upon the rates in the various districts was approximately :—

		Rate in £ in 1897-8.	Rate in £ in 1898-9.
		s. d.	s. d.
	London	0 9	0 10
	County Boroughs	1 4½	1 4½
	Other Boroughs and Urban Districts	0 10½	0 10½
	Rural Districts	0 8½*	0 8½*

In County Boroughs the rate here shown represents the sole charge for highways, whereas all other areas are subject to an additional charge imposed by the County Councils for main roads. Of the average rates in County Boroughs about 6½d. in the £ in each year, or three-eighths, was raised to meet the interest on or repayment of debt incurred for the extensive schemes of street improvements and clearances which have been effected in recent years. In other areas the debt charges formed a much smaller proportion of the total.

The corresponding rates for highway purposes in Urban Districts for earlier years are not available.

The Table on p. 80 shows that the increase in the average rate in Rural Districts since 1890-1 was 2½d. in the £.†

Expenditure on Bridges and Ferries. How met.

The expenditure upon Bridges and Ferries in 1898-9, so far as it is not included with the expenditure upon the roads, &c. of which they form part, was 509,000£., of which sum the London County Council spent nearly one quarter. Against this expenditure must be put the tolls, dues, rents, and other receipts incidental to the administration, amounting to 159,000£., leaving 350,000£. to fall on the rates, Exchequer Grants, and other general revenues of Local Authorities. This is an increase of about 50,000£. over the corresponding figure for 1897-8.

Public Lighting.

Cost of lighting streets, roads, &c. and rate in £ in Urban and Rural areas.

The cost of lighting the streets, roads, &c. was 1,329,000£. in 1898-9, and nearly the whole of this sum fell upon the sanitary rates. The rates in the £ in the various districts were—

	d.
In London	2
In Urban areas	3
In Rural areas	0½†

In 1897-8 the rates in the £ were substantially the same.

Sewerage, and Removal and Destruction of House Refuse.

Sewerage expenditure in London, and how met.

The debt charge in connexion with sewerage amounts to rather more than 50 per cent. of the whole expenditure.

In London, the maintenance of the sewers is divided between the London County Council, on the one hand, and the Borough Councils (as successors of the late Vestries

* The average rates in the £ are calculated from the rates actually raised, which, owing to balances carried forward from year to year, vary slightly from the expenditure falling on the rates in any year.

† Between the years 1888-9 and 1890-1 the Highway Rates in Rural Districts dropped from 7·1d. to 6·0d., owing to the transfer to the County Councils of the maintenance of main roads, a portion of the cost of which had previously been borne by the Highway Authorities.

‡ Calculated on the total valuation of Rural Districts. The valuation of the areas in which lighting rates were levied is not available.

and District Boards) and the Corporation of London (the successor of the City Commissioners of Sewers) on the other. The approximate expenditure of the London County Council upon the main sewers was 464,000*l.*, in 1897-8, and 488,000*l.* in 1898-9. Of these sums, about 443,000*l.* in 1897-8 and 467,000*l.* in 1898-9 fell upon the general revenues of the Council, and these amounts are equivalent to rates of nearly 3*d.* in the £ on the rateable value of the County in each year. The expenditure of the Metropolitan Vestries and District Boards and the City Commissioners of Sewers on the district or branch sewers was approximately 192,000*l.* in 1897-8, and 198,000*l.* in 1898-9. Substantially the whole of these sums fell upon the rates, necessitating the levying of an average rate of about 1*½d.* in the £ in each year.

In the rest of England and Wales the gross expenditure amounted to about 2,691,000*l.* in 1897-8, and 2,876,000*l.* in 1898-9.

Deducting from these figures the receipts in aid of the expenditure, leaves 2,502,000*l.* in 1897-8, and 2,672,000*l.* in 1898-9 falling upon the rates and other general revenues of the Local Authorities. The average rates in the £ of the amounts falling upon Urban and Rural areas respectively are approximately as follows :—

Sewerage expenditure in rest of England and Wales and rates in £ in Urban and Rural areas.

	—	1897-8.	1898-9.
		d.	d.
Urban areas	- - - -	7 <i>½</i>	7 <i>¾</i>
Rural areas	- - - -	3 <i>½</i>	3 <i>½</i>

In Rural areas the amounts are for the most part raised as Special Expenses rates of Rural District Councils, and the rates in the £ given are calculated upon the valuation of the areas in which those rates were levied.

In addition to the expenditure thus analysed, Local Authorities incur a considerable expenditure in connexion with the removal and destruction of house refuse. In 1898-9 this expenditure reached at least 1,379,000*l.* exclusive of debt charges, and this sum of itself would necessitate the levying of the following rates in the £ :—

Expenditure of Local Authorities on removal and destruction of house refuse.
Rates in £.

	d.
London	2 <i>½</i>
Urban areas	3 <i>½</i>
Rural areas	0 <i>¾</i>

Gasworks.

These undertakings are included in Sir H. Fowler's recent Return* giving the capital, income, and expenditure of "Reproductive Undertakings" carried on by Municipal Boroughs, and of all the undertakings included in that Return gasworks realised the largest profits. The Return does not relate to Undertakings carried on by Urban District Councils and other Public Bodies, and so far as regards income and expenditure it gives the averages over a period of five years ending in March 1898.

Income and Expenditure relating to Gas Undertakings in the hands of Local Authorities.

The Board of Trade annual Returns† relating to all Gas Undertakings in the hands of Local Authorities show the following figures :—

—	1897-8.	1898-9.	1899-1900.	1900-1.
Receipts -	£ 5,220,000	£ 5,567,000	£ 6,281,000	£ 7,125,000
Expenditure (exclusive of debt charges) -	3,811,000†	4,043,000†	4,680,000	5,698,000
Debt charges -	932,000†	979,000†	1,033,000	1,087,000
Net Profit of Undertakings producing a profit -	485,000	573,000	608,000	396,000
Net Loss of Undertakings not producing a profit -	8,000	28,000	40,000	56,000

* H.C. 88 of 1899.

† H.C. 365 of 1898, 339 of 1899, 144 of 1900, and 321 of 1901.

These figures differ slightly from those shown on p. 44, which are taken from the Local Taxation Returns.

This profit was applied in various ways, e.g., in the repayment of losses of previous years, in balances carried forward, in increasing the depreciation or reserve funds, in the reduction of the price of gas in succeeding years, or in aid of the local rates.

Waterworks.

Expenditure in connexion with Waterworks is mainly upon debt charges.

In the case of these Undertakings, Local Authorities are generally prohibited from making a profit, that is to say, the amount charged for the supply of water may not exceed the expenses of working and the debt charges.

The outstanding loans of Local Authorities, in connexion with waterworks, reached nearly 50,000,000*l.* at the end of 1898-9. The charge for interest and the repayment of the principal of this enormous sum forms the chief item of waterworks expenditure, and in 1898-9 amounted to about 62 per cent. of the total.

Income and Expenditure relating to Waterworks belonging to Local Authorities.

So far as the Local Taxation Returns enable the financial transactions in connexion with waterworks belonging to Local Authorities to be ascertained, the receipts and expenditure in 1897-8 and 1898-9 were as follows:—

	—	1897-8.	1898-9.	
Receipts -		<i>£</i> 3,292,000	<i>£</i> 3,480,000	
Expenditure (exclusive of Debt Charges).		1,285,000	1,381,000	
Debt Charges (partly estimated) -		2,231,000	2,293,000	
Excess of Expenditure (inclusive of Debt Charges) over Receipts.		224,000	194,000	

According to Sir H. Fowler's Return already alluded to, the average annual receipts of *Municipal Boroughs* from water undertakings during the five years ended in March 1898 were 2,645,000*l.*, whilst the expenditure (including debt charges) amounted to 2,602,000*l.*, leaving a net profit of 45,000*l.* in the case of those undertakings which produced a profit. Where profits are made they are in some cases applied in reduction of the local rates, and, on the other hand, where the management results in a loss, the deficit is usually charged upon the rates.

Harbours, Piers, Docks, and Quays.

Harbours, &c., Expenditure. The gross expenditure (2,991,000*l.* in 1897-8, and 2,960,000*l.* in 1898-9) of Local Authorities was, except in a few cases, entirely met by tolls, dues, and other receipts incidental to the management.

Private Improvement Works.

Private Improvement Expenses.

The whole of the expenditure (1,132,000*l.* in 1897-8, and 1,214,000*l.* in 1898-9) on such works is met by rates, &c. charged upon the property in respect of which the expenditure is incurred.

Summarising the rates in the £ for the more important services which burden the rates, we get the following Table:—

Services.	Districts.	Average Rate in £ of Cost falling on Rates, &c.			Burdens imposed on rates by various services. Summary of rates in £.
		1897-8.	1898-9.	1899-1900.	
1. Poor Relief	Metropolis (Union County) -	s. d. From 1 5 To 1 7½	s. d. From 1 6 To 1 8½	s. d. From 1 6½ To 1 9	
2. Lunatic Asylums	Extra-Metropolitan -	0 10½	0 10½	0 10½	
3. Education:—	England and Wales -	0 1	0 1	0 1	
Elementary	Metropolis (Administrative County) -	0 11½	1 1	1 1½	
	Extra-Metropolitan School Board Districts.	0 9½	0 10	0 10½	
Technical and Intermediate.	England and Wales -	0 1½	0 1½	0 1½	
4. Police	Metropolitan (Police District)	0 5	0 5	0 5	
	Extra-Metropolitan -	0 3	0 3	0 3	
5. Main Roads	Administrative Counties other than London.	0 5	0 5	0 5	
6. Other roads, streets, &c.	Metropolis (Administrative County) -	0 9	0 10	—	
	County Boroughs -	1 4½	1 4½	—	
	Other urban areas -	0 10½	0 10½	—	
	Rural Districts -	0 8½	0 8½	—	
7. Public Lighting	Metropolis (Administrative County) -	0 2	0 2	—	
	Other urban areas -	0 3	0 3	—	
	Rural Districts -	0 0½	0 0½	—	
8. Sewerage	Metropolis (Administrative County) -	0 4½	0 4½	—	
	Other Urban Areas -	0 7½	0 7½	—	
	Rural Districts -	0 3½	0 3½	—	

In the case of Poor Relief, Elementary Education, and the Metropolitan Police, the rates given are the net amounts falling on the rates, but in other cases no account has been taken of those receipts of Local Authorities which it is not possible to identify with the administration of any particular service, and consequently the rates actually required in these cases might have been somewhat less than here stated. Moreover, in the case of the services administered by County Councils and County Borough Councils acting as Municipal Authorities, e.g., Police and Main Roads, no account can be taken of the Exchequer Contribution Account "free balances" which were applied in aid of rates generally, and the rates in the £ in these cases are, therefore, those falling upon the rates, "free balances," and other general revenues of the Councils.

III.—RATES LEVIED BY VARIOUS SPENDING AUTHORITIES.

Having shown the cost of the most important local services, and, so far as possible, the charges imposed upon local rates in respect of them, we may now consider the amount of the rates levied in different areas by the principal classes of Spending Authorities.

Poor Law Authorities.

The expenditure of Poor Law Authorities has risen from 8,924,000£ in 1871-2 to 13,131,000£ in 1899-1900. The latter amount is divided as follows in the Local Taxation Returns:—

	£	Per Cent.
Expenses immediately connected with the relief of the poor -	11,568,000*	or 88·1
Expenses partly connected and partly unconnected with relief -	933,000	or 7·1
Expenses wholly unconnected with relief -	630,000	or 4·8
13,131,000		

Total Expenditure of Poor Law Authorities, and the amount of such expenditure connected with poor relief, &c.

* It should not be forgotten that this figure includes certain expenditure by the Metropolitan Asylums Board in respect of the "maintenance of fever, small-pox, and diphtheria patients," which is not strictly Poor relief. See p. 45.

It will be seen that an overwhelming proportion of the expenditure is directly connected with poor relief, whilst less than 5 per cent. is wholly unconnected with it. The expenses which cannot be classed under one head or the other include the cost of legal proceedings (parochial and union), valuation expenses, the remuneration and superannuation allowances of parochial officers, and other miscellaneous expenses. Together these expenses amount to 7·1 per cent. of the whole of the expenditure of Poor Law Authorities.

The figures for previous years are given in Table VI. The considerable increase in 1899–1900 in the expenditure unconnected with Poor Relief was due to increased vaccination expenses.

Amount of Rates raised to meet the expenditure of Poor Law Authorities for each year since 1871–2.

In Table I. and in the diagram facing p. 40, the amount of rates raised to meet the expenditure of Poor Law Authorities is shown for each year since 1871–2. The effect of the measures introduced in 1874 and 1888, which considerably increased the State aid given to these Authorities, is plainly indicated on the diagram. As a result of these measures the amount of rates raised has not increased to the same extent as the expenditure.

In 1891–2, the year immediately following those to which Sir H. Fowler's Report relates, the rates bore a lower proportion to the valuation and the population than in any other year of the period, but since then the ratio has again considerably increased.

Rates in the £ in each Union-County in 1868, 1889–91, and 1898–1900 compared. Changes in the rate in the £ between 1889–91 and 1898–1900.

Table XI. shows the rates in the £ of these rates in each Union-County for the years 1868, 1889–91, and 1898–1900, and it will be seen that, whilst every County except the East Riding of Yorkshire showed a decrease in the average rate in the £ in 1889–91 as compared with 1868, there were in 1898–1900 only five counties in which the average rate was as low as or lower than in 1889–91. Grouping the counties according to the changes in the later period it is found that—

10 Counties show a rise of more than 3d. in the £.

30 Counties show a rise of less than 3d. in the £.

1 County shows no change.

4 Counties show a decline of less than 3d. in the £.

—
45

Counties showing the largest increases.

Whilst the general increase between 1891 and 1900 in the rateable value of England and Wales was 15·7 per cent., in only two of the 10 counties in which the rise in the rate in the £ was greatest had the increase in the rateable value exceeded that average, and in two counties the rateable value showed a decline. The increased rates in these 10 counties were also, in some measure, due to an increase in the expenditure upon Poor Relief per head of the population. The details are:—

Counties.	Rate in £ in 1898–1900.	Increase, as compared with 1889–91.	Increase (+) or Decrease (–) in Rateable Value between 1891 and 1900.	Increase in Gross Expenditure on Poor Relief per Head of estimated Population between 1890–1 and 1899–1900.	Rateable Value of Agricultural Land,* as compared with all Rateable Property, in 1900.
London	1 7·4	4·2	+ 14·7	4 2	0·1
Norfolk	1 7·5	4·2	– 2·1	0 10 $\frac{1}{4}$	30·0
Yorks, East Riding	1 3·4	4·1	+ 23·7	1 8 $\frac{1}{4}$	22·2
Suffolk	1 5·3	3·9	– 2·7	1 8 $\frac{1}{4}$	24·9
Nottingham	1 1·9	3·9	+ 12·6	1 6 $\frac{1}{4}$	17·8
Dorset	1 4·5	3·5	+ 5·9	1 4 $\frac{1}{4}$	34·2
Wiltshire	1 4·0	3·4	+ 1·6	1 1 $\frac{1}{4}$	31·1
Gloucester	1 2·9	3·1	+ 17·4	1 0 $\frac{1}{4}$	16·2
Yorks, North Riding	1 0·3	3·1	+ 10·3	1 1 $\frac{1}{4}$	30·5
Cornwall	1 4·1	3·0	+ 4·9	1 0 $\frac{1}{4}$	41·3
Average for England and Wales	1 2·2	2·1	+ 15·7	1 3 $\frac{1}{4}$	13·3

It will be seen from the last column in the Table that the majority of these counties are largely agricultural.

* As defined by Agricultural Rates Act.

1960-1961 學年上學期

19. *Leucosia* (Leucosia) *leucostoma* (Fabricius)

**EXCELSIOR OF OVERSEAS OF THE
PODRATIN, DUTCHIE GUARDIANS CALLING ON 1900.
RITES AT 1000 HORSES IN THE YEAR 1900.**

PRINCIPLES OF THE ENGLISH LESSON BOOK

14. *Constitutive elements of the *liver** (Continued)

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**REPORT OF THE OVERSEERS OF THE
EDUCATIONAL AND GUARDIANSHIP WORK OF THE
METHODIST CHURCH IN THE YEAR 1889.**

JOHN C. HENRY. GENEVA, N.Y.

The Counties showing the largest decline in the rate in the £ of the rates raised for the expenses of Poor Law Authorities are Hertford and North Wales, and it is interesting to note that both in 1868 and 1890-1 North Wales had a higher average rate than any other county.

Counties showing the largest decreases.

Table IX. shows the gross expenditure of Poor Law Authorities in 1899-1900, the amount of such expenditure falling on the rates, and other details,* for each Union-County and Union in England and Wales, and the average rates in the £ in each County as ascertained by that Table are illustrated by the accompanying map. It will be seen that the burden of Poor Relief falls very unequally in different counties, and that, generally speaking, the highest rates are found in London, the Eastern and South-Western Counties, and North Wales, whilst the lowest are, with a few exceptions, found in the Northern Counties.

Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900. Rates in the £ in each Union and each Union County.

Lowest and highest rates in extra-Metropolitan Unions.

In the different Unions outside London the rates varied from 3·3d. in the £ in Fylde (Lancaster) to 2s. 2·9d. in the £ in Mildenhall (Suffolk).

Comparison of the highest and lowest poor rates in the different Unions with the poor relief expenditure and valuation per head of population.

The amount of pauperism varies, and is bound to vary, no matter how uniform the administration, according to the prosperity or adversity of the various localities, and the inequalities thus created are, in many cases, further aggravated by the heavier burdens falling upon the localities with the least ability to bear them. This is well illustrated by a comparison of the highest and lowest poor rates in the different Unions with the poor relief expenditure and valuation per head of population.

Taking the 50 extra-Metropolitan Unions in which the rates in the £ were highest (see Table X.), it will be seen that, as compared with the whole of the extra-Metropolitan part of England and Wales, these Unions had a somewhat higher expenditure per inhabitant, and a lower valuation per inhabitant upon which to raise that expenditure. On the other hand, the 50 Unions with the lowest rates had a lower expenditure per inhabitant and a higher valuation per inhabitant. The latter Unions are principally situated in the Northern Counties, and are largely agricultural.

From the same Table it will be observed that in the Unions in which the valuation per inhabitant is below the extra-Metropolitan average the expenditure per inhabitant is generally very low, but that where the expenditure is only moderately increased a rate in the £ much higher than the extra-Metropolitan average usually becomes necessary. On the other hand, the table indicates that where the valuation per inhabitant is high the expenditure is, as a rule, above the extra-Metropolitan average, though the rates in the £ required are generally low, unless the expenditure is exceptionally high.

It may also be noted that the Unions with the lowest expenditure per inhabitant are mainly urban, whilst those with the highest expenditure per inhabitant are, except in the case of Liverpool, Manchester, and Brighton, mostly rural.

Rates in the £ in London Unions.

In London the rates in the £ required by the Poor Law Authorities in 1899-1900 ranged from 1s. 3½d. in Paddington and St. John, Hampstead, to 3s. 0½d. in St. Olave's. Owing to the operation of the three arrangements† for equalising the burden of Poor Relief in the Metropolis, this variation is not so great as in the rest of the country. It is interesting to notice that at least 68 per cent. of the rates raised for the expenses of Metropolitan Poor Law Authorities are charged uniformly over the whole County. The following Table gives the figures for 1898-9, one column including the London

* It should not be forgotten, in dealing with the figures contained in this Table, that they are based upon the receipts and payments of Poor Law Authorities during the year, and not upon those due in respect of the year. It sometimes happens, e.g., that the amounts due to Boards of Guardians from County and County Borough Councils are not actually paid within the year to which they relate, and consequently there may be no payments during one year and a double payment during the next. The expenditure per inhabitant and the rates in the £ may be to some extent affected by occurrences of this character.

The rates in the £ given in Tables IX. and XI., though for precisely the same purposes, are obtained by different methods. Those in Table IX. are the rates in the £ of the expenditure falling on the rates, whilst those in Table XI. are the rates in the £ of the rates raised to meet the expenditure.

† The Metropolitan Common Poor Fund, the Metropolitan Asylums Board Expenditure, and the London County Council grant for in-door paupers.

County Council grant for in-door paupers with the Poor Law Authorities' Rates, the other dealing with the Poor Law Authorities' Rates only:—

	Poor Law Authorities' Rates and In-door Pauper Grant.	Poor Law Authorities' Rates only.		
	£	£	£	£
Total Amount	—	3,166,000 (1s. 8·6d.)	—	2,839,000 (1s. 6·5d.)
Rate in £	—	—	—	—
Part raised to meet expenses chargeable upon the Metropolitan Common Poor Fund.	1,338,000	—	1,338,000	—
Part raised to meet expenses of the Managers of the Metropolitan Asylum District.*	589,000	—	589,000	—
Grant from London County Council for maintenance of In-door Paupers.	327,000	—	—	—
Total amount charged uniformly over the County of London,	—	2,254,000	—	1,927,000
Rate in £	—	(1s. 2·7d.)	—	(1s. 0·5d.)
Balance of Poor Rate raised to meet expenses chargeable on separate Unions or Parishes.	—	912,000	—	912,000

Rates raised for the purposes of Poor Law Authorities in Rural areas and in the various classes of Urban areas respectively.

From the preceding Statements it is not possible to ascertain separately the burden of the rates raised for the purposes of Poor Law Authorities in Rural areas and in the various classes of Urban areas respectively, owing to the overlapping of Unions and other administrative areas.

In the Appendix to the First Report of the Commission, a Table was given showing that out of 647 Unions in England and Wales, 254, or 39 per cent., were partly within and partly without Boroughs, and in addition to these, there are many Unions which comprise parishes in Urban Districts other than Boroughs, as well as parishes in Rural Districts.

So long ago as 1870, a Return was issued by the Local Government Board showing the amount expended for the Relief of the Poor in each Union in England and Wales, and distinguishing "rural" Unions from "town" Unions, but in this Return the Unions which were partly urban and partly rural were counted as "rural" Unions. The result showed a difference of 1½d. in the rate in the £ on rateable value of the sums expended in the two groups, the rate being 1s. 5½d. in the 512 rural Unions and 1s. 7½d. in the 155 town Unions.

In Sir H. Fowler's estimate of the average rate in the £ of all rates levied in Rural Districts, the rate in the £ of the rates raised for the purposes of Poor Law Authorities in those Districts was taken to be the same as the general average for the whole of extra-Metropolitan England and Wales, no distinction being made in the case of this rate between urban and rural areas. And, similarly, in estimating the average rural rates in each County, the general average for the Union-County was attributed to the rural area of the Administrative County.

With the object of ascertaining whether the rates levied by Poor Law Authorities for their own purposes are heavier in rural areas than in urban areas or vice versa, Table XIII. has been compiled showing the amount and the rate in the £ of the rates raised for the purposes of Poor Law Authorities in the years 1896-97 and 1897-98 in London and each County Borough, and in the parts of each Administrative County situated in Rural Districts, Urban Districts, and non-County Boroughs respectively. The general results are as follows:—

		Rate in £ of Poor Rates less Precept Rates.	
		1896-97.	1897-98.
Parishes in Rural Districts	—	s. d.	s. d.
" " Urban	—	1 0·0	1 0·7
" " non-County Boroughs	—	0 11·9	0 11·9
" " County Boroughs	—	0 11·8	1 0·0
" " London	—	1 1·4	1 1·0
		1 6·8	1 7·3
Total, England and Wales	—	1 1·7	1 2·1

* Excluding 175,000l. chargeable upon the Metropolitan Common Poor Fund.

From these figures it will be seen that the average of the rates raised by Poor Law Authorities in London is about 5d. or 6d. in the £ greater than the corresponding average rates in any of the other classes of administrative areas; it should be noted, however, that the figures for London and the rest of England and Wales are not strictly comparable, for the reasons set out on p. 45.

In the other classes of administrative areas the amount in the £ of the rates raised by Poor Law Authorities does not show much variation if the extra-Metropolitan part of the country be taken as a whole. The County Boroughs have the highest rates and the non-County Boroughs and Urban Districts the lowest, the Rural Districts coming between. But if the details for each of the Counties be examined, a greater difference is found. The following Table shows the variation between the average rate in Rural Districts and the general average for the Administrative County in the six Counties showing the greatest difference between the two rates in 1897-98. The rates in the County Boroughs situated in the Geographical Counties of the same name are also added.

Variation between the average rate in Rural Districts and the general average for the Administrative County in certain Counties.

	Surrey.	Southampton.	Cambridge.	Stafford.	Monmouth.	Carnarvon.
1896-97.						
Average rate in Rural Districts	s. d. 1 0·0	s. d. 1 1·7	s. d. 1 1·3	s. d. 0 10·6	s. d. 1 2·9	s. d. 1 9·7
Average rate in whole of Administrative County.	0 10·3	0 11·4	0 11·7	1 0·9	1 4·4	1 8·6
Difference:						
Rural rates higher	0 1·7	0 2·3	0 1·6	—	—	0 1·1
Rural rates lower	—	—	—	0 2·3	0 1·5	—
Average rate in County Boroughs in Geographical County.	0 11·7	1 5·2	—	1 5·4	1 3·2	—
1897-98.						
Average rate in Rural Districts	s. d. 1 0·7	s. d. 1 2·8	s. d. 1 5·2	s. d. 0 10·8	s. d. 1 3·0	s. d. 1 9·6
Average rate in whole of Administrative County.	0 10·6	1 0·8	1 1·1	1 1·4	1 5·7	1 6·3
Difference:						
Rural rates higher	0 2·1	0 2·0	0 4·1	—	—	0 3·8
Rural rates lower	—	—	—	0 2·6	0 2·7	—
Average rate in County Boroughs in Geographical County.	0 10·1	1 3·5	—	1 4·7	1 4·4	—

Comparing the average rates in the different Administrative Counties other than London, it appears that in 1896-97 they varied from 5·8d. in the £ in Westmorland to 1s. 11·2d. in Anglesey, and in 1897-98 from 4·9d. in Westmorland to 1s. 10·1d. in Anglesey.

Range of rates in Administrative Counties and County Boroughs.

In the County Boroughs the rates varied in 1896-97 from 5·4d. in the £ in Preston to 1s. 10·6d. in Dudley, and in 1897-98 from 5·3d. in Preston to 1s. 7·8d. in Wolverhampton.

School Boards.

The Board of Education issues annually a paper* showing the amounts received by the Treasurer of each School Board from the Rating Authority in each year, and the corresponding rates per £. This information is summarised in the following Tables (contained in the Board's Annual Report†) showing the number of Boroughs and Parishes which paid rates varying from less than 1d. in the £ to 2s. and over; the number of Boroughs and Parishes which paid rates of 3d. and upwards and less than 3d. in the £; and the percentage which each class bears to the whole number:—

Number of Boroughs and Parishes with School Board Rates of various amounts in the £.

* Cd. 703 of 1901.

† Cd. 756 of 1901.

Product of Rate equivalent to a Rate per £ on the Rateable Value of the District.	ENGLAND.											
	Boroughs.						Parishes.					
	Numbers.			Percentage.			Numbers.			Percentage.		
	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.
Of under 1d. - - -	5	8	5	3·0	1·8	2·9	53	59	59	2·6	2·9	2·9
Of 1d. and under 2d. - - -	8	10	5	4·9	6·0	2·9	69	79	36	3·4	3·9	1·8
Of 2d. and under 3d. - - -	6	6	6	3·7	3·6	8·5	137	168	58	6·8	8·4	2·9
Of 3d. and under 6d. - - -	23	26	27	14·0	15·6	15·6	590	616	455	29·4	30·7	22·7
Of 6d. and under 9d. - - -	39	40	35	23·8	23·9	20·2	553	520	529	27·5	25·9	26·3
Of 9d. and under 1s. - - -	46	44	50	29·0	26·3	28·9	806	328	390	15·2	16·8	19·4
Of 1s. and under 1s. 8d. - - -	23	27	28	14·0	16·2	16·2	172	129	250	8·6	6·4	12·5
Of 1s. 8d. and under 1s. 6d. - - -	6	8	12	8·7	4·8	6·9	68	65	141	3·4	3·2	7·0
Of 1s. 6d. and under 2s. - - -	7	2	4	4·8	1·2	2·3	45	40	70	2·3	2·0	3·5
Of 2s. and over, not exceeding 3s. 6d.	1	1	1	0·6	0·6	0·6	16	6	20	0·8	0·8	1·0
Total - - -	164	167	178	100·0	100·0	100·0	2,009	2,010	2,008	100·0	100·0	100·0

Product of Rate equivalent to a Rate per £ on the Rateable Value of the District.	WALES.											
	Boroughs.						Parishes.					
	Numbers.			Percentage.			Numbers.			Percentage.		
	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.
Of under 1d. - - -	1	2	1	4·3	8·7	4·3	10	8	7	3·2	2·5	2·2
Of 1d. and under 2d. - - -	—	—	—	—	—	—	6	11	3	1·9	3·5	0·9
Of 2d. and under 3d. - - -	—	—	—	—	—	—	15	23	7	4·7	7·8	2·2
Of 3d. and under 6d. - - -	6	6	4	26·1	26·1	17·4	96	88	68	30·4	26·2	19·8
Of 6d. and under 9d. - - -	10	7	7	48·6	30·4	30·5	77	90	71	24·4	28·4	22·8
Of 9d. and under 1s. - - -	4	5	6	17·4	21·7	26·1	53	46	56	16·8	14·5	17·6
Of 1s. and under 1s. 8d. - - -	1	—	2	4·3	—	8·7	34	25	52	10·7	7·9	16·4
Of 1s. 8d. and under 1s. 6d. - - -	1	2	2	4·3	8·7	8·7	18	18	31	4·1	5·7	9·8
Of 1s. 6d. and under 2s. - - -	—	1	—	—	4·4	—	7	9	21	2·2	2·8	6·6
Of 2s. and over, not exceeding 3s. 6d.	—	—	1	—	—	4·8	5	4	7	1·6	1·2	2·2
Total - - -	23	23	23	100·0	100·0	100·0	816	817	818	100·0	100·0	100·0

Product of Rate equivalent to a Rate per £ on the Rateable Value of the District.	ENGLAND.						WALES.					
	Numbers.			Percentage.			Numbers.			Percentage.		
	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.
	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.	1898.	1899.	1900.
Of 3d. and above.												
Boroughs - - -	145	148	157	88·4	88·6	90·8	22	21	22	95·7	91·3	95·7
Parishes - - -	1,750	1,704	1,855	87·1	84·8	92·4	285	275	301	90·2	86·8	94·7
Total - - -	1,895	1,852	3,013	87·2	85·1	92·3	307	296	323	90·6	87·1	94·7
Below 3d.												
Boroughs - - -	19	19	16	11·6	11·4	9·2	1	2	1	4·3	8·7	4·3
Parishes - - -	259	306	158	12·9	15·2	7·6	31	42	17	9·8	13·2	5·8
Total - - -	278	325	169	12·8	14·9	7·7	32	44	18	9·4	12·9	5·8

Unequal rates in different districts.

It will be seen that the pressure of this rate is very unequal in different districts. Districts with about one-third of the rateable value of England and Wales are still without School Boards, and in those in which such Boards have been established, the rates varied from less than 1d. in the £ to upwards of 2s. in the £. In only 17 boroughs and 170 parishes, or less than 8 per cent. of the School Board Districts, was the rate below 3d. in the £ in 1899-1900.

The School Board Rates in Wales are somewhat higher than those in the extra-Metropolitan part of England, notwithstanding that the cost of maintenance per scholar is lower under the Welsh School Boards than under those in England outside London.* The reason appears to be that the proportion which the average number of children in attendance at Board Schools bears to the population of the School Board Districts is larger in Wales than it is in the extra-Metropolitan part of England, and that the rateable value per inhabitant in Wales is comparatively low (see Table XII.). It may also be noted that the proportion (in valuation) of Districts under School Boards is greater in Wales than in extra-Metropolitan England.

The following Table gives some illustrative figures for particular districts, showing the changes which have occurred since the Elementary Education Act of 1870 came into force. Of the School Boards included in the Table, London is chosen because the magnitude of the figures make them specially important. West Ham is an extreme case of the burden imposed on urban districts; Festiniog is a similar case on a smaller scale, while the parishes of Offham in Kent, and Nuffield in Oxfordshire, show how heavy the burden may be in a small rural school district.

School Board Rates in Wales are higher than in the extra-Metropolitan part of England.

Changes in the School Board Rate in certain Districts since 1870.

AVERAGES for QUINQUENNIAL PERIODS from 1871 to 1899.

School Board District.	1871-75.	1876-80.	1881-85.	1886-90.	1891-95.	1896-99 (four years).	Annual "Agricultural Rates Grant."
LONDON.							
Average annual school rate in the £.	d. 1·1	d. 5	d. 6·8	d. 8·8	d. 10·4	d. 12·4	£
Average annual amount paid out of rates.	91,736	483,504	791,032	1,128,554	1,455,367	1,849,217	706
Average annual grants from Education Department.†	16,021	105,461	213,538	320,236	536,929	691,347	
WEST HAM.							
Average annual school rate in the £.	d. 2·8	d. 6·2	d. 9·3	d. 13·2	d. 19·	d. 25·75	£
Average annual amount paid out of rates.	2,400	7,500	20,100	35,800	61,800	105,250	92
Average annual grants from Education Department.†	765	3,091	8,648	17,489	40,145	69,197	
FESTINIOG.							
Average annual school rate in the £.	d. 4·2	d. 7·9	d. 9·9	d. 12·1	d. 18·2	d. 21·5	£
Average annual amount paid out of rates.	517	1,530	2,700	3,280	4,355	5,250	94
Average annual grants from Education Department.†	374	795	1,214	1,749	2,951	3,705	
OFFHAM.							
Average annual school rate in the £.	d. —	d. 23·9	d. 19·5	d. 19·2	d. 20·6	d. 20·7	£
Average annual amount paid out of rates.	—	180	156	143	140	135	24
Average annual grants from Education Department.†	—	40	48	61	88	107	
NUFFIELD.							
Average annual school rate in the £.	d. 4·9	d. 6·7	d. 7·1	d. 9·6	d. 21·8	d. 18·9	£
Average annual amount paid out of rates.	40	57	51	56	110	79	24
Average annual grants from Education Department.†	—	2	40	40	71	133	

* See Report of Board of Education, 1900-1 (Cd. 756 of 1901).

† Including Fee Grants and Grants to Necessitous School Boards.

Rural School Board Rates in each County.

In Table XIV. the rates in the £ of the Rural School Board Rates in each County are given for the years 1896-8 (average of two years) and 1890-1. These rates are calculated upon the valuations of the whole rural area of the counties, including districts with and without School Boards, and in 1896-8 ranged from 2d. in the £ in Rutland to 8·4d. in Merioneth. The average increase in Rural Districts since 1890-1 was $\frac{1}{2}d.$ in the £, the largest increases having occurred in some of the Welsh Counties.

Rates raised by County Councils.

The rates raised by County Councils are difficult to average, because some services, which are generally county services, are administered in certain non-County Boroughs by the Town Councils of those Boroughs. In these cases the cost is charged upon the Borough Rate, and the County Council makes a special rate for such purposes, which is only leviable in the part of the county outside the Borough.

Increase in rates in £ raised by County Councils other than the London County Council.

By calculating all the county rates upon the valuation for General County purposes, however, a minimum rate, valuable for the comparison of one year with another, is arrived at. This course has been followed in Table IV., from which it will be seen that the increase in the rate in the £ between 1890-1 and 1899-1900 of the rates raised by County Councils other than the London County Council, amounted to 2 $\frac{1}{2}$ d. Additional expenditure upon Main Roads and Police was chiefly the cause of this increase.

Changes in rates in £ raised by various County Councils.

For the purposes of comparing the rates in one county with those in another this method of calculation would produce erroneous results. But as Special County Rates are usually charged upon the whole of the rural areas, the averages for such areas given in Table XIV. may be taken to be the maximum rates in the several counties.*

The average rates for the two years 1896-7 and 1897-8 ranged from 3d. in the £ in Rutland to 1s. 0 $\frac{1}{2}$ d. in the £ in Bedford. As compared with the averages of the two years 1889-90 and 1890-1 there were increases in all the counties, except Rutland and Cumberland. Five counties showed an increase of 4d. in the £ or upwards, viz. :—

	Increase in Rate in £.
	<i>d.</i>
Buckingham	6·0
Bedford	5·8
Cambridge and Isle of Ely	4·9
Radnor	4·5
Devon	4·2

The rates levied by the London County Council in 1890-1 amounted to 1s. 1 $\frac{1}{4}$ d. in the £, in 1899-1900 to 1s. 1 $\frac{1}{2}$ d. in the £, and in 1900-1 to 1s. 2 $\frac{1}{2}$ d. in the £.

Borough Councils.

Borough Rates.

In County Boroughs the Borough Rates (including the Watch, Library, and other Municipal Rates) rose from 7·9d. in the £ in 1890-1 to 11·2d. in 1898-9. A considerable part of the increase was due to additional debt charges (chiefly on account of the Manchester Ship Canal) and expenditure upon Police.

In non-County Boroughs these rates are lower than in County Boroughs, and the increase between 1890-1 and 1898-9 was also less, viz., from 5·7d. to 7·1d.

In comparing the Borough Rates in the non-County Boroughs with those in County Boroughs, it should, however, be borne in mind that certain services which in County Boroughs are paid for out of the Borough Rate are in some non-County Boroughs administered by the County Councils, and the expenditure thereon forms a charge upon the County Rate.

The Borough Rates actually levied in each Borough in 1898-9 are given in Part III.+ of the Local Taxation Returns for that year. The highest rates in County and non-County Boroughs respectively were 3s. 1d. in West Ham and 4s. in Arundel.

* These rates have been obtained by dividing the amounts paid over to County Councils by Boards of Guardians in respect of Rural Parishes by the Poor Rate Valuation of the same Parishes.

† H.C. 824-I. of 1900 (pp. 23 to 29, and 59 to 75).

Sanitary Authorities of Boroughs and other Urban Districts.

The average rates in 1890-1 and 1898-9 in the different classes of areas were :—

—	1890-1.	1898-9.	Increase.	Sanitary Rates in Urban areas.
	<i>s. d.</i>	<i>s. d.</i>	<i>d.</i>	
County Boroughs	2 5·6	2 11·9	6·3	
Non-County Boroughs	2 4·8	2 10·0	5·2	
Urban Districts other than Boroughs	2 4·1	2 11·3	7·2	

Here, again, it should be noted that certain charges borne on the Sanitary Rates of County Boroughs are in other urban areas included in the County Rates. The increases in the rates were mainly due to additional expenditure on sewerage, street improvements, repairs, watering, &c., and public lighting. The Sanitary Rates actually levied in each Borough and Urban District in 1898-9 are given in Part III.* of the Local Taxation Returns for that year. In Table XVII. the rate in the £ of all rates received by the Sanitary Authorities of County Boroughs is given for 1896-7, 1897-8, and 1898-9. In 1898-9 the rates ranged from 1s. 9·7d.† in the £ in Bolton to 4s. 5·5d. in Halifax.

Metropolitan Vestries and District Boards (now the Borough Councils).

Between 1890-1 and 1898-9 there was an increase of 2½d. in the £ in the rates levied by these Authorities. Rates levied by Metropolitan Vestries and District Boards.

The rates levied in each parish or district will be found in the Annual Returns relating to the rates made in the County of London (see No. 519) prepared by the London County Council.

Of the amount of rates raised (2,454,000l.) in 1898-9, 915,000l.,‡ or 6d. in the £, was raised uniformly over the whole County (including the City) upon the basis of rateable value under the Equalisation of Rates Act (see First Report of the Commission).

In operating upon the Equalisation Fund, the London County Council only deals with the net amounts payable by the richer parishes and receivable by the poorer parishes. The amounts assessed upon the richer parishes are included in the Council's precepts, and thus become a charge upon the Poor Rate, and not upon the General Rate. In 1898-9 the net amount so falling on the Poor Rate was 251,000l.§ The Equalisation Fund.

In 1900-1 the sum of the General, Lighting, and Sewers Rates (excluding the School Board precepts, but including the part of the Poor Rate raised to meet the equalisation charges) ranged from 1s. in the £ in the parish of St. Nicholas, Deptford, to 2s. 8d. in the parishes of Charlton and Hackney. Variation in Rates levied by these Authorities.

Rural District Councils, and Highway Authorities in Rural Districts.

In Table XIV. the average rates in the £ raised by Rural Sanitary Authorities and Rural District Councils acting otherwise than as Highway Authorities in each Administrative County are shown for the years 1889-91 and 1896-8. These rates, whether raised for General or Special Expenses, are calculated upon the valuation of the Rural Districts for General Expenses, and in the former period ranged from 4d. in the £ in Suffolk, Salop, and Montgomery to 6·5d. in Surrey, and in the latter from 6d. in Pembroke to 10·4d. in Worcester.

The average rate in England and Wales for 1898-9 calculated in the same way was 1·7d. for General Expenses and 2·3d. for Special Expenses, but if the amount raised by Special Expenses Rates be divided by the total of the valuations on which those rates were levied, the result shows an average rate of 5·8d. in the £, to which land and certain other properties are assessed at one-fourth. The rates in the £ of such rates varied in 1898-9 in different localities from ·008d. to 6s. 3·9d.

The average rates in the £ raised by Highway Authorities in the rural areas of each Administrative County in 1889-91 and 1896-8 are given in the same Table. In the latter period they ranged from 1·7d. in the Isle of Wight to 1s. 4d. in the

* H.C. 324-I. of 1900 (pp. 85 to 91, 115 to 135, and 187 to 233).

† See footnote ¶ on p. 183.

‡ In 1900-1 the amount so raised was 939,000l.

§ In 1900-1 it was 257,000l.

ROYAL COMMISSION ON LOCAL TAXATION :

Lindsey Division of Lincolnshire. Decreases have occurred since 1891 in Buckingham, Bedford, Cambridge, and Northampton, but in Lincolnshire, Yorkshire, and some of the Northern Counties considerable increases have occurred. In 1898-9 the average rate in the £ raised by Rural Highway Authorities was 8·4d.

Rural Sanitary and Highway Rates in 1899-1900. In the Local Taxation Returns for 1899-1900 the rates raised by Rural District Councils for highway purposes are not separated from those raised for the other General Expenses of the Councils, but taken together the rates for these purposes averaged 10·4d. in the £. The Special Expenses Rates of Rural District Councils in 1899-1900 averaged 6·3d. in the £ calculated on the assessable value for Special Expenses, and ranged from a small fraction of a penny to 5s. 8d. in the £.

Parish Council rates.

The amount of rates raised by these Authorities has not, as yet, become very large. In 1899-1900, 134,000l. was raised, which, calculated on the total valuation of Rural Districts, is equivalent to a rate of 8d. in the £.

Parish Councils and Parish Meetings.

Rates raised in the different classes of areas in 1889-91,

We are now in a position to compare the total rates raised in the different classes of areas in 1889-91 with those levied in 1896-8. The following Table giving the rates for the earlier period is constructed from Sir H. Fowler's Report and the Local Taxation Returns :—

Spending Authorities.	Average Rates* raised in				
	Rural Districts.	Urban Districts other than Boroughs.	Non-County Boroughs.	County Boroughs.	London.
Poor Law Authorities -	s. d. 0 11·3	s. d. 0 11·3	s. d. 0 11·3	s. d. 0 11·3	s. d. 1 3·3
School Boards -	0 2·1	0 3·2	0 2·6	0 6·3	0 9·9
County Councils -	0 4·9	0 4·9	0 4·9	—	1 1·2
Borough Councils -	—	—	0 5·7	0 7·9	—
Sanitary Authorities -	0 1·9	2 4·1	2 4·2	2 4·8	1 3·6
Highway Authorities in Rural Districts -	0 6·2	—	—	—	—
Metropolitan Police Commissioners -	—	—	—	—	0 5·0
Total† - - - -	2 8·0‡	3 11·0	4 4·5	4 6·5	5 0·2

and in 1896-8.

The following Table gives the mean of the rates for 1896-7 and 1897-8, and is based upon the figures contained in the series of Tables on pp. 174 to 180 :—

Spending Authorities.	Average Rates raised in				
	Rural Districts.	Urban Districts other than Boroughs.	Non-County Boroughs.	County Boroughs.	London.
Poor Law Authorities -	s. d. 1 0·3	s. d. 0 11·9	s. d. 0 11·9	s. d. 1 1·2	s. d. 1 7·1
School Boards -	0 2·5	0 6·4	0 4·0	0 9·5	1 0·5
County Councils -	0 7·0	0 8·0	0 5·4	—	1 2·4
Borough Councils -	—	—	0 7·1	0 10·6	—
Sanitary Authorities -	0 3·4	2 10·5	2 9·6	2 11·3	1 6·3
Highway Authorities in Rural Districts -	0 8·0	—	—	—	—
Metropolitan Police Commissioners -	§	§	§	0 0·2	0 5·0
Other Spending Authorities -	0 0·9	0 0·5	0 0·6	0 0·3	0 0·1
Total - - - -	2 10·1	5 1·3	5 2·6	5 9·1	5 9·4

* The Rural Rates (except School Board rates) and those levied by extra-Metropolitan Poor Law Authorities and County Councils are the mean of those levied in the years 1889-90 and 1890-1. All other rates given in the Table are for the year 1890-1. With the exception of some of the London rates, the figures are taken from or based upon statements in Sir H. Fowler's Report. The rates raised by extra-Metropolitan Commissioners of Sewers and Drainage and Embankment Boards are not included.

† These rates are approximate, and are not quite the sum of the details.

‡ Including an estimate of the Burial Board and Lighting and Watching Rates.

§ Included with County Rate.

ROYAL COMMISSION ON LOCAL TAXATION.

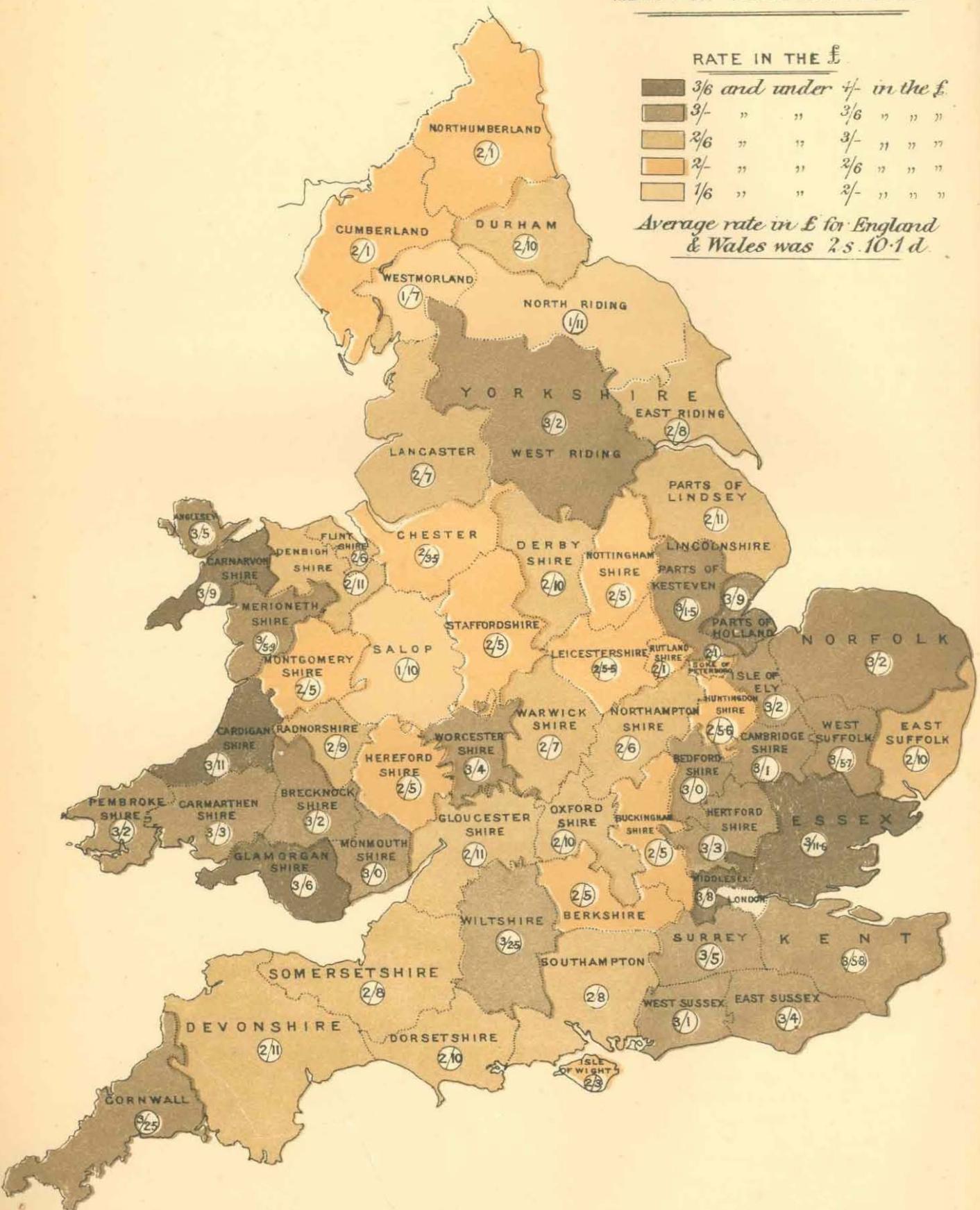
ENGLAND & WALES

TOTAL RATES RAISED IN RURAL AREAS
OF ADMINISTRATIVE COUNTIES.
MEAN FOR YEARS 1896-7 & 1897-8

RATE IN THE £

3/6 and under	4/- in the £	3/6 "	" "	3/6 "	" "	3/6 "	" "
3/-	" "	3/-	" "	3/-	" "	3/-	" "
2/6	" "	3/-	" "	3/-	" "	3/-	" "
2/-	" "	2/6	" "	2/6	" "	2/6	" "
1/6	" "	2/-	" "	2/-	" "	2/-	" "

Average rate in £ for England & Wales was 2s. 10·1d.



ROYAL COMMISSION ON LOCAL TAXATION.

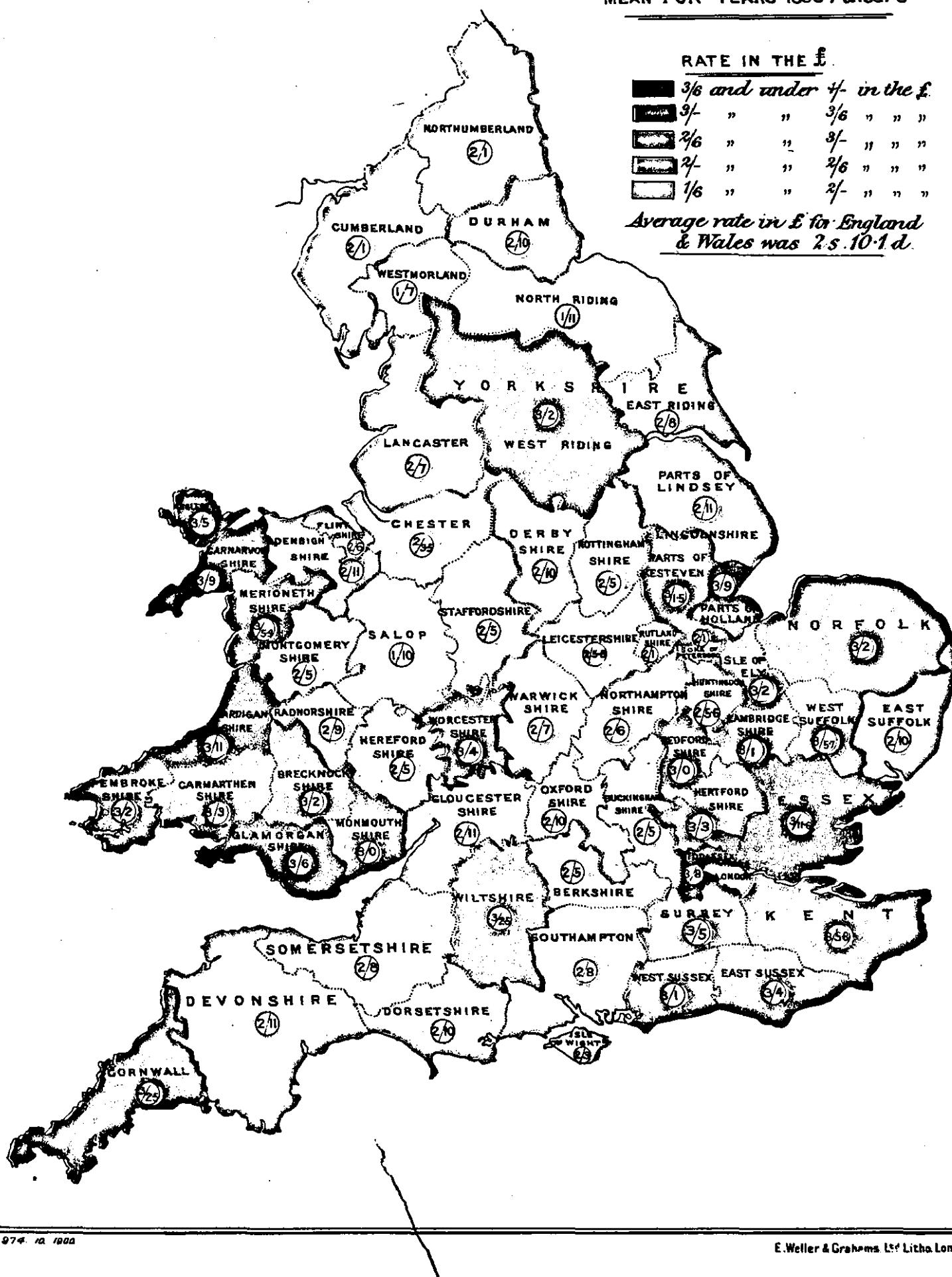
ENGLAND & WALES

TOTAL RATES RAISED IN RURAL AREAS
OF ADMINISTRATIVE COUNTIES.
MEAN FOR YEARS 1896-7 & 1897-8

RATE IN THE £.

■	3/6 and under 4/- in the £.
■■■	3/- " " 3/6 " " "
■■	2/6 " " 3/- " " "
■■	2/- " " 2/6 " " "
■■■■	1/6 " " 2/- " " "

Average rate in £ for England & Wales was 2s. 10*1*d.



It will be seen that the rates levied by each class of Spending Authorities have increased since 1891 in both urban and rural areas. In all the different classes of urban areas, except London, the rates in the £ raised by Sanitary Authorities form more than one-half of the total.

Taking the years 1896-7 and 1897-8 separately, it appears that a considerable part of the increase in Rural Districts took place in the latter year.

Increase in
Rural Rates
in 1897-8 as
compared
with 1896-7.

	1896-7.-	1897-8.-	
	s. d.	s. d.	
Rural Districts -	2 8·6	2 11·5	
Urban Districts other than Boroughs	5 0·8	5 1·8	
Non-County Boroughs	5 1·9	5 3·3	
County Boroughs	5 8·7	5 9·4	
London	5 8·7	5 10·2	

The statistics for 1898-9 have not been analysed in the same detail, but the Local Taxation Returns give indications of a further rise in all the districts, except London. From Part VII. of those Returns for 1898-9, it appears that in 132 wholly Rural Unions out of 572 Unions which were wholly or partly rural, the average rate in the £ (excluding Special Expenses Rates of Rural District Councils) was 2s. 7½d. in that year. The Special Expenses Rates of all Rural District Councils averaged 2½d. in the £, if calculated upon the valuation of the entire rural area, making a total rate of 2s. 9½d. in the £ in the Unions which were wholly rural. From the Returns for 1899-1900, it seems that this average increased to 2s. 10½d. in that year.

In comparing these figures with those given in the above Table, it should not be forgotten that, whilst the former only relate to the Unions which are wholly rural, the latter relate to all areas which are technically rural, though some of them in the neighbourhood of towns may be of a semi-urban character, and may have somewhat higher rates than areas of a more rural character.

In 56 extra-Metropolitan Unions which were wholly urban the approximate total average rate in the £ in 1898-9 was 6s. 0½d.

The average rates in the £ of the rates raised in the rural parts of each Administrative County are given in Table XIV. for 1889-91 and 1896-8, and the rates for the latter period are illustrated on the accompanying map.

In the different counties the rates ranged from 1s. 6·6d. in Westmorland to 3s. 11·6d. in Essex. Generally speaking, the highest rates are to be found in some counties in Wales, where the Poor and School Board Rates are very high, and in the Counties around London. Westmorland and Salop, which had very low rates for Poor Relief, had the lowest Rural rates in England and Wales.

The years to which Sir H. Fowler's Report relates were the first under the new scheme of Imperial subventions introduced by the Acts of 1888 and 1890, and it was somewhat to be expected that the rural rates would then be low. As already stated, Sir H. Fowler found that they had not been lower at any time during the nineteenth century for which statistics were available. Between 1891 and 1898, however, there has been an increase in every county, the amounts varying from 2d. in Flint to 1s. 1·4d. in Worcester. There were—

Rural Rates
in each
County.

Lowest and
highest rates
in 1896-8.
Rural Rates
have in-
creased in
every county
since 1891.

- 3 counties with an increase of less than 3d. in the £.
- 17 counties with an increase of 3d. and less than 6d. in the £.
- 21 counties with an increase of 6d. and less than 9d. in the £.
- 11 counties with an increase of 9d. and less than 1s. in the £.
- 2 counties with an increase of over 1s. in the £.

54 Counties.

ROYAL COMMISSION ON LOCAL TAXATION:

The counties in which the increase amounted to 9d. in the £ or upwards were:—

	Average Rate in £ in 1896-8.	Increase since 1889-91.
	s. d.	s. d.
Worcester	3 8·6	1 1·4
Suffolk, East	2 10·1	
Suffolk, West	3 5·7	1 0·1
Lincoln:—		
Parts of Holland	3 8·7	
Parts of Kesteven	3 1·5	0 11·4
Parts of Lindsey	2 11·3	
Glamorgan	3 6·0	0 10·8
Essex	3 11·6	0 10·7
Wilts	3 2·5	0 10·6
Sussex, East	3 2·8	
Sussex, West	3 0·6	0 10·5
Norfolk	3 2·4	0 10·3
Yorks, West Riding	3 1·8	0 10·0
Durham	2 9·7	0 10·0
Dorset	2 10·3	0 9·9
Carnarvon	3 8·9	0 9·6
Devon	2 11·3	0 9·4

It will be seen that this list includes many of the more purely agricultural counties in England and Wales.

Total rates raised in each County Borough.

In Table XVII. the total rates raised in each County Borough are given for the years 1896-7 and 1897-8. Taking the mean of the two years they may be grouped as follows:—

- 1 Borough with a rate of less than 4s. in the £.
- 14 Boroughs with rates of 4s. and less than 5s. in the £.
- 27 Boroughs with rates of 5s. and less than 6s. in the £.
- 18 Boroughs with rates of 6s. and less than 7s. in the £.
- 4 Boroughs with rates of 7s. or upwards.

64 Boroughs.

The four County Boroughs with rates of more than 7s. in the £ were Sheffield, Norwich, West Ham, and Hanley, and the County Borough with a rate of less than 4s. was Oxford. West Ham owes its high rates principally to the high School Board Rate, which in 1897-8 amounted to over 1s. 10d. in the £, and in 1898-9 to over 2s. 2d. in the £.

Rates levied in the Metropolis.

The rates raised in the different parishes in the Metropolis outside the City during each of the 10 years ended in March 1898 are given in a Return* presented to Parliament by the Local Government Board in 1899. In the year 1897-8 the rates varied in the different parishes from 4s. 9d. in the Liberty of the Rolls to 8s. 2d. in Rotherhithe. In 1900-1, the rates ranged from 4s. 11d. in Tooting Graveney to 9s. 5d. in Bow.†

Equalisation of London Rates.

Of the rates raised in London in 1897-8 and 1898-9, about 70 per cent. in each year were charged uniformly over the county (either exclusive or inclusive of the City) whilst only 30 per cent. were chargeable upon separate areas.

Changes in the rateable value of various descriptions of rateable property since 1870.

V.—VALUATION OF VARIOUS CLASSES OF PROPERTY AND IN DIFFERENT AREAS.

According to a Return (H.C. 150) presented to Parliament in 1900 the rateable value of lands, buildings, railways, and other kinds of rateable property in 1870, 1894, and 1899 was as follows:—

* H.C. 117 of 1899.

† See London County Council Return, No. 519. (Rates made in County of London in 1900-1.)

Classes of Rateable Property.	1870.		1894.		1899.	
	Amount.	Per-cent-age of Total.	Amount.	Per-cent-age of Total.	Amount.	Per-cent-age of Total.
LANDS:			£	£	£	
AGRICULTURAL LAND as defined in Section 9 of the Agricultural Rates Act, 1896*	1,777,639	—	24,034,703	—	13·7	
OTHER LANDS†	7,277,639	—	24,034,703	—	13·7	4·1
TOTAL LANDS	39,835,088	38·0	33,654,550	20·9	31,312,342	17·8
BUILDINGS‡	55,157,300	52·6	102,719,541	63·7	116,435,938	66·3
RAILWAYS§	4,871,048	4·6	13,871,050	8·6	15,598,001	8·9
ALL OTHER KINDS OF RATEABLE PROPERTY	5,006,898	4·8	10,894,434	6·8	12,276,477	7·0
TOTALS—ALL KINDS OF RATEABLE PROPERTY—ENGLAND AND WALES	104,870,334	100·0	161,139,575	100·0	175,622,758	100·0

During the period covered by the Table, the rateable value of "buildings" has more than doubled, and in 1899 formed nearly two-thirds of the whole. The rateable value of "Railways" in 1899 was more than three times greater than it was in 1870, and represented nearly one tenth of all rateable property. But the rateable value of "Lands," which was nearly two-fifths of the whole in 1870, decreased by 21 per cent. between 1870 and 1899, and in the latter year formed little more than one-sixth of the value of all rateable property.

Between July 1896 and March 1900 the rateable value of "agricultural land," as defined by the Agricultural Rates Act, 1896, decreased from 24,565,058*l.* to 23,975,323*l.*, or at the rate of about 161,000*l.* a year.

In 1898-9 the gross estimated rental for the Poor Rate of rateable property which is assessed under Schedule A. of the Income Tax was 7·3 per cent. below the gross value, according to the Income Tax assessment under that schedule.

Reference has already been made on pp. 41-2 to the changes in the rateable value of urban and rural areas between 1890 and 1898.

In Table XII. the *rateable value* per head of population in 1870, 1891, and 1900 is given for the different Union-Counties. Calculated on the population in 1901, the amounts for the extra-Metropolitan Counties varied in 1900 from 4*l.* 0·3*s.* to 9*l.* 11·5*s.* The counties with the highest and the lowest amounts were:—

Highest Amounts.

	£	's.
Rutland	9	11·5
Westmorland	8	13·4
Hereford	7	13·0
Hunts	7	12·7
Salop	6	19·8
Surrey	6	11·4

* The expression "agricultural land" means any land used as arable, meadow, or pasture ground only, cottage gardens exceeding one quarter of an acre, market gardens, nursery grounds, orchards, or allotments, but does not include land occupied together with a house as a park, gardens other than as aforesaid, pleasure-grounds, or any land kept or preserved mainly or exclusively for purposes of sport or recreation, or land used as a racecourse. The expression "cottage" means a house occupied as a dwelling by a person of the labouring classes (59 & 60 Vict. c. 16, s. 9).

† Including lands other than agricultural land as above defined, including also farmhouses and farm buildings, and tithe rent charges and uncommuted tithes, but excluding lands occupied as railways, canals, quarries &c.

‡ Including houses (other than farmhouses), shops, warehouses, mills, factories, docks, wharves, &c.

§ Including stations and depots.

|| Including quarries, mines, iron-works, gasworks, waterworks, canals, and all other rateable properties which do not properly come under the other headings.

¶ Net ascertainable for years prior to that in which the Agricultural Rates Act was passed, viz., 1896.

	Lowest Amounts.
	<i>£ s.</i>
Stafford	- 4 0·3
Durham	- 4 3·2
Cornwall	- 4 5·9
Essex	- 4 6·5
Suffolk	- 4 9·7
Yorkshire, West Riding	- 4 9·9

Whilst agricultural counties figure largely in the first list, mining is an important industry in some of those comprised in the second.

Changes since 1870. Seven counties show a decline in the rateable value per head as compared with 1870, the largest decreases being:—

	Decline in Rateable Value per Head.
	<i>s.</i>
Norfolk	- 11·3
Essex	- 11·1
Lincoln	- 11·0
Suffolk	- 7·8
Northampton	- 6·8
Wilts	- 4·6

The increases were greatest in the following extra-Metropolitan counties:—

	Increase in Rateable Value per Head.
	<i>£ s.</i>
Westmorland	- 2 7·3
Rutland	- 1 14·0
Sussex	- 1 11·9
Cumberland	- 1 7·5
Surrey	- 1 5·9
North Wales	- 1 3·9

Three out of the six counties showing the greatest increases have already been noticed as having the highest rateable values per head.

Assessable Value per inhabitant in Table IX. shows the amount of Assessable Value (as defined by the Agricultural Rates Act, 1896), per inhabitant in 1900 for each Union, and those with the highest and lowest amounts per inhabitant will be found in Table X. It will there be seen that the variation is enormous, the amounts outside the Metropolis ranging from 2*l.* 1·3*s.* in the Newcastle-in-Emlyn Union in Cardigan to 12*l.* 13·8*s.* in the Liverpool Union.

In the Metropolitan Unions the variation was from 3*l.* 12*s.* in Mile End Old Town to 16*l.* 14*s.* in the City of London. The high amounts of valuation per head in some of the London Unions, and especially in the City of London, is to some extent due to the fact that a large part of the day population lives beyond the Union boundary.

The following Table shows the amount of valuation in Urban and Rural areas respectively:—

	Poor Rate Valuation at Lady Day, 1900.	Percentage of Total for England and Wales.	Population in 1901.*	Valuation per Inhabitant.	Valuation and amount per inhabitant in different administrative areas.
RATEABLE VALUE.					
London (Administrative County) -	£ 38,087,893†	Per Cent. 21·1	4,542,961	£ s. 6 7·7	
County Boroughs -	40,808,759	22·6	9,024,256	4 10·4	
Other urban areas -	50,285,909	27·9	11,470,897	4 7·7	
Rural Districts -	51,223,859	28·4	7,487,396	6 16·8	
Total, England and Wales -	180,406,420	100·0	32,525,510	5 10·9	
ASSESSABLE VALUE.					
London (Administrative County) -	38,074,947†	22·6	4,542,961	8 7·6	
County Boroughs -	40,640,804	24·1	9,024,256	4 10·1	
Other urban areas -	48,856,994	29·0	11,470,897	4 5·2	
Rural Districts -	40,816,014	24·3	7,487,396	5 9·1	
Total, England and Wales -	168,418,759	100·0	32,525,510	5 3·6	

The extra-Metropolitan urban areas have, therefore, on the whole, a lower rateable value per inhabitant and assessable value per inhabitant than the Rural Districts. As with the separate Metropolitan Unions the high valuation per inhabitant in the County of London is in a great measure due to the day population living beyond the boundary.

VI.—LOCAL DEBT.

At the end of 1898–9, the outstanding debt of Local Authorities amounted to 276,229,000*l.*,† or about 1*l.* 11*s.* 5*d.* for each £ of rateable value. In 1891 the outstanding debt was equivalent to 1*l.* 5*s.* 10*d.* for each £ of rateable value, and there has thus been an increase of 5*s.* 7*d.* per £ of rateable value in eight years.

Of the outstanding debt in 1899 nearly one-half, or 14*s.* 9*d.* per £ of rateable value had been incurred in connexion with waterworks, gasworks, tramways, electric lighting works, markets, baths, &c., cemeteries and burial grounds, working-class dwellings, and piers, quays, &c. These were the undertakings included in Sir Henry Fowler's Return relating to Reproductive Undertakings of Municipal Corporations (H.C. 88 of 1899), and only a comparatively small part of the debt charges in connexion with them actually falls upon the rates.

About 47,000,000*l.* of the outstanding debt in 1899 had been incurred for Poor Law purposes (including lunatic asylums and the asylums of the Metropolitan Asylums Board), Police, and Education. This amount is equivalent to 5*s.* 4*d.* per £ of rateable value.

Of the remaining 100,000,000*l.* of outstanding debt, Highways and Street Improvements were responsible for 34,500,000*l.*, and Sewerage and Sewage Disposal Works for 28,500,000*l.*

The Metropolitan debt§ at the end of 1898–9 amounted to 50,953,000*l.*, or rather less than one-fifth of the total outstanding debt of all Local Authorities in

* The population given for London is that of the County as constituted on 6th April 1900. In other cases the population given is that shown on pp. xii. and 16 of the Preliminary Census Report for 1901, but Burton-on-Trent, and Warrington, which were not County Boroughs in March 1900, are included with "Other urban areas," and the Urban Districts of Hazell Grove and Bramhall, Neyland, Sawbridgeworth, and Saxmundham, which had not been created Urban Districts in March 1900, are included with "Rural Districts."

† On 6th April 1900.

‡ Sums amounting to 9,566,000*l.* remained in Sinking Funds at the end of the year to provide for the repayment of a portion of these outstanding loans.

§ The London County Council issues annually a Return showing for each parish in the County of London the charges on the rates in respect of loans, and the amount of loans outstanding. (See No. 498). At the end of 1899–1900 the outstanding loans varied from 104·5 per cent. of the rateable value in St. Peter, Westminster, to 167·3 per cent. in Shoreditch.

England and Wales. This sum was equivalent to 1*l.* 7*s.* 2*d.* per £ of the rateable value for the county, a sum which is 4*s.* 3*d.* per £ of rateable value less than the general average for England and Wales. But it is important to note that the Metropolitan outstanding debt in connexion with the reproductive undertakings mentioned above was only 4*s.* 1*d.* per £ of rateable value as compared with 14*s.* 9*d.* per £ in the whole of England and Wales.

Outstanding debt of Town and Urban District Councils.

It is not possible to ascertain precisely the total outstanding debt in the different classes of areas outside the Metropolis, but the outstanding debt of Town and Urban District Councils at the end of 1898-9 was:—

	—	Amount.*	Per £ of Rateable Value.
		£	£ s. d.
County Borough Councils	- . -	106,952,000	2 14 11
Borough and other Urban District Councils	-	45,832,000	0 19 0

Of the amounts in the last column, however, about 1*l.* 11*s.* 1*d.* in County Boroughs and 9*s.* 4*d.* in other urban areas represents debt incurred in connexion with reproductive undertakings. The outstanding debt in County Boroughs for other than reproductive undertakings was, thus, 1*l.* 3*s.* 10*d.* per £ of rateable value, without counting the debt of Boards of Guardians, School Boards, and some other Authorities, and is therefore much heavier than the debt of London Authorities.

The outstanding debt in Rural Districts is much lower than in urban areas.

VII.—SUMMARY.

Summary.

The principal points brought out by the foregoing figures are:—

- (1.) Since 1891 the amount raised by rates has increased more rapidly than at any previous period, the increase having averaged more than 1½ millions per annum.
- (2.) Sanitary Authorities in Urban areas were responsible for at least one-third of the increase, and now raise more than one-third of the total rates.
- (3.) The valuation has not kept pace with the rates, and the total average rate in the £ levied has, therefore, increased from 3*s.* 8*d.* to 4*s.* 10*d.*
- (4.) The average rate in the £ raised by each class of Local Authorities has increased since 1891, but the average rates in the £ raised by extra-Metropolitan Urban Authorities have, generally speaking, grown more rapidly than those raised by other classes of Local Authorities.
- (5.) The services imposing the largest burdens upon the rates may be classed under five heads, viz.—
 - (a) Poor Relief (including Lunatics and Lunatic Asylums);
 - (b) Elementary Education;
 - (c) Police;
 - (d) Roads, Streets, and Bridges (including Lighting and Scavenging);
 - (e) Sewerage.
- (6.) The expenditure upon Poor Relief and the maintenance of Lunatics is increasing more rapidly than the population, and in London the average expenditure per inhabitant, the cost of relief per pauper, and the average rate in the £ required are much greater than the averages for extra-Metropolitan Unions.
- (7.) The amount of Police expenditure per inhabitant and the rate in the £ of the expenditure falling on the general revenues of the Police Authorities are much greater in London than in the Boroughs, and in the Boroughs than in the Counties. The expenditure per inhabitant has, on the whole, increased very slightly since 1895.

* Excluding outstanding loans of Councils acting as Burial Boards and as Harbour, Pier, Dock, and Port Sanitary Authorities.

- (8.) The School Board Rate is also heavier in the Metropolis than the average for extra-Metropolitan School Board Districts, but the average rate in the £ of the expenditure upon Roads and Sewerage falling upon the general revenues of the administering Authorities is somewhat smaller in the Metropolis and in Rural Districts than in extra-Metropolitan Urban areas.
- (9.) The rates raised by Poor Law Authorities have increased from $11\frac{3}{4}d.$ in the £ in 1890-1 to 1s. $2\frac{1}{2}d.$ in the £ in 1899-1900, but the average increase and the rate in the £ in the Metropolis is greater than outside London. The average rate in the £ has increased in all but five Counties.
- (10.) The burden of these rates is very unequal, and outside the Metropolis varies from $3\frac{1}{2}d.$ in the Fylde Union (Lancs.) to 2s. 3d. in Mildenhall Union (Suffolk). Generally speaking, the burden is heaviest in the Eastern Counties and lightest in the Northern Counties. It is also heaviest in those Unions which have a very low assessable value per inhabitant, and lightest in those which have a high assessable value per inhabitant.
- (11.) The School Board Rate is also very unequal in different districts. Districts with about one-third of the rateable value of England and Wales have no School Board Rate, and elsewhere the rate varies from less than 1d. in the £ to upwards of 2s. in the £.
- (12.) The average rates in the £ of the rates raised in the different classes of areas in 1889-91 and 1896-8 were—

	Mean Rate in £ in—	
	1889-91.	1896-8
	s.	d.
Rural Districts	2	3
Urban Districts other than Boroughs	3	11
Non-County Boroughs	4	$4\frac{1}{2}$
County Boroughs	4	$6\frac{1}{2}$
London	5	$0\frac{1}{4}$

In 1898-9 there appears to have been a further increase in each of the above groups, except London.

- (13.) The average Rural rates in every County have increased since 1891.
- (14.) About 70 per cent. of the London rates are charged uniformly over the whole county.
- (15.) The rateable value of agricultural land has decreased by about 160,000£., or 0·7 per cent., per annum between 1896 and 1900, but the rateable value of buildings (including houses, shops, warehouses, mills, factories, docks, wharves, &c.) and railways (including stations and depôts) is increasing rapidly.
- (16.) The assessable value per inhabitant in the different extra-Metropolitan Unions varies from 2l. 1s. in Newcastle-in-Emlyn to 12l. 14s. in Liverpool.
- (17.) The average rateable and assessable values per inhabitant are higher in Rural Districts than in other extra-Metropolitan areas.
- (18.) The local debt per £ of rateable value was—

£	s.	d.
1	5	10
1	11	5

in 1891; and
in 1899.

Nearly one-half of the latter amount had been incurred in connexion with reproductive undertakings.

- (19.) The outstanding debt in connexion with purposes other than reproductive undertakings is much heavier per £ of rateable value in County Boroughs than in London, and much lower in Rural Districts than in Urban areas.

DETAILED TABLES.

TABLE OF CONTENTS.

TABLE I.—TOTAL AMOUNT of RATES raised, AMOUNT of RATES raised for EXPENSES of POOR LAW AUTHORITIES, and the GROSS EXPENDITURE for RELIEF to the POOR, during the Years 1871–72 to 1899–1900; also the RATEABLE VALUE at the commencement of those years, and the ESTIMATED POPULATION at the middle of the years 1871 to 1900.

TABLE II.—AMOUNT received from RATES by the various classes of LOCAL AUTHORITIES in the years 1890–1 to 1899–1900.

TABLE III.—VALUATION of the AREAS ADMINISTERED by the more important classes of LOCAL AUTHORITIES for the years 1890–91 to 1900–1901.

TABLE IV.—AVERAGE RATES in the £ of the RATES raised for the purposes of the PRINCIPAL LOCAL AUTHORITIES during the years 1890–91 to 1899–1900.

TABLE V.—GROSS EXPENDITURE on the VARIOUS SERVICES ADMINISTERED by LOCAL AUTHORITIES for the years 1897–8 and 1898–9.

TABLE VI.—GROSS EXPENDITURE of BOARDS of GUARDIANS, RECEIPTS-IN-AID of such EXPENDITURE, and NET EXPENSES borne by POOR RATES under THREE HEADS, namely, (a) those immediately connected with POOR RELIEF, (b) those partly connected and partly unconnected with Relief, and (c) those wholly unconnected with Relief, distinguishing the METROPOLITAN from the EXTRA-METROPOLITAN UNIONS for the Years 1890–1 to 1899–1900.

TABLE VII.—AMOUNTS EXPENDED on the VARIOUS ITEMS of POOR RELIEF, and the PROPORTION which the AMOUNT expended on each ITEM bore to the TOTAL, in the METROPOLITAN and the EXTRA-METROPOLITAN UNIONS respectively, in the Years 1890–1 to 1899–1900.

TABLE VIII.—GROSS EXPENDITURE on RELIEF to the POOR per HEAD of the ESTIMATED POPULATION in each DIVISION and COUNTY in the Years 1890–1 to 1899–1900.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of EXPENDITURE of OVERSEERS of the POOR and BOARDS of GUARDIANS borne by GRANTS from COUNTY and COUNTY BOROUGH COUNCILS and by POOR RATES respectively in 1899–1900 in each POOR LAW UNION.

TABLE X.—ASSESSABLE VALUE per HEAD of POPULATION, NET EXPENDITURE of OVERSEERS and GUARDIANS per HEAD of POPULATION, RATE in £ of EXPENDITURE of OVERSEERS and GUARDIANS falling on the POOR RATES, and the PROPORTION which the RATEABLE VALUE of AGRICULTURAL LAND bore to the RATEABLE VALUE of all RATEABLE PROPERTY in certain EXTRA-METROPOLITAN UNIONS.

TABLE XI.—AVERAGE RATE in the £ of POOR RATES less PRECEPT RATES, in UNION COUNTIES in 1868, 1889–91, and 1898–1900.

TABLE XII.—AMOUNT of RATEABLE VALUE per HEAD of POPULATION in UNION COUNTIES in 1870, 1891, and 1900.

TABLE XIII.—AMOUNT and AVERAGE RATE in the £ of POOR RATES, less PRECEPT RATES, in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896–97 and 1897–98.

TABLE XIV.—AVERAGE RATES in the £ of RATES raised in RURAL DISTRICTS of each ADMINISTRATIVE COUNTY in 1889–91 and 1896–98.

TABLE XV.—RATES raised in, and VALUATION of, URBAN DISTRICTS other than BOROUGHS in 1896–97 and 1897–98.

TABLE XVI.—RATES raised in, and VALUATION of, COUNTY and NON-COUNTY BOROUGHS in 1896–7 and 1897–8.

TABLE XVII.—RATES raised in each COUNTY BOROUGH in 1896–97, 1897–98, and 1898–99.

DETAILED TABLES.

TABLE I.—TOTAL AMOUNT of RATES raised, AMOUNT of RATES raised for EXPENSES of POOR LAW AUTHORITIES, and the GROSS EXPENDITURE for RELIEF to the POOR, during the Years 1871–72 to 1899–1900; also the RATEABLE VALUE at the commencement of those years, and the ESTIMATED POPULATION at the middle of the years 1871 to 1900.

[Compiled from Sir H. H. Fowler's Report on Local Taxation (H.C. 168 of 1893); Local Taxation Returns, 1898–9, Pt. VII. (H.C. 324—V. of 1901); Ibid, 1899–1900, Pt. I. (H.C. 302 of 1901); Registrar-General's Report, 1899 (Cd. 323); and Preliminary Report on Census, 1901 (Cd. 616).]

Years.*	Total Amount of Rates raised.	Rates raised for Expenses of Poor Law Authorities.†	Gross Expenditure for Relief to the Poor.	Rateable Value at Commencement of each Year.	Estimated Population at the Middle of each Year.
1.	2.	3.	4.	5.	6.
1871–72	17,646,720	8,643,657	8,007,403	109,447,111	22,788,594
1872–73	18,096,690	8,357,978	7,692,169	112,392,362	23,096,495
1873–74	18,906,137	8,017,426	7,664,957	112,392,162	23,408,556
1874–75	19,335,703	8,137,778	7,488,481	115,646,631	23,724,834
1875–76	19,484,791	7,701,445	7,335,858	119,079,589	24,045,385
1876–77	20,147,849	7,374,158	7,400,034	124,587,474	24,370,267
1877–78	21,109,170	7,610,047	7,688,650	127,948,380	24,699,539
1878–79	21,789,423	8,049,896	7,829,819	131,021,019	25,033,259
1879–80	22,160,099	7,951,328	8,015,010	133,769,875	25,371,489
1880–81	22,907,790	8,074,622	8,102,136	135,645,473	25,714,288
1881–82	23,904,860	8,342,168	8,232,472	139,636,307	26,046,142
1882–83	24,477,086	8,429,015	8,353,292	141,407,686	26,334,942
1883–84	24,934,147	8,389,989	8,402,550	143,222,438	26,626,949
1884–85	25,666,552	8,350,354	8,491,600	145,527,944	26,922,192
1885–86	26,142,891	8,457,530	8,296,230	147,350,562	27,220,706
1886–87	26,637,017	8,341,982	8,176,768	148,907,797	27,522,532
1887–88	27,194,836	8,355,122	8,440,821	149,334,624	27,827,706
1888–89	27,420,223	8,354,554	8,366,477	149,696,812	28,136,258
1889–90	27,718,409	7,749,192	8,434,345	150,185,974	28,449,239
1890–91	27,818,642	7,472,460	8,643,318	152,116,008	28,763,673
1891–92	28,507,119	7,288,765	8,847,678	155,896,383	29,081,053
1892–93	30,201,903	7,595,873	9,217,514	157,722,913	29,416,890
1893–94	32,223,972	8,158,936	9,673,505	159,469,468	29,756,600
1894–95	33,855,283	8,737,652	9,866,605	161,189,575	30,100,235
1895–96	35,898,042	9,344,098	10,215,974	162,839,965	30,447,839
1896–97	37,542,016	9,493,750	10,432,189	165,990,085	30,799,461
1897–98	38,882,162‡	9,707,179§	10,828,276	168,664,993	31,155,137
1898–99	39,934,764‡	9,780,705§	11,286,973	172,065,842	31,514,927
Average for 28 years	26,447,832	8,295,274	8,622,539	142,621,623	27,084,792
1899–1900	—	10,364,840	11,567,649	175,622,758	31,878,868
1900–01	—	—	—	180,406,420	32,247,015

* Certain details for years as far back as 1843–4 will be found in the Report of the Local Government Board for 1899–1900 (Cd. 292), pp. 492–3.

† It is probable that the sums entered in this column for the years 1871–72 to 1881–2 are to some small extent over stated [see Report of Local Government Board for 1899–1900, (Cd. 292), p. 492.]

‡ Col. 2.—Including for 1897–8, 1,476,794/, and for 1898–9, 1,332,091/, contributions under the Agricultural Rates Act, 1896.

§ Col. 2.—Including for 1897–8, 506,332/, for 1898–9, 506,900/, and for 1899–1900, 506,906/, contributions under the Agricultural Rates Act, 1896.

TABLE II.—AMOUNT received from RATES by the various

[Compiled from Local Taxation Returns, 1898-9, Pts. II., III., IV., and VII. (H.C. 324, 324—I, 324—II, Local Taxation Returns, 1899-1900, Parts I., II., III., and VI. (H.C. 302, 302—I, 302—II, and Accounts in Abstract, 1899-1900, and Metropolitan Police Accounts, 1899-1900 (H.C. 154 of 1900).]

Local Authorities.	1890-1.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.
	1.	2.	3.	4.	5.	6.
	£	£	£	£	£	£
Poor Law Authorities :						
Metropolitan -	2,016,545	2,273,833	2,141,387	2,504,755	2,617,152	2,780,721
Extra-Metropolitan -	5,457,554	5,015,762	5,455,492	5,655,833	6,122,297	6,618,377
Total, Poor Law Authorities -	7,474,099	7,289,595	7,596,879	8,160,598	8,789,449	9,344,098
School Boards :						
School Board for London -	1,271,755	1,496,115	1,444,720	1,473,125	1,408,455	1,454,420
Other School Boards -	1,695,666	1,835,951	2,017,508	2,146,043	2,323,887	2,533,521
Total, School Boards -	2,967,421	3,332,066	3,462,223	3,619,168	3,732,342	3,987,941
County Councils :						
London County Council (General Purposes)* -	1,718,951	{ 1,311,285	1,400,904	1,495,659	1,643,966	1,796,125
" " " (Special Purposes) -		271,885	291,648	281,507	290,626	299,927
Other County Councils (General Purposes) -	906,712	973,088	1,124,173	1,464,757	1,653,825	1,698,040
" " " (Special Purposes) -	771,079	785,839	855,728	824,508	874,058	859,545
Total, County Councils -	3,896,742	3,342,047	3,672,453	4,066,431	4,462,475	4,658,687
Receiver for Metropolitan Police District :						
In the Administrative County of London -	619,632	607,598	609,810	609,070	619,223	628,432
Outside " " "	171,194	168,302	169,517	167,388	178,549	182,815
Total, Receiver for Metropolitan Police District.	790,826	775,900	778,827	776,458	797,772	811,247
Town Councils (Municipal Accounts) -	1,311,824	1,426,994	1,506,019	1,558,688	1,684,516	1,805,836
Town Councils as Sanitary Authorities and Urban District Councils.†	7,285,990	7,658,916	8,656,579	8,723,108	9,104,503	9,678,879
Metropolitan Vestries and District Boards*‡ -	1,808,777	1,948,247	2,097,763	2,185,042	2,256,675	2,246,860
Commissioners of Sewers of City of London -	824,258	219,887	308,284	223,454	274,532	317,962
Corporation of London -	95,498	95,129	102,165	101,198	90,474	85,818
Highway Authorities in Rural Districts -	1,822,091	1,853,381	1,491,434	1,520,510	1,409,222	1,520,001
Rural District Councils acting otherwise than as Highway Authorities :						
For General Expenses -	156,071	162,566	170,479	228,902	241,140	278,325
For Special Expenses -	255,900	269,812	296,089	303,187	325,796	324,956
Total, Rural District Councils, acting otherwise than as Highway Authorities.	411,971	431,878	466,568	532,089	566,936	603,281
Burial Boards and other Local Authorities acting under the Burial Acts :						
Metropolitan -	5,218	8,647	9,604	9,862	10,767	14,519
Extra-Metropolitan -	172,812	167,703	170,196	174,109	175,428	178,986
Total, Burial Boards, &c. -	178,030	176,350	179,800	183,971	186,190	193,505
Parish Councils and Parish Meetings* -	292,458	282,237	286,894	288,453	68,111	155,401
Commissioners of Sewers (Extra-Metropolitan), and Drainage Boards, &c.					280,008	275,680
Other Local Authorities :						
Metropolitan** -	72,486	86,826	107,600	119,360	124,053	144,808
Extra-Metropolitan† -	86,176	87,766	89,915	95,454	83,025	78,143
Total, Other Local Authorities -	158,662	174,592	197,515	214,814	207,078	222,931
Total for Metropolitan Local Authorities.	7,933,120	8,319,402	8,513,385	9,003,032	9,335,923	9,719,587
Total for Extra-Metropolitan Local Authorities.	19,885,522	20,187,717	21,688,518	23,220,940	24,519,360	26,178,455
Grand Total -	£ 27,818,642	28,507,119	30,201,903	32,223,972	33,855,283	35,898,042

* The rates raised by the London County Council under the London (Equalisation of Rates) Act, 1894, for the expenditure of the Sanitary Authorities in London, are included with those raised by the Metropolitan Vestries and District Boards, and not with those raised by the London County Council.

† Including small sums raised by certain Joint Boards and Committees.

‡ Not including rates raised under the Burial Acts, Baths and Washhouses Acts, and Public Libraries Acts.

§ The powers and duties of the Commissioners of Sewers were transferred to the Corporation in January 1898. The amount shown in columns 12 and 14 is in respect of the year 1898, and comprises 276,098/- in respect of the Public Health Department of the Corporation and 126,457/- in respect of other Departments.

Classes of LOCAL AUTHORITIES in the Years 1890-1 to 1899-1900.

324—*V. of 1900) and corresponding Returns for previous years. The figures for 1899-1900 are compiled from 302—V. of 1901), Board of Education, Parliamentary Grants, &c., 1899-1900 (Cd. 332), London County Council,*

1896-7.	1897-8.			1898-9.			1899-1900.		
	Rates.	Grants under Agricultural Rates Act, 1896.	Total of Columns 9 and 10.	Rates.	Grants under Agricultural Rates Act, 1896.	Total of Columns 12 and 13.	Rates.	Grants under Agricultural Rates Act, 1896.	Total of Columns 15 and 16.
	8.	9.	10.	11.	12.	13.	14.	15.	16.
£	£	£	£	£	£	£	£	£	£
2,812,418 6,681,832	2,926,198 6,274,809	1,211 505,021	2,927,349 6,779,890	2,839,438 6,484,367	1,211 505,689	2,840,649 6,940,056	3,167,533 6,690,402	1,211 505,695	3,168,743 7,196,097
9,498,750	9,200,947	506,282	9,707,179	9,273,805	506,900	9,780,705	9,857,934	506,906	10,364,840
1,728,162 2,848,099	1,927,009 2,931,478	358 50,856	1,927,362 2,982,834	1,760,536 8,018,367	706 106,493	1,770,242 8,119,860	1,972,161 8,196,428	706 106,253	1,972,867 3,302,681
4,571,361	4,858,487	51,209	4,909,696	4,782,903	107,199	4,890,102	5,168,589	106,959	5,275,548
1,903,576 800,893	1,766,109 296,158	782 150	1,766,891 296,308	1,766,195 319,846	782 150	1,766,977 319,996	1,772,308 270,285	782 150	1,773,090 270,435
1,073,063 875,470	1,569,867 786,185	203,957 126,094	1,773,824 911,229	1,658,173 810,263	204,910 124,781	1,862,483 984,994	1,645,471 652,445	205,547 125,281	1,851,018 977,726
4,752,502	4,418,869	329,983	4,748,252	4,554,477	329,973	4,884,450	4,540,509	331,760	4,872,269
652,610 185,887	658,025 186,998	827 4,068	658,852 191,061	663,848 196,272	820 4,070	664,163 200,342	678,595 205,952	820 4,070	678,915 210,022
836,297	845,023	4,390	849,413	860,115	4,390	864,505	884,547	4,390	888,937
1,990,074 10,081,505	2,087,466 10,520,782	12,837 10,529	2,099,803 10,531,254	2,829,737 11,147,599	12,237 10,180	2,841,974 11,157,779	—	—	—
2,363,705 283,142 94,488 1,644,070	3,470,629 289,167 102,562 1,885,527	— — — 811,246	2,470,629 282,167 102,562 1,696,773	2,458,619 401,555\$ — 1,410,981	— — — 808,900	2,453,619 401,555\$ — 1,719,831	— — — —	— — — —	— — — —
288,508 860,243	274,586 368,794	45,854 4,229	820,440 873,023	291,531 389,069	47,158 4,849	838,684 893,418	1,759,248 440,250	857,485	2,556,983
639,751	643,880	50,088	693,468	680,600	51,502	732,102	—	—	—
16,958 174,937	19,460 169,784	— 489	19,460 170,923	15,504 164,617	— 517	15,504 165,184	12,468 160,233	— 535	12,468 160,768
191,890	180,194	489	189,688	180,121	517	180,638	172,701	535	178,236
126,683 260,245	112,148 269,277	— —	112,148 269,277	110,617 275,988	— —	110,617 275,988	110,564 —	— —	110,564 —
184,958 76,345	156,205 63,355	— 808	156,205 63,658	163,281 77,325	— 293	163,281 77,618	— —	— —	— —
211,308	219,360	808	219,863	240,606	298	240,899	— —	— —	— —
10,989,755	10,604,482	2,823	10,307,985	10,392,817	3,169	10,395,986	— —	— —	— —
27,252,261	27,000,906	1,273,971	28,274,877	28,809,856	1,328,922	29,538,778	— —	— —	— —
37,542,016	37,605,368	1,276,794	38,882,162	38,602,673	1,332,091	39,934,764	— —	— —	— —

|| The total of the Agricultural Rates Grants paid to Rural District Councils, acting otherwise than as Highway Authorities, has been divided between the General and Special Expenses in proportion to the amounts so applicable in 1898-9.

¶ Not including rates raised under the Burial Acts.

** Including rates raised by Vestries and other Authorities acting under the Baths and Washhouses Acts and Public Libraries Acts.

†† Including rates raised by Town Councils and Councils of Urban Districts other than Boroughs acting as Harbour, Pier, and Dock Authorities, and by Lighting Inspectors and Committees.

TABLE III.—VALUATION of the AREAS ADMINISTERED by the MORE IMPORTANT
[Compiled from Local Taxation Returns, 1899–1900, Pts. I., II., and III. (H.C. 302, 302–I., and corresponding Returns)]

	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.
Poor Rate Valuation (Poor Law Areas):—					
London (Union County)*	£ 31,596,896	£ 33,070,830	£ 33,370,826	£ 33,729,660	£ 34,052,102
Extra Metropolitan†	120,519,112	122,825,553	124,352,087	125,739,808	127,087,473
Total	152,116,008	155,896,383	157,722,913	159,469,468	161,139,575
Poor Rate Valuation (Administrative Areas):—					
London (Administrative County).*	‡	‡	‡	‡	‡
County Boroughs†					
Other Administrative Counties†					
Total	152,116,008	155,896,383	157,722,913	159,469,468	161,139,575
General District Rate Assessable Value:—					
County Boroughs§	28,870,390	30,015,219	30,706,819	31,153,730	31,761,321
Boroughs other than County Boroughs.	11,307,966	11,484,295	12,146,065	12,565,303	12,863,414
Urban District Councils other than Boroughs ¶	20,257,938	20,144,740	20,462,444	20,650,004	21,157,363
Total	60,436,294	61,644,254	63,315,328	64,369,037	65,782,098
Borough Rate Valuation:—					
County Boroughs§	(e) 30,690,889	(d) 31,932,234	32,662,864	33,145,893	34,038,501
Boroughs other than County Boroughs.	12,853,759	12,985,057	13,781,771	14,243,191	14,584,172
Total	43,544,648	44,917,291	46,444,635	47,389,084	48,622,673
County Rate Basis for Counties other than London (Valuation for General County Purposes).§**	(e) 92,886,000	(f) 93,518,000	94,471,000	95,415,000	95,849,852
Rural District Valuation	53,621,519	53,612,215	53,609,284	53,279,720	52,091,210
Valuation for Highway Purposes in Rural Districts.	53,278,287	53,274,669	53,110,804	52,683,540	52,416,358

* In force on 6th April at commencement of each year.

† In force at Lady Day.

‡ Information not given in the Local Taxation Returns prior to the year 1895–96.

§ In 1890–91 there were 62 County Boroughs, in 1891–92 and each subsequent year there were 64.

|| The number of Boroughs other than County Boroughs in existence at the end of each year was—

1890–91	231	1895–96	241
1891–92	233	1896–97	242
1892–93	238	1897–98	242
1893–94	239	1898–99	244
1894–95	240		

¶ The number of Urban Sanitary Authorities or Urban District Councils for Districts other than Boroughs during each year was—

1890–91	716	1895–96	766
1891–92	722	1896–97	778
1892–93	728	1897–98	786
1893–94	727	1898–99	803
1894–95	760		

** In 1890–91, nine counties; in 1891–92, six counties; in 1892–93, seven counties; in 1893–94, five counties; and in 1894–95, and 1895–96, one county, were not rated for general county purposes, and, so far as these counties are concerned, the figures for these years have been estimated with the aid of the figures showing the valuation for special county purposes.

CLASSES OF LOCAL AUTHORITIES for the Years 1890-91 to 1900-1901.

302-II. of 1901); *Ibid*, 1898-9, Pts. II., III., and VI. (H.C. 324—I, 324—IV. of 1900), and for previous years.]

1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.	1900-01.
£ 34,307,741	£ 35,936,283 {	£ . . . 36,286,831(a) 36,271,161(b)	£ 36,889,357(a) 36,874,113(b)	£ 37,386,135(a) 37,371,599(b)	£ 37,927,684(a) 37,914,842(b)
128,532,224	130,053,802 {	132,378,162(a) 120,222,522(b)	135,176,485(a) 123,111,563(b)	138,236,623(a) 126,233,808(b)	142,478,736(a) 130,503,917(b)
162,839,965	165,990,085 {	168,634,993(a) 156,493,683(b)	172,065,842(a) 159,985,676(b)	175,622,758(a) 163,605,407(b)	180,406,420(a) 168,418,759(b)
34,457,948	36,087,210 {	36,437,911(a) 36,422,165(b)	37,040,238(a) 37,024,900(b)	37,540,555(a) 37,525,920(b)	38,087,893(a) 38,074,947(b)
{ 128,382,017	129,902,875 {	36,550,256(a) 36,399,855(b) 95,676,826(a) 83,671,663(b)	37,683,592(a) 37,526,006(b) 97,342,012(a) 85,434,770(b)	38,970,337(a) 38,808,373(b) 99,111,866(a) 87,271,114(b)	40,808,759(a) 40,640,804(b) 101,509,768(a); 89,703,008(b)
162,839,965	165,990,085 {	168,664,993(a) 156,493,683(b)	172,065,842(a) 159,985,676(b)	175,622,758(a) 163,605,407(b)	180,406,420(a) 168,418,759(b)
32,444,587	33,645,022	34,245,769	35,642,068	—	—
13,273,564	13,721,326	14,176,843	14,966,954	—	—
22,459,536	22,890,800	23,698,586	25,031,583	—	—
68,177,687	70,257,148	72,121,198	75,640,605	—	—
34,626,988	35,738,876	36,126,802(e)	37,583,464(e)	—	—
15,023,951	15,479,715	15,426,021(e)	16,161,650(e)	—	—
49,650,939	51,218,591	51,552,823(e)	53,745,114(e)	—	—
96,972,300	97,301,873 {	98,444,938(a) 85,594,278(b)	99,212,100(a) 86,438,553(b)	101,073,382(a) 88,428,172(b)	—
51,859,005	51,014,546 {	51,110,902(a) 40,510,390(b)	51,041,024(a) 40,544,043(b)	50,823,613(a) 40,408,914(b)	—
51,522,015	51,008,178 {	50,978,152(a) 40,407,285(b)	50,988,927(a) 40,508,545(b)	50,790,294(a) 40,386,517(b)	—

Note.—In comparing the annual figures relating to the valuation of urban and rural districts separately, it should not be forgotten that the total urban area is increasing year by year owing, not only to the creation of new urban districts, but also to the extension of old ones, and that for the same reasons the total rural area is diminishing year by year.

(a) Net Annual or Rateable Value.

(b) Assessable Value according to the Agricultural Rates Act, 1896, i.e., the total net annual or rateable value reduced by one-half of the rateable value of "agricultural land."

(c) The County Borough of Manchester was extended on 9th November 1890 by the addition of a part of the Administrative County of Lancashire, having a rateable value of about £60,000*v.* This amount is not included in the total Borough Rate Valuation, nor does it appear to be included in the total valuation for the General County Rate for the year 1890-91. (See Local Taxation Returns for 1890-91, Part III., p. 17, and 1898-99, Part II., p. xx.)

(d) Including £47,327*v.* in respect of Newport (Mon.), which was constituted a County Borough on 7th November 1891.

(e) These amounts are the total assessable values for Borough Rate purposes. In the cases to which the Agricultural Rates Act, 1896, applies, the rateable value has been reduced by one-half the value of agricultural land, such reduction amounting in 1897-98 to £17,630*v.* in County Boroughs, and to £47,742*v.* in other Boroughs, and in 1898-99 to £24,594*v.* in County Boroughs, and to £42,389*v.* in other Boroughs.

(f) Including £42,984*v.* in respect of Newport (Mon.), which was constituted a County Borough on 7th November 1891.

TABLE IV.—AVERAGE RATES in the £ of the RATES raised for the purposes of the PRINCIPAL LOCAL AUTHORITIES during the Years 1890-91 to 1899-1900.

[Compiled from Local Taxation Returns, 1899-1900, *Pts. I., II., and III. (H.C. 302, 302-I., and 302-II. of 1901)*; *Ibid., 1898-99, Pt. VII., H.C. 824—V. of 1901*]; Report of Board of Education, 1900-1901 (*Cd. 756*), and corresponding Returns for previous years.]

Local Authorities.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899-1900.
Poor Law Authorities:—										
Metropolitan	s. d. 1 8·3	s. d. 1 4·5	s. d. 1 8·4	s. d. 1 5·8	s. d. 1 6·4	s. d. 1 7·1	s. d. 1 6·8	s. d. 1 7·4	s. d. 1 6·5	s. d. 1 8·3
Extra-Metropolitan	0 10·9	0 9·8	0 10·5	0 10·8	0 11·6	1 0·3	1 0·8	1 0·5	1 0·5	1 0·7
England and Wales, Poor Law Authorities	0 11·8	0 11·2	0 11·6	1 0·2	1 1·0	1 1·8	1 1·7	1 2·1	1 1·9	1 2·5
School Boards*:—										
School Board for London	0 9·9	0 11·0	0 10·6	0 10·5	0 10·0	0 10·8	1 0·1	1 0·9	0 11·7	1 0·9
Other School Boards:—										
For Boroughs in England	0 6·5	0 7·0	0 7·5	0 7·8	0 7·8	0 8·7	0 9·6	0 9·6	0 9·8	0 10·1
“ “ Wales	0 6·4	0 7·5	0 7·9	0 7·1	0 7·5	0 8·7	0 9·5	0 9·2	0 9·2	0 10·3
For Parishes in England	0 6·8	0 6·8	0 7·2	0 7·7	0 8·0	0 8·0	0 8·8	0 9·4	0 9·3	0 9·7
“ “ Wales	0 8·0	0 7·8	0 8·1	0 8·5	0 9·3	0 9·6	0 10·8	0 11·0	0 11·1	0 11·5
England, School Boards	0 7·8	0 8·2	0 8·5	0 8·8	0 8·6	0 9·1	0 10·2	0 10·6	0 10·3	0 10·9
Wales “ ”	0 7·5	0 7·7	0 8·0	0 8·1	0 8·8	0 9·4	0 10·4	0 10·5	0 10·5	0 11·1
County Councils:—										
London County Council:—										
General County Purposes†	0 11·1	0 9·5	0 10·0	0 10·6	0 11·5	1 0·5	1 0·6	0 11·6	0 11·5	0 11·5
Special “ ”	0 2·1	0 2·2	0 2·4	0 2·3	0 2·3	0 2·4	0 2·3	0 2·2	0 2·4	0 2·0
Other County Councils:—										
General County Purposes	0 2·35	0 2·49	0 2·86	0 3·68	0 4·14	0 4·23	0 4·13	0 4·40	0 4·60	0 4·47
Special‡ “ ”	0 1·99	0 2·02	0 2·17	0 2·07	0 2·19	0 2·14	0 2·16	0 2·20	0 2·25	0 2·31
Metropolitan Vestries and District Boards, &c.†§.	1 8·6	1 4·1	1 5·2	1 5·7	1 6·2	1 5·9	1 6·0	1 6·6	1 6·2	—
Receiver for the Metropolitan Police District.	0 5·4	0 5·0	0 5·0	0 5·0	0 5·0	0 5·0	0 5·0	0 5·0	0 5·0	0 5·0
Commissioners of Sewers of the City of London.	1 7·7	1 0·9	1 5·8	1 0·7	1 3·6	1 5·9	1 3·1	1 2·9	1 9·0	—
Corporation of London (Police and Ward Rates).	0 5·8	0 5·6	0 5·9	0 5·7	0 5·1	0 4·8	0 5·0	0 5·4	—	—
Town Councils (Municipal Accounts):—										
County Boroughs	0 7·9	0 8·3	0 8·5	0 8·5	0 9·0	0 9·6	0 10·4	0 10·7	0 11·2	—
Other	0 5·7	0 6·0	0 6·1	0 6·5	0 6·5	0 6·7	0 6·8	0 7·4	0 7·1	—
Town Councils (other Accounts)¶:—										
County Boroughs	2 5·6	2 6·6	2 7·8	2 10·0	2 10·5	2 11·3	2 11·0	2 11·6	2 11·9	—
Other	2 4·8	2 6·2	2 5·4	2 8·0	2 8·4	2 8·8	2 9·4	2 9·8	2 10·0	—
Urban District Councils, Districts other than Boroughs.¶	2 4·1	2 4·5	2 5·2	2 7·4	2 7·8	2 9·0	2 10·2	2 10·8	2 11·3	—
Rural District Councils acting otherwise than as Highway Authorities:—										
Special Expenses†	0 1·2	0 1·2	0 1·3	0 1·4	0 1·5	0 1·5	0 1·6	0 2·2	0 2·3	0 2·6
General Expenses	0 0·7	0 0·7	0 0·8	0 1·0	0 1·1	0 1·3	0 1·4	0 1·6	0 1·7	0 10·4
Highway Authorities in Rural Districts	0 6·0	0 6·1	0 6·7	0 6·9	0 6·5	0 7·1	0 7·7	0 8·2	0 8·4	—
Parish Councils and Parish Meetings¶	—	—	—	—	0 0·8	0 0·7	0 0·6	0 0·7	0 0·6	0 0·7
Average Rate in the £ of all Rates raised in the Metropolis	5 0·2	5 0·4	5 1·2	5 4·0	5 5·8	5 8·0	5 8·7	5 10·2	5 7·6	—
Average Rate in the £ of all Rates raised outside the Metropolis	3 3·6	3 3·5	3 5·9	3 8·3	3 10·3	4 0·9	4 2·3	4 5·9	4 7·0	—
Average Rate in the £ of all Rates raised in England and Wales	3 7·9	3 7·9	3 10·0	4 0·5	4 2·4	4 4·9	4 6·3	4 9·7	4 9·9	—

* The School Board Rates are for the years ending 29th September 1890, &c.

† The rates raised by the London County Council under the London (Equalisation of Rates) Act, 1894, for the expenditure of the Sanitary Authorities in London, are included with those raised by the Metropolitan Vestries and District Boards, and not with those raised by the London County Council.

‡ See notes on opposite page.

§ Not including rates raised under the Burial Acts, Baths and Washhouses Acts, and Public Libraries Acts.

|| The Metropolitan Police Rate charged upon the parishes in 5d. in the £ in each year. The higher amount shown for the year 1890-1 is due to the receipt during that year of a large balance of the rate for the preceding year.

¶ Not including rates raised under the Burial Acts.

AVERAGE RATES IN £.

Notes to Table IV.

The average rates in the £ given in this Table are, so far as possible, the results of dividing the amount of rates raised by the valuation at the commencement of the year of the districts in which they were levied. For some rates certain properties have been exempted from a proportion of the full rate in the £ or, what produces similar results, from chargeability in respect of a proportion of their net annual value, and in these cases the computations are based, so far as possible, upon the net annual value after deduction of the part proportionate to the exemption granted, i.e., the assessable value, so that the resulting rate in the £ is the full approximate amount payable upon the full net annual value of those properties which are not differentially treated. Properties which are so treated would be assessed at a lower rate in the £ on their full annual value, or at the full rate in the £ upon their assessable value.

Generally speaking, the rates so calculated are somewhat lower than those actually levied, owing to provision having to be made in practice for the losses due to leakages. From a Return (H.C. 187), prepared by the Local Government Board in 1894, it appears that of the sum which the Poor Rate would have produced in the Metropolis in 1892-3, had it all been collected, 6·6 per cent. was lost by leakages due to allowances to owners (see pages 50-2 of Final Report, Cd. 638), excusals on the ground of poverty, empties, removals, and other causes. In the parish of Bromley the loss reached 15·8 per cent. No similar return for the rest of England and Wales has been obtained.

Some slight variation may also occur between the rates actually levied and those ascertained on the above method owing to the fact that rates are levied at different periods of the year when the valuation may have been somewhat altered.

For the *Special County Rates* outside London it is not possible to calculate the average rate in the £ on the valuation of the areas in which they were levied, but the average rate in the £ given, which is calculated on the valuation for General County Purposes, indicates the minimum average rate levied for Special County Purposes.

The *Special Expenses Rates of Rural District Councils* are assessed in the case of certain kinds of property on one-fourth of the net annual value, and they are not levied over the whole of the areas of the Councils levying them but only on special parts of them. The Assessable Value for the purposes of such rates of the several contributory places is not, however, available for all the years, but the average rate in the £ given, which is calculated from the valuation upon which contributions for General Expenses were levied, indicates the minimum average rate levied for Special Expenses.

The average rates in the £ of the rates raised within and without the Metropolis, and in the whole of England and Wales, are, for the years 1890-1 to 1896-7, calculated from the rateable value, and for the years 1897-8 and 1898-9 from the assessable value under the Agricultural Rates Act, 1896, to the Poor Rate at the commencement of each year.

These qualifications do not, however, for practical purposes, affect the comparisons between one year and another, but the increases in the year 1897-8 as compared with 1896-7 in the average rates in the £ of the total of all rates raised outside London and in England and Wales and of the Special Expenses Rates of Rural District Councils are partly due to the adoption of the assessable value in place of the rateable value in the calculation of those rates.

TABLE V.—GROSS EXPENDITURE on the VARIOUS SERVICES ADMINISTERED

[Compiled from Local Taxation Returns, 1898-9, Pt. VII. (H.C. 324-V. of 1900); Ibid., 1897-8, of the London County Council for the Eleven Years ending 31st March 1900; and

PURPOSES.	1897-8.				Total Expenditure.	
	Expenditure other than Debt Charges.	Debt Charges.				
		Of Local Authorities other than the London County Council.*	Of the London County Council.†			
1.	2.	3.	4.	5.		
	£	£	£	£	£	
Allotments	45,000	4,000	—	—	49,000	
Baths, Wash-houses, and Open Bathing Places	296,000	132,000	—	—	428,000	
Bridges and Ferries	206,000	154,000	87,000	—	447,000	
Cemeteries and other Burial Grounds	348,000	221,000	—	—	569,000	
Education§	7,806,000	1,597,000	—	—	9,403,000	
Electric Lighting (other than Public Lighting)	218,000	190,000	—	—	408,000	
Fire Engines and other Appliances, and Fire Brigades.	349,000	18,000	50,000	—	417,000	
Gasworks	3,957,000	972,000	—	—	4,929,000	
Harbours, Piers, Docks, and Quays	1,625,000	1,366,000	—	—	2,991,000	
Highways	8,032,000	1,480,000	533,000	—	10,045,000	
Hospitals	449,000	96,000	—	—	545,000	
Housing of the Working Classes	42,000	160,000	85,000	—	287,000	
Land Drainage, Embankment, River Con- servancy, and Sea Defences.	314,000	178,000	2,000	—	494,000	
Libraries and Museums	378,000	51,000	—	—	429,000	
Lighting Streets, Roads, &c.	1,283,000	4,000	—	—	1,287,000	
Lunatics and Lunatic Asylums	2,070,000	301,000	94,000	—	2,465,000	
Markets	376,000	391,000	—	—	767,000	
Parks, Pleasure Grounds, Commons, and Open Spaces.	519,000	259,000	49,000	—	827,000	
Police and Police Stations	4,934,000	95,000	4,000	—	5,033,000	
Poor Relief¶	8,298,000	839,000	—	—	9,137,000	
Private Street Works and other Private Im- provements.	1,006,000	126,000	—	—	1,132,000	
Prosecutions and Conveyance and Maintenance of Prisoners.	185,000	—	—	—	185,000	
Public Buildings, Offices, &c. (not included under preceding Headings).	294,000	325,000	1,000	—	620,000	
Sewerage and Sewage Disposal Works	1,563,000	1,512,000	273,000	—	3,348,000	
Tramways	343,000	117,000	5,000	—	465,000	
Waterworks	1,285,000	2,231,000	—	—	3,516,000	
Various Public Works and Purposes	3,766,000	} 694,000**	57,000	—	8,135,000	
Other Expenditure††	3,618,000					
TOTAL	53,605,000	13,513,000	1,240,000§§	—	68,358,000	

* These figures were furnished by the Local Government Board. So far as the debt charges of the Councils of Boroughs other than County Boroughs and of other District Councils are concerned, they are estimated upon the basis of the outstanding loans for each purpose at the end of 1896-97.

† Certain of these figures were furnished by the London County Council, and the remainder of the total debt charge is apportioned between the various purposes upon the basis of the estimated amount of outstanding loan for each at the end of the preceding year.

‡ These figures were furnished by the Local Government Board. The debt charges in respect of Lunatic Asylums, Poor Relief, and Police Stations, are taken from the Returns of the Local Authorities, but the other figures are wholly or partly estimated from the outstanding loans in March 1897 and March 1898, and the results of the similar analysis made for the year 1897-98 which are given in column 3.

§ Including expenses of School Boards, School Attendance Committees, Reformatories, and Industrial Schools, and expenditure on Technical and Intermediate Education.

|| Including Street Improvements, Street Watering and Scavenging, &c.

by LOCAL AUTHORITIES for the Years 1897-8 and 1898-9.

Pt. IV. (H.C. 302-II. of 1899); Ibid., 1896-7, Pt. IV. (H.C. 351-II. of 1898); the Financial Abstract Information supplied by the Local Government Board and the London County Council.]

1898-9.				PURPOSES.	
Expenditure other than Debt Charges.	Debt Charges.		Total Expenditure.		
	Of Local Authorities other than the London County Council.†	Of the London County Council.‡			
6.	7.	8.	9.	10.	
£	£	£	£		
46,000	4,000	—	50,000	Allotments.	
306,000	150,000	—	456,000	Baths, Wash-houses, and Open Bathing Places.	
274,000	152,000	83,000	509,000	Bridges and Ferries.	
352,000	219,000	—	571,000	Cemeteries and other Burial Grounds.	
8,245,000	1,661,000	—	9,906,000	Education.§	
337,000	223,000	—	560,000	Electric Lighting (other than Public Lighting).	
893,000	20,000	50,000	463,000	Fire Engines and other Appliances, and Fire Brigades.	
4,089,000	1,013,000	—	5,102,000	Gasworks.	
1,649,000	1,311,000	—	2,960,000	Harbours, Piers, Docks, and Quays.	
8,444,000	1,523,000	531,000	10,498,000	Highways.	
485,000	113,000	—	598,000	Hospitals.	
49,000	162,000	84,000	295,000	Housing of the Working Classes.	
299,000	176,000	2,000	477,000	Land Drainage, Embankment, River Conservancy, and Sea Defences.	
390,000	54,000	—	444,000	Libraries and Museums.	
1,324,000	5,000	—	1,329,000	Lighting Streets, Roads, &c.	
2,215,000	337,000	101,000	2,653,000	Lunatics and Lunatic Asylums.	
396,000	387,000	—	783,000	Markets.	
513,000	262,000	47,000	822,000	Parks, Pleasure Grounds, Commons, and Open Spaces.	
5,038,000	114,000	3,000	5,155,000	Police and Police Stations.	
8,619,000	919,000	—	9,538,000	Poor Relief.¶	
1,079,000	135,000	—	1,214,000	Private Street Works and other Private Improvements.	
188,000	—	—	188,000	Prosecutions and Conveyance and Maintenance of Prisoners.	
327,000	331,000	2,000	660,000	Public Buildings, Offices, &c. (not included under preceding Headings).	
1,717,000	1,584,000	267,000	3,568,000	Sewerage and Sewage Disposal Works.	
657,000	192,000	59,000	908,000	Tramways.	
1,381,000	2,293,000	—	3,674,000	Waterworks.	
{ 3,797,000††	653,000**	67,000	8,394,000 {	Various Public Works and Purposes.	
3,877,000				Other Expenditure.‡‡	
56,486,000	13,993,000	1,296,000§§	71,775,000	- - - - TOTAL.	

† Including salaries and the expenses of the Managers of the Metropolitan Asylum District, but excluding the cost of the maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.

** Including debt charges on unapportioned loans, and 154,000/- in each year in respect of advances to the Manchester Ship Canal Company.

†† Including 1,379,000/- in respect of the removal and destruction of house refuse.

|| Including Establishment Charges, the cost of Legal and Parliamentary Proceedings, Salaries and Superannuation Allowances, not included elsewhere; but excluding payments by one Local Authority to another.

§§ These totals are compiled from the Consolidated Loans Fund Accounts of the London County Council. In respect of interest they consist of the dividends on stock, composition for stamp duty on transfers of stock, interest on loans raised before the Loans Act of 1869, and on the loans taken over from the former counties of Middlesex and Surrey, and income tax, less the interest on loans advanced to other Local Authorities and the part proceeds of the issue of stock applied towards dividends under the Annual Money Acts. In respect of the redemption of debt they consist of the whole of the receipts of the Redemption of Debt Account of the Consolidated Loans Fund less the instalments of loans repaid by other Local Authorities and certain expenses of sale. As the object is to show the gross expenditure, receipts, such as ground rents, &c. are not deducted.

TABLE VI.—GROSS EXPENDITURE of BOARDS of GUARDIANS, RECEIPTS-IN-AID of such
 (a) those immediately connected with Poor Relief, (b) those partly connected and
 distinguishing the METROPOLITAN from the EXTRA-METROPOLITAN UNIONS for the
[Compiled from Local Taxation Returns, 1899-1900, Pt. I.]
 (a.) Expenses immediately connected

Year ended at Lady Day.	Gross Expenditure.	Receipts in Aid.				Percent-
		Grants received from Councils of Counties and County Boroughs under Local Government Act, 1888.	Grants under Agricultural Rates Act, 1896.*	Other Receipts in Aid.*	Total.	
		1.	2.	3.	4.	5.
		£	£	£	£	
1891† { Metropolitan - Extra-Metropolitan	- 2,435,164 - 6,208,154	572,418† 1,707,395†	— —	112,267 393,802	684,685 2,101,197	23·5† 27·5†
England and Wales	- 8,643,318	2,279,813†	—	506,069	2,785,882	26·4†
1892 { Metropolitan - Extra-Metropolitan	- 2,473,514 - 6,374,164	442,907 1,484,043	— —	129,843 418,868	572,750 1,902,911	17·9 23·3
England and Wales	- 8,847,678	1,926,950	—	548,711	2,475,661	21·8
1893 { Metropolitan - Extra-Metropolitan	- 2,728,552 - 6,488,962	450,437 1,475,751	— —	122,508 418,549	572,945 1,894,300	16·5 22·7
England and Wales	- 9,217,514	1,926,188	—	541,057	2,467,245	20·9
1894 { Metropolitan - Extra-Metropolitan	- 2,900,940 - 6,772,565	471,651 1,440,196	— —	110,679 422,300	582,330 1,862,496	16·3 21·3
England and Wales	- 9,673,505	1,911,847	—	532,979	2,444,826	19·8
1895 { Metropolitan - Extra-Metropolitan	- 2,937,409 - 6,929,196	488,700 1,456,625	— —	119,818 437,101	608,518 1,893,726	16·6 21·0
England and Wales	- 9,866,605	1,945,325	—	556,919	2,502,244	19·7
1896 { Metropolitan - Extra-Metropolitan	- 3,007,615 - 7,208,359	554,309 1,468,981	— —	116,078 430,379	670,387 1,908,360	18·4 20·4
England and Wales	- 10,215,974	2,023,290	—	555,457	2,578,747	19·8
1897 { Metropolitan - Extra-Metropolitan	- 3,108,393 - 7,323,796	511,838 1,488,565	— 22,082	110,318 464,048	622,156 1,974,695	16·5 20·3
England and Wales	- 10,432,189	2,000,403	22,082	574,366	2,596,851	19·2
1898 { Metropolitan - Extra-Metropolitan	- 3,237,576 - 7,590,700	509,634 1,510,232	1,133 409,834	141,897 516,808	652,664 2,436,874	15·7 19·9
England and Wales	- 10,828,276	2,019,866	410,967	658,705	3,089,538	18·6
1899 { Metropolitan - Extra-Metropolitan	- 3,446,132 - 7,840,841	521,841 1,513,224	1,139 433,790	146,922 508,525	669,902 2,455,539	15·1 19·3
England and Wales	- 11,286,973	2,035,065	434,929	655,447	3,125,441	18·0
1900 { Metropolitan - Extra-Metropolitan	- 3,594,841 - 7,972,808	540,910 1,548,048	1,136 427,292	133,534 546,058	675,580 2,521,398	15·1 19·4
England and Wales	- 11,567,649	2,083,958	428,428	679,592	3,196,978	18·0

* The Receipts in Aid which could not be clearly regarded as received in aid of expenses immediately connected with relief, or of those wholly unconnected with relief, have been apportioned between the three headings on the Gross Expenditure.

† The larger grants received from Councils of Counties and County Boroughs in the year 1890-1 are, to a great extent, accounted for by the fact that in the year 1889-90 the Councils in many cases delayed making the payments provided for by the

Expenditure, and NET EXPENSES borne by POOR RATES under THREE HEADS, namely, partly unconnected with Relief, and (c) those wholly unconnected with Relief, Years 1890-1 to 1899-1900.

(H.C. 302 of 1901); and corresponding Returns for previous years.]
with the Relief of the Poor.

age of Gross Expenditure borne by—			Net Expenses borne by Poor Rates.			Year ended at Lady Day.
Grants under Agricultural Rates Act, 1896. (Col. 4.)	Other Receipts in Aid. (Col. 5.)	All Receipts in Aid. (Col. 6.)	Total. (Col. 2—Col. 6.)	Rate per Head on estimated Population.	Rate in £ on Rateable Value.	
8.	9.	10.	11.	12.	13.	14.
£			£	s. d.	s. d.	
—	4·6	28·1	1,750,479	8 4·5	1 1·3	Metropolitan - Extra-Metropolitan } 1891†.
—	6·3	33·8	4,106,957	3 4·1	0 8·2	
—	5·8	32·2	5,857,436	4 0·9	0 9·2	England and Wales.
—	5·3	23·2	1,900,764	9 0·1	1 1·8	Metropolitan - Extra-Metropolitan } 1892.
—	6·6	29·9	4,471,253	3 7·2	0 8·7	
—	6·2	28·0	6,372,017	4 4·6	0 9·8	England and Wales.
—	4·5	21·0	2,155,607	10 1·3	1 3·5	Metropolitan - Extra-Metropolitan } 1893.
—	6·5	29·2	4,594,662	3 7·9	0 8·9	
—	5·9	26·8	6,750,269	4 7·1	0 10·3	England and Wales.
—	3·8	20·1	2,318,610	10 9·2	1 4·5	Metropolitan - Extra-Metropolitan } 1894.
—	6·2	27·5	4,910,069	3 10·3	0 9·4	
—	5·5	25·3	7,228,679	4 10·4	0 10·9	England and Wales.
—	4·1	20·7	2,328,891	10 8·5	1 4·4	Metropolitan - Extra-Metropolitan } 1895.
—	6·3	27·3	5,035,470	3 11·0	0 9·5	
—	5·7	25·4	7,364,361	4 10·8	0 11·0	England and Wales.
—	3·9	22·8	2,337,228	10 7·7	1 4·4	Metropolitan - Extra-Metropolitan } 1896.
—	6·1	26·5	5,299,999	4 0·9	0 9·9	
—	5·4	25·2	7,637,227	5 0·3	0 11·3	England and Wales.
—	3·5	20·0	2,486,237	11 2·9	1 4·6	Metropolitan - Extra-Metropolitan } 1897.
0·3	6·4	27·0	5,349,101	4 0·8	0 9·8	
0·2	5·5	24·9	7,835,338	5 1·2	0 11·3	England and Wales.
0·1 5·4	4·4 6·8	20·2 82·1	2,584,912 5,153,826	11 7·0 3 10·5	1 5·1† 0 10·3†	Metropolitan - Extra-Metropolitan } 1898.
3·8	6·1	28·5	7,738,738	4 11·8	0 11·9†	England and Wales.
0·0 5·5	4·3 6·5	19·4 31·3	2,776,230 5,385,302	12 3·9 4 0·1	1 6·1† 0 10·5†	Metropolitan - Extra-Metropolitan } 1899.
8·9	5·8	27·7	8,161,532	5 2·4	1 0·2†	England and Wales.
0·0 5·4	3·7 6·8	18·8 31·6	2,919,261 5,451,410	12 10·1 4 0·1	1 6·7† 0 10·4†	Metropolitan - Extra-Metropolitan } 1900.
3·7	5·9	27·6	8,370,671	5 3·3	1 0·3†	England and Wales.

Local Government Act, until after the close of the year, the result of which was that the Returns for the year 1890-1 showed in many cases payments made to the Guardians in respect of two years.

† The rates in the £ for the years 1897-8 to 1899-1900, during which years the Agricultural Rates Act, 1896, was in force, have been calculated on the Assessable and not on the Rateable Value. The Assessable Value is the Rateable Value reduced by an amount equal to one-half of the Rateable Value of Agricultural Land.

TABLE VI.—GROSS EXPENDITURE of BOARDS of GUARDIANS, RECEIPTS-IN-AID of such Expenditure, and Poor Relief, (b) those partly connected and partly unconnected with Relief, and (c) those wholly Years 1890–1 to 1899–1900—*continued.*

(b.) Expenses partly connected and partly unconnected with the Relief of the Poor.

Year ended at Lady Day.	Gross Expenditure.	Receipts in Aid.*	Percentage of Gross Expenditure borne by Receipts in Aid.	Net Expenses borne by Poor Rates.	
				Total. (Col. 2– Col. 3.)	Rate in £ on Rateable Value.
1.	2.	3.	4.	5.	6.
1891 { Metropolitan - - - Extra-Metropolitan - - -	150,956	3,191	2·1	147,765	1·12
	609,600	8,438	1·4	601,162	1·20
	760,556	11,629	1·5	748,927	1·18
1892 { Metropolitan - - - Extra-Metropolitan - - -	142,625	4,176	2·9	138,349	1·00
	631,223	10,880	1·7	620,343	1·21
	773,748	15,056	1·9	758,692	1·17
1893 { Metropolitan - - - Extra-Metropolitan - - -	153,645	3,638	2·4	150,007	1·08
	642,714	9,630	1·5	633,084	1·22
	796,359	13,268	1·7	783,091	1·19
1894 { Metropolitan - - - Extra-Metropolitan - - -	155,256	2,748	1·8	152,508	1·09
	645,574	8,812	1·3	637,262	1·22
	800,830	11,060	1·4	789,770	1·19
1895 { Metropolitan - - - Extra-Metropolitan - - -	140,417	2,899	2·1	137,518	·97
	684,495	9,118	1·3	675,377	1·26
	824,912	12,017	1·5	812,895	1·21
1896 { Metropolitan - - - Extra-Metropolitan - - -	159,810	2,758	1·7	157,052	1·10
	693,110	8,294	1·2	684,816	1·28
	852,920	11,052	1·3	841,868	1·24
1897 { Metropolitan - - - Extra-Metropolitan - - -	152,636	2,182	1·4	150,454	1·00
	739,135	11,918†	1·6†	727,217	1·34
	891,771	14,100	1·6	877,671	1·27
1898 { Metropolitan - - - Extra-Metropolitan - - -	148,416	3,483†	2·3†	144,933	·96†
	745,272	53,270†	7·1†	692,002	1·38†
	893,688	56,753	6·4	836,935	1·28†
1899 { Metropolitan - - - Extra-Metropolitan - - -	149,068	3,274†	2·2†	145,794	·95†
	773,326	53,077†	6·9†	720,249	1·40†
	922,394	56,351	6·1	866,043	1·30†
1900 { Metropolitan - - - Extra-Metropolitan - - -	145,119	2,438†	1·7†	142,681	0·92†
	787,853	55,823†	7·0†	732,530	1·39†
	932,972	57,761	6·2	875,211	1·28†

* See footnote (*) on p. 84.

† Including a proportion of the grants received by Boards of Guardians under the Agricultural Rates Act, 1896. The proportion so included with the Extra-Metropolitan Receipts in Aid in 1896–7 is 2,297l., in 1897–8, 40,289l., in 1898–9, 43,734l., and in 1899–1900, 42,224l.; and with the Metropolitan Receipts in Aid in 1897–8, 52l., in 1898–9, 49l., and in 1899–1900, 46l.

‡ See footnote (†) on p. 85.

NET EXPENSES borne by POOR RATES under THREE HEADS, namely, (a) those immediately connected with unconnected with Relief, distinguishing the METROPOLITAN from the EXTRA-METROPOLITAN UNIONS, for the

(c) Expenses wholly unconnected with the Relief of the Poor.

Year ended at Lady Day.	Gross Expenditure.	Receipts in Aid.*	Percentage of Gross Expenditure borne by Receipts in Aid.	Net Expenses borne by Poor Rates.	
				Total. (Col. 2—Col. 3).	Rate in £ on Rateable Value.
1.	2.	3.	4.	5.	6.
1891 { Metropolitan - - -	£ 76,210	£ 2,580	3·4	£ 73,630	.56
Extra-Metropolitan - - -	415,597	18,252	4·4	397,345	.79
England and Wales - - -	491,807	20,832	4·2	470,975	.74
1892 { Metropolitan - - -	74,837	2,387	3·2	72,450	.53
Extra-Metropolitan - - -	407,466	17,161	4·2	390,305	.76
England and Wales - - -	482,303	19,548	4·1	462,755	.71
1893 { Metropolitan - - -	70,267	2,249	3·2	68,018	.49
Extra-Metropolitan - - -	392,421	16,192	4·1	376,229	.73
England and Wales - - -	462,688	18,441	4·0	444,247	.68
1894 { Metropolitan - - -	74,615	1,905	2·6	72,710	.52
Extra-Metropolitan - - -	393,973	16,828	4·3	377,145	.72
England and Wales - - -	468,588	18,733	4·0	449,855	.68
1895 { Metropolitan - - -	76,541	2,172	2·8	74,369	.52
Extra-Metropolitan - - -	398,987	15,642	3·9	383,345	.72
England and Wales - - -	475,528	17,814	3·7	457,714	.68
1896 { Metropolitan - - -	73,240	1,856	2·5	71,384	.50
Extra-Metropolitan - - -	395,045	13,645	3·5	381,400	.71
England and Wales - - -	468,285	15,501	3·3	452,784	.67
1897 { Metropolitan - - -	73,811	1,730	2·3	72,081	.48
Extra-Metropolitan - - -	403,577	15,907†	3·9†	387,670	.72
England and Wales - - -	477,388	17,637	3·7	459,751	.66
1898 { Metropolitan - - -	75,105	2,523†	3·4†	72,582	.48‡
Extra-Metropolitan - - -	390,735	46,240†	11·8†	344,495	.69‡
England and Wales - - -	465,840	48,763	10·5	417,077	.64‡
1899 { Metropolitan - - -	69,283	2,356†	3·4†	66,927	.44‡
Extra-Metropolitan - - -	391,251	44,947†	11·5†	346,304	.68‡
England and Wales - - -	460,534	47,303	10·3	413,231	.62‡
1900 { Metropolitan - - -	91,950	2,579†	2·8†	89,371	.57‡
Extra-Metropolitan - - -	537,601	55,924†	10·4†	481,677	.92‡
England and Wales - - -	629,551	58,503	9·3	571,048	.84‡

* See footnote (*) on p. 84.

† Including a proportion of the grants received by Boards of Guardians under the Agricultural Rates Act, 1896. The proportion so included with the Extra-Metropolitan Receipts in Aid in 1896-7 is 1,605£., in 1897-8, 29,032£., in 1898-9, 29,115£., and in 1899-1900, 36,179£.; and with the Metropolitan Receipts in Aid in 1897-8, 26£., in 1898-9, 28£., and in 1899-1900, 29£.

‡ See footnote (‡) on p. 85.

TABLE VII.—AMOUNTS EXPENDED on the VARIOUS ITEMS of POOR RELIEF, and the
the METROPOLITAN and the EXTRA-METROPOLITAN UNIONS
[Compiled from Local Taxation Returns, 1899–1900, Pt. I.]

Year ended at Lady Day.	In-Maintenance.		Out-Belief.		Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.		
	Amount.	Percentage of Total Cost.	Amount.	Percentage of Total Cost.	Amount.	Percentage of Total Cost.	
1891	£ 728,158	29·9	£ 184,118	7·6	£ 284,907	11·7	
	Extra Metropolitan - -	1,223,328	19·7	2,215,971	35·7	999,749	16·1
	England and Wales - -	1,951,486	22·6	2,400,089	27·8	1,284,656	14·8
1892	Metropolitan - -	757,361	30·6	181,406	7·3	288,438	11·7
	Extra-Metropolitan - -	1,286,701	20·2	2,192,974	34·4	1,043,295	16·4
	England and Wales - -	2,044,062	23·1	2,374,380	26·8	1,331,733	15·1
1893	Metropolitan - -	818,635	30·0	181,770	6·6	294,286	10·8
	Extra-Metropolitan - -	1,287,125	19·8	2,188,843	33·7	1,098,790	17·0
	England and Wales - -	2,105,760	22·8	2,370,613	25·7	1,393,076	15·1
1894	Metropolitan - -	855,794	29·5	197,270	6·8	320,309	11·0
	Extra-Metropolitan - -	1,342,518	19·8	2,263,233	33·4	1,145,876	16·9
	England and Wales - -	2,198,312	22·7	2,460,503	25·4	1,466,185	15·2
1895	Metropolitan - -	860,257	29·3	220,424	7·5	320,281	10·9
	Extra-Metropolitan - -	1,355,974	19·6	2,310,150	33·3	1,182,119	17·0
	England and Wales - -	2,216,231	22·5	2,530,574	25·6	1,502,400	15·2
1896	Metropolitan - -	865,970	28·8	216,449	7·2	345,503	11·5
	Extra-Metropolitan - -	1,388,380	19·2	2,428,201	33·7	1,210,630	16·8
	England and Wales - -	2,254,350	22·1	2,644,650	25·9	1,556,133	15·2
1897	Metropolitan - -	855,337	27·5	221,235	7·1	378,893	12·2
	Extra-Metropolitan - -	1,401,330	19·1	2,459,061	33·6	1,263,612	17·2
	England and Wales - -	2,256,667	21·6	2,680,296	25·7	1,642,505	15·7
1898	Metropolitan - -	890,460	27·5	222,174	6·9	394,751	12·2
	Extra-Metropolitan - -	1,493,675	19·7	2,510,735	33·1	1,297,200	17·1
	England and Wales - -	2,384,135	22·0	2,732,909	25·2	1,691,951	15·6
1899	Metropolitan - -	920,936	26·7	223,624	6·5	414,963	12·0
	Extra-Metropolitan - -	1,541,072	19·7	2,541,230	32·4	1,333,595	17·0
	England and Wales - -	2,462,008	21·8	2,764,854	24·5	1,748,558	15·5
1900	Metropolitan - -	971,383	27·0	229,089	6·4	420,875	11·7
	Extra-Metropolitan - -	1,576,912	19·8	2,468,595	31·0	1,399,242	17·5
	England and Wales - -	2,548,295	22·0	2,697,684	23·3	1,820,117	15·8

PROPORTION which the amount expended on each item bore to the TOTAL, in respectively, in the YEARS 1890-1 to 1899-1900.

(*H.C. 302 of 1901*); *Ibid*, 1898-9, Pt. I. (*H.C. 193 of 1900*]).

Principal of Loans repaid, and Interest thereon.		Salaries, &c. and Superannuation Allowances of Union Officers, &c.		Other Expenses of, or immediately connected with, Relief.		Total Cost of Relief.		Year ended at Lady Day.
Amount.	Percentage of Total Cost.	Amount.	Percentage of Total Cost.	Amount.	Percentage of Total Cost.	Amount.	Percentage of Total Cost.	
£ 336,304	13·8	£ 508,178	20·9	£ 393,499	16·1	£ 2,435,164	100·0	
284,457	4·6	944,632	15·2	540,017	8·7	6,208,154	100·0	1891
620,761	7·2	1,452,810	16·8	933,516	10·8	8,643,318	100·0	
341,181	13·8	528,386	21·4	376,742	15·2	2,473,514	100·0	
303,528	4·7	967,954	15·2	579,712	9·1	6,374,164	100·0	1892
644,709	7·3	1,496,340	16·9	956,454	10·8	8,847,678	100·0	
343,755	12·6	572,195	21·0	517,911	19·0	2,728,552	100·0	
296,525	4·6	994,311	15·3	623,368	9·6	6,488,962	100·0	1893
640,280	7·0	1,566,506	17·0	1,141,279	12·4	9,217,514	100·0	
362,007	12·5	612,768	21·1	552,792	19·1	2,900,940	100·0	
315,075	4·7	1,016,293	15·0	689,570	10·2	6,772,565	100·0	1894
677,082	7·0	1,629,061	16·8	1,242,362	12·9	9,673,505	100·0	
373,503	12·7	628,879	21·4	534,065	18·2	2,937,409	100·0	
324,041	4·7	1,038,073	15·0	718,839	10·4	6,929,196	100·0	1895
697,544	7·1	1,606,952	16·9	1,252,904	12·7	9,866,605	100·0	
401,506	13·3	658,206	21·9	519,981	17·3	3,007,615	100·0	
336,731	4·7	1,081,058	15·0	763,359	10·6	7,208,359	100·0	1896
738,237	7·2	1,739,264	17·0	1,283,340	12·6	10,215,974	100·0	
443,819	14·3	681,995	21·9	527,114	17·0	3,108,393	100·0	
349,182	4·8	1,090,514	15·0	751,097	10·3	7,323,796	100·0	1897
793,001	7·6	1,781,509	17·1	1,278,211	12·3	10,432,189	100·0	
467,997	14·4	730,793	22·6	531,401	16·4	3,237,576	100·0	
370,660	4·9	1,148,866	15·1	769,564	10·1	7,590,700	100·0	1898
838,657	7·8	1,879,659	17·4	1,300,965	12·0	10,828,276	100·0	
524,099	15·2	767,262	22·3	595,248	17·3	3,446,132	100·0	
395,214	5·0	1,204,352	15·4	825,378	10·5	7,840,841	100·0	1899
919,313	8·1	1,971,614	17·5	1,420,626	12·6	11,286,973	100·0	
543,782	15·1	821,312	22·9	608,400	16·9	3,594,841	100·0	
429,336	5·4	1,274,124	16·0	824,599	10·3	7,972,808	100·0	1900
973,118	8·4	2,095,436	18·1	1,432,999	12·4	11,567,649	100·0	

TABLE VIII.—GROSS EXPENDITURE on RELIEF to the POOR PER HEAD of the
1890-1 to
[Compiled from Local Taxation Returns, 1899-1900, Pt. I.]

(a.) Divisions.

Divisions.	Gross Expenditure on Relief to the Poor per Head of Population.*									
	1890-1.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.	1898-9.	1899-1900.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
London -	11 7½	11 8¼	12 9½	13 5¾	13 6	13 8½	14 0¾	14 6	15 3½	15 9¾
South Western -	6 2½	6 3½	6 3½	6 6	6 8	6 11½	7 0½	7 2½	6 11½	7 2
Eastern -	6 1½	6 2½	6 2½	6 6	6 6½	6 9½	6 9	6 10½	6 10½	7 0½
South Eastern -	6 2	6 4	6 3	6 4½	6 4½	6 6½	6 7½	6 9½	6 10½	7 0½
South Midland -	5 10¾	5 11½	5 9½	6 0	6 0	6 2	6 1½	6 3½	6 2½	6 4
North Midland -	5 0¾	5 2	5 1½	5 3½	5 4½	5 8½	5 9½	6 0½	6 2½	6 1½
West Midland -	5 2	5 2½	5 2½	5 4½	5 5¾	5 7½	5 8½	5 10	6 0½	6 1
Monmouth and Wales	5 6	5 5½	5 6½	5 7½	5 8	5 8½	5 9	5 10½	6 6½	5 11½
York -	4 0	4 1	4 2½	4 3½	4 5½	4 7½	4 7½	4 8½	4 11	5 0
North Western -	4 1½	4 2½	4 3½	4 6	4 6½	4 7½	4 7½	4 9½	4 10½	4 11
Northern -	3 11	4 0¾	4 2½	4 4	4 3	4 3½	4 4½	4 4½	4 4½	4 5
England and Wales -	6 0	6 1	6 3½	6 6	6 6½	6 8½	6 9½	6 11½	7 2½	7 3½

* The figures are calculated upon the Estimated Population at the middle of each year, e.g., those for the year ended Lady Day, 1891, are calculated upon the Estimated Population in the middle of 1890, and so on.

**ESTIMATED POPULATION in each DIVISION and COUNTY in the Years
1899-1900.**

(H.C. 302 of 1901); and corresponding Returns for previous Years].

(b.) Counties.

Union Counties.	Gross Expenditure on Relief to the Poor per Head of Population*										
	1890-1.	1891-2.	1892-3.	1893-4.	1894-5.	1895-6.	1896-7.	1897-8.	1898-9.	1899-1900.	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	
London -	11	7 $\frac{1}{4}$	11	8 $\frac{1}{4}$	12	9 $\frac{1}{2}$	13	5 $\frac{3}{4}$	13	6	
Hereford	7	7	7	6 $\frac{1}{4}$	7	6 $\frac{1}{2}$	7	10 $\frac{1}{4}$	7	11 $\frac{1}{2}$	
Wilts	7	0 $\frac{1}{2}$	7	3	7	0 $\frac{1}{2}$	7	3 $\frac{1}{4}$	7	4 $\frac{3}{4}$	
Dorset -	6	9 $\frac{1}{4}$	6	10 $\frac{1}{4}$	6	10 $\frac{1}{4}$	7	2	7	10 $\frac{1}{4}$	
Norfolk	7	2 $\frac{1}{4}$	7	6	7	2 $\frac{1}{4}$	7	5 $\frac{1}{4}$	8	0	
Hertford	7	2 $\frac{1}{4}$	7	2 $\frac{1}{4}$	7	1 $\frac{1}{4}$	7	3	7	6 $\frac{1}{4}$	
Lincoln	6	2 $\frac{1}{4}$	6	10 $\frac{1}{4}$	6	4 $\frac{1}{4}$	6	8	7	5 $\frac{1}{2}$	
Suffolk	5	9 $\frac{1}{2}$	6	0	6	0 $\frac{1}{2}$	6	5 $\frac{1}{2}$	6	10 $\frac{1}{4}$	
Sussex	6	10	7	2 $\frac{1}{4}$	6	11 $\frac{1}{4}$	7	3	7	7 $\frac{1}{4}$	
Oxford	6	9	6	2	6	8 $\frac{1}{2}$	6	10 $\frac{1}{4}$	7	4 $\frac{3}{4}$	
Rutland	6	10	6	9 $\frac{1}{4}$	6	9 $\frac{1}{4}$	6	10 $\frac{1}{4}$	6	9 $\frac{1}{4}$	
Somerset	6	2 $\frac{1}{2}$	6	4	6	5 $\frac{1}{2}$	6	7 $\frac{1}{4}$	6	10 $\frac{1}{4}$	
Southampton	6	4	6	8	6	5 $\frac{1}{2}$	6	5 $\frac{1}{2}$	6	11 $\frac{1}{4}$	
Kent -	6	0 $\frac{1}{2}$	6	0	6	2	6	2 $\frac{1}{4}$	6	10 $\frac{1}{4}$	
Gloucester	5	11 $\frac{1}{4}$	6	1 $\frac{1}{4}$	6	0	6	3 $\frac{1}{4}$	6	11 $\frac{1}{4}$	
Huntingdon	5	7 $\frac{1}{2}$	5	9	5	10 $\frac{1}{4}$	6	0 $\frac{1}{2}$	6	2 $\frac{1}{4}$	
Devon	6	1 $\frac{1}{2}$	6	2	6	2 $\frac{1}{4}$	6	5	7	0 $\frac{1}{2}$	
Berkshire	5	9 $\frac{1}{4}$	6	0	5	10 $\frac{1}{4}$	6	0 $\frac{1}{2}$	6	11 $\frac{1}{4}$	
Buckingham	6	7 $\frac{1}{2}$	6	6 $\frac{1}{4}$	6	8 $\frac{1}{4}$	6	4 $\frac{1}{4}$	6	9 $\frac{1}{4}$	
Cambridge	6	8 $\frac{3}{4}$	6	8 $\frac{1}{4}$	6	5 $\frac{1}{2}$	6	7 $\frac{1}{4}$	6	10 $\frac{1}{4}$	
North Wales	6	6 $\frac{1}{2}$	6	6 $\frac{1}{2}$	6	6 $\frac{1}{2}$	6	8 $\frac{1}{4}$	6	7 $\frac{1}{2}$	
Surrey	5	8 $\frac{1}{4}$	5	8 $\frac{1}{4}$	5	7 $\frac{1}{2}$	5	10 $\frac{1}{4}$	6	1 $\frac{1}{4}$	
York, East Riding	4	9	4	11	5	1 $\frac{1}{4}$	5	4 $\frac{1}{4}$	5	11 $\frac{1}{4}$	
Essex	5	7 $\frac{1}{2}$	5	6	5	8	6	0	6	6 $\frac{1}{4}$	
Bedford	5	9 $\frac{1}{4}$	5	9	5	9	6	0 $\frac{1}{2}$	6	4 $\frac{1}{2}$	
Worcester	5	2 $\frac{1}{2}$	5	4 $\frac{1}{4}$	5	3 $\frac{3}{4}$	5	5 $\frac{1}{2}$	5	8 $\frac{1}{4}$	
York, North Riding	5	1 $\frac{1}{2}$	5	2 $\frac{1}{2}$	6	0 $\frac{1}{2}$	5	6 $\frac{1}{2}$	5	10 $\frac{1}{4}$	
Cornwall	5	2	5	2 $\frac{1}{4}$	5	3	5	4 $\frac{1}{4}$	5	7 $\frac{1}{4}$	
Monmouth	5	5 $\frac{1}{2}$	5	6 $\frac{1}{2}$	5	8 $\frac{1}{4}$	6	0 $\frac{1}{2}$	6	1 $\frac{1}{2}$	
Warwick	5	1 $\frac{1}{2}$	5	1 $\frac{1}{4}$	5	3 $\frac{1}{4}$	5	4	5	10 $\frac{1}{4}$	
Leicester	5	3 $\frac{1}{4}$	5	2 $\frac{1}{4}$	5	5	6 $\frac{1}{2}$	5	8 $\frac{1}{4}$	5	11 $\frac{1}{4}$
Northampton	5	1	5	2	5	0 $\frac{1}{2}$	5	3 $\frac{1}{4}$	5	10 $\frac{1}{4}$	
Nottingham	4	3 $\frac{1}{4}$	4	2 $\frac{1}{4}$	4	4 $\frac{1}{4}$	4	6 $\frac{1}{2}$	4	11 $\frac{1}{4}$	
Salop	4	7 $\frac{1}{2}$	4	7 $\frac{1}{2}$	4	7 $\frac{1}{2}$	4	10 $\frac{1}{4}$	5	0 $\frac{1}{2}$	
South Wales	5	0 $\frac{1}{2}$	4	11 $\frac{1}{4}$	5	1 $\frac{1}{4}$	5	2 $\frac{1}{4}$	5	3	
Middlesex	5	1 $\frac{1}{2}$	5	3 $\frac{1}{4}$	5	1 $\frac{1}{2}$	5	4 $\frac{1}{4}$	5	3 $\frac{1}{4}$	
Stafford	4	8	4	7 $\frac{1}{2}$	4	7 $\frac{1}{2}$	4	9 $\frac{1}{4}$	4	11 $\frac{1}{4}$	
Derby	4	4 $\frac{1}{2}$	4	8 $\frac{1}{4}$	4	4 $\frac{1}{2}$	4	6 $\frac{1}{2}$	4	10 $\frac{1}{4}$	
Lancaster	4	1 $\frac{1}{2}$	4	2 $\frac{1}{4}$	4	3 $\frac{1}{4}$	4	6 $\frac{1}{2}$	4	11 $\frac{1}{4}$	
Chester	4	1 $\frac{1}{2}$	4	1 $\frac{1}{2}$	4	1 $\frac{1}{2}$	4	2 $\frac{1}{4}$	4	9 $\frac{1}{4}$	
Westmorland	4	3 $\frac{1}{2}$	4	4	4	4 $\frac{1}{2}$	4	5 $\frac{1}{2}$	4	10 $\frac{1}{4}$	
Durham	3	9 $\frac{1}{2}$	3	11	4	2	4	4 $\frac{1}{2}$	4	5	
York, West Riding	8	8 $\frac{1}{2}$	3	9 $\frac{1}{2}$	3	10	4	0	4	3 $\frac{1}{2}$	
Cumberland	3	10 $\frac{1}{2}$	4	4 $\frac{1}{2}$	4	4 $\frac{1}{2}$	4	3 $\frac{1}{2}$	4	5 $\frac{1}{2}$	
Northumberland	4	1 $\frac{1}{2}$	4	1 $\frac{1}{2}$	4	1 $\frac{1}{2}$	4	2 $\frac{1}{4}$	4	1 $\frac{1}{2}$	

* See footnote on previous page.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and from COUNTY and COUNTY BOROUGH COUNCILS and by Poor

[Compiled from Preliminary Report on Census, 1901 (Cd. 616); Local Taxation Returns, 1899–1900, Pt. I. H.C. 78 of 1901); and Information supplied by]

SUMMARY.

Divisions and Union Counties.	Population, 1901.*	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.†		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected)			Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
			Total.	Per Head of Population.	Inmates (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).		Maintainance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-Maintainance.	Out-relief.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
I.—LONDON.			£	£ s.	£	£ s.							
1. London§ -	4,520,493*	37,927,684	37,914,842	8 7·7	6,285	17,518	65,464	38,825	15,011	971,383	229,089	420,875	543,782
II.—SOUTH EASTERN.													
2. Surrey -	718,397	4,721,380	4,609,224	6 8·3	165	977	4,161	6,727	1,425	48,791	37,838	42,387	17,081
3. Kent -	934,865	5,125,299	4,816,462	5 3·0	276	1,303	6,371	13,166	2,118	76,802	68,990	56,826	16,816
4. Sussex -	605,763	3,964,133	3,747,925	6 3·7	206	877	4,204	10,454	1,648	45,333	60,723	43,470	13,047
5. Southampton -	769,602	3,870,233	3,664,643	4 15·2	510	1,100	4,905	14,366	1,886	57,587	73,825	50,441	14,208
6. Berks -	283,536	1,684,908	1,544,500	5 8·9	127	506	2,116	3,440	733	24,439	17,276	15,148	5,796
TOTAL -	3,312,163	19,365,953	18,382,754	5 11·0	1,284	4,763	21,757	48,153	7,810	252,952	258,052	208,272	66,948
III.—SOUTH MIDLAND.													
7. Middlesex -	825,783*	4,450,491	4,337,522	5 5·1	89	1,150	3,430	7,102	1,624	45,16c	38,855	46,706	22,082
8. Hertford -	239,747	1,392,070	1,265,745	5 5·6	66	234	1,369	5,522	654	16,908	30,703	17,000	1,342
9. Buckingham -	173,060	970,048	812,554	4 13·9	42	140	802	4,424	469	8,110	25,934	9,442	233
10. Oxford -	186,767	1,143,643	970,472	5 3·9	76	301	1,292	4,561	536	13,217	26,207	10,299	1,331
11. Northampton -	348,924	1,835,653	1,581,801	4 10·7	88	310	1,489	7,160	803	15,615	46,395	15,630	1,641
12. Huntingdon -	46,755	356,858	280,511	6 0·0	12	53	323	837	136	3,545	4,799	3,281	90
13. Bedford -	174,958	952,777	842,873	4 16·4	28	104	782	4,156	444	9,012	22,504	9,711	321
14. Cambridge -	200,681	1,215,976	986,274	4 18·3	31	165	1,078	4,563	566	11,201	26,841	12,650	748
TOTAL -	2,196,675	12,317,516	11,077,762	5 0·9	432	2,457	10,565	38,325	5,232	122,768	222,238	124,719	27,788

* The figures in column 2 are taken from the "Preliminary Report" of the Census for 1901, but for London, Middlesex, Monmouth, and South Wales, the areas of which were enlarged or diminished, between 25th March 1900 and the date of the Census (1st April 1901), the figures have been altered, in accordance with information supplied by the Registrar-General, so as to show the population in 1901 of the area included in each of those counties on 25th March 1900.

† The figures in column 4 represent the assessable value according to the Agricultural Rates Act, 1896, viz., the total rateable value reduced by one-half of the rateable value of "Agricultural Land."

‡ Including sums received from relatives and property of paupers from sales of stone, produce, &c., in respect of rent of property, and from other local authorities, &c.

§ As it is enacted by the Public Health (London) Act, 1891, that the maintenance of patients in the fever and small-pox hospitals provided by the managers of the Metropolitan Asylum District shall not be considered to be parochial relief, such patients (of whom there was a mean number of 8,701 on 1st July 1900 and 1st January 1901) are not counted as paupers in the Pauperism Returns, and are not included in columns 6

OUNT of EXPENDITURE of OVERSEERS of the Poor and BOARDS of GUARDIANS borne by GRANTS TES respectively in 1899-1900 in each POOR LAW UNION.

C. 302 of 1901); *Pauperism Returns for 1st July 1900 and 1st January 1901 (H.C. 136-I. of 1900 and Local Government Board and the Registrar-General.)*

SUMMARY.

UNION OF UNION UNIONS, &c.	for Relief to the Poor with in 1899-1900.		Other Expenditure of Overseers and Guardians in 1899- 1900.		Total Expenditure of Overseers and Guardians in 1899- 1900.		Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).				
	16.	17.	18.	19.	20.	21.	22.	Amount.	Per Head of Population, 1901.	23.	24.	25.	26.	27.	28.
12	£	£	£	£	£	£	s. d.	£	£	£	£	£	£	s. d.	Rate in £ on Assessable Value (1899).
	621,384	3,607,825	237,069	3,844,894	137,728	3,707,166	16 4·8	—	128,863	541,658	1,211	3,151,313	1 8·2		
85	34,643	224,525	38,566	263,091	22,276	240,815	6 8·5	28,213	15,571	44,106	4,259	192,450	0 10·5		
51	36,286	313,071	53,479	366,550	29,560	346,990	7 5·1	40,687	18,315	60,301	13,965	272,724	1 2·1		
66	21,272	228,051	34,591	262,642	13,963	248,679	8 2·5	43,998	18,335	63,564	11,065	174,050	0 11·5		
13	23,191	266,065	34,669	300,734	15,927	284,807	7 4·8	35,661	18,039	54,390	10,551	219,866	1 2·8		
65	13,907	97,831	14,806	112,637	6,574	106,063	7 5·8	16,806	6,710	24,191	5,763	76,109	1 0·1		
20	129,299	1,129,543	176,111	1,305,654	78,300	1,227,354	7 4·9	165,365	76,970	246,552	45,603	935,199	1 0·6		
76	30,643	221,522	43,382	264,904	14,616	250,288	6 0·7	21,262	10,484	33,139	5,294	211,855	1 0·5		
23	8,695	90,781	14,698	105,479	4,701	100,778	8 4·9	13,370	6,203	19,789	6,663	74,326	1 2·6		
89	4,933	58,541	9,698	68,239	3,749	64,490	7 5·4	9,342	3,993	13,503	7,001	43,986	1 1·2		
44	6,634	71,232	11,229	82,461	3,117	79,344	8 6·0	12,291	4,977	17,607	9,680	52,057	1 1·1		
50	7,104	99,535	16,569	116,104	5,638	110,466	6 4·0	12,953	7,606	20,800	10,544	79,122	1 0·5		
68	1,234	16,717	3,671	20,388	1,015	19,373	8 3·4	3,339	1,268	4,678	2,694	12,001	0 10·5		
79	4,914	55,041	7,959	63,000	3,315	59,685	6 9·9	7,287	5,449	12,817	4,975	41,893	1 0·8		
49	5,453	67,742	12,113	79,855	3,897	75,958	7 6·8	10,654	5,629	16,434	10,510	49,014	1 0·8		
78	69,520	681,111	119,319	800,430	40,048	760,382	6 11·1	90,498	45,609	138,767	57,361	564,254	1 0·7		

This Table. But in the Poor Rate Returns the entire expenditure of the managers is combined with the Poor Relief Expenditure of the Metropolitan Poor Law Authorities, and is included in columns 11 to 17 above. See also p. 45 as to comparison between Poor Relief Expenditure in London and rest of England and Wales.

The valuation for London comes into force on the 6th April.

In addition to the grant in respect of pauper lunatics this sum includes 44,929*l.* and 353,467*l.*, payments to Boards of Guardians under s. 43 (1) (a) and (b) of the Local Government Act, 1888, on account of the remuneration of medical officers and the cost of drugs and appliances, and of the maintenance of indoor paupers, respectively; 18,651*l.* in respect of teachers in Poor Law Schools, and some other items.

There is also deducted in arriving at this figure the excess of the receipts (viz., 302,251*l.*) by the poorer unions from the Metropolitan Poor Fund over the payments (viz., 289,267*l.*) into that fund.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively
SUMMARY—continued.

Divisions and Union Counties.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out and Purposes connected)			Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	Principal of Loans repaid and Interest thereon	
			Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).		In-Maintenance.	Out-relief.				
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
IV.—EASTERN.			£	£	£	£	£			£	£	£		
15. Essex -	1,062,452	4,594,590	4,378,810	4 2·4	228	1,212	5,226	18,647	2,104	59,351	105,955	48,368	13,212	
16. Suffolk -	361,856	1,622,350	1,420,132	3 18·5	124	367	2,113	9,355	861	21,982	44,558	21,647	4,932	
17. Norfolk -	467,614	2,183,095	1,855,380	3 19·4	240	661	3,009	14,011	1,149	32,968	76,735	27,981	5,552	
TOTAL	-	1,891,922	8,400,035	7,654,322	4 0·9	592	2,240	10,348	42,013	4,114	114,301	227,248	97,996	18,772
V.—SOUTH WESTERN.														
18. Wilts -	263,921	1,416,947	1,196,686	4 10·7	136	336	1,690	6,614	864	17,933	38,035	19,376	2,212	
19. Dorset -	199,994	1,084,076	898,611	4 9·9	68	186	1,006	6,352	580	11,080	34,420	12,900	2,022	
20. Devon -	663,827	3,485,479	2,963,284	4 9·3	354	681	3,355	17,364	1,657	32,245	106,009	41,852	2,322	
21. Cornwall -	319,214	1,370,279	1,087,160	3 8·1	99	386	1,274	8,882	737	12,732	46,520	18,804	2,022	
22. Somerset -	466,126	3,004,968	2,437,073	5 4·6	205	506	2,445	11,995	1,274	24,331	67,582	30,886	1,742	
TOTAL	-	1,913,082	10,361,749	8,582,814	4 9·7	862	2,095	9,770	51,207	5,112	98,321	292,566	123,818	8,382
VI.—WEST MIDLAND.														
23. Gloucester -	648,476	3,350,875	3,080,057	4 15·0	596	967	4,268	13,542	1,591	42,768	75,049	39,685	3,762	
24. Hereford -	112,564	860,889	667,279	5 18·6	67	141	739	3,347	428	7,294	17,465	10,501	1,212	
25. Salop -	259,093	1,811,582	1,411,457	5 9·0	114	360	1,706	3,252	714	16,903	12,932	14,434	3,432	
26. Stafford -	1,251,888	5,023,764	4,650,501	3 14·3	638	1,321	6,651	24,743	2,172	68,803	103,452	51,569	17,342	
27. Worcester -	500,792	2,324,714	2,125,444	4 4·9	178	521	2,727	8,103	1,103	30,486	36,362	23,123	12,602	
28. Warwick -	906,451	4,410,928	4,145,462	4 11·5	356	1,270	6,238	8,690	2,261	62,331	43,251	52,421	25,421	
TOTAL	-	3,679,264	17,782,752	16,080,200	4 7·4	1,949	4,580	22,329	61,677	8,270	228,585	288,511	191,733	63,772
VII.—NORTH MIDLAND.														
29. Leicester -	440,907	2,273,146	1,982,695	4 9·9	126	356	2,063	7,940	989	22,034	49,663	25,790	4,592	
30. Rutland -	20,742	198,569	147,974	7 2·7	6	18	129	443	56	1,472	2,956	1,244	1,244	
31. Lincoln -	492,948	2,965,353	2,302,668	4 13·4	144	358	1,891	12,976	923	21,630	95,825	22,813	4,892	
32. Nottingham -	596,668	2,715,608	2,474,335	4 2·9	302	511	2,570	10,208	1,105	28,795	61,175	18,362	6,902	
33. Derby -	490,886	2,330,821	2,105,426	4 5·8	141	392	1,949	7,979	771	20,338	47,850	19,940	6,982	
TOTAL	-	2,042,151	10,483,497	9,013,098	4 8·3	719	1,635	8,602	39,546	3,844	94,269	257,469	98,149	22,562

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and County Borough Councils in each Poor Law Union—continued.

SUMMARY—continued.

for Relief to the Poor in 1899–1900.				Other Expenditure of Overseers and Guardians in 1899– 1900.		Total Expenditure of Overseers and Guardians in 1899– 1900.		Local Receipts in aid of Poor Rates in 1899–1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guar- dians in 1899–1900 (Column 19 minus Column 20). £. s. d.		Grants from County and County Borough Councils in 1899–1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899–1900 (Column 21 minus Columns 25 and 26). £. s. d.			
	Other Expenses of or immediately connected with Relief.	Total.	16.	17.	18.	19.	20.	Amount.	Per Head of Population, 1901.	In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	22.	23.	24.	Total Grants (including Columns 23 and 24). 25.	Grant under the Agricultural Rates Act, 1896, in 1899– 1900. 26.	Amount. 27.	Rate in £ on Assessable Value (1899). 28.
1	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
95	36,170	315,259	43,587	358,846	19,175	339,671	6 4·7	39,211	17,580	57,647	13,795	268,229	1 3·8				
10	18,459	135,587	19,574	155,161	14,285	140,876	7 9·4	20,771	7,984	29,132	12,779	98,965	1 5·2				
26	15,030	189,903	25,987	215,890	8,114	207,776	8 10·6	28,760	11,331	40,512	21,475	145,789	1 7·1				
31	69,659	640,749	89,148	729,897	41,574	688,323	7 3·3	88,742	36,895	127,291	48,049	512,983	1 4·9				
65	8,680	106,631	15,030	121,661	6,113	115,548	8 9·1	18,785	9,181	28,160	12,514	74,874	1 3·3				
122	4,908	78,301	11,108	89,409	2,718	86,691	8 8·0	11,210	6,014	17,411	10,338	58,942	1 3·9				
175	15,052	228,130	29,153	257,283	14,034	243,249	7 3·9	25,261	16,302	42,068	27,427	173,754	1 2·4				
163	6,403	96,451	15,738	112,189	4,532	107,657	6 8·9	10,313	7,299	17,876	15,387	74,394	1 4·8				
109	12,689	165,046	18,492	193,538	10,643	182,895	7 10·2	23,714	12,704	37,077	25,507	120,311	1 0·0				
34	47,732	674,559	99,521	774,080	38,040	736,040	7 8·3	89,283	51,500	142,592	91,173	502,275	1 2·3				
112	22,694	220,132	23,713	243,845	12,174	231,671	7 1·7	26,847	9,150	36,638	12,293	182,740	1 2·5				
184	3,196	47,933	9,133	57,165	2,876	54,289	9 7·8	8,032	4,336	12,552	7,426	34,311	1 0·4				
129	6,616	68,556	15,167	83,723	4,045	79,678	6 1·8	13,226	6,999	20,737	8,871	50,070	0 8·6				
160	30,575	316,687	50,862	367,549	21,994	345,555	5 6·2	35,059	21,334	58,614	14,819	272,122	1 2·5				
976	16,371	143,027	23,218	166,245	10,878	155,367	6 2·5	16,423	9,981	26,753	8,600	120,014	1 1·9				
134	29,279	265,830	36,178	302,008	20,247	281,761	6 2·6	34,474	19,396	54,616	9,823	217,322	1 1·2				
795	108,741	1,062,164	158,371	1,220,535	72,214	1,148,321	6 2·9	134,061	71,196	209,910	61,832	876,579	1 1·5				
381	10,132	128,390	18,818	147,208	8,721	138,487	6 3·4	26,765	9,740	26,814	9,904	102,769	1 0·8				
420	774	7,866	1,414	9,280	674	8,606	8 3·6	1,258	485	1,761	1,351	5,494	0 8·9				
344	10,693	177,796	24,664	202,460	10,908	193,552	7 9·3	19,306	8,770	28,511	30,313	132,728	1 2·0				
646	20,417	165,296	23,491	188,787	7,738	181,049	6 0·8	15,618	10,472	26,362	7,891	146,796	1 2·5				
124	20,443	120,680	19,875	140,555	8,029	133,526	5 4·8	12,640	7,334	20,194	8,012	104,320	1 0·1				
915	53,458	600,028	88,262	688,290	36,070	652,220	6 4·7	65,487	36,801	103,642	57,471	491,107	1 1·4				

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively
SUMMARY—continued.

Divisions and Union Counties.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected with)			Principal of Loans repaid and Interest thereon.	
			Total.	Per Head of Population.	Inssane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane). (including those in Columns 6 and 7).	Total In-door Paupers (including those in Columns 6 and 7).		In Maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
VIII.—NORTH WESTERN.													
34. Chester	-	792,863	4,398,598	4,030,160	5 17	365	895	4,116	9,948	1,556	42,537	53,255	32,498
35. Lancaster	-	4,437,398	21,861,485	21,299,939	4 16·0	2,860	6,128	29,497	41,333	8,692	288,678	180,809	194,377
TOTAL	-	5,230,261	26,260,083	25,330,099	4 16·9	3,225	7,023	33,613	51,281	10,248	331,215	234,064	226,875
IX.—YORK.													
36. West Riding	-	2,766,215	12,437,573	11,843,835	4 5·6	890	1,868	10,696	30,878	4,582	124,674	164,907	111,148
37. East Riding	-	454,271	2,479,656	2,204,781	4 17·1	472	412	2,328	8,854	910	26,434	51,745	22,494
38. North Riding	-	375,909	2,400,327	2,034,036	5 8·2	54	425	1,782	7,184	772	20,713	39,570	21,575
TOTAL	-	3,596,395	17,317,556	16,082,652	4 9·4	1,116	2,705	14,806	46,916	6,264	171,821	256,222	155,217
X.—NORTHERN.													
39. Durham	-	1,194,442	4,970,558	4,767,643	3 19·8	304	1,202	4,988	16,750	1,699	49,249	80,333	45,596
40. Northumberland	-	602,859	3,300,161	2,993,567	4 19·3	126	637	2,336	6,875	1,240	21,449	32,682	29,405
41. Cumberland	-	266,921	1,664,821	1,415,459	5 6·1	139	294	1,272	4,637	467	11,020	21,707	11,052
42. Westmorland	-	64,411	558,576	440,710	6 16·8	48	67	414	770	102	3,612	4,389	2,592
TOTAL	-	2,128,633	10,494,116	9,617,379	4 10·4	617	2,200	9,010	29,032	3,508	85,330	139,111	88,645
XI.—WELSH.													
43. Monmouth	-	317,173*	1,475,939	1,370,678	4 6·4	53	334	1,407	7,612	794	15,539	43,961	15,855
44. South Wales	-	1,228,927*	5,892,737	5,376,451	4 7·5	278	1,402	4,226	26,744	2,481	44,402	162,479	50,830
45. North Wales	-	468,936	2,326,803	1,935,708	4 2·6	200	441	1,643	13,022	799	17,409	86,674	17,133
TOTAL	-	2,015,036	9,695,479	8,682,837	4 6·2	531	2,177	7,276	47,378	4,074	77,350	293,114	83,818
TOTAL FOR ENGLAND AND WALES		32,526,075	180,406,420	168,418,759	5 3·6	17,612	49,393	213,540	494,353	73,487	2,548,295	2,697,684	1,820,117
* See footnote (*) on p. 92.													
† In addition to the grants in respect of costs of Union Officers outside the Metropolis and of Pauper Lunatics, this sum includes 44,989/- and 358,467/- payments to Metropolitan Boards of Guardians under section 43 (1) (a) and (b) of the Local Government Act, 1888, on account of the remuneration of Medical Officers and the costs of drugs and medical appliances and of the maintenance of Indoor Paupers, respectively; 30,989/- in respect of teachers in Poor Law Schools; and some smaller items.													
‡ See footnote (**) on p. 93.													

* See footnote (*) on p. 92.

† In addition to the grants in respect of costs of Union Officers outside the Metropolis and of Pauper Lunatics, this sum includes 44,989/- and 358,467/- payments to Metropolitan Boards of Guardians under section 43 (1) (a) and (b) of the Local Government Act, 1888, on account of the remuneration of Medical Officers and the costs of drugs and medical appliances and of the maintenance of Indoor Paupers, respectively; 30,989/- in respect of teachers in Poor Law Schools; and some smaller items.

‡ See footnote (**) on p. 93.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900 in each Poor Law Union—continued.

SUMMARY—continued.

Allowances of Union Officers, &c.		Other Expenses of or immediately connected with Relief.		Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).	
16.	17.	18.	19.	20.	21.	22.	Amount.	23.	24.	25.	26.	27.	28.	Rate in £ on Assessable Value (1899).			
1	£	£	£	£	£	£	s. d.	£	£	£	£	£	s. d.				
244	23,124	290,017	37,382	227,399	15,743	211,656	5 4·1	21,477	14,173	36,424	11,516	163,716	0 10·0				
106	130,057	1,077,827	183,835	1,261,662	108,539	1,153,123	5 2·4	135,830	79,590	220,072	16,826	916,225	0 10·7				
150	153,181	1,267,844	221,217	1,489,061	124,282	1,364,779	5 2·6	157,307	93,763	256,496	28,342	1,079,941	0 10·6				
100	71,391	619,022	132,665	751,687	53,601	698,086	5 0·6	62,796	43,432	107,198	19,510	571,378	1 0·3				
124	14,777	140,192	27,859	168,051	7,328	160,723	7 0·9	12,199	9,470	21,999	9,807	128,917	1 2·4				
184	11,894	115,364	17,737	133,101	7,065	126,036	6 8·5	13,563	7,580	21,460	9,512	95,064	0 11·6				
108	98,062	874,578	178,261	1,052,839	67,994	984,845	5 5·7	88,558	60,482	150,657	38,829	795,359	1 0·3				
180	38,817	265,623	48,347	313,960	23,273	290,687	4 10·4	24,366	17,218	42,006	8,114	240,567	1 0·4				
117	10,184	118,196	23,830	142,026	11,633	130,393	4 3·9	14,630	10,844	25,772	6,785	97,836	0 8·2				
151	5,542	60,105	11,648	71,753	4,493	67,260	5 0·5	7,634	4,528	12,384	6,847	48,029	0 8·3				
156	1,864	16,145	3,371	19,416	2,352	17,064	5 3·6	3,071	1,034	4,154	2,119	10,791	0 5·9				
104	56,407	460,059	87,096	547,155	41,751	505,404	4 9·0	49,701	33,624	84,316	23,865	397,223	0 10·2				
130	6,363	97,225	16,439	113,664	5,890	107,774	6 9·6	7,661	7,662	15,605	5,666	86,503	1 4·5				
156	25,849	337,995	59,998	397,993	17,703	380,190	6 1·3	30,194	22,592	54,499	26,528	299,263	1 2·0				
103	7,328	146,953	31,711	178,664	5,998	172,666	7 4·4	18,500	7,830	26,759	20,976	124,931	1 3·7				
189	39,540	582,173	108,148	690,321	29,591	660,730	6 6·7	56,355	38,084	96,863	53,170	510,697	1 2·8				
1,436	1,445,983	11,580,633	1,562,523	13,143,156	707,592	12,435,564	7 7·8	985,357	673,787	2,098,744†	506,906	9,816,930‡	1 2·4				

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.*	Rateable Value on 6th April 1900.	Assessable Value on 6th April, 1900.†		Mean Number of In-door Paupers on 1st July 1900 and 1st January, 1901.‡			Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.‡	EXPENDITURE (not defrayed out of Relief to the Poor and Purposes connected 1899–1900.)				
				Total.	Per Head of Population.	Inmates not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses.	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).		Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.¶	In-Maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
I.—LONDON.														
I. LONDON.														
1a Paddington - -	127,306	1,347,011	1,346,984	10 11·6	79	261	1,131	213	334	17,383	1,767	9,554	14,338	21,831
1b Kensington - -	173,068	2,163,126	2,163,081	12 10·0	154	793	2,397	472	596	36,395	3,024	16,016	31,090	37,821
2a Hammersmith ¶ -	111,976	634,558	634,508	5 13·3	91	319	924	452	263					
2b Fulham Parish ¶ -	137,249	707,499	706,973	5 3·0	95	482	1,121	354	278	33,001	5,718	13,675	15,566	22,931
2 Fulham (Union) ¶ -	-	-	-	-	-	-	-	-	-					
3 Chelsea - -	95,930	837,638	837,420	8 14·6	114	441	1,660	498	347	23,570	3,961	9,316	13,307	20,871
4 St. George's - -	126,659	2,992,449	2,992,449	23 12·5	144	514	2,754	728	375	37,666	5,155	12,252	34,925	40,816
5 Westminster - -	33,087	1,021,364	1,021,364	30 17·4	124	82	663	92	154	11,111	1,007	4,063	9,583	13,701
6 St. Marylebone - -	132,323	1,629,025	1,629,025	12 6·2	232	682	3,110	346	673	42,991	2,707	16,576	32,015	36,771
7 St. John, Hampstead.	82,329	899,747	899,496	10 18·5	48	77	383	188	112	9,269	1,049	2,723	7,752	10,439
8 St. Pancras - -	234,879	1,691,696	1,691,466	7 4·0	722	1,035	4,535	1,360	941	65,624	7,660	32,055	30,876	45,808
9 St. Mary, Islington	335,175	1,843,139	1,843,139	5 10·0	222	704	3,379	3,750	884	52,777	18,997	23,286	25,312	32,390
10 Hackney - -	253,307	1,352,633	1,352,262	5 6·8	204	984	2,917	3,252	964	41,686	15,184	27,645	23,959	32,033
11 St. Giles and St. George, Bloomsbury.	34,552	472,922	472,922	13 13·7	104	126	746	165	155	11,213	954	4,308	8,721	9,696
12 Strand - -	20,318	1,140,146	1,140,146	56 2·3	88	195	1,364	330	158	22,477	2,260	3,698	14,112	19,358
13 Holborn - -	130,512	1,303,091	1,303,091	9 19·7	412	678	3,716	1,912	718	55,644	10,920	19,871	27,914	37,279
14 City of London - -	27,510	4,613,456	4,613,456	167 14·0	179	196	1,155	547	286	23,518	6,547	7,643	28,222	59,490
15 St. Leonard, Shoreditch.	117,774	733,355	733,355	6 4·5	249	488	1,931	551	469	28,286	1,862	13,501	12,820	21,339
16 Bethnal Green - -	129,728	470,379	470,379	3 12·5	268	564	2,369	744	567	37,498	5,216	19,262	18,449	21,249
17 Whitechapel - -	78,646	447,375	447,375	5 13·8	134	258	1,384	43	360	20,804	582	9,620	9,322	14,729
18 St. George-in-the-East.	49,087	206,191	206,191	4 4·0	105	315	1,182	104	166	14,074	247	4,479	5,569	7,141
19 Stepney - -	58,057	311,404	311,404	5 7·3	100	506	1,480	146	200	17,408	765	5,179	5,322	13,045
20 Mile End Old Town	112,553	405,301	405,301	3 12·0	148	418	1,476	1,218	434	23,075	4,961	13,022	6,920	16,175
21 Poplar - -	168,902	762,174	762,077	4 10·2	240	952	2,996	2,492	554	42,691	14,734	15,937	16,590	31,936
22 St. Saviour's - -	206,084	1,194,615	1,194,615	5 15·9	344	1,080	3,876	1,514	1,005	54,809	11,104	26,040	17,948	32,832
23 St. Olave's - -	130,847	887,003	887,003	6 15·6	212	948	2,616	4,030	506	40,432	24,153	14,416	23,237	31,916
24 Lambeth - -	298,940	1,747,144	1,746,944	5 16·9	480	815	3,420	2,359	990	49,095	16,042	27,469	25,057	39,005
25 Wandsworth and Clapham.	403,092	2,406,989	2,402,701	5 19·2	255	1,140	3,103	2,356	869	45,730	13,695	27,030	27,699	42,977
26 Camberwell - -	259,333	1,225,618	1,225,351	4 14·5	382	670	2,714	4,473	704	39,582	25,578	19,589	21,403	37,375
27 Greenwich - -	184,678	980,435	979,898	5 6·1	188	1,016	2,720	2,252	423	36,675	11,870	11,642	13,128	27,090
28 Lewisham - -	135,521	858,596	855,176	6 6·2	81	360	1,006	1,192	250	17,833	6,500	6,304	12,866	19,605
29 Woolwich - -	131,071	641,614	639,690	4 17·6	87	419	1,236	694	276	19,066	5,770	6,704	9,560	16,338

* The figures in column 2 are taken from the "Preliminary Report" of the Census for 1901, but for nearly all the unions in the county of London, and for the unions of Edmonton in Middlesex, Northampton, and Brixworth in Northamptonshire, Martley and Upton-upon-Severn in Worcestershire, Bury, Rochdale, Lancaster, and Lunesdale in Lancashire, Dewsbury and Wakefield in the West Riding, Bedewlly in Monmouthshire, and Crickhowell in Brecknockshire, the areas of which were enlarged or diminished between 25th March 1900 and the date of the census (1st April 1901), the figures have been altered in accordance with information supplied by the Registrar General, so as to show the population in 1901 of the area included in each of those unions on 25th March 1900.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900 in each Poor Law Union—continued.

no for ewith in connected with Relief.	Total.	Other Expenditure of Overseers and Guardians in 1899-1900.	Total Expenditure of Overseers and Guardians in 1899-1900.	Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from London County Council or under Agricultural Rates Act, 1898).	Net Expenditure of Overseers and Guardians (not including Payments into or deducting Receipts from Metropolitan Common Poor Fund) (Column 19 minus Column 20).	Metropolitan Common Poor Fund.	Payments into Fund.	Receipts from Fund.	Net Expenditure of Overseers and Guardians (including Payments into and deducting Receipts from Metropolitan Common Poor Fund).	Grants from London County Council in 1899-1900.	In respect of the Maintenance of Indoor Paupers.	In respect of Pauper Lunatics.	Total Grants (including those in Columns 26 and 27), 1899-1900.	Grant under the Agricultural Rates Act, 1896, in 1899-1900.	Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 25 minus Columns 28 and 29).	Rate in £ on Assessable Value (1899).	Union Reference Number.
6.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.		
8	£	£	£	£	£	s. d.	£	£	£	£	£	£	£	s. d.			
900	78,774	3,917	82,691	6,024	76,667	12 0 5	20,395	—	97,062	5,767	3,268	10,287	4	86,771	1 3 5	1a	
519	151,872	6,818	158,690	4,586	154,104	17 9 7	12,940	—	167,044	14,659	5,506	22,637	4	144,403	1 4 1	1b	
871	108,764	10,796	119,560	4,414	115,146	9 2 9	3,075	—	118,221	7,474	5,203	14,172	77	103,972	1 7 2	2a	
508	82,534	3,659	86,193	2,618	83,575	17 5 1	—	3,435	80,140	9,855	3,258	14,580	16	65,544	1 7 0	3	
855	159,972	7,685	167,657	3,368	164,289	25 1 3	53,127	—	217,416	14,053	861	17,168	—	200,248	1 4 3	4	
733	50,199	3,575	53,774	2,404	51,370	31 0 6	19,945	—	71,315	4,879	360	6,013	—	65,302	1 3 8	5	
302	159,369	8,580	167,949	4,617	163,332	24 8 2	1,289	—	164,621	18,591	5,968	27,150	4	137,467	1 8 4	6	
103	37,335	3,160	40,495	1,632	38,863	9 5 3	21,022	—	59,885	2,087	873	3,437	16	56,432	1 3 5	7	
632	209,650	8,207	217,857	3,853	214,004	18 2 7	—	29,427	184,577	28,074	9,652	41,469	26	143,082	1 8 5	8	
431	178,193	9,182	187,375	7,215	180,160	10 9 0	3,203	—	183,363	12,696	7,799	23,122	8	160,233	1 9 0	9	
510	165,017	11,995	177,012	5,545	171,467	13 6 5	—	13,985	157,482	14,082	8,825	25,261	33	132,188	1 11 7	10	
367	41,259	3,477	44,736	1,176	43,560	25 2 6	347	811	43,096	8,137	1,618	10,204	—	32,892	1 5 1	11	
957	81,862	5,409	87,271	2,860	84,411	83 1 1	14,377	—	98,788	5,791	1,391	8,636	—	90,152	1 7 2	12	
335	176,061	8,867	184,928	9,905	175,023	26 9 9	—	20,280	154,743	23,080	7,549	33,311	—	121,432	1 10 7	13	
866	168,286	26,670	194,956	4,568	190,388	238 5 0	124,340	—	314,728	9,867	592	14,010	—	300,718	1 3 7	14	
178	90,986	3,447	94,433	2,283	92,150	15 7 8	—	14,157	77,993	11,132	4,907	17,793	—	60,200	1 8 1	15	
553	111,227	6,273	117,500	1,824	115,676	17 10 0	—	32,575	83,101	12,866	5,402	20,072	—	63,029	2 8 5	16	
854	69,911	4,971	74,882	2,782	72,100	18 4 0	—	12,310	59,790	7,622	3,546	12,649	—	47,141	2 1 2	17	
500	51,012	2,615	53,627	1,490	52,137	21 2 9	—	17,840	34,297	9,094	1,551	11,889	—	22,408	2 2 5	18	
617	58,336	4,921	63,257	2,342	60,915	20 11 8	—	13,555	47,360	6,211	1,936	9,171	—	38,189	2 5 8	19	
601	74,754	3,713	78,467	2,245	76,222	13 6 5	—	19,581	56,641	8,371	4,402	13,924	—	42,717	2 1 5	20	
827	153,715	11,362	165,077	3,053	162,024	19 2 2	—	30,177	131,847	13,127	4,940	20,545	14	111,288	2 11 5	21	
890	169,613	12,861	182,474	18,291	164,183	15 11 2	—	33,999	130,184	21,462	9,274	33,317	—	96,867	1 7 9	22	
834	168,988	9,052	178,040	10,390	167,650	25 7 5	—	16,193	151,457	11,613	5,008	18,820	—	132,637	3 0 4	23	
669	186,337	14,032	200,369	6,456	193,913	12 11 7	—	10,385	183,528	2,507	9,534	34,683	16	148,829	1 8 5	24	
968	190,099	17,728	207,827	7,035	200,792	9 11 6	11,163	—	211,955	9,879	2,120	15,228	308	196,419	1 8 3	25	
988	169,515	6,481	175,996	5,243	170,753	13 2 0	—	15,632	155,121	14,242	6,007	23,608	24	131,489	2 2 1	26	
003	121,568	7,002	128,570	3,532	125,039	13 6 5	—	13,901	111,138	15,713	4,251	22,489	40	88,609	1 10 0	27	
362	74,528	4,742	79,370	2,887	76,383	11 3 3	4,044	—	80,427	4,021	2,079	7,645	450	72,332	1 9 3	28	
651	68,089	5,872	73,961	3,092	70,870	10 9 8	—	4,008	66,862	6,515	583	8,368	171	58,323	1 12 3	29	

[†] See footnote [†] on p. 92.[‡] See footnote [§] on pp. 92 and 93.[§] See footnote [‡] on p. 92.

¶ As to comparison between these figures and those for the unions outside London, see p. 45.

The Fulham Union was dissolved on the 27th March 1899, and separate Boards of Guardians were constituted for the parishes of Fulham and Hammersmith, which were formerly comprised in that union. The Board of Guardians for the Fulham Union were, however, empowered to act until the 24th June 1901.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected				
				Total.	Per Head of Population.				In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
II.—SOUTH EASTERN COUNTIES.													
	2. SURREY.			£	£	£ s.							
30	Epsom	- -	62,021	392,661	379,480	6 2·4	15	84	438	613	126	6,054	3,617
31	Chertsey	- -	40,620	251,934	240,141	5 18·2	8	44	233	725	98	3,040	3,762
32	Guildford	- -	62,099	363,096	349,728	5 12·6	21	98	356	576	143	3,892	3,096
33	Farnham	- -	62,458	277,974	269,079	4 6·2	9	144	404	340	102	4,412	1,383
34	Hambledon	- -	21,659	128,580	117,930	5 8·9	11	14	141	318	42	1,690	1,657
35	Dorking	- -	17,449	120,848	114,581	6 11·3	3	32	128	220	55	1,250	1,321
36	Reigate	- -	42,741	330,868	316,754	7 8·2	9	46	214	442	94	1,861	2,254
37	Godstone	- -	27,863	145,674	134,332	4 16·4	2	13	125	435	44	1,845	2,066
36	Croydon	- -	194,425	1,223,424	1,211,301	6 4·6	47	171	881	1,350	320	11,379	7,971
39	Kingston	- -	137,563	1,070,515	1,062,456	7 14·5	40	216	804	1,465	272	9,100	9,113
40	Richmond	- -	49,499	415,806	413,442	8 7·1	—	125	437	243	129	4,268	1,598
	3. KENT.												
41	Bromley	- -	85,756	669,532	655,126	7 12·8	37	76	488	1,008	110	6,590	5,495
42	Dartford	- -	96,046	455,684	437,087	4 11·0	16	66	423	1,311	167	5,477	7,198
48	Gravesend and Milton.	and	27,175	112,303	111,623	4 2·2	8	49	249	355	73	2,638	1,572
44	Strood	- -	40,337	232,464	219,214	5 8·7	6	70	238	560	66	2,461	3,192
45	Hoo	- -	4,229	26,356	19,333	4 11·4	1	2	34	58	10	394	270
46	Medway	- -	97,546	337,661	334,342	3 8·6	24	161	589	1,720	302	7,335	8,733
47	Malling	- -	28,287	150,616	134,109	4 14·8	7	24	203	622	70	2,504	2,941
48	Sevenoaks	- -	30,789	202,995	185,201	6 0·3	6	44	224	496	70	2,720	2,236
49	Tonbridge	-	66,795	443,788	427,509	6 8·0	14	60	402	1,314	152	5,665	6,416
50	Midstone	- -	49,079	255,210	236,965	4 16·6	44	46	352	825	125	4,868	4,132
51	Hollingbourne	-	12,545	84,850	71,651	5 14·2	7	23	106	136	37	1,494	843
52	Cranbrook	- -	12,944	61,479	51,325	3 19·3	4	4	106	339	32	1,285	1,831
58	Tenterden	-	8,766	55,759	40,333	4 12·0	6	14	118	112	26	1,310	409
54	West Ashford	-	20,559	126,536	115,715	5 12·6	—	36	127	318	53	1,493	1,550
55	East Ashford	-	13,112	84,002	72,537	5 10·6	8	4	101	289	26	1,127	1,625
56	Bridgwater	-	12,384	77,326	66,632	5 7·6	7	3	76	230	43	1,104	1,115
57	Canterbury	- -	19,773	95,538	93,070	4 14·1	10	30	176	224	44	1,796	1,036

* 37 Godstone. Col. 18 and 20. Including respectively 5*l.* paid to and 1,595*l.* received from the Guardians of the East Grinstead Union in respect of adjustments consequent upon transfer of area.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900 in each Poor Law Union—continued.

a) for Relief to the Poor with in 1899-1900.				Total Expenditure of Overseers and Guardians in 1899-1900.				Net Expenditure of Overseers and Guar- dians in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).						Union Reference Number.					
Allowances of Union Officers, &c.		Other Expenses of or connected with Relief.		Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Amount.		Per Head of Population, 1901.		In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.		In respect of Pauper Lunatics.		Total Grants (including those in Column 23 and 24).		Grant under the Agricultural Rates Act, 1896, in 1899- 1900.		Amount.		Rate in £ on Assessable Value (1899).			
No.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.														
8	£	£	£	£	£	£	s. d.	£	£	£	£	£	£	s. d.	£	£	£	£	£	£	£	£	£	£	£		
840	3,303	22,270	3,445	25,715	1,916	23,799	7 8·1	2,504	1,322	3,840	582	19,377	1	1·0	30												
307	1,271	13,335	2,872	16,207	1,006	15,201	7 5·8	1,659	785	2,458	539	12,204	1	0·6	31												
214	2,195	17,731	3,167	20,898	1,293	19,605	6 3·8	2,121	1,376	3,520	429	15,656	0	11·0	32												
197	2,397	15,681	2,433	18,114	1,576	16,538	5 3·5	1,699	900	2,802	316	13,420	1	0·4	33												
568	1,623	8,054	1,429	9,483	468	9,015	8 3·9	1,412	424	1,845	473	6,697	1	2·6	34												
536	1,085	6,841	2,160	9,001	503	8,498	9 8·9	1,816	506	1,632	244	6,623	1	2·1	35												
807	1,789	11,443	2,973	14,416	1,149	13,267	6 2·5	2,434	893	3,336	271	9,660	0	7·5	36												
618	668	8,366	1,845*	10,311	1,914*	8,297	5 11·5	1,472	431	1,898	557	5,842	0	10·9	37												
369	9,554	60,143	8,691	68,834	6,324†	62,510	6 5·2	8,451	2,314	10,774	545	51,191	0	10·6	38												
726	7,553	44,114	6,752	50,866	3,000	47,866	6 11·5	3,406	5,455	8,879	227	38,760	0	9·3	39												
603	3,205	16,547	2,799	19,346	3,127	16,219	6 6·6	1,939	1,175	3,123	76	13,020	0	7·9	40												
166	3,534	23,977	5,503	29,480	1,278	28,202	6 6·9	2,412	—	2,447	456	25,299	0	9·6	41												
687	2,441	25,209	4,200	29,409	1,308	28,101	5 10·2	2,294	1,711	4,019	834	23,248	1	1·6	42												
294	1,716	9,135	1,696	10,831	1,154	9,677	7 1·5	1,166	639	1,810	42	7,825	1	5·1	43												
143	1,378	11,159	2,522	13,681	718	12,963	6 5·1	1,671	588	2,281	664	10,018	1	1·0	44												
583	174	1,743	275	2,018	37	1,991	9 5·0	450	—	455	237	1,299	1	4·1	45												
605	3,602	32,637	4,975	37,612	2,589	35,023	7 2·2	2,958	2,175	5,457	286	29,280	1	9·7	46												
500	1,417	11,540	2,104	13,644	460	13,184	9 3·9	2,122	738	2,874	972	9,338	1	4·8	47												
437	2,303	10,410	1,607	12,017	284	11,733	7 7·5	1,924	—	1,977	584	9,172	0	11·9	48												
551	2,549	25,149	3,639	28,788	675	28,113	8 5·0	2,509	1,631	4,188	817	23,108	1	1·2	49												
1,800	2,357	19,093	2,815	21,907	1,315	20,592	8 4·7	2,550	1,238	3,933	855	15,804	1	4·1	50												
1,730	555	5,597	994	6,591	373	6,218	9 11·0	1,208	295	1,517	658	4,043	1	2·0	51												
1,420	561	6,044	857	6,901	169	6,732	10 4·8	1,322	—	1,331	627	4,774	1	10·4	52												
1,119	481	4,276	704	4,980	146	4,834	11 0·3	1,045	297	1,347	736	2,751	1	4·3	53												
1,469	607	6,849	2,854	9,703	393	9,311	9 0·7	1,164	953	2,144	410	6,757	1	2·3	54												
1,371	620	6,076	995	7,072	462	6,609	10 1·0	1,097	301	1,407	536	4,666	1	3·5	55												
1,021	488	4,932	906	5,838	314	5,524	8 11·1	869	357	1,239	418	3,867	1	1·9	56												
1,059	833	7,323	602	7,925	993	6,932	7 0·2	964	489	1,458	144	5,330	1	2·6	57												

38. Croydon. Col. 20. Including 1,051/- received from the Managers of the North Surrey School District in respect of the adjustment of interest due separation of the Union from the School District.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901,¹ and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of) and Purposes connected					
				Total.	Per Head of Population.	In-sane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than In-sane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
II.—SOUTH EASTERN COUNTIES—continued.														
8. KENT—continued.				£	£	£	£							
58	Blean	—	24,510	140,962	131,614	5 7·4	6	27	128	220	64	1,474	995	1,691
59	Faversham	—	26,426	152,035	133,170	5 0·8	4	35	188	125	57	2,154	651	1,437
60	Milton	—	28,169	133,808	119,854	4 5·1	1	54	221	185	49	2,655	841	1,463
61	Sheppey	—	22,150	84,001	78,671	3 11·0	8	52	158	288	64	2,062	1,569	1,770
62	Isle of Thanet	—	68,344	423,719	410,941	6 0·3	13	154	613	827	175	6,846	5,098	4,668
63	Eastry	—	31,531	135,457	119,550	3 15·8	8	42	245	256	91	2,910	1,412	2,482
64	Dover	—	48,930	225,922	220,078	4 10·0	18	144	482	649	109	4,741	3,421	3,271
65	Elham	—	52,178	310,420	298,811	5 14·5	13	74	277	577	89	3,275	3,673	2,414
66	Romney Marsh	—	6,505	47,976	32,001	4 18·4	—	9	47	122	14	424	736	343
4. SUSSEX.														
67	Rye	—	11,057	58,614	45,021	4 1·4	9	26	128	272	21	1,294	1,307	502
68	Hastings	—	65,556	462,566	458,425	6 19·9	5	51	292	1,122	140	3,288	6,491	5,735
69	Battle	—	23,935	142,286	132,720	5 10·9	4	28	112	288	45	1,248	1,626	1,116
70	Eastbourne	—	51,118	366,406	355,284	6 19·0	8	44	221	702	86	2,596	4,926	1,865
71	Hailsham	—	15,728	69,736	57,929	3 13·7	5	18	72	418	34	843	2,736	875
72	Ticehurst	—	16,298	107,135	96,200	5 18·1	4	26	102	486	47	1,233	2,816	1,819
73	Uckfield	—	23,606	108,447	92,614	3 18·5	11	20	123	482	33	1,384	2,184	803
74	East Grinstead	—	18,001	123,867	113,988	6 6·6	8	16	112	428	47	1,528	2,326	1,145
75	Cuckfield	—	26,075	204,164	191,230	7 6·7	8	38	184	514	79	2,624	3,104	1,666
76a	Lewes	—	23,457	140,674	128,132	5 9·2	13	44	210	482	56	2,099	3,391	1,335
76b	Newhaven	—	12,132	62,610	58,768	4 16·9	4	18	86	90	24	855	608	579
77	Brighton	—	102,320	690,151	689,747	6 14·8	80	371	1,463	1,288	432	13,421	8,293	10,202
78	Steyning	—	80,796	633,240	619,098	7 13·2	15	70	348	954	176	4,012	5,533	4,055
79	Horsham	—	28,161	174,460	157,630	5 11·9	8	38	166	484	98	1,821	2,530	3,103
80	Petworth	—	8,529	41,684	34,891	4 1·8	3	2	56	235	24	780	1,429	743
81	Thakeham	—	7,303	51,269	42,362	5 16·0	5	6	48	112	25	485	664	752
82	East Preston	—	38,916	232,170	219,383	5 12·7	2	15	186	845	98	2,006	4,088	2,745
83	West Hampnett	—	20,107	133,000	111,920	5 11·3	4	9	81	547	70	1,271	3,052	3,928
84	Chichester	—	12,241	53,120	51,643	4 4·4	4	12	95	274	45	1,107	1,567	1,263

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900 in each Poor Law Union—continued.

Allowances of Union Officers, &c.				Other Expenses of or immediately connected with Relief.				Total Expenditure of Overseers and Guardians in 1899-1900.				Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).							
5.	16.	17.	18.																												
8	£	£	£	£	£	£	s.	d.	£	£	£	£	s.	d.	£	£	£	£	£	£	£	£	s.	d.	£	£	£	£	£		
472	676	6,747	1,304	8,051	482	7,569	6	2·3	1,128	556	1,729	438	5,402	0	10·7	58															
539	811	6,812	1,532	8,344	574	7,770	5	10·6	1,555	545	2,160	597	5,013	0	9·4	59															
700	1,028	8,519	1,397	9,916	473	9,443	6	8·5	1,449	540	2,031	619	6,793	1	1·7	60															
340	878	8,134	832	8,966	868	8,098	7	3·7	962	579	1,581	454	6,063	1	7·0	61															
399	2,802	24,212	3,378	27,590	1,534	26,056	7	7·5	2,381	1,718	4,200	639	21,217	1	0·8	62															
664	1,149	10,682	1,451	12,133	835	11,298	7	2·0	1,482	863	2,414	759	8,125	1	4·5	63															
471	2,293	18,029	2,754	20,783	1,069	19,714	8	0·7	1,998	1,138	3,223	323	16,168	1	6·4	64															
792	1,861	16,159	3,045	19,204	868	18,336	7	0·3	1,299	850	2,246	473	15,617	1	1·0	65															
931	172	2,629	538	3,167	200	2,967	9	1·5	708	116	833	387	1,747	1	1·2	66															
018	524	4,645	890	5,535	183	5,352	9	8·2	1,059	204	1,272	667	3,413	1	6·3	67															
666	2,108	21,503	4,071	25,574	4,070	21,504	6	6·7	1,871	1,150	3,035	148	18,321	0	9·8	68															
343	742	6,075	1,555	7,630	209	7,421	6	2·4	1,475	422	1,914	365	5,142	0	9·9	69															
694	1,468	13,518	2,663	16,181	891	15,290	5	11·8	—	627	627	354	14,309	0	10·0	70															
150	401	6,063	1,133	7,196	281	6,915	8	9·5	1,262	377	1,657	765	4,493	1	7·4	71															
110	388	6,666	840	7,506	244	7,362	9	0·4	1,320	422	1,760	657	4,945	1	0·5	72															
482	558	6,470	1,335	7,795	308	7,487	6	4·1	1,548	321	1,896	688	4,903	1	1·2	73															
181	575	7,800	2,719*	10,519	231*	10,288	11	5·2	1,433	466	1,913	526	7,849	1	4·8	74															
890	2,154	10,895	1,809	12,704	262	12,443	9	6·5	2,011	626	2,675	605	9,163	0	11·6	75															
231	835	10,942	1,562	12,504	442	12,092	10	3·7	4,846	563	5,449	710	5,933	0	11·6	76a															
133	591	4,561	733	5,294	255	5,039	8	3·7	713	228	950	172	3,917	1	4·5	76b															
527	5,321	53,386	3,159	56,545	2,287	54,308	10	7·4	13,792	7,764	22,338	24	31,946	0	11·3	77															
740	1,401	20,714	3,212	23,926	831	23,095	5	8·6	3,338	1,369	4,751	386	17,958	0	7·5	78															
699	770	20,140	2,696	22,836	589	22,247	8	8·4	1,796	917	2,744	578	8,925	1	1·9	79															
987	553	4,630	618	5,248	294	4,954	11	7·4	885	235	1,129	713	3,112	1	3·7	80															
908	365	3,174	596	3,770	194	3,576	9	9·5	799	227	1,035	395	2,146	1	0·3	81															
708	1,444	13,349	2,023	15,273	640	14,632	7	6·2	1,350	841	2,214	697	11,721	1	1·4	82															
226	664	9,371	1,194	10,565	331	10,234	10	2·2	1,997	615	2,651	1,595	5,988	1	1·1	83															
154	499	5,650	436	6,086	1,106	4,980	8	1·6	640	385	1,030	126	3,824	1	6·1	84															

* 74. East Grinstead. Col. 18 and 20. Including respectively 1,595*l.* paid to and 5*l.* received from the Guardians of the Godstone Union in cost of adjustments consequent upon transfer of area.

TABLE IX.—POPULATION IN 1901, VALUATION IN 1900, NUMBER OF PAUPERS IN 1900–1901, AND AMOUNT OF COUNTY BOROUGH COUNCILS AND BY POOR RATES RESPECTIVELY

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected)				
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).*	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses, on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
II.—SOUTH EASTERN COUNTIES—continued.													
4. SUSSEX—continued.				£	£	£	£	£	£	£	£	£	£
85 Midhurst	-	13,612	72,228	61,358	4 10·2	2	17	72	255	42	884	1,383	1,195
86 Westbourne	-	6,815	36,306	29,582	4 6·8	4	8	47	176	26	554	969	744
5. SOUTHAMPTON.													
87 Havant	-	11,191	67,002	62,086	5 11·0	4	16	64	213	28	1,029	1,796	730
88 Portsea Island	-	189,160	772,361	770,609	4 1·5	249	346	1,544	2,570	487	17,427	13,919	13,874
89 Alverstoke	-	28,879	92,187	90,305	3 2·5	18	53	197	525	63	2,643	2,250	1,488
90 Fareham	-	21,176	109,849	99,024	4 13·5	1	16	130	684	70	2,330	3,657	1,552
91 Isle of Wight	-	82,387	464,249	419,033	5 4·2	24	48	268	1,516	231	2,841	6,900	6,330
92 Lymington	-	13,537	64,209	57,207	4 4·5	2	14	52	373	35	546	1,991	811
93 Christchurch	-	69,339	484,538	477,997	6 17·9	13	76	247	910	106	3,451	5,376	3,101
94 Ringwood	-	6,219	31,268	26,785	4 6·1	6	10	36	123	8	400	544	195
95 Fordingbridge	-	6,137	29,268	24,201	3 18·9	1	3	30	220	20	423	1,102	473
96 New Forest	-	14,599	78,962	68,879	4 14·4	4	16	67	426	38	812	2,675	972
97 Southampton	-	61,409	301,815	301,786	4 18·3	123	146	718	1,519	155	7,338	8,039	5,360
98 South Stoneham	-	80,550	340,827	332,332	4 2·5	8	69	260	1,548	134	3,460	5,738	3,187
99 Romsey	-	10,623	58,163	50,685	4 15·4	9	10	76	185	26	700	813	654
100 Stockbridge	-	6,130	32,930	26,775	4 7·4	7	16	68	191	23	756	1,002	522
101a New Winchester	-	31,506	201,640	190,589	6 1·0	5	38	218	586	92	2,327	3,021	2,230
101b Hursley	-	3,680	19,418	26,381	7 3·4	3	8	32	43	8	344	311	231
102 Droxford	-	11,778	57,310	46,727	3 19·3	6	16	70	183	31	893	932	791
103 Catherington	-	3,068	16,747	14,570	4 15·0	2	1	14	101	10	158	626	242
104 Petersfield	-	12,561	64,157	54,312	4 6·5	3	19	69	312	24	745	1,610	556
105 Alresford	-	6,983	33,500	28,476	4 1·6	—	10	53	144	22	621	858	599
106 Alton	-	16,345	76,440	66,386	4 1·2	11	33	136	400	47	1,922	1,814	1,185
107 Hartley Wintney	-	30,512	148,859	140,036	4 11·8	5	60	160	406	77	1,711	2,432	1,808
108 Basingstoke	-	21,711	144,374	131,196	6 0·9	1	38	171	413	42	1,984	2,271	1,031
109 Whitchurch	-	5,822	45,348	39,781	6 16·7	—	5	51	125	19	636	630	489
110 Andover	-	15,800	83,427	73,996	4 13·7	4	26	110	437	52	1,408	2,694	1,177
111 Kingsclere	-	8,500	41,285	34,489	4 1·2	1	7	64	196	38	682	824	853

PENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900 in each Poor Law Union—continued.

Allowances of Union Officers, &c.																			
	Other Expenses of or immediately connected with Relief.	Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).			
5.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	Union Reference Number.					
8	2	8	8	8	8	8	s. d.	£	£	£	£	s. d.	£	£	£	£	£	£	
155	605	5,322	957	6,279	358	5,921	8 8·4	1,192	341	1,613	375	3,933	1 4·0	85					
704	306	3,277	400	3,677	138	3,539	10 4·6	671	235	911	519	2,109	1 5·3	86					
705	248	4,642	571	5,213	139	5,074	9 0·8	729	283	1,017	315	3,742	1 2·9	87					
904	5,272	67,087	6,705	73,792	4,495	69,297	7 3·9	6,572	4,775	11,347	132	57,818	1 6·3	88					
546	1,217	9,744	850	10,594	753	9,841	6 9·8	1,157	591	1,753	122	7,966	1 9·3	89					
615	805	10,191	1,337	11,528	385	11,143	10 6·3	1,180	546	1,735	895	8,513	1 8·7	90					
300	1,602	21,741	4,415	26,156	1,109	25,047	6 1·0	3,448	2,114	5,600	967	18,480	0 10·5	91					
872	255	4,523	717	5,240	231	5,009	7 4·8	870	290	1,169	398	3,442	1 2·6	92					
670	1,321	18,046	2,028	20,074	718	19,356	5 7·0	1,255	2,145	2,405	184	16,767	0 8·6	93					
505	203	1,847	309	2,156	76	2,080	6 8·3	426	519	250	1,311	1 0·0	94						
646	174	3,292	475	3,767	121	3,646	11 20·6	563	765	561	2,320	1 11·1	95						
087	432	5,978	972	6,950	205	6,745	9 2·9	1,122	394	1,555	620	4,570	1 4·1	96					
109	3,096	29,793	2,586	32,379	2,592	29,787	9 8·4	2,880	1,489	4,480	6	25,301	1 9·3	97					
613	860	16,554	3,402	19,956	904	19,052	4 8·8	1,750	1,253	3,085	347	15,630	1 4·0	98					
905	271	1,343	636	3,979	216	3,763	7 1·0	953	261	1,223	376	2,164	0 10·2	99					
763	903	3,345	358	3,703	61	3,642	11 20·6	689	210	942	421	2,279	1 8·3	100					
112	1,417	11,419	1,706	13,125	2,014	12,111	7 8·3	1,854	865	2,737	475	8,899	0 11·3	101a					
448	221	1,732	274	2,006	57	1,949	10 7·1	316	89	410	104	1,435	1 1·3	101b					
797	384	3,797	749	4,546	128	4,418	7 6·0	1,026	337	1,377	552	2,489	1 0·9	102					
891	99	1,416	183	1,599	56	1,543	10 0·7	294	90	389	169	985	1 4·4	103					
884	444	4,295	617	4,912	265	4,647	7 4·8	828	227	1,064	499	3,084	1 2·7	104					
631	323	3,089	425	3,514	328	3,386	9 8·4	739	249	997	333	2,056	1 5·3	105					
816	966	7,898	900	8,798	539	8,259	10 1·3	1,259	455	1,777	716	5,766	1 9·8	106					
137	1,837	10,594	1,304	11,898	926	10,972	7 2·3	1,495	669	2,285	422	8,265	1 2·5	107					
761	443	8,000	1,198	9,198	199	8,999	8 3·5	1,397	423	1,850	566	6,583	1 0·2	108					
671	384	2,810	343	3,153	90	3,063	10 6·3	642	198	845	229	2,089	1 0·0	109					
1,294	753	7,316	1,057	8,383	333	8,050	10 2·3	1,445	456	1,934	562	5,554	1 5·7	110					
742	462	3,563	552	4,115	187	3,928	9 2·9	772	345	1,130	330	2,468	1 5·3	111					

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected				
				Total.	Per Head of Popula- tion.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hos- pitals, and Licensed Houses.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
II.—SOUTH EASTERN COUNTIES—continued.													
	6. BERKS.			£	£	£ s.							
112	Newbury - -	21,057	100,329	90,118	4 5·6	6	24	164	373	66	1,634	2,251	1,372
113	Hungerford and Ramsbury.	15,565	79,623	65,305	4 3·9	2	24	94	413	40	722	1,967	913
114	Faringdon - -	12,312	102,670	82,575	6 14·1	2	18	85	340	42	748	1,243	855
115	Abingdon - -	17,325	116,482	98,934	5 14·2	4	37	158	206	62	1,705	779	1,184
116	Wantage - -	15,608	101,651	83,916	5 7·5	5	32	104	416	42	1,279	1,797	854
117	Wallingford - -	13,785	99,830	88,631	6 8·6	14	44	178	256	42	1,903	698	897
118	Bradfield - -	18,130	139,683	125,894	6 18·9	8	29	105	19	47	1,117	157	899
119	Reading - -	72,214	344,820	341,519	4 14·6	53	138	503	383	140	5,608	2,558	3,020
120	Wokingham - -	17,934	133,764	120,461	6 14·3	2	47	145	319	56	1,539	1,677	1,138
121	Maidenhead - -	23,554	166,673	156,797	6 13·1	9	54	203	381	64	3,120	1,966	1,125
122	Easthampstead - -	15,763	74,636	69,463	4 8·1	12	14	106	184	42	1,350	731	896
123	Windsor - -	40,289	224,747	220,887	5 9·7	10	45	271	250	90	3,714	1,452	1,995
III.—SOUTH MIDLAND COUNTIES.													
	7. MIDDLESEX.												
124	Staines - -	33,861	210,750	193,481	5 14·3	9	46	244	271	84	3,627	1,896	2,306
125	Uxbridge - -	39,003	231,550	214,449	5 10·0	10	45	228	754	101	3,168	3,860	3,170
126	Brentford - -	178,849	1,050,622	1,033,502	5 15·6	35	372	999	1,993	509	10,775	13,879	14,624
127a	Hendon - -	52,492	380,728	361,216	6 17·6	—	40	166	494	74	2,141	2,800	2,131
127b	Willesden - -	114,815	548,050	545,940	4 15·1	6	116	348	834	190	5,308	3,726	5,397
128	Barnet - -	58,970	358,041	344,784	5 16·9	6	72	258	606	100	3,192	3,640	2,648
129	Edmonton - -	347,793	1,670,750	1,644,150	4 14·5	23	459	1,194	2,150	566	16,949	9,54	16,430
	8. HERTFORD.												
130	Ware - -	21,173	123,693	114,039	5 7·7	5	10	102	580	64	1,375	3,381	1,637
131	Bishop Stortford - -	21,498	137,865	123,958	5 15·3	9	20	158	620	89	1,960	3,087	2,137
132a	Buntingford - -	5,020	28,698	21,256	4 4·7	3	4	29	156	12	481	820	342
132b	Boyton - -	16,026	77,331	59,699	3 14·5	14	16	95	548	55	.925	3,040	1,310
133	Hitchin - -	28,749	165,633	147,198	5 2·4	6	50	197	652	75	1,929	3,659	3,023
134	Hertford - -	17,037	87,361	78,877	4 12·6	11	16	120	365	59	1,492	2,333	1,485

PENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900, in each POOR LAW UNION—continued.

Allowances, &c., and Superannuation of Union Officers, &c.				Other Expenditure of Overseers and Guardians in 1899-1900.				Total Expenditure of Overseers and Guardians in 1899-1900.				Net Expenditure of Overseers and Guardians in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).				Union Reference Number.		
15.	16.	17.	18.					19.	20.	21.	22.	23.	24.	25.	26.	27.	28.									
£	£	£	£	£	£	£	£	£	£	s. d.	£	£	£	£	£	£	£	£	£	s. d.	£	£	£	£		
1,479	683	7,482	1,064	8,546	622	7,924	7 6·3	1,378	711	2,103	635	5,186	1 1·9	112												
1,300	329	5,231	911	6,142	228	5,914	7 7·2	1,327	422	1,769	652	3,493	1 1·4	113												
1,263	326	4,435	821	5,256	250	5,006	8 1·6	1,137	423	1,574	631	2,801	0 8·1	114												
1,841	1,273	6,950	1,506	8,456	426	8,030	9 3·2	1,775	580	2,407	868	4,755	0 11·6	115												
1,245	598	5,773	800	6,573	278	6,295	8 0·8	1,830	335	1,479	813	4,003	0 11·5	116												
1,558	665	6,851	949	7,800	409	7,391	10 8·7	1,132	455	1,596	415	5,380	1 2·6	117												
1,243	872	4,288	1,225	5,513	232	5,283	5 9·9	1,277	433	1,747	231	3,303	0 6·3	118												
3,980	3,021	20,462	2,450	22,912	1,414	21,498	5 11·4	2,652	1,412	4,411	159	16,928	1 0·5	119												
1,883	1,990	8,288	1,225	9,513	1,018	8,495	9 5·7	1,457	480	2,015	502	5,978	1 0·1	120												
1,600	1,099	9,725	1,063	10,788	561	10,227	8 8·2	1,069	488	1,566	457	8,204	1 0·9	121												
1,775	1,260	6,464	830	7,294	303	6,991	8 10·4	856	437	1,302	277	5,412	1 7·5	122												
2,098	1,791	11,882	1,962	13,844	833	13,011	6 5·5	1,616	534	2,222	123	10,666	0 11·9	123												
2,309	1,689	12,776	3,556*	16,332	654	15,678	9 3·1	1,552	1,486	3,130	898	11,650	1 2·6	124												
2,351	*1,543	14,899	2,543	17,442	957	16,485	8 5·4	2,009	1,076	3,099	913	12,473	1 2·6	125												
3,348	2,879	66,334	10,069	76,399	3,211	73,188	8 2·2	5,184	—	5,540	1,014	66,634	1 4·1	126												
2,567	1,443	11,963	3,748	15,711	801	14,910	5 8·2	2,597	730	3,462	522	10,926	0 8·0	127												
1,618	1,536	18,973	3,379	22,352	1,050	21,302	3 8·5	—	1,703	1,703	59	19,540	0 9·3	128												
2,293	1,979	14,838	3,575	18,413	2,541	16,872	5 8·7	1,549	350	1,912	474	14,486	0 10·6	129												
2,591	14,574	81,739	16,516	98,255	6,403	91,853	5 3·4	8,371	5,139	14,293	1,414	76,146	0 11·0	129												
1,457	518	8,524	1,652	10,176	402	9,774	9 2·8	1,271	522	1,812	574	7,389	1 3·8	130												
2,237	1,243	10,757	1,421	12,178	780	11,398	10 7·2	2,043	822	2,883	755	7,760	1 4·1	131												
681	195	2,459	488	2,947	57	2,890	11 6·2	734	131	870	497	5,523	1 5·1	132a												
1,073	380	6,759	991	7,750	155	7,595	9 5·7	1,201	570	1,690	1,091	4,814	1 7·4	132b												
1,804	1,377	10,792	1,369	12,161	470	11,691	8 1·6	1,337	768	2,128	921	8,642	1 2·3	133												
1,316	948	7,574	1,622	9,196	295	8,901	10 5·4	1,287	614	1,821	592	6,483	1 7·8	134												

* 124. Staines. Col. 18. Including 635/-, said to have been lost through the defalcation of an officer.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number. 1.	Poor Law Unions. 2.	Population, 1901. 3.	Rateable Value at Lady Day, 1900. 4.	Assessable Value at Lady Day, 1900. 5.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901. 6.			Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901. 7.			EXPENDITURE (not defrayed out of and Purposes connected with the Poor Law). 8.		
				Total. 9.	Per Head of Popula- tion. 10.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses). 11.	Children under 16 (other than Insane). 12.	Total In-door Paupers (including those in Columns 6 and 7). 13.	In-maintenance. 14.	Out-relief. 15.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901. 16.	Principal of Loans repaid and Interest thereon. 17.		
II.—SOUTH MIDLAND COUNTIES—continued.														
8. HERTFORD—continued.				£	£	£	£	£	£	£	£	£	£	£
135a Hatfield	-	7,551	71,621	64,440	8 10·7	1	11	59	176	32	546	961	837	1
135b Welwyn	-	2,265	29,130	27,802	12 5·5	—	—	23	58	10	384	306	269	1
136 St. Albans	-	33,008	188,178	175,227	5 6·2	4	26	179	677	81	2,557	4,365	2,184	196
137 Watford	-	53,933	291,813	280,219	5 3·9	4	58	242	825	98	3,237	4,249	2,637	727
138 Hemel Hempstead	-	17,275	85,138	76,516	4 8·6	6	21	103	353	44	1,138	1,672	1,227	133
139 Berkhamsted	-	16,212	105,609	96,514	5 19·1	3	2	60	512	35	884	2,830	912	1
9. BUCKINGHAM.														
140 Amersham	-	21,245	82,543	71,156	3 7·0	4	24	111	623	84	1,164	3,671	1,528	1
141 Eton	-	34,792	250,046	234,071	6 14·6	2	26	204	656	103	1,386	2,638	2,120	1
142 Wycombe	-	46,488	171,462	150,761	3 4·9	16	31	176	1,333	102	2,732	7,431	2,218	1
143 Aylesbury	-	24,866	155,232	114,743	4 12·3	5	18	104	630	62	1,281	4,329	1,278	1
144 Winslow	-	7,034	54,654	37,188	5 5·7	2	8	32	228	14	390	1,468	271	1
145 Newport Pagnell	-	28,000	175,786	147,148	5 5·1	11	24	112	645	71	1,055	4,249	1,321	1
146 Buckingham	-	10,635	80,325	57,487	5 8·1	2	9	63	309	33	702	2,148	706	233
10. OXFORD.														
147 Henley	-	23,826	120,002	107,910	4 10·6	1	30	87	605	64	1,137	3,422	1,134	150
148 Thame	-	13,023	83,400	58,652	4 10·1	10	18	88	482	35	1,078	3,590	719	98
149 Headington	-	38,584	202,360	189,983	4 18·5	6	22	118	328	96	1,498	1,654	1,846	415
150 Oxford	-	22,994	192,645	191,501	8 6·6	18	79	298	63	82	2,744	406	1,596	198
151 Bicester	-	12,432	85,671	64,323	5 3·5	5	7	85	466	25	1,025	2,106	469	84
152 Woodstock	-	12,071	86,699	68,845	5 14·1	5	33	140	450	50	1,278	2,951	987	330
153 Witney	-	19,281	99,757	76,910	3 19·8	13	23	122	536	64	1,108	2,360	1,199	30
154 Chipping Norton	-	16,003	87,556	67,864	4 4·8	5	48	134	641	42	1,327	3,792	797	—
155 Banbury	-	28,553	185,553	144,484	5 1·2	13	41	220	990	78	2,022	5,926	1,552	32
11. NORTHAMPTON.														
156 Brackley	-	10,717	78,138	58,631	5 9·4	2	16	60	260	35	561	1,489	578	—
157 Tewkesbury	-	10,720	72,721	54,763	5 2·2	2	3	50	381	34	601	2,294	649	—
158 Potterspury	-	13,759	81,713	72,755	5 5·8	3	2	48	309	30	550	2,009	699	—

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900, in each Poor Law Union—continued.

15. Salaries, &c., and Superannuation Allowances of Union Officers, &c.	16. Other Expenses of or immediately connected with Relief.	17. Total.	18. Other Expenditure of Overseers and Guardians in 1899-1900.	19. Total Expenditure of Overseers and Guardians in 1899-1900.	20. Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).	21. Amount.	22. Per Head of Population, 1901.	23. In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	24. In respect of Pauper Lunatics.	25. Total Grants (including those in Columns 23 and 24).	26. Grant under the Agricultural Rates Act, 1896, in 1899-1900.	27. Amount.	28. Rate in £ on Assessable Value (1899).	Union Reference Number.
868	388	3,600	507	4,107	92	4,016	10 7·6	587	320	912	284	2,820	0 11·2	135a
359	127	1,445	201	1,646	49	1,597	14 1·2	290	105	400	53	1,144	0 9·9	135b
1,380	791	11,473	2,299	13,772	560	13,212	8 0·1	1,329	740	1,895	569	10,748	1 3·5	136
1,694	1,741	15,285	2,308	17,593	889	16,704	6 2·3	1,861	886	2,800	483	13,421	1 0·4	137
1,352	502	6,039	938	6,967	606	6,361	7 4·4	1,015	368	1,397	428	4,536	1 2·4	138
1,062	396	6,084	902	6,986	347	6,639	8 2·3	816	357	1,182	416	5,041	1 0·7	139
1,267	579	8,209	1,010	9,219	261	8,958	8 5·2	1,233	630	1,885	901	6,172	1 9·3	140
1,782	1,178	9,104	2,102	11,206	1,012	10,394	5 10·3	1,453	783	2,250	340	7,604	0 7·9	141
1,300	817	14,898	2,368	17,266	687	16,579	7 1·6	1,999	976	3,039	1,368	12,172	1 7·9	142
1,485	715	9,088	1,225	10,313	570	9,743	7 10·0	1,521	555	2,090	1,485	6,168	1 1·0	143
738	291	3,158	472	3,630	186	3,444	9 9·5	666	225	796	718	1,930	1 0·5	144
1,320	597	8,442	1,794	10,236	736	9,500	6 9·4	1,403	606	2,049	1,054	6,397	0 10·5	145
1,097	756	5,642	727	6,369	297	6,072	11 5·0	1,067	318	1,394	1,135	3,543	1 3·2	146
1,778	967	8,588	1,274	9,862	184	9,678	8 1·5	1,704	564	2,293	683	6,702	1 3·3	147
1,187	478	7,144	831	7,975	250	7,725	11 10·4	1,177	342	1,531	1,878	4,316	1 5·7	148
1,144	633	7,190	1,267	8,457	688	7,769	4 0·3	1,083	866	1,958	370	5,441	0 7·1	149
1,010	1,440	9,394	614	10,008	528	9,480	8 2·9	1,910	767	2,874	37	6,569	0 3·2	150
1,099	479	5,262	700	5,962	230	5,732	9 2·7	968	254	1,231	1,080	3,421	1 2·1	151
974	521	7,041	984	8,025	143	7,883	13 0·7	979	490	1,490	1,233	5,160	1 6·0	152
1,385	439	6,531	2,466	8,987	336	8,651	8 11·7	1,640	554	2,233	1,162	5,256	1 5·0	153
1,111	795	7,822	968	8,790	124	8,666	10 10·0	1,134	429	1,572	1,275	5,819	1 8·6	154
1,856	882	12,370	2,125	14,395	635	13,760	9 7·7	1,696	711	2,425	1,962	9,373	1 3·7	155
776	308	3,722	708	4,420	179	4,241	7 11·0	853	270	1,128	761	2,352	0 9·6	156
962	217	4,723	961	5,684	231	5,453	10 3·1	909	335	1,253	821	3,379	1 2·9	157
697	242	4,197	661	4,858	261	4,597	6 8·2	668	317	990	454	3,153	0 10·6	158

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900-1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected				
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
III.—SOUTH MIDLAND COUNTIES—continued.													
	11. NORTHAMPTON—continued.			£	£	£	£						
159	Hardingstone	-	11,932	77,324	64,047	5 7·4	6	3	48	268	38	412	1,553
160	Northampton	-	89,435	327,977	315,364	3 10·5	20	111	375	1,880	230	3,746	12,730
161	Daventry	-	17,205	138,955	107,688	6 5·2	8	31	118	411	56	1,078	2,910
162	Brixworth	-	11,739	103,923	77,959	6 12·8	12	12	67	170	23	716	983
163	Wellingborough	-	56,039	223,821	200,956	3 11·7	4	48	200	873	117	2,399	4,934
164	Kettering	-	48,093	235,396	212,899	4 8·5	5	46	202	954	72	2,345	6,284
165	Thrapston	-	14,941	75,717	60,528	4 1·0	6	15	95	285	38	1,042	1,763
166	Oundle	-	10,487	75,367	55,831	5 6·5	7	9	88	89	34	958	507
167	Peterborough	-	53,857	344,611	300,380	5 11·5	13	16	138	1,280	96	1,207	8,939
	12. HUNTINGDON.												
168	Huntingdon	-	18,096	152,369	121,343	6 14·1	—	26	122	362	49	1,391	1,871
169	St. Ives	-	14,777	91,240	66,710	4 10·3	6	17	104	285	42	950	2,152
170	St. Neots	-	13,882	113,249	92,468	6 13·2	6	10	97	190	45	1,204	776
	13. BEDFORD.												
171	Bedford	-	57,684	290,166	259,811	4 10·1	9	42	224	1,213	131	2,422	6,377
172	Biggleswade	-	26,718	157,515	133,310	4 19·8	8	7	112	884	88	1,329	4,767
173	Amphill	-	21,323	133,608	112,023	5 5·1	3	10	80	838	62	—	2,269
174	Woburn*	-	—	—	—	—	—	—	—	—	—	7,150	2,298
175	Teddington Buzzard	-	18,069	145,399	123,794	6 17·0	2	4	98	386	48	—	83
176	Luton	-	51,164	226,089	213,935	4 3·6	6	41	268	835	115	2,992	4,210
	14. CAMBRIDGE.												
177	Caxton and Arrington.		8,396	40,878	29,704	3 10·8	4	12	73	257	32	722	1,719
178	Chesterton	-	33,237	165,168	136,049	4 1·9	2	24	127	676	76	1,267	3,765
179	Cambridge	-	38,393	236,672	235,738	6 2·8	6	16	149	393	129	1,375	2,463
180	Linton	-	11,257	59,494	48,031	4 5·3	2	16	64	568	44	748	3,085
181	Newmarket	-	32,101	103,662	169,395	5 5·5	3	51	223	694	66	2,275	3,102
182	Ely	-	20,094	128,716	95,064	4 14·6	4	5	110	368	56	1,377	2,138
183	North Witchford	-	16,994	113,363	82,066	4 16·6	5	14	98	407	59	873	2,594

* On the 30th September, 1899, the Woburn Union was dissolved and the various parishes added to Ampthill and Leighton Buzzard Unions.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and in 1899-1900, in each Poor Law Union—continued.

Salaries, &c., and Superannuation Allowances of Union Officers, &c.																												
15.	16.	Total.	17.	Other Expenditure of Overseers and Guardians in 1899-1900.	18.	Total Expenditure of Overseers and Guardians in 1899-1900.	19.	Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).	20.	Amount.	21.	Per Head of Population, 1901.	22.	Grants from County and County Borough Councils in 1899-1900.	23.	Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).	24.	In respect of Corps of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	25.	Total Grants (including those in Columns 23 and 24).	26.	Grant under the Agricultural Rates Act, 1896, in 1899-1900.	27.	Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).	28.	Rate in £ on Assessable Value (1899).	29.	Union Reference Number.
581	280	3,477	830	4,307	66	4,241	7 1·3	656	322	992	545	2,704	0 10·3	159														
1,690	1,099	23,925	3,581	27,506	1,151	26,355	5 10·7	1,437	1,981	3,526	757	22,072	1 5·0	160														
1,064	421	6,569	1,178	7,747	503	7,244	8 5·0	1,067	539	1,620	1,171	4,453	0 10·3	161														
900	692	3,765	825	4,590	233	4,357	7 5·1	987	246	1,238	614	2,505	0 7·7	162														
1,185	660	11,694	2,009	13,703	686	13,017	4 7·7	2,134	2,019	2,167	849	10,001	1 0·7	163														
2,255	1,221	14,149	1,921	16,070	679	15,391	6 4·8	2,224	638	1,876	1,349	12,166	1 2·7	164														
700	627	4,889	838	5,727	364	5,363	7 2·1	890	381	1,280	760	3,323	1 1·5	165														
820	290	3,340	748	4,088	304	3,784	7 2·6	1,660	633	2,319	556	909	0 4·0	166														
1,520	1,047	15,095	2,309	17,404	981	16,423	6 1·2	2,468	925	2,411	1,907	12,105	0 10·3	167														
1,490	460	6,473	1,177	7,650	362	7,288	8 0·7	1,173	396	1,587	1,122	4,579	0 9·1	168														
1,188	376	5,599	1,334	6,933	368	6,565	8 10·6	1,112	413	1,569	1,150	3,846	1 2·0	169														
1,090	398	4,645	1,160	5,805	285	5,520	7 11·4	1,054	459	1,522	422	3,576	0 9·8	170														
2,476	1,928	15,580	2,434	18,014	1,540	16,474	5 8·5	2,065	1,253	3,349	1,427	11,698	0 11·0	171														
1,557	805	10,813	1,478	12,391	353	11,938	8 11·2	1,707	925	2,641	1,065	8,232	1 3·0	172														
2,379	1,078	15,257	1,785	17,042	548	16,494	8 4·5	2,018	998	3,048	1,815	11,631	0 11·9	173														
2,167	1,103	13,391	2,262	15,653	874	14,779	5 9·3	1,497	2,273	3,779	668	10,332	0 11·6	174														
902	299	4,330	874	5,304	152	5,052	12 0·4	977	260	1,241	969	2,842	1 11·5	175														
1,170	558	8,386	1,659	10,045	628	9,417	5 8·0	1,226	663	1,903	1,217	6,297	0 11·3	176														
1,430	898	9,131	1,916	11,047	797	10,350	5 4·1	1,551	1,205	2,774	27	7,449	0 7·7	177														
1,087	562	6,381	764	7,145	190	6,955	12 4·3	992	350	1,356	896	4,703	1 11·6	178														
1,441	650	9,033	1,885	10,918	336	10,582	6 7·1	1,455	1,067	2,554	1,261	6,767	0 9·6	179														
1,460	757	7,132	1,400	8,532	506	8,026	7 11·9	1,452	566	2,036	1,274	4,716	0 11·7	180														
1,052	524	6,405	672	7,077	298	6,779	7 11·7	1,052	530	1,601	1,156	4,022	0 11·8	181														

TABLE IX.—POPULATION IN 1901, VALUATION IN 1900, NUMBER OF PAUPERS IN 1900–1901, AND AMOUNT OF
COUNTY BOROUGH COUNCILS AND BY POOR RATES RESPECTIVELY

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected						
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.		
III.—SOUTH MIDLAND COUNTIES—continued.															
14.	CAMBRIDGE—continued.	—	—	£ s.	—	—	—	—	—	—	—	—	—		
184	Whittlesey	—	7,103	49,351	36,515	5 2·8	—	12	70	189	22	695	1,228	512	539
185	Wisbech	—	33,106	218,672	153,712	4 12·9	6	15	164	2,011	82	1,870	6,756	1,822	—
IV.—EASTERN COUNTIES.															
15.	ESSEX.	—	—	—	—	—	—	—	—	—	—	—	—	—	
186	West Ham	—	580,306	2,245,195	2,240,064	3 17·2	96	728	2,616	8,514	1,090	29,373	48,909	24,040	6,172
187	Epping	—	30,459	184,672	167,796	5 10·2	8	34	138	820	72	1,108	4,735	1,753	486
188	Ongar	—	10,044	55,116	42,917	4 5·5	8	16	98	227	26	978	1,125	613	245
189	Romford	—	95,458	491,450	468,906	4 18·2	4	79	378	1,333	152	4,997	8,346	3,623	1,833
190	Orsett	—	33,721	154,756	143,476	4 5·1	15	22	132	593	62	1,435	3,056	1,329	175
191	Billericay	—	22,436	120,544	110,437	4 18·4	3	34	168	526	44	2,069	3,588	1,256	531
192	Chelmsford	—	36,297	203,238	177,015	4 17·5	10	50	290	954	84	2,722	4,280	2,089	1,009
193	Rochford	—	51,213	276,114	262,885	5 2·9	5	38	195	683	47	2,688	4,734	1,228	27
194	Maldon	—	23,112	93,658	79,028	3 8·4	10	18	114	661	64	1,322	3,141	1,595	1,276
195	Tendring	—	45,048	202,756	182,893	4 1·2	9	38	170	675	86	2,178	4,067	2,022	—
196	Colchester	—	38,351	146,486	143,039	3 14·6	14	55	256	576	88	3,183	3,617	2,073	435
197	Lexden and Wins-trec.	—	21,132	88,240	76,021	3 11·9	13	16	115	758	58	845	3,905	1,364	—
198	Halstead	—	16,248	56,426	49,227	3 0·6	3	20	110	357	57	1,254	1,839	1,329	132
199	Braintree	—	26,890	115,688	103,019	3 16·6	16	32	208	848	80	2,425	4,864	1,848	578
200	Dunmow	—	15,705	63,347	51,187	3 5·2	3	24	131	509	51	1,418	2,533	1,208	274
201	Saffron Walden	—	16,132	96,904	80,900	5 0·3	11	8	107	613	43	1,356	3,216	998	47
16. SUFFOLK.															
202	Bisbridge	—	16,049	61,380	49,794	3 2·1	14	13	184	600	50	1,219	2,813	1,190	—
203	Sudbury	—	27,052	106,955	89,303	3 6·0	10	15	162	700	82	1,545	2,891	2,101	—
204	Cosford	—	14,863	57,684	47,470	3 3·9	5	10	86	625	28	913	2,560	913	203
205	Thingoe	—	14,528	77,612	63,131	4 6·9	1	5	76	660	26	817	3,273	700	603
206	Bury St. Edmunds	—	16,255	62,428	61,136	3 15·2	—	16	93	464	40	1,009	2,453	1,372	200
207	Mildenhall	—	8,261	43,312	32,370	3 18·4	22	11	95	378	6	1,113	1,515	185	686
208	Stow	—	19,166	83,638	70,568	3 13·6	4	32	110	769	50	1,081	4,939	1,071	470

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and Borough Councils in 1899-1900, in each Poor Law Union—continued.

for Relief to the Poor in 1899-1900.		Other Expenditure of Overseers and Guardians in 1899- 1900.		Total Expenditure of Overseers and Guardians in 1899- 1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		Union Reference Number.	
16.	17.	18.	19.	20.	21.	22.	Amount.	Per Head of Population, 1901.	23.	24.	25.	26.	27.	28.	
54	292	3,824	339	4,163	115	4,048	11 4·8	572	218	795	760	2,493	1 5·2	184	
59	913	13,120	2,604	15,724	875	14,849	8 11·6	1,377	770	2,174	2,950	9,725	1 3·3	185	
69	20,713	153,175	16,858	170,033	9,949	160,084	5 6·2	15,627	8,195	24,305	373	135,406	1 3·9	186	
76	460	10,418	1,961	12,379	349	12,030	7 10·8	1,592	624	2,233	824	8,973	1 1·8	187	
15	359	4,635	762	5,397	217	5,180	10 3·8	1,064	236	1,309	746	3,125	1 5·5	188	
96	3,224	25,219	5,168	30,387	1,866	28,521	5 11·7	1,743	1,218	2,979	1,284	24,258	1 1·2	189	
56	692	8,243	1,802	10,045	535	9,510	5 7·7	1,061	518	1,624	566	7,320	1 1·2	190	
37	1,606	10,787	1,325	12,212	419	11,693	10 5·1	1,206	501	1,716	556	9,421	1 8·6	191	
87	953	13,640	2,178	15,818	540	15,278	8 5·0	2,477	878	3,378	1,503	10,397	1 2·9	192	
25	1,353	11,855	2,327	14,182	803	13,379	5 2·8	1,339	421	1,811	654	10,914	0 10·8	193	
79	708	10,121	1,432	11,553	612	10,941	9 5·6	1,957	594	2,590	1,192	7,159	1 10·0	194	
78	1,188	11,233	2,621	13,854	554	13,300	5 10·9	1,497	751	2,284	1,176	9,840	1 2·0	195	
87	1,647	13,342	764	14,106	1,119	12,987	6 9·3	1,777	779	2,582	258	10,147	1 5·4	196	
84	530	8,128	1,291	9,419	375	9,044	8 6·7	1,567	611	2,211	932	5,901	1 6·6	197	
150	558	6,362	1,057	7,419	422	6,997	8 7·4	1,095	580	1,684	604	4,709	2 0·5	198	
184	908	12,607	1,663	14,270	681	13,589	10 1·3	1,987	786	2,799	1,057	9,733	1 10·8	199	
793	644	7,870	1,129	8,999	410	8,589	10 11·3	1,808	462	2,283	979	5,322	2 1·1	200	
380	637	7,624	1,249	8,873	324	8,549	10 7·2	1,414	426	1,854	1,091	5,604	1 6·0	201	
302	510	7,033	1,023	8,056	482	7,574	9 5·3	1,102	435	1,550	1,020	5,004	2 0·3	202	
000	562	9,099	1,528	10,627	374	10,253	7 7·0	1,663	837	2,505	1,223	6,525	1 5·6	203	
150	460	6,299	908	7,207	258	6,949	9 4·2	1,157	382	1,548	736	4,665	1 11·6	204	
342	499	7,134	704	7,838	271	7,567	10 5·0	1,462	288	1,764	897	4,906	1 7·3	205	
985	641	6,660	1,139	7,799	316	7,483	9 2·5	749	—	754	119	6,610	2 2·2	206	
790	531	4,820	507	5,327	165	5,162	12 6·0	716	82	807	764	3,591	2 2·9	207	
299	1,113	9,963	930	10,893	829	10,064	10 6·0	902	373	1,292	1,072	7,700	2 2·3	208	

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900-1901, and AMOUNT
COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out and Purposes connected therewith).			IV.—EASTERN COUNTIES—continued.		
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans Repaid and Interest.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
16. SUFFOLK—continued.				£	£	£	s.							
209	Hartismere	-	13,513	61,542	47,802	3 10·7	2	17	73	465	40	663	2,510	912
210	Hoxne	-	10,220	49,039	37,968	3 14·3	—	4	38	435	26	552	2,355	699
211	Bosmere and Claydon.	14,097	68,128	56,459	4 0·1	7	12	62	482	36	783	1,739	769	
212	Samford	-	12,256	72,972	62,619	5 2·2	13	1	72	177	22	1,012	886	583
213	Ipswich	-	66,612	277,982	274,431	4 2·4	18	109	396	528	170	4,389	2,414	4,203
214	Woodbridge	-	25,572	148,765	129,501	5 1·3	3	4	56	592	71	710	3,395	1,628
215	Plomesgate	-	19,614	88,694	74,972	3 16·4	6	24	102	736	58	945	3,585	1,318
216	Blything	-	25,577	120,777	98,607	3 17·1	11	34	159	655	40	1,561	2,623	1,188
217	Wangford	-	14,888	60,132	52,732	3 10·8	3	14	113	414	43	1,128	1,802	1,019
218	Mutford and Lothingland.	43,323	181,310	171,269	3 19·1	5	46	236	675	73	2,542	2,815	1,796	
17. NORFOLK.														
219	Great Yarmouth	-	50,638	196,397	195,194	3 17·1	89	103	533	1,238	73	6,023	6,013	2,448
220	East and West Flegg.	9,796	55,201	41,513	4 4·8	—	4	36	346	24	418	1,559	574	
221	Smallburgh	-	17,304	96,200	72,360	4 3·6	1	18	65	698	42	766	4,451	1,064
222	Erpingham	-	22,555	119,140	103,376	4 13·9	5	26	84	609	50	1,036	4,291	3,011
223	Aylsham	-	17,048	85,686	66,146	3 17·6	4	26	121	571	47	1,070	3,102	1,062
224	St. Faith's	-	12,559	63,100	50,767	4 0·8	1	14	60	474	28	561	2,850	635
225	Norwich	-	111,728	369,875	366,611	3 5·6	72	189	799	2,035	270	7,252	9,342	6,509
226	Forehoe	-	11,329	55,883	45,020	3 19·5	6	7	70	490	33	969	2,568	796
227	Henstead	-	10,358	63,924	51,699	4 19·8	4	24	77	261	30	850	1,889	704
228	Blofield	-	11,843	81,716	62,785	5 6·0	2	21	54	270	27	616	1,435	573
229	Loddon and Clavering.	12,393	58,677	45,009	3 12·6	6	20	76	420	45	830	1,773	989	
230	Depwade	-	21,723	100,928	80,037	3 13·7	13	31	139	761	74	1,506	3,812	1,656
231	Guiltcross	-	9,417	46,191	35,573	3 15·6	4	2	58	288	36	800	1,898	831
232	Wayland	-	9,888	58,995	46,873	4 14·8	6	5	40	425	34	511	2,340	751
233	Mitford and Launditch.	23,979	127,277	100,660	4 4·0	3	22	113	1,100	70	1,497	6,722	1,500	
234	Walsingham	-	19,612	103,434	81,894	4 3·5	3	12	71	664	48	809	4,127	1,214
235	Docking	-	17,633	97,547	79,414	4 10·1	2	28	130	710	34	2,027	4,061	685
236	Freebridge Lynn	-	11,847	66,578	51,773	4 7·4	4	14	64	462	17	512	2,192	414

EXPENDITURE of OVERSEERS of the POOR and BOARDS of GUARDIANS borne by GRANTS from COUNTY and COUNTY BOROUGH COUNCILS in 1899-1900, in each POOR LAW UNION—continued.

a) for Relief to the Poor within 1899-1900.			Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).			
15.	Allowances of Union Officers, &c.	Other Expenses of or connected with Relief.	Total	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.
127	530	5,742	876	6,618	273	6,345	9 4·7	1,188	443	1,707	987	3,651	1 6·3	209		
603	195	4,404	666	5,070	205	4,965	9 8·6	871	260	1,140	732	3,093	1 7·5	210		
126	360	4,777	768	5,545	270	5,275	7 5·8	1,079	344	1,432	626	3,217	1 1·6	211		
137	526	4,044	920	4,964	271	4,693	7 7·9	977	238	1,224	445	3,024	1 0·6	212		
128	9,032	26,575	2,753	29,328	9,034	20,294	6 1·1	2,474	1,479	4,085	170	16,039	1 2·9	213		
148	283	7,264	1,497	8,761	178	8,583	6 8·6	1,387	717	2,118	857	5,608	0 10·8	214		
520	968	8,336	1,066	9,402	359	9,043	9 2·7	1,339	607	1,968	835	6,240	1 8·2	215		
513	602	7,487	1,281	8,758	318	8,440	6 7·2	1,726	444	2,184	1,092	5,164	1 0·7	216		
198	721	5,868	912	6,780	442	6,338	8 6·2	1,065	359	1,433	680	4,225	1 7·2	217		
1493	926	10,082	2,106	12,188	340	11,848	5 5·6	914	696	1,621	524	9,703	1 2·3	218		
1590	2,079	21,681	2,867	24,548	1,661	22,887	9 0·4	3,239	629	3,888	103	18,896	2 0·1	219		
616	220	3,377	595	3,972	152	3,820	7 9·6	571	223	826	725	2,269	1 1·2	220		
1,455	561	8,097	1,094	9,191	269	8,922	10 3·7	1,141	386	1,550	1,562	5,810	1 7·2	221		
1,466	571	8,175	1,354	9,529	192	9,337	8 4·7	1,207	374	1,609	888	6,840	1 4·7	222		
1,303	1,442	6,979	1,117	8,096	237	7,859	9 1·6	1,289	413	1,738	1,237	4,884	1 5·9	223		
908	389	5,343	815	6,158	96	6,062	9 7·8	855	249	1,113	948	4,001	1 7·1	224		
7,313	2,707	33,123	3,167	36,390	1,245	35,045	6 3·3	3,779	3,284	7,081	244	27,720	1 6·6	225		
930	397	5,660	736	6,396	317	6,079	10 8·8	889	305	1,194	876	4,009	1 9·5	226		
2,176	646	5,265	678	5,943	318	5,725	11 0·7	1,023	276	1,308	857	3,560	1 4·5	227		
904	317	3,845	596	4,441	144	4,297	7 3·1	871	221	1,101	645	2,551	0 9·8	228		
979	415	4,986	1,010	5,996	277	5,719	9 2·8	890	399	1,303	914	3,502	1 6·5	229		
2,578	811	9,363	1,307	10,670	217	10,453	9 7·5	1,393	642	2,089	1,606	6,758	1 8·2	230		
3,026	483	5,038	779	5,817	315	5,503	11 8·2	844	333	1,186	773	3,543	1 11·9	231		
749	315	4,578	648	5,326	122	5,104	10 3·9	770	299	1,080	827	3,197	1 4·4	232		
2,208	1,047	12,974	1,481	14,455	332	14,123	11 9·4	1,694	632	2,371	2,173	9,579	1 10·8	233		
2,186	538	7,864	1,204	9,068	191	8,877	9 0·6	1,222	532	1,776	1,532	5,569	1 4·5	234		
2,168	545	8,606	1,103	9,709	224	9,485	10 9·1	1,164	273	1,445	1,130	6,910	1 9·5	235		
958	256	4,332	834	5,166	271	4,995	8 5·2	971	167	1,156	729	3,110	1 3·6	236		

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected				
				Total.	Per Head of Population.	Inssue (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 10 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
IV.—EASTERN COUNTIES—continued.													
17. NORFOLK—continued.			£	£	s. s.								
237 King's Lynn	-	20,951	85,276	81,746	3 18·0	10	55	186	572	33	2,232	3,341	2,217
238 Downham	-	17,309	101,524	75,453	4 7·2	2	18	73	645	42	723	3,604	1,066
239 Swaffham	-	11,015	62,996	49,954	4 10·7	—	12	62	400	50	707	2,205	1,234
240 Thetford	-	16,989	86,550	71,523	4 4·2	3	20	98	572	42	1,253	3,160	2,048
V.—SOUTH WESTERN COUNTIES.													
18. WILTS.													
241 Highworth and Swindon.	59,275	262,665	241,925	4 1·6	7	66	220	914	148	2,607	4,742	2,972	293
242 Cricklade and Wootton Bassett.	11,357	96,927	66,173	5 16·5	2	10	58	361	27	845	2,449	673	—
243 Malmesbury	12,666	85,449	63,775	5 0·7	3	24	97	312	35	850	1,682	203	—
244 Chippenham	22,959	146,959	126,328	5 10·0	13	53	184	639	85	1,753	4,248	1,802	27
245 Calne	8,071	48,286	37,730	4 13·5	7	6	68	235	35	660	1,317	781	—
246 Marlborough	8,458	40,723	34,865	4 2·4	5	2	62	122	24	742	650	548	69
247 Devizes	19,602	98,597	78,107	3 19·7	18	18	136	570	91	1,546	3,174	1,979	—
248 Trowbridge and Melksham.	18,415	84,773	74,032	4 0·4	27	28	131	346	50	1,254	2,161	1,231	163
249 Bradford-on-Avon	9,585	55,928	48,453	5 1·1	12	6	79	253	38	872	1,513	888	—
250 Westbury and Whorwellsdown.	9,704	58,340	44,111	4 10·9	3	24	84	410	36	753	2,349	865	24
251 Warminster	11,781	64,537	52,215	4 8·6	4	3	63	490	44	515	3,062	1,030	70
252 Pewsey	11,309	50,187	39,110	3 9·8	4	15	75	364	48	751	1,934	1,070	27
253 Amesbury	8,268	38,263	32,140	3 17·7	6	10	54	201	25	620	948	583	—
254 Salisbury	29,977	147,685	136,778	4 11·3	8	45	198	714	90	1,826	4,145	2,148	1,752
255 Wilton	9,670	61,657	53,187	5 10·0	2	11	80	219	38	1,274	2,334	833	70
256 Tisbury	7,714	54,177	44,545	5 15·5	9	8	68	250	30	701	1,309	762	—
257 Mere	5,310	31,864	23,212	4 9·2	6	7	33	214	20	363	1,018	418	—
19. DORSET.													
258 Shaftesbury	12,955	88,934	68,421	5 5·6	3	10	65	464	57	677	2,548	1,257	—
259 Sturminster	8,814	66,178	45,136	5 2·4	2	15	62	353	20	670	1,747	444	—
260 Blandford	12,453	66,733	53,282	4 5·6	8	9	66	332	47	851	1,910	1,002	—
261 Wimborne and Cranborne.	17,104	85,945	70,888	4 2·9	2	21	84	660	59	985	4,285	1,387	41

PENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from COUNTY and 1899-1900, in each POOR LAW UNION—*continued.*

Allowances, &c., and Superannuation of Officers, &c., and Allowances of Union Officers, &c.				Other Expenditure of Overseers and Guardians in 1899- 1900.				Total Expenditure of Overseers and Guardians in 1899- 1900.				Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).			
15.	16.	17.	18.	19.	20.	21.	22.	Amount.	Per Head of Population, 1901.	In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	23.	24.	Total Grants (including those in Columns 23 and 24).	25.	26.	27.	Amount.	Rate in £ on Assessable Value (1899).	28.	Union Reference Number.							
1,596	991	9,377	1,512	10,889	823	10,066	9 7·3	1,114	314	1,433	343	8,290	2 0·2	237													
1,443	461	7,297	1,261	8,558	429	8,129	9 4·7	1,174	481	1,681	1,427	5,021	1 3·9	238													
1,739	513	6,398	818	7,216	249	6,967	12 7·8	1,237	495	1,747	859	4,361	1 8·9	239													
1,615	446	7,545	1,011	8,556	233	8,323	9 9·6	1,423	405	1,837	1,077	5,409	1 6·1	240													
1,880	1,375	13,769	2,328	16,097	885	15,212	5 1·6	1,444	1,183	2,636	703	11,873	1 0·5	241													
1,002	405	5,374	1,039	6,413	280	6,133	10 9·6	1,004	295	1,308	921	3,904	1 2·2	242													
941	476	4,752	802	5,554	358	5,196	8 2·5	1,003	342	1,354	895	2,947	0 11·1	243													
1,928	797	10,555	1,261	11,816	546	11,270	9 9·8	1,363	1,089	2,470	1,193	7,607	1 2·7	244													
651	314	3,723	412	4,135	438	3,697	9 1·9	692	320	1,017	560	2,120	1 1·5	245													
889	543	3,441	436	3,877	318	3,559	8 5·0	775	241	1,023	344	2,194	1 3·2	246													
3,490	470	9,659	1,215	10,874	536	10,338	10 6·6	1,720	1,175	2,904	1,553	5,881	1 6·3	247													
1,356	451	6,606	879	7,485	418	7,067	7 8·1	1,193	477	1,705	735	4,627	1 3·1	248													
926	718	4,917	688	5,605	244	5,361	11 2·2	899	387	1,295	463	3,603	1 6·7	249													
872	465	5,328	678	6,006	484	5,522	11 4·6	979	346	1,334	926	3,262	1 5·8	250													
1,381	399	6,397	815	7,212	316	6,896	11 8·5	1,195	447	1,656	897	4,343	1 8·0	251													
1,143	432	5,357	690	6,047	165	5,882	10 5·9	1,200	444	1,653	709	3,520	1 9·5	252													
703	163	3,017	400	3,417	132	3,285	7 11·4	698	253	964	369	1,952	1 3·0	253													
1,780	712	12,370	1,521	13,891	471	13,420	8 11·4	2,119	1,276	3,413	786	9,221	1 4·3	254													
1,004	472	4,987	985	5,972	157	5,815	12 0·3	1,025	380	1,414	415	3,986	1 6·0	255													
732	223	3,722	561	4,289	234	4,055	10 6·2	835	355	1,204	571	2,280	1 0·2	256													
587	265	8,651	320	9,971	131	2,840	10 10·8	641	171	812	474	1,554	1 4·1	257													
966	330	5,778	715	6,493	326	6,267	9 8·1	851	552	1,417	1,017	3,833	1 1·5	258													
783	242	3,885	534	4,419	148	4,271	9 8·3	988	204	1,201	872	2,198	0 11·6	259													
1,376	252	5,291	588	5,879	72	5,807	9 3·9	697	456	1,162	906	3,739	1 4·8	260													
1,343	499	8,540	1,012	9,552	100	9,42	11 0·6	777	613	1,404	1,359	6,689	1 10·8	261													

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.		EXPENDITURE (not defrayed out of, and Purposes connected with)					
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	11.	12.	13.	14.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
V.—SOUTH-WESTERN COUNTIES—continued.													
19. DORSET—continued.			£	£	£	£	£	£	£	£	£	£	£
262 Poole	-	32,335	144,026	139,354	4 6·2	20	11	100	959	77	1,368	5,419	1,637
263 Wareham and Purbeck.		15,989	78,314	65,804	4 2·3	4	7	60	509	57	809	2,607	1,222
264 Weymouth	-	42,977	174,027	162,104	3 15·4	8	42	174	843	88	1,729	4,709	2,001
265a Dorchester	-	18,937	107,629	90,081	4 15·1	6	20	100	560	46	1,039	3,057	1,022
265b Cerne	-	5,064	44,181	30,635	6 1·0	—	5	35	196	20	405	883	463
266 Sherborne	-	11,474	78,240	62,075	5 8·2	4	13	90	432	45	948	2,394	961
267 Beaminster	-	9,184	76,979	52,363	5 14·0	6	14	68	486	32	594	2,137	804
268 Bridport	-	12,708	72,790	58,468	4 12·0	6	19	102	559	32	1,005	2,724	700
20. DEVON.													
269 Axminster	-	15,623	100,607	78,023	4 19·9	14	26	103	715	40	713	3,836	890
270 Honiton	-	20,285	129,289	96,400	4 15·0	8	24	96	805	68	781	5,718	1,685
271 St. Thomas	-	55,362	323,867	267,184	4 16·5	26	34	210	1,492	175	1,637	9,116	4,403
272 Exeter	-	37,726	205,253	203,803	5 8·0	31	65	325	692	146	3,144	4,949	5,350
273 Newton Abbot	-	80,308	442,137	394,784	4 18·3	40	71	376	1,912	175	3,885	11,169	3,988
274 Totnes	-	41,441	235,704	194,409	4 13·8	14	46	192	1,116	104	1,719	6,303	2,392
275 Kingsbridge	-	16,133	99,582	71,118	4 8·2	14	12	80	597	24	803	3,765	637
276 Plympton St. Mary		21,358	155,132	129,349	6 1·1	18	25	117	656	46	1,212	3,865	1,078
277 Plymouth	-	107,514	444,547	442,818	4 2·4	80	104	653	2,029	254	6,681	12,910	7,310
278 East Stonehouse	-	15,111	53,790	53,790	3 11·2	4	14	78	215	38	828	1,471	848
279 Devonport	-	69,674	251,266	248,600	3 11·4	29	57	312	1,097	131	2,702	7,709	2,873
280 Tavistock	-	26,910	143,182	112,030	4 3·3	5	21	106	710	78	1,462	4,319	1,940
281 Okehampton	-	15,754	96,682	68,041	4 6·4	4	22	76	559	38	711	3,661	803
282 Crediton	-	15,553	102,927	71,663	4 12·2	19	18	78	603	38	554	3,214	1,024
283 Tiverton	-	27,378	186,656	140,939	5 3·0	1	24	120	906	84	1,129	5,758	1,829
284 South Molton	-	13,812	97,512	66,038	4 15·6	20	9	65	450	41	672	2,625	919
285 Barnstaple	-	42,079	243,187	196,070	4 13·2	22	37	168	1,503	94	1,583	8,512	2,001
286 Torrington	-	12,499	65,471	45,575	3 12·9	4	15	49	478	32	472	2,705	736
287 Bideford	-	20,615	67,314	54,287	2 12·7	5	30	98	603	42	1,001	3,328	956
288 Holswothy	-	8,692	41,364	28,363	3 5·3	6	27	53	226	9	556	1,076	192

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900, in each Poor Law Union—continued.

1) for Relief to the Poor with in 1899-1900.				Other Expenditure of Overseers and Guardians in 1899- 1900.				Total Expenditure of Overseers and Guardians in 1899- 1900.				Net Expenditure of Overseers and Guardians in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		Union Reference Number.	
Allowances of Union Officers, &c.	Other Expenses of or connected with Relief.	Total.	16.	17.	18.	19.	20.	Amount.	21.	22.	In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	23.	24.	Total Grants (including those in Columns 23 and 24).	25.	26.	27.	28.	
£	£	£	£	£	£	£	s. d.	£	£	£	£	£	£	£	£	£	£	£	Rate in £ on Assessable Value (1899).
,804	831	11,321	1,774	13,095	353	12,742	7 10·6	861	702	1,577	277	10,888	1 7·1	262					
,115	273	6,155	849	6,974	177	6,797	8 6·0	1,165	545	1,728	736	4,333	1 4·2	263					
,708	1,027	11,427	1,732	13,159	558	12,601	5 10·4	2,080	895	2,992	688	8,921	1 1·7	264					
,502	444	7,064	1,200	8,264	358	7,906	8 4·2	793	454	1,274	814	5,818	1 3·7	265					
646	180	2,577	345	2,922	131	2,791	11 0·3	542	206	753	577	1,461	0 11·3	265 b					
,061	406	5,770	800	6,570	133	6,437	11 2·6	358	705	1,083	548	4,406	1 5·5	266					
,025	169	4,729	758	5,487	179	5,308	11 6·7	1,022	373	1,408	1,181	2,719	1 0·4	267					
993	257	5,754	801	6,595	283	6,312	9 11·2	1,076	310	1,412	963	3,937	1 4·2	268					
,100	381	6,930	1,203	8,123	204	7,919	10 1·7	1,830	423	2,271	1,426	4,222	1 1·7	269					
,108	421	9,919	927	10,846	274	10,572	10 5·1	1,244	694	1,947	2,242	6,383	1 3·9	270					
,156	894	18,309	2,579	20,988	840	20,048	7 2·9	2,001	1,789	3,866	2,538	13,644	1 0·3	271					
,679	1,828	17,950	1,902	19,852	2,191	17,661	9 4·4	2,335	1,651	3,991	87	13,583	1 4·1	272					
,401	1,760	25,462	3,191	28,653	977	27,676	6 10·7	1,975	1,676	3,678	2,181	21,817	1 2·4	273					
,465	833	12,836	1,672	14,508	499	14,009	6 9·1	1,187	949	2,168	2,090	9,751	1 0·2	274					
,126	343	6,674	852	7,526	387	7,139	8 10·2	1,064	303	1,390	1,638	4,111	1 2·0	275					
,043	494	7,798	2,047	9,845	333	9,512	8 10·9	507	975	1,495	1,109	6,908	1 0·6	276					
,187	2,381	33,430	3,472	36,902	3,016	33,886	6 3·6	2,316	1,940	4,336	97	29,453	1 4·9	277					
707	188	4,280	575	4,855	451	4,404	5 9·9	462	311	778	—	3,626	1 6·2	278					
,368	1,597	17,621	1,365	18,986	1,912	17,074	4 20·8	1,341	1,070	2,424	153	14,497	1 2·6	279					
,087	653	9,435	1,343	10,778	396	10,382	7 8·6	961	778	1,757	1,827	6,798	1 3·5	280					
878	363	6,416	889	7,305	444	6,861	8 8·5	898	265	1,385	1,694	3,982	1 2·5	281					
976	380	6,148	964	7,112	255	6,857	8 9·8	971	395	1,384	1,620	3,853	1 0·9	282					
,364	565	10,645	1,579	12,224	415	11,809	8 7·5	1,319	863	2,209	2,305	7,295	1 0·4	283					
,063	411	5,753	749	6,502	285	6,217	9 0·0	1,116	406	1,532	1,527	3,158	0 11·7	284					
,596	639	14,331	1,899	16,230	670	15,560	7 4·7	1,561	742	2,342	2,458	10,761	1 1·4	285					
823	322	5,090	580	5,670	102	5,568	8 10·9	872	653	1,547	1,000	3,021	1 5·0	286					
787	406	6,618	845	7,463	288	7,175	6 11·5	804	419	1,253	917	5,005	1 10·6	287					
479	192	2,495	520	3,015	95	2,920	6 8·6	497	—	516	518	1,886	1 5·1	288					

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected)				
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
V.—SOUTH WESTERN COUNTIES—continued.													
21. CORNWALL.				£	£	£ s.	£ s.						
289 Stratton	-	7,322	40,270	27,970	3 16·4	1	18	38	232	29	466	1,288	630
290 Camelot	-	7,187	37,943	25,770	3 11·7	1	9	26	244	10	312	1,481	258
291 Launceston	-	14,311	97,213	66,374	4 12·8	6	11	44	402	29	418	2,465	667
292 St. Germans	-	21,866	80,334	63,948	2 18·5	1	20	82	388	40	1,037	2,589	931
293 Liskeard	-	23,946	122,974	91,326	3 16·3	12	23	110	990	73	1,284	5,988	1,911
294 Bodmin	-	19,263	102,174	77,661	4 0·6	5	28	66	546	55	571	3,362	1,298
295 St. Columb Major	-	15,418	92,963	69,775	4 10·5	2	38	70	405	27	825	2,764	693
296 St. Austell	-	32,935	164,016	145,351	4 8·3	18	28	119	948	96	1,256	5,278	2,578
297 Truro	-	33,616	136,108	108,860	3 4·8	9	59	165	1,010	92	1,599	5,582	2,270
298 Falmouth	-	23,148	90,751	79,020	3 8·3	5	26	102	598	60	1,130	3,180	1,407
299 Helston	-	20,779	91,612	65,219	3 2·8	12	31	114	566	36	1,012	3,054	1,003
300 Redruth	-	48,105	124,064	108,288	2 5·0	17	74	230	1,645	110	1,988	6,056	2,935
301 Penzance	-	49,222	185,958	154,491	3 2·8	10	21	108	908	80	781	3,369	2,223
302 Isles of Scilly	-	2,096	3,899	3,107	1 9·6	1	—	—	—	—	53	64	—
22. SOMERSET.													
303 Williton	-	16,972	114,859	85,315	5 0·5	16	16	77	470	53	719	2,204	1,146
304 Dulverton	-	4,609	38,998	25,010	5 8·5	5	6	26	152	10	217	931	169
305 Wellington	-	18,312	129,348	100,537	5 9·8	14	32	118	578	60	1,089	2,885	1,436
306 Taunton	-	38,643	252,924	209,541	5 8·4	8	29	182	443	104	1,461	2,564	2,450
307 Bridgwater	-	33,655	230,355	169,956	5 1·0	2	26	136	1,080	83	1,249	4,867	1,896
308 Langport	-	13,446	91,979	62,075	4 12·3	—	10	53	560	40	599	3,201	1,021
309 Chard	-	24,250	134,484	105,824	4 7·3	5	18	100	898	64	801	4,699	1,663
310 Yeovil	-	27,375	162,648	128,945	4 14·2	3	36	109	872	104	1,078	4,599	2,578
311 Wincanton	-	16,394	130,560	96,434	5 17·6	3	30	132	736	58	1,362	4,250	1,340
312 Frome	-	22,173	122,310	99,861	4 10·1	24	30	148	604	86	1,583	3,532	1,976
313 Shepton Mallet	-	15,076	106,249	76,900	5 2·0	1	42	113	465	52	1,079	3,427	1,319
314 Wells	-	23,641	160,886	116,857	4 18·9	—	31	136	590	54	1,429	3,166	1,345
315 Axbridge	-	47,915	372,826	296,664	6 3·8	3	17	129	1,220	110	1,182	7,812	2,594
316 Clutton	-	25,769	130,930	104,293	4 0·9	10	18	114	984	74	1,077	5,467	2,079

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900, in each Poor Law Union—continued.

15. Allowances of Union Officers, &c.		16. Other Expenses of or immediately connected with Relief.		17. Total.		18. Other Expenditure of Overseers and Guardians in 1899-1900.		19. Total Expenditure of Overseers and Guardians in 1899-1900.		20. Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		21. Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		22. Per Head of Population, 1901.		23. In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.		24. In respect of Pauper Lunatics.		25. Total Grants (including those in Columns 23 and 24).		26. Grant under the Agricultural Rates Act, 1896, in 1899-1900.		27. Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		28. Rate in £ on Assessable Value (1899).		Union Reference Number.	
15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	39.	40.	41.	42.		
8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
433	200	3,017	433	3,450	109	3,341	9 1 5	420	238	671	761	1,939	1 4 3	289															
406	114	2,593	413	3,005	75	2,930	8 1 8	365	95	469	682	1,779	1 4 6	290															
618	308	4,476	704	5,180	199	4,981	6 11 5	702	266	990	1,081	2,910	0 10 5	291															
815	667	6,108	1,028	7,136	483	6,653	6 1 0	763	346	1,109	989	4,555	1 5 9	292															
1,136	499	11,109	1,121	12,230	404	11,826	9 10 5	1,005	734	1,757	2,339	7,730	1 8 4	293															
840	333	6,404	815	7,219	226	6,993	7 3 1	847	531	1,408	1,087	4,498	1 2 0	294															
641	292	5,215	773	5,988	157	5,831	7 6 8	605	282	887	834	4,110	1 2 9	295															
934	488	10,627	1,676	12,303	362	11,941	7 3 0	848	1,000	1,866	1,061	9,014	1 3 2	296															
1,442	532	11,415	1,916	13,331	580	12,751	7 7 0	1,235	859	2,133	2,055	8,563	1 7 6	297															
838	702	7,419	2,390	9,709	387	9,322	8 0 7	744	539	1,301	818	7,203	1 9 9	298															
854	415	6,338	984	7,322	566	6,756	6 6 0	777	418	1,218	1,426	4,112	1 3 3	299															
1,088	1,435	13,682	1,593	15,275	343	14,932	6 2 5	1,051	1,133	2,231	1,140	11,561	2 2 3	300															
896	435	7,907	1,952	9,859	624	9,235	3 9 0	951	858	1,836	1,114	6,285	0 10 1	301															
22	3	142	40	182	17	165	1 6 9	—	—	—	—	165	1 0 8	302															
1,318	408	5,795	875	6,670	304	6,366	7 6 0	1,381	460	1,872	910	3,584	0 10 1	303															
508	143	1,967	353	2,320	88	2,232	9 8 2	510	60	575	610	1,047	0 10 1	304															
1,227	657	7,294	1,028	8,322	681	7,641	8 4 1	1,098	714	1,905	1,419	4,317	0 10 4	305															
1,696	634	8,805	2,370	11,175	777	10,398	5 4 6	1,856	930	2,809	1,017	6,572	0 7 5	306															
1,478	891	10,405	3,075	12,480	444	12,036	7 1 8	1,440	753	2,219	2,035	7,782	0 11 1	307															
1,058	221	6,100	947	7,047	335	6,712	9 11 8	1,008	442	1,464	1,571	3,677	1 2 2	308															
1,340	551	9,054	1,379	10,433	651	9,781	8 0 8	1,349	645	2,039	1,750	5,993	1 1 6	309															
1,365	538	10,158	1,589	11,747	527	11,320	8 2 4	1,213	988	2,233	1,762	7,225	1 1 9	310															
1,442	383	8,777	900	9,677	232	9,445	11 6 3	1,374	500	1,922	1,889	5,634	1 2 0	311															
1,973	844	10,111	1,707	11,818	1,076	10,742	9 8 3	1,580	763	2,419	1,401	6,922	1 4 7	312															
1,345	492	7,562	1,314	8,776	436	8,340	11 0 8	1,272	506	1,787	1,680	4,873	1 3 3	313															
1,608	1,743	9,290	1,352	10,642	988	9,654	8 1 0	1,296	575	1,894	1,707	6,053	1 0 5	314															
2,041	1,004	14,868	3,221	18,089	510	17,579	7 4 1	1,902	1,049	2,974	2,500	12,105	0 10 2	315															
1,376	405	10,404	1,567	11,971	230	11,761	9 1 5	1,360	877	3,297	1,876	7,588	1 5 9	316															

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers (including those in Columns 6 and 7), on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out and Purposes connected)				
				Total.	Per Head of Population.				In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
V.—SOUTH WESTERN COUNTIES—continued.													
22. SOMERSET—continued.				£	£	£ s.					£	£	£
317	Bath	—	77,581	454,503	438,205	5 13·0	79	105	610	883	209	6,341	4,941
318	Keynsham	—	36,181	163,729	143,326	3 19·2	10	33	134	717	55	1,480	4,074
319	Long Ashton	—	24,134	207,380	177,330	7 7·0	22	27	128	743	58	1,585	4,963
VI.—WEST MIDLAND COUNTIES.													
23. GLOUCESTER.													
320	Bristol	—	328,842	1,519,694	1,513,314	4 12·0	460	570	2,416	5,930	790	23,542	34,928
321	Barton Regis	—	16,502	100,902	87,433	5 6·0	4	4	26	243	33	693	1,416
322	Chipping Sodbury	—	17,612	104,533	80,311	4 11·2	1	19	78	480	30	690	2,874
323	Thornbury	—	16,576	148,302	115,839	6 19·8	8	35	104	382	53	1,156	2,450
324	Dursley	—	11,633	65,900	52,076	4 9·5	4	26	90	315	34	904	1,693
325	Westbury - on - Severn.	—	22,851	108,311	95,675	4 3·7	5	46	158	650	60	1,566	3,060
326	Newent	—	8,249	54,804	40,325	4 17·8	5	28	77	274	18	596	1,460
327	Gloucester	—	58,721	293,860	274,472	4 13·5	3	50	239	1,259	128	2,647	6,031
328	Wheatenhurst	—	6,106	55,253	42,854	7 0·4	6	14	53	254	16	640	1,153
329	Stroud	—	39,953	160,481	146,082	3 13·1	24	43	224	748	111	2,380	4,003
330	Tetbury	—	6,146	34,131	26,323	4 5·7	—	8	43	230	20	393	1,142
331	Cirencester	—	19,620	112,343	91,941	4 13·7	12	22	138	556	61	1,322	3,228
332	Northleach	—	8,100	42,871	31,907	3 18·8	1	10	56	241	18	524	1,199
333	Stow-on-the-Wold	—	8,151	53,797	38,731	4 15·0	3	9	45	284	26	541	1,519
334	Winchcombe	—	8,825	61,030	43,504	4 18·6	5	11	64	206	18	619	1,086
335	Cheltenham	—	57,880	344,740	330,680	5 14·3	50	58	366	1,134	147	3,900	6,634
336	Tewkesbury	—	12,709	89,923	68,590	5 8·0	5	14	91	356	28	655	1,173
24. HEREFORD.													
337	Ledbury	—	13,733	93,983	76,481	5 21·4	3	20	95	517	40	923	2,423
338	Ross	—	16,116	104,093	82,488	5 2·4	11	14	103	520	54	1,187	2,752
339a	Hereford	—	34,653	238,753	204,193	5 17·8	21	55	202	800	132	2,048	4,493
339b	Dore	—	7,325	76,015	56,993	7 15·6	8	12	72	288	42	635	1,553
340	Weobley	—	6,950	65,300	44,689	6 8·6	5	6	38	221	29	403	923

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by GRANTS from COUNTY and
1899-1900, in each POOR LAW UNION—continued.

for Relief to the Poor in 1899-1900.				Total Expenditure of Overseers and Guardians in 1899- 1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).			
Other Expenses of or immediately connected with Relief.	Total.	Other Expenditure of Overseers and Guardians in 1899- 1900.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.
18	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
19	2,191	23,751	3,657	27,408	1,142	26,266	6 9 3	2,954	2,069	5,046	585	20,635	0 11 4	317	
86	821	9,229	2,619	11,848	1,484	10,364	5 8 7	1,121	573	1,720	821	7,823	1 1 3	318	
29	765	11,476	1,639	13,115	758	12,357	10 2 9	1,00	800	1,902	1,974	8,481	0 11 6	319	
13	10,920	110,154	5,380	115,534	4,903	110,631	6 8 7	10,000	—	10,288	348	99,995	1 4 3	320	
35	130	3,474	1,562	5,036	292	4,744	5 9 0	511	2,417	2,948	672	1,124	0 3 4	321	
72	457	5,698	1,072	6,770	199	6,571	7 5 5	924	558	1,510	931	4,130	1 0 4	322	
94	740	6,787	1,073	7,860	344	7,516	9 0 8	1,047	576	1,654	1,036	4,826	0 10 0	323	
94	375	4,262	755	5,017	209	4,808	8 3 2	919	271	1,204	752	2,852	1 1 2	324	
86	964	8,691	1,467	10,158	472	9,686	8 5 7	1,043	644	1,712	719	7,255	1 6 4	325	
76	286	3,468	686	4,154	281	3,873	9 4 7	781	—	790	747	2,336	1 2 1	326	
05	2,532	16,729	2,517	19,246	959	18,287	6 2 7	1,755	602	2,384	781	15,122	1 1 8	327	
12	193	3,056	568	3,624	79	3,545	11 7 3	671	—	680	530	2,335	1 1 1	328	
48	1,584	12,324	2,335	14,659	1,613	13,046	6 6 4	1,565	979	2,623	910	9,513	1 3 7	329	
85	387	2,851	313	3,164	239	2,925	9 6 2	441	190	632	516	1,777	1 4 2	330	
87	682	8,224	1,287	9,511	634	8,877	9 0 6	1,409	599	2,030	1,130	5,717	1 3 0	331	
41	222	3,260	515	3,775	169	3,606	8 10 8	845	266	1,120	566	1,920	1 2 7	332	
185	140	3,323	481	3,804	162	3,642	8 11 2	640	250	899	770	1,973	1 0 2	333	
191	243	3,019	532	3,551	172	3,379	7 7 9	577	162	748	661	1,970	0 10 9	334	
174	2,652	21,255	2,199	23,454	1,047	22,407	7 8 9	2,799	1,398	4,251	709	17,447	1 0 7	335	
124	287	3,557	971	4,528	400	4,128	6 6 0	920	238	1,265	515	2,448	0 8 6	336	
181	504	5,665	1,062	6,727	507	6,220	9 0 7	1,090	342	1,454	765	4,001	1 0 6	337	
177	469	7,831	1,349	9,180	194	8,986	11 1 8	1,271	613	1,921	1,250	5,815	1 4 9	338	
164	898	13,035	2,631	15,666	1,034	14,632	8 5 3	1,718	1,410	3,186	1,257	10,189	1 0 2	339a	
175	230	4,106	814	4,920	224	4,696	11 9 9	698	368	1,079	707	3,910	1 0 3	339b	
176	94	3,083	594	3,677	119	3,558	10 2 9	711	305	1,025	572	1,961	0 10 5	340	

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900-1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected with)				Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.		
				Total.	Per Head of Population.			In-sane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.		
VI.—WEST MIDLAND COUNTIES—continued.															
	24.—HEREFORD—continued.			£	£	£ s.									
841	Bromyard	- -	9,907	70,354	48,851	4 18·6	, 3	10	80	264	42	778	1,373	1,019	169
842	Leominster	- -	13,341	113,050	85,487	6 8·2	8	12	62	382	46	635	2,093	1,118	1
843	Kington	- -	10,539	99,341	68,098	6 9·2	8	12	87	355	43	687	1,853	975	1
	25. SALOP.														
844	Ludlow	- -	18,392	136,580	105,218	5 14·4	7	34	114	295	58	1,037	1,410	1,196	107
845	Clun	- -	8,490	77,695	52,840	6 4·5	5	17	56	187	29	570	697	598	20
846	Church Stretton	-	5,293	60,009	47,254	8 18·6	5	9	42	86	16	503	292	323	46
847	Cleobury Mortimer	-	8,870	52,230	38,642	4 7·1	6	11	54	59	9	516	195	229	1
848	Bridgnorth	- -	14,482	94,634	70,625	4 17·5	3	8	118	220	34	1,143	1,199	665	131
849	Shifnal	- -	11,801	98,758	79,228	6 14·3	2	12	61	224	30	620	944	637	43
850	Madeley	- -	23,845	77,235	68,171	2 17·2	3	37	125	370	83	1,225	1,138	1,738	617
851	Atcham	- -	49,445	358,028	296,478	5 19·9	24	60	384	125	154	3,973	335	2,872	1,343
852	Oswestry	- -	28,262	203,644	164,042	5 16·1	10	54	199	374	74	2,178	1,404	1,436	1
853	Ellesmere	- -	14,480	130,459	91,265	6 6·1	4	10	78	141	35	695	673	677	1
854	Wem	- -	10,422	89,831	63,775	6 2·4	9	10	76	118	17	624	439	360	1
855	Whitchurch	- -	12,057	91,972	67,457	5 11·9	6	29	98	169	32	891	713	683	1
856	Drayton	- -	13,849	121,824	88,164	6 7·3	2	1	46	208	28	616	799	629	49
857	Wellington	- -	25,844	120,227	102,716	3 19·5	22	54	165	465	65	3,404	1,708	1,364	1,035
858	Newport	- -	13,561	98,426	75,582	5 11·5	6	14	90	211	50	908	986	1,027	41
	26. STAFFORD.														
859	Stafford	- -	31,297	202,117	172,532	5 10·3	25	62	320	612	72	3,459	3,199	1,717	605
860	Stone	- -	19,639	156,410	121,448	6 3·7	5	10	134	420	31	1,102	1,514	771	1
861	Newcastle-under-Lyne.	-	40,341	150,621	137,045	3 7·9	3	54	268	473	60	2,808	1,773	1,434	994
862	Wolstanton and Burslem.	-	99,545	341,936	335,528	3 7·4	26	58	352	1,910	112	2,375	6,045	2,912	869
863	Stoke-upon-Trent	-	155,355	520,490	513,895	3 6·2	95	174	945	2,984	282	11,621	10,362	6,765	2,763
864	Leek	- -	41,862	180,453	148,499	3 10·9	7	18	188	631	64	1,609	3,126	1,665	432
865	Cheadle	- -	24,657	124,644	97,956	3 19·5	11	16	76	504	38	732	2,364	929	1
866	Uttoxeter	- -	15,807	143,130	104,019	6 11·6	8	16	98	322	30	1,103	1,805	682	1

EXPENDITURE of OVERSEERS of the POOR and BOARDS of GUARDIANS borne by GRANTS from COUNTY and
899-1900, in each POOR LAW UNION—continued.

S.	Allowances of Union Officers, &c.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).	Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).	Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		
	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.
8	£	£	£	£	£	£	s. d.	£	£	£	£	£	s. d.
902	402	4,643	857	5,500	376	5,124	10 4·1	894	445	1,353	1,002	2,769	1 1·6
817	326	4,989	1,033	6,022	104	5,918	8 10·5	805	455	1,274	893	3,751	0 10·5
792	273	4,580	893	5,473	318	5,155	9 9·4	845	398	1,260	980	2,915	0 10·4
137	385	5,272	1,153	6,425	295	6,130	6 8·0	1,032	592	1,662	750	3,718	0 8·5
686	219	2,790	519	3,309	94	3,215	7 6·9	705	306	1,027	519	1,669	0 7·6
548	143	1,855	382	2,237	166	2,071	7 9·9	425	161	595	280	1,196	0 6·2
588	265	1,793	555	2,348	132	2,216	5 0·0	542	118	709	364	1,143	0 7·1
347	638	5,123	901	6,024	286	5,738	7 11·1	934	311	1,333	798	3,607	1 0·2
728	392	3,364	834	4,198	114	4,084	6 11·1	640	295	944	390	2,750	0 8·5
971	372	6,061	1,028	7,089	247	6,842	5 8·9	969	880	1,927	467	4,448	1 3·7
139	1,071	11,833	2,799	14,632	705	13,927	5 7·6	2,205	1,390	3,680	1,220	9,027	0 7·4
696	832	7,546	1,773	9,319	595	8,724	6 2·1	1,538	718	2,291	820	5,613	0 8·3
730	392	3,167	877	4,044	288	3,756	5 2·3	798	326	1,142	685	1,929	0 5·1
691	240	2,354	676	3,030	250	2,780	5 4·0	626	157	792	425	1,563	0 5·9
669	298	3,254	697	3,951	289	3,662	6 0·9	647	327	983	541	2,138	0 7·7
622	322	3,037	784	3,821	319	3,502	5 0·7	561	284	854	402	2,246	0 6·1
887	468	6,866	1,395	8,261	340	8,121	6 3·4	947	689	1,487	590	5,844	1 1·7
690	589	4,241	794	5,035	125	4,910	7 2·9	657	445	1,111	620	3,179	0 10·2
743	2,252	12,975	2,609	14,584	1,321	13,263	8 5·7	1,286	619	1,927	1,363	9,973	1 2·1
821	597	4,805	1,380	6,185	319	5,866	5 11·7	845	305	1,177	908	3,781	0 7·5
1,537	1,809	9,755	2,022	11,777	1,001	10,776	5 4·1	1,017	554	1,622	674	8,480	1 2·7
1,621	2,864	17,686	4,035	21,721	1,228	20,493	4 1·4	2,379	1,119	3,541	284	16,668	1 0·3
1,142	4,915	42,568	4,670	47,238	1,561	45,677	5 10·6	5,649	3,912	10,067	448	35,162	1 5·2
1,229	537	8,598	2,098	10,696	619	10,077	4 9·8	1,216	612	1,878	1,123	7,076	0 11·6
669	238	4,933	1,145	6,077	353	5,724	4 7·7	742	320	1,080	906	3,738	0 9·3
667	603	4,860	925	5,785	549	5,236	6 7·5	713	256	983	1,116	3,137	0 7·6

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected			VI.—WEST MIDLAND COUNTIES—continued.		
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total Indoor Paupers (including those in Columns 6 and 7).	Mean Number of Outdoor Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
26. STAFFORD—continued.														
367	Burton-on-Trent	92,814	586,480	533,928	5 15·1	64	97	413	1,514	101	4,035	7,184	2,891	2,880
368	Tamworth	24,657	151,897	131,125	5 6·4	2	14	84	623	49	651	3,402	1,131	133
369	Lichfield	42,541	222,772	188,627	4 8·7	18	48	270	660	53	2,939	3,392	1,454	975
370	Cannock	47,650	231,537	202,113	4 4·8	20	46	250	872	61	3,027	4,066	1,397	1,147
371a	Seisdon	18,152	111,328	91,798	5 1·1	3	2	40	361	46	683	1,953	1,083	—
371b	Wolverhampton	154,581	506,285	502,570	3 5·0	96	241	1,148	3,370	399	12,682	14,564	9,519	1,767
372	Walsall	128,613	348,084	339,434	2 17·2	18	127	492	2,047	200	4,768	8,080	4,334	1,264
373	West Bromwich	172,176	621,347	612,578	3 11·2	127	204	844	2,763	294	8,478	11,818	6,770	2,866
374	Dudley	152,201	424,233	417,406	2 14·8	120	134	729	4,677	270	6,732	18,805	6,115	633
27. WORCESTER.														
375	Stourbridge	92,442	261,540	250,628	2 14·2	70	55	461	1,533	191	5,467	5,876	4,058	147
376	Kidderminster	40,780	173,030	157,740	3 17·4	18	81	414	894	128	4,175	3,868	2,545	1,220
377	Tenbury	7,005	48,591	34,397	4 18·2	2	14	55	114	17	484	515	410	—
378	Martley	16,791	99,326	79,722	4 15·0	8	23	96	457	53	1,160	2,293	1,222	390
379	Worcester	47,792	206,956	201,724	4 4·4	21	85	420	839	124	4,031	4,016	2,506	2,797
380	Upton-on-Severn	24,499	178,413	154,389	6 6·0	6	11	128	605	68	1,147	2,906	1,330	181
381	Evesham	17,629	101,896	77,920	4 8·4	5	21	120	349	41	1,195	1,787	829	—
382	Pershore	12,748	99,957	77,140	6 1·0	7	17	78	327	43	789	1,554	828	149
383	Droitwich	18,373	137,091	111,901	6 1·8	4	4	62	663	74	859	3,259	1,489	63
384	Bromsgrove	35,627	179,688	157,914	4 8·6	10	32	171	808	93	2,159	4,334	1,708	435
385	King's Norton	187,106	838,226	821,969	4 7·9	27	178	722	1,514	271	9,020	5,954	6,198	7,227
28. WARWICK.														
386	Birmingham	245,222	1,367,078	1,366,829	5 11·5	144	735	3,040	1,155	942	32,882	4,974	23,640	14,582
387	Aston	312,217	1,091,394	1,074,774	3 8·8	113	279	1,426	1,588	564	12,740	4,761	12,507	8,312
388	Meriden	11,347	100,423	80,536	7 2·0	3	6	73	290	25	689	1,900	603	—
389	Atherstone	17,728	91,370	78,620	4 8·7	5	4	51	416	28	577	2,522	534	51
390	Nuneaton	28,117	128,043	115,612	4 2·3	4	8	72	473	34	848	2,585	664	276
391	Foleshill	17,002	68,905	59,459	3 9·9	6	6	64	294	26	804	1,950	800	—

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900, in each Poor Law Union—continued.

for Relief to the Poor ith in 1899-1900.				Other Expenditure of Overseers and Guardians in 1899- 1900.		Total Expenditure of Overseers and Guardians in 1899- 1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).									
Other Expenses of or connected with relief.	16.	Total.	17.	Other Expenditure of Overseers and Guardians in 1899- 1900.	18.	Total Expenditure of Overseers and Guardians in 1899- 1900.	19.	Amount.	20.	21.	22.	In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.	23.	In respect of Pauper Lunatics.	24.	Total Grants (including those in Columns 23 and 24).	25.	Grant under the Agricultural Rates Act, 1896, in 1899- 1900.	26.	Amount.	27.	Rate in £ on Assessable Value (1899).	28.	Union Reference Number.	
	£	£	£	£	£	£	£	s. d.	£	£	£	s. d.	£	£	£	£	£	£	£	s. d.	£	£	£	£	
5	2,713	22,618	5,091	27,709	2,207	25,502	5	5·9	2,198	1,063	3,296	1,862	20,344	0	9·7	367									
12	812	7,081	1,464	8,545	267	8,278	6	8·6	988	621	1,618	848	5,812	0	10·7	368									
19	962	11,061	2,120	13,181	899	12,282	5	9·3	1,154	548	1,716	1,346	9,220	1	0·0	369									
18	1,117	12,192	2,157	14,349	1,578	12,771	5	4·3	1,063	533	1,620	1,134	10,017	1	0·2	370									
11	470	5,449	1,143	6,592	677	5,914	6	6·2	863	387	1,349	895	3,670	0	9·6	371a									
11	3,947	50,160	5,137	55,297	3,886	51,411	6	7·8	4,236	3,615	8,169	376	42,866	1	9·1	371b									
13	1,610	24,379	4,984	29,363	1,698	27,665	4	8·0	2,656	1,669	4,657	504	22,504	1	4·3	372									
18	3,193	38,983	5,678	44,661	1,838	42,823	4	11·7	5,117	2,640	8,336	467	34,020	1	1·7	373									
14	2,536	38,585	5,205	43,790	1,993	41,797	5	5·9	2,937	2,561	5,578	565	35,654	1	9·0	374									
13	2,373	20,324	3,559	23,883	2,036	21,847	4	8·7	1,986	871	2,891	685	18,271	1	5·6	375									
10	1,425	15,663	1,994	17,657	844	16,813	8	2·9	2,185	1,287	3,508	1,105	12,200	1	6·7	376									
15	224	2,238	501	2,739	169	2,570	7	4·1	584	195	788	348	1,434	0	10·0	377									
18	648	7,061	1,257	8,318	376	7,942	9	5·5	1,228	533	1,808	1,023	5,111	1	3·6	378									
10	2,881	18,801	2,288	21,089	1,584	19,507	8	2·0	1,748	989	2,756	398	16,353	1	7·7	379									
12	439	7,565	1,604	9,169	546	8,623	7	0·5	1,142	658	1,814	570	6,239	0	9·9	380									
16	470	5,467	1,044	6,511	388	6,123	6	11·4	975	402	1,386	815	3,922	1	0·3	381									
16	522	4,788	891	5,679	378	5,301	8	3·8	876	332	1,217	795	3,289	0	10·3	382									
15	638	7,583	1,109	8,692	250	8,443	9	2·3	1,384	744	2,155	900	5,387	0	11·6	383									
19	1,191	22,246	1,584	22,830	1,049	21,781	6	7·4	1,261	773	2,048	1,315	8,418	1	1·1	384									
12	5,560	42,291	7,387	49,678	3,260	46,418	4	11·5	3,054	3,197	6,382	646	39,390	1	0·1	385									
18	15,631	221,120	9,817	230,937	6,398	224,539	10	1·9	16,891	9,966	27,284	22	97,233	1	5·5	386									
12	5,043	50,988	8,857	59,845	5,390	54,455	3	5·9	4,317	2,937	7,338	407	46,710	0	10·8	387									
34	192	4,178	768	4,946	315	4,731	8	4·1	778	243	1,030	543	3,158	0	9·5	388									
33	438	5,004	797	5,801	374	5,527	6	2·8	716	222	943	542	4,042	1	0·6	389									
31	272	5,676	1,236	6,912	304	6,708	4	9·3	730	553	1,278	499	4,931	0	11·2	390									
46	319	4,619	1,470	6,089	457	5,632	5	3·5*	797	309	1,115	580	3,937	1	2·5*	391									

A part of Foleshill Union was transferred to Coventry Union on 9th November 1899, and the expenditure per head of population and rates in those Unions have been estimated having regard to the change.

ROYAL COMMISSION ON LOCAL TAXATION:

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT
COUNTY BOROUGH COUNCILS and by Poor Rates respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected therewith)			
				Total.	Per Head of Population.				In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
VI.—WEST MIDLAND COUNTIES—continued.												
28. WABWICK—continued.				£	£	£ s.				£	£	£
392 Coventry -	-	70,195	271,341	266,720	3 16·0	40	54	450	542	130	4,248	2,456 2,723
393 Rugby -	-	34,328	272,752	234,606	6 16·7	1	27	126	572	66	1,146	3,686 1,527
394 Solihull -	-	48,620	248,511	224,059	4 12·2	3	22	162	402	64	1,220	1,833 1,346
395 Warwick -	-	54,906	374,627	342,477	6 4·8	8	63	294	990	140	2,245	5,416 3,027
396 Stratford-on-Avon		20,838	122,572	97,388	4 13·5	14	18	172	524	86	1,596	3,370 1,945
397 Aleister -	-	20,979	91,790	72,470	3 9·1	5	14	120	546	78	1,362	3,014 1,481
398 Shipston-on-Stour		15,049	106,264	75,820	5 0·8	2	19	122	608	53	1,145	2,725 1,080
399 Southam -	-	9,903	75,858	56,092	5 13·3	8	15	66	290	26	830	2,059 544
VII.—NORTH MIDLAND COUNTIES.												
29. LEICESTER.												
400 Lutterworth -	-	11,029	99,555	71,464	6 9·6	4	3	36	217	42	375	1,364 958
401 Market Harborough		19,187	190,376	147,353	7 13·6	3	5	85	409	58	848	3,022 1,264
402 Billesdon -	-	6,172	84,867	57,454	9 6·2	6	4	58	146	12	563	1,071 313
403 Blaby -	-	24,973	117,557	97,456	3 18·0	6	1	34	640	40	540	4,322 862
404 Hinkley -	-	23,936	93,957	81,423	3 8·0	7	10	83	546	28	1,071	2,763 687
405 Market Bosworth -		17,175	110,822	87,344	5 1·7	5	4	50	452	30	587	2,362 641
406 Ashby-de-la-Zouch		44,236	198,908	169,647	3 16·7	5	18	116	828	68	1,442	4,526 1,544
407 Loughborough		34,897	171,843	148,743	4 5·2	12	37	187	768	70	1,592	3,816 1,698
408 Barrow-upon-Soar		25,519	165,214	138,028	5 8·2	16	14	106	666	52	1,216	4,298 1,273
409 Leicester -	-	211,574	828,838	822,186	3 17·7	60	236	1,180	2,834	546	12,658	19,116 15,474
410 Melton Mowbray -	-	22,209	211,209	161,597	7 5·5	2	24	128	434	43	1,142	3,003 1,076
30. RUTLAND.												
411 Oakham -	-	10,445	96,365	72,299	6 18·4	2	5	62	217	28	836	1,556 624
412 Uppingham -	-	10,297	102,204	75,675	7 7·0	4	13	67	226	28	636	1,400 620
31. LINCOLN.												
413 Stamford -	-	16,521	120,936	100,610	6 1·8	5	14	100	185	28	1,333	1,256 910
414 Bourne -	-	17,571	145,067	107,959	6 2·9	10	16	89	552	51	1,175	4,004 1,609

EXPENDITURE of OVERSEERS of the POOR and BOARDS of GUARDIANS borne by GRANTS from COUNTY and 1899-1900, in each POOR LAW UNION—continued.

Allowances of Union Officers, &c.				Other Expenses of or immediately connected with Relief.				Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		
15.	16.	17.	18.																			
1204	1,052	13,540	1,748	15,288	1,291	13,997	4 3·0*	1,376	1,190	2,617	182	11,198	0 11·7	392								
1472	762	8,811	1,987	10,798	832	9,966	5 9·7	1,204	584	1,802	1,006	7,158	0 8·7	393								
550	2,356	8,511	1,813	10,324	1,985	8,339	3 5·2	1,009	—	1,023	485	6,831	0 7·8	394								
837	924	14,742	3,761	18,503	1,371	17,132	6 2·9	2,100	1,332	3,494	971	12,667	0 9·7	395								
604	765	9,280	1,306	10,586	694	9,892	9 5·9	1,525	738	2,281	1,106	6,505	1 4·1	396								
160	551	8,108	1,286	9,294	661	8,633	8 2·8	1,180	612	1,810	1,310	5,513	1 6·4	397								
115	657	6,899	841	7,740	170	7,570	10 0·7	1,177	486	1,677	1,096	4,797	1 3·2	398								
605	316	4,354	591	4,945	305	4,640	9 4·5	684	235	924	1,074	2,642	0 11·4	399								
814	249	3,877	748	4,625	284	4,341	7 10·5	846	351	1,202	793	2,346	0 7·7	400								
340	347	6,771	1,340	8,111	755	7,356	7 8·0	1,127	544	1,676	1,208	4,472	0 7·3	401								
586	214	2,747	579	3,326	195	3,131	10 1·7	727	141	872	497	1,762	0 7·4	402								
854	217	6,795	1,471	8,266	336	7,930	6 4·2	1,016	375	1,400	1,091	5,439	1 1·9	403								
830	704	6,055	1,037	7,092	656	6,436	5 4·5	840	297	1,151	719	4,566	1 4·0	404								
1021	280	5,030	1,689	6,719	223	6,496	7 6·8	912	276	1,197	852	4,447	1 2·1	405								
426	902	10,046	1,817	11,863	544	11,319	5 1·4	1,137	648	1,819	1,165	8,335	1 0·1	406								
1046	1,210	9,606	1,235	10,841	591	10,250	5 10·5	1,006	701	1,729	1,003	7,518	1 0·6	407								
1070	800	8,690	1,977	10,667	413	10,254	8 0·4	1,302	558	1,885	1,135	7,234	1 0·9	408								
1537	4,589	61,793	5,733	67,526	3,877	63,649	6 0·2	6,732	5,413	12,309	471	50,869	1 3·4	409								
957	621	6,980	1,193	8,172	847	7,325	6 7·2	1,120	436	1,574	970	4,781	0 7·3	410								
646	445	4,107	705	4,812	373	4,439	8 6·0	605	233	842	751	2,846	0 9·5	411								
774	329	3,759	709	4,468	301	4,167	8 1·1	653	252	919	600	2,648	0 8·4	412								
1219	650	5,516	936	6,452	1,068	5,384	6 6·2	1,053	296	1,357	610	3,417	0 8·2	413								
1060	503	8,350	1,153	9,503	710	8,793	10 0·1	981	486	1,485	1,798	5,510	1 0·4	414								

* See note on page 127.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900-1901, and AMOUNT
COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900,	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of)				
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	Expenditure connected with Poor Relief.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
VII.—NORTH MIDLAND COUNTIES—continued.													
	81. LINCOLN—continued.			£	£	£	s.				£	£	£
415	Spalding	21,778	170,922	115,422	5 6·0	6	6	92	748	32	857	5,648	874
416	Holbeach	17,608	138,961	92,179	5 4·7	—	26	140	458	42	1,559	3,247	872
417	Boston	38,330	190,997	139,302	3 12·7	13	20	156	1,115	81	1,813	7,815	1,807
418	Sleaford	23,726	182,414	129,850	5 9·5	7	10	84	792	30	709	5,637	958
419	Grantham	33,030	212,748	177,691	5 7·6	19	22	139	895	73	1,945	7,432	2,143
420	Lincoln	74,668	361,853	309,664	4 2·9	40	66	279	2,202	132	2,834	16,271	3,386
421	Horncastle	18,494	127,889	90,476	4 17·8	10	10	86	688	31	954	5,493	711
422	Spilsby	25,117	172,540	117,077	4 13·2	6	22	87	380	53	916	2,842	1,136
423	Louth	28,958	207,659	143,723	4 19·3	9	10	79	1,025	64	1,070	7,882	1,442
424a	Grimsby	81,150	297,108	277,220	3 8·3	12	61	252	1,669	124	3,075	10,670	2,660
424b	Caistor	15,478	115,656	80,497	5 4·0	3	6	65	492	34	902	4,331	816
425	Glanford Brigg	44,700	314,140	255,845	5 14·5	2	19	97	1,038	80	1,065	7,779	1,794
426	Gainsborough	35,819	206,463	165,153	4 12·2	2	50	146	737	68	1,423	5,518	1,695
	82. NOTTINGHAM.												
427	East Retford	25,618	179,055	143,450	5 12·0	5	12	114	580	30	946	3,822	782
428	Worksop	39,238	213,030	189,051	4 16·4	16	32	148	1,057	40	1,325	8,813	997
429	Mansfield	81,601	266,596	246,299	3 0·4	28	18	277	1,853	120	3,316	9,935	2,899
430	Basford	146,728	566,330	526,279	3 11·7	20	84	322	2,170	162	3,737	10,584	4,345
431	Nottingham	239,753	967,248	960,045	4 0·1	216	327	1,470	3,253	638	17,052	18,877	16,443
432	Southwell	19,113	173,938	132,814	6 19·0	9	16	80	450	40	901	3,072	984
433	Newark	30,864	218,339	178,247	5 15·5	6	12	107	614	53	973	4,558	1,461
434	Bingham	13,753	131,072	98,150	7 2·7	2	10	52	231	22	545	1,514	451
	83. DERBY.												
435	Shardlow	64,453	367,396	322,165	5 0·0	15	24	138	862	78	1,466	5,210	1,958
436	Derby	106,699	455,218	452,910	4 4·9	22	94	526	1,685	246	5,053	10,787	6,871
437	Belper	66,809	284,114	251,727	3 15·4	14	34	248	951	95	3,071	5,115	2,488
438	Ashbourne	19,892	153,659	104,537	5 5·1	8	8	80	364	40	829	2,169	913
439	Chesterfield	132,845	512,906	480,946	3 12·4	58	166	512	2,704	175	5,865	16,202	4,488

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and in 1899-1900, in each Poor Law Union—continued.

Salaries, &c., and superannuation Allowances of Union Officers, &c.				Other Expenses of or immediately connected with Relief.				Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		Rate in £ on Assessable Value (1899).		Union Reference Number.		
15.	16.	17.	18.																							
1,417	587	9,664	1,241	10,905	819	10,086	9 3·2	1,260	372	1,659	2,612	5,815	1 0·1	415												
1,284	484	7,445	1,077	8,523	436	8,087	9 2·2	1,042	377	1,466	2,028	4,593	1 0·5	416												
2,032	1,027	14,494	2,004	16,498	1,061	15,437	8 0·7	1,887	706	2,692	3,138	9,607	1 4·6	417												
1,100	344	8,748	1,296	10,044	267	9,777	8 2·9	1,298	289	1,605	1,898	6,274	0 11·6	418												
1,535	808	14,660	1,487	16,147	1,108	15,339	9 1·3	1,358	745	2,131	1,940	10,968	1 2·8	419												
2,366	1,820	27,405	2,987	30,392	1,344	29,048	7 9·4	1,759	1,374	3,162	3,240	22,646	1 5·8	420												
1,152	544	8,907	1,558	10,465	568	9,897	10 8·4	1,050	271	1,339	1,895	6,663	1 4·8	421												
1,461	435	6,910	1,887	8,797	598	8,199	6 6·3	1,223	487	1,767	1,598	4,834	0 10·0	422												
1,562	470	12,593	1,588	14,180	514	13,666	9 5·3	1,679	610	2,342	3,447	7,877	1 1·2	423												
2,407	1,116	21,733	2,393	24,125	756	23,369	5 9·1	1,318	1,011	2,349	1,166	19,854	1 5·5	424												
1,330	677	8,364	974	9,338	354	8,984	11 7·3	524	304	828	2,093	6,063	1 6·0	424												
1,041	491	12,170	2,200	14,370	478	13,892	6 2·6	1,530	753	2,297	1,427	10,168	0 10·3	425												
1,378	737	10,838	1,883	12,721	827	11,894	6 7·7	1,245	689	2,032	1,423	8,439	1 0·3	426												
996	276	6,823	1,328	8,150	419	7,731	6 0·4	1,144	302	1,463	873	5,395	0 9·2	427												
1,406	591	13,294	1,632	14,926	250	14,676	7 5·8	1,262	395	1,675	1,029	11,972	1 4·0	428												
2,311	1,601	22,094	2,565	24,659	740	23,919	5 10·3	1,752	1,151	2,934	1,314	19,671	1 8·6	429												
2,565	1,973	24,169	5,727	29,896	841	29,055	3 11·5	2,880	1,694	4,609	1,515	22,931	0 10·9	430												
9,162	14,742*	79,682	8,863	88,545	4,160	84,385	7 0·5	5,737	5,873	11,743	361	72,281	1 6·1	431												
1,053	372	6,382	1,146	7,528	287	7,241	7 6·9	963	384	1,356	1,062	4,823	0 8·8	432												
1,469	641	9,437	1,432	10,869	727	10,142	6 6·9	1,326	514	1,763	1,133	7,246	0 9·8	433												
684	228	3,416	798	4,214	314	3,900	5 8·1	654	160	819	604	2,477	0 6·1	434												
1,475	670	10,932	3,147	14,079	675	13,404	4 2·0	1,406	727	2,194	1,298	9,912	0 7·6	435												
4,072	2,173	38,221	2,758	34,979	3,612	32,368	6 0·8	909	2,435	5,346	177	26,845	1 2·7	436												
2,181	1,840	25,610	3,012	18,622	2,051	17,571	5 3·1	1,601	968	2,638	1,580	13,353	1 0·9	437												
934	346	5,292	1,123	6,474	473	6,002	6 0·4	988	335	1,352	1,317	3,332	0 7·6	438												
3,333	3,147	34,340	5,056	39,396	2,913	37,483	5 7·7	2,666	1,700	4,389	2,696	31,398	1 4·1	439												

* 431. Nottingham.—Col. 16. Including 8,166/- expended on erection of new workhouse from the proceeds of the sale of property.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected)					
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals and Licensed Houses.	Principal of Loans repaid and Interest thereon.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
VII.—NORTH MIDLAND COUNTIES—continued.														
33. DERBY- continued.			£	£	£	£	£	£	£	£	£	£	£	
440 Bakewell -	-	33,653	210,411	174,484	5 3·7	2	28	137	588	62	1,593	3,610	1,592	443
441 Chapel-en-le-Frith		26,478	197,642	177,846	6 14·3	10	21	120	374	28	843	2,282	705	593
42a Glossop -	-	25,677	87,002	83,880	3 5·3	4	16	120	275	32	1,025	1,406	665	304
442b Huyfield -	-	14,431	62,473	56,931	3 18·9	8	1	68	176	15	593	969	260	141
VIII.—NORTH WESTERN COUNTIES.														
84. CHESTER.														
443 Stockport	-	156,271	700,744	683,831	4 7·5	118	129	854	1,560	384	8,771	7,661	8,500	893
444 Macclesfield	-	59,364	301,465	260,618	4 7·8	42	60	388	900	160	3,996	5,380	3,711	281
445 Bucklow -	-	79,590	531,504	483,659	6 1·5	29	56	268	540	130	2,786	3,155	2,630	2,054
446 Runcorn	-	39,735	237,735	207,579	5 4·5	5	56	165	695	72	1,587	3,455	1,235	219
447 Northwich	-	54,731	340,617	305,487	5 11·6	—	75	204	898	76	1,940	4,547	1,472	—
448 Congleton -	-	32,527	198,535	164,375	5 1·1	11	17	160	640	64	1,721	2,986	1,557	407
449 Nantwich	-	72,993	389,833	326,946	4 9·6	16	64	280	1,388	142	2,793	8,084	2,683	615
450a Tarvin -	-	15,458	124,699	89,481	5 17·3	—	2	26	229	21	277	1,421	409	—
450b Chester -	-	54,639	326,955	302,974	5 10·9	70	141	557	811	87	4,990	4,492	2,080	2,402
450c Hawarden	-	18,271	94,918	81,565	4 9·3	6	8	42	405	22	287	2,077	489	—
451 Wirral -	-	44,301	271,176	246,833	5 11·4	2	52	174	392	41	1,552	2,043	803	507
452 Birkenhead	-	165,183	880,417	876,812	5 6·2	66	235	998	1,490	357	11,837	7,954	6,929	2,179
85. LANCASTER.														
453 Liverpool	-	147,409	1,870,883	1,870,883	12 13·8	114	806	3,843	2,345	756	39,155	7,244	16,942	2,988
454 Toxteth Park	-	136,225	629,343	629,175	4 12·4	125	183	1,158	1,255	324	12,372	4,977	7,251	4,466
455 West Derby	-	529,724	2,433,923	2,410,791	4 11·0	190	857	3,844	3,160	1,402	41,016	11,400	32,021	23,914
456 Prescot -	-	153,648	768,910	743,436	4 16·8	74	280	1,023	2,574	300	10,626	13,407	6,983	3,873
457 Ormskirk -	-	108,597	754,943	693,656	6 7·7	43	98	418	1,054	148	3,906	5,036	3,279	1,679
458 Wigan -	-	191,261	760,912	742,588	3 17·7	143	127	623	3,406	266	5,086	14,886	6,090	118
459 Warrington	-	100,011	398,649	383,702	3 16·7	54	206	562	977	147	4,391	4,784	3,436	2,746
460 Leigh -	-	86,254	375,253	362,863	4 4·1	24	52	248	876	116	2,343	3,745	2,474	1,440
461 Bolton -	-	257,575	1,024,477	1,008,773	3 18·3	13	166	980	2,856	645	11,363	13,679	14,695	4,408

EXPENDITURE of OVERSEERS of the POOR and BOARDS of GUARDIANS borne by GRANTS from COUNTY and
899-1900, in each POOR LAW UNION—continued.

a) for Relief to the Poor with in 1899-1900.				Other Expenditure of Overseers and Guardians in 1899- 1900.		Total Expenditure of Overseers and Guardians in 1899- 1900.		Net Expenditure of Overseers and Guar- dians in 1899-1900 (not including Grants from County and County Borongh Councils or under Agricultural Rates Act, 1896).		Grants from County and County Borongh Councils in 1899-1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		Union Reference Number.
Allowances of Union Officers, &c.		Other Expenses of or immediately connected with Relief.		Total.				Amount.						
5.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	
182	848	9,267	2,010	11,277	564	10,713	6 4·4	2,047	598	1,659	1,236	7,818	0 10·9	440
764	665	5,851	1,274	7,125	284	6,841	5 2·0	714	225	948	405	5,488	0 7·6	441
725	525	4,650	753	5,403	275	5,128	3 21·9	527	259	794	122	4,212	1 0·1	442a
458	224	2,518	682	3,200	183	3,017	4 2·2	782	87	874	181	1,962	0 8·4	442b
093	4,575	35,493	5,958	41,451	2,561	38,890	4 11·7	2,549	3,564	6,145	795	31,950	0 11·4	443
554	2,367	18,292	3,806	21,097	903	20,194	6 9·6	2,257	1,567	3,861	1,859	14,474	1 1·4	444
374	1,515	14,524	3,961	18,485	1,829	16,656	4 2·2	2,054	1,086	3,213	1,065	12,378	0 6·3	445
423	1,294	9,213	2,898	12,111	409	11,702	5 10·7	1,416	602	2,142	838	8,722	0 10·1	446
716	1,018	10,693	3,027	13,720	1,211	12,509	4 6·9	1,783	705	2,534	876	9,099	0 7·1	447
580	1,010	9,261	1,735	10,996	1,295	9,701	5 11·6	1,262	623	1,953	1,083	6,665	0 9·7	448
336	1,281	17,792	2,748	20,540	1,004	19,536	5 4·2	1,927	1,325	3,276	2,270	13,990	0 10·4	449
814	143	3,064	1,114	4,178	257	3,931	5 1·7	683	179	920	675	2,326	0 6·3	450a
232	3,355	20,551	3,670	23,221	2,484	20,737	7 7·1	1,813	766	2,774	1,112	16,851	1 1·6	450b
568	163	3,684	1,683	5,367	129	5,238	5 8·8	627	230	862	430	3,946	1 0·0	450c
360	682	6,947	3,471	9,418	655	8,763	3 11·5	1,164	346	1,604	390	6,769	0 6·9	451
994	5,611	40,504	6,311	46,815	3,006	43,809	5 3·7	3,937	3,180	7,140	123	36,546	0 10·7	452
425	13,815	100,569	22,603 ^a	113,172	4,466	108,706	14 9·0	19,741	7,432	27,952	—	80,754	0 10·4	453
213	4,227	40,506	4,734	45,240	4,634	40,606	5 11·5	4,258	3,089	7,271	12	33,323	1 1·4	454
681	17,815	156,847	23,999	180,846	8,878	171,968	6 5·9	15,691	13,430	29,682	1,268	141,018	1 2·5	455
032	6,484	48,405	5,934	54,339	2,448	51,891	6 9·1	4,284	2,945	7,261	1,276	43,354	1 2·1	456
596	3,435	20,931	4,101	25,032	1,868	23,164	4 3·2	1,131	1,308	3,574	1,513	18,077	0 6·5	457
441	2,521	32,142	6,798	38,940	1,168	37,773	3 21·4	3,596	3,655	6,283	760	30,729	0 10·4	458
108	2,157	21,616	3,751	25,367	1,752	23,615	4 8·7	2,890	1,435	4,582	554	18,479	0 11·7	459
071	2,012	14,085	3,281	17,367	1,290	16,077	3 8·7	1,597	1,079	2,694	336	13,047	0 9·1	460
443	5,193	55,784	9,477	65,261	2,520	63,741	4 10·5	4,644	5,835	10,893	778	51,070	1 0·4	461

^a 453. Liverpool.—Col. 18, including 1,600/- principal repaid and 1,368/- interest in respect of a loan raised by the churchwardens of the parish Liverpool under the provisions of the Liverpool City Churches Act, 1897.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNTS CHARGED by COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of Poor Rates) and Purposes connected therewith.			In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	Principal of Loans repaid and Interest.
				Total.	Per Head of Population.			Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
VIII.—NORTH WESTERN COUNTIES—continued.														
85. LANCASTER—continued.				£	£	£ s.								
462	Bury	- -	145,473	620,772	603,542	4 3·0	88	97	686	1,605	273	5,513	6,988	6,040
463	Barton-upon-Irwell	-	114,665	562,597	548,754	4 15·7	104	30	350	623	119	4,328	2,147	2,683
464	Chorlton	-	342,639	1,456,431	1,451,107	4 4·7	253	728	2,664*	3,133	733	26,736	12,190	16,682
465	Salford	-	229,449	998,037	996,612	4 6·9	278	527	2,195	2,272	412	19,819	7,672	9,063
466	Manchester	-	132,423	1,610,195	1,610,195	12 3·2	227	728	3,208*	668	340	33,579	3,014	7,372
467	Prestwich	-	196,825	635,625	631,359	3 4·2	114	120	586	1,528	215	4,496	5,512	4,713
468	Ashton-under-Lyne	-	175,054	671,153	659,268	3 15·3	90	127	917	1,713	258	7,414	7,655	5,679
469	Oldham	-	215,616	733,878	726,524	3 7·4	240	227	1,258	2,056	330	9,679	9,586	7,390
470	Rochdale	-	120,528	514,992	505,687	4 3·9	93	108	758	1,112	262	8,705	6,399	6,006
471	Haslingden	-	115,195	431,355	420,434	3 13·0	70	48	314	734	144	3,259	3,603	3,138
472	Burnley	-	196,541	797,025	773,030	3 18·7	102	146	780	2,004	329	7,480	11,534	7,347
473	Clitheroe	-	23,376	158,970	123,780	5 5·9	6	17	122	245	43	1,478	1,856	933
474	Blackburn	-	223,427	854,155	831,384	3 14·4	202	94	990	1,983	342	8,939	8,568	7,044
475	Chorley	-	63,000	314,696	288,632	4 11·6	22	34	223	581	85	1,736	3,009	2,104
476	Preston	-	152,223	631,727	588,956	3 17·4	150	108	875	458	261	7,563	2,209	5,991
477	Fylde	-	93,695	683,607	643,890	6 18·5	12	36	143	429	97	1,140	1,608	2,018
478	Garstang	-	11,859	123,801	94,114	7 18·7	3	6	25	107	18	307	588	389
479	Lancaster	-	67,455	394,360	367,241	5 8·9	6	44	269	306	112	2,246	1,534	2,128
480	Lunedale	-	6,874	82,813	59,579	8 13·3	5	5	21	64	21	180	422	331
481	Ulverston	-	42,793	325,367	287,080	6 14·2	3	60	183	588	112	1,786	3,229	2,353
482	Barrow-in-Furness	-	57,584	242,636	237,905	4 2·6	12	64	232	621	82	2,037	2,318	1,802
IX.—YORK.														
86. WEST RIDING.														
483	Sedbergh	- -	3,935	31,890	23,154	5 17·7	—	—	26	45	6	269	283	151
484	Settle	- -	14,318	143,202	106,851	7 9·3	1	4	52	157	19	540	939	441
485	Skipton	- -	45,253	220,588	176,127	3 17·8	16	16	137	487	89	1,660	3,013	2,233
486	Pateley Bridge	-	8,040	52,138	36,864	4 11·7	1	2	33	84	7	210	608	156
487	Ripon	- -	15,522	127,979	101,883	6 17·3	5	22	88	263	30	1,100	2,064	764
488	Great Ouseburn	-	9,573	80,469	59,087	6 3·4	9	14	64	100	22	672	557	502

* In respect of the 201 Vagrants relieved in the casual wards of the Chorlton and Manchester Joint Workhouse Committee on 1st July 1900 these figures have been estimated.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and County Borough Councils in 1899-1900 in each Poor Law Union—continued.

for Relief to the Poor ith in 1899-1900.		Other Expenditure of Overseers and Guardians in 1899- 1900.		Total Expenditure of Overseers and Guardians in 1899- 1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).	
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.
81	2,346	25,449	5,841	31,290	3,202	28,088	3 10·3	3,252	2,480	5,787	369	21,932	0 8·8
41	1,636	16,874	5,610	22,484	1,775	20,709	3 7·3	2,193	1,101	3,308	404	16,997	0 7·6
65	9,570	92,926	15,409	108,335	19,375	88,960	5 2·3	11,285	6,930	18,609	265	70,086	2 0·3
82	8,049	63,035	8,518	71,553	4,068	67,485	5 10·6	8,913	3,806	13,022	85	54,378	1 1·6
78	12,490	78,345	9,693	88,038	12,584	75,454	11 4·8	19,983	3,240	24,077	—	51,377	0 7·9
28	5,109	24,969	8,216	33,185	3,678	29,507	3 0·0	2,579	2,012	4,614	92	24,801	0 9·5
50	3,319	29,879	6,541	36,420	6,804	29,616	3 4·6	3,596	2,433	6,103	381	23,132	0 8·5
73	5,705	41,584	6,507	48,091	5,230	42,861	3 11·7	3,749	2,900	6,745	281	35,835	2 0·1
48	4,328	35,457	4,572	40,029	2,416	37,613	6 2·9	3,114	2,599	5,821	454	31,338	1 3·2
37	2,161	15,655	3,647	19,302	1,620	17,682	3 0·8	2,150	1,295	3,468	288	13,926	0 8·1
80	3,146	39,176	5,857	45,033	3,779	41,254	4 2·4	2,688	3,189	5,902	747	34,605	0 11·0
70	1,038	6,969	1,333	8,302	653	7,649	6 6·5	826	394	1,242	1,107	5,300	0 10·3
94	2,561	37,155	8,814	45,969	5,026	40,943	3 8·0	3,950	2,857	6,907	881	33,155	0 10·1
97	1,021	10,443	3,447	13,889	1,204	12,685	4 0·3	1,581	758	2,365	730	9,590	0 8·3
02	5,313	26,941	4,778	31,719	3,356	28,363	3 8·7	1,405	998	2,595	1,192	24,576	0 10·2
19	1,925	8,110	2,718	10,838	829	9,999	2 1·6	1,098	776	1,887	332	7,780	0 3·3
38	145	2,205	771	2,976	203	2,773	4 8·1	502	151	667	452	1,654	0 4·2
69	732	8,648	2,675	11,323	1,148	10,175	3 0·2	1,162	808	1,989	535	7,651	0 5·2
65	85	1,566	630	2,196	228	1,968	5 8·7	468	118	600	367	1,001	0 4·0
65	675	10,619	2,509	13,128	1,439	11,689	5 5·6	1,555	893	2,475	1,195	8,019	0 7·1
25	1,046	10,938	1,070	12,008	898	11,110	3 10·3	1,048	644	1,697	172	9,241	0 9·6
72	97	1,097	226	1,323	75	1,248	6 4·1	314	55	378	205	665	0 7·0
78	261	2,939	679	3,618	326	3,292	4 7·2	702	179	897	606	1,789	0 4·1
50	729	9,414	2,062	11,476	1,343	10,134	4 5·7	1,304	867	2,199	1,318	6,617	0 9·2
26	136	1,615	496	2,111	79	2,032	5 0·7	445	65	524	434	1,074	0 7·0
32	498	5,675	993	6,668	439	6,329	8 0·3	705	307	1,028	870	4,331	0 10·4
59	240	2,817	652	3,469	445	3,024	6 3·8	1,548	189	1,764	437	823	0 3·4

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNTS
COUNTY BOROUGH COUNCILS and by Poor Rates respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Total In-door Paupers (including those in Column 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out and Purposes connected)			13. Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Hos- pitals, and Licensed Houses.	14. Principal of Loans repaid and Interest thereon.
				Total.	Per Hend of Popula- tion.				11. In-maintenance.	12. Out-relief.			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
IX.—YORK—continued.													
86. WEST RIDING—continued.				£	£	£	£	£	£	£	£	£	£
489	Knaresborough	-	40,495	273,850	255,775	6 6·3	—	12	99	413	55	1,400	2,958
490	Wetherby	-	15,344	111,546	85,999	5 12·1	—	11	62	186	31	543	1,311
491	Wharfedale	-	57,479	292,283	265,351	4 12·3	16	21	106	534	84	1,255	1,921
492	Keighley	-	77,463	259,078	245,767	3 3·5	24	78	304	642	138	3,381	3,530
493	Todmorden	-	42,212	191,031	183,437	4 6·9	16	17	151	313	58	1,563	1,722
494	Saddleworth	-	17,014	94,170	90,625	5 6·5	—	6	76	102	26	679	606
495	Huddersfield	-	166,599	742,703	721,675	4 6·6	60	38	497	1,401	274	5,410	7,758
496	Halifax	-	195,133	816,217	794,094	4 1·4	8	79	625	2,084	428	7,460	11,820
497a	Bradford	-	228,667	1,218,266	1,213,673	5 6·2	119	175	1,012	1,322	432	13,242	8,491
497b	North Bierley	-	129,662	491,481	474,310	3 13·5	47	39	289	1,624	231	3,666	8,566
498	Hunslet	-	83,001	288,334	282,827	3 8·2	5	58	286	940	107	2,999	5,229
499	Holbeck	-	33,576	116,073	114,671	3 8·3	6	13	132	506	53	1,496	2,312
500	Bramley	-	79,701	268,699	263,928	3 6·2	6	40	214	909	100	2,259	4,748
501	Leeds	-	254,530	1,137,367	1,131,279	4 8·9	92	271	1,366	3,095	586	14,525	14,968
502	Dewsbury	-	167,400	641,829	628,705	3 15·1	10	75	396	1,602	266	3,618	9,124
503	Wakefield	-	112,584	544,499	526,153	4 13·5	18	75	369	1,888	143	5,190	8,754
504	Pontefract	-	70,236	335,332	314,283	4 9·5	10	66	264	2,127	83	3,337	9,347
505	Hemsworth	-	23,379	128,540	116,786	4 19·9	8	16	81	324	13	776	1,906
506	Barnsley	-	113,521	417,974	406,361	3 11·6	16	57	258	1,520	142	2,497	7,720
507a	Penistone	-	17,427	95,883	86,889	4 19·7	3	7	56	282	30	726	1,645
507b	Wortley	-	52,895	187,342	173,497	3 5·6	11	26	122	677	50	1,585	3,583
508	Ecclesall Bierlow	-	179,609	578,258	571,740	3 3·7	99	215	697	983	238	9,025	4,748
509	Sheffield	-	229,441	925,802	921,869	4 0·4	196	348	1,744	2,256	401	20,703	11,420
510	Rotherham	-	111,632	514,351	499,170	4 9·4	29	64	378	1,284	188	4,806	7,698
511	Doncaster	-	83,772	505,615	467,740	5 11·7	44	42	291	1,328	118	3,207	5,938
512	Thorne	-	15,702	97,378	72,210	4 12·0	2	7	69	376	25	836	2,644
513	Goule	-	25,486	140,850	123,686	4 17·1	6	27	126	514	45	1,456	2,661
514	Selby	-	16,708	170,447	143,011	8 11·2	3	13	102	232	30	1,134	1,526
515	Tadcaster	-	29,506	196,109	164,358	5 11·4	4	24	124	378	34	1,449	1,839

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900, in each Poor Law Union—continued.

15. Allowances of Union Officers, &c.				16. Other Expenses of or immediately connected with Relief.				17. Total.		18. Other Expenditure of Overseers and Guardians in 1899-1900.		19. Total Expenditure of Overseers and Guardians in 1899-1900.		20. Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		21. Amount.		22. Per Head of Population, 1901.		23. In respect of Costs of Officers of Unions, &c., under Section 26 of Local Government Act, 1888.		24. In respect of Pauper Lunatics.		25. Total Grants (including those in Columns 23 and 24).		26. Grant under the Agricultural Rates Act, 1896, in 1899-1900.		27. Amount.		28. Rate in £ on Assessable Value (1899).		29. Union Reference Number.		30. Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).	
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	s.	d.	£	£	£	£	£	£	s.	d.	£	£	£	£	£	£				
1,132	578	7,904	2,125	10,029	589	9,440	4 7·9	884	527	1,420	481	7,539	0 8·0	489																					
622	227	3,498	1,295	4,793	201	4,592	5 11·8	560	331	900	692	3,000	0 8·5	490																					
1,038	1,240	9,169	1,881	11,050	394	10,656	3 8·5	800	832	1,650	628	8,378	0 7·9	491																					
624	2,008	15,721	2,064	17,785	1,787	15,998	4 1·6	1,395	1,232	2,641	561	12,796	1 0·9	492																					
972	785	7,838	1,541	9,379	968	8,411	3 11·8	756	554	1,319	275	6,817	0 9·0	493																					
633	953	3,513	2,331	5,844	486	5,358	6 3·6	415	199	622	115	4,621	1 0·6	494																					
1,434	3,380	29,437	7,060	36,497	3,688	32,809	3 11·3	3,016	2,622	5,734	783	26,292	0 8·8	495																					
414	5,544	45,517	5,429	50,946	4,502	46,444	4 9·2*	3,206	4,246	7,514	1,040	37,890	0 11·7*	496																					
562	7,065	52,584	7,208	59,692	2,684	57,008	4 11·8	5,180	3,792	8,990	159	47,859	0 9·7	497a																					
606	1,648	22,606	4,015	26,621	1,721	24,900	3 10·2*	2,398	2,433	4,872	659	19,369	0 9·9*	497b																					
409	1,437	16,242	4,600	20,842	5,211	15,631	3 9·2	1,647	943	2,630	295	12,706	0 11·6	498																					
990	882	8,020	1,223	9,243	895	8,348	4 11·7	758	478	1,241	75	7,032	1 3·9	499																					
514	1,246	13,906	2,726	16,632	1,372	15,260	3 10·0	1,499	1,061	2,561	192	12,507	0 11·8	500																					
815	6,992	62,522	21,795	84,317	4,845	79,472	6 2·9	7,204	5,263	12,536	285	66,651	1 2·6	501																					
1,984	2,892	28,758	6,471	35,229	3,021	32,218	3 10·2	2,266	2,619	4,926	514	26,778	0 10·5	502																					
1,986	4,2580	28,554	5,774	34,028	2,097	31,931	5 8·1	2,149	1,498	3,687	656	27,588	1 1·1	503																					
310	1,191	19,435	4,907	24,342	1,084	23,258	6 7·5	1,305	783	2,106	832	20,320	1 5·4	504																					
552	165	3,841	1,273	5,113	186	4,927	4 2·6	579	120	704	309	3,914	0 8·5	505																					
347	1,605	19,299	3,745	23,044	1,043	22,001	3 10·5	2,209	1,429	3,697	468	17,836	0 10·9	506																					
757	484	4,560	1,000	5,560	142	5,418	6 2·6	668	322	1,021	445	3,952	0 11·0	507a																					
1,184	1,324	8,946	2,855	11,801	1,019	10,782	4 0·9	1,184	540	1,741	427	8,614	1 0·2	507b																					
1,924	6,371	34,658	8,289	42,947	3,091	39,856	4 5·3	3,512	2,100	5,712	325	33,819	1 3·1	508																					
751	10,323	80,338	23,228	93,566	4,983	88,583	7 8·7	7,574	3,914	21,520	317	76,746	1 9·1	509																					
548	2,887	26,460	5,416	31,876	1,620	30,256	5 5·0	1,733	1,786	3,545	882	25,829	1 1·9	510																					
1,093	1,050	18,568	4,196	22,764	990	21,774	5 2·4	1,633	1,045	2,714	1,088	17,972	0 9·8	511																					
690	175	4,889	876	5,765	269	5,496	7 0·0	702	226	942	992	3,562	0 11·9	512																					
1,027	930	7,633	1,326	8,959	811	8,148	6 4·7	985	378	1,377	718	6,053	0 11·8	513																					
614	583	4,911	1,176	6,087	557	5,530	6 7·4	717	219	950	768	3,812	0 8·4	514																					
862	885	6,438	3,833	8,271	649	7,622	5 2·0	844	278	1,136	659	5,827	0 8·6	515																					

* A part of North Bierley Union was transferred to Halifax Union on 9th November 1899, and the expenditure per head of population and rates the £ in those Unions have been estimated having regard to the change.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out of and Purposes connected with)				
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.	Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
IX.—YORK—continued.													
	37. EAST RIDING.			£	£	£ s.							
516	York	91,656	536,872	498,833	5 8·8	106	90	550	1,163	118	5,332	6,532	3,729
517	Pocklington	13,709	115,625	79,287	5 15·7	8	16	60	377	38	821	2,700	706
518	Howden	12,274	120,831	93,263	7 12·0	6	24	71	278	42	788	2,115	951
519	Beverley	24,454	159,051	126,660	5 3·6	6	22	85	597	64	1,125	3,459	1,226
520	Seulcoates	173,241	676,584	651,433	3 15·2	16	113	634	3,195	301	7,975	17,650	7,809
521	Kingston-upon-Hull.	82,670	437,076	437,076	5 5·7	16	106	713	1,942	204	8,016	11,019	5,236
522	Patrington	8,634	79,150	53,600	6 4·2	1	5	36	166	24	550	1,027	469
523	Skirlaugh	9,359	77,326	53,982	5 15·4	4	6	26	220	21	399	1,421	389
524	Driffield	17,754	131,301	91,465	5 3·0	8	22	90	523	50	884	3,424	1,069
525	Bridlington	20,520	145,840	119,182	5 16·2	1	18	63	393	48	544	2,398	910
	38. NORTH RIDING.												
526	Scarborough	51,110	317,994	289,919	5 13·4	6	24	206	1,318	108	2,504	7,166	2,590
527	Malton	20,454	173,790	128,945	6 6·1	4	10	87	368	42	1,206	2,390	1,099
528	Easingwold	9,909	106,371	78,720	7 18·9	1	8	40	188	24	403	1,332	727
529	Thirsk	12,710	162,636	133,682	10 10·4	3	16	60	226	34	672	1,723	874
530a	Helmsley	5,176	41,842	28,958	5 11·9	4	4	30	110	13	281	784	299
530b	Kirkby Moorside	4,791	37,860	25,361	5 5·9	4	2	24	108	20	270	600	493
531	Pickering	10,058	72,324	51,750	5 2·9	7	8	48	79	13	529	447	299
532	Whitby	21,736	115,337	97,946	4 10·1	4	16	86	394	58	897	2,327	1,569
533	Guisborough	43,419	363,733	285,486	6 11·5	1	32	108	708	54	1,105	4,269	1,304
534	Middlesbrough	139,765	543,180	533,911	3 16·4	1	244	802	2,623	286	9,712	11,955	9,274
535	Stokesley	11,257	87,723	66,961	5 19·0	4	14	58	264	18	554	1,494	341
536	Northallerton	11,590	122,665	99,574	8 11·8	6	10	45	222	28	501	1,342	751
537	Bedale	8,436	71,357	49,973	5 18·5	3	7	34	159	22	371	954	549
538	Leyburn	6,748	70,054	46,560	6 18·0	2	6	40	92	22	370	640	570
539	Aysgarth	4,505	49,922	31,038	6 17·8	1	5	22	54	2	226	327	126
540	Reeth	2,520	29,214	19,713	7 16·5	2	2	24	48	4	217	416	145
541	Richmond	11,725	94,325	65,539	5 11·8	1	17	68	223	24	895	1,404	565

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900, in each Poor Law Union—continued.

Salaries, &c., and Superannuation Allowances of Union Officers, &c.				Other Expenses of or immediately connected with Relief.				Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		
15.	16.	17.	18.																			
8	8	8	8	8	8	8	8	s. d.	s. d.	8	8	8	8	8	8	8	8	s. d.	8	8	8	
2,964	2,458	21,769	6,186	27,955	1,454	26,501	5 9·4	1,991	1,718	3,875	1,174	21,452	0 10·6	516								
715	322	5,641	1,349	6,990	263	6,727	9 9·8	665	315	994	1,358	4,375	1 1·2	517								
694	486	5,106	932	6,038	334	5,704	9 3·5	689	448	1,154	782	3,768	0 9·7	518								
1,141	1,185	8,542	1,680	10,222	688	9,534	7 9·6	889	575	1,481	1,412	6,641	1 0·6	519								
6,424	5,347	48,245	9,903	58,148	1,694	56,454	6 6·2	2,934	3,278	6,260	1,396	48,798	1 6·7	520								
4,208	3,821	32,751	4,554	37,305	1,864	35,441	8 6·9	2,223	1,843	4,080	—	31,361	1 5·5	521								
671	230	2,947	641	3,588	141	3,447	7 11·8	522	217	744	601	2,102	0 9·5	522								
804	348	3,361	636	3,997	217	3,780	8 0·9	676	194	888	584	2,308	0 10·6	523								
890	369	6,738	1,097	7,835	439	7,396	8 4·0	861	482	1,361	1,686	4,349	0 11·4	524								
713	311	5,092	881	5,973	234	5,739	5 7·1	749	400	1,162	814	3,763	0 8·1	525								
1,842	1,296	16,172	1,823	17,994	739	17,255	6 9·0	1,407	1,030	2,455	1,060	13,740	0 11·9	526								
2,056	586	6,612	1,357	7,969	297	7,672	7 6·0	993	469	1,504	1,398	4,770	0 8·8	527								
548	175	3,266	734	4,000	363	3,637	7 4·1	518	249	779	456	2,402	0 7·4	528								
706	554	4,685	2,016	6,701	285	6,416	10 1·2	703	306	1,028	471	4,917	0 10·8	529								
281	109	1,754	294	2,048	80	1,968	7 7·3	288	109	406	392	1,170	0 9·7	530a								
296	76	1,735	309	2,044	102	1,942	8 1·3	230	201	436	273	1,233	0 11·7	530b								
438	207	2,020	518	2,538	239	2,299	4 6·9	490	125	622	349	1,328	0 6·3	531								
1,142	516	6,451	1,083	7,534	616	6,918	6 4·4	913	586	1,513	895	4,510	0 11·1	532								
1,075	1,443	9,304	1,832	11,136	927	10,209	4 8·4	1,109	506	1,638	488	8,083	0 7·0	533								
4,944	5,198	45,038	4,594	49,632	2,157	47,475	6 9·5	3,442	2,841	6,375	640	0,460	1 7·0	534								
477	431	3,297	592	3,889	359	3,530	6 3·3	552	128	688	678	2,164	0 7·8	535								
663	379	3,809	543	4,352	143	4,209	7 3·2	589	285	883	517	2,809	0 6·8	536								
519	162	2,555	466	3,021	44	2,977	7 0·7	522	227	757	309	1,911	0 9·2	537								
320	177	2,356	425	2,781	180	2,601	7 8·5	477	217	703	562	1,336	0 6·9	538								
189	67	2,105	351	2,456	69	2,387	6 1·9	318	54	381	165	841	0 6·5	539								
226	77	2,081	244	2,225	138	2,087	8 7·5	264	63	335	285	567	0 6·9	540								
762	441	4,224	657	4,781	327	4,454	7 7·3	748	194	957	674	2,823	0 10·3	541								

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out of and Purposes connected)					
				Total.	Per Head of Population.				11. In-maintenance.	12. Out-relief.	13. Maintenance of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses.	14. Principal of Loans repaid and Interest thereon.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
X.—NORTHERN COUNTIES.														
				£	£	£	£	£	£	£	£	£	£	
39. DURHAM.														
542	Darlington	-	56,194	325,300	298,722	5 6·3	10	44	184	685	90	1,846	4,115	
543a	Stockton	-	66,298	348,531	334,641	5 1·0	12	100	377	1,164	100	3,842	5,953	
548b	Sedgefield	-	21,531	147,805	136,859	6 7·1	1	12	47	442	35	580	2,851	
544	Hartlepool	-	88,235	317,310	309,383	3 10·1	26	128	571	985	101	5,756	4,762	
545	Auckland	-	94,534	374,674	356,520	3 15·4	16	71	258	1,841	135	2,913	10,024	
546	Teesdale	-	20,354	171,305	136,006	6 13·6	13	10	89	464	31	967	3,295	
547	Weardale	-	15,859	80,984	68,391	4 6·2	11	2	32	336	23	350	2,214	
548	Lanchester	-	83,460	389,553	377,141	4 10·4	16	54	216	920	79	2,219	4,394	
549	Durham	-	74,235	340,380	326,864	4 8·1	7	35	206	1,263	87	2,251	6,382	
550	Easington	-	50,726	173,496	163,143	3 4·3	9	47	182	1,171	76	2,177	4,680	
551	Houghton-le-Spring	-	40,845	147,932	139,734	3 8·4	5	26	122	615	56	1,278	3,193	
552	Chester-le-Street	-	60,542	260,622	248,491	4 2·1	8	24	159	952	62	1,665	4,892	
553	Sunderland	-	181,505	668,457	662,279	3 13·0	75	177	816	1,742	369	8,731	10,060	
554	South Shields	-	166,843	657,740	651,811	3 18·1	40	230	826	2,610	185	6,651	8,898	
555	Gateshead	-	173,281	566,469	557,658	3 4·4	55	242	903	1,560	270	8,023	6,812	
40. NORTHUMBERLAND.														
556	Newcastle-on-Tyne	233,150	1,183,554	1,181,198	5 1·3	68	291	1,038	2,172	620	8,815	9,563	13,034	
557	Tynemouth	-	168,881	653,024	637,279	3 15·5	8	202	646	1,710	283	5,992	6,894	
558	Castle Ward	-	32,405	211,705	176,012	5 8·6	4	14	51	248	55	624	1,189	
559	Hexham	-	34,709	281,255	230,186	6 12·6	9	21	132	708	68	1,362	4,454	
560	Haltwhistle	-	8,500	72,840	57,489	6 15·3	3	4	36	60	6	225	398	
561	Bellingham	-	6,339	79,780	53,503	8 8·8	2	5	32	78	10	266	698	
562	Morpeth	-	55,743	276,223	248,725	4 9·2	10	34	150	867	64	1,330	3,764	
563	Alnwick	-	23,661	162,030	132,649	5 12·1	9	26	88	468	48	1,307	2,218	
564	Belford	-	5,218	52,904	38,977	7 9·4	1	2	23	72	5	160	386	
565	Berwick-on-Tweed	19,491	135,829	112,831	5 15·8	8	30	99	262	52	1,026	1,674	1,436	
566	Glendale	-	8,770	111,874	73,570	8 7·8	5	5	23	158	16	320	973	428
567	Rothbury	-	5,992	79,143	51,148	8 10·7	1	3	18	72	13	222	471	343

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
1899-1900, in each Poor Law Union—continued.

Number or Union Officer, &c.	Other Expenses of or immediately connected with Relief.	a) for Relief to the Poor with in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.	Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).	Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).	Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).	Amount.	Rate in £ on Assessable Value (1899).	Union Reference Number.			
		16.	Total	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	
3	£	£	£	£	£	£	£	s. d.	£	£	£	£	£	s. d.	542
10	1,320	11,618	3,124	14,742	1,094	13,648	4 10·3	1,373	840	2,256	1,006	10,386	0 8·6	542	
14	1,280	16,828	2,796	19,624	1,244	18,380	5 6·5	1,857	1,121	3,007	646	14,727	0 10·9	543	
04	281	5,250	1,346	6,596	428	6,168	5 8·8	618	359	983	314	4,871	0 9·3	543	
21	2,245	20,016	2,912	22,928	1,824	21,104	4 9·4	1,177	996	2,211	481	18,412	1 2·7	544	
99	1,913	21,214	5,030	26,244	1,269	24,975	5 3·4	1,941	1,440	3,397	885	20,693	1 2·0	545	
09	348	6,098	1,157	7,255	455	6,800	6 8·2	808	309	1,131	1,060	4,609	0 8·3	546	
74	443	4,185	751	4,936	282	4,654	5 10·4	539	232	785	595	3,274	0 11·4	547	
06	1,018	11,814	3,558	15,372	701	14,671	3 6·2	1,262	825	2,106	319	12,246	0 7·9	548	
77	1,112	14,336	3,426	17,762	1,270	16,492	4 5·3	1,408	859	2,305	447	13,740	0 9·8	549	
17	735	11,658	2,548	14,206	393	13,813	5 5·4	929	839	1,773	605	11,435	1 5·6	550	
53	672	8,435	1,615	10,050	479	9,571	4 8·2	942	595	1,546	394	7,631	1 1·8	551	
32	1,495	11,920	2,819	14,739	566	14,173	4 8·2	943	609	1,578	369	12,226	1 0·1	552	
61	8,912	44,221	6,252	50,473	4,681	45,792	5 0·5	4,598	3,533	8,149	296	37,347	1 1·8	553	
19	3,759	33,243	5,328	38,571	2,345	36,226	4 4·1	2,841	2,000	4,907	276	31,043	1 0·1	554	
84	13,284	44,777	5,685	50,462	6,242	44,220	5 1·2	3,130	2,661	5,872	421	37,927	1 5·1	555	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	3,576	43,271	8,549	51,820	4,290	47,530	4 0·9	4,872	5,061	10,090	82	37,358	0 7·9	556	
53	8,288	30,121	6,359	36,480	3,979	32,501	3 10·2	2,753	2,536	5,316	685	26,500	0 10·5	557	
86	216	4,187	1,301	5,488	198	5,290	3 3·2	753	482	1,246	623	3,421	0 5·0	558	
75	2,080	11,846	1,733	13,579	922	12,657	7 3·5	1,192	523	1,748	1,383	9,526	0 10·2	559	
98	174	1,248	337	1,585	200	1,385	3 3·1	279	59	343	187	855	0 3·6	560	
91	99	1,782	394	2,176	108	2,068	6 6·3	407	124	540	441	1,087	0 4·9	561	
133	466	8,329	1,632	9,961	550	9,411	3 4·5	877	624	1,510	693	7,208	0 7·5	562	
140	369	6,296	1,356	7,652	330	7,322	6 2·3	2,109	556	1,679	873	4,771	0 9·0	563	
123	85	1,283	380	1,563	23	1,540	5 20·8	393	66	464	308	768	0 4·8	564	
148	483	5,647	956	6,603	699	5,904	6 0·7	2,029	524	1,564	640	3,700	0 7·8	565	
111	195	2,647	621	3,268	199	3,069	7 0·0	587	164	760	559	1,750	0 5·7	566	
150	153	1,539	313	1,851	235	1,716	5 8·7	379	125	512	312	892	0 4·2	567	

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERES in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively

Union Reference Number.	Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.			EXPENDITURE (not defrayed out and Purposes connected)			
				Total.	Per Head of Population.	Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total In-door Paupers (including those in Columns 6 and 7).	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	In-maintenance.	Out-relief.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
X.—NORTHERN COUNTIES—continued.												
	41. CUMBERLAND.			£	£	£	£	£	£	£	£	£
568	Alston - with - Garrigill.	3,133	13,975	10,008	3 3·9	4	1	27	63	10	164	451
569	Penrith -	22,205	195,688	144,603	6 10·2	10	7	72	203	42	631	1,241
570	Brampton	8,784	82,555	59,986	6 16·6	12	13	84	180	25	702	1,094
571	Longtown	6,675	64,649	43,192	6 9·4	3	4	26	101	10	238	653
572	Carlisle -	62,860	330,798	300,045	4 15·5	28	84	321	981	108	2,798	5,157
573	Wigton -	22,297	165,438	118,439	5 6·2	11	18	100	378	48	1,250	1,791
574	Cockermouth -	69,533	334,414	296,846	4 5·4	30	85	287	1,466	98	1,160	6,276
575	Whitehaven -	55,539	332,382	309,380	5 11·4	38	70	311	1,110	108	2,465	4,141
576	Bootle -	15,895	144,922	132,960	8 7·3	3	12	44	155	18	612	903
	42. WESTMORLAND.											
577	East Ward	13,218	135,835	98,514	7 9·1	5	12	66	219	29	437	1,528
578	West Ward	7,711	84,806	60,704	7 17·4	8	3	34	112	8	284	535
579	Kendal -	43,482	337,935	281,492	6 9·5	35	52	314	439	65	2,891	3,326
	XI.—WELSH.											
	43. MONMOUTH.											
580	Chepstow -	19,246	141,751	122,257	6 7·0	10	24	142	418	44	1,540	2,492
581	Monmouth -	28,239	117,773	95,723	3 7·8	7	10	134	899	80	1,414	5,247
582	Abergavenny -	26,717	141,075	123,893	4 12·7	6	22	119	668	116	1,434	3,482
583	Bedwellty -	82,136	293,652	290,943	3 10·8	14	36	272	1,538	182	3,484	10,444
584	Pontypool -	45,376	168,389	155,297	3 8·4	12	46	188	1,060	112	1,905	5,283
585	Newport -	115,459	613,299	582,565	5 0·9	4	196	552	3,029	260	5,762	17,013
	44. SOUTH WALES.											
	(A) GLAMORGAN.											
586	Cardiff -	228,729	1,614,807	1,589,968	6 19·0	22	458	1,189	4,011	620	12,931	21,829
587	Pontypridd -	204,828	898,728	888,454	4 6·8	26	154	394	3,436	285	4,257	19,868
588	Merthyr Tydfil -	135,519	495,141	485,457	3 11·6	19	206	572	2,436	220	6,212	13,131
589	Bridgend and Cowbridge.	67,476	323,438	295,075	4 7·5	4	56	170	854	131	1,614	5,668

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and
Borough Councils in each Poor Law Union—*continued.*

for Relief to the Poor with in 1899-1900.				Other Expenditure of Overseers and Guardians in 1899- 1900.				Total Expenditure of Overseers and Guardians in 1899- 1900.				Net Expenditure of Overseers and Guar- dians in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).			
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	
88	109	1,175	118	1,293	45	1,248	7 11·6	215	112	332	262	654	1 4·3	568									
90	274	3,931	1,092	5,023	425	4,598	4 1·7	799	358	1,171	783	2,644	0 4·5	569									
54	397	4,063	444	4,507	72	4,435	10 1·2	413	250	677	822	2,936	0 11·8	570									
54	139	1,785	500	2,285	91	2,194	6 6·9	461	81	553	534	1,109	0 6·1	571									
66	1,642	15,333	2,166	17,499	1,421	16,068	5 1·3	1,813	1,052	2,891	1,270	11,907	0 9·7	572									
73	739	5,843	1,194	7,037	630	6,407	5 9·0	661	418	1,093	953	4,361	0 8·8	573									
69	1,180	13,595	2,676	16,271	587	15,684	4 6·1	1,210	957	2,263	1,366	12,055	0 10·1	574									
45	819	11,692	2,809*	14,501	929	13,572	4 10·6	1,601	1,152	2,788	645	10,139	0 8·0	575									
82	243	2,688	649	3,337	283	3,054	3 10·1	461	148	618	212	2,224	0 4·2	576									
27	372	3,612	657	4,269	464	3,805	5 9·1	666	256	936	500	2,369	0 5·8	577									
52	189	2,078	433	2,511	129	2,382	6 2·1	396	81	486	418	1,478	0 5·8	578									
77	1,303	10,455	2,181	12,636	1,759	10,877	5 0·0	2,009	697	2,732	1,201	6,944	0 6·0	579									
91	560	6,806	1,829	8,635	230	8,405	8 8·8	1,128	459	1,600	540	6,265	1 0·3	580									
72	505	10,378	2,102	12,480	577	11,903	8 5·2	1,114	747	1,879	1,816	8,208	1 8·6	581									
65	583	9,238	1,476	10,704	1,106	9,598	7 2·2	947	1,158	2,122	778	6,698	1 1·1	582									
69	965	21,165	3,495	24,660	1,118	23,542	5 8·8	1,122	1,814	2,950	198	20,394	1 10·9	583									
91	751	12,245	2,383	14,628	700	13,928	6 1·7	1,034	1,004	2,137	766	11,025	1 4·8	584									
42	3,000	37,403	5,154	42,557	2,159	40,398	7 0·0	2,316	2,480	4,917	1,568	33,913	1 2·9	585									
135	8,305	71,749	10,650	82,399	6,311	76,088	6 7·8	5,189	4,714	10,387	835	64,866	0 10·1	586									
308	3,778	39,682	6,395	46,077	588	45,489	4 5·3	1,913	2,543	4,628	402	40,459	0 11·9	587									
322	4,396	33,838	5,993	39,831	2,116	37,715	5 6·8	2,377	2,098	4,804	439	32,472	1 5·7	588									
476	724	12,520	3,019	15,539	430	15,109	4 5·7	1,100	1,231	2,464	864	11,781	0 10·1	589									

* 575 Whitehaven.—Col. 18 Including 439*l.* for costs incurred by overseers in opposing in Parliament a Bill for a local Act.

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT by COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

Union Reference Number. Poor Law Unions.	Population, 1901.	Rateable Value at Lady Day, 1900.	Assessable Value at Lady Day, 1900.		Mean Number of In-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Out-door Paupers on 1st July 1900 and 1st January 1901.	Mean Number of Lunatics in County and Borough Asylums, Registered Hospitals, and Licensed Houses on 1st July 1900 and 1st January 1901.	EXPENDITURE (not defrayed out and Purposes connected)				Maintenance of Lunatics in County and Borough Asylums, Registered Hos- pitals, and Licensed Houses.	Principal of Loans repaid and Interest thereon.
			Total.	Per Head of Popula- tion.				Insane (not including those in County and Borough Asylums, Registered Hospitals, or Licensed Houses).	Children under 16 (other than Insane).	Total Indoor Paupers (including those in Columns 6 and 7).	In-maintenance.	Cut-relief.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.

XI.—WELSH—continued.

44. SOUTH WALES—continued.

(A.) GLAMORGAN—continued.			£	£	£ s.					£	£	£	£
590 Neath - -	71,602	285,290	275,186	3 16·9	8	74	170	2,120	135	1,759	14,821	2,946	510
591 Pontardawe - -	26,716	90,423	84,368	3 3·2	—	11	37	746	47	359	4,715	830	550
592 Swansea - -	119,722	443,629	437,258	3 13·0	65	150	607	3,136	226	5,693	14,998	4,898	2,776
593 Gower - -	11,749	50,753	41,880	3 11·3	3	4	25	271	22	338	1,625	456	155
(B.) CARMARTHEN.													
594 Llanelli - -	56,896	215,471	200,711	3 10·6	14	20	110	1,504	95	1,407	8,792	1,965	414
595 Llandover - -	9,587	64,647	43,017	4 9·7	5	2	23	297	22	184	2,118	541	151
596 Llandilo Fawr - -	23,694	95,716	69,932	2 19·0	4	18	56	628	40	526	5,713	747	151
597 Carmarthen - -	33,391	189,891	137,141	4 2·1	23	14	88	997	67	760	6,863	1,408	141
(C.) PEMBROKE.													
598 Narberth - -	17,358	94,196	64,688	3 14·5	7	13	46	604	35	463	4,045	692	1
599 Pembroke - -	31,940	128,995	105,820	3 6·3	6	50	116	656	48	1,165	3,541	948	1
600 Haverfordwest - -	33,140	154,371	107,738	3 5·0	8	32	112	1,288	67	1,098	7,834	1,515	91
(D.) CARDIGAN.													
601 Cardigan - -	15,165	69,726	49,436	3 5·2	—	28	69	488	39	568	3,208	677	1
602 Newcastle in Emlyn. - -	18,135	55,517	37,483	2 1·3	5	2	16	572	24	204	4,108	376	1
603 Lampeter - -	9,256	30,021	20,850	2 5·1	6	6	18	262	14	247	2,014	362	270
604 Aberayron - -	10,735	34,514	24,427	2 5·5	2	1	14	330	14	180	2,189	238	1
605 Aberystwith - -	21,470	101,912	81,820	3 16·2	18	4	50	456	58	451	3,793	1,250	94
606 Tregaron - -	7,945	30,889	20,360	2 11·3	12	6	34	130	14	344	1,058	284	190
(E.) BRECKNOCK.													
607 Builth - -	8,975	55,172	40,431	4 10·1	—	5	27	184	30	326	1,495	627	310
608 Brecknock - -	15,632	125,039	94,194	6 0·5	4	22	78	260	55	794	1,835	1,012	101
609 Crickhowell - -	19,642	55,473	46,756	2 7·6	4	26	65	404	55	954	3,614	1,147	247
610 Hay - -	9,392	77,276	54,957	5 17·0	6	15	48	270	43	566	1,762	928	1

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by GRANTS from COUNTY and
1899-1900, in each POOR LAW UNION—continued.

Allowances of Union Officers, &c.		Other Expenses of or immediately connected with Relief.		Total.		Other Expenditure of Overseers and Guardians in 1899-1900.		Total Expenditure of Overseers and Guardians in 1899-1900.		Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).		Net Expenditure of Overseers and Guardians in 1899-1900 (Column 19 minus Column 20).		Grants from County and County Borough Councils in 1899-1900.		Expenditure of Overseers and Guardians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).		#
5.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	Union Reference Number.				
8	8	£	£	£	£	£	s. d.	£	£	£	£	£	s. d.	#				
,609	1,053	22,698	4,332	27,030	964	26,066	7 3·4	1,514	1,288	2,840	727	22,499	1 8·7	590				
473	372	7,299	1,439	8,738	51	8,687	6 6·0	569	395	969	487	7,231	1 10·4	591				
,283	1,657	33,305	6,335	39,640	1,771	37,869	6 3·9	2,316	2,186	4,541	396	32,932	1 6·7	592				
516	101	3,051	828	3,879	106	3,773	6 5·1	365	220	594	441	2,738	1 4·4	593				
985	661	14,224	2,538	16,762	481	16,281	5 8·7	957	856	1,829	836	13,616	1 5·4	594				
416	136	3,395	588	3,983	245	3,738	7 9·6	505	217	749	854	2,135	0 11·9	595				
584	245	7,815	1,116	8,931	251	8,680	7 3·9	711	377	1,108	1,511	6,061	1 8·8	596				
1,021	266	10,459	1,587	12,046	542	11,504	6 10·7	1,162	696	1,889	2,485	7,130	1 0·6	597				
618	162	5,980	2,013	7,993	228	7,765	8 11·4	729	352	1,108	1,531	5,126	1 7·0	598				
894	384	6,932	1,410	8,342	450	7,892	4 11·3	955	466	1,452	1,122	5,318	1 0·3	599				
919	468	11,925	1,861	13,786	332	13,454	8 1·4	—	802	851	2,986	9,617	1 9·5	600				
521	243	5,217	1,140	6,357	223	6,134	8 1·1	1,376	296	1,699	1,198	3,237	1 3·7	601				
492	107	5,287	710	5,997	237	5,760	6 4·2	947	179	1,146	1,538	3,076	1 7·8	602				
323	204	3,420	547	3,967	155	3,812	8 2·8	592	165	785	846	2,181	2 1·3	603				
355	67	3,029	569	3,598	133	3,465	6 5·5	432	116	557	614	2,294	1 10·6	604				
720	226	6,534	1,227	7,761	413	7,348	6 10·1	1,548	579	2,163	1,035	4,150	1 0·4	605				
292	120	3,288	463	3,750	158	2,592	6 6·3	704	131	862	560	1,170	1 1·8	606				
633	195	3,586	660	4,246	293	3,954	8 9·7	526	313	861	813	2,280	1 1·7	607				
967	341	5,031	1,228	6,259	320	5,939	7 7·2	988	476	1,512	938	3,489	0 8·9	608				
694	381	6,037	1,279	7,316	194	7,121	7 3·0	783	684	1,510	636	4,976	2 1·8	609				
314	573	4,643	791	5,434	206	5,228	11 1·6	693	440	1,150	894	3,184	2 1·9	610				

TABLE IX.—POPULATION in 1901, VALUATION in 1900, NUMBER of PAUPERS in 1900–1901, and AMOUNT of COUNTY BOROUGH COUNCILS and by POOR RATES respectively.

EXPENDITURE of Overseers of the Poor and Boards of Guardians borne by Grants from County and 1899-1900, in each Poor Law Union—continued.

ns) for Relief to the Poor ewith in 1899-1900.				Other Expenditure of Overseers and Guardians in 1899- 1900.				Total Expenditure of Overseers and Guardians in 1899- 1900.				Local Receipts in aid of Poor Rates in 1899-1900 (not including Grants from County and County Borough Councils or under Agricultural Rates Act, 1896).				Net Expenditure of Overseers and Guar- dians in 1899-1900 (Column 19 minus Column 20).				Grants from County and County Borough Councils in 1899-1900.				Expenditure of Overseers and Guar- dians falling on Poor Rates in 1899-1900 (Column 21 minus Columns 25 and 26).						
15.	16.	17.	18.						21.	22.																				
#	\$	\$	\$	\$	\$	\$	\$	s.	d.	s.	d.	\$	\$	\$	\$	s.	d.	s.	d.	\$	\$	\$	s.	d.	\$	\$	\$	s.	d.	Union Reference Number.
830	376	5,173	881	6,054	286	5,768	10 7·2	838		544		1,407	1,037	3,324	1 3·9	611														
466	318	2,878	400	3,278	220	3,058	6 6·5	405		220		634	503	1,921	1 4·0	612														
584	138	3,974	706	4,680	313	4,367	7 11·1	650		218		883	828	2,656	1 2·5	613														
926	222	7,400	1,887	9,287	322	8,965	8 5·9	1,370		455		1,848	1,627	5,490	1 4·1	614														
1,044	529	4,562	1,071	5,633	399	5,234	7 0·6	1,133		416		1,584	760	2,890	0 8·5	615														
1,039	229	5,546	2,274	7,820	285	7,535	8 10·5	1,170		611		1,795	1,106	4,634	0 10·4	616														
1,258	628	15,186	2,548	17,734	285	17,449	8 3·1	1,242		852		2,124	1,765	13,560	1 6·7	617														
1,834	1,308	15,054	3,905	18,959	1,184	17,775	5 0·8	2,036		773		2,897	984	13,894	1 2·4	618														
685	399	5,150	761	5,911	227	5,684	9 4·9	891		301		1,228	946	3,510	1 1·3	619														
1,166	367	9,746	2,137	11,883	244	11,639	7 6·0	1,354		612		1,993	1,291	8,355	0 11·5	620														
502	136	3,295	2,402	5,697	206	5,491	8 4·1	484		144		642	746	4,103	1 5·7	621														
386	244	4,948	1,190	6,138	197	5,941	7 3·4	624		286		913	732	4,296	1 4·7	622														
296	324	2,034	346	2,380	69	2,311	8 0·8	332		103		440	526	1,345	1 0·9	623														
573	197	5,022	925	5,947	198	5,749	8 0·8	709		162		880	923	3,946	1 4·4	624														
873	228	9,529	1,459	10,988	200	10,788	7 8·8	789		426		1,229	962	2,597	1 8·3	625														
779	233	7,539	1,161	8,700	113	8,587	7 10·1	908		231		1,157	1,752	5,678	2 1·7	626														
1,204	778	13,943	2,485	16,428	404	16,024	7 6·2	1,071		553		1,659	1,574	12,791	2 0·1	627														
1,382	525	13,276	1,996	15,372	524	14,748	7 7·6	1,315		607		1,936	1,347	11,465	1 5·4	628														
853	493	7,834	2,303	10,137	406	9,731	5 8·6	919		460		1,388	503	7,840	0 9·1	629														
614	74	5,990	1,005	6,995	210	6,785	9 6·2	626		380		1,080	1,416	4,289	2 1·6	630														
705	276	6,925	1,150	8,075	212	7,863	7 7·9	817		240		1,083	1,188	5,592	1 10·0	631														

TABLE X.—ASSESSABLE VALUE* PER HEAD OF POPULATION, NET EXPENDITURE† OF OVERSEERS GUARDIANS falling on the POOR RATES, and the Proportion which VALUE of ALL RATEABLE PROPERTY in
[Compiled from preceding Table and Local Taxation Returns,

In the Extra-Metropolitan Part of England and Wales:—

The Population in 1901 was	28,005,582
The Assessable Value (1900) per Head of Population was	24 13 2s.
The Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population was	6s. 2 8d.

(a) 50 Unions in which the Assessable Value per Head of Population was lowest.

Union Reference Number.	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 100 to 146.)	Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians (1899-1900) falling on Poor Rates. (Col. 28 on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.
602	Newcastle-in-Emlyn (Cardigan)	18,185	2 1·3	s. d.	s. d.	Per cent.
300	Redruth (Cornwall)	48,105	2 5·0	6 4·2	1 7·8	65·0
603	Lampeter (Cardigan)	9,256	2 5·1	6 2·5	2 2·3	25·4
604	Aberayron (Cardigan)	10,785	2 5·5	8 2·8	3 1·3	61·1
609	Crickhowell (Brecknock)	19,642	2 7·6	6 5·5	1 10·6	58·5
				7 3·0	2 1·8	31·4
626	Pwllheli (Carnarvon)	21,905	2 8·9	7 10·1	2 1·7	51·7
606	Tregaron (Cardigan)	7,945	2 11·3	6 6·3	1 1·8	68·2
287	Bideford (Devon)	20,615	2 12·7	6 11·5	1 10·6	38·7
375	Stourbridge (Worcester)	92,442	2 14·2	4 8·7	1 5·6	8·3
374	Dudley (Stafford)	152,201	2 14·8	5 5·9	1 9·0	3·2
630	Anglesey (Anglesey)	14,257	2 17·1	9 6·2	2 1·6	57·7
350	Madeley (Salop)	29,845	2 17·2	5 8·9	1 8·7	28·5
372	Walsall (Stafford)	118,613	2 17·2	4 9·0	1 4·3	5·0
292	St. Germans (Cornwall)	21,866	2 18·5	6 1·0	1 5·9	40·8
627	Carnarvon (Carnarvon)	42,653	2 19·0	7 6·2	2 0·1	23·6
596	Llandilo Fawr (Carmarthen)	23,694	2 19·0	7 3·9	1 8·8	53·9
631	Holyhead (Anglesey)	20,542	2 19·6	7 7·9	1 10·0	39·9
429	Mansfield (Nottingham)	81,601	3 0·4	5 10·3	1 8·6	15·2
198	Halstead (Essex)	16,248	3 0·6	8 7·4	2 0·5	25·5
612	Rhymeyader (Radnor)	9,347	3 1·6	6 6·5	1 4·0	49·3
202	Risbridge (Suffolk)	16,049	3 2·1	9 5·3	2 0·3	37·8
89	Alverstoke (Southampton)	28,879	3 2·5	6 9·8	1 9·3	4·1
299	Helston (Cornwall)	20,779	3 2·8	6 6·0	1 3·3	57·6
301	Penzance (Cornwall)	49,922	3 2·8	8 9·0	0 10·1	33·8
591	Pontardawe (Glamorgan)	26,716	3 3·2	6 6·0	1 10·4	13·4
492	Keighley (Yorks, W. Riding)	77,463	3 3·5	4 1·6	1 0·9	10·3
508	Ecclesall Bierlow (Yorks, W. Riding)	179,609	3 3·7	4 5·3	1 3·1	2·3
568	Alston-with-Garrigill (Cumberland)	3,133	3 3·9	7 11·6	1 4·3	56·8
204	Cosford (Suffolk)	14,863	3 3·9	9 4·2	1 11·6	35·4
467	Prestwich (Lancaster)	196,825	3 4·2	8 0·0	0 9·5	1·3
550	Easington (Durham)	50,726	3 4·3	5 5·4	1 5·6	11·9
555	Gateshead (Durham)	173,281	3 4·4	5 1·2	1 5·1	3·1
297	Truro (Cornwall)	38,616	3 4·8	7 7·0	1 7·6	40·0
142	Wycombe (Bucks)	46,488	3 4·9	7 1·6	1 7·9	24·1
600	Haverfordwest (Pembroke)	33,140	3 5·0	8 1·4	1 9·5	60·4
371b	Wolverhampton (Stafford)	154,581	3 5·0	6 7·8	1 9·1	1·5
601	Cardigan (Cardigan)	15,165	3 5·2	8 1·1	1 3·7	58·2
200	Dunmow (Essex)	15,705	3 5·2	10 11·3	2 1·1	38·4
442a	Glossop (Derby)	25,677	3 5·3	3 11·9	1 0·1	7·2
288	Holswothry (Devon)	8,692	3 5·3	6 8·6	1 5·1	62·9
225	Norwich (Norfolk)	111,728	3 5·6	6 8·8	1 6·6	1·8
507b	Wortley (Yorks, W. Riding)	53,895	3 5·6	4 0·9	1 0·2	14·8
208	Sudbury (Suffolk)	27,052	3 6·0	7 7·0	1 5·6	38·0
500	Bramley (Yorks, W. Riding)	79,701	3 6·2	3 10·0	0 11·8	3·6
368	Stoke-upon-Trent (Stafford)	155,855	3 6·2	5 10·6	1 5·3	2·5
599	Pembroke (Pembroke)	81,940	3 6·3	4 11·3	1 0·8	35·9
618	Wrexham (Denbigh)	70,164	3 6·9	5 0·8	1 3·4	19·2
140	Amersham (Bucks)	21,845	3 7·0	8 5·2	1 9·3	27·6
469	Oldham (Lancaster)	215,616	3 7·4	8 11·7	1 0·1	2·0
862	Wolstanton and Burnlem (Stafford)	99,545	3 7·4	4 1·4	1 0·8	3·7
	Total and Averages	2,809,497	3 3·4	5 4·7	1 4·6	14·2

* As defined by Agricultural Rates Act.

† That is, the gross expenditure less the local receipts in aid.

and GUARDIANS per Head of Population, RATE in £ of EXPENDITURE of OVERSEERS and the RATEABLE VALUE of AGRICULTURAL LAND* bore to the RATEABLE certain EXTRA-METROPOLITAN UNIONS.

1899-1900, Pt. I. (H.C. 302 of 1901)].

The Rate in the £ of the Expenditure of Overseers and Guardians
(1899-1900) falling on the Poor Rates was - 1s. 0·7d.
The Proportion which the Rateable Value of Agricultural Land bore
to the Rateable Value of all Rateable Property in 1900 was - 16·8 per cent.

(b.) 50 Unions in which the Assessable Value per Head of Population was highest.

Union Reference Number.	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 101 to 146.)	Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians (1899-1900) falling on Poor Rates. (Col. 28 on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.
458	Liverpool (Lancaster)	-	147,409 £ 12 13·8	14 9·0	0 10·4	—
1356	Welwyn (Hertford)	-	2,265 £ 12 5·5	14 1·2	0 9·9	9·1
466	Manchester (Lancaster)	-	132,423 £ 12 3·2	11 4·8	0 7·9	—
529	Thirsk (Yorks, N. Riding)	-	12,710 £ 10 10·4	10 1·2	0 10·8	35·6
402	Billesdon (Leicester)	-	6,172 £ 9 6·2	10 1·7	0 7·4	64·6
346	Church Stretton (Salop)	-	5,293 £ 8 18·6	7 9·9	0 6·8	42·5
480	Lunedale (Lancaster)	-	6,874 £ 8 13·3	5 8·7	0 4·0	56·1
586	Northallerton (Yorks, N. Riding)	-	11,590 £ 8 11·8	7 3·2	0 6·8	57·6
514	Selby (Yorks, W. Riding)	-	16,708 £ 8 11·2	6 7·4	0 8·4	32·2
185a	Hatfield (Hertford)	-	7,551 £ 8 10·7	10 7·6	0 11·2	20·1
567	Rothbury (Northumberland)	-	5,993 £ 8 10·7	5 8·7	0 4·2	70·7
561	Bellingham (Northumberland)	-	6,339 £ 8 8·8	6 6·3	0 4·9	65·9
566	Glendale (Northumberland)	-	8,770 £ 8 7·8	7 0·0	0 5·7	68·5
576	Bootle (Cumberland)	-	15,895 £ 8 7·3	3 10·1	0 4·2	16·5
40	Richmond (Surrey)	-	49,499 £ 8 7·1	6 6·6	0 7·9	1·1
150	Oxford (Oxford)	-	22,994 £ 8 6·6	8 2·9	0 8·2	1·2
528	Easingwold (Yorks, N. Riding)	-	9,909 £ 7 18·9	7 4·1	0 7·4	52·0
478	Garstang (Lancaster)	-	11,859 £ 7 18·7	4 8·1	0 4·2	48·0
578	West Ward (Westmorland)	-	7,711 £ 7 17·4	6 2·1	0 5·8	56·8
540	Reeth (Yorks, N. Riding)	-	2,530 £ 7 16·5	8 7·5	0 6·9	65·0
389b	Dore (Hereford)	-	7,325 £ 7 15·6	12 9·9	1 0·2	50·0
39	Kingston (Surrey)	-	187,563 £ 7 14·5	6 11·5	0 9·3	1·5
401	Market Harborough (Leicester)	-	19,187 £ 7 13·6	7 8·0	0 7·3	45·2
78	Steyning (Sussex)	-	80,796 £ 7 13·2	5 8·6	0 7·5	4·5
41	Bromley (Kent)	-	85,756 £ 7 12·8	6 6·9	0 9·6	4·3
518	Howden (Yorks, E. Riding)	-	12,274 £ 7 12·0	9 3·5	0 9·7	45·6
564	Belford (Northumberland)	-	5,218 £ 7 9·4	5 10·8	0 4·8	58·7
484	Settle (Yorks, W. Riding)	-	14,318 £ 7 9·3	4 7·2	0 4·1	50·8
577	East Ward (Westmorland)	-	18,218 £ 7 9·1	5 9·1	0 5·8	55·0
36	Reigate (Surrey)	-	42,741 £ 7 8·2	6 2·5	0 7·5	8·5
319	Long Ashton (Somerset)	-	24,134 £ 7 7·0	10 2·9	0 11·6	99·0
412	Uppingham (Rutland)	-	10,297 £ 7 7·0	8 1·1	0 8·4	51·9
75	Cuckfield (Sussex)	-	36,075 £ 7 6·7	9 6·5	0 11·6	19·7
410	Melton Mowbray (Leicester)	-	32,209 £ 7 5·5	6 7·2	0 7·2	47·0
101b	Hursley (Southampton)	-	3,680 £ 7 3·4	10 7·1	1 1·3	20·6
484	Bingham (Nottingham)	-	18,758 £ 7 2·7	5 8·1	0 6·1	50·2
388	Meriden (Warwick)	-	11,847 £ 7 2·0	8 4·1	0 9·5	39·6
328	Wheatenhurst (Gloucester)	-	6,106 £ 7 0·4	11 7·3	1 1·1	44·9
68	Hastings (Sussex)	-	65,556 £ 6 19·9	6 6·7	0 9·8	1·8
328	Thorntbury (Gloucester)	-	16,576 £ 6 19·8	9 0·8	0 10·0	43·8
536	Cardiff (Glamorgan)	-	298,729 £ 6 19·0	6 7·8	0 10·1	3·1
70	Eastbourne (Sussex)	-	51,118 £ 6 19·0	5 11·8	0 10·0	6·1
492	Southwell (Nottingham)	-	19,113 £ 6 19·0	7 6·9	0 8·8	47·3
118	Bradfield (Berkshire)	-	18,130 £ 6 18·9	5 9·9	0 6·8	19·7
477	Fylde (Lancaster)	-	93,695 £ 6 18·5	2 1·6	0 8·3	10·2
411	Oakham (Rutland)	-	10,445 £ 6 18·4	8 6·0	0 9·5	49·9
538	Leyburn (Yorks, N. Riding)	-	6,748 £ 6 18·0	7 8·5	0 6·9	67·1
98	Christchurch (Southampton)	-	69,389 £ 6 17·9	5 7·0	0 8·6	2·7
539	Aygarth (Yorks, N. Riding)	-	4,505 £ 6 17·8	6 1·9	0 6·5	75·7
137a	Hendon (Middlesex)	-	53,493 £ 6 17·6	5 8·2	0 8·0	13·2
	Total and Averages	-	1,662,926 £ 8 5·4	7 7·4	0 8·6	13·8

TABLE X.—ASSESSABLE VALUE* PER HEAD OF POPULATION, NET EXPENDITURE† of OVERSEERS and falling on the POOR RATES, and the Proportion which the RATEABLE RATEABLE PROPERTY in certain EXTRA-

In the Extra-Metropolitan Part of England and Wales:—

The Population in 1901 was - - - - - 28,005,582
 The Assessable Value (1901) per Head of Population was - - - - - £4 13 2s.
 The Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population was - - - - - 6s. 2 8d.

(c.) 50 Unions in which the Net Expenditure of Overseers and Guardians per Head of Population was lowest.

Union Reference Number	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 100 to 146.)	Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians falling on Poor Rates. (Col. 28 on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.
477	Fylde (Lancaster)	93,695	£ s. 6 18 5	s. d. 2 1 6	s. d. 0 8 8	Per cent. 10 2
467	Prestwich (Lancaster)	196,825	8 4 2	3 0 0	0 9 5	1 3
479	Lancaster (Lancaster)	67,455	5 8 9	3 0 2	0 5 2	18 7
471	Haslingden (Lancaster)	115,195	3 13 0	3 0 8	0 8 1	5 1
560	Haltwhistle (Northumberland)	8,500	6 15 8	3 3 1	0 3 6	42 1
558	Castle Ward (Northumberland)	32,405	5 8 6	3 3 2	0 5 0	33 7
562	Morpeth (Northumberland)	55,748	4 9 2	3 4 5	0 7 5	19 9
468	Ashton-under-Lyne (Lancaster)	175,054	3 15 8	3 4 6	0 8 5	3 5
394	Solihull (Warwick)	48,620	4 12 2	3 5 2	0 7 8	19 7
387	Aston (Warwick)	312,217	3 8 8	3 5 9	0 10 8	3 0
548	Lanchester (Durham)	83,460	4 10 4	3 6 2	0 7 9	6 4
468	Barton-upon-Irwell (Lancaster)	114,665	4 15 7	3 7 3	0 7 6	4 9
474	Blackburn (Lancaster)	223,427	3 14 4	3 8 0	0 10 1	5 3
491	Wharfedale (Yorks, West Riding)	57,479	4 12 8	3 8 5	0 7 9	18 4
127b	Willesden (Middlesex)	114,815	4 15 1	3 8 5	0 9 8	0 8
460	Leigh (Lancaster)	86,254	4 4 1	3 8 7	0 9 1	6 6
476	Preston (Lancaster)	152,233	3 17 4	3 8 7	0 10 2	13 5
301	Penzance (Cornwall)	49,222	3 2 8	3 9 0	0 10 1	33 8
498	Hunslet (Yorks, West Riding)	83,001	3 8 2	3 9 2	0 11 6	3 8
500	Bramley (Yorks, West Riding)	79,701	3 6 2	3 10 0	0 11 8	3 6
576	Bootle (Cumberland)	15,895	8 7 3	3 10 1	0 4 2	16 5
502	Dewsbury (Yorks, West Riding)	167,400	8 15 1	3 10 2	0 10 5	4 1
497b	North Bierley (Yorks, West Riding)	129,062	3 13 5	3 10 2	0 9 9	7 0
557	Tynemouth (Northumberland)	168,881	3 15 5	3 10 2	0 10 5	4 8
482	Barrow-in-Furness (Lancaster)	57,584	4 2 6	3 10 3	0 9 6	3 9
462	Bury (Lancaster)	145,478	4 3 0	3 10 3	0 8 8	5 6
506	Barnsley (Yorks, West Riding)	118,521	3 11 6	3 10 5	0 10 9	5 6
495	Huddersfield (Yorks, West Riding)	166,599	4 6 6	3 11 3	0 8 8	5 7
458	Wigan (Lancaster)	191,261	3 17 7	3 11 4	0 10 4	4 8
430	Basford (Nottingham)	146,728	3 11 7	3 11 5	0 10 9	14 1
451	Wirral (Chester)	44,301	5 11 4	3 11 5	0 6 9	18 0
469	Oldham (Lancaster)	215,616	3 7 4	3 11 7	1 0 1	2 0
493	Todmorden (Yorks, West Riding)	42,212	4 6 9	3 11 8	0 9 0	8 0
442a	Glossop (Derby)	25,677	3 5 3	3 11 9	1 0 1	7 2
475	Chorley (Lancaster)	68,000	4 11 6	4 0 3	0 8 3	16 6
149	Headington (Oxford)	38,584	4 18 5	4 0 3	0 7 1	12 2
556	Newcastle-on-Tyne (Northumberland)	238,150	5 1 3	4 0 9	0 7 9	0 4
507b	Wortley (Yorks, West Riding)	52,895	3 5 6	4 0 9	1 0 2	14 8
362	Wolstanton and Burslem (Stafford)	99,545	3 7 4	4 1 4	1 0 3	8 7
492	Keighley (Yorks, West Riding)	77,468	3 3 5	4 1 6	1 0 9	10 8
569	Penrith (Cumberland)	22,205	6 10 2	4 1 7	0 4 5	59 2
485	Shardlow (Derby)	64,402	5 0 0	4 2 0	0 7 6	24 6
445	Bucklow (Chester)	79,590	6 1 5	4 2 2	0 6 3	18 0
442b	Hayfield (Derby)	14,431	3 18 9	4 2 2	0 8 4	17 7
472	Burnley (Lancaster)	196,541	3 18 7	4 2 4	0 11 0	6 0
505	Hemsworth (Yorks, West Riding)	23,879	4 19 9	4 2 6	0 8 5	18 8
392	Coventry (Warwick)	70,195	3 16 0	4 3 0	0 11 7	3 4
457	Ormskirk (Lancaster)	108,597	6 7 7	4 3 2	0 6 5	16 2
554	South Shields (Durham)	166,848	3 18 1	4 4 1	1 0 1	1 8
549	Durham (Durham)	74,235	4 8 1	4 5 3	0 9 8	7 9
	Total and Averages	5,165,221	4 2 6	3 9 4	0 9 2	8 5

* As defined by Agricultural Rates Act.

† That is, the gross expenditure, less the local receipts-in-aid.

GUARDIANS PER HEAD of POPULATION, RATE in £ of EXPENDITURE of OVERSEERS and GUARDIANS VALUE of AGRICULTURAL LAND* bore to the RATEABLE VALUE of all METROPOLITAN UNIONS—*continued.*

The Rate in the £ of the Expenditure of Overseers and Guardians (1899-1900) falling on the Poor Rates was - 1s. 0·7d.
The Proportion which the Rateable Value of Agricultural Land bore to the Rateable Value of all Rateable Property in 1900 was - 16·8 per cent.

(d.) 50 Unions in which the Net Expenditure of Overseers and Guardians Head of Population was highest.

Union Reference Number.	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 100 to 146.)	Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians falling on Poor Rates. (Col. 28 on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.
458	Liverpool (Lancaster)	-	147,409	12 13·8	14 9·0	0 10·4
185b	Welwyn (Hertford)	-	2,265	12 5·5	14 1·2	0 9·9
152	Woodstock (Oxford)	-	12,071	5 14·1	13 0·7	1 6·0
339b	Dore (Hereford)	-	7,825	7 15·6	12 9·9	1 0·9
289	Swaffham (Norfolk)	-	11,015	4 10·7	12 7·8	1 8·9
207	Mildenhall (Suffolk)	-	8,261	3 18·4	12 6·0	2 2·9
180	Linton (Cambridge)	-	11,257	4 5·8	12 4·3	1 11·6
177	Caxton and Arrington (Cambridge)	-	8,396	3 10·8	12 0·4	1 11·5
255	Wilton (Wilts)	-	9,670	5 10·0	12 0·3	1 6·0
95	Fordingbridge (Southampton)	-	6,137	8 18·9	11 10·6	1 11·1
100	Stockbridge (Southampton)	-	6,180	4 7·4	11 10·6	1 8·8
148	Thame (Oxford)	-	18,028	4 10·1	11 10·4	1 5·7
288	Mitford and Launditch (Norfolk)	-	28,979	4 4·0	11 9·4	1 10·8
251	Warminster (Wilts)	-	11,781	4 8·6	11 8·5	1 8·0
931	Guilford (Surrey)	-	9,417	3 15·6	11 8·2	1 11·9
80	Petworth (Sussex)	-	8,529	4 1·8	11 7·4	1 9·7
494b	Caistor (Lincoln)	-	15,478	5 4·0	11 7·3	1 6·0
328	Wheatenhurst (Gloucester)	-	6,106	7 0·4	11 7·3	1 1·1
267	Beaminster (Dorset)	-	9,184	5 14·0	11 6·7	1 0·4
811	Wincanton (Somerset)	-	16,394	5 17·6	11 6·3	1 2·0
132a	Buntingford (Hertford)	-	5,020	4 4·7	11 6·2	1 5·1
74	East Grinstead (Sussex)	-	18,001	6 6·6	11 5·2	1 4·8
146	Buckingham (Buckingham)	-	10,635	5 8·1	11 5·0	1 3·2
466	Manchester (Lancaster)	-	182,428	18 8·2	11 4·8	0 7·9
184	Whittlesey (Cambridge)	-	7,103	5 2·8	11 4·8	1 5·2
250	Westbury and Whorwellsdown (Wilts)	9,704	4 10·9	11 4·6	1 5·8	48·8
366	Sherborne (Dorset)	11,474	5 8·2	11 2·6	1 5·5	41·3
249	Bradford-on-Avon (Wilts)	9,585	5 1·1	11 2·2	1 6·7	26·7
388	Ross (Hereford)	16,116	5 2·4	11 1·8	1 4·9	41·5
610	Hay (Brecknock)	9,892	5 17·0	11 1·6	1 1·9	57·8
318	Shepton Mallet (Somerset)	15,076	5 2·0	11 0·8	1 8·3	55·2
237	Henstead (Norfolk)	10,358	4 19·8	11 0·7	1 4·5	38·2
261	Wimborne and Cranborne (Dorset)	17,104	4 2·9	11 0·6	1 10·8	35·0
363b	Cerne (Dorset)	5,064	6 1·0	11 0·3	0 11·3	61·8
58	Tenterden (Kent)	8,766	4 12·0	11 0·3	1 4·3	55·8
200	Dunmow (Essex)	15,705	3 5·2	10 11·3	2 1·1	38·4
257	Mare (Wilts)	5,210	4 9·1	10 10·8	1 4·1	54·3
154	Chipping Norton (Oxford)	16,008	4 4·8	10 10·0	1 8·6	45·0
242	Cricklade & Wootton Bassett (Wilts)	11,357	5 16·5	10 9·6	1 2·2	47·8
935	Docking (Norfolk)	17,633	4 10·1	10 9·1	1 9·5	37·2
226	Forehoe (Norfolk)	11,329	3 19·5	10 8·8	1 9·5	38·9
117	Wallingford (Berks)	18,785	6 8·6	10 8·7	1 2·6	23·4
421	Horn castle (Lincoln)	18,494	4 17·8	10 8·4	1 4·8	56·5
135a	Hatfield (Hertford)	7,551	8 10·7	10 7·6	0 11·2	20·1
77	Brighton (Sussex)	102,320	6 14·3	10 7·4	0 11·3	0·1
131	Bishop Stortford (Hertford)	21,498	5 15·3	10 7·2	1 4·1	20·2
611	Knighton (Radnor)	10,886	4 12·3	10 7·2	1 3·9	63·2
201	Saffron Walden (Essex)	16,192	5 0·3	10 7·2	1 6·0	33·0
101b	Hursley (Southampton)	8,680	7 3·4	10 7·1	1 1·3	20·6
947	Devizes (Wilts)	19,602	3 19·7	10 6·6	1 6·3	41·6
	Total and Averages	920,833	7 9·2	11 9·6	1 0·9	19·3

TABLE X.—ASSESSABLE VALUE* PER HEAD of POPULATION, NET EXPENDITURE† of OVERSEERS and falling on the POOR RATES, and the Proportion which the RATEABLE RATEABLE PROPERTY in certain EXTRA-

In the Extra-Metropolitan Part of England and Wales:—

The Population in 1901 was 28,005,582

The Assessable Value (1901) per Head of Population was £4 13 2s.

The Net Expenditure of Overseers and Guardians (1899–1900) per Head of Population was 6s. 2 8d.

(e.) 50 Unions in which the Rate in the £ of the Expenditure of Overseers and Guardians falling on Poor Rates was lowest.

Union Reference	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 100 to 146.)	Net Expenditure of Overseers and Guardians (1899–1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians (1899–1900) falling on Poor Rates. (Col. 28, on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.
477	Fylde (Lancaster)	93,695	£ 6 16 5	s. d.	s. d.	Per cent.
321	Barton Regis (Gloucester)	16,502	5 6 0	5 9 0	0 3 4	10·2
488	Great Onseburn (Yorks, W. Riding)	9,578	6 8 4	6 8 8	0 3 4	26·7
560	Haltwhistle (Northumberland)	8,500	6 15 3	3 8 1	0 3 6	58·1
480	Lunedale (Lancaster)	6,874	8 13 8	5 8 7	0 4 0	42·1
166	Oundle (Northampton)	10,487	5 6 5	7 2 6	0 4 0	56·1
484	Settle (Yorks, West Riding)	14,818	7 9 8	4 7 2	0 4 1	50·8
576	Bootle (Cumberland)	15,895	8 7 3	8 10 1	0 4 2	16·5
478	Garstang (Lancaster)	11,859	7 18 7	4 8 1	0 4 2	48·0
567	Rothbury (Northumberland)	5,992	8 10 7	5 8 7	0 4 2	70·7
569	Penrith (Cumberland)	22,205	6 10 2	4 1 7	0 4 5	52·2
564	Belford (Northumberland)	5,218	7 9 4	5 10 8	0 4 8	52·7
561	Bellingham (Northumberland)	6,839	8 8 8	6 6 8	0 4 9	65·9
558	Castle Ward (Northumberland)	32,405	5 8 6	3 8 2	0 5 0	88·7
358	Ellesmere (Salop)	14,480	6 6 1	5 2 8	0 5 1	60·1
479	Lancaster (Lancaster)	67,455	5 8 9	3 0 2	0 5 2	13·7
566	Glendale (Northumberland)	8,770	8 7 8	7 0 0	0 5 7	68·5
577	East Ward (Westmorland)	13,218	7 9 1	5 9 1	0 5 8	55·0
578	West Ward (Westmorland)	7,711	7 17 4	6 2 1	0 5 8	56·8
354	Wem (Salop)	10,422	6 2 4	5 4 0	0 5 9	58·0
579	Kendal (Westmorland)	43,482	6 9 5	5 0 0	0 6 0	33·4
484	Bingham (Nottingham)	18,758	7 2 7	5 8 1	0 6 1	50·2
356	Drayton (Salop)	13,849	6 7 8	5 0 7	0 6 1	55·8
346	Church Stretton (Salop)	5,298	8 18 6	7 9 9	0 6 2	42·5
571	Longtown (Cumberland)	6,675	6 9 4	6 6 9	0 6 2	66·4
118	Bradfield (Berks)	18,130	6 18 9	5 9 9	0 6 3	19·7
446	Bucklow (Chester)	79,590	6 1 5	4 2 2	0 6 3	18·0
531	Pickering (Yorks, North Riding)	10,058	5 2 9	4 6 9	0 6 3	56·9
450a	Tarvin (Chester)	15,259	5 17 3	5 1 7	0 6 3	56·5
589	Ayegarth (Yorks, North Riding)	4,505	6 17 8	6 1 9	0 6 5	75·7
457	Ormskirk (Lancaster)	108,597	6 7 7	4 3 2	0 6 5	16·2
536	Northallerton (Yorks, North Riding)	11,590	8 11 8	7 3 2	0 6 8	37·6
588	Leyburn (Yorks, North Riding)	6,748	6 18 0	7 8 5	0 6 9	67·1
540	Reeth (Yorks, North Riding)	2,520	7 16 5	8 7 5	0 6 9	65·0
451	Wirral (Chester)	44,301	5 11 4	3 11 5	0 6 9	18·0
538	Guisborough (Yorks, North Riding)	48,419	6 11 5	4 8 4	0 7 0	12·0
486	Pateley Bridge (Yorks, West Riding)	8,040	4 11 7	5 0 7	0 7 0	58·6
488	Sedbergh (Yorks, West Riding)	3,935	5 17 7	6 4 1	0 7 0	54·8
847	Cleobury Mortimer (Salop)	8,870	4 7 1	5 0 0	0 7 1	52·0
149	Headington (Oxford)	38,584	4 18 5	4 0 3	0 7 1	12·3
447	Northwich (Chester)	54,731	5 11 6	4 6 9	0 7 1	20·6
481	Ulverston (Lancaster)	42,793	6 14 2	5 5 6	0 7 1	23·5
410	Melton Mowbray (Leicester)	29,209	7 5 5	6 7 2	0 7 2	47·0
401	Market Harborough (Leicester)	19,187	7 13 6	7 8 0	0 7 3	45·2
351	Atcham (Salop)	49,445	5 19 9	5 7 6	0 7 4	34·4
402	Billesdon (Leicester)	6,172	9 6 2	10 1 7	0 7 4	64·6
528	Easingwold (Yorks, North Riding)	9,909	7 18 9	7 4 1	0 7 4	53·0
562	Morpeth (Northumberland)	55,743	4 9 2	8 4 5	0 7 5	19·9
78	Steyning (Sussex)	80,796	7 18 2	5 8 6	0 7 5	4·5
360	Stone (Stafford)	19,639	6 3 7	5 11 7	0 7 5	44·7
	Total and Averages	1,229,739	6 7 9	4 8 3	0 6 1	30·5

* As defined by Agricultural Rates Act.

† That is, the gross expenditure less the local receipts in aid.

GUARDIANS PER HEAD of POPULATION, RATE IN £ of EXPENDITURE of OVERSEERS and GUARDIANS VALUE of AGRICULTURAL LAND* bore to the RATEABLE VALUE of all METROPOLITAN UNIONS—continued.

The Rate in the £ of the Expenditure of Overseers and Guardians (1899-1900) falling on the Poor Rates was - - - - - 1s. 0·7d.
The Proportion which the Rateable Value of Agricultural Land bore to the Rateable Value of all Rateable Property in 1900 was - - - - - 16·8 per cent.

(f.) 50 Unions in which the Rate in the £ of the Expenditure of Overseers and Guardians falling on Poor Rates was highest.

Union Reference Number.	UNION and COUNTY.	Population, 1901.	Assessable Value (1900) per Head of Population (1901). (Col. 5 on pp. 100 to 146.)	Net Expenditure of Overseers and Guardians (1899-1900) per Head of Population (1901). (Col. 22 on pp. 101 to 147.)	Rate in £ on Assessable Value (1899) of Expenditure of Overseers and Guardians (1899-1900) falling on Poor Rates. (Col. 28 on pp. 101 to 147.)	Rateable Value of Agricultural Land as compared with all Rateable Property in 1900.	
207	Mildenhol (Suffolk)	- - -	8,261	s. s.	s. d.	Per cent.	
300	Redruth (Cornwall)	- - -	48,105	8 18·4	12 6·0	50·5	
208	Stow (Suffolk)	- - -	19,166	2 5·0	6 2·5	25·4	
206	Bury St. Edmunds (Suffolk)	- - -	16,255	3 18·6	10 6·0	31·3	
609	Crickhowell (Brecknock)	- - -	19,649	3 15·2	9 2·5	4·1	
626	Pwllheli (Carnarvon)	- - -	21,905	2 7·6	7 3·0	31·4	
630	Anglesey (Anglesey)	- - -	14,257	2 8·9	7 10·1	51·7	
608	Lampeter (Cardigan)	- - -	9,256	2 17·1	9 6·2	57·7	
200	Dunluv (Essex)	- - -	15,705	2 5·1	8 2·8	61·1	
198	Halstead (Essex)	- - -	16,248	3 15·2	10 11·3	38·4	
202	Risbridge (Suffolk)	- - -	16,049	3 0·6	8 7·4	25·5	
287	King's Lynn (Norfolk)	- - -	20,951	3 2·1	2 1·7	37·8	
627	Carnarvon (Carnarvon)	- - -	42,658	3 18·0	2 0·2	8·8	
219	Great Yarmouth (Norfolk)	- - -	50,638	2 19·0	12 0·4	23·6	
281	Guisborough (Norfolk)	- - -	9,417	3 17·1	2 0·1	1·2	
204	Cosford (Suffolk)	- - -	14,868	3 15·6	11 8·2	46·0	
180	Linton (Cambridge)	- - -	11,257	4 5·8	1 11·6	35·4	
177	Caxton and Arrington (Cambridge)	- - -	8,896	4 10·8	1 11·6	88·5	
95	Fordingbridge (Southampton)	- - -	6,187	3 18·9	12 0·4	54·7	
588	Bedewlty (Monmouth)	- - -	82,186	3 10·8	11 10·6	84·6	
199	Braintree (Essex)	- - -	26,890	3 16·6	1 11·1	1·8	
288	Mitford and Launditch (Norfolk)	- - -	28,979	3 19·8	1 10·9	41·8	
281	Wimborne and Cranborne (Dorset)	- - -	17,104	4 2·9	1 10·8	35·0	
604	Aberayron (Cardigan)	- - -	10,735	2 5·5	6 5·5	58·5	
287	Bideford (Devon)	- - -	20,615	2 12·7	6 11·5	38·7	
52	Cranbrook (Kent)	- - -	12,944	8 19·8	10 4·8	1 10·4	88·0
591	Pontardawe (Glamorgan)	- - -	26,716	8 8·2	6 6·0	1 10·4	18·4
631	Holyhead (Anglesey)	- - -	20,542	2 19·6	7 7·9	1 10·0	39·9
194	Maldon (Essex)	- - -	23,112	3 8·4	9 5·6	1 10·0	31·2
298	Falmouth (Cornwall)	- - -	23,148	3 8·8	8 0·7	1 9·9	25·9
106	Alton (Southampton)	- - -	16,845	4 1·2	10 1·3	1 9·8	26·8
46	Medway (Kent)	- - -	97,546	3 8·6	7 2·2	1 9·7	2·0
80	Petworth (Sussex)	- - -	8,529	4 1·8	11 7·4	1 9·7	82·6
235	Docking (Norfolk)	- - -	17,683	4 10·1	10 9·1	1 9·5	37·2
226	Forehoe (Norfolk)	- - -	11,329	3 19·5	10 8·8	1 9·5	88·9
600	Haverfordwest (Pembroke)	- - -	33,140	3 5·0	8 1·4	1 9·5	60·4
252	Pewsey (Wiltshire)	- - -	11,209	3 9·8	10 5·9	1 9·5	48·9
89	Alverstoke (Southampton)	- - -	28,879	3 2·5	6 9·8	1 9·3	4·1
140	Amersham (Bucks)	- - -	31,245	3 7·0	8 5·2	1 9·3	27·6
97	Southampton (Southampton)	- - -	61,409	4 18·3	9 8·4	1 9·3	--
509	Sheffield (Yorks, W. Riding)	- - -	229,441	4 0·4	7 8·7	1 9·1	0·8
371b	Wolverhampton (Stafford)	- - -	154,581	3 5·0	6 7·8	1 9·1	1·5
374	Dudley (Stafford)	- - -	152,201	2 14·8	5 5·9	1 9·0	3·2
239	Swaffham (Norfolk)	- - -	11,015	4 10·7	12 7·8	1 8·9	41·4
596	Llanillo Fawr (Carmarthen)	- - -	23,694	2 19·0	7 3·9	1 8·8	53·9
90	Fareham (Southampton)	- - -	21,176	4 18·5	10 6·3	1 8·7	19·7
590	Neath (Glamorgan)	- - -	71,602	3 16·9	7 3·4	1 8·7	7·1
191	Billerica (Essex)	- - -	23,486	4 18·4	10 5·1	1 8·6	16·8
428	Mansfield (Nottingham)	- - -	31,601	3 0·4	5 10·3	1 8·6	15·2
581	Monmouth (Monmouth)	- - -	28,239	3 7·8	8 5·2	1 8·6	37·4
Total and Averages		- 1,760,332	3 9·6	7 10·5	1 10·1	17·3	

TABLE XI.—AVERAGE RATE IN THE £ OF POOR RATES LESS PRECEPT RATES IN UNION COUNTIES IN 1868, 1889–91, AND 1898–1900.

[Compiled from Sir H. H. Fowler's Report on Local Taxation (H.C. 168 of 1893); Local Taxation Returns, 1899–1900, Pt. I. (H.C. 302 of 1901); Ibid, 1898–99, Pt. I. (H.C. 193 of 1900).]

Divisions and Union Counties.	Average Rate in the £ of Poor Rates less Precept Rates.*				Divisions and Union Counties.	Average Rate in the £ of Poor Rates less Precept Rates.*			
	1868.	Mean of Rates for 1889–90 and 1890–91.	Mean of Rates for 1898–99 and 1899–1900.	Increase (+) or Decrease (–) in 1898–1900 as compared with 1889–91.		1868.	Mean of Rates for 1889–90 and 1890–91.	Mean of Rates for 1898–99 and 1899–1900.	Increase (+) or Decrease (–) in 1898–1900 as compared with 1889–91.
I. LONDON.	s. d.	s. d.	s. d.	d.	VII. NORTH MIDLAND.	s. d.	s. d.	s. d.	d.
1. London†	1 7·4	1 3·2	1 7·4	+ 4·2	29. Leicester	1 4·2	11·3	1 0·9	+ 1·7
II. SOUTH-EASTERN.					30. Rutland	1 2·5	7·9	8·6	+ 0·7
2. Surrey -	1 8·7	10·1	10·2	+ 0·1	31. Lincoln -	1 2·5	11·2	1 2·0	+ 2·8
3. Kent -	1 7·2	1 0·0	1 1·8	+ 1·8	32. Nottingham	1 3·4	10·0	1 1·9	+ 3·9
4. Sussex -	2 3·1	1 0·5	1 0·2	- 0·3	33. Derby -	1 2·8	11·3	1 0·7	+ 1·4
5. Southampton -	2 1·5	1 2·2	1 3·3	+ 1·1	Average	1 3·1	10·9	1 1·3	+ 2·4
6. Berks -	1 11·2	10·1	11·0	+ 1·5					
Average	1 10·9	11·9	1 0·7	+ 0·8					
III. SOUTH MIDLAND.					VIII. NORTH-WESTERN.				
7. Middlesex -	1 3·4	9·5	11·9	+ 2·4	34. Chester -	1 3·1	8·7	9·7	+ 1·0
8. Hertford -	1 10·9	1 3·1	1 1·0	- 2·1	35. Lancaster -	1 4·0	9·0	10·7	+ 1·7
9. Buckingham -	2 1·1	1 1·0	1 1·3	+ 0·3	Average	1 3·8	9·0	10·5	+ 1·5
10. Oxford -	1 8·6	1 0·3	1 1·3	+ 1·0					
11. Northampton -	1 8·1	10·2	1 0·2	+ 2·0					
12. Huntingdon -	1 4·9	8·5	9·9	+ 1·4					
13. Bedford -	2 0·0	1 1·0	1 0·9	- 0·1					
14. Cambridge -	1 8·5	1 0·8	1 0·8	—					
Average	1 8·5	11·5	1 0·4	+ 0·9					
IV. EASTERN.					X. NORTHERN.				
15. Essex -	2 1·7	1 2·2	1 3·1	+ 0·9	39. Durham -	1 2·8	11·4	1 0·7	+ 1·3
16. Suffolk -	1 10·4	1 1·4	1 5·3	+ 3·9	40. Northumberland -	1 3·5	8·4	8·5	+ 0·1
17. Norfolk -	1 11·7	1 3·8	1 7·5	+ 4·2	41. Cumberland -	1 1·0	7·6	8·2	+ 0·6
Average	2 0·0	1 2·8	1 4·7	+ 2·4	42. Westmorland -	10·1	4·9	5·7	+ 0·8
V. SOUTH-WESTERN.					Average	1 2·3	9·4	10·4	+ 1·0
18. Wilts -	2 0·1	1 0·6	1 4·0	+ 3·4					
19. Dorset -	2 0·3	1 1·0	1 4·5	+ 3·5					
20. Devon -	1 8·7	1 1·4	1 3·1	+ 1·7					
21. Cornwall -	1 9·5	1 1·1	1 4·1	+ 3·0					
22. Somerset -	1 6·8	11·4	1 0·0	+ 0·6					
Average	1 9·1	1 0·6	1 2·6	+ 2·0					
VI. WEST MIDLAND.					XI. WALES.				
23. Gloucester -	1 9·1	11·8	1 2·9	+ 3·1	43. Monmouth -	2 0·8	1 3·0	1 5·4	+ 2·4
24. Hereford -	1 3·9	10·2	1 0·0	+ 1·8	44. South Wales -	1 11·0	1 1·7	1 2·6	+ 0·9
25. Salop -	1 0·8	7·0	8·2	+ 1·2	45. North Wales -	2 4·5	1 5·0	1 3·6	- 1·4
26. Stafford -	1 3·8	1 1·6	1 2·4	+ 0·8	Average	2 0·9	1 2·8	1 3·3	+ 0·5
27. Worcester -	1 2·6	10·8	1 1·3	+ 2·5					
28. Warwick -	1 4·0	1 0·0	1 0·5	+ 0·5					
Average	1 4·2	11·6	1 1·2	+ 1·6	Average for England and Wales	1 6·7	1 0·1	1 2·2	+ 2·1

* The rates in the £ for the years 1868 and 1889–91 are calculated on the rateable values in those years, those for 1898–1900 on the assessable values (as defined by the Agricultural Rates Act, 1896) in those years.

† See p. 45 as to comparison between the figures for London and the rest of England and Wales.

TABLE XII.—AMOUNT OF RATEABLE VALUE PER HEAD OF POPULATION IN UNION COUNTIES IN 1870, 1891, AND 1900.

[Compiled from Mr. Shaw Lefevre's Return of Rateable Value of Lands, &c. (H.C. 204 of 1895), Local Taxation Returns, 1899–1900, Pt. I. (H.C. 302 of 1901); Ibid, 1891–2, Pt. I. (H.C. 312 of 1893).]

Divisions and Union Counties.	Amount of Rateable Value per Head of Population.*				Increase (+) or Decrease (-) in 1900 as compared with 1891.	Divisions and Union Counties.	Amount of Rateable Value per Head of Population.*				Increase (+) or Decrease (-) in 1900 as compared with 1891.
	1870.	1891.	1900.				1870.	1891.	1900.		
	£ s.	£ s.	£ s.	s.			£ s.	£ s.	£ s.	s.	
I. LONDON.											
1. London	5 19·1	7 17·1	8 7·8		+ 10·7						
II. SOUTH-EASTERN.											
2. Surrey	5 5·5	6 3·0	6 11·4		+ 8·4						
3. Kent	4 17·9	5 9·9	5 9·6		- 0·3						
4. Sussex	4 19·0	6 0·5	6 10·9		+ 10·4						
5. Southampton	4 0·7	4 15·1	5 0·6		+ 5·5						
6. Berks	5 7·3	5 15·0	5 18·8		+ 3·8						
Average	4 16·2	5 11·6	5 16·9		+ 5·3						
III. SOUTH MIDLAND.											
7. Middlesex	5 2·6	5 7·7	5 7·8		+ 0·1						
8. Hertford	5 3·0	5 7·4	5 16·1		+ 8·7						
9. Buckingham	5 5·9	5 10·3	5 12·1		+ 1·8						
10. Oxford	5 11·0	5 11·2	6 2·5		+ 11·3						
11. Northampton	5 12·0	5 5·0	5 5·2		+ 0·2						
12. Huntingdon	6 10·8	6 10·9	7 12·7		+ 12·8						
13. Bedford	4 0·6	4 18·7	5 8·9		+ 10·2						
14. Cambridge	5 17·1	6 1·7	6 1·2		- 0·5						
Average	5 7·0	5 9·4	5 19·1		+ 2·7						
IV. EASTERN.											
15. Essex	4 17·6	4 7·1	4 6·5		- 0·6						
16. Suffolk	4 17·5	4 11·2	4 9·7		- 1·5						
17. Norfolk	5 4·7	4 19·4	4 18·4		- 6·0						
Average	5 0·1	4 11·6	4 8·8		- 2·8						
V. SOUTH-WESTERN.											
18. Wilts	5 12·0	5 9·4	5 7·4		- 2·0						
19. Dorset	4 12·8	5 8·4	5 8·4								
20. Devon	4 3·9	4 19·0	5 5·0		+ 6·0						
21. Cornwall	8 5·0	4 2·0	4 5·9		+ 3·9						
22. Somerset	5 9·8	5 19·6	6 8·9		+ 9·8						
Average	4 11·3	5 4·0	5 8·3		+ 4·3						
VI. WEST MIDLAND.											
23. Gloucester	4 18·1	5 4·0	5 3·3		- 0·7						
24. Hereford	6 18·0	7 10·4	7 13·0		+ 2·6						
25. Salop	5 18·6	6 18·0	6 19·8		+ 1·8						
26. Stafford	3 9·8	3 18·3	4 0·3		+ 2·0						
27. Worcester	4 13·1	4 14·1	4 12·8		- 1·3						
28. Warwick	4 3·7	4 12·2	4 17·8		+ 5·1						
Average	4 7·7	4 15·3	4 16·7		+ 1·4						
Average for England and Wales	4 12·4	5 7·5	5 10·9		+ 3·4						

* Calculated upon the populations according to the Censuses of 1871, 1891, and 1901 respectively.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHES in 1896–97 and 1897–98.

[Compiled from Returns sent to the Commission by the Local Government Board.]

I.—SUMMARY FOR 1896–97.

	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
London (Administrative County)*	£ 36,087,210	£ 6,052,034	£ 3,230,982	£ 2,821,052	s. d. 1 6·8
County Boroughs	35,614,717	4,823,249	2,837,496	1,985,753	1 1·4
Administrative Counties other than London:					
Parishes in Boroughs	15,322,282	1,760,892	1,008,557	752,335	0 11·8
,, Urban Districts	27,773,514	3,062,695	1,686,534	1,376,151	0 11·9
,, Rural ,	51,202,862	6,468,136	3,903,779	2,564,357	1 0·0
Total Administrative Counties, } other than London -	94,298,658	11,291,713	6,598,870	4,692,843	0 11·9
Total, England and Wales	166,000,585	22,166,996	12,667,348	9,499,648	1 1·7

II.—SUMMARY FOR 1897–98.

	Assessable Value.†	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
London (Administrative County)*	£ 36,422,165	£ 6,051,405	£ 3,116,340	£ 2,935,065	s. d. 1 7·3
County Boroughs	36,399,855	4,895,322	2,919,571	1,975,751	1 1·0
Administrative Counties other than London:					
Parishes in Boroughs	15,329,865	1,821,381	1,054,536	766,845	1 0·0
,, Urban Districts	27,846,978	3,127,240	1,744,605	1,382,635	0 11·9
,, Rural ,	40,489,765	5,515,201	3,375,504	2,139,697	1 0·7
Total Administrative Counties, } other than London -	83,666,608	10,463,822	6,174,645	4,289,177	1 0·3
Total, England and Wales	156,488,628	21,410,549	12,210,556	9,199,993	1 2·1

Note.—One or two of the figures in this Table do not quite agree with figures given in Tables I., II., and III., owing to some of the Returns from which this Table is compiled having undergone slight amendments since the publication of the Local Taxation Returns from which Tables I., II., and III. are compiled.

* See p. 45 as to comparison between the figures for London and the rest of England and Wales.

† See footnote (b) on p. 79.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES

III.—YEAR 1896-97.

(a.) ADMINISTRATIVE COUNTIES

Administrative Counties.	Parishes in Rural Districts.					Parishes in Urban Districts.				
	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
I.—LONDON	£ (See p. 162).	£	£	£	£. — d.	£	£	£	£	£. — d.
II.—SOUTH-EASTERN COUNTIES.										
Surrey	1,113,565	165,731	110,250	55,481	1 0'0	1,945,168	108,876	57,870	51,006	0 9'8
Kent	1,976,237	312,935	214,198	98,737	1 0'0	1,136,885	122,692	66,995	55,697	0 11'8
Sussex, East	809,048	126,169	77,003	49,166	1 9'6	433,275	39,483	20,403	19,079	0 9'5
Sussex, West	555,130	79,131	42,957	36,174	1 3'6	99,171	12,323	6,443	5,880	1 2'2
Southampton	1,153,990	140,987	74,968	66,019	1 1'7	368,728	32,464	15,458	17,006	0 11'4
Ile of Wight	167,821	16,393	9,780	6,613	0 9'5	161,067	11,568	5,793	5,775	0 8'6
Berkshire	853,997	95,118	56,012	39,106	0 10'6	10,443	643	221	422	0 9'7
Total	6,657,878	936,484	585,168	351,296	1 0'7	3,494,737	398,048	173,183	154,965	0 10'6
III.—SOUTH MIDLAND COUNTIES.										
Middlesex	308,768	46,642	26,071	20,571	1 4'0	3,233,890	432,717	273,414	166,303	1 0'3
Hertford	850,575	93,821	49,638	43,683	1 0'3	418,523	42,006	20,794	21,212	1 0'2
Buckingham	354,150	108,290	59,818	49,442	1 0'2	132,282	15,985	8,836	7,149	0 11'3
Oxford	624,582	88,963	52,529	36,464	1 2'0	89,131	8,553	2,062	3,791	1 3'4
Northampton	940,659	110,650	65,106	45,544	0 11'6	264,707	31,394	17,990	14,074	1 0'8
Soke of Peterborough	101,930	8,410	3,530	4,871	0 11'5	—	—	—	—	—
Huntingdon	291,921	34,365	21,507	12,858	0 10'6	50,548	3,697	1,140	2,557	1 0'1
Bedford	504,636	73,315	44,739	28,596	1 1'6	77,307	10,113	5,908	4,205	1 1'1
Cambridge	428,841	49,023	25,310	23,712	1 1'3	27,132	2,176	961	1,215	0 10'7
Isle of Ely	259,717	30,441	15,118	15,323	1 2'2	123,850	12,207	6,173	6,034	0 11'7
Total	5,263,889	643,419	363,365	290,054	1 0'8	4,407,360	563,748	337,208	296,540	1 0'3
IV.—EASTERN COUNTIES.										
Essex	1,331,763	243,696	144,219	99,379	1 5'9	1,239,900	227,876	145,073	82,803	1 4'0
Suffolk, East	643,146	68,777	26,386	42,393	1 3'8	68,984	6,368	3,207	4,061	1 2'1
Suffolk, West	361,673	46,012	17,515	28,497	1 6'9	89,294	10,965	4,898	5,167	1 1'9
Norfolk	1,468,863	225,728	117,486	108,242	1 3'4	128,401	17,619	7,864	9,755	1 6'2
Total	3,824,347	594,115	305,605	278,510	1 5'5	1,626,600	261,523	160,042	101,736	1 4'0
V.—SOUTH-WESTERN COUNTIES.										
Wiltshire	1,034,998	157,306	89,706	67,500	1 3'7	240,960	32,532	17,571	14,961	1 2'9
Dorset	721,567	95,160	47,194	47,975	1 4'0	109,311	13,203	5,167	8,036	1 5'6
Devon	1,678,641	233,073	138,078	94,995	1 1'6	534,321	54,596	25,292	29,306	1 1'4
Cornwall*	985,475	143,208	86,453	62,753	1 3'8	142,408	16,567	7,298	9,274	1 3'6
Somerset	2,027,519	240,794	137,488	105,236	1 0'2	311,893	29,571	12,242	17,329	1 1'3
Total	6,418,340	969,378	492,919	376,459	1 2'1	1,323,893	146,771	67,863	78,906	1 2'3
VI.—WEST MIDLAND COUNTIES.										
Gloucester	1,318,704	171,936	90,023	72,906	1 1'3	384,736	52,401	28,144	24,257	1 3'1
Hereford	701,979	81,547	40,710	31,837	0 10'9	37,740	4,430	2,514	1,916	1 0'2
Salop	1,264,351	110,126	72,460	37,606	0 7'1	38,745	8,625	4,062	4,448	1 0'0
Stafford	1,467,993	136,144	71,384	64,790	0 10'6	1,245,317	164,107	80,533	53,574	1 4'1
Worcester	1,110,916	140,457	87,075	53,333	0 11'5	323,851	31,974	13,974	18,400	1 1'6
Warwick	936,642	103,965	58,194	44,671	0 10'8	460,269	40,498	24,466	15,992	0 8'3
Total	6,360,495	764,075	493,361	305,234	0 10'7	2,540,645	361,655	163,043	148,562	1 3'0

* Including the Scilly Isles.

in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—*continued.*

III.—YEAR 1896-97.

OTHER THAN LONDON.

Parishes in Boroughs.					Total.					Administrative Counties.
Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	
£	£	£	£	s. d.	£	£	£	£	£	I.—LONDON.
660,766	59,401	36,897	22,004	0 6'4	3,019,489	334,008	204,517	129,491	0 10'3	Surrey.
1,423,057	166,462	79,075	87,397	1 2'7	4,835,179	602,069	360,268	241,821	1 0'8	Kent.
329,056	32,836	19,700	13,136	0 9'6	1,021,377	196,407	117,106	81,381	1 0'0	Sussex, East.
102,148	16,594	4,065	13,529	1 6'5	816,443	108,048	63,685	54,583	1 4'0	Sussex, West.
575,768	33,930	17,488	16,437	0 6'9	2,088,470	207,381	107,910	99,462	0 11'4	Southampton.
108,395	10,098	6,208	3,880	0 8'5	437,283	38,059	21,841	16,218	0 8'9	Isle of Wight.
228,303	19,635	8,300	11,335	0 11'9	1,121,848	115,396	64,533	50,863	0 10'9	Berkshire.
3,487,468	338,956	171,298	167,688	0 11'5	13,640,083	1,603,468	929,640	673,819	0 11'9	Total.
—	—	—	—	—	—	—	—	—	—	III.—SOUTH MIDLAND COUNTIES.
86,850	23,651	16,911	6,840	1 6'4	1,355,848	157,978	86,443	71,535	1 0'7	Middlesex.
57,095	5,577	2,796	2,781	0 11'7	1,163,527	129,822	71,450	58,372	1 0'0	Hertford.
98,184	10,434	4,470	5,964	1 2'9	779,837	105,260	59,061	46,319	1 2'2	Buckingham.
32,088	3,004	1,467	1,597	0 11'9	1,297,382	145,738	84,523	61,215	0 11'0	Oxford.
117,338	7,437	3,028	6,416	0 11'1	210,268	15,847	5,561	10,286	0 11'3	Northampton.
46,846	4,306	1,976	2,420	1 0'4	380,315	42,468	24,623	17,335	0 11'0	Soke of Peterborough.
261,377	34,968	20,184	14,784	1 1'6	848,320	116,396	70,921	47,575	1 1'5	Huntingdon.
221,327	26,352	18,437	7,915	0 8'6	675,300	77,550	44,708	32,843	0 11'7	Bedford.
36,206	6,287	3,060	2,327	1 8'2	422,773	48,935	25,251	23,684	1 1'4	Cambridge.
957,040	121,106	71,353	49,843	1 0'5	10,629,008	1,328,363	771,926	556,437	1 0'6	Isle of Ely.
—	—	—	—	—	—	—	—	—	—	Total.
340,163	53,494	29,643	23,861	1 4'4	2,920,915	594,968	318,935	206,033	1 4'9	IV.—EASTERN COUNTIES.
147,456	17,898	10,890	7,008	0 11'4	859,628	92,943	58,483	53,461	1 2'9	Essex.
77,194	10,031	3,185	6,846	1 9'3	527,581	66,103	25,598	40,510	1 6'4	Suffolk, East.
88,932	16,918	10,313	6,603	1 5'8	1,706,196	260,263	135,663	124,600	1 5'5	Suffolk West.
668,844	96,359	54,031	44,308	1 4'0	6,014,300	944,282	519,678	424,604	1 4'9	Norfolk.
—	—	—	—	—	—	—	—	—	—	Total.
141,442	18,814	8,503	10,312	1 5'5	1,417,300	208,852	116,079	92,773	1 3'7	V.—SOUTH-WESTERN COUNTIES.
250,190	30,298	22,650	16,748	1 4'1	1,061,008	147,670	74,911	72,759	1 4'2	Wiltshire.
329,093	41,639	23,797	17,833	1 1'0	2,531,054	329,300	187,167	142,133	1 1'5	Dorset.
210,487	30,086	14,364	16,822	1 6'0	1,306,370	189,859	102,010	87,849	1 4'0	Devon.
290,631	24,185	9,241	14,944	1 4'3	2,560,343	294,480	158,071	135,609	1 0'7	Cornwall.
1,150,942	154,013	78,354	75,658	1 3'8	8,898,075	1,170,161	639,138	531,023	1 2'3	Somerset.
—	—	—	—	—	—	—	—	—	—	Total.
200,029	30,584	15,830	13,745	0 11'1	1,900,469	253,921	145,011	110,910	1 1'8	VI.—WEST MIDLAND COUNTIES.
140,246	25,154	18,905	6,239	0 10'8	880,005	121,131	71,069	40,046	0 10'9	Gloucester.
280,406	29,551	16,483	13,066	0 11'2	1,634,002	146,202	93,027	55,176	0 8'1	Hereford.
821,877	113,829	72,280	41,540	1 0'1	3,534,967	614,080	224,197	189,883	1 0'9	Salop.
158,470	38,888	18,753	9,181	1 4'6	1,567,237	195,014	114,061	80,353	1 0'4	Stafford.
317,171	34,353	22,258	12,004	0 9'3	1,774,273	178,705	105,946	72,787	0 9'8	Worcester.
1,066,639	255,333	169,450	96,804	0 11'6	11,389,973	1,301,053	761,353	540,700	0 13'6	Warwick.
—	—	—	—	—	—	—	—	—	—	Total.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES

III.—Year 1896-97.

(a.) ADMINISTRATIVE COUNTIES

Administrative Counties.	Parishes in Rural Districts.					Parishes in Urban Districts.				
	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
VII.—NORTH MIDLAND COUNTIES.										
Leicester	870,612	107,883	68,265	39,617	0 9'8	244,303	19,794	8,887	10,907	0 10'7
Nottingham	912,958	97,240	63,181	34,059	0 9'0	266,197	31,242	17,318	13,924	1 0'6
Derby	1,377,235	173,360	107,582	65,678	0 11'4	573,197	59,050	32,634	26,416	0 11'1
Total	5,468,814	691,830	440,774	251,056	0 11'0	1,438,413	142,555	71,047	71,508	0 11'7
VIII.—NORTH-WESTERN COUNTIES.										
Chester	1,547,748	168,460	108,941	59,519	0 9'2	1,147,088	85,160	41,741	43,419	0 9'1
Lancaster	2,116,277	236,004	161,932	74,072	0 8'4	4,106,948	342,026	172,672	169,354	0 9'9
Total	3,661,025	404,464	270,873	153,591	0 8'8	5,254,036	427,186	214,413	212,773	0 9'7
IX.—YORKSHIRE.										
West Riding	2,458,418	327,195	230,141	97,054	0 9'5	2,681,558	315,859	191,762	124,097	0 11'1
East Riding	914,706	110,286	73,306	36,980	0 9'7	135,100	11,726	5,134	6,591	0 10'2
North Riding	1,312,138	118,892	73,734	45,158	0 8'3	437,380	45,177	22,138	21,039	0 11'5
Total	4,685,262	556,373	377,181	179,192	0 9'2	3,274,056	370,761	219,034	151,727	0 11'1
X.—NORTHERN COUNTIES.										
Durham	1,778,254	218,192	125,047	88,075	0 11'0	709,833	70,254	34,871	35,383	1 0'0
Northumberland	1,144,125	104,726	73,772	30,954	0 6'5	536,237	50,940	29,097	21,843	0 9'8
Cumberland	880,028	86,428	53,063	33,375	0 9'1	394,726	31,006	16,276	14,730	0 9'0
Westmorland	403,531	28,361	18,876	9,485	0 5'6	68,578	3,266	1,293	1,968	0 6'9
Total	4,200,926	432,637	270,748	161,889	0 9'2	1,708,873	155,466	81,542	73,924	0 10'4
XI.—MONMOUTH AND WALES.										
Monmouth	869,517	54,110	31,140	22,970	1 2'9	549,244	66,897	47,796	39,102	1 5'1
Glamorgan	855,432	129,567	88,033	41,534	0 11'7	1,653,976	203,174	125,500	77,674	0 11'3
Carmarthen	449,234	67,527	40,644	26,883	1 2'4	84,619	14,147	8,727	5,420	1 3'4
Pembroke	207,373	45,057	24,611	20,446	1 4'0	8,880	1,124	496	690	1 8'0
Cardigan	186,816	35,163	20,053	15,110	1 7'4	4,914	764	302	462	1 10'6
Brecknock	230,836	32,079	22,323	9,756	0 10'2	23,632	2,882	2,120	703	0 7'1
Radnor	136,835	17,942	11,340	6,602	0 11'6	20,820	2,181	803	1,378	1 4'1
Montgomery	268,172	31,237	18,010	13,227	0 11'8	34,517	4,380	1,931	2,429	1 4'9
Flint	348,044	39,887	22,417	17,120	0 11'8	66,950	6,554	2,345	4,209	1 3'1
Denbigh	453,803	60,225	35,435	24,790	1 1'1	63,505	6,896	2,502	3,394	1 0'8
Merioneth	132,969	31,312	18,263	8,947	1 4'1	36,065	18,614	10,778	7,836	1 7'6
Carnarvon	254,149	43,647	20,697	23,010	1 9'7	123,634	13,721	4,423	2,298	1 5'4
Anglesey	166,107	28,078	11,337	16,691	2 0'1	35,143	4,443	1,506	2,987	1 8'1
Total	4,158,586	606,381	358,936	247,086	1 2'3	2,769,890	364,697	209,157	155,540	1 1'5
Total of Administrative Counties other than London	51,202,862	6,468,136	3,903,779	2,564,357	1 0'0	27,773,514	3,062,685	1,686,534	1,376,151	0 11'9

in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—continued.

III.—Year 1896-97.

OTHER THAN LONDON—continued.

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Parishes in Boroughs.					Total.					Administrative Counties.
Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.	
£	£	£	£	s. d.	£	£	£	£	s. d.	
74,813	10,008	6,207	3,801	1 0'2	1,289,727	137,685	83,380	54,885	0 10'1	Leicester.
—	—	—	—	—	180,136	16,186	10,061	6,125	0 8'2	Notland.
45,531	6,678	3,307	3,371	1 5'2	465,716	79,460	50,380	39,100	1 3'4	Lincoln.— Parts of Holland.
101,098	7,733	1,808	5,840	1 1'9	755,717	100,434	61,874	38,560	1 0'2	Parts of Kesteven.
39,318	2,719	356	2,363	1 2'5	1,356,903	168,886	97,214	69,652	1 0'3	Parts of Lindsey.
706,423	16,953	7,078	8,880	0 11'9	1,345,577	144,735	88,473	56,263	0 10'0	Nottingham.
195,179	26,909	14,467	12,532	1 3'4	2,145,611	259,309	154,888	104,626	0 11'7	Derby.
632,850	70,200	34,208	36,087	1 1'9	7,550,477	904,875	546,024	368,651	0 11'4	Total.
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472,096	58,460	31,960	26,181	0 11'3	8,166,932	307,070	181,961	125,119	0 9'5	VIII.—NORTH-WESTERN COUNTIES.
2,323,485	300,196	194,880	75,306	0 7'8	8,546,710	778,916	459,484	318,732	0 9'0	Chester.
2,795,681	353,636	166,149	97,487	0 8'4	11,713,643	1,085,286	641,435	443,881	0 9'1	Lancaster.
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1,358,467	190,600	128,321	62,279	0 11'0	6,403,433	633,654	550,224	388,430	0 10'5	IX.—YORKSHIRE.
49,167	8,658	1,180	2,473	1 0'1	1,118,983	125,603	79,620	46,043	0 9'9	West Riding.
260,927	30,890	15,769	18,131	1 1'9	2,010,454	192,959	111,631	81,328	0 9'7	East Riding.
1,669,551	325,142	146,980	79,882	0 11'5	9,831,869	1,162,276	741,475	410,810	0 10'2	North Riding.
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750,181	92,038	54,476	37,562	1 0'0	3,333,717	375,414	214,894	161,020	1 0'0	X.—NORTHERN COUNTIES.
340,463	38,440	25,301	10,148	0 9'0	1,940,924	188,115	125,170	68,946	0 7'7	Durham.
317,553	34,513	15,309	18,203	1 2'5	1,593,305	151,946	84,638	67,308	0 10'1	Northumberland.
71,923	4,409	2,641	1,763	0 5'0	544,021	36,086	22,815	18,321	0 5'8	Cumberland.
1,409,068	163,408	94,727	63,681	0 11'7	7,318,807	751,511	447,017	304,404	0 10'0	Westmorland.
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~	~	~	~	~	~	~	~	~	~	XI.—MONMOUTH AND WALES.
24,333	3,948	1,770	2,178	1 9'5	942,584	144,935	80,705	64,250	1 4'4	Monmouth.
68,551	18,063	15,009	3,084	0 10'8	2,577,959	350,834	238,542	122,298	0 11'4	Glamorgan.
55,051	4,274	1,340	2,925	1 0'8	588,904	65,948	50,720	35,928	1 2'4	Carmarthen.
80,963	9,310	4,271	5,030	1 3'1	396,016	55,491	29,307	26,184	1 3'9	Pembroke.
45,831	6,977	3,615	3,353	1 6'4	236,561	41,904	23,970	18,934	1 7'3	Cardigan.
22,913	2,797	1,776	1,023	0 10'7	276,971	37,696	26,217	11,481	0 16'0	Brecknock.
—	—	—	—	—	157,355	20,123	12,143	7,960	1 0'3	Radnor.
61,886	6,037	3,615	2,392	0 10'1	364,524	41,634	35,386	18,248	1 0'0	Montgomery.
21,550	8,729	1,025	1,704	1 7'0	436,544	48,830	25,787	23,033	1 0'7	Flint.
99,889	9,750	4,405	5,291	1 0'7	617,196	76,977	42,402	33,475	1 1'0	Denbigh.
—	—	—	—	—	230,034	39,326	23,043	16,783	1 5'6	Merioneth.
95,850	14,190	8,469	8,731	1 9'8	478,412	71,558	30,839	41,029	1 8'6	Carnarvon.
10,856	2,449	1,551	918	1 8'3	918,105	34,970	14,494	20,546	1 11'2	Anglesey.
584,890	80,360	43,723	36,837	1 3'1	7,513,365	1,050,638	611,175	439,663	1 9'0	Total.
15,329,963	1,760,899	1,008,557	753,335	0 11'8	94,398,668	11,991,713	6,598,870	4,692,843	0 11'9	Total of Administrative Counties other than London.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—*continued.*

III.—Year 1896-97.

(b.) LONDON AND COUNTY BOROUGHS.

London and County Boroughs.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
ENGLAND.					
London (Administrative County)* -	£ 36,087,210	£ 6,052,034	£ 3,230,982	£ 2,821,052	£ 1 6·8
BERKS COUNTY.					
Reading - - - -	307,730	14,225	—	14,225	0 11·1
CHESTER COUNTY.					
Birkenhead - - - -	500,619	33,526	15,341	18,185	0 8·7
Chester - - - -	187,846	37,224	26,651	10,573	1 1·5
Stockport - - - -	279,043	34,029	21,147	12,882	0 11·1
Total - - - -	967,508	104,779	63,139	41,640	0 10·3
DERBY COUNTY.					
Derby - - - -	416,926	55,171	26,106	29,065	1 4·7
DEVON COUNTY.					
Devonport - - - -	175,529	34,153	20,100	14,053	1 7·2
Exeter - - - -	200,691	25,289	11,601	13,688	1 4·4
Plymouth - - - -	354,536	49,776	20,004	29,772	1 8·2
Total - - - -	730,756	109,218	51,705	57,513	1 6·9
DURHAM COUNTY.					
Gateshead - - - -	298,193	15,432	—	15,432	1 0·4
South Shields - - - -	305,009	39,431	23,908	15,523	1 0·2
Sunderland - - - -	505,538	30,491	2,382	28,109	1 1·3
Total - - - -	1,108,740	85,354	26,290	59,064	1 0·8
ESSEX COUNTY.					
West Ham - - - -	944,940	218,061	152,243	65,818	1 4·7
GLoucester COUNTY.					
Bristol - - - -	1,128,061	94,072	30,230	63,842	1 1·6
Gloucester - - - -	161,034	15,305	8,396	6,909	0 10·3
Total - - - -	1,289,095	109,377	38,626	70,751	1 1·2
KENT COUNTY.					
Canterbury - - - -	109,427	10,371	4,239	6,132	1 1·5

* See p. 45 as to comparison between the figures for London and the rest of England and Wales.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—*continued.*

III.—Year 1896-97.

(b.) LONDON AND COUNTY BOROUGHS—*continued.*

London and County Boroughs.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
ENGLAND—<i>continued.</i>					
LANCASTER COUNTY.					
Barrow-in-Furness -	222,407	9,712	—	9,712	0 10·5
Blackburn -	439,797	54,715	39,055	15,660	0 8·5
Bolton -	454,403	25,233	317	24,916	1 1·2
Bootle -	450,243	55,097	26,500	28,597	1 3·2
Burnley -	331,096	13,520	—	13,520	0 9·8
Bury -	248,852	19,773	12,213	7,560	0 7·3
Liverpool -	3,802,566	340,774	180,527	210,247	1 1·3
Manchester -	2,921,493	931,404	810,528	120,876	0 9·9
Oldham -	432,536	13,225	375	12,850	0 7·1
Preston -	361,794	8,270	66	8,204	0 5·4
Rochdale -	290,044	45,229	28,503	16,726	1 1·8
St. Helens -	310,723	15,683	500	15,183	0 11·7
Salford -	835,400	51,593	543	51,050	1 2·7
Wigan -	184,199	20,542	12,442	8,100	0 10·6
Total -	11,285,553	1,604,770	1,061,569	543,201	0 11·6
LEICESTER COUNTY.					
Leicester -	707,812	62,569	—	62,569	1 9·2
LINCOLN—Parts of Lindsey.					
Grimsby -	193,265	85,933	20,685	15,248	1 6·9
Lincoln -	153,299	11,758	338	11,420	1 5·9
Total -	346,564	47,691	21,023	26,668	1 6·5
MONMOUTH COUNTY.					
Newport -	280,688	40,105	22,356	17,749	1 3·2
NORFOLK COUNTY.					
Great Yarmouth -	181,082	27,548	11,999	15,549	1 3·6
Norwich -	343,257	66,947	37,380	29,567	1 8·7
Total -	524,339	94,495	49,379	45,116	1 8·7
NORTHAMPTON COUNTY.					
Northampton -	209,812	33,444	19,232	14,212	1 4·3
NORTHUMBERLAND COUNTY.					
Newcastle-upon-Tyne -	997,532	33,385	900	32,485	0 7·8
NOTTINGHAM COUNTY.					
Nottingham -	896,304	71,489	—	71,489	1 7·1
OXFORD COUNTY.					
Oxford -	324,014	11,464	—	11,464	0 8·5

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—continued.

III.—Year 1896-97.

(b.) LONDON AND COUNTY BOROUGHS—continued.

London and County Boroughs.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
ENGLAND—continued.					
SOMERSET COUNTY.					
Bath	301,637	25,866	13,494	12,372	0 9·8
SOUTHAMPTON COUNTY.					
Portsmouth	658,622	113,893	67,312	46,581	1 5·0
Southampton	370,499	55,836	28,732	27,104	1 5·6
Total	1,029,121	169,729	96,044	73,685	1 5·2
STAFFORD COUNTY.					
Hanley	190,284	35,993	22,758	13,235	1 4·7
Walsall	205,965	13,657	—	13,657	1 3·9
West Bromwich	204,817	28,828	17,449	11,379	1 1·3
Wolverhampton	325,143	55,578	26,625	28,953	1 9·4
Total	926,209	134,056	66,832	67,224	1 5·4
SUFFOLK, EAST.					
Ipswich	235,227	29,001	15,034	13,967	1 2·2
SURREY COUNTY.					
Croydon	692,177	93,272	69,423	33,849	0 11·7
SUSSEX, EAST.					
Brighton	754,964	85,729	37,689	48,040	1 3·3
Hastings	372,332	35,683	20,120	15,563	0 10·0
Total	1,127,296	121,412	57,809	63,603	1 1·5
WARWICK COUNTY.					
Birmingham	2,208,124	426,709	309,511	117,198	1 0·7
Coventry	183,216	8,896	—	8,896	0 11·7
Total	2,391,340	435,605	309,511	126,094	1 0·7
WORCESTER COUNTY.					
Dudley	133,699	20,998	8,401	12,592	1 10·6
Worcester	183,862	18,566	4,159	14,407	1 6·6
Total	317,561	39,559	12,560	26,999	1 8·4
YORK, EAST RIDING.					
Kingston-upon-Hull	807,074	102,548	37,461	65,087	1 7·4

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896–97 and 1897–98—*continued.*

III.—Year 1896–97.

(b.) LONDON AND COUNTY BOROUGHS—*continued.*

London and County Boroughs.	Rateable Value.	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Rateable Value of Poor Rates raised less Precept Rates.
	£	£	£	£	s. d.
ENGLAND—<i>continued.</i>					
YORK, NORTH RIDING.					
Middlesbrough - - -	309,948	23,908	2,270	21,638	1 4·8
YORK, WEST RIDING.					
Bradford - - - -	1,097,484	214,683	174,901	39,782	0 8·7
Halifax - - - -	358,403	16,826	—	16,826	0 11·3
Huddersfield - - - -	484,501	14,110	—	14,110	0 7·8
Leeds - - - -	1,420,985	229,034	154,266	74,768	1 0·6
Sheffield - - - -	1,235,071	233,578	138,974	94,604	1 6·4
Total - - - -	4,546,394	708,231	468,141	240,090	1 0·7
YORK COUNTY BOROUGH - - -	244,247	82,378	68,969	13,409	1 1·2
WALES.					
GLAMORGAN COUNTY.					
Cardiff - - - -	891,626	98,663	62,443	36,240	0 9·8
Swansea - - - -	846,925	53,033	30,698	22,335	1 3·6
Total - - - -	1,238,751	151,716	93,141	58,575	0 11·8
Total of County Boroughs	35,614,717	4,823,249	2,837,496	1,985,753	1 1·4

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECEPT RATES

IV.—Year 1897-98.

(a.) ADMINISTRATIVE COUNTIES

Administrative Counties.	Parishes in Rural Districts.					Parishes in Urban Districts.				
	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
I.—LONDON	£ (See p. 170.)	£	£	£	s. d.	£	£	£	£	s. d.
II.—SOUTH-EASTERN COUNTIES.										
Surrey	1,062,323	101,419	105,129	56,290	1 0'7	1,279,612	112,988	57,774	55,314	0 10'4
Kent	1,601,753	230,293	190,507	89,786	1 0'7	1,152,787	127,952	72,176	55,776	0 11'8
Sussex, East	705,276	109,274	68,133	40,141	1 1'7	509,275	40,202	20,712	19,580	0 9'2
Sussex, West	459,501	69,600	39,851	29,839	1 3'6	100,204	11,964	6,884	5,080	1 0'2
Southampton	1,018,009	139,319	76,244	62,975	1 2'8	360,403	37,777	15,906	21,781	1 2'6
Isle of Wight	139,592	15,144	8,503	6,651	0 11'3	160,237	11,957	5,361	6,606	0 9'9
Berks	765,692	98,773	87,521	41,262	1 0'9	9,708	751	323	428	0 10'6
Total	5,842,135	873,812	546,978	626,884	1 1'4	3,552,226	343,681	170,216	164,465	0 11'1
III.—SOUTH MIDLAND COUNTIES.										
Middlesex	275,123	40,705	24,974	15,731	1 1'7	3,316,312	450,955	288,997	161,968	0 11'7
Hertford	754,805	99,477	46,703	52,774	1 4'8	417,954	44,759	21,049	23,710	1 1'6
Buckingham	761,458	89,020	54,622	34,398	0 10'8	154,629	17,390	9,719	7,671	0 11'9
Oxford	462,506	64,334	38,903	25,431	1 1'2	54,580	5,371	1,742	3,629	1 4'0
Northampton	708,218	85,529	50,195	35,334	1 0'0	262,431	32,789	17,193	15,596	1 2'8
Soke of Peterborough	77,830	7,833	5,213	2,620	0 8'1	—	—	—	—	—
Huntingdon	221,189	27,692	17,820	9,872	0 10'7	42,453	2,363	1,504	1,359	0 7'7
Bedford	404,779	60,591	36,168	24,422	1 2'5	71,676	10,225	6,500	3,725	1 0'5
Cambridge	312,135	48,446	26,018	22,423	1 5'2	26,535	2,236	788	1,448	1 1'1
Isle of Ely	178,478	22,243	10,877	11,363	1 3'3	97,298	10,175	5,159	5,016	1 0'4
Total	4,156,520	545,870	311,494	234,376	1 1'5	4,443,888	576,763	352,651	224,112	1 0'1
IV.—EASTERN COUNTIES.										
Esex	1,097,872	205,899	128,065	77,834	1 5'0	1,338,644	236,901	151,698	84,208	1 3'1
Suffolk, East	507,508	55,960	21,624	33,636	1 3'0	68,224	6,534	2,116	4,418	1 3'5
Suffolk, West	273,026	38,941	12,941	24,000	1 9'1	90,113	9,653	4,600	4,983	1 1'3
Norfolk	1,107,880	179,977	88,667	91,310	1 7'8	117,970	17,357	7,000	10,357	1 9'1
Total	2,986,266	478,077	251,297	226,780	1 6'2	1,614,951	269,446	165,469	108,976	1 3'5
V.—SOUTH-WESTERN COUNTIES.										
Wiltshire	792,068	126,566	76,312	50,254	1 3'2	238,347	30,683	18,907	11,775	0 11'9
Dorset	512,840	77,121	39,892	37,229	1 5'4	112,004	15,226	6,570	8,656	1 6'5
Devon	1,171,403	168,018	97,561	70,457	1 2'4	500,524	55,686	25,310	30,376	1 2'6
Cornwall	692,279	110,642	66,307	44,335	1 3'4	134,922	17,032	8,388	8,644	1 3'4
Somerset	1,467,124	194,154	111,561	82,583	1 1'5	315,012	30,350	13,305	17,045	1 1'0
Total	4,035,719	876,501	391,633	284,863	1 2'7	1,300,869	148,976	72,490	76,496	1 2'1
VI.—WEST MIDLAND COUNTIES.										
Gloucester	1,054,180	146,752	85,342	61,410	1 2'0	377,972	52,473	30,074	22,399	1 2'2
Hereford	500,328	60,955	35,845	25,110	1 0'0	38,029	4,721	2,390	2,325	1 2'7
Salop	923,816	84,501	61,903	33,053	0 8'5	55,425	7,484	3,715	3,769	0 11'0
Stafford	1,196,635	130,368	76,308	54,060	0 10'8	1,287,088	163,362	78,638	84,726	1 4'0
Worcester	940,645	133,693	89,780	45,913	0 11'2	337,425	34,883	14,440	20,453	1 2'5
Warwick	785,341	96,144	67,392	38,752	0 11'3	461,221	45,275	27,346	17,929	0 9'3
Total	5,400,842	652,473	306,570	255,003	0 11'4	2,504,100	306,208	156,607	151,601	1 2'2

* See footnote (b) on page 79.

† Including the Scilly Islands.

POOR RATES LESS PRECEPT RATES IN ADMINISTRATIVE COUNTIES AND COUNTY BOROUGHGS. 167

in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHGS in 1896-97 and 1897-98.—continued.

IV.—Year 1897-98.

OTHER THAN LONDON.

Parishes in Boroughs.					Total.					Administrative Counties.
Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.	
£	£	£	£	s. d.	£	£	£	£	s. d.	
667,166	59,640	38,797	20,853	0 7'5	3,009,100	334,047	201,890	132,257	0 10'6	I.—LONDON.
1,443,026	172,789	83,815	80,874	1 2'9	4,267,566	581,034	345,898	235,138	1 1'2	II.—SOUTH-EASTERN COUNTIES.
354,427	40,474	23,805	16,960	1 0'1	1,845,978	190,040	113,450	76,590	0 11'9	Surrey.
163,174	17,141	5,056	12,035	1 5'8	722,879	98,795	51,791	47,004	1 3'6	Kent.
579,507	36,741	17,376	19,365	0 8'0	1,957,979	215,737	100,616	104,121	1 0'8	Sussex, East.
109,071	11,346	6,569	4,777	0 10'5	408,000	88,447	20,513	17,934	0 10'5	Sussex, West.
226,737	23,281	11,008	12,283	1 1'0	1,002,137	122,815	68,882	53,963	1 0'9	Southampton.
3,823,168	361,428	185,616	175,806	1 0'0	12,917,530	1,578,915	911,810	867,106	1 0'4	Isle of Wight.
										Berks.
										Total.
										III.—SOUTH MIDLAND COUNTIES.
—	—	—	—	—	3,891,434	491,660	813,971	177,639	0 11'9	Middlesex.
88,673	21,618	17,639	7,009	1 7'0	1,261,331	168,884	85,391	83,483	1 3'9	Hertford.
54,793	6,788	2,905	8,396	1 4'6	970,880	113,198	67,336	45,883	0 11'3	Buckingham.
92,503	9,352	3,955	5,396	1 8'0	600,530	70,057	44,601	34,456	1 1'6	Oxford.
27,636	3,655	1,308	1,352	0 11'7	608,275	120,973	68,691	52,282	1 0'6	Northampton.
121,769	6,893	2,328	4,565	0 9'0	199,599	14,796	7,541	7,185	0 8'6	Soke of Peterborough.
43,738	4,904	2,638	2,366	1 0'7	306,380	35,459	21,962	18,407	0 10'6	Huntingdon.
265,111	34,503	21,643	12,868	0 11'5	744,666	108,321	64,312	41,009	1 1'2	Bedford.
225,198	24,270	17,278	6,902	0 7'5	503,886	74,953	44,084	30,868	1 1'1	Cambridge.
35,017	5,586	2,979	2,554	1 5'6	310,793	37,944	19,008	18,936	1 2'6	Isle of Ely.
956,327	119,541	72,759	46,789	0 11'7	9,556,715	1,242,174	736,897	505,277	1 0'7	Total.
										IV.—EASTERN COUNTIES.
852,763	61,867	38,596	33,361	1 3'8	2,789,278	503,657	818,354	185,303	1 3'9	Essex.
147,974	23,411	19,560	10,851	1 5'6	723,706	85,205	56,900	48,905	1 4'2	Suffolk, East.
75,066	10,573	3,137	7,441	1 11'8	438,104	57,172	20,738	38,434	1 7'9	Suffolk, West.
86,820	17,517	9,173	8,344	1 11'2	1,318,079	214,851	104,840	110,011	1 8'1	Norfolk.
662,930	113,363	63,466	48,897	1 6'1	5,204,167	860,885	480,232	380,653	1 5'4	Total.
										V.—SOUTH-WESTERN COUNTIES.
141,053	19,086	9,477	9,308	1 4'3	1,171,468	176,333	104,006	71,637	1 2'7	Wiltshire.
250,156	44,491	30,143	18,379	1 5'5	875,060	136,768	72,604	64,164	1 5'6	Dorset.
312,405	38,311	20,163	18,049	1 1'9	1,984,337	261,015	148,033	118,889	1 2'4	Devon.
203,505	29,549	14,164	15,383	1 6'1	1,030,706	157,323	88,859	68,364	1 3'9	Cornwall. ^t
210,284	23,583	9,363	14,391	1 3'7	2,001,390	248,087	134,123	113,969	1 1'7	Somerset.
1,126,373	154,849	79,307	75,643	1 4'1	7,062,961	980,326	543,320	437,006	1 2'8	Total.
										VI.—WEST MIDLAND COUNTIES.
200,968	31,759	16,913	14,847	1 0'3	1,723,320	230,064	138,323	98,656	1 1'7	Gloucester.
131,991	24,425	17,350	7,075	1 0'9	670,346	90,101	55,891	34,510	1 0'4	Hereford.
213,046	28,363	16,183	13,090	0 10'8	1,274,337	120,306	71,801	48,507	0 9'1	Salop.
846,339	190,365	73,903	46,469	1 1'2	3,308,928	614,095	233,847	185,343	1 1'4	Stafford.
137,737	31,098	13,381	7,857	1 2'7	1,405,707	189,674	117,471	72,303	1 0'3	Worcester.
308,636	34,360	21,753	12,605	0 9'9	1,558,106	175,779	106,483	69,286	0 10'7	Warwick.
1,963,907	960,900	159,354	100,906	1 0'3	9,933,640	1,230,941	712,631	508,410	1 0'3	Total.

TABLE XIII.—AMOUNT and AVERAGE RATE IN THE £ of POOR RATES less PRECHPT RATES

IV.—Year 1897-98.

(a.) ADMINISTRATIVE COUNTIES

Administrative Counties.	Parishes in Rural Districts.					Parishes in Urban Districts.				
	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
VII.—NORTH MIDLAND COUNTIES.		£	£	£	£ s. d.		£	£	£	£ s. d.
Leicester	714,240	2,708	49,367	33,341	0 11 3	226,333	19,711	7,505	12,206	1 0 9
Nottingham	135,744	18,247	8,964	4,283	0 7 6	—	—	—	—	—
Lincoln:—										
Parts of Hicland	210,719	40,023	25,353	14,669	1 4 7	76,839	9,038	5,032	4,006	1 0 7
Parts of Kesteven	457,783	72,553	51,333	21,219	0 11 1	27,560	8,044	1,771	1,273	0 11 1
Parts of Lindsey	708,022	105,982	70,164	35,818	1 0 1	241,485	17,020	5,260	11,700	0 11 7
Nottingham	710,746	81,732	63,571	28,161	0 9 5	220,442	33,012	16,874	16,538	1 2 6
Derby	1,158,919	150,106	102,955	56,161	0 11 6	551,779	57,932	33,651	24,281	0 10 6
Total	4,096,053	555,349	361,707	193,642	0 11 3	1,363,338	139,807	69,893	69,914	1 0 0
VIII.—NORTH-WESTERN COUNTIES.										
Chester	1,250,423	134,446	85,691	48,757	0 9 4	1,152,032	76,929	36,563	41,866	0 8 7
Lancaster	1,781,994	215,832	137,532	78,300	0 10 5	4,030,881	355,131	174,505	180,626	0 10 6
Total	3,032,417	330,268	223,923	127,057	0 10 1	5,232,913	483,360	311,068	333,298	0 10 3
IX.—YORKSHIRE.										
West Riding	2,063,077	306,895	217,739	89,156	0 10 4	2,597,298	304,613	193,663	110,920	0 10 2
East Riding	647,202	89,713	58,387	25,346	0 9 4	145,878	10,545	4,542	6,003	0 9 9
North Riding	970,783	94,035	57,924	36,111	0 8 9	423,277	41,165	22,396	18,769	0 10 6
Total	3,681,061	494,643	334,080	150,913	0 9 8	3,166,447	356,323	220,631	135,692	0 10 3
X.—NORTHERN COUNTIES.										
Durham	1,547,438	204,970	124,450	80,530	0 11 7	273,705	80,286	39,249	41,037	1 0 7
Northumberland	842,113	87,596	65,530	22,057	0 6 3	568,007	53,121	31,711	31,410	0 9 0
Cumberland	646,201	64,942	43,404	21,538	0 8 0	382,405	28,823	18,116	10,707	0 8 7
Westmorland	295,897	23,594	17,490	6,104	0 5 0	65,267	2,697	1,168	1,539	0 5 7
Total	3,431,649	351,102	250,983	150,819	0 9 1	1,789,384	164,927	90,934	74,693	0 10 0
XL.—MONMOUTH AND WALES.										
Monmouth	229,016	45,172	25,157	18,036	1 3 0	538,992	96,033	53,344	42,688	1 7 0
Glamorgan	779,376	130,960	85,858	45,092	1 1 9	1,670,854	216,280	136,665	79,595	0 11 4
Carmarthen	321,773	54,463	32,136	22,327	1 4 7	86,337	14,904	8,489	6,435	1 5 8
Pembroke	305,445	35,285	18,907	16,378	1 7 1	7,970	1,318	381	827	2 0 9
Cardigan	126,821	25,904	14,941	10,963	1 8 7	4,673	678	253	419	1 9 5
Brecknock	169,530	27,573	17,063	10,519	1 2 9	22,471	3,793	1,853	1,940	1 8 7
Radnor	90,792	13,026	8,140	4,886	1 0 9	17,996	1,973	704	1,268	1 4 9
Montgomery	191,477	23,064	12,947	10,117	1 0 7	30,378	3,929	2,093	1,336	1 3 5
Flint	263,857	35,101	18,895	16,908	1 2 7	89,171	8,727	3,443	5,284	1 2 3
Denbigh	360,594	50,508	32,403	18,106	1 0 1	69,141	5,344	3,041	2,205	0 8 4
Merioneth	98,603	18,036	11,049	6,987	1 5 0	97,181	17,905	10,315	7,590	1 6 7
Carnarvon	211,295	39,634	20,645	18,989	1 9 6	125,403	11,203	5,237	6,026	0 11 5
Anglesey	118,763	20,379	9,579	10,800	1 9 8	33,818	4,811	1,583	3,383	1 11 3
Total	8,227,073	517,094	307,689	209,405	1 3 6	2,783,889	385,750	226,356	159,394	1 1 7
Total of Administrative Counties other than London	40,489,765	5,515,201	3,375,504	2,139,697	1 0 7	27,846,978	3,127,240	1,744,605	1,382,635	0 11 9

* See footnote (b) on page 79.

in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—*continued.*

IV.—Year 1897-98.

OTHER THAN LONDON—*continued.*

Assessable Value.*	Parishes in Boroughs.				Assessable Value.*	Total.				Administrative Counties.
	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.		Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.	
73,887	10,523	6,623	3,894	1 0'7	1,014,330	112,949	63,501	49,441	0 11'7	VII.—NORTH MIDLAND COUNTIES.
—	—	—	—	—	135,744	13,347	8,984	4,283	0 7'6	Leicester.
44,487	6,393	3,983	3,487	1 6'5	393,055	55,505	33,843	22,168	1 4'0	Nottingham.
90,814	10,144	5,060	5,084	1 0'3	584,037	85,740	58,164	27,576	0 11'3	Derby.
36,968	2,640	477	2,163	1 2'0	986,483	125,642	75,901	48,741	1 0'1	Total.
161,273	17,980	9,476	8,504	1 0'7	1,141,461	132,724	79,721	53,008	0 11'1	Lincoln.— Parts of Holland.
199,016	27,466	14,290	13,906	1 3'0	1,909,614	244,534	150,896	98,698	0 11'8	Parts of Kesteven.
614,933	75,178	38,890	36,283	1 2'3	6,104,324	770,334	470,400	299,844	0 11'8	Parts of Lindsey.
										Nottingham.
473,803	48,984	28,980	20,054	0 10'2	3,376,263	261,661	151,184	110,477	0 9'2	VIII.—NORTH-WESTERN COUNTIES.
2,377,539	314,090	180,011	84,088	0 8'5	8,340,414	785,062	442,048	343,014	0 10'0	Chester.
2,851,347	263,083	158,941	104,142	0 8'8	11,110,677	1,046,723	593,332	453,491	0 9'8	Lancaster.
										Total.
1,322,074	101,093	133,162	57,930	0 10'2	6,022,440	802,800	544,504	258,006	0 10'3	IX.—YORKSHIRE.
46,300	3,482	1,234	2,198	0 10'9	841,364	97,690	64,143	38,547	0 9'6	West Riding.
268,940	33,885	14,330	18,996	1 5'6	1,633,005	168,585	94,709	73,876	0 10'7	East Riding.
1,660,810	227,900	148,788	79,124	0 11'4	8,516,818	1,068,876	703,446	386,429	0 10'3	North Riding.
										Total.
758,741	95,315	56,038	39,284	1 0'4	3,170,984	380,572	219,731	100,841	1 0'1	X.—NORTHERN COUNTIES.
265,189	35,275	22,700	11,567	0 10'5	1,675,308	175,993	120,959	55,084	0 7'9	Durham.
280,617	34,369	23,057	11,295	0 8'5	1,340,228	128,117	84,577	48,540	0 7'7	Northumberland.
68,877	8,722	2,590	1,132	0 8'9	430,041	30,013	21,238	8,775	0 4'0	Cumberland.
1,413,423	168,666	105,388	63,278	0 10'7	6,634,456	714,695	446,505	268,190	0 9'7	Westmorland.
										Total.
—	—	—	—	—						XI.—MONMOUTH AND WALES.
21,958	3,484	1,859	1,925	1 9'0	849,966	141,698	79,040	63,648	1 5'7	Monmouth.
68,130	18,308	12,371	5,931	1 8'9	9,518,360	365,532	234,916	130,618	1 0'4	Glamorgan.
47,718	8,878	913	1,763	1 1'0	456,327	73,043	41,518	31,825	1 4'6	Carmarthen.
75,681	9,044	4,905	4,139	1 1'1	289,006	45,547	24,203	21,344	1 5'7	Pembroke.
43,420	6,536	3,490	3,046	1 5'2	178,914	33,112	18,884	14,429	1 7'9	Cardigan.
21,414	3,162	1,853	1,300	1 2'7	213,415	34,527	20,759	13,768	1 3'5	Brecknock.
—	—	—	—	—	108,798	14,098	8,844	6,154	1 1'6	Radnor.
47,988	5,035	2,924	2,111	0 10'6	269,751	32,028	17,964	14,064	1 0'6	Montgomery.
10,190	2,160	898	1,254	1 3'7	371,148	45,977	23,233	22,744	1 3'7	Flint.
96,433	8,591	4,651	3,940	0 8'9	518,887	64,343	40,004	24,349	0 11'2	Denbigh.
—	—	—	—	—	196,784	35,941	21,364	14,577	1 5'9	Merioneth.
83,973	14,755	7,010	7,745	1 7'8	430,670	66,658	38,392	33,760	1 6'3	Carnarvon.
9,413	2,376	1,566	610	1 8'7	161,996	27,560	12,673	14,893	1 10'1	Anglesey.
543,147	77,110	42,137	34,973	1 3'5	6,559,102	979,954	576,182	403,772	1 2'8	Total.
15,929,865	1,821,381	1,054,536	766,845	1 0'0	83,666,606	10,463,822	6,174,645	4,389,177	1 0'3	Total of Administrative Counties other than London.

TABLE XIII.—AMOUNT and AVERAGE RATE in the £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNCILS and COUNTY BOROUGHs in 1896-97 and 1897-98—continued.

IV—Year 1897-98.

(b.)—LONDON AND COUNTY BOROUGHs.

London and County Boroughs.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
ENGLAND.					
London (Administrative County)†	£ 36,422,165	£ 6,051,405	£ 3,116,340	£ 2,935,065	s. d. 1 7·3
BERKS COUNTY.					
Reading	309,466	15,896	—	15,896	1 0·3
CHESTER COUNTY.					
Birkenhead	507,185	35,970	18,737	17,233	0 8·2
Chester	188,961	40,893	34,069	6,824	0 8·7
Stockport	281,412	34,322	21,153	13,169	0 11·2
Total	977,558	111,185	73,959	37,226	0 9·1
DERBY COUNTY.					
Derby	422,087	53,906	26,610	27,296	1 3·5
DEVON COUNTY.					
Devonport	177,817	26,645	14,100	12,545	1 4·9
Exeter	200,269	27,703	13,602	14,101	1 4·9
Plymouth	405,147	55,417	26,932	28,485	1 4·9
Total	783,233	109,765	54,634	55,131	1 4·9
DURHAM COUNTY.					
Gateshead	310,602	19,684	—	19,684	1 3·2
South Shields	314,641	43,493	28,086	15,407	0 11·8
Sunderland	512,621	25,753	2,454	23,299	0 10·9
Total	1,137,864	88,930	30,540	58,390	1 0·3
ESSEX COUNTY.					
West Ham	969,382	206,092	136,283	69,809	1 5·3
Gloucester County.					
Bristol	1,154,133	124,956	58,169	66,787	1 1·9
Gloucester	170,202	22,005	11,400	10,605	1 3·0
Total	1,324,335	146,961	69,569	77,392	1 2·0

* See footnote (b) on p. 79.

† See p. 46 as to comparison between the figures for London and the rest of England and Wales.

TABLE XIII.—AMOUNT and AVERAGE RATE in the £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—continued

IV.—Year 1897-98.

(b.)—LONDON AND COUNTY BOROUGHS—continued.

London and County Boroughs.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
ENGLAND—continued.					
KENT COUNTY.					
Canterbury	£ 107,636	£ 11,514	£ 5,548	£ 5,966	£ 1 1·3
LANCASTER COUNTY.					
Barrow-in-Furness	224,282	7,275	—	7,275	0 7·8
Blackburn	438,931	54,015	87,600	16,415	0 9·0
Bolton	459,504	25,806	442	25,364	1 1·2
Bootle	455,832	51,896	26,000	25,896	1 1·6
Burnley	337,260	13,435	—	13,435	0 9·6
Bury	247,078	20,179	13,269	6,910	0 6·7
Liverpool	3,827,794	328,008	128,840	199,168	1 0·5
Manchester	2,930,009	962,710	809,790	152,920	1 0·5
Oldham	433,102	16,823	504	15,819	0 8·8
Preston	361,320	8,144	99	8,045	0 5·3
Rochdale	291,294	46,705	33,543	13,162	0 10·8
St. Helens	306,906	15,308	434	14,874	0 11·6
Salford	855,086	39,832	768	39,064	0 11·0
Wigan	187,124	24,977	11,503	13,474	1 5·3
Total	11,855,522	1,614,613	1,062,792	551,821	0 11·7
LEICESTER COUNTY.					
Leicester	738,398	46,771	—	46,771	1 3·2
LINCOLN—Parts of Lindsey.					
Grimsby	193,955	28,508	17,411	11,097	1 1·7
Lincoln	154,423	13,102	604	12,498	1 7·4
Total	348,378	41,610	18,015	23,595	1 4·3
MONMOUTH COUNTY.					
Newport	287,616	42,541	22,900	19,641	1 4·4
NORFOLK COUNTY.					
Great Yarmouth	181,924	28,126	13,674	14,452	1 7·1
Norwich	345,052	62,109	38,800	23,309	1 4·2
Total	526,976	90,235	52,474	37,761	1 5·2
NORTHAMPTON COUNTY.					
Northampton	215,515	38,208	20,704	12,504	1 1·9
NORTHUMBERLAND COUNTY.					
Newcastle-upon-Tyne	1,042,070	84,791	950	33,881	0 7·8

* See footnote (b) on p. 79.

TABLE XIII.—AMOUNT and AVERAGE RATE in the £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-98—continued.

IV.—Year 1897-98.

(b.)—LONDON AND COUNTY BOROUGHS—continued.

London and County Boroughs.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
ENGLAND—continued.					
NOTTINGHAM COUNTY.					
Nottingham	£ 903,196	£ 60,605	—	£ 60,605	1 4·1
OXFORD COUNTY.					
Oxford	325,717	10,416	—	10,416	0 7·7
SOMERSET COUNTY.					
Bath	299,599	30,999	17,601	13,398	0 10·7
SOUTHAMPTON COUNTY.					
Portsmouth	703,423	112,759	71,632	41,127	1 2·0
Southampton	399,761	66,431	36,281	30,150	1 6·1
Total	1,103,184	179,190	107,913	71,277	1 3·5
STAFFORD COUNTY.					
Hanley	191,649	39,122	25,237	13,885	1 5·4
Walsall	241,118	14,983	—	14,983	1 2·9
West Bromwich	204,336	30,321	19,233	11,088	1 1·0
Wolverhampton	332,385	51,698	24,311	27,387	1 7·8
Total	969,498	136,124	68,781	67,343	1 4·7
SUFFOLK, EAST.					
Ipswich	240,589	29,440	15,545	13,895	1 1·9
SURREY COUNTY.					
Croydon	712,104	93,209	63,307	29,902	0 10·1
SUSSEX, EAST.					
Brighton	766,922	79,078	32,514	46,564	1 2·6
Hastings	374,112	35,730	20,015	15,715	0 10·1
Total	1,141,034	114,808	52,529	62,279	1 1·1
WARWICK COUNTY.					
Birmingham	2,251,698	438,001	314,394	123,607	1 1·2
Coventry	185,275	8,679	—	8,679	0 11·2
Total	2,436,973	446,680	314,394	132,286	1 1·0
WORCESTER COUNTY.					
Dudley	132,480	19,980	9,401	10,579	1 7·2
Worcester	184,490	18,897	3,950	14,947	1 7·4
Total	316,970	38,877	13,351	25,526	1 7·3

* See footnote (b) on p. 79.

TABLE XIII.—AMOUNT and AVERAGE RATE in the £ of POOR RATES less PRECEPT RATES in ADMINISTRATIVE COUNTIES and COUNTY BOROUGHS in 1896-97 and 1897-1898—*continued.*

IV.—Year 1897-98.

(b.) LONDON AND COUNTY BOROUGHS—*continued.*

London and County Boroughs.	Assessable Value.*	Poor Rates raised.	Precept Rates.	Poor Rates raised less Precept Rates.	Rate in £ of Assessable Value of Poor Rates raised less Precept Rates.
ENGLAND—<i>continued.</i>					
YORK, EAST RIDING.					
Kingston-upon-Hull - - -	£ 844,076	£ 93,529	£ 32,443	£ 61,086	s. d. 1 5·4
YORK, NORTH RIDING.					
Middlesbrough - - -	819,064	28,797	2,751	26,046	1 7·6
YORK, WEST RIDING.					
Bradford - - -	1,125,684	224,687	178,691	45,996	0 9·8
Halifax - - -	360,606	16,896	—	16,896	0 11·2
Huddersfield - - -	431,259	14,554	—	14,554	0 8·1
Leeds - - -	1,463,185	238,442	156,136	82,306	1 1·5
Sheffield - - -	1,254,381	241,108	143,743	97,365	1 6·6
Total - - -	4,635,115	785,687	478,570	257,117	1 1·3
YORK COUNTY BOROUGH - - -	252,607	81,888	69,126	12,762	1 0·1
WALES.					
GLAMORGAN COUNTY.					
Cardiff - - -	1,007,697	106,287	71,886	34,401	0 8·2
Swansea - - -	346,406	60,778	36,396	24,382	1 4·9
Total - - -	1,354,103	167,065	108,282	58,783	0 10·4
Total of County Boroughs	36,399,855	4,895,322	2,919,571	1,975,751	1 1·0

* See footnote (b) on p. 79.

TABLE XIV.—AVERAGE RATES in the £ of RATES raised in RURAL DISTRICTS of each ADMINISTRATIVE COUNTY in 1889-91 and 1896-98.

[Compiled from Sir H. H. Fowler's Report on Local Taxation (H.C. 168 of 1893); Local Taxation Returns, 1897-98, Pts. III. and VI. (H.C. 302-II., 302-IV. of 1899); Ibid., 1896-97, Pts. III. and VI. (H.C. 351-I., 325 of 1898); and Returns lent to the Commission by the Local Government Board.]

ADMINISTRATIVE COUNTIES.	Average Rates in the £ of Rates raised in Rural Districts.															Increase in Total.
	Mean of Rates for 1889-90 and 1890-91.							Mean of Rates for 1896-97 and 1897-98.								
	Poor Rates, excluding Precept Rates.	County Rates.*	Rural Sanitary Authorities' Rates.	Highway Rates.	School Board Rates.†	TOTAL.	Poor Rates, excluding Precept Rates.	County Rates.*	Rural District Councils' Rates (other than Highway Rates).	Highway Rates.	School Board Rates.	Other Rates.‡	TOTAL.			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.		
I.—LONDON.	s. d. No Rural District.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
II.—SOUTH-EASTERN COUNTIES.																
Surrey	- 10·1	- 5·25*	- 6·5	- 8·7	- 9·9	2 9·45	1 0·8	- 6·8*	- 6·9	- 9·4	- 8·9	- 2·1	3 5·4	- 8·0*		
Kent	1 0·0	- 7·18*	- 3·4	- 9·5	- 1·8	2 9·83	1 0·4	- 7·6*	- 6·0	1 0·8	- 2·5	- 1·0	3 5·8	- 8·0*		
Sussex, East	1 0·5	- 8·94§	- 1·5	- 7·7	- 2·1	2 3·74	{ 1 2·1	- 7·1	- 4·0	- 10·6	- 8·0	- 1·1	3 3·8			
Sussex, West							{ 1 3·6	- 5·6	- 2·7	- 9·1	- 9·6	- 1·0	3 0·6		{ - 10·5	
Southampton	1 2·9	- 2·78	- 1·3	- 4·9	- 1·9	2 1·08	{ 1 2·3	- 5·9	- 2·1	- 7·0	- 2·9	- 0·9	2 7·8			
Isle of Wight		- 4·00	- 0·7	- 6·2	- 0·8	1 9·20	- 10·4	- 7·2	- 8·9	- 1·7	- 8·0	- 0·9	3·1		- 4·4	
Berkshire	- 10·1					11·8	- 6·5	- 2·4	- 7·2	- 0·6	- 0·7	- 0·7	2 5·2	- 8·0		
Average	- 11·9		- 2·9	- 7·7			1 1·0	- 6·7	- 4·5	- 9·5	- 2·6	- 1·1	3 1·4			
III.—SOUTH MIDLAND COUNTIES.																
Middlesex	- 9·5	- 4·25*	- 5·4	- 5·8	- 6·6	2 7·55	1 2·9	- 11·4*	- 6·5	- 7·4	- 2·4	- 1·4	3 8·0	- 7·4*		
Hertford	1 3·1	- 6·68*	- 2·5	- 6·0	- 1·2	2 7·43	1 2·6	- 8·7*	- 5·8	- 6·7	- 3·1	- 1·0	3 2·9	- 7·5*		
Buckingham	1 1·0	- 4·00	- 0·7	- 5·9	- 1·8	2 0·90	- 11·5	- 10·0	- 2·4	- 1·8	- 2·5	- 1·0	2 5·2	- 4·3		
Oxford	1 0·8	- 5·88	- 0·8	- 8·8	- 1·2	2 4·48	1 1·6	- 7·8	- 2·1	- 8·7	- 1·2	- 0·7	2 10·1	- 6·6		
Northampton							{ - 11·8	- 6·1	- 2·3	- 7·6	- 1·4	- 1·2	2 6·4			
Soke of Peterborough	{ - 10·2	- 8·19§	- 1·6	- 7·7	- 1·9	1 11·89	{ - 9·8	- 6·0	- 1·1	- 6·3	- 1·2	- 0·9	2 1·3		{ - 3·9	
Huntingdon		- 8·5	- 4·00	- 1·0	- 7·3	- 1·8	1 10·10	- 10·6	- 7·0	- 1·5	- 7·8	- 1·7	- 1·0	2 5·6	- 7·5	
Bedford	1 1·0	- 6·56	- 1·0	- 5·8	- 3·3	2 5·66	1 2·0	1 0·4	- 2·2	- 2·3	- 4·8	- 0·9	3 0·1	- 6·4		
Cambridge	1 0·8	- 4·94§	- 0·7	- 8·8	- 2·4	2 5·64	{ 1 3·3	- 10·3	- 1·8	- 5·4	- 2·8	- 1·5	3 0·6			
Isle of Ely							{ 1 2·7	- 9·4	- 1·0	- 8·7	- 3·5	- 0·9	3 2·2		{ - 7·8	
Average	- 11·5		- 1·6	- 7·0			1 1·1	- 8·9	- 8·0	- 5·9	- 2·2	- 1·0	0·			

IV.—EASTERN COUNTIES.																																
Essex	—	—	1 2·2	—	8·50*	—	8·0	—	6·4	—	4·8	3 0·90	1 5·5	—	10·8*	—	4·5	—	9·7	—	3·9	—	1·2	3 11·6	—	10·7*						
Suffolk, East	—	—	1 ·4	—	2·94§	—	0·4	—	7·2	—	1·9	2 1·84	1 8·9	—	6·0	—	1·5	—	7·3	—	2·7	—	0·7	2 10·1	—	1 0·1						
Suffolk, West	—	—	1 3·3	—	5·50	—	0·5	—	4·2	—	2·6	2 4·10	1 6·6	—	7·6	—	1·3	—	7·0	—	2·6	—	1·2	3 5·7	—	1 0·1						
Norfolk	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
Average	—	—	1 2·3	—	—	—	1·3	—	5·8	—	—	—	1 5·9	—	8·4	—	2·5	—	8·3	—	8·3	—	1·0	3 5·4	—	—						
V.—SOUTH-WESTERN COUNTIES.																																
Wiltshire	—	—	1 0·6	—	7·50	—	0·7	—	6·4	—	0·7	2 3·90	1 8·4	—	9·9	—	1·8	—	9·0	—	1·2	—	1·2	3 2·5	—	10·6						
Dorset	—	—	1 1·0	—	6·00	—	0·9	—	8·7	—	0·8	2 0·40	1 4·7	—	8·8	—	1·3	—	6·2	—	0·9	—	0·9	2 10·3	—	9·9						
Devon	—	—	1 1·4	—	8·08	—	1·1	—	5·5	—	2·9	2 1·93	1 9·0	—	7·2	—	2·4	—	8·2	—	0·7	—	2·11·3	—	9·4							
Cornwall	—	—	1 1·1	—	8·75	—	1·2	—	8·7	—	3·7	2 6·45	1 8·6	—	5·4	—	2·7	—	9·1	—	4·9	—	0·8	3 2·5	—	8·1						
Somerset	—	—	—	—	—	—	11·4	—	4·50	—	1·3	—	5·2	—	1·2	1 11·60	1 0·9	—	6·5	—	2·3	—	7·3	—	1·8	—	1·0	2 7·8	—	8·2		
Average	—	—	1 0·6	—	—	—	1·1	—	5·8	—	—	—	1 2·4	—	7·3	—	2·2	—	8·0	—	2·3	—	0·9	2 11·1	—	—						
VI.—WEST MIDLAND COUNTIES.																																
Gloucester	—	—	—	—	—	—	11·8	—	7·50	—	1·9	—	5·2	—	1·7	2 4·10	1 1·6	—	8·0	—	8·6	—	6·6	—	2·5	—	0·9	2 11·2	—	7·1		
Hereford	—	—	—	—	—	—	10·2	—	6·88	—	0·6	—	6·2	—	1·0	2 0·38	—	11·5	—	7·0	—	0·9	—	7·8	—	1·2	—	0·8	2 4·6	—	4·2	
Salop	—	—	—	—	—	—	7·0	—	8·25	—	0·4	—	5·2	—	0·6	1 4·45	—	7·8	—	5·4	—	1·2	—	6·2	—	1·0	—	0·4	1 10·0	—	5·6	
Stafford	—	—	—	—	—	—	1 1·6	—	8·44	—	1·4	—	8·5	—	2·0	1 11·94	—	10·7	—	6·9	—	8·4	—	4·7	—	3·0	—	0·6	2 5·3	—	5·4	
Worcester	—	—	—	—	—	—	10·8	—	4·72	—	4·6	—	4·6	—	1·5	2 2·22	—	11·4	—	6·7	—	10·4	—	7·8	—	8·2	—	0·6	3 3·6	—	1 1·4	
Warwick	—	—	—	—	—	—	1 0·0	—	8·64	—	8·8	—	5·0	—	2·0	2 2·44	—	11·8	—	5·6	—	5·0	—	5·7	—	5	—	0·8	2 6·9	—	4·5	
Average	—	—	—	—	—	—	11·6	—	—	—	2·0	—	4·8	—	—	—	—	—	11·0	—	6·6	—	4·2	—	6·8	—	2·8	—	0·6	2 7·0	—	—

* The figures for Surrey, Kent, Middlesex, Hertfordshire, and Essex, for the two years 1889-91, do not include the rates raised for the purposes of the Metropolitan Police, but for the two years 1896-8 those rates are included. The inclusion of these rates in the figures for 1889-91 would not make a very appreciable increase in the average rate in the £ for the counties of Surrey, Kent, Hertfordshire, and Essex as only small parts of those counties are in the Metropolitan Police District, but in the county of Middlesex, which is wholly within the jurisdiction of the Metropolitan Police Authorities, the average rate would be increased to the full extent of the Metropolitan Police Rate. This rate amounts in each year to 5d. in the £, and the increase (Col. 15) between the two periods has, for the county of Middlesex, therefore been reduced by 5d.

† For the year 1890-1.

‡ Consisting of rates raised for expenses of Parish Councils, Authorities (other than Parish Councils) acting under the Burial Acts (including all sums raised by means of the Poor Rate, but not including some small sums raised as separate Burial Rates by such Authorities), and Lighting Inspectors and Committees. The rates levied by Authorities acting under the Burial Acts and by Lighting Inspectors are not included in the figures for the years 1889-91, and Parish Councils were not then in existence.

§ The mean of the rates in the £ of the County Rates for the several Divisions into which these Counties are divided.

|| The increase of the mean of the rates in column 14 over the rate in column 7.

TABLE XIV.—AVERAGE RATES in the £ of RATES raised in RURAL DISTRICTS of each ADMINISTRATIVE COUNTY in 1889-91 and 1896-98—continued.

ADMINISTRATIVE COUNTIES.	Average Rates in the £ of Rates raised in Rural Districts.													
	Mean of Rates for 1889-90 and 1890-1.							Mean of Rates for 1896-7 and 1897-8.						
	Poor Rates, excluding Precept Rates.	County Rates.*	Rural Sanitary Authorities' Rates.	Highway Rates.	School Board Rates.†	TOTAL.	Poor Rates, excluding Precept Rates.	County Rates.*	Rural District Councils' Rates (other than Highway Rates).‡	Highway Rates.	School Board Rates.	Other Rates.‡	TOTAL.	Increase in Total.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
VII.—NORTH MIDLAND COUNTIES.														
Leicester - - - - -	- 11·2	- 4·97	- 2·5	- 6·7	- 2·1	2 3·47	- 10·5	- 5·8	- 2·8	- 7·7	- 1·2	- 1·5	2 5·5	- 2·0
Nottingham - - - - -	- 10·0	- 4·13	- 1·4	- 5·4	- 1·5	1 10·43	- 9·2	- 5·5	- 3·1	- 8·3	- 2·0	- 0·9	2 5·0	- 8·6
Derby - - - - -	- 11·3	- 5·68	- 2·1	- 4·8	- 2·6	2 1·93	- 11·5	- 7·7	- 4·0	- 6·5	- 3·7	- 1·0	2 10·4	- 8·5
Average - - - - -	- 10·9	—	- 1·5	- 7·2	—	—	- 11·2	- 6·8	- 2·7	- 10·0	- 2·2	- 1·0	2 9·4	—
VIII.—NORTH-WESTERN COUNTIES.														
Chester - - - - -	- 8·7	- 6·70	- 2·1	- 5·9	- 0·7	2 0·10	- 9·3	- 7·0	- 3·0	- 7·3	- 0·6	- 0·8	2 3·5	- 3·4
Lancaster - - - - -	- 9·0	- 6·16	- 2·4	- 6·1	- 0·6	2 0·26	- 9·5	- 8·3	- 4·6	- 7·5	- 0·8	- 0·6	2 6·8	- 6·5
Average - - - - -	- 9·0	—	- 2·9	- 6·0	—	—	- 9·4	- 7·8	- 3·9	- 7·4	- 0·4	- 0·5	2 5·4	—
IX.—YORKSHIRE.														
West Riding - - - - -	- 10·7	- 5·11	- 2·8	- 6·8	- 2·9	2 3·81	- 9·9	- 8·6	- 5·9	- 9·1	- 3·5	- 0·8	3 1·8	- 10·0
East Riding - - - - -	- 11·3	- 2·00	- 0·9	- 9·3	- 0·9	2 0·40	- 9·5	- 8·8	- 2·0	1 3·5	- 1·2	- 0·7	2 8·2	- 7·8
North Riding - - - - -	- 9·2	- 3·71	- 0·8	- 6·6	- 1·2	1 9·51	- 8·6	- 8·7	- 1·8	- 8·9	- 1·0	- 0·6	1 11·4	- 1·9
Average - - - - -	- 10·6	—	- 1·6	- 7·2	—	—	- 9·5	- 6·8	- 4·0	- 10·0	- 2·4	- 0·7	2 8·9	—
X.—NORTHERN COUNTIES.														
Durham - - - - -	- 11·4	- 2·75	- 2·0	- 5·3	- 2·3	1 11·75	- 11·8	- 4·5	- 6·0	- 6·6	- 3·4	- 1·4	2 9·7	- 10·0
Northumberland - - - - -	- 8·4	- 4·06	- 1·3	- 4·4	- 1·1	1 7·18	- 6·4	- 5·9	- 1·9	- 8·7	- 1·2	- 0·5	2 0·6	- 5·4
Cumberland - - - - -	- 7·6	- 5·19	- 1·5	- 8·4	- 2·5	1 8·19	- 6·5	- 4·7	- 2·2	- 6·2	- 2·9	- 0·7	2 1·2	- 5·0
Westmorland - - - - -	- 4·9	- 4·75	- 0·5	- 2·0	- 0·7	1 0·85	- 5·8	- 4·9	- 0·8	- 6·1	- 1·1	- 0·4	1 6·6	- 5·8
Average - - - - -	- 9·4	—	- 1·6	- 4·8	—	—	- 9·2	- 4·9	- 3·7	- 7·0	- 2·5	- 0·9	2 4·2	—

XL.—MONMOUTH AND WALES.																			
Monmouth	-	-	1 3·0	- 5·50	- 0·9	- 5·6	- 5·0	2 8·00	1 3·0	- 7·8	- 1·6	- 7·2	- 4·0	- 0·5	3 0·1	- 4·1			
Glamorgan	-	-	1 0·2	- 2·76	- 2·8	- 7·0	- 6·4	2 7·16	1 0·8	- 6·6	- 6·3	- 8·5	- 7·3	- 0·6	3 6·0	- 10·8			
Carmarthen	-	-	1 5·2	- 2·88	- 1·0	- 6·0	- 3·9	2 6·48	1 8·5	- 6·2	- 1·4	- 7·7	- 7·5	- 0·4	3 2·7	- 8·2			
Pembroke	-	-	1 3·8	- 2·25	- 0·5	- 6·9	- 2·7	2 6·15	1 5·5	- 6·0	- 0·6	- 9·6	- 4·0	- 0·5	3 2·2	- 8·0			
Cardigan	-	-	1 6·3	- 6·50	- 0·6	- 6·2	- 7·5	3 5·10	1 8·1	- 10·3	- 1·5	- 6·8	- 8·1	- 0·5	3 11·3	- 6·2			
Brecknock	-	-	- 11·3	- 6·50	- 0·8	- 7·0	- 8·7	2 5·30	1 0·5	- 9·1	- 2·6	- 7·7	- 5·5	- 0·5	3 1·9	- 8·6			
Radnor	-	-	1 2·4	- 5·75	- 1·7	- 5·9	- 1·4	2 5·15	1 0·2	- 10·3	- 1·0	- 8·2	- 1·5	- 0·2	2 9·4	- 4·2			
Montgomery	-	-	- 11·2	- 6·50	- 0·4	- 3·3	- 1·4	1 10·80	1 0·8	- 8·3	- 0·8	- 4·9	- 1·9	- 0·4	2 4·6	- 5·8			
Flint	-	-	1 7·9	- 5·25	- 0·8	- 2·7	- 1·5	2 6·15	1 1·3	- 7·2	- 1·6	- 5·6	- 2·0	- 0·7	2 6·4	- 0·2			
Denbigh	-	-	1 1·6	- 4·00	- 2·7	- 4·7	- 3·8	2 4·80	1 0·6	- 5·5	- 4·3	- 6·6	- 5·0	- 0·9	2 10·9	- 6·1			
Merioneth	-	-	1 7·2	- 6·25	- 0·9	- 2·4	- 5·4	2 10·15	1 4·6	- 9·9	- 2·3	- 8·7	- 8·4	- 1·0	3 5·9	- 7·7			
Carnarvon	-	-	1 9·6	- 8·25	- 1·4	- 3·5	- 5·6	2 11·35	1 9·6	- 4·9	- 3·7	- 5·8	- 7·8	- 1·1	3 8·9	- 9·6			
Anglesey	-	-	1 11·9	- 3·53	- 0·9	- 5·9	- 3·9	3 2·13	1 11·0	- 8·6	- 1·3	- 7·9	- 4·6	- 0·8	3 5·2	- 3·1			
Average	-	-	1 2·8	—	- 1·4	- 5·4	—	—	1 2·9	- 7·0	- 8·0	- 7·2	- 5·5	- 0·6	3 2·2	—			
AVERAGE OF ADMINISTRATIVE COUNTIES OTHER THAN LONDON	-	-	- 11·3	- 4·874	- 1·9**	- 6·2	- 2·1	2 2·4	1 0·3	- 7·0	- 3·4	- 8·0	- 2·5	- 0·9	2 10·1	- 7·7			

* See footnote (*) on page 175.

† For the year 1890-91.

‡ Consisting of rates raised for expenses of Parish Councils, Authorities (other than Parish Councils) acting under the Burial Acts (including all sums raised by means of the Poor Rate, but not including some small sums raised as separate Burial Rates by such Authorities), and Lighting Inspectors and Committees. The rates levied by Authorities acting under the Burial Acts and by Lighting Inspectors are not included in the figures for the years 1889-91, and Parish Councils were not then in existence.

§ The mean of the rates in the & of the County Rates for the several Divisions into which this county is divided.

|| The increase of the mean of the rates in column 14 over the rate in column 7.

¶ Estimated.

** The average rate in the & calculated on the Poor Rate Valuation of Rural Sanitary Districts.

TABLE XV.—RATES raised in, and VALUATION of, URBAN DISTRICTS other than Boroughs in 1896–97 and 1897–98.

[Compiled from the Local Taxation Returns, 1897–98, Pt. III. (H.C. 302—I., of 1899); Ibid., 1896–97, Pt. III. (H.C. 351—I., of 1898); and Returns lent to the Commission by the Local Government Board.]

Rates.	Valuation.		Amount of Rates raised.	Average rate in £.					
	Description.	Amount.			1.	2.	3.	4.	5.
1896–97.									
Poor Rates (excluding precept rates)			£ 1,376,151	11·9					
County rates*	Rateable value for Poor Rate	27,778,514	914,977	7·9					
Rates raised by authorities acting under the Burial Acts			58,050†	0·5					
School Board rates			723,691	6·3					
Sanitary rates:—									
General district rates	Assessable value (under Public Health Act, 1875) for General District Rate.	22,890,800	3,116,977						
Highway rates			42,586						
Other rates raised by Urban District Councils.			105,868						
Total Sanitary Rates			3,265,431	2 10·2					
Total Rates in Urban Districts other than Boroughs			6,338,309	5 0·8					
1897–98.									
Poor Rates (excluding precept rates)			£ 1,382,638	11·9					
County rates*	Assessable value (under Agricultural Rates Act, 1896) for Poor Rate	27,846,978	944,246	6·1					
Rates raised by authorities acting under the Burial Acts			56,315†	0·5					
School Board rates			754,119	6·5					
Sanitary rates:—									
General district rates			3,306,678						
Highway rates	Assessable value (under Public Health Act, 1875) for General District Rate.	23,698,586	33,066						
Other rates raised by Urban District Councils.			97,136						
Total Sanitary Rates			3,436,880	2 10·8					
Total Rates in Urban Districts other than Boroughs			6,574,188	5 1·8					

* Including Metropolitan Police rates levied in Urban Districts.

† Partly estimated.

TABLE XVI.—RATES raised in, and VALUATION of, COUNTY and NON-COUNTY BOROUGHs in 1896-7 and 1897-8.

[Compiled from the Local Taxation Returns, 1898-9, Pt. II. (H.C. 324 of 1900); Ibid., 1897-8, Pt. III. (H.C. 302—I. of 1899); Ibid., 1896-7, Pt. III. (H.C. 351—I. of 1898); Metropolitan Police Accounts for 1897-8 and 1896-7 (H.C. 182 of 1898, and 192 of 1897); and Returns lent to the Commission by the Local Government Board.]

Rates. 1.	Description. 2.	Valuation.			Amount of Rates raised			Average Rate in £.		
		Amount.			County Boroughs. 6.	Non County Boroughs. 7.	Total. 8.	County Boroughs. 9.	Non-County Boroughs. 10.	Total. 11.
		County Boroughs. 3.	Non- County Boroughs. 4.	Total. 5.						
1896-7.		£	£	£	£	£	£	s. d.	s. d.	s. d.
Poor rates (excluding precept rates)					1,985,753	752,335	2,738,088	1 1'4	11'8	1 0'9
County rates*	Rateable value for Poor rate	35,614,717	16,382,282	50,996,999	24,609*	340,361†	380,970‡	0'2	5'4	1'8
Rates raised by authorities acting under the Burial Acts					48,172‡	37,048§	85,220‡	0'3	0'6	0'4
School Board rates					1,400,278	251,863	1,651,941	9'4	3'9	7'8
Municipal rates:—										
Borough rates§	Rateable value for Borough rate	85,738,976	15,470,715	51,218,501	1,220,380	300,408	1,610,788			
Watch rates					50,874	24,669	75,563			
Library and Museum rates					33,587	6,934	40,571			
Other rates					247,717	15,641	263,358			
	Total, Municipal rates				1,552,208	457,868	1,990,076	10'4	8'8	9'3
Sanitary rates:—										
General District rates					2,821,390	1,508,573	4,419,962			
Borough rates	Assessable value (under Public Health Act, 1875, &c.) for General District rate, &c.	33,645,022	13,721,326	47,366,348	805,412	90,865	896,277			
Highway rates					125,494	61,902	187,396			
Other rates raised by Town Councils acting as Sanitary Authorities.					1,152,007	157,021	1,310,028			
	Total, Sanitary rates				4,905,292	1,004,581	6,913,883	2 11'0	2 9'4	2 10'5
	Total rates in Boroughs				9,926,312	3,733,634	13,659,946	5 8'7	5 1'9	5 8'7

* Including Metropolitan Police rates levied in the County Boroughs of Croydon and West Ham, and the Non-County Boroughs of Kingston-on-Thames and Richmond (Surrey). The sums entered in column 9 consist entirely of these rates.

† Estimated.

‡ Partly estimated.

§ Not including School Board precepts.

TABLE XVI.—RATES raised in, and VALUATION of, COUNTY and NON-COUNTY BOROUGHS in 1896-7 and 1897-8—continued.

Rates.	Description.	Valuation.			Amount of Rates raised.			Average Rate in £.		
		Amount.			County Boroughs.	Non-County Boroughs.	Total.	County Boroughs.	Non-County Boroughs.	Total.
		County Boroughs.	Non-County Boroughs.	Total.						
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1897-8.										
Poor rates (excluding precept rates) .					£ 1,975,751	£ 706,845	£ 2,742,596	s. d.	s. d.	s. d.
County rates* .	Assessable value (under Agricultural Rates Act, 1896) for Poor rate.	30,390,855	17,929,985	51,720,720	35,279*	349,388†	378,667‡	1 1·0	1 0·0	1 0·7
Rates raised by authorities acting under the Burial Acts .					50,632‡	37,402‡	88,034‡	0·9	5·4	1·8
School Board rates .					1,460,900	261,799	1,712,699	0·3	0·0	0·4
Municipal rates :—										
Borough rates§ .					1,276,156	420,148	1,705,294			
Watch rates .	Assessable value (under Agricultural Rates Act, 1896, &c.) for Borough rate.	30,126,802	15,421,021	51,552,823	47,904	21,017	68,921			
Library and Museum rates .					30,025	7,444	44,069			
Other rates .					248,336	20,803	269,139			
	Total, Municipal rates .				1,600,051	478,416	2,087,466	10·7	7·4	9·7
Sanitary rates :—										
General District rates .					2,955,970	1,030,635	4,610,614			
Borough rates .					810,070	90,751	901,721			
Highway rates .	Assessable value (under Public Health Act, 1875, &c.) for General District rate, &c.	34,245,700	14,176,913	48,422,613	127,931	65,174	192,405			
Other rates raised by Town Councils acting as Sanitary Authorities.					1,188,116	184,795	1,372,911			
	Total, Sanitary rates .				5,080,296	1,997,355	7,077,651	2 11·6	2 9·8	2 1
	Total rates in Boroughs .				10,201,818	3,885,204	14,087,022	5 9·4	5 3·3	5 7·7

* Including Metropolitan Police rates levied in the County Boroughs of Croydon and West Ham, and the non-County Boroughs of Kingston-on-Thames and Richmond (Surrey). The sums entered in column 6 consist entirely of these rates.

† Estimated.

‡ Partly estimated.

§ Not including School Board precepts.

TABLE XVII.—RATES raised in EACH COUNTY BOROUGH in 1896-97, 1897-98, and 1898-99.

[Compiled from Local Taxation Returns, 1898-99, Pts. I. and III. (H.C. 193 and 324-I. of 1900); Ibid., 1897-98, Pt. III. (H.C. 302-I. of 1899); Ibid., 1896-97, Pt. III. (H.C. 351-I. of 1898); and Returns sent to the Commission by the Local Government Board.]

COUNTY BOROUGHS.	1896-97.				1897-98.						1898-99.						
	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rate	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rates.	School Board and Municipal Rates.†	Sanitary Rates.†	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.	
	Rate in £ on Ratesable Value to Poor Rate.*			Rate in £ on Assessable Value to General District Rate, &c.	in £ (Cols. 2, 3, and 4).	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to Poor Rate.‡	Amount raised.	Rate in £ on Assessable Value to Poor Rate.‡	Amount raised.	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	
BERKS COUNTY :— Heading - - -	s. d. 0 11·1	s. d. 1 6·6	s. d. 3 3·7	s. d. 5 9·4	s. d. 1 0·3	£ 28,112	s. d. 1 9·8	£ 44,581	s. d. 3 2·5	£ 88,539	s. d. 6 0·6	£ 30,133	s. d. 1 10·2	£ 47,014	s. d. 3 2·9		
CHESTER COUNTY :— Birkenhead - - -	0 8·7	0 8·1	2 11·1	4 3·9	0 8·2	21,141	0 10·0	67,998	2 9·3	106,372	4 3·5	20,144	0 9·0	68,346	2 8·8		
	1 1·5	0 8·4	2 3·8	4 1·7	0 8·7	6,465	0 8·2	27,604	3 1·9	40,893	4 6·8	6,857	0 7·8	38,495	2 7·7		
	0 11·1	0 7·0	2 9·6	4 3·7	0 11·2	7,846	0 6·7	38,047	2 9·9	59,062	4 3·8	11,159	0 9·4	38,646	2 10·1		
DERBY COUNTY :— Derby - - -	1 4·7	1 3·1	3 4·4	6 0·2	1 3·5	26,557	1 3·1	61,899	3 4·0	115,752	5 10·6	27,108	1 2·9	60,178	3 1·8		
DEVON COUNTY :— Devonport - - -	1 7·2	2 3·5	3 4·0	7 2·7	1 4·9	14,100	1 7·1	25,302	3 4·0	51,947	6 4·0	15,800	1 8·4	28,114	2 10·8		
	1 4·4	1 1·8	2 8·1	5 2·3	1 4·9	13,600	1 4·8	24,796	2 6·7	52,497	5 3·9	13,800	1 4·4	26,337	2 8·1		
	1 8·2	1 2·9	3 0·4	5 11·5	1 4·9	26,601	1 8·7	59,072	2 11·9	114,158	5 8·5	31,550	1 6·3	72,141	3 7·2		
DURHAM COUNTY :— Gateshead - - -	1 0·4	2 0·2	2 1·0	5 2·2	1 3·2	32,889	2 1·0	38,021	2 7·0	90,094	5 11·2	32,292	1 11·4	87,625	2 5·9		
	1 0·2	1 6·8	2 7·0	5 2·0	0 11·8	28,086	1 9·3	38,364	2 7·4	81,807	5 4·5	28,524	1 8·8	40,816	2 7·8		
	1 1·3	1 5·6	2 8·2	5 3·1	0 10·9	39,510	1 6·5	68,079	2 10·2	130,888	5 3·6	42,838	1 7·1	78,435	3 0·5		
ESSEX COUNTY :— West Ham - - -	1 4·7	3 0·6	3 1·7	7 7·0	1 5·3	128,051	2 7·7	139,432	3 0·9	337,292	7 1·9	168,087	3 1·0	148,759	3 1·8		

* The amount of Poor Rates raised less Precept Rates and the Poor Rate Valuation in each County Borough will be found on pages 162 to 165 and 170 to 173.

† Including rates raised by Local Authorities acting under the Burial Acts.

‡ Calculated on the Assessable Value to the Poor Rate at Lady Day 1899.

§ Cols. 7 and 9 of this Table and col. 5 of Table XIII.

|| Including 5,482*l.* arrear.

¶ Including 5,824*l.* arrears.

TABLE XVII.—RATES raised in EACH COUNTY BOROUGH in 1896-97, 1897-98, and 1898-99—continued.

COUNTY BOROUGHS.	1896-97.					1897-98.								1898-99.			
	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rate	in £	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rates.	School Board and Municipal Rates.†	Sanitary Rates.						
	Rate in £ on Rateable Value to Poor Rate.*		Rate in £ on Assessable Value to General District Rate, &c.	(Cols. 2, 3, and 4).	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.	Rate in £ on Assessable Value to Poor Rate.‡	Amount raised.					
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	
GLoucester County:—																	
Bristol	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
Bristol	1 1·6	1 0·5	3 4·9	5 7·0	1 1·9	90,500	1 6·8	206,893	3 7·1	364,120	6 3·8	103,100	1 4·8	256,504	3 7·6		
Gloucester	0 10·3	1 0·5	3 0·7	4 11·5	1 8·0	11,400	1 4·0	22,219	2 10·0	44,224	5 5·0	12,400	1 4·6	21,859	2 8·5		
KENT COUNTY:—																	
Canterbury	1 1·5	0 9·9	2 9·0	4 8·4	1 1·3	5,882	1 0·0	14,683	3 1·1	26,081	5 2·4	6,928	1 1·8	17,470	3 4·5		
LANCASHIRE COUNTY:—																	
Barrow-in-Furness	0 10·5	1 5·9	1 9·7	4 2·1	0 7·8	20,093	1 9·5	17,367	1 7·9	44,735	4 1·2	20,855	1 9·7	19,118	1 10·0		
Blackburn	0 8·5	1 8·8	2 8·9	5 2·2	0 9·0	98,600	1 9·1	59,485	2 9·0	114,450	5 3·1	88,422	1 8·6	59,767	2 9·1		
Bolton	1 1·2	1 11·8	1 9·4	4 10·4	1 1·2	40,009	1 8·9	38,838	1 8·9	104,206	4 7·0	51,946	1 6·5	42,888	1 9·7		
Bootle	1 8·2	1 4·9	2 4·1	5 0·2	1 1·6	90,000	1 8·8	35,608	2 8·1	91,499	4 8·5	80,900	1 3·5	87,320	2 3·3		
Burnley	0 9·8	1 1·9	2 10·2	4 9·9	0 9·6	17,328	1 0·3	43,851	2 8·6	74,609	4 6·5	19,252	1 1·0	47,006	2 9·6		
Bury	0 7·8	1 1·2	3 1·0	4 9·5	0 6·7	14,749	1 2·3	37,740	3 2·1	50,399	4 11·1	18,993	1 1·4	38,778	3 3·2		
Liverpool	1 1·3	0 10·5	2 8·3	4 8·1	1 0·5	179,867	0 11·3	499,735	2 9·7	878,770	4 9·5	213,701	1 1·1	506,669	2 10·0		
Manchester	0 9·9	2 8·0	2 10·5	6 4·4	1 0·5	404,853	2 9·1	402,641	2 9·1	959,914	6 6·7	412,211	2 8·7	439,442	2 11·4		
Oldham	0 7·1	1 6·0	2 8·0	4 4·1	0 8·8	34,781	1 7·2	75,786	3 6·7	126,386	5 10·7	39,726	1 9·7	70,920	3 8·8		
Preston**	0 5·4	1 0·0	2 11·6	4 5·0	0 5·8	16,497	0 11·0	53,248	3 0·2	77,790	4 4·5	19,825	1 0·8	55,490	3 1·1		
Rochdale	1 1·8	1 6·1	2 11·6	5 7·5	0 10·8	29,505	2 0·4	42,754	3 0·8	85,421	6 0·0	28,084	1 10·4	41,873	2 11·3		
St. Helens	0 11·7	0 8·0	2 8·5	3 11·2	0 11·6	13,558	0 10·6	33,608	2 8·9	62,040	4 2·1	20,749	1 8·0	28,717	1 10·2		
Salford	1 2·7	1 10·9	3 2·6	6 4·2	0 11·0	84,776	1 11·8	126,569	3 1·1	250,409	5 11·9	90,889	1 11·9	130,561	3 0·7		
Wigan	0 10·6	1 4·2	3 7·2	5 10·0	1 5·3	11,508	1 2·7	26,648	3 3·6	51,620	5 11·6	11,478	1 2·4	26,975	3 2·8		
LEICESTER COUNTY:—																	
Leicester	1 9·2	1 6·5	2 11·1	6 2·8	1 3·2	58,777	1 7·1	108,547	3 1·1	214,095	5 11·4	64,676	1 7·6	111,694	3 0·7		
LINCOLN—PARTS OF LINSDAY:—																	
Grimsby	1 6·9	1 10·1	4 5·4	7 10·4	1 1·7	15,324	1 7·0	25,676	3 3·4	52,097	6 0·1	19,337	1 11·2	24,780	3 1·6		
Lincoln	1 5·9	0 0·5	4 5·7	6 0·1	1 7·4	618	0 1·0	29,399	4 5·2	42,715	6 1·6	4,189	0 5·9	32,260	3 11·2		
MONMOUTH COUNTY:—																	
Newport	1 3·2	1 7·7	3 0·5	5 11·4	1 4·4	22,900	1 7·1	89,083	3 0·6	81,624	6 0·1	27,066	1 8·4	38,956	2 9·2		

RATES IN COUNTY BOROUGHES.																		
NORFOLK COUNTY:—																		
Great Yarmouth	-	1 8·6	1 8·9	3 10·4	6 10·9	1 7·1	13,669	1 6·0	34,203	3 9·8	62,324	6 10·9	12,569	1 3·9	31,363	3 5·8		
Norwich	-	1 8·7	2 2·0	4 0·0	7 10·7	1 4·2	38,800	2 3·0	59,261	3 7·6	121,370	7 2·8	34,971	1 11·4	64,291	3 8·8		
NORTHAMPTON COUNTY:—																		
Northampton	-	1 4·3	1 10·0	2 11·3	6 1·6	1 1·9	20,703	1 11·1	29,064	2 11·1	62,271	6 0·1	24,630	2 2·1	31,203	3 0·1		
NORTHUMBERLAND COUNTY:—																		
Newcastle upon-Tyne	-	0 7·8	1 6·6	3 2·2	5 4·6	0 7·8	77,872	1 5·9	152,822	3 0·7	264,025	5 2·4	77,960	1 5·1	158,727	3 1·2		
NOTTINGHAM COUNTY:—																		
Nottingham	-	1 7·1	2 8·1	2 3·7	6 6·9	1 4·1	108,951	2 5·0	111,387	2 8·3	280,943	6 5·4	109,529	2 3·4	119,998	2 10·2		
OXFORD COUNTY:—																		
Oxford†	-	0 8·5	—	2 11·3	3 7·8	0 7·7	—	—	45,993	2 10·2	56,409	3 5·9	—	—	48,093	2 11·4		
SOMERSET COUNTY:—																		
Bath	-	0 9·8	0 10·8	2 7·4	4 4·0	0 10·7	17,600	1 2·1	37,661	2 7·3	69,659	4 8·1	17,997	1 2·3	38,062	2 7·4		
SOUTHAMPTON COUNTY:—																		
Portsmouth	-	4 5·0	2 0·5	2 4·5	5 10·0	1 2·0	71,632	2 0·5	81,418	2 4·6	194,177	5 7·1	82,232	2 2·1	84,287	2 4·5		
Southampton	-	1 5·6	1 6·6	3 5·7	6 5·9	1 6·1	36,281	1 9·8	59,778	3 8·1	126,209	6 7·0	38,717	1 9·5	56,488	2 11·7		
STAFFORD COUNTY:—																		
Hanley	-	1 4·7	2 1·1	8 2·6	6 8·4	1 5·4	22,534	2 4·2	38,678†	4 1·1	75,097	7 10·7	24,478	2 4·6	30,397	3 2·6		
Walsall	-	1 8·9	1 0·3	3 8·8	6 1·0	1 2·9	11,504	0 11·5	31,682	3 2·4	58,169	5 4·8	12,841	1 0·6	35,100	3 6·6		
West Bromwich	-	1 1·3	1 8·5	2 1·3	4 11·1	1 1·0	19,233	1 10·6	19,987	2 1·7	50,808	5 1·3	19,518	1 10·7	21,287	2 2·9		
Wolverhampton	-	1 9·4	1 7·6	3 2·0	6 7·0	1 7·8	24,311	1 5·5	50,459	3 2·1	102,157	6 3·4	28,529	1 7·8	56,485	3 5·7		
SUFFOLK, EAST:—																		
Ipswich	-	1 2·3	1 3·3	3 1·7	5 7·3	1 1·9	15,547	1 3·5	35,703	3 5·4	65,145	5 10·8	15,665	1 2·6	40,784	3 5·8		
SURREY COUNTY:—																		
Croydon	-	0 11·7	1 8·6	2 6·6	5 2·9	0 10·1	63,307	1 9·8	79,270	2 6·5	172,479	5 1·9	67,075	1 9·0	82,021	2 5·0		
SUSSEX, EAST:—																		
Brighton	-	1 3·3	1 1·2	2 10·9	5 3·4	1 2·6	36,503	0 11·4	126,254	3 4·0	209,321	5 6·0	42,173	1 0·7	116,243	3 0·4		
Hastings	-	0 10·0	1 1·7	3 5·0	5 4·7	0 10·1	19,032	1 0·2	63,142	3 4·8	97,889	5 3·1	27,427	1 2·7	76,580	3 5·9		

* The amount of Poor Rates raised less Precept Rates and the Poor Rate Valuation in each County Borough will be found on pages 162 to 165 and 170 to 173.

† Including rates raised by Local Authorities acting under the Burial Acts.

‡ Cols. 7 and 9 of this Table and col. 5 of Table XIII.

§ Calculated on the Assessable Value to the Poor Rate at Lady Day 1899.

|| Not including rates raised by the Town Council for the Docks Committee. These rates amounted to 26,000*l.* in 1896–7, 10,000*l.* in 1897–8, and 22,000*l.* in 1898–9.

¶ The Borough was extended on the 30th September 1898, the Assessable Value being increased from 468,587*l.* to 632,017*l.* A rate of 10*d.* in the £ was levied in the added area, but the rate in the £ in col. 16 is calculated on the Assessable Value of the Borough before its extension.

** Not including rates raised by the Town Council acting as Harbour Authority. These rates amounted to 36,000*l.* in 1896–7, 35,802*l.* in 1897–8, and 35,802*l.* in 1898–9.

†† The revenue from certain municipal undertakings is credited to the Borough Fund, and no Borough Rate is levied. The School Board Precept is met from the General District Rate.

|| Including 7,014*l.* arrears.

TABLE XVII.—RATES raised in EACH COUNTY BOROUGH in 1896-97, 1897-98, and 1898-99—continued.

COUNTY BOROUGHS.	1896-97.				1897-98.				1898-99.			
	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rate	Poor Rates less Precept Rates.*	School Board and Municipal Rates.†	Sanitary Rates.	Total Rates.	School Board and Municipal Rates.†	Sanitary Rates.		
	Rate in £ on Rateable Value to Poor Rate.*	Rate in £ on Assessable Value to General District Rate, &c.	Rate in £ on Assessable Value to Poor Rate.*	Total Rate in £ (Cols. 2, 3, and 4).	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.	Rate in £ on Assessable Value to General District Rate, &c.	Amount raised.	Rate in £ on Assessable Value to Poor Rate.*	Amount raised.
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
WARRICK COUNTY:—												
Birmingham	s. d. 1 0·7	s. d. 2 7·6	s. d. 2 0·2	s. d. 5 8·5	s. d. 1 1·2	£ 296,395 18,167	s. d. 2 7·6	£ 231,891 28,636	s. d. 2 0·4	£ 641,898 55,482	s. d. 5 9·2	£ 303,368 18,335
Coventry	0 11·7	1 7·9	2 7·0	5 2·6	0 11·2		1 11·6		3 0·4		1 8·6	
WORCESTER COUNTY:—												
Dudley	1 10·6	1 8·1	3 1·6	6 3·3	1 7·2	9,400 10,576	1 5·0	21,345 20,183	8 10·5 2 3·8	41,324 45,706	6 10·7 5 0·5	11,000 10,732
Worcester	1 6·8	1 2·5	2 5·5	5 2·8	1 7·4		1 1·8				1 7·7 1 1·7	21,626 20,548
YORK, EAST RIDING:—												
Kingston-upon-Hull	1 7·4	1 5·2	3 10·9	6 11·5	1 5·4	47,061	1 1·5	122,647	3 9·8	231,394	6 4·7	47,965 0 11·9
YORK, NORTH RIDING:—												
Middlesbrough	1 4·8	2 9·4	1 11·7	6 1·9	1 7·6	40,470	2 6·4	32,201	2 5·6	98,717	6 7·6	43,073 2 7·4
YORK, WEST RIDING:—												
Bradford	0 8·7	2 0·2	2 10·5	5 7·4	0 9·8	108,523	1 11·1	157,424	2 10·6	311,943	5 7·5	107,416 1 9·7
Halifax	0 11·3	0 11·4	4 3·1	6 1·8	0 11·2	19,046	1 0·7	82,991	4 5·7	118,993	6 5·6	23,181 1 2·4
Huddersfield	0 7·8	2 2·7	3 11·6	5 10·1	0 8·1	45,938	3 1·6	65,172	8 0·2	125,664	5 9·9	44,884 2 0·3
Leeds	1 0·6	2 2·1	3 7·6	6 10·3	1 1·5	157,277	2 1·8	243,780	3 7·9	483,363	6 11·2	165,476 2 0·6
Sheffield	1 6·4	2 2·9	3 9·6	7 5·9	1 6·6	141,755	2 3·2	235,506	3 11·8	474,626	7 9·1	142,028 2 1·7
YORK, COUNTY BOROUGH	1 1·2	1 11·1	3 8·7	6 9·0	1 0·1	21,024	1 8·0	48,099	3 10·5	81,885	6 6·6	20,907 1 2·4
WALES—GLAMORGAN COUNTY:—												
Cardiff	0 9·8	1 4·8	2 9·3	4 11·9	0 8·2	74,768	1 5·8	112,951	2 5·7	222,120	4 7·7	80,558 1 6·8
Swansea	1 8·5	1 9·4	3 6·1	6 7·0	1 4·9	35,814	3 0·9	57,610	3 4·8	117,886	6 10·6	41,809 2 4·8

* The amount of Poor Rates raised less Precept Rates and the Poor Rate Valuation in each County Borough will be found on pages 162 to 165 and 170 to 173.

† Including rates raised by Local Authorities acting under the Burial Acts. ‡ Cols. 7 and 9 of this Table and col. 5 of Table XIII. § Calculated on the Assessable Value to the Poor Rate at Lady Day 1899.

EXCHEQUER CONTRIBUTION ACCOUNTS
OF COUNTY AND
COUNTY BOROUGH COUNCILS.

(Pp. 8 and 9 of *Final Report for England and Wales, Cd. 638 of 1901.*)

III.—EXCHEQUER CONTRIBUTION ACCOUNTS OF COUNTY AND COUNTY BOROUGH COUNCILS.

A.—STATEMENT SUPPLIED BY THE LOCAL GOVERNMENT BOARD AT THE REQUEST OF THE COMMISSION AS TO THE MODE OF DISTRIBUTION OF MONEY PAID INTO THE EXCHEQUER CONTRIBUTION ACCOUNT, AND SHOWING IN RESPECT OF WHAT PURPOSES THE GRANTS BY THE COUNCILS OF ADMINISTRATIVE COUNTIES AND COUNTY BOROUGHS ARE MADE.

The Exchequer Contribution Account is the separate account of the county or borough fund to which are carried all sums paid under the Local Government Act, 1888, and the Customs and Inland Revenue Act, 1890, to the council of a county or county borough under the direction of the Local Government Board out of the Local Taxation Account at the Bank of England. (51 & 52 Vict. c. 41. s. 23.)

The Distribution of Money paid into the Exchequer Contribution Account.

The enactments dealing with the distribution of money paid into the Exchequer Contribution Account are contained in section 23 of the Local Government Act, 1888, and section 1 of the Local Taxation (Customs and Excise) Act, 1890. The latter provision applies only to the share carried to the Exchequer Contribution Account of the council of an administrative county or county borough in respect of the Local Taxation (Customs and Excise) Duties.

This provision authorises the council to expend their share of the duties, or any part of it, in making contributions for the purposes of technical education, which includes both technical and manual instruction within the meaning of the Technical Instruction Acts, 1889 and 1891. The contribution of the council may be made over and above any sum that may be raised by rate under that Act. In the case of a county to which the Welsh Intermediate Education Act, 1889, applies, the county council may in like manner contribute towards intermediate or technical education under that Act in addition to the amount which they are thereby empowered to contribute.

If the council do not direct the whole or any part of the sums which are received from the Local Taxation (Customs and Excise) Duties, and paid into the Exchequer Contribution Account, to be appropriated or set aside for the purposes above mentioned, the sums thus received, together with the monies derived from the local taxation licenses and the estate duty, must be applied as directed by sub-section (2) of section 23 of the Local Government Act, 1888.

It is, however, provided by section 2 of the Technical Instruction Act, 1891, that any monies received by a county council under section 1 (1) (b) of the Local Taxation (Customs and Excise) Act, 1890, and directed by them to be appropriated or set aside for technical or manual instruction shall, although not expended or specifically contributed or allotted in whole or in part before the end of the financial year remain applicable for such purposes, and not be applied in manner provided by section 23 of the Local Government Act, 1888, until the county council have made an order for such application.

Under sub-section (2) of section 23 of the Act of 1888, all sums for the time being standing to the Exchequer Contribution Account are to be applied to the under-mentioned purposes in the order specified:—

- (I.) In paying the costs incurred by the council in respect of the account or otherwise chargeable thereon;
- (II.) In payment of the sums required by the Act to be paid by the council in substitution for local grants;
- (III.) Except in the case of London, in payment of the grant required by the Act to be made by the council in respect of costs of union officers;
- (IV.) In the case of an administrative county, in repaying to the general county account of the county fund the costs on account of general county purposes for which the whole of the area of the county is liable to be assessed to county contributions.

Enactments governing the distribution.

Application of share of Local Taxation (Customs and Excise) Duties to technical education.

Application of duties if no appropriation made towards technical education.

Application of other funds standing to the Exchequer Contribution Account.

In the case of the county borough the balance remaining after payment of the grant in respect of the costs of union officers is to be carried to the borough fund or applied in aid of such rate leviable over the whole of the borough as the council of the borough may determine. (51 & 52 Vict. c. 41. s. 34 (1) (e).)

Application of any remaining balance.

Sub-sections (3) to (10) of section 23 of the Act of 1888 contain directions regarding the application for the benefit of the whole county of any balance remaining in the Exchequer Contribution Account of a county council after the purposes above mentioned have been satisfied. These are as follows (they do not apply in the case of a county borough):—

1. Such proportion of the surplus as the total rateable value of the area of each quarter sessions borough exempt from contributing to any special county purpose bears to the rateable value of the whole county is to be paid to the council of that borough and the remainder is to be applied as follows:—

First towards repaying to the proper special accounts of the county fund, the costs on account of which the area of the county, exclusive of such quarter sessions boroughs, is liable to be assessed to county contributions.

If, however, any of the quarter sessions boroughs to which a payment of the proportion of the surplus is made is liable to be assessed to county contributions for any of the costs last mentioned, there must be deducted from the amount payable to the council such sum as would have been raised within the borough, if the costs had been raised by county contributions.

2. If there remains any sum after repaying these costs to the accounts of the county fund, the residue is to be divided as follows:—Such proportion of the sum as the total rateable value of the area of each borough maintaining a separate police force under the County and Borough Police Acts, and not being a quarter sessions borough above mentioned, bears to the rateable value of the whole county, after deduction of the rateable value of every quarter sessions borough above mentioned, is to be paid to the council of the borough, and the rest is to be applied towards repaying to the proper special accounts of the county fund the costs of the police and other costs on account of which the area of the county, exclusive of all these boroughs, is liable to be assessed to county contributions. Where a town, not being a borough, maintains its own police and receives any payment from the county council in pursuance of the Local Government Act towards the pay and clothing of the police, the enactment applies to the town as if it were a borough and as if the sanitary authority were the council of the borough.

3. If any balance remains after all the above payments are made, and it is in excess of what the county council consider necessary to carry forward to the next account, the excess is to be divided among the district councils other than the councils of quarter sessions or other boroughs to whom portions of the surplus have been paid under the foregoing provisions, and is to be so divided in proportion to the rateable value of the area of each district.

4. Where any part of a county is situate within the Metropolitan Police District, the section applies as if that part were the area of a borough maintaining a separate police force, except that the sum which would be payable to the borough is to be paid to the district councils of the county districts wholly or partly situate in such part, and is to be divided among these district councils in proportion to the rateable value of the area of each district, or of so much of it as is within the Metropolitan Police District.

5. All sums paid in pursuance of the section are to be carried, if paid to the council of a borough, to the borough fund, and if paid to a district council other than the council of a borough, to the district fund, and are to be applied to purposes for which the whole of the borough or district is liable to be rated.

The rateable value for the purpose of the section is to be determined according to the standard or basis for county contributions for the time being.

The purposes for which Grants by the Councils of Administrative Counties and County Boroughs are made.

Grants chargeable to the Exchequer Contribution Account.

The payments required to be made by the council of the county or county borough are those set out in section 24 (2) of the Local Government Act, 1888, being in substitution for the grants which before the 31st March 1889 were paid to various local authorities and officers from the Exchequer, and in addition to these (except in the case of the London County Council) the grant under section 26 of the Act in respect of the cost of officers of poor law unions.

Where the payment is one which, if the Act had not passed and the system of parliamentary grants had continued, would have been made to the county authority or the council of a county borough, the council transfer the amount payable to the appropriate account of the county or borough fund as the case may be. In the other cases the payment is made by the council to the guardians, local authority, or officer entitled thereto under the Act.

The authorities and officers to whom the grants under section 24 of the Act of 1888 are payable, and the purposes for which the grants are made, are as follows:—

- (a.) To the guardians for every poor law union or officer for any other area wholly or partly in the county or county borough, such sums as the Local Government Board from time to time certify to be due from the council in substitution for local grants towards the remuneration of teachers in poor law schools and for payments to public vaccinators under section 5 of the Vaccination Act, 1867. Authorities to whom grants under 51 & 52 Vict. c. 41. s. 24, are payable, and purposes for which made. Teachers of poor law schools and public vaccinators. School fees.
- (b.) To the guardians of every such poor law union the school fees paid by them for pauper children sent from a workhouse to a public elementary school outside the workhouse.
- (c.) To every local authority for any area wholly or partly in the county or county borough by whom a medical officer of health or inspector of nuisances is paid one half of his salary where the qualification, appointment, salary, and tenure of office of the officer are in accordance with the regulations of the Local Government Board. Salary of medical officer of health and inspector of nuisances.
- If, however, the Board certify to the council that the medical officer has failed to send to the Board the reports and returns required by the regulations, a sum equal to the half of the salary is forfeited to the Crown, and the council must pay the amount into the Exchequer and not to the local authority.
- (d.) To the guardians paying the registrars of births and deaths for any district wholly or partly in the county or county borough, a sum equal to the amount paid out of local grants towards the remuneration of the registrars paid by the guardians. Remuneration of registrars of births and deaths.
- (e.) To the pauper lunatic account of the county or borough fund, as the case may be, a sum is to be transferred equal to four shillings a week for each pauper lunatic, for whom the net charge upon the council after deducting any amount received by the council for the maintenance of the lunatic from any source other than local rates is equal to or exceeds four shillings a week throughout the period of maintenance. Lunatics chargeable to county or county borough.
- (f.) and (g.) To boards of guardians and town councils payments of four shillings a week for each pauper lunatic for whom the net charge upon the guardians or council is as above mentioned. In the case of pauper lunatics chargeable to the union, the grant is only payable where the lunatic is maintained in an asylum, registered hospital, or licensed house. To unions or borough.
- (h.) To the appropriate account of the county or borough fund any compensation payable to the clerk of the peace or other officer of quarter sessions under section 18 of the Criminal Justice Act, 1855. Compensation to clerk of the peace, &c.
- (i.) To the police account of the county or borough fund a sum equal to one half of the pay and clothing of the police of the county or county borough is to be transferred. Costs of county or county borough police.
- (j.) To the council of each borough maintaining a separate police force, one-half of the pay and clothing of the borough police is to be paid. Costs of police in borough with separate police force.

If, however, the Secretary of State withholds, as respects the police of any county or borough, his certificate under the County and Borough Police Act, 1856, that the police has been maintained in a state of efficiency in point of numbers and discipline during the year ending on the 29th September then last past, the transfer of payment referred to above in paragraphs (i.) and (j.) respectively cannot be made. Under such circumstances, in the case of a county or county borough, the council, in lieu of transferring any sum under these provisions to the police account, forfeit to the Crown, and must pay into the Exchequer, and charge to the Exchequer Contribution Account, such sum as the Secretary of State certifies to be in his opinion equivalent to one half of the cost of the pay and clothing of the police during the said year.

If a Secretary of State withholds his certificate as respects the police of a borough which is not a county borough no payment can be made by the county council to the council of the borough in respect of one half of the costs of the pay and clothing of the police of that borough during the year, and such amount as a Secretary of State certifies to be in his opinion the equivalent of such one half must be transferred by the county council from the Exchequer Contribution Account to the general county account, and applied to the general purposes of the county.

Costs of
Metropolitan
Police.

(k.) To the receiver of the Metropolitan Police (where rates for that force are raised in the county) a sum bearing such proportion to the sum actually raised in the same year by rates from the parishes in the county for this purpose as the Secretary of State certifies to be the proportion which would have been contributed out of the Exchequer under the arrangement in force during the financial year 1887-88.

Payment
where area
is more than
one county.

Where the union or other area under the jurisdiction of the guardians or local authority, or for which the officer acts, is not wholly situate in one administrative county or county borough, such proportionate part of the payment is made by each of the councils as is certified by the Board to be due from them. (51 & 52 Vict. c. 41. s. 24 (5).)

Grant in
respect of
union
officers.

The grant in respect of the officers of poor law unions, under section 26 of the Local Government Act, 1888, is paid to the guardians of every poor law union wholly or partly in the administrative county or county borough, for the cost of the officers of the union and of district schools to which the union contributes. Until Parliament otherwise determines, this sum is the amount certified by the Local Government Board to have been expended by the guardians during the year ended the 25th of March 1888 on the salaries, remuneration, and superannuation allowances of the officers (other than teachers in poor law schools), and on drugs and medical appliances.

Where the union is not wholly situate in one administrative county or county borough, the payment of this annual sum is borne by the councils in proportion to the rateable value of the portions of the union situate in their respective counties or boroughs ascertained on a day fixed by the Local Government Board.

Grants by
London
County
Council.

In the administrative county of London the arrangements of the Metropolitan Common Poor Fund rendered it necessary that the new grant payable under the Act by the county council to the guardians of unions wholly within their county should be allocated on a different principle. In this case, as has already been indicated, the London County Council are not required to pay to the guardians the annual sum payable in other counties based on the expenditure above referred to.

In lieu of this annual sum the council pay to the guardians of every union wholly in the county of London such sums as the Board from time to time certify to be due from the council in substitution for the local grants towards the remuneration of poor law medical officers, and the costs of drugs and medical appliances. (51 & 52 Vict. c. 41. s. 43 (1) (a).)

Where part only of a poor law union is situate in the administrative county of London, the London County Council pay such proportion of the annual sum, which is under the other provisions of the Act payable to such guardians by the council of the administrative county in which the remainder of the union is situate, as the rateable value of the portion of the union within the county of London bears to that of the rest of the union (s. 43 (1) (c)).

A grant is also payable by the London County Council under section 43 (1) (b) of the Act of 1888 to the guardians of every union wholly in the county, consisting of an amount equal to four pence a day for every in-door pauper maintained in the union, but this grant is not chargeable to the Exchequer Contribution Account of the council.

Local Government Board, Whitehall,
August 1898.

**B.—Amounts paid from Exchequer Contribution Accounts of
County Councils and Town Councils of County Boroughs
in England and Wales during the Years 1896–97, 1897–98,
and 1898–99.**

B.—Amounts paid from Exchequer Contribution Accounts of England and Wales during the Years

	Amounts paid during the Year 1896-97.			
	By County Councils (except London County Council).	By London County Council.	By Town Councils of County Boroughs.	Total Payments.
Purposes for which Payments from Exchequer Contribution Accounts of County Councils and Town Councils of County Boroughs in England and Wales are made, and Authorities receiving them.				
Costs incurred in respect of the account, or otherwise chargeable thereon.	£ 557	£ —	£ 676	£ 1,233
Payments to public vaccinators	8,733	2,287	2,649	13,669
Payments to boards of guardians:				
Remuneration of teachers in poor law schools	12,407	13,473	8,388	34,268
School fees for pauper children sent from a workhouse to a public elementary school outside the workhouse.	239	—	32	271
Registrars of births and deaths	7,550	582	1,032	9,164
Pauper lunatics	341,092	127,005	156,268	624,365
Union officers' grant under sections 26 and 43 of Local Government Act, 1888.	704,669	1,191	258,378	964,238
Remuneration of poor law medical officers, and costs of drugs and medical appliances, in London.	—	41,383	—	41,383
Total Payments to Boards of Guardians	1,065,957	183,634	424,098	1,673,689
Payments to other local authorities:				
Payments to local authorities in respect of the salaries of medical officers of health, and inspectors of nuisances and sanitary inspectors.	90,540	16,855	6,440	113,835
Payments to councils of boroughs in respect of maintenance of pauper lunatics.	32	—	—	32
Payments to councils of boroughs maintaining separate police forces in respect of the pay and clothing of the police.	82,754	—	—	82,754
Payments to quarter sessions boroughs under section 23 (3) of the Local Government Act, 1888.	—	—	—	—
Payments to councils of boroughs maintaining separate police forces, and not being quarter sessions boroughs, under section 23 (6) of the Local Government Act, 1888.	—	—	—	—
Other payments	1,428	—	—	1,428
Total Payments to other Local Authorities	174,754	16,855	6,440	198,049
Transfers to technical education, &c. accounts	441,343	120,000	165,945	727,288
Transfers to other accounts of the county or borough fund:				
For maintenance of pauper lunatics chargeable to the county or borough.	7,879	5,663	2,525	16,067
For compensation to clerk of the peace or other officer of quarter sessions, under the 18 & 19 Vict. c. 126. s. 18.	629	—	385	1,014
To police account in respect of the pay and clothing of the police.	524,780	—	446,376	971,156
Other transfers	193	—	—	193
Repayments to general and special county accounts, or to borough fund, or in aid of rates.	1,323,665	161,487	237,635	1,722,788
Total Transfers to other Accounts of the County or Borough Fund	1,857,147	167,150	686,921	2,711,218
Other payments	—	—	261	261
Total*	3,548,491	489,926	1,286,990	5,325,407

* The total amount paid into the Local Taxation Account (excluding payments under the Agricultural Rates Act, 1896) was:—

6,276,911*l.* in respect of the year 1896-97,
 6,595,012*l.* " " " 1897-98,
 6,771,991*l.* " " " 1898-99;

**County Councils and Town Councils of County Boroughs in
1896-97, 1897-98, and 1898-99.**

Amounts paid during the Year 1897-98.				Amounts paid during the Year 1898-99.			
By County Councils (except London County Council).	By London County Council.	By Town Councils of County Boroughs.	Total Payments.	By County Councils (except London County Council).	By London County Council.	By Town Councils or County Boroughs.	Total Payments.
£ 607	—	£ —	£ 697	£ 769	—	£ 142	£ 911
8,090	844	1,755	0,689	8,194	2,160	2,827	13,181
8,302 240	14,110 —	8,356 36	30,858 276	8,711 269	13,444 —	6,937 20	29,092 289
7,940 346,828 707,264	582 134,051 1,165	1,120 165,782 273,719	9,642 646,661 982,148	7,782 365,638 695,524	582 138,345 1,137	1,028 169,516 260,950	9,392 673,699 957,611
—	42,978	—	42,978	—	44,312	—	44,312
1,070,664	192,886	449,013	1,712,563	1,078,124	197,820	438,451	1,714,395
96,177	19,407	7,012	122,596	97,898	23,045	6,819	127,762
32	488	—	520	32	338	—	370
85,752	—	—	85,752	90,970	—	—	90,970
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
16,491	—	—	16,491	5,436	—	—	5,436
198,452	19,895	7,012	225,359	194,336	23,383	6,819	224,538
451,543	75,000	188,088	714,631	472,038	160,000	180,365	812,403
7,626	5,748	2,663	16,037	7,516	5,545	2,844	15,905
351	—	126	477	295	—	125	420
630,394	—	455,701	986,095	537,121	—	473,440	1,010,561
192 1,167,197	152,697	207,454	1,527,348	192 1,321,717	48 181,420	48 268,446	48 1,771,583
1,705,760	158,445	665,944	2,530,149	1,866,697	186,965	744,855	2,798,517
—	—	720	720	—	—	261	261
3,435,206	447,070	1,312,532	5,194,808	3,620,158	570,328	1,373,720	5,564,206

but the following amounts were not transferred to the County and County Borough Exchequer Contribution Accounts:—

	1896-97.	1897-98.	1898-99.
Paid to Cattle Pleuro-pneumonia Account	—	105,600	57,200
Paid to Receiver for Metropolitan Police District	—	657,883	675,533
Paid in aid of Police Pensions	—	300,000	300,000
Paid to Exchequer for Costs of Revising Barristers, &c.	—	12,746	12,731
	1,076,229	1,045,464	1,061,450

TABLE CLASSIFYING TAXES RAISED
BY PARLIAMENT FOR IMPERIAL PURPOSES
IN 1899-1900.

(*Pp. 14 & 15 of Final Report for England and Wales, Od. 638 of 1901.*)

IV.—TABLE CLASSIFYING TAXES RAISED BY PARLIAMENT

Note.—The Table only includes the Taxes payable to the Exchequer, and does not include the Net Receipts under the principal heads of Tax Revenue as

Description of Tax.	Taxes incidental to the Ownership, Occupation, or Transfer of Property.		
	Rateable Property. (1.)	Non-Rateable Property.	Total. (3.)
		(2.)	(3.)
1. Customs Duties - - -	—	—	—
2. Excise Duties : Duties on Consumable Articles - - -	—	—	—
License Duties - - -	—	—	—
Railway Passenger Duty - - -	—	—	—
TOTAL EXCISE DUTIES - - -	—	—	—
3. Death Duties : Probate and Account Duty - - -	12,000	35,000	47,000
Temporary Estate Duty - - -	27,000	5,000	32,000
Estate Duty - - -	4,661,000	5,205,000	9,866,000
Legacy Duty - - -	852,000	2,363,000	3,215,000
Succession Duty - - -	600,000	104,000	704,000
Corporation Duty - - -	40,000	6,000	46,000
TOTAL DEATH DUTIES - - -	6,192,000	7,718,000	13,910,000
4. Stamp Duties : Deeds and other Instruments - - -	2,211,000	2,097,000	4,308,000
Marketable Securities transferable by Delivery. - - -	—	358,000	358,000
Capital Duty (Share and Loan) - - -	—	593,000	593,000
Contract Notes above 1d. - - -	68,000	123,000	191,000
Bills of Exchange and Promissory Notes - - -	—	704,000	704,000
Composition for Duty on Bankers' Bills and Notes. - - -	—	125,000	125,000
Playing Cards - - -	—	—	—
Licenses and Certificates - - -	—	—	—
Life Insurances - - -	—	65,000	65,000
Marine Insurances - - -	—	172,000	172,000
Patent Medicines - - -	—	—	—
Receipts, Drafts, &c. - - -	—	1,431,000	1,431,000
TOTAL STAMP DUTIES - - -	2,279,000	5,668,000	7,947,000
5. Land Tax (unredeemed) - - -	740,000	—	740,000
6. Inhabited House Duty - - -	1,699,000	—	1,699,000
7. Income Tax : Schedule A. - - -	5,127,000	29,000	5,156,000
Schedule B. (including farmers' profits assessed Schedule D.) - - -	—	52,000	52,000
Schedule C. - - -	—	1,212,000	1,212,000
Schedule D. : Fishings and Shootings - - -	24,000	—	24,000
Railways in the United Kingdom - - -	711,000	537,000	1,248,000
Quarries, Mines, &c. - - -	539,000	317,000	856,000
Railways out of the United Kingdom - - -	—	433,000	433,000
Foreign and Colonial Securities and Coupons. - - -	—	599,000	599,000
Municipal Interest, other Interest, and other Profits. - - -	—	300,000	300,000
Public Companies - - -	—	3,316,000	3,316,000
Trades and Professions - - -	—	835,000	835,008
Schedule E. - - -	—	—	—
TOTAL INCOME TAX (at 8d. in the £) - - -	6,401,000	7,630,000	14,031,000
GRAND TOTAL - - -	17,811,000	21,016,000	38,327,000
PERCENTAGES OF GRAND TOTAL - - -	17·6	21·4	39·0

FOR IMPERIAL PURPOSES IN 1899-1900.

include the Taxes assigned direct to the Local Taxation Accounts. The figures represent given in the Finance Accounts for 1899-1900, pp. 20-24.

Taxes not incidental to Property.						GRAND TOTAL.
Duties on Commodities of Primary Necessity.	Duties on Commodities not of Primary Necessity and Railway Passenger Duty.	Trading and Professional Licenses and Certificates.	Establishment and other Licenses mainly incidental to Expenditure.	Taxation (Income Tax) attributable to Personal Exertion rather than to the possession of Property.	Total.	
(1.)	(2.)	(3.)	(4.)	(5.)	(6.)	
£ 20,714,000	£ 2,329,000	£ —	£ —	£ —	£ 23,043,000	£ 23,043,000
81,231,000	—	—	—	—	81,231,000	81,231,000
—	—	230,000	20,000	—	250,000	250,000
—	328,000	—	—	—	328,000	328,000
31,231,000	328,000	230,000	20,000	—	31,809,000	31,809,000
—	—	—	—	—	—	—
—	—	—	—	—	—	47,000
—	—	—	—	—	—	32,000
—	—	—	—	—	—	9,866,000
—	—	—	—	—	—	3,215,000
—	—	—	—	—	—	704,000
—	—	—	—	—	—	46,000
—	—	—	—	—	—	13,910,000
—	—	—	—	—	—	—
—	—	—	—	—	—	4,308,000
—	—	—	—	—	—	358,000
—	—	—	—	—	—	593,000
—	—	—	—	—	—	191,000
—	—	—	—	—	—	704,000
—	—	—	—	—	—	125,000
—	23,000	—	—	—	23,000	23,000
—	—	170,000	—	—	170,000	170,000
—	—	—	—	—	—	65,000
—	—	—	—	—	—	172,000
289,000	—	—	—	—	289,000	289,000
—	—	—	—	—	—	1,431,000
289,000	23,000	170,000	—	—	482,000	8,429,000
—	—	—	—	—	—	740,000
—	—	—	—	—	—	1,699,000
—	—	—	—	103,000	103,000	5,156,000
—	—	—	—	—	—	155,000
—	—	—	—	—	—	1,212,000
—	—	—	—	—	—	24,000
—	—	—	—	—	—	1,248,000
—	—	—	—	—	—	856,000
—	—	—	—	—	—	433,000
—	—	—	—	—	—	599,000
—	—	—	—	—	—	300,000
—	—	—	—	3,340,000	3,340,000	3,316,000
—	—	—	—	1,393,000	1,393,000	4,175,000
—	—	—	—	4,836,000	4,836,000	1,393,000
52,234,000	2,680,000	400,000	20,000	4,836,000	60,170,000	98,497,000
53·0	2·7	·4	·0	4·9	61·0	100·0

MEMORANDA UPON THE TREATMENT OF
GOVERNMENT PROPERTY IN
CONNEXION WITH LOCAL TAXATION.

(*Pp. 46 & 47 of Final Report for England and Wales, Cd. 638 of 1901.*)

V.—MEMORANDA UPON THE TREATMENT OF GOVERNMENT PROPERTY
IN CONNEXION WITH LOCAL TAXATION.

I.—MEMORANDUM PREPARED FOR THE COMMISSION BY THE LORDS COMMISSIONERS OF
HIS MAJESTY'S TREASURY RELATING TO THE HISTORY OF GOVERNMENT PROPERTY
IN CONNEXION WITH LOCAL TAXATION AND TO THE PRINCIPLES AND PROCEDURE
OF VALUATION.

Contributions in lieu of rates for buildings in London occupied as public offices have been given from a very early period, and also to the lighting and paving rates of the London parishes in which the Royal parks are situated. Contributions have always been made in London and the provinces in respect of official residences of officers of the Government, and of certain small properties such as coastguard stations.

With one or two unimportant exceptions no contributions other than these were given before the year 1860, and they amounted to about 18,000*l.*

In the year 1858, the Select Committee on Public Establishments (Exemption from Rates) 1858, recommended that all lands and buildings used for public, charitable, scholastic, and scientific purposes should be rendered liable to assessment to local rates, and the Government, in 1859, brought in a Bill to give effect to their recommendations, but, in consequence of the opposition of the managers and trustees of charitable institutions, the Bill was allowed to drop, and the succeeding ministry, instead of renewing the attempt to pass the Bill, limited their operations to giving a grant in aid of *poor* rates to those parishes only in which the value of the Government property amounted to one-seventh of the total rateable value of the parish.

Valuations of the Government property for this purpose were made by a professional surveyor, Mr. Richard Hall, and a vote of 35,000*l.* was first taken in 1860–1 to meet the payment of the contributions, in addition to the 18,000*l.* mentioned above.

The cases affected by this arrangement were all cases where the property had been for a long period in the occupation of the Crown; but in 1863 the Treasury adopted a new principle to meet the cases of newly acquired property, and directed that a contribution "by way of indemnity" should be given to *all* rates, calculated upon the rateable value of the property at the date of its first occupation by the Crown. This principle had already found expression in several enactments which provided that lands acquired under those statutes for the defence of the realm should be rateable, but that they should not be assessed at a higher rateable value than that at which they stood at the date of acquisition.

A similar provision was made in the Public Offices (Sites and Approaches) Acts, the Downing Street Improvement Acts, the Courts of Justice Concentration (Site) Act, 1865, the General Post Office Extension Act, 1865, and the Telegraph Act, 1868. Rates have accordingly been paid for properties acquired under all these statutes.

In 1871 the Government introduced a Bill, "Rating and House Tax Bill," for the abolition of all exemptions from rateability; the Bill was read a first time, but not further proceeded with.

In 1873 the Government introduced another Bill, "Rating (Liability and Value) Bill," which also provided for the abolition of all exemptions from rateability, but this Bill, though carried in the House of Commons, was thrown out in the House of Lords.

In 1874 the Government decided to contribute to *every* parish containing Crown property, and to give a contribution to all local rates instead of the Poor Rate only.

The following memorandum (dated the 25th June 1874) was accordingly prepared and was read by the Chancellor of the Exchequer in the House of Commons :—

" We have had under our consideration the subject of the rules which ought to govern the distribution of the proposed increased grant of Parliament for contributions in lieu of rates in respect of property occupied for the public service. We adopt the principle that property occupied for the public service should contribute to the local rates equally with the other property in the parishes in which it is situated, having due regard to its character in each case. The contribution will be made to the poor and all other local rates levied in the parish in which the property is situate, and no parish will be excluded from such contributions on the ground that the Government property is less than a certain minimum.

" We feel it necessary, considering how widely different are the various kinds of Government property, and how impossible it is to apply to all of them the rules of assessment applicable to private property, to retain in our own hands the valuation of all Government property, with the intention of adopting in each case as far as possible the same principles as are applicable to the valuation of private property. Thus, property occupied as ex-officio residences or quarters for officers of the Government will be assessed on the estimated rateable value which would attach to such premises if they were in private occupation and liable to assessment to the local rates. The same rule will, as far as practicable, be applied in determining the rateable value of all Government hereditaments occupied as post offices, coastguard stations, county courts, police courts, probate registries, inland revenue buildings, custom houses, &c.

" The rateable value of the whole of the naval establishments and of the principal military establishments was agreed upon between the Government and the parishes in which they are situated in the year 1860. The valuations then agreed upon will be revised with reference to the improvements and additions which have taken place at such establishments since that date. The valuations in these cases will be taken as a guide in fixing the rateable value of the barracks and other buildings at such of the military stations as were not brought within the arrangement of 1860, and also in fixing the rateable value of the military, naval, and convict prisons.

" If in any particular case the principles of valuation applicable to private property cannot reasonably be adopted, we shall inquire into and decide upon each such case upon its merits; but in no case will we contribute less than was payable on the assessment of the property at the time the Government acquired it.

" Hereditaments under the control of the Commissioners of Woods, &c., not being in the occupation of any other occupier, will be the subject of contributions determined on principles similar to those herein-before made applicable to Government property.

" These regulations will apply to Government property in Scotland and Ireland as well as to that in England."

The new arrangements were set on foot by the following Treasury Minute of the same date :—

" The Chancellor of the Exchequer brings before the Board the engagement given by him to Parliament on the occasion of proposing his Budget for the year 1874-75, that property in the occupation of the Government, including property under the control of Her Majesty's Commissioners of Woods, &c., and not in the occupation of any other occupier, should, throughout the United Kingdom, bear its due share of all local burdens; and he submits that, for this purpose, the valuations of such property as are now acted upon be ordered to be corrected (so far as they require it) up to the present time; that valuations be made in like manner of all such property in respect of which contributions to the local rates are not now paid; and that, as soon as possible, a return be completed, and laid before Parliament, setting forth—
 1. The name of each parish in which the Government occupies property;
 2. The rateable value of such parish, exclusive of the said property;
 3. The extent and character of such property;
 4. The valuation put upon such property for local rating;
 5. Special Acts of Parliament (if any) applicable to the case.

" My Lords approve."

The return referred to in this minute was presented to Parliament and was ordered by the House of Commons to be printed on 8th August 1882 (No. 342).

Similar returns were presented in 1895 (No. 454, session 2), 1896 (No. 42), and 1898 (Nos. 309 and 312).

In 1875 all the different contributions towards local rates which had previously been scattered amongst Army and Navy, Civil and Revenue Departments Votes, were united with the principal vote in Class I. of the Civil Service Estimates, with the exception of rates assessed on telegraphs acquired under the Telegraph Acts, and in 1878 of those charged on Post Office Savings Banks also. The contributions in respect of such property are provided for in the vote for Telegraphs and in the Savings Banks sub-heads of the Post Office Vote respectively, so as to bring together as much as possible the total cost of those two services.

Contributions in lieu of rates are also given from the Telegraph Vote for trunk telephone wires acquired by the Government from the National Telephone Company in 1896.

The contributions which had been for some time paid by the War Department and the Admiralty for Imperial property in the colonies were, in 1896, transferred to the vote for rates.

The first estimate prepared under the scheme of 1874 raised the vote from 37,353*l.* to 206,061*l.* The vote for contributions in lieu of rates for 1875-6 was 233,991*l.* For 1900-1 the gross estimate is 474,103*l.*

In order to meet complaints made by certain rating authorities the following Treasury Minute of 7th February 1896 was issued:

"My Lords take note of the Chancellor of the Exchequer's statement to a deputation from the London vestries which he received on the 9th January, to the effect that this board would fairly and impartially carry out the Treasury Minute of the 25th June 1874, dealing with the contributions in lieu of rates payable in respect of property occupied for the public service.

"That Minute laid down that the valuation of such property—

"(1.) Should be made on the same basis as the valuation of private property, wherever the rules for the assessment of private property can reasonably be applied.

"(2.) Should be decided upon the special merits of each case, wherever those rules are not applicable.

"(3.) Should remain in the hands of the Government.

"My Lords have carefully considered the question whether the existing system carries out to the full the spirit of the minute of 1874, and they think that it requires amendment in the following points:—

"Firstly.—The minute did not explicitly promise a periodical re-valuation, and hitherto Government properties have been revalued only when the local authority has demanded it. My Lords now direct that in future the valuations of Government property shall be revised in London quinquennially, and in the provinces whenever the valuations of private property are revised.

"Secondly.—The minute of 1874 did not explicitly mention the case of certain Government properties acquired under special Acts, which Acts impose a limited rating upon the properties. Hitherto the contributions for such properties have been limited to the amounts fixed by the respective Acts; but my Lords now direct that in cases where higher contributions would otherwise be payable, the contributions shall be increased accordingly.

"Thirdly.—The minute of 1874 contained no directions as to the dates of payment of the contributions, and in many cases in England it has been the practice to defer the payments until after the close of the half-year (in very small cases until after the close of the year) in which the rates which form the subject of the contributions are made. My Lords now direct that, wherever possible, the payments shall be made within the half-year (or year) to which they relate, and they have decided to present a supplementary estimate to Parliament during the current financial year in order to carry out this acceleration without delay.

"Fourthly.—The Houses of Parliament have hitherto been exempt from contributions (except as regards the residential portion) on the ground of being a Royal palace. My Lords regard this as a case in which some contribution may be allowed, but the rules for the assessment of private property

are not applicable, and they therefore sanction the payment of a moderate contribution to be fixed with due regard to the peculiar character of the property.

"Their Lordships' notice has been called to the fact that no contributions are at present paid either by the Mercantile Marine Fund or by the volunteers for their respective properties.

"Property maintained out of the Mercantile Marine Fund stands on a different footing. Its cost is not a charge on the public exchequer, but on a fund administered by the Board of Trade. Whether it is right that such property should contribute towards local burdens is a matter for the consideration of that department, and not for the Treasury. Special considerations apply to volunteer premises also. They are not Government property at all, and are not maintained at the cost of the exchequer but of volunteer funds."

Since the date of this minute the property previously maintained out of the Mercantile Marine Fund (except lighthouse property, which continues to be a charge upon a special fund administered by the Board of Trade) has, in pursuance of an Act passed in 1898, become a charge upon the public exchequer, and contributions in lieu of rates are now given for such property from the rates vote.

The foregoing minute made the following concessions:—(1) re-valuation of Government property at the same time as the general periodical valuation of the parish; (2) the payment of higher contributions where, but for the special Acts limiting the rating of such properties, higher contributions would have been payable; (3) the making of all payments within the half-year (or year) to which they relate; (4) contributions for the Houses of Parliament.*

Thus the grievances of which some rating authorities had complained were entirely removed.

Under 6 & 7 Vict. c. 36, societies established for the purpose of science, literature, and the fine arts, are exempt from the payment of county, borough, parochial, and other rates. The Government make, however, contributions on moderate assessments on such buildings as the British Museum, the Natural History Museum, the London University, the National Gallery, the Tate Gallery, &c.

The Government also make contributions on moderate assessments on all their hospitals, although local practice appears to vary in regard to the assessment of hospitals.

A special grant of 10,000*l.* a year towards the expenses of the Metropolitan Fire Brigade is paid to the London County Council, although the Government pay the Fire Brigade Rate for all their property in the metropolis, and make their own special provisions for the protection of Government buildings. The 10,000*l.* per annum is therefore a simple subsidy to London rates.

In the valuation of Government property, the principles laid down in the Treasury Minute of 7th February 1896 are carried out with regard to local practice and also to the peculiar character of much of the property. In this connexion it should be stated that there are many works and buildings into which the Naval and Military Authorities refuse in the interests of the public service to admit any person other than the officers immediately concerned; and which therefore could not be valued by any ordinary process.

The valuations in all cases are fixed after personal negotiation between the Treasury valuer and the local authorities, who have the fullest opportunity of discussing the matters with him. The rating authorities have in every case expressed themselves as satisfied with the assessments before they were submitted to the Treasury for confirmation. The arrangement works smoothly in other respects, and relieves both Government and local authorities from controversy and litigation.

* In consequence of the provisions of the Crown Estate Paving Act of 1861, under which the paving and lighting of Abingdon Street and Old Palace Yard are done at the expense of the Government, no contribution is given to the rate levied for these purposes either for the Houses of Parliament or for other Government property in Abingdon Street.

**II.—MEMORANDUM PREPARED FOR THE COMMISSION BY THE COMMISSIONER
OF VALUATION (IRELAND).**

Prior to the year 1874, when the Treasury Minute was issued which provided that the Crown should contribute to all local rates in respect of property in its occupation throughout the United Kingdom, the contributions made by the Crown towards local rates on account of property in its possession in Ireland was limited to payments on account of certain Government offices in Dublin and the coastguard stations.

In the year 1874 the Commissioner of Valuation in Ireland furnished to the Treasury lists of all property in Ireland in the occupation of the Government (except Telegraph property which is rated, as in England, on a fixed valuation—*see s. 22 of 31 & 32 Vict. c. 110*) and these lists, revised in accordance with the latest issued Valuation roll, have since then been annually, forwarded to the Treasury and from them the Government contribution in lieu of rates is calculated.

The annual lists furnished to the Treasury are copies of portions of the Valuation Lists supplied to the several rating bodies in Ireland under the Irish Valuation Statutes. In the Valuation Lists the Government property is entered amongst the property exempt from rating, but a valuation of every item of it is made on the same basis as if it were rateable property. Where it is land the valuation, which was made between the years 1830 and 1865, and was based on a scale of agricultural prices, is transferred from the name of the former occupier to the Government, there being no power to alter it in amount so long as it remains agricultural land. But in the case of all other hereditaments the valuation is the rent which the property would bring, one year with another, the occupier being liable for rates and doing all necessary repairs. Of course, the fact that the Government is the hypothetical tenant forms an important element in cases where the property has practically little or no value in the open market.

An important element enters into the question of the amount of the Government contribution in Ireland, which does not, I believe, exist in England or Scotland. The Irish Valuation Statutes contain provisions under which the half of the rent arising out of exempted property is a rateable hereditament and is to be entered in the Valuation Lists as such, and the same statutes lay down that poor rate is to be levied on it. In section 2, 19 & 20 Vict. c. 63, it is provided that these half rents are also liable for Grand Jury Cess. As the same rates cannot be levied twice off the same property, it follows that in calculating the Government contribution in lieu of rates, a deduction is made for the poor rate and county cess on this half rent for which the owner is liable. It is doubtful if there is power to make these half rents liable for town rates, though in some cases the local authorities collect them. When not so raised the Government contributes the full amount of these rates on the valuation of the Crown property.

There is an annual revision of the valuation of rateable property in Ireland, but only cases brought before the Valuation Department by the rating authorities, or ratepayers, are dealt with. These are generally confined to new buildings and those hereditaments where a structural change has been made. The Government buildings, not being rateable hereditaments, it is questionable whether revision can be legally demanded under the existing Statutes, but in the past this point has not been raised, and when a local authority has asked for revision such has been made. In 1896 the valuation of the whole of the Government buildings in Dublin was revised and largely increased, and since then most of the leading barracks in the country have been re-valued.

EFFECT OF SCHEME FOR THE DISTRIBUTION
OF IMPERIAL GRANTS PROPOSED BY
LORD BALFOUR OF BURLEIGH.

[*SEE ALSO REPORT BY SIR EDWARD HAMILTON AND
SIR GEORGE MURRAY.]*

(Pp. 73-S7 and 132-142 of *Final Report for England and Wales, Cd. 638 of 1901.*)

***VI.—EFFECT OF SCHEME FOR THE DISTRIBUTION OF IMPERIAL GRANTS
PROPOSED BY LORD BALFOUR OF BURLEIGH.***

As the Census figures for 1901 were not available when the Report for England and Wales was prepared, it was not worth while to work out in complete detail the results of the "Ability and Necessity" Scheme of Distribution. This has now been done so far as the Overseers and Guardians' expenditure is concerned.

The figures cannot, however, be taken as wholly accurate because they relate to a single year and have not been "standardised" as proposed in the Report (*see p. 77 of Report*) : that is, in the financial year 1899–1900 more or less expenditure may have been incurred, and more or less grants received, than would be incurred or received in a normal year. Instances of this may be found in 166 Oundle, 394 Solihull, 488 Great Ouseburn, and 555 Gateshead.

This defect could not be remedied throughout without elaborate official investigation, and for the present purpose it is unnecessary to do more than give a general warning on this point.

Another inevitable imperfection of the figures is due to their being based on the Union Poor Rate Valuation, which would certainly require correction before it could be used as the basis of an actual scheme. (*See p. 84 of Report.*)

There are five cases (indicated by an asterisk in the following Table) in which under the ordinary working of the scheme the grants would amount to more than two-thirds of the expenditure. Here the maximum limit of two-thirds is imposed, as suggested in the Report (*p. 77*).

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR of BURLEIGH, as compared with the position existing in 1899-1900.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.			
				Amount of Grants, 1899-1900. 4.	Grants per Head of Population. 5.	Rate in £ required. 6.	Amount of Grants. 7.	Grants per Head of Population. 8.	Rate in £ required. 9.	
II.—SOUTH-EASTERN COUNTIES.										
	2. SURREY.			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
80	Epsom	-	62,021	6 2·4	7 8·1	4,422	1 5·1	1 1·0	8,844	2 10·2
81	Chertsey	-	40,620	5 18·2	7 5·8	2,997	1 5·7	1 0·6	5,804	2 10·3
82	Guildford	-	62,099	5 12·6	6 3·8	3,949	1 3·3	0 11·0	7,951	2 6·7
83	Farnham	-	62,458	4 6·2	5 3·5	3,118	1 0·0	1 0·4	8,315	2 8·0
84	Hambledon	-	21,659	5 8·9	8 3·9	2,318	2 1·7	1 2·6	3,566	3 3·5
85	Dorking	-	17,449	6 11·3	9 8·9	1,875	2 1·8	1 2·1	2,959	3 4·7
86	Reigate	-	42,741	7 8·2	6 2·5	3,607	1 8·3	0 7·5	4,130	1 11·2
87	Godstone	-	27,863	4 16·4	5 11·5	2,455	1 9·1	0 10·9	3,777	2 8·5
88	Croydon	-	194,425	6 4·6	6 5·2	11,319	1 2·0	0 10·6	23,331	2 4·8
89	Kingston	-	137,563	7 14·5	6 11·5	9,106	1 3·9	0 9·3	14,297	2 0·9
90	Richmond	-	49,499	8 7·1	6 6·6	3,199	1 3·5	0 7·9	4,291	1 8·8
	3. KENT.									
41	Bromley	-	85,756	7 12·8	6 6·9	2,903	0 8·1	0 9·6	8,487	1 11·8
42	Dartford	-	96,046	4 11·0	5 10·2	4,853	1 0·1	1 1·6	13,288	2 9·2
43	Gravesend and Milton.		27,175	4 2·2	7 1·5	1,852	1 4·4	1 5·1	4,536	3 4·1
44	Strood	-	40,337	5 8·7	6 5·1	2,945	1 5·5	1 1·0	5,373	2 8·0
45	Hoo	-	4,229	4 11·4	9 5·0	692	3 3·3	1 4·1	835	3 11·4
46	Medway	-	97,546	3 8·6	7 2·2	5,743	1 2·1	1 9·7	17,482	3 7·0
47	Malling	-	28,287	4 14·8	9 3·9	3,846	2 8·6	1 4·8	5,460	3 10·3
48	Sevenoaks	-	30,789	6 0·3	7 7·5	2,561	1 8·0	0 11·9	4,416	2 10·4
49	Tonbridge	-	66,795	6 8·0	8 5·0	5,005	1 6·0	1 1·2	10,039	3 0·1
50	Maidstone	-	49,079	4 16·6	8 4·7	4,788	1 11·4	1 4·1	8,640	3 6·3
51	Hollingbourne	-	12,545	5 14·2	9 11·0	2,175	3 5·6	1 2·0	2,342	3 8·8
52	Cranbrook	-	12,944	3 19·3	10 4·8	1,958	3 0·3	1 10·4	2,899	4 5·8
53	Tenterden	-	8,766	4 12·0	11 0·3	2,083	4 9·0	1 4·3	1,962	4 5·7
54	West Ashford	-	20,559	5 12·6	9 0·7	2,554	2 5·8	1 2·2	3,574	3 5·7
55	East Ashford	-	13,112	5 10·6	10 1·0	1,943	2 11·6	1 3·5	2,524	3 10·2
56	Bridge	-	12,384	5 7·6	8 11·1	1,657	2 8·1	1 1·9	2,176	3 6·2
57	Canterbury	-	19,773	4 14·1	7 0·1	1,602	1 7·4	1 2·6	3,066	3 1·2
58	Blean	-	24,510	5 - 4	6 2·1	2,167	1 9·2	0 10·7	3,189	2 7·2
59	Faversham	-	26,426	5 0·8	5 10·6	2,757	2 1·0	0 9·4	3,454	2 7·4
60	Milton	-	28,169	4 5·1	6 8·5	2,650	1 10·6	1 1·7	4,436	3 1·8
61	Sheppey	-	22,150	3 11·0	7 3·7	2,035	1 10·0	1 7·0	3,973	3 7·0
62	Isle of Thanet	-	68,344	6 0·3	7 7·5	4,839	1 5·0	1 0·8	9,810	2 10·4
63	Eastry	-	31,531	3 15·8	7 2·0	3,173	2 0·2	1 4·5	5,452	3 5·5
64	Dover	-	48,936	4 10·0	8 0·7	3,546	1 5·4	1 6·4	8,612	3 6·2

NOTE.—The figures in columns 2 to 5 and column 7 are taken from the Table on pp. 100 to 147. In the calculation of the amount of the future grants the Assessable Value at Lady Day, 1900, and the expenditure for 1892-1900 have been used, and the rates in the $\frac{1}{2}$ are based upon the Assessable Value at Lady Day, 1899.

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—continued.

POOR LAW UNIONS.	Population, 1901.	Assessable Value, 1900, per Head of Population, 1901.	Expendi- ture, 1899-1900, per Head of Population, 1901.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900.	Grants per Head of Population.	Rate in £ required.	Amount of Grants.	Grants per Head of Population.	Rate in £ required.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

II.—SOUTH-EASTERN COUNTIES—*continued.*

3. KENT—continued.			s.	s.	d.	g	s.	d.	s.	d.	£	s.	d.	s.	d.
65	Elham	-	52,178	5	14·5	7	0·3	2,719	1	0·5	1	1·0	7,219	2	9·2
66	Romney Marsh	-	6,505	4	18·4	9	1·5	3,220	3	9·0	1	1·2	1,215	3	8·8
4. SUSSEX.															
67	Rye	-	11,057	4	17·4	9	8·2	1,939	3	6·1	1	6·3	2,324	4	2·4
68	Hastings	-	65,556	6	19·9	6	6·7	3,183	0	11·7	0	9·8	7,176	2	2·3
69	Battle	-	23,935	5	10·9	6	2·4	2,279	1	10·9	0	9·9	3,054	2	6·6
70	Eastbourne	-	51,118	6	19·0	5	11·8	981	0	4·6	0	10·0	5,139	2	0·1
71	Hailsham	-	15,728	3	13·7	8	9·5	2,422	3	1·0	1	7·4	3,174	4	0·4
72	Ticehurst	-	16,298	5	18·1	9	0·4	2,417	2	11·6	1	0·5	2,752	3	4·5
73	Uckfield	-	23,606	3	18·5	6	4·1	2,584	2	2·3	1	1·2	3,706	3	1·7
74	East Grinstead	-	18,001	6	6·6	11	5·2	2,439	2	8·5	1	4·8	3,630	4	0·4
75	Cuckfield	-	26,075	7	6·7	9	6·5	3,280	2	6·2	0	11·6	4,003	3	0·8
76a	Lewes	-	23,457	5	9·2	10	3·7	6,159	5	3·0	0	11·6	4,632	3	11·4
76b	Newhaven	-	12,132	4	16·9	8	3·7	1,122	1	10·2	1	4·5	2,116	3	5·9
77	Brighton	-	102,320	6	14·8	10	7·4	22,362	4	4·4	0	11·3	28,544	3	7·5
78	Steyning	-	80,796	7	13·2	5	8·6	5,137	1	3·3	0	7·5	6,806	1	8·2
79	Horsham	-	28,161	5	11·9	8	8·4	3,322	2	4·3	1	1·9	4,741	3	4·4
80	Petworth	-	8,529	4	1·8	11	7·4	1,842	4	3·8	1	9·7	2,065	4	10·1
81	Thakeham	-	7,303	5	16·0	9	9·5	1,430	3	11·0	1	0·2	1,338	3	8·0
82	East Preston	-	38,916	5	12·7	7	6·2	2,911	1	6·0	1	1·4	5,761	2	11·5
83	West Hampnett	-	20,107	5	12·3	10	2·2	4,246	4	2·7	1	1·1	3,892	3	10·5
84	Chichester	-	12,241	4	4·4	8	1·6	1,156	1	10·7	1	6·1	2,227	3	7·7
85	Midhurst	-	13,612	4	10·2	8	8·4	1,988	2	18·1	1	4·0	2,539	3	8·8
86	Westbourne	-	6,815	4	6·8	10	4·6	1,430	4	2·4	1	5·3	1,482	4	4·3
5. SOUTHAMPTON.															
87	Havant	-	11,191	5	11·0	9	0·8	1,332	2	4·6	1	2·9	1,962	3	6·1
88	Portsea Island	-	189,160	4	1·5	7	3·9	11,479	1	2·6	1	6·3	32,324	3	5·0
89	Alverstoke	-	28,879	3	2·5	6	9·8	1,875	1	3·6	1	9·3	5,144	3	6·7
90	Fareham	-	21,176	4	13·5	10	6·3	2,630	2	5·8	1	8·7	4,534	4	3·4
91	Isle of Wight	-	82,387	5	4·2	6	1·0	6,567	1	7·1	0	10·5	10,810	2	7·5
92	Lymington	-	13,537	4	4·5	7	4·8	1,567	2	3·8	1	2·6	2,296	3	4·7
93	Christchurch	-	69,339	6	17·9	5	7·0	2,589	0	9·0	0	8·6	6,575	1	10·8
94	Ringwood	-	6,219	4	6·1	6	8·3	769	2	5·7	1	0·0	972	3	1·5
95	Fordingbridge	-	6,137	3	18·9	11	10·6	1,326	4	3·9	1	11·1	1,528	4	11·8
96	New Forest	-	14,599	4	14·4	9	2·9	2,175	2	11·8	1	4·1	2,804	3	10·1
97	Southampton	-	61,409	4	18·3	9	8·4	4,486	1	5·5	1	9·3	12,064	3	11·1
98	South Stoneham	-	80,550	4	2·5	4	8·8	3,432	0	10·2	1	4·0	10,209	2	6·4

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued*.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expenditure, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.			
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.	
II. SOUTH-EASTERN COUNTIES—<i>continued</i>.										
				£.	s.	d.	£.	s.	d.	
5. SOUTHAMPTON— <i>continued</i> .										
99 Romsey	-	10,623	4 15·4	7 1·0	1,599	3 0·1	0 10·2	1,649	3 1·3	0 9·9
100 Stockbridge	-	6,130	4 7·4	11 10·6	1,363	4 5·4	1 8·3	1,483	4 10·1	1 7·3
101a New Winchester	-	31,506	6 1·0	7 8·3	3,212	2 0·5	0 11·3	4,536	2 10·6	0 9·6
101b Hursley	-	3,680	7 3·4	10 7·1	514	2 9·5	1 1·3	639	3 5·7	1 0·2
102 Droxford	-	11,778	3 19·3	7 6·0	1,929	3 3·3	1 0·9	2,068	3 6·1	1 0·2
103 Catherington	-	3,068	4 15·0	10 0·7	558	3 7·7	1 4·4	629	4 1·2	1 3·2
104 Petersfield	-	12,561	4 6·5	7 4·8	1,563	2 5·9	1 1·7	2,109	3 4·3	0 11·3
105 Alresford	-	6,983	4 1·6	9 8·4	1,330	3 9·7	1 5·3	1,469	4 2·5	1 4·1
106 Alton	-	16,345	4 1·2	10 1·3	2,493	3 0·6	1 9·8	3,553	4 4·2	1 5·8
107 Hartley Wintney	-	30,512	4 11·8	7 2·3	2,707	2 9·3	1 2·5	4,883	3 2·4	0 10·7
108 Basingstoke	-	21,731	6 0·9	8 3·5	2,416	2 2·7	1 0·2	3,346	3 1·0	0 10·4
109 Whitchurch	-	5,822	6 16·7	10 6·3	1,074	3 8·3	1 0·0	1,037	3 6·7	1 0·2
110 Andover	-	15,800	4 13·7	10 2·3	2,496	3 1·9	1 5·7	3,293	4 2·0	1 3·2
111 Kingsclere	-	8,500	4 1·2	9 2·9	1,460	3 5·2	1 5·3	1,726	4 0·7	1 3·5
6. BERKS.										
112 Newbury	-	21,057	4 5·6	7 6·3	2,738	2 7·2	1 1·9	3,596	3 5·0	0 11·6
113 Hungerford and Ramsbury,	Faringdon	15,565	4 3·9	7 7·2	2,421	3 1·3	1 1·4	2,699	3 5·6	1 0·3
114 Abingdon	-	12,312	6 14·1	8 1·6	2,305	3 7·0	0 8·1	1,729	2 9·7	0 9·5
115 Wantage	-	17,325	5 14·2	9 3·2	3,275	3 9·4	0 11·6	3,049	3 6·2	1 0·2
116 Wallingford	-	15,608	5 7·5	8 0·8	2,292	2 11·2	0 11·5	2,521	3 2·8	0 10·8
117 Bradfield	-	13,785	6 8·6	10 8·7	2,011	2 11·0	1 2·6	2,595	3 9·2	1 3·0
118 Reading	-	18,130	6 18·9	5 9·9	1,978	2 2·2	0 6·3	1,777	1 11·5	0 6·7
119 Wokingham	-	72,214	4 14·6	5 11·4	4,570	1 3·2	1 0·5	9,899	2 8·9	0 8·5
120 Maidenhead	-	17,934	6 14·3	9 5·7	2,517	2 9·7	1 0·1	2,916	3 3·0	0 11·3
121 Easthampstead	-	23,554	6 13·1	8 8·2	2,023	1 8·6	1 0·9	3,544	3 0·1	0 10·5
122 Windsor	-	15,763	4 8·1	8 10·4	1,579	2 0·0	1 7·5	3,012	3 9·9	1 2·4
123 Staines	-	40,289	5 9·7	6 5·5	2,345	1 2·0	0 11·9	5,356	2 7·9	0 8·6
III. SOUTH MIDLAND COUNTIES.										
7. MIDDLESEX.										
124 Uxbridge	-	33,861	5 14·3	9 3·1	4,028	2 4·5	1 2·6	5,952	3 6·2	1 0·2
125 Brentford	-	39,003	5 10·0	8 5·4	4,012	2 0·7	1 2·6	6,471	3 3·8	0 11·7
126 Hendon	-	178,849	5 15·6	8 2·2	6,554	0 8·8	1 4·1	28,037	3 1·6	0 10·9
127a Willesden	-	52,492	6 17·6	5 8·2	3,984	1 6·2	0 8·0	5,074	1 11·2	0 7·2
127b Barnet	-	114,815	4 15·1	3 8·5	1,762	0 3·7	0 9·3	11,397	1 11·8	0 4·7
128 Edmonton	-	58,970	5 16·9	5 8·7	2,386	0 9·7	0 10·6	6,757	2 3·5	0 7·4
129		347,793	4 14·5	5 3·4	15,707	0 10·8	0 11·9	43,791	2 6·2	0 7·5

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—continued.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.
III.—SOUTH MIDLAND COUNTIES—continued.									
				£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
8. HERTFORD.									
130 Ware	-	21,173	5 7·7	9 2·8	2,385	2 3·0	1 3·8	3,828	3 7·4
131 Bishop Stortford	-	21,498	5 15·3	10 7·2	3,638	3 4·6	1 4·1	4,241	3 11·3
132a Buntingford	-	5,020	4 4·7	11 6·2	1,367	5 5·4	1 5·1	1,195	4 9·1
132b Royston	-	16,026	3 14·5	9 5·7	2,781	3 5·6	1 7·4	3,406	4 3·0
133 Hitchin	-	28,749	5 2·4	8 1·6	3,049	2 1·5	1 2·3	4,798	3 4·1
134 Hertford	-	17,037	4 12·6	10 5·4	2,413	2 10·0	1 7·8	3,640	4 3·3
135a Hatfield	-	7,551	8 10·7	10 7·6	1,196	3 2·0	0 11·2	1,146	3 0·4
135b Welwyn	-	2,365	12 5·5	14 1·2	453	4 0·0	0 9·9	400	3 6·4
136 St. Albans	-	33,008	5 6·2	8 0·1	2,464	1 5·9	1 3·5	5,334	3 2·8
137 Watford	-	53,933	5 3·9	6 2·3	3,283	1 2·6	1 0·4	7,190	2 8·0
138 Hemel Hempstead	-	17,275	4 8·6	7 4·4	1,825	2 1·3	1 2·4	2,860	3 3·7
139 Berkhamsted	-	16,212	5 19·1	8 2·3	1,598	1 11·7	1 0·7	2,496	3 0·9
9. BUCKINGHAM.									
140 Amersham	-	21,245	3 7·0	8 5·2	2,786	2 7·5	1 9·3	4,279	4 0·3
141 Eton	-	34,792	6 14·6	5 10·3	2,590	1 5·9	0 7·9	3,556	2 0·5
142 Wycombe	-	46,488	3 4·9	7 1·6	4,407	1 10·8	1 7·9	8,437	3 7·6
143 Aylesbury	-	24,866	4 12·3	7 10·0	3,575	2 10·5	1 8·0	4,236	3 4·9
144 Winslow	-	7,034	5 5·7	9 9·5	1,514	4 3·7	1 9·5	1,349	3 10·0
145 Newport Pagnell	-	28,000	5 5·1	6 9·4	3,103	2 2·6	0 10·5	3,981	2 10·1
146 Buckingham	-	10,635	5 8·1	11 5·0	2,529	4 9·1	1 3·2	2,307	4 4·1
10. OXFORD.									
147 Henley	-	23,826	4 10·6	8 1·5	2,976	2 6·0	1 3·3	4,207	3 6·4
148 Thame	-	13,023	4 10·1	11 10·4	3,409	5 2·8	1 5·7	3,117	4 9·4
149 Headington	-	38,584	4 18·5	4 0·3	2,328	1 2·5	0 7·1	3,925	2 0·4
150 Oxford	-	22,994	8 6·6	8 2·9	2,911	2 6·4	0 8·2	2,651	2 3·7
151 Bicester	-	12,432	5 3·5	9 2·7	2,311	3 8·6	1 2·1	2,289	3 8·2
152 Woodstock	-	12,071	5 14·1	13 0·7	2,723	4 6·1	1 6·0	2,889	4 9·4
153 Witney	-	19,281	3 19·8	8 11·7	3,395	3 6·3	1 5·0	3,851	3 11·9
154 Chipping Norton	-	16,603	4 4·8	10 10·0	2,847	3 6·7	1 8·6	3,625	4 6·4
155 Banbury	-	28,553	5 1·2	9 7·7	4,387	3 0·9	1 3·7	5,510	3 10·3
11. NORTHAMPTON.									
156 Brackley	-	16,717	5 9·4	7 11·0	1,889	3 6·3	0 9·6	1,687	3 1·8
157 Towcester	-	10,720	5 2·2	10 2·1	2,074	3 10·4	1 2·9	2,156	4 0·3
158 Potterspury	-	13,759	5 5·8	6 8·2	3,444	2 1·2	0 10·6	1,925	2 9·6
159 Hardingtonstone	-	11,931	5 7·4	7 1·3	1,537	2 6·9	0 10·3	1,738	2 11·0
160 Northampton	-	89,435	3 10·5	5 10·7	4,283	0 11·5	1 5·0	13,963	3 1·5
161 Daventry	-	17,205	6 5·2	8 5·0	2,791	3 2·9	0 10·3	2,627	3 6·6

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued*.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.			
				Amount of Grants, 1899-1900. 4.	Grants per Head of Population. 5.	Rate in £ required. 6.	Amount of Grants 8.	Grants per Head of Population. 9.	Rate in £ required. 10.	
III.—SOUTH MIDLAND COUNTIES—<i>continued</i>.										
11. NORTHAMPTON— <i>continued</i> .				£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
162 Brixworth	-	21,739	6 12·8	7 5·1	1,852	3 1·9	0 7·7	1,523	2 7·1	0 8·7
163 Wellingborough	-	56,039	3 11·7	4 7·7	3,016	1 0·9	1 0·7	7,528	2 8·2	0 7·0
164 Kettering	-	48,093	4 8·5	6 4·8	3,225	1 4·1	1 2·7	7,193	2 11·9	0 9·9
165 Thrapston	-	14,941	4 1·0	7 2·1	2,040	2 8·8	1 1·5	2,522	3 4·5	0 11·5
166 Oundle	-	10,487	5 6·5	7 2·6	2,875	5 5·8	0 4·0	1,554	2 11·6	0 9·8
167 Peterborough	-	53,857	5 11·5	6 1·2	4,318	1 7·2	0 10·3	6,751	2 6·1	0 8·2
12. HUNTINGDON.										
168 Huntingdon	-	18,096	6 14·1	8 0·7	2,709	2 11·9	0 9·1	2,518	2 9·4	0 9·5
169 St. Ives	-	14,777	4 10·3	8 10·6	2,719	3 8·2	1 2·0	2,800	3 9·5	1 1·7
170 St. Neots	-	13,882	6 13·2	7 11·4	1,944	2 9·6	0 9·8	1,918	2 9·2	0 9·9
13. BEDFORD.										
171 Bedford	-	57,684	4 10·1	5 8·5	4,776	1 7·9	0 11·0	7,891	2 8·8	0 8·1
172 Biggleswade	-	26,718	4 19·8	8 11·2	3,706	2 9·3	1 3·0	4,875	3 7·8	1 0·9
173 Ampthill	-	21,323	5 5·1							
174 Woburn	-	—	—	8 4·5	4,863	2 5·6	0 11·9	6,163	3 1·5	0 10·5
175 Leighton Buzzard	-	18,069	6 17·0							
176 Luton	-	51,164	4 3·6	5 9·3	4,447	1 8·9	0 11·6	7,330	2 10·4	0 8·4
14. CAMBRIDGE.										
177 Caxton and Arrington.	-	8,396	3 10·8	12 0·4	2,210	5 3·2	1 11·5	2,168	5 2·0	1 11·8
178 Chesterton	-	33,237	4 1·9	5 8·0	3,120	1 10·5	0 11·3	4,749	2 10·3	0 8·4
179 Cambridge	-	38,303	6 2·8	5 4·1	2,801	1 5·5	0 7·7	3,967	2 0·8	0 6·5
180 Linton	-	11,257	4 5·3	12 4·3	2,252	4 0·0	1 11·6	2,831	5 0·4	1 8·7
181 Newmarket	-	32,101	5 5·5	6 7·1	3,815	2 4·5	0 9·6	4,449	2 9·3	0 8·7
182 Ely	-	20,094	4 14·6	7 11·9	3,310	3 3·5	0 11·7	3,435	3 5·0	0 11·4
183 North Witchford	-	16,994	4 16·6	7 11·7	2,757	3 2·9	0 11·8	2,875	3 4·6	0 11·4
184 Whittlesey	-	7,203	5 2·8	11 4·8	1,555	4 4·5	1 5·2	1,569	4 5·0	1 5·1
185 Wisbech	-	33,106	4 12·9	8 11·6	5,134	3 1·1	1 3·3	6,250	3 9·3	1 11·5
IV.—EASTERN COUNTIES.										
15. ESSEX.										
186 West Ham	-	580,306	3 17·2	5 6·2	24,678	0 10·2	1 3·9	83,729	2 10·6	0 9·0
187 Epping	-	30,459	5 10·2	7 10·8	3,057	2 0·1	1 1·8	4,767	3 1·6	0 11·2
188 Ongar	-	10,044	4 5·5	10 3·8	2,655	4 1·1	1 5·5	2,183	4 4·2	1 4·8
189 Romford	-	95,458	4 18·2	5 11·7	4,263	0 10·7	1 1·2	12,829	2 8·3	0 8·5
190 Orsett	-	33,721	4 5·1	5 7·7	2,100	1 3·6	1 1·2	4,743	2 9·5	0 8·7
191 Billericay	-	32,436	4 18·4	10 5·1	2,272	2 0·3	1 8·6	4,675	4 2·0	1 3·3
192 Chelmsford	-	36,297	4 17·5	8 5·0	4,881	3 8·3	1 2·9	6,377	3 6·2	1 6·7

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 3.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.
IV.—EASTERN COUNTIES—<i>continued.</i>									
				£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
15. ESSEX— <i>continued.</i>									
193	Rochford	- -	51,113	5 2·9	5 2·8	2,465	0 11·6	0 10·8	6,041
194	Maldon	- -	23,112	3 8·4	9 5·6	3,782	3 3·3	1 10·0	5,026
195	Tendring	- -	45,048	4 1·2	5 10·9	3,460	1 6·4	1 2·0	6,641
196	Colchester	- -	38,351	3 14·6	6 9·3	2,840	1 5·8	1 5·4	6,419
197	Lexden and Winstree.		21,132	3 11·9	8 6·7	3,143	2 11·7	1 6·6	4,213
198	Halstead	- -	16,248	3 0·6	8 7·4	2,288	2 9·8	2 0·5	3,407
199	Braintree	- -	26,890	3 16·6	10 1·3	3,856	2 10·4	1 10·8	5,950
200	Dunmow	- -	15,705	3 5·2	10 11·3	3,267	4 1·9	2 1·1	3,842
201	Saffron Walden	-	16,132	5 0·3	10 7·2	2,945	3 7·8	1 6·0	3,383
16. SUFFOLK.									
202	Risbridge	- -	16,049	3 2·1	9 5·3	2,570	3 2·4	2 0·3	3,567
203	Sudbury	- -	27,052	3 6·0	7 7·0	3,728	2 9·1	1 5·6	5,085
204	Cosford	- -	14,863	3 3·9	9 4·2	2,284	3 0·9	1 11·6	3,259
205	Thingoe	- -	14,528	4 6·9	10 5·0	2,661	3 8·0	1 7·3	3,165
206	Bury St. Edmunds		16,255	3 15·2	9 2·5	873	1 0·9	2 2·2	3,372
207	Mildenhall	- -	8,261	3 18·4	12 6·0	1,571	3 9·6	2 2·9	2,145
208	Stow	- -	19,166	3 13·6	10 6·0	2,364	2 5·6	2 2·3	4,415
209	Hartismere	- -	13,513	3 10·7	9 4·7	2,694	3 11·8	1 6·3	2,895
210	Hoxne	- -	10,220	3 14·3	9 8·6	1,872	3 8·0	1 7·5	2,215
211	Bosmere and Claydon.		14,097	4 0·1	7 5·8	2,058	2 11·0	1 1·6	2,462
212	Samford	- -	12,256	5 2·2	7 7·9	1,669	2 8·7	1 0·6	1,951
213	Ipswich	- -	66,622	4 2·4	6 1·1	4,255	1 3·3	1 2·9	9,963
214	Woodbridge	- -	25,572	5 1·3	6 8·6	2,975	2 3·9	0 10·8	3,686
215	Plomesgate	- -	19,614	3 16·4	9 2·7	2,803	2 10·3	1 8·2	4,053
216	Blything	- -	25,577	3 17·1	6 7·2	3,276	2 6·7	1 0·7	4,154
217	Wangford	- -	14,888	3 10·8	8 6·2	2,113	2 10·1	1 7·2	2,971
218	Mutford and Lothingland.		43,323	3 19·1	5 5·6	2,145	0 11·9	1 2·3	6,149
17. NORFOLK.									
219	Great Yarmouth	-	50,638	3 17·1	9 0·4	3,991	1 6·9	2 0·1	10,284
220	East and West Flegg.		9,796	4 4·8	7 9·6	1,551	3 2·0	1 1·2	1,724
221	Smallburgh	- -	17,304	4 3·6	10 3·7	3,112	3 7·2	1 7·2	3,787
222	Erpingham	- -	22,255	4 12·9	8 4·7	3,497	2 2·9	1 4·7	3,986
223	Aylsham	- -	17,048	3 17·6	9 2·6	2,975	3 5·9	1 5·9	3,506
224	St. Faith's	- -	12,559	4 0·8	9 7·8	2,061	3 3·4	1 7·1	2,640
225	Norwich	- -	211,728	3 5·6	6 3·3	7,325	1 3·7	1 6·6	18,606
226	Forehoe	- -	11,329	3 19·5	10 8·8	2,070	3 7·9	1 9·5	2,598
227	Henstead	- -	10,358	4 19·8	11 0·7	2,165	4 2·2	1 4·5	2,355

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IV.—EASTERN COUNTIES—<i>continued</i>.										
17. NORFOLK— <i>continued</i> .		£ s. d.	£ s. d.	£	s. d.	s. d.	£	s. d.	s. d.	
228 Blofield	-	11,843	5 6·0	7 3·1	1,746	2 11·4	0 9·8	1,768	2 11·8	0 9·7
229 Loddon and Clavering.		12,393	3 12·6	9 2·8	2,217	3 6·9	1 6·5	2,602	4 2·4	1 4·5
230 Depwade	-	21,723	3 13·7	9 7·5	3,695	3 4·8	1 8·2	4,685	4 3·8	1 5·3
231 Guildeross	-	9,477	3 15·6	11 8·2	1,959	4 1·9	1 11·9	2,340	4 11·6	1 9·4
232 Wayland	-	9,888	4 14·8	10 3·9	1,907	3 10·3	1 4·4	2,074	4 2·3	1 3·5
233 Mitford and Launditch.		23,979	4 4·0	11 9·4	4,544	3 9·5	1 10·8	5,828	4 10·3	1 7·7
234 Walsingham	-	19,612	4 3·5	9 0·6	3,308	3 4·5	1 4·5	3,882	3 11·5	1 2·8
235 Docking	-	17,633	4 10·1	10 9·1	2,575	2 11·0	1 9·5	3,895	4 5·0	1 5·4
236 Freebridge Lynn	-	11,847	4 7·4	8 5·2	1,885	3 2·2	1 2·6	2,184	3 8·2	1 1·2
237 King's Lynn	-	20,951	3 18·0	9 7·3	1,776	1 8·3	2 0·2	4,437	4 2·8	1 4·4
238 Downham	-	17,309	4 7·2	9 4·7	3,108	3 7·1	1 3·9	3,471	4 0·1	1 2·8
239 Swaffham	-	11,015	4 10·7	12 7·8	2,606	4 8·8	1 8·9	2,775	5 0·5	1 8·1
240 Thetford	-	16,989	4 4·2	9 9·6	2,914	3 5·2	1 6·1	3,564	4 2·3	1 3·9
V.—SOUTH-WESTERN COUNTIES.										
18. WILTS.		£ s. d.	£ s. d.	£	s. d.	s. d.	£	s. d.	s. d.	
241 Highworth and Swindon.		59,275	4 1·6	5 1·6	3,339	1 1·5	1 0·5	7,954	2 8·2	0 7·6
242 Cricklade and Wootton Bassett.		11,357	5 16·5	10 9·6	2,229	3 11·1	1 2·2	2,266	3 11·9	1 2·1
243 Malmesbury	-	12,666	5 0·7	8 2·5	2,249	3 6·6	0 11·1	2,147	3 4·7	0 11·4
244 Chippenham	-	22,959	5 10·0	9 9·8	3,663	3 2·3	1 2·7	4,330	3 9·3	1 1·4
245 Calne	-	8,071	4 13·5	9 1·9	1,577	3 10·9	1 1·5	1,545	3 9·9	1 1·7
246 Marlborough	-	8,458	4 2·4	8 5·0	1,365	3 2·7	1 3·2	1,592	3 9·2	1 1·6
247 Devizes	-	19,602	3 19·7	10 6·6	4,457	4 6·6	1 6·3	4,431	4 6·3	1 6·4
248 Trowbridge and Melksham.		18,415	4 0·4	7 8·1	2,440	2 7·8	1 3·1	3,270	3 6·6	1 0·4
249 Bradford-on-Avon		9,585	5 1·1	11 2·2	1,758	3 8·0	1 6·7	2,098	4 4·5	1 4·9
250 Westbury and Whorwelldown.		9,704	4 10·9	11 4·6	2,260	4 7·9	1 5·8	2,238	4 7·4	1 5·9
251 Warminster	-	11,781	4 8·6	11 8·5	2,553	4 4·0	1 8·0	2,803	4 9·1	1 6·9
252 Pownsey	-	11,209	3 9·8	10 5·9	2,362	4 2·6	1 9·5	2,617	4 8·0	1 7·9
253 Amesbury	-	8,268	3 17·7	7 11·4	1,333	3 2·7	1 3·0	1,524	3 8·2	1 1·6
254 Salisbury	-	29,977	4 11·3	8 11·4	4,199	2 9·6	1 4·3	5,691	3 9·6	1 1·7
255 Wilton	-	9,670	5 10·0	12 0·3	1,829	3 9·4	1 6·0	2,180	4 6·1	1 4·4
256 Tisbury	-	7,714	5 15·5	10 6·2	1,775	4 7·2	1 0·2	1,509	3 10·9	1 1·6
257 Mere	-	5,210	4 9·1	10 10·8	1,286	4 11·2	1 4·1	1,168	4 5·8	1 5·4
19. DORSET.										
258 Shaftesbury	-	12,955	5 5·6	9 8·1	2,434	3 9·1	1 1·5	2,460	3 9·6	1 1·4
259 Sturminster	-	8,814	5 3·4	9 8·3	2,073	4 8·4	0 11·6	2,700	3 10·3	1 1·6
260 Blandford	-	12,453	4 5·6	9 3·9	2,068	3 3·9	1 4·8	2,500	4 0·3	1 2·9
261 Wimborne and Cranborne.		17,104	4 2·9	11 0·6	2,763	3 2·8	1 10·8	3,965	4 7·6	1 6·7

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					Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.
V.—SOUTH-WESTERN COUNTIES—<i>continued.</i>										
	19. DORSET.— <i>continued.</i>		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
262	Poole	32,335	4 6·2	7 10·6	1,854	1 1·8	1 7·1	5,697	3 6·3	1 0·3
263	Wareham and Pur- beck.	15,989	4 2·3	8 6·0	2,464	3 1·0	1 4·2	3,034	3 9·5	1 2·1
264	Weymouth	42,977	3 15·4	5 10·4	3,680	1 8·6	1 1·7	6,513	3 0·4	0 9·3
265a	Dorchester	18,937	4 15·1	8 4·2	2,088	2 2·5	1 3·7	3,343	3 6·4	1 0·3
265b	Cerne	5,064	6 1·0	11 0·3	1,330	5 3·0	0 11·3	1,011	3 11·9	1 1·8
266	Sherborne	11,474	5 8·2	11 2·6	2,031	3 6·5	1 5·5	2,450	4 3·2	1 3·9
267	Beaminster	9,184	5 14·0	11 6·7	2,589	5 7·7	1 0·4	1,968	4 3·4	1 3·2
268	Bridport	12,708	4 12·0	9 11·2	2,375	3 8·9	1 4·2	2,612	4 1·3	1 3·2
	20. DEVON.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
269	Axminster	15,623	4 19·9	10 1·7	3,697	4 8·8	1 1·7	3,162	4 0·6	1 3·5
270	Honiton	20,285	4 15·0	10 5·1	4,189	4 1·6	1 3·9	4,284	4 2·7	1 3·7
271	St. Thomas	55,362	4 16·5	7 2·9	6,404	2 3·8	1 0·3	8,688	3 1·7	0 10·3
272	Exeter	37,726	5 8·0	9 4·4	4,078	2 1·9	1 4·1	6,892	3 7·8	1 0·8
273	Newton Abbott	80,308	4 18·3	6 10·7	5,859	1 5·5	1 1·4	12,015	2 11·9	0 9·6
274	Totnes	41,441	4 13·8	6 9·1	4,258	2 0·7	1 0·2	6,264	3 0·3	0 9·7
275	Kingsbridge	16,133	4 8·2	8 10·2	3,028	3 9·0	1 2·0	3,077	3 9·8	1 1·9
276	Plympton St. Mary	21,358	6 1·1	8 10·9	2,604	2 5·3	1 0·6	3,507	3 3·4	0 10·9
277	Plymouth	107,514	4 2·4	6 3·6	4,433	0 9·9	1 4·9	16,458	3 0·7	0 10·0
278	East Stonehouse	15,111	3 11·2	5 9·9	778	1 0·4	1 6·2	2,334	3 1·1	0 10·4
279	Devonport	69,674	3 11·4	4 10·8	2,577	0 8·9	1 2·6	9,677	2 9·3	0 7·4
280	Tavistock	26,910	4 3·3	7 8·6	3,584	2 8·0	1 3·5	4,733	3 6·2	1 0·8
281	Okehampton	15,754	4 6·4	8 8·5	2,879	3 7·9	1 2·5	2,991	3 9·6	1 2·1
282	Crediton	15,553	4 12·2	8 9·8	3,004	3 10·4	1 0·9	2,906	3 8·8	1 1·2
283	Tiverton	27,378	5 3·0	8 7·5	4,514	3 3·6	1 0·4	4,781	3 5·9	1 0·0
284	South Molton	13,812	4 15·6	9 0·0	3,059	4 5·2	0 11·7	2,583	3 8·9	1 1·4
285	Barnstaple	42,079	4 13·2	7 4·7	4,799	2 3·4	1 1·4	6,828	3 2·9	0 10·8
286	Torrington	12,499	3 12·9	8 10·9	2,547	4 0·9	1 5·0	2,555	4 1·1	1 5·0
287	Bideford	20,615	2 12·7	6 11·5	2,170	2 1·3	1 10·6	3,892	3 9·3	1 2·8
288	Holsworthy	8,692	3 5·3	6 8·6	1,034	2 4·6	1 5·1	1,515	3 5·8	1 0·7
	21. CORNWALL.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
289	Stratton	7,322	3 16·4	9 1·5	1,432	3 10·9	1 4·3	1,502	4 1·2	1 3·7
290	Camelford	7,187	3 11·7	8 1·8	1,151	3 2·4	1 4·6	1,386	3 10·3	1 2·4
291	Launceston	14,311	4 12·8	6 11·5	2,071	2 10·7	0 10·5	2,224	3 1·3	0 10·0
292	St. Germans	21,866	3 18·5	6 1·0	2,098	1 11·0	1 5·9	3,703	3 4·6	0 11·6
293	Liskeard	21,946	3 16·3	9 10·5	4,096	3 5·1	1 8·4	5,214	4 4·3	1 5·4
294	Bedmin	19,263	4 0·6	7 3·1	2,495	2 7·1	1 2·0	3,284	3 4·9	0 11·5
295	St. Columb Major	15,418	4 10·5	7 6·8	1,721	2 2·8	1 2·9	2,580	3 4·2	0 11·8

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—continued.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expenditure, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.			
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.	
V.—SOUTH-WESTERN COUNTIES—continued.										
21. CORNWALL—continued.		s. s.	s. d.	£	s. d.	s. d.	£	s. d.	s. d.	
296 St. Austell	-	32,935	4 8·3	7 3·0	2,927	1 9·3	1 3·2	5,400	3 3·4	0 11·0
297 Truro	-	33,616	3 4·8	7 7·0	4,188	2 5·9	1 7·6	6,358	3 9·4	1 2·6
298 Falmouth	-	23,148	3 8·3	8 0·7	2,119	1 10·0	1 9·9	4,491	3 10·6	1 2·7
299 Helston	-	20,779	3 2·8	6 6·0	2,644	2 6·5	1 3·3	3,589	3 5·5	0 11·8
300 Redruth	-	48,105	2 5·0	6 2·5	3,371	1 4·8	1 2·3	8,785	3 7·8	1 2·0
301 Penzance*	-	49,322	3 2·8	3 9·0	2,950	1 2·4	0 10·3	6,157	2 6·0	0 4·9
302 Isles of Scilly*	-	2,096	1 9·6	1 6·9	—	—	1 0·8	110	1 0·6	0 4·3
22. SOMERSET.										
303 Williton	-	16,972	5 0·5	7 6·0	2,782	3 3·3	0 10·1	2,680	3 1·9	0 10·4
304 Dulverton	-	4,609	5 8·5	9 8·2	1,185	5 1·7	0 10·1	865	3 9·0	1 1·1
305 Wellington	-	18,312	5 9·8	8 4·1	3,324	3 7·6	0 10·4	3,008	3 3·4	0 11·2
306 Taunton	-	38,643	5 8·4	5 4·6	3,826	1 11·8	0 7·5	4,482	2 3·8	0 6·8
307 Bridgwater	-	33,655	5 1·0	7 1·8	4,254	2 6·3	0 11·1	5,106	3 0·4	0 9·8
308 Langport	-	13,446	4 12·3	9 11·8	3,035	4 6·2	1 2·2	2,771	4 1·5	1 3·2
309 Chard	-	24,250	4 7·3	8 0·8	3,789	3 1·5	1 1·6	4,326	3 6·8	1 0·4
310 Yeovil	-	27,375	4 14·2	8 2·4	3,995	2 11·0	1 1·9	4,785	3 6·0	1 0·4
311 Wincanton	-	16,394	5 17·6	11 6·3	3,811	4 7·8	1 2·0	3,454	4 2·6	1 2·9
312 Frome	-	22,173	4 10·1	9 8·3	3,820	3 5·3	1 4·7	4,503	4 0·7	1 3·1
313 Shepton Mallet	-	15,076	5 2·0	11 0·8	3,467	4 7·2	1 3·3	3,257	4 3·8	1 4·0
314 Wells	-	23,641	4 18·9	8 2·0	3,681	3 0·6	1 0·5	4,028	3 4·9	0 11·6
315 Axbridge	-	47,915	6 3·8	7 4·1	5,474	2 3·4	0 10·2	6,505	2 8·6	0 9·3
316 Clutton	-	25,769	4 0·9	9 1·5	4,173	3 2·9	1 5·9	5,188	4 0·3	1 3·5
317 Bath	-	77,581	5 13·0	6 9·3	5,631	1 5·4	0 11·4	10,503	2 8·5	0 8·7
318 Keynsham	-	36,181	3 19·2	5 8·7	2,541	1 4·9	1 2·3	5,287	2 11·3	0 8·6
319 Long Ashton	-	24,134	7 7·0	10 2·9	3,876	3 2·5	0 11·6	3,979	3 3·6	0 11·5
VI.—WEST MIDLAND COUNTIES.										
23. GLOUCESTER.		s. s.	s. d.	£	s. d.	s. d.	£	s. d.	s. d.	
320 Bristol	-	328,842	4 32·0	6 8·7	10,636	0 7·8	1 4·3	50,020	3 0·5	0 9·9
321 Burton Regis	-	16,502	5 6·0	5 9·0	3,620	4 4·6	0 3·4	2,049	2 5·8	0 8·2
322 Chipping Sodbury	-	17,612	4 11·2	7 5·5	2,441	2 9·3	1 0·4	2,907	3 3·6	0 11·0
323 Thornbury	-	16,576	6 19·8	9 0·8	2,690	3 2·9	0 10·0	2,509	3 0·3	0 10·4
324 Durley	-	11,633	4 9·5	8 3·2	1,956	3 4·4	1 1·2	2,093	3 7·3	1 0·5
325 Westbury-on-Severn	-	22,851	4 3·7	8 5·7	2,431	2 1·5	1 6·4	4,300	3 9·2	1 1·7
326 Newent	-	8,249	4 17·8	9 4·7	1,537	3 8·7	1 2·1	1,581	3 10·0	1 1·9
327 Gloucester	-	58,721	4 13·5	6 2·7	3,165	1 0·9	1 2·8	8,372	2 10·2	0 9·0
328 Wheatenhurst	-	6,106	7 0·4	11 7·3	1,930	3 21·6	1 1·1	1,180	3 10·4	1 1·2
329 Stroud	-	39,953	3 13·1	6 6·4	3,533	1 49·2	1 8·9	6,375	3 3·5	0 10·7

* See page 209.

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued*.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.					
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.			
VI.—WEST MIDLAND COUNTIES—<i>continued</i>.												
23. GLOUCESTER—<i>continued</i>.												
330	Tetbury	—	6,146	4 5·7	9 6·2	1,148	3 8·8	1 4·2	1,253	4 0·9	1 3·2	
331	Cirencester	—	19,620	4 13·7	9 0·6	3,160	3 2·7	1 3·0	3,716	3 9·5	1 1·5	
332	Northleach	—	8,100	3 18·8	8 10·8	1,686	4 2·0	1 2·7	1,615	3 11·9	1 3·3	
333	Stow-on-the-Wold	—	8,151	4 15·0	8 11·2	1,669	4 1·1	1 0·2	1,519	3 8·7	1 1·1	
334	Winchcombe	—	8,825	4 18·6	7 7·9	1,409	3 2·3	0 10·9	1,431	3 2·9	0 10·7	
335	Cheltenham	—	57,880	5 14·3	7 8·9	4,950	1 8·6	1 0·7	8,710	3 0·1	0 10·0	
336	Tewkesbury	—	12,709	5 8·0	6 6·0	1,680	2 7·7	0 8·6	1,716	2 8·4	0 8·4	
24. HEREFORD.												
337	Ledbury	—	13,733	5 11·4	9 0·7	2,219	3 2·8	1 0·6	2,401	3 6·0	1 0·1	
338	Ross	—	16,116	5 2·4	11 1·8	3,171	3 11·2	1 4·9	3,501	4 4·1	1 3·9	
339a	Hereford	—	34,653	5 17·8	8 5·3	4,443	2 6·8	1 0·2	5,517	3 2·2	0 10·9	
339b	Dore	—	7,325	7 15·6	12 9·9	1,786	4 10·5	1 0·2	1,470	4 0·2	1 1·6	
340	Weobley	—	6,950	6 8·6	10 2·9	1,597	4 7·1	0 10·5	1,252	3 7·2	1 0·4	
341	Bromyard	—	9,907	4 18·6	10 4·1	2,355	4 9·1	1 1·6	2,050	4 1·7	1 3·1	
342	Leominster	—	13,341	6 8·2	8 10·5	2,167	3 3·0	0 10·5	2,104	3 1·9	0 10·7	
343	Kington	—	10,539	6 9·2	9 9·4	2,240	4 3·0	0 10·4	1,813	3 5·3	0 11·9	
25. SALOP.												
344	Ludlow	—	18,392	5 14·4	6 8·0	2,412	2 7·5	0 8·5	2,435	2 7·8	0 8·4	
345	Clun	—	8,490	6 4·5	7 6·9	1,546	3 7·7	0 7·6	1,181	2 9·4	0 9·3	
346	Church Stretton	—	5,293	8 18·6	7 9·9	875	3 3·7	0 6·2	520	1 11·6	0 8·0	
347	Cleobury Mortimer	—	8,870	4 7·1	5 0·0	1,073	2 5·0	0 7·1	1,129	2 6·5	0 6·8	
348	Bridgnorth	—	14,482	4 17·5	7 11·1	2,131	2 11·3	1 0·2	2,425	3 4·2	0 11·2	
349	Shifnal	—	11,801	6 14·3	6 11·1	1,334	2 3·1	0 8·5	1,418	2 4·8	0 8·2	
350	Madeley	—	23,845	2 17·2	5 8·9	2,394	2 0·1	1 3·7	3,926	3 3·5	0 10·3	
351	Atcham	—	49,445	5 19·9	5 7·6	4,900	1 11·8	0 7·4	5,470	2 2·6	0 6·9	
352	Oswestry	—	28,262	5 16·1	6 2·1	3,111	2 2·4	0 8·3	3,471	2 5·5	0 7·7	
353	Ellesmere	—	14,480	6 6·1	5 2·3	1,827	2 6·3	0 5·1	1,420	1 11·5	0 6·2	
354	Wem	—	10,422	6 2·4	5 4·0	1,217	2 4·0	0 5·9	1,080	2 0·9	0 6·4	
355	Whitechurch	—	12,057	5 11·9	6 0·9	1,524	2 6·3	0 7·7	1,563	2 5·9	0 7·8	
356	Drayton	—	13,849	6 7·3	5 0·7	1,256	1 9·8	0 6·1	1,314	1 10·8	0 6·0	
357	Wellington	—	25,844	3 19·5	6 3·4	2,277	1 9·1	1 1·7	4,010	3 1·2	0 9·6	
358	Newport	—	13,561	5 11·5	7 2·9	1,731	2 6·6	0 10·2	1,959	2 10·7	0 9·5	
26. STAFFORD.												
359	Stafford	—	31,297	5 10·3	8 5·7	3,290	2 1·2	1 2·1	5,197	3 3·9	0 11·4	
360	Stone	—	19,639	6 3·7	5 11·7	2,085	2 1·5	0 7·5	2,222	2 3·2	0 7·2	
361	Newcastle-under-Lyme, Wolstanton and Burslem.	—	40,341	3 7·9	5 4·1	2,296	1 1·7	1 2·7	6,014	2 11·8	0 8·3	
362	99,545	3 7·4	4 1·4	3,825	0 9·3	1 0·3	12,852	2 7·0	0 5·6			

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1889-1900—*continued*.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.
VI.—WEST MIDLAND COUNTIES—<i>continued</i>.									
26. STAFFORD— <i>continued</i> .		£ s. d.	s. d.	£	s. d.	s. d.	£	s. d.	s. d.
363 Stoke-upon-Trent	- 155,355	3 6·2	5 10·6	10,515	1 4·2	1 5·3	24,785	3 2·3	0 10·3
364 Leek	- 41,862	3 10·9	4 9·8	3,001	1 5·2	0 11·6	5,768	2 9·1	0 7·1
365 Cheadle	- 24,657	3 19·5	4 7·7	1,986	1 7·3	0 9·3	3,152	2 6·7	0 6·4
366 Uttoxeter	- 15,807	6 11·6	6 7·5	2,099	2 7·9	0 7·6	1,856	2 4·2	0 8·2
367 Burton-on-Trent	- 92,814	5 15·1	5 5·9	5,158	1 1·3	0 9·7	10,430	2 3·0	0 7·2
368 Tamworth	- 24,657	5 6·4	6 8·6	2,466	2 0·0	0 10·7	3,451	2 9·6	0 8·9
369 Lichfield	- 42,541	4 8·7	5 9·3	3,062	1 5·3	1 0·0	5,913	2 9·4	0 8·3
370 Cannock	- 47,650	4 4·8	5 4·3	2,754	1 1·9	1 0·2	6,448	2 8·5	0 7·7
371a Seisdon	- 18,152	5 1·1	6 6·2	2,244	2 5·7	0 9·6	2,559	2 9·8	0 8·8
371b Wolverhampton	- 154,581	3 5·0	6 7·8	8,545	1 1·3	1 9·1	26,795	3 5·6	1 0·1
372 Walsall	- 118,613	2 17·2	4 8·0	5,161	0 10·4	1 4·3	17,463	2 11·2	0 7·4
373 West Bromwich	- 172,176	3 11·2	4 11·7	8,803	1 0·3	1 1·7	24,152	2 9·7	0 7·5
374 Dudley	- 152,201	2 14·8	5 5·9	6,143	0 9·7	1 9·0	24,732	3 3·0	0 10·0
27. WORCESTER.		£ s. d.	s. d.	£	s. d.	s. d.	£	s. d.	s. d.
375 Stourbridge	- 92,442	2 14·2	4 8·7	3,576	0 9·3	1 5·6	13,890	3 0·1	0 7·7
376 Kidderminster	- 40,780	3 17·4	8 2·9	4,613	2 3·1	1 6·7	7,733	3 9·5	1 1·9
377 Tenbury	- 7,005	4 18·2	7 4·1	1,136	3 2·9	0 10·0	1,101	3 1·7	0 10·3
378 Martley	- 16,791	4 15·0	9 5·5	2,831	3 4·5	1 3·6	3,278	3 10·9	1 2·3
379 Worcester	- 47,792	4 4·4	8 2·0	3,154	1 3·8	1 7·7	8,716	3 7·8	1 1·0
380 Upton-on-Severn	- 24,499	6 6·0	7 0·5	2,384	1 11·4	0 9·9	3,159	2 6·9	0 8·6
381 Evesham	- 17,639	4 8·4	6 11·4	2,201	2 6·0	1 0·3	2,799	3 2·1	0 10·4
382 Pershore	- 12,748	6 1·0	8 3·8	2,012	3 1·9	0 10·3	1,969	3 1·1	0 10·5
383 Droitwich	- 18,373	6 1·8	9 2·3	3,055	3 3·9	0 11·6	3,092	3 4·4	0 11·5
384 Bromsgrove	- 35,627	4 8·6	6 7·4	3,363	1 10·7	1 1·1	5,452	3 0·7	0 9·8
385 King's Norton	- 187,106	4 7·9	4 11·5	7,028	0 9·0	1 0·1	23,602	2 6·3	0 7·0
28. WARWICK.		£ s. d.	s. d.	£	s. d.	s. d.	£	s. d.	s. d.
386 Birmingham	- 245,222	5 11·5	10 1·9	27,306	2 2·7	1 5·5	47,342	3 10·3	1 1·9
387 Aston*	- 312,217	3 8·8	3 5·9	7,745	0 6·0	0 10·8	36,303	2 3·9	0 4·2
388 Meriden	- 11,347	7 2·0	8 4·1	1,573	2 9·3	0 9·5	1,559	2 9·0	0 9·6
389 Atherstone	- 17,728	4 8·7	6 2·8	1,485	1 8·1	1 0·6	2,600	2 11·2	0 9·2
390 Nuneaton	- 28,117	4 2·2	4 9·3	1,777	1 3·2	0 11·2	3,589	2 6·6	0 7·1
391 Foleshill	- 17,002	3 9·9	4 6·0	4,494	1 0·4	1 0·3	11,280	2 7·0	0 6·8
392 Coventry	- 70,195	3 16·0	4 6·0	4,494	1 0·4	1 0·3	11,280	2 7·0	0 6·8
393 Rugby	- 34,328	6 16·7	5 9·7	2,808	1 7·6	0 8·7	3,417	1 11·9	0 7·9
394 Solihull	- 48,620	4 12·2	3 5·2	1,508	0 7·4	0 7·8	4,774	1 11·6	0 4·1
395 Warwick	- 54,906	6 4·8	6 2·9	4,465	1 7·5	0 9·7	6,408	2 4·0	0 8·2
396 Stratford-on-Avon	- 20,838	4 13·5	9 5·9	3,387	3 3·0	1 4·1	4,105	3 11·3	1 2·3

* See page 206.

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BUBBLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 4.	Grants per Head of Population. 5.	Rate in £ required. 6.	Amount of Grants. 7.	Grants per Head of Population. 8.	Rate in £ required. 9.
VI.—WEST MIDLAND COUNTIES—<i>continued.</i>									
28. WARWICK— <i>continued.</i>		£ s. d.	£ s. d.	£	s. d.	s. d.	£	s. d.	s. d.
397 Alcester -	20,979	3 9·1	8 2·8	3,120	2 11·7	1 6·4	4,117	3 11·1	1 3·1
398 Shipston-on-Stour -	15,049	5 0·8	10 0·7	2,773	3 8·2	1 3·2	3,015	4 0·1	1 2·4
399 Southam -	9,903	5 13·3	9 4·5	1,998	4 0·4	0 11·4	1,767	3 6·8	1 0·4
VII.—NORTH MIDLAND COUNTIES.									
29. LEICESTER.									
400 Lutterworth -	11,029	6 9·6	7 10·5	1,995	3 7·4	0 7·7	1,543	2 9·6	0 9·2
401 Market Harborough	19,187	7 13·6	7 8·0	2,884	3 0·1	0 7·3	2,235	2 4·0	0 8·4
402 Billesdon -	6,172	9 6·2	10 1·7	1,369	4 5·2	0 7·4	806	2 7·3	0 9·8
403 Blaby -	24,973	3 18·0	6 4·2	2,491	1 11·9	1 1·9	3,933	3 1·8	0 10·2
404 Hinckley -	23,936	3 8·0	5 4·5	1,870	1 6·7	1 4·0	3,581	2 11·9	0 10·0
405 Market Bosworth -	17,175	5 1·7	7 6·8	2,049	2 4·6	1 2·1	2,713	3 1·9	1 0·0
406 Ashby-de-la-Zouch	44,236	3 16·7	5 1·4	2,984	1 4·2	1 0·1	6,106	2 9·1	0 7·6
407 Loughborough -	34,897	4 5·2	5 10·5	2,732	1 6·8	1 0·6	5,009	2 10·4	0 8·8
408 Barrow-upon-Soar -	25,519	5 8·2	8 0·4	3,020	2 4·4	1 0·9	4,095	3 2·5	0 11·0
409 Leicester -	211,574	3 17·7	6 0·2	12,780	1 2·5	1 3·4	32,197	3 0·5	0 9·5
410 Melton Mowbray -	22,209	7 5·5	6 7·2	2,544	2 3·5	0 7·2	2,339	2 1·3	0 7·5
30. RUTLAND.									
411 Oakham -	10,445	6 18·4	8 6·0	1,593	3 0·6	0 9·5	1,493	2 10·3	0 9·8
412 Uppingham -	10,297	7 7·0	8 1·1	1,519	2 11·4	0 8·4	1,329	2 7·0	0 9·0
31. LINCOLN.									
413 Stamford -	16,521	6 1·8	6 6·2	1,967	2 4·6	0 8·2	2,045	2 5·7	0 8·0
414 Bourne -	17,571	6 2·9	10 0·1	3,283	3 8·8	1 0·4	3,182	3 7·5	1 0·6
415 Spalding -	21,778	5 6·0	9 3·2	4,271	3 11·1	1 0·1	3,979	3 7·8	1 0·7
416 Holbeach -	17,608	5 4·7	9 2·2	3,494	3 11·6	1 0·5	3,214	3 7·8	1 1·2
417 Boston -	38,330	3 12·7	8 0·7	5,830	3 0·5	1 4·6	7,296	3 9·7	1 2·1
418 Sleaford -	23,726	5 9·5	8 2·9	3,503	3 11·4	0 11·6	3,863	3 3·1	0 10·9
419 Grantham -	33,030	5 7·6	9 1·3	4,071	2 5·6	1 2·8	5,905	3 6·9	1 0·3
420 Lincoln -	74,668	4 2·9	7 9·4	6,402	1 8·6	1 5·8	13,233	3 6·5	1 0·5
421 Horncastle -	18,494	4 17·8	10 8·4	3,234	3 6·0	1 4·8	3,949	4 3·2	1 3·0
422 Spilsby -	25,117	4 13·2	6 6·3	3,365	2 8·2	0 10·0	3,712	2 11·5	0 9·2
423 Louth -	28,958	4 19·3	9 5·3	5,789	4 0·0	1 1·2	5,538	3 9·9	1 1·6
424a Grimsby -	81,150	3 8·3	5 9·1	3,515	0 10·4	1 5·5	12,637	3 1·4	0 9·5
424b Caistor -	15,478	5 4·0	11 7·3	2,921	3 9·3	1 6·0	3,459	4 5·6	1 4·4
425 Glanford Brigg -	44,700	5 14·5	6 2·6	3,724	1 8·0	0 10·3	5,582	2 6·0	0 8·4
426 Gainsborough -	35,819	4 12·2	6 7·7	3,455	1 21·1	1 0·3	5,391	3 0·1	0 9·5

TABLE showing, in respect of the Overseers and Guardians' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—continued.

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNION.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION:			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.
VIII.—NORTH-WESTERN COUNTIES—<i>continued.</i>									
35. LANCASTER— <i>continued.</i>		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
467 Ormskirk	- - 108,597	6 7·7	4 3·2	5,087	0 11·2	0 6·5	8,830	1 7·5	0 5·2
468 Wigan	- - 291,261	3 17·7	3 11·4	7,043	0 8·8	0 10·4	22,528	2 4·3	0 5·2
469 Warrington	- - 100,011	3 16·7	4 8·7	5,136	1 0·3	0 11·7	13,145	2 7·5	0 6·6
470 Leigh	- - 86,254	4 4·1	3 8·7	3,030	0 8·4	0 9·1	9,374	2 2·1	0 4·7
471 Bolton	- - 257,575	3 18·3	4 30·5	11,671	0 19·9	1 0·4	34,151	2 7·8	0 6·9
472 Bury	- - 145,473	4 13·0	3 10·3	6,156	0 10·2	0 8·8	16,275	2 2·9	0 4·7
473 Barton-upon-Irwell	114,665	4 15·7	3 7·3	3,712	0 7·8	0 7·6	11,135	1 11·3	0 4·3
474 Chorlton	- - 342,639	4 4·7	5 2·3	18,874	1 1·2	1 0·3	45,443	2 7·8	0 7·6
475 Salford	- - 229,449	4 6·9	5 10·6	13,107	1 1·7	1 1·6	32,654	2 10·2	0 8·7
476 Manchester	- - 132,423	12 3·2	11 4·8	24,077	3 7·6	0 7·9	17,427	2 7·6	0 8·9
477 Prestwich*	- - 196,825	3 4·2	3 0·0	4,706	0 5·7	0 9·5	19,671	2 0·0	0 3·8
478 Ashton-under-Lyne	175,054	3 15·3	3 4·6	6,484	0 8·9	0 8·5	19,647	2 2·9	0 3·7
479 Oldham	- - 215,616	3 7·4	3 11·7	7,026	0 7·8	1 0·1	27,333	2 6·4	0 5·2
480 Rochdale	- - 120,528	4 3·9	6 2·9	6,275	1 0·5	1 3·2	18,171	3 0·2	0 9·4
481 Haslingden*	- - 115,195	3 13·0	3 0·8	3,756	0 7·8	0 8·1	11,788	2 0·6	0 3·4
482 Burnley	- - 196,541	3 18·7	4 2·4	6,649	0 8·1	0 11·0	23,797	2 5·1	0 5·5
483 Clitheroe	- - 23,376	5 5·9	6 6·5	2,349	2 0·1	0 10·3	3,214	2 9·0	0 8·6
484 Blackburn	- - 223,427	3 14·4	3 8·0	7,788	0 8·4	0 10·1	25,858	2 3·8	0 4·6
485 Chorley	- - 63,000	4 11·6	4 0·3	3,095	0 11·8	0 8·3	6,768	2 1·8	0 5·1
486 Preston	- - 152,223	3 17·4	3 8·7	3,787	0 6·0	0 10·2	17,398	2 3·4	0 4·6
487 Fylde	- - 93,695	6 18·5	2 1·6	2,219	0 5·7	0 3·3	5,582	1 2·3	0 1·9
488 Garstang	- - 11,859	7 18·7	4 8·1	1,119	1 10·6	0 4·2	739	1 2·9	0 5·2
489 Lancaster	- - 67,455	5 8·9	3 0·2	2,524	0 9·0	0 5·2	5,684	1 8·2	0 3·1
490 Lunesdale	- - 6,874	8 13·3	5 8·7	967	2 9·8	0 4·0	465	1 4·2	0 6·1
491 Ulverston	- - 42,793	6 14·2	5 5·6	3,670	1 8·6	0 7·1	4,104	1 11·0	0 6·7
492 Barrow-in-Furness	57,584	4 2·6	3 10·3	1,869	0 7·8	0 9·6	6,456	2 2·9	0 4·8
IX.—YORK:									
36. WEST RIDING.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
493 Sedbergh	- - 3,935	5 17·7	6 4·1	583	2 11·6	0 7·0	489	2 5·8	0 8·0
494 Settle	- - 14,318	7 9·3	4 7·2	1,503	2 1·2	0 4·1	987	1 4·5	0 5·2
495 Skipton	- - 45,253	3 17·8	4 5·7	3,517	1 6·7	0 9·2	5,722	2 6·3	0 6·1
496 Patesley Bridge	- - 8,040	4 11·7	5 0·7	958	2 4·6	0 7·0	3,001	2 5·9	0 6·7
497 Ripon	- - 15,522	6 11·3	8 0·3	1,898	2 5·3	0 10·4	2,189	2 9·8	0 9·7
498 Great Ouseburn	- - 9,573	6 3·4	6 3·8	2,201	4 7·2	0 3·4	1,140	2 4·6	0 7·7
499 Knaresborough	- - 49,495	6 6·3	4 7·9	1,901	0 11·3	0 8·0	3,608	1 9·4	0 6·2
500 Wetherby	- - 15,344	5 13·1	5 11·8	1,592	2 0·9	0 8·5	2,887	2 5·5	0 7·6
501 Wharfedale	- - 57,479	4 12·3	3 8·5	1,278	0 9·3	0 7·9	3,835	2 0·4	0 4·5
502 Keighley	- - 77,463	3 9·5	4 1·6	3,802	0 9·9	1 9·9	10,374	2 7·8	0 5·6

* See page 208.

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNIONS.	Population 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expenditure, 1899-1900, per Head of Population, 1901. 3.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 4.	Grants per Head of Population. 5.	Rate in £ required. 6.	Amount of Grants. 7.	Grants per Head of Population. 8.	Rate in £ required 10.
IX.—YORK—<i>continued.</i>									
36. WEST RIDING— <i>continued.</i>		£ s. d.	£ s. d.	£.	s. d.	s. d.	£.	s. d.	£ s. d.
498 Todmorden - -	42,212	4 6·9	3 11·8	1,594	0 9·1	0 9·0	4,671	2 2·6	0 4·9
494 Saddleworth - -	17,014	5 6·5	6 3·6	737	0 10·4	1 0·6	2,261	2 7·9	0 8·4
495 Huddersfield - -	166,599	4 6·6	3 11·3	6,517	0 9·4	0 8·8	18,345	2 2·4	0 4·8
496 Halifax - -	195,133	4 1·4	4 9·2	8,554	0 10·5	0 11·7	25,033	2 6·8	0 6·6
497a Bradford - -	228,667	5 6·2	4 11·8	9,149	0 9·6	0 9·7	25,453	2 2·7	0 6·4
497b North Bierley - -	129,062	3 13·5	3 10·2	5,531	0 10·3	0 9·9	15,433	2 4·7	0 4·8
498 Hunslet - -	83,001	3 8·2	3 9·2	2,925	0 8·5	0 11·6	10,180	2 5·4	0 5·0
499 Holbeck - -	33,576	3 8·3	4 11·7	1,316	0 9·4	1 3·9	4,789	2 10·2	0 8·0
500 Bramley - -	79,701	3 6·2	3 10·0	2,753	0 8·3	0 11·8	9,986	2 6·1	0 5·0
501 Leeds - -	254,530	4 8·9	6 2·9	12,821	1 0·1	1 2·6	37,331	2 11·2	0 9·2
502 Dewsbury - -	167,400	3 25·2	3 10·2	5,440	0 7·8	0 10·5	19,791	2 4·4	0 4·9
503 Wakefield - -	112,584	4 13·5	5 8·1	4,343	0 9·3	1 1·1	15,009	2 8·0	0 8·0
504 Pontefract - -	70,236	4 9·5	6 7·5	2,938	0 10·0	1 5·4	10,709	3 0·6	0 10·7
505 Hemsworth - -	23,379	4 19·9	4 2·6	1,013	0 10·4	0 8·5	2,423	2 0·9	0 5·4
506 Barnsley - -	113,521	3 11·6	3 10·5	4,165	0 8·8	0 10·9	13,805	2 5·2	0 5·0
507a Penistone - -	17,427	4 19·7	6 2·6	1,466	1 8·2	0 11·0	2,391	2 8·9	0 8·4
507b Wortley - -	52,895	3 5·6	4 0·9	2,168	0 9·8	1 0·2	6,873	2 7·2	0 5·5
508 Ecclesall Bierlow -	179,609	3 3·7	4 5·3	6,037	0 8·1	1 3·1	24,711	2 9·0	0 6·7
509 Sheffield - -	229,441	4 0·4	7 8·7	11,837	1 0·4	1 9·1	40,931	3 6·8	1 1·1
510 Rotherham - -	111,632	4 9·4	5 5·0	4,427	0 9·5	1 1·9	14,790	2 7·8	0 8·3
511 Doncaster - -	83,772	5 11·7	5 2·4	3,802	0 10·9	0 9·8	9,236	2 2·5	0 6·8
512 Thorne - -	15,702	4 12·6	7 0·0	1,934	2 5·6	0 11·9	2,460	3 1·6	0 10·3
513 Goole - -	25,486	4 17·1	6 4·7	2,095	1 7·7	0 11·8	3,628	2 10·2	0 8·8
514 Selby - -	16,708	8 11·2	6 7·4	1,718	2 0·7	0 8·4	1,409	1 8·2	0 9·0
515 Tadcaster - -	29,506	5 11·4	5 2·0	1,795	1 2·6	0 8·6	3,344	2 2·4	0 6·5
37. EAST RIDING.									
516 York - -	91,656	5 8·8	5 9·4	5,049	1 1·2	0 10·6	11,213	2 8·4	0 7·6
517 Pocklington - -	13,709	5 15·7	9 9·8	2,352	3 5·2	1 1·2	2,520	3 8·1	1 0·7
518 Howden - -	12,274	7 12·0	9 3·5	1,936	3 1·9	0 9·7	1,779	2 10·8	0 10·2
519 Beverley - -	24,454	5 3·6	7 9·6	2,893	2 4·4	1 0·6	3,920	3 2·5	0 10·7
520 Sculcoates - -	173,242	3 15·2	6 6·2	7,656	0 10·6	1 6·7	28,172	3 3·0	0 10·8
521 Kingston-upon-Hull	82,670	5 5·7	8 6·9	4,080	0 11·8	1 5·5	14,174	3 5·1	0 11·9
522 Patrington - -	8,634	6 4·2	7 11·8	1,345	3 1·4	0 9·5	1,263	2 11·1	0 9·9
523 Skirlaugh - -	9,359	5 15·4	8 0·9	1,472	3 1·7	0 10·6	1,452	3 1·2	0 10·7
524 Driffield - -	17,754	5 3·0	8 4·0	3,047	3 5·2	0 11·4	3,012	3 4·7	0 10·5
525 Bridlington - -	20,520	5 16·2	5 7·1	3,976	1 11·1	0 8·1	4,321	3 3·1	0 7·4

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 3.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population 9.	Rate in £ required. 10.
X.—YORK—continued.									
38. NORTH RIDING:		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
526 Scarborough -	51,110	5 13·4	6 9·0	3,515	1 4·5	0 11·9	6,883	2 8·3	0 9·0
527 Malton -	20,454	6 6·1	7 6·0	2,902	2 10·1	0 8·8	2,795	2 8·8	0 9·0
528 Easingwold -	9,909	7 18·9	7 4·1	1,235	2 5·9	0 7·4	1,056	2 1·6	0 7·9
529 Thirsk -	12,710	10 10·4	10 1·2	1,499	2 4·3	0 10·8	1,397	2 2·4	0 11·1
530a Helmsley -	5,176	5 11·9	7 7·3	798	3 1·0	0 9·7	777	3 0·0	0 9·9
530b Kirkby Moorside -	4,791	5 5·9	8 1·3	709	2 11·5	0 11·7	784	3 3·3	0 11·0
531 Pickering -	10,058	5 2·9	4 6·9	971	1 11·2	0 6·3	1,077	2 1·7	0 5·8
532 Whitby -	21,736	4 10·1	6 4·4	2,408	2 2·6	0 11·1	3,209	2 11·4	0 9·2
533 Guisborough -	43,419	6 11·5	4 8·4	2,126	0 11·8	0 7·0	3,710	1 8·5	0 5·6
534 Middlesbrough -	139,765	3 16·4	6 9·5	7,015	1 0·0	1 7·0	23,232	3 3·9	0 11·4
535 Stokesley -	11,257	5 19·0	6 3·3	1,366	2 5·1	0 7·8	1,374	2 5·3	0 7·7
536 Northallerton -	11,590	8 11·8	7 3·2	1,400	2 5·0	0 6·8	1,096	1 10·7	0 7·5
537 Bedale -	8,436	5 18·5	7 0·7	1,066	2 6·3	0 9·2	1,144	2 8·5	0 8·8
538 Leyburn -	6,748	6 18·0	7 8·5	1,265	3 9·0	0 6·9	878	2 7·2	0 8·9
539 Aysgarth -	4,505	6 17·8	6 1·9	546	2 5·1	0 6·5	471	2 1·1	0 7·1
540 Reeth -	2,520	7 16·5	8 7·5	520	4 1·5	0 6·9	328	2 7·2	0 9·2
541 Richmond -	11,725	5 11·8	7 7·2	1,631	2 9·4	0 10·3	1,760	3 0·0	0 9·9
X.—NORTHERN COUNTIES.									
39. DURHAM.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
542 Darlington -	56,194	5 6·3	4 10·3	3,262	1 1·9	0 8·6	6,127	2 2·2	0 6·2
543a Stockton -	66,298	5 1·0	5 6·5	3,653	1 1·2	0 10·9	8,284	2 6·0	0 7·4
543b Sedgefield -	21,531	6 7·1	5 8·8	1,297	1 2·5	0 9·3	2,287	2 1·5	0 7·4
544 Hartlepool -	88,235	3 10·1	4 9·4	2,692	0 7·3	1 2·7	12,172	2 9·1	0 7·1
545 Auckland -	94,534	3 15·4	5 3·4	4,282	0 10·9	1 2·0	13,412	2 10·0	0 7·8
546 Teesdale -	20,354	6 13·6	6 8·2	2,191	2 1·8	0 8·3	2,375	2 4·0	0 7·9
547 Weardale -	15,859	4 6·2	5 10·4	1,380	1 8·9	0 11·4	2,262	2 10·2	0 8·4
548 Lanchester -	83,460	4 10·4	3 6·2	2,425	0 7·0	0 7·9	8,342	2 0·0	0 4·1
549 Durham -	74,235	4 8·1	4 5·3	2,752	0 8·9	0 9·8	8,710	2 4·2	0 5·5
550 Easington -	50,726	3 4·3	5 5·4	2,378	0 11·3	1 5·6	7,803	3 0·9	0 9·2
551 Houghton-le-Spring	40,845	3 8·4	4 8·2	1,940	0 11·4	1 1·8	5,627	2 9·1	0 7·1
552 Chester-le-Street -	60,542	4 2·1	4 8·2	1,947	0 7·7	1 0·1	7,646	2 6·3	0 6·4
553 Sunderland -	181,505	3 13·0	5 0·5	8,445	0 11·2	1 1·8	25,402	2 9·6	0 7·5
554 South Shields -	166,843	3 18·1	4 4·1	5,183	0 7·5	1 0·1	20,677	2 5·7	0 6·1
555 Gateshead -	173,281	3 4·4	5 1·2	6,293	0 8·7	1 5·1	25,662	2 11·5	0 8·4
40. NORTHERN LAND.									
556 Newcastle-on-Tyne	233,150	5 1·3	4 0·9	10,172	0 10·5	0 7·9	23,358	2 0·0	0 5·1
557 Tynemouth -	168,881	3 15·5	3 10·2	6,001	0 8·5	0 10·5	19,915	2 4·3	0 5·0

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BUBLEIGH, as compared with the position existing in 1899-1900—continued.

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 8.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION.			FUTURE POSITION.											
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required. 10.									
X.—NORTHERN COUNTIES—continued.																		
40. NORTHUMBERLAND—continued.																		
558	Castle Ward	-	32,405	5 8·6	3 3·2	1,869	1 1·8	0 5·0	2,737	1 8·3	0 3·7							
559	Hexham	-	34,709	6 12·6	7 3·5	3,131	1 9·6	0 10·2	4,432	2 6·6	0 8·8							
560	Haltwhistle	-	8,500	6 15·3	3 3·1	530	1 3·0	0 3·6	529	1 2·9	0 3·6							
561	Bellingham	-	6,339	8 8·8	6 6·3	981	3 1·1	0 4·9	537	1 8·3	0 6·9							
562	Morpeth	-	55,743	4 9·2	3 4·5	2,203	0 9·5	0 7·5	5,610	2 0·2	0 3·9							
563	Alnwick	-	23,661	5 12·1	6 2·3	2,551	2 1·9	0 9·0	2,990	2 6·3	0 8·2							
564	Belford	-	5,218	7 9·4	5 10·8	772	2 11·5	0 4·8	472	1 9·7	0 6·6							
565	Berwick on Tweed	-	19,491	5 15·8	6 0·7	2,204	2 3·1	0 7·8	2,361	2 5·1	0 7·5							
566	Glendale	-	8,770	8 7·8	7 0·0	1,319	3 0·1	0 5·7	820	1 10·4	0 7·4							
567	Rothbury	-	5,992	8 10·7	5 8·7	824	2 9·0	0 4·2	419	1 4·8	0 6·1							
41. CUMBERLAND.																		
568	Alston - with - Garrigill.	-	3,133	3 3·9	7 11·6	594	3 9·5	1 4·3	615	3 11·1	1 3·8							
569	Penrith	-	22,205	6 10·2	4 1·7	1,954	1 9·1	0 4·5	1,713	1 6·5	0 5·0							
570	Brampton	-	8,784	6 16·6	10 2·2	1,499	3 5·0	0 11·8	1,503	3 5·1	0 11·8							
571	Longtown	-	6,675	6 9·4	6 6·9	1,085	3 3·0	0 6·1	790	2 4·4	0 7·8							
572	Carlisle	-	62,860	4 15·5	5 1·3	4,161	1 3·9	0 9·7	7,689	2 5·4	0 6·8							
573	Wigton	-	22,297	5 6·2	5 9·0	2,046	1 10·0	0 8·8	2,763	2 5·7	0 7·3							
574	Cockermouth	-	69,533	4 5·4	4 6·1	3,629	1 0·5	0 10·1	8,393	2 5·0	0 6·1							
575	Whitehaven	-	55,539	5 11·4	4 10·6	3,433	1 2·8	0 8·0	5,847	2 1·3	0 6·1							
576	Bootle	-	25,895	8 7·3	3 10·1	830	1 0·5	0 4·2	656	0 9·9	0 4·5							
42. WESTMORLAND.																		
577	East Ward	-	13,218	7 9·1	5 9·1	1,436	2 2·1	0 5·8	1,169	1 9·2	0 6·4							
578	West Ward	-	7,711	7 17·4	6 2·1	904	2 4·1	0 5·8	682	1 9·2	0 6·7							
579	Kendal	-	43,482	6 9·5	5 0·0	3,933	1 9·7	0 6·0	4,007	1 10·1	0 5·9							
XI.—WELSH.																		
43. MONMOUTH.																		
580	Chepstow	-	19,246	6 7·0	8 8·8	2,140	2 2·7	1 0·3	3,009	3 1·5	0 10·6							
581	Monmouth	-	28,239	3 7·8	8 5·2	3,695	2 7·4	1 8·6	5,667	4 0·2	1 3·6							
582	Abergavenny	-	26,717	4 12·7	7 2·2	2,900	2 2·1	1 1·1	4,251	3 3·2	0 10·4							
583	Bedwelly	-	82,136	3 10·8	5 8·8	3,148	0 9·2	1 10·9	12,581	3 0·8	1 0·3							
584	Pontypool	-	45,376	3 8·4	6 2·7	2,903	1 3·4	1 4·8	7,348	3 2·9	0 10·0							
585	Newport	-	115,459	5 0·9	7 0·0	6,485	1 1·5	1 2·9	17,227	2 11·8	0 10·2							
44. SOUTH WALES.																		
(A.) GLAMORGAN.																		
586	Card	-	228,729	6 19·0	6 7·8	21,222	0 11·8	0 10·1	25,548	2 2·8	0 7·9							
587	Pontypridd	-	204,818	4 6·9	4 5·3	5,030	0 5·9	0 11·9	24,252	2 4·4	0 6·3							

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each EXTRA-METROPOLITAN UNION, the EFFECT of the SCHEME for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—*continued.*

POOR LAW UNIONS.	Population, 1901. 1.	Assessable Value, 1900, per Head of Population, 1901. 2.	Expendi- ture, 1899-1900, per Head of Population, 1901. 4.	PRESENT POSITION			FUTURE POSITION.		
				Amount of Grants, 1899-1900. 5.	Grants per Head of Population. 6.	Rate in £ required. 7.	Amount of Grants. 8.	Grants per Head of Population. 9.	Rate in £ required 10.
XI.—WELSH—<i>continued.</i>									
44. SOUTH WALES— <i>continued.</i>									
(A.) GLAMORGAN— <i>continued.</i>		s. d.	s. d.	s.	s. d.	s. d.	s.	s. d.	s. d.
588 Merthyr Tydfil	135,529	3 11·6	5 6·8	5,243	0 9·3	1 5·7	20,291	2 11·9	0 9·5
589 Bridgend and Cow- bridge.	67,476	4 7·5	4 5·7	3,328	0 11·8	0 10·1	7,991	2 4·4	0 6·1
590 Neath	71,602	3 16·9	7 3·4	3,567	1 0·0	1 8·7	12,456	3 5·8	1 0·5
591 Pontardawe	26,716	3 3·2	6 6·0	1,456	1 1·8	1 10·4	4,606	3 5·4	1 0·7
592 Swansea	119,722	3 13·0	6 3·9	4,937	0 9·9	1 6·7	19,303	3 2·7	0 10·5
593 Gower	11,749	3 11·3	6 5·1	1,035	1 9·1	1 4·4	1,930	3 3·4	0 11·0
(B.) CARMARTHEN.									
594 Llanelli	56,896	3 10·6	5 8·7	2,665	0 11·2	1 5·4	8,720	3 0·8	0 9·6
595 Llandover	9,587	4 9·7	7 9·6	1,603	3 4·1	0 11·9	1,648	3 5·3	0 11·6
596 Llandilo Fawr	23,694	2 19·0	7 3·9	2,619	2 2·5	1 8·8	4,492	3 9·5	1 2·4
597 Carmarthen	33,391	4 2·1	6 10·7	4,374	2 7·4	1 0·6	5,445	3 3·1	0 10·7
(C.) PEMBROKE.									
598 Narberth	17,358	3 14·5	8 11·4	2,639	3 0·5	1 7·0	3,535	4 0·9	1 3·7
599 Pembroke	31,940	3 6·3	4 11·3	2,574	1 7·3	1 0·3	4,593	2 10·5	0 7·6
600 Haverfordwest	33,140	3 5·0	8 1·4	3,837	2 3·8	1 9·5	6,555	3 11·5	1 3·4
(D.) CARDIGAN.									
601 Cardigan	15,165	3 5·2	8 1·1	2,897	3 9·8	1 3·7	2,990	3 11·3	1 3·3
602 Newcastle in- Emlyn.	18,135	2 1·3	6 4·2	2,684	2 11·5	1 7·8	3,411	3 9·1	1 3·1
603 Lampeter	9,256	2 5·1	8 2·8	1,631	3 6·3	2 1·3	2,005	4 3·9	1 9·0
604 Aberaeron	10,735	2 5·5	6 5·5	1,171	2 2·2	1 10·6	2,000	3 8·7	1 2·4
605 Aberystwyth	21,470	3 16·2	6 10·1	3,198	2 11·7	1 0·4	3,590	3 4·1	0 11·3
606 Tregaron	7,945	2 11·3	6 6·3	1,422	3 7·0	1 1·8	1,452	3 7·9	1 1·4
(E.) BRECKNOCK.									
607 Builth	8,975	4 10·1	8 9·7	1,674	3 8·8	1 1·7	1,691	3 9·2	1 1·6
608 Brecknock	15,632	6 0·5	7 7·2	2,450	3 1·6	0 8·9	2,233	2 10·3	0 9·5
609 Crickhowell	19,642	2 7·6	7 3·0	2,146	2 2·2	2 1·8	3,886	3 11·5	1 4·8
610 Hay	9,392	5 17·0	11 1·6	2,044	4 4·2	1 1·9	1,922	4 1·1	1 2·4
(F.) RADNOR.									
611 Knighton	10,886	4 12·3	10 7·2	2,444	4 5·9	1 3·9	2,355	4 3·9	1 4·3
612 Rhayader	9,347	3 1·6	6 6·5	1,137	2 5·2	1 4·0	1,630	3 5·9	0 11·9
45. NORTH WALES.									
(A.) MONTGOMERY.									
613 Machynlleth	11,026	4 1·1	7 11·1	1,711	3 1·2	1 2·5	1,997	3 7·5	1 1·0
614 Newtown and Llanidloes.	21,115	3 19·5	8 5·9	3,475	3 3·5	1 4·1	4,654	3 10·1	1 2·4
615 Forden	14,844	5 10·3	7 0·6	2,344	3 1·9	0 8·5	2,112	2 10·1	0 9·2
616 Llanfyllin	16,988	6 7·8	8 10·5	2,901	3 5·0	0 10·4	2,684	3 1·9	0 10·9

TABLE showing, in respect of the OVERSEERS and GUARDIANS' EXPENDITURE in each Extra-Metropolitan UNION, the EFFECT of the SCHEMES for the DISTRIBUTION of IMPERIAL GRANTS proposed by LORD BALFOUR OF BURLEIGH, as compared with the position existing in 1899-1900—continued.

RH29
ROYAL COMMISSION ON LOCAL TAXATION.

S2309

INDEX

TO THE

REPORTS

OF THE

ROYAL COMMISSION ON LOCAL TAXATION.

Presented to Parliament by Command of His Majesty.



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-

C O N T E N T S.

	Page
INDEX TO REPORTS FOR ENGLAND AND WALES	5
INDEX TO REPORT FOR SCOTLAND	18
INDEX TO REPORTS FOR IRELAND	22

INDEX TO REPORTS FOR ENGLAND AND WALES.

The Reports, Memoranda, &c., are—

First Report on Valuation and Collection of Local Rates :

REPORT (signed by all the Commissioners, namely:—THE RIGHT HON. LORD BALFOUR OF BURLEIGH, K.T., EARL CAWDOR, THE RIGHT HON. LORD BLAIR BALFOUR (now LORD KINROSS OF GLASCLUNE), THE RIGHT HON. SIR JOHN T. HIBBERT, K.C.B., THE RIGHT HON. C. B. STUART WORTLEY, K.C., M.P., SIR EDWARD HAMILTON, K.C.B., SIR GEORGE MURRAY, K.C.B., MR. C. N. DALTON, C.B., MR. C. A. CRIPPS, K.C., M.P., MR. HARCOURT E. CLARE, SIR T. H. ELLIOTT, K.C.B., HIS HONOUR JUDGE O'CONNOR, K.C., MR. E. ORFORD SMITH, MR. JAMES STUART, and THE RIGHT HON. JOHN L. WHARTON, M.P.).

RESERVATION by MR. C. B. STUART WORTLEY.

RESERVATION by MR. C. A. CRIPPS.

MEMORANDUM by SIR T. H. ELLIOTT.

•

Second Report on Valuation and Rating in respect of Tithe Rentcharge :

REPORT (signed by LORD BALFOUR OF BURLEIGH, EARL CAWDOR, SIR JOHN T. HIBBERT, MR. C. B. STUART WORTLEY, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, MR. C. N. DALTON, MR. C. A. CRIPPS, MR. HARCOURT E. CLARE, SIR T. H. ELLIOTT, MR. E. ORFORD SMITH, MR. JOHN L. WHARTON).

ADDENDUM by SIR JOHN T. HIBBERT, SIR GEORGE MURRAY, and MR. C. A. CRIPPS.

MEMORANDUM by LORD KINROSS OF GLASCLUNE.

REPORT by JUDGE O'CONNOR.

MEMORANDUM by MR. JAMES STUART.

Final Report :

REPORT (signed by LORD BALFOUR OF BURLEIGH, EARL CAWDOR, LORD KINROSS OF GLASCLUNE, SIR JOHN T. HIBBERT, MR. C. B. STUART WORTLEY, MR. C. N. DALTON, MR. C. A. CRIPPS, MR. HARCOURT E. CLARE, SIR T. H. ELLIOTT, MR. E. ORFORD SMITH, MR. JAMES STUART, and MR. JOHN L. WHARTON).

SEPARATE RECOMMENDATIONS by LORD BALFOUR OF BURLEIGH.

MEMORANDUM by LORD KINROSS OF GLASCLUNE.

RESERVATION by MR. C. B. STUART WORTLEY.

RESERVATION by MR. E. ORFORD SMITH.

MEMORANDUM by MR. JAMES STUART.

REPORT by SIR EDWARD HAMILTON and SIR GEORGE MURRAY.

SEPARATE REPORT ON URBAN RATING AND SITE VALUES by LORD BALFOUR OF BURLEIGH, LORD KINROSS OF GLASCLUNE, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, and MR. JAMES STUART.

REPORT by JUDGE O'CONNOR.

The Volumes containing the Reports are referred to as the "First," "Second," and "Final," and in the case of separate Reports, Memoranda, &c., the names of the Commissioners signing them are also given.

ADVERTISEMENTS :

Additional revenue for local purposes might be derived from the taxation of advertisements. (Final, pp. 71, 72, Lord Balfour; p. 125, Hamilton—Murray.)

AGRICULTURAL LAND AND AGRICULTURAL RATES ACT, 1896:

Differential rating of agricultural land under Agricultural Rates Act, 1896. (Final, pp. 5, 6; p. 105, Hamilton—Murray.)

The grant under Agricultural Rates Act, 1896. (Final, pp. 9, 10; p. 105, Hamilton—Murray.)

AGRICULTURAL LAND AND AGRICULTURAL RATES ACT, 1896—cont.

History of rating in relation to Agricultural Rates Act. (Final, p. 33.)

The abandonment of protective duties on grain, &c. in 1846, gave land an equitable claim to relief. (Final, pp. 33, 34.)

Certain rates are injurious to agricultural industry. (Final, p. 34.)

The full annual value of land is said to be excessive, either as a measure of ability or benefits. (Final, p. 34.)

AGRICULTURAL LAND AND AGRICULTURAL RATES ACT, 1896—cont.

Evidence in support of this view:—

- (1.) Given before a Select Committee of House of Commons in 1836. (Final, p. 34.)
- (2.) Given before a Committee of House of Lords in 1836. (Final, p. 34.)
- (3.) Given before Agricultural Commission in 1893. (Final, pp. 34, 35.)
- (4.) Recommendation of Agricultural Commission. (Final, p. 35.)
- (5.) Given before Local Taxation Commission. (Final, p. 35.)

With the object of remedying these grievances, the value upon which land is assessable has frequently been reduced by Parliament. (Final, p. 35.)

Statutory provisions with regard to the differential treatment of lands. (Final, pp. 35, 36.)

Relief given to land is supported by witnesses who appeared before the Commission. (Final, p. 37.)

Agricultural land should be rated at one-half its annual value for onerous burdens and for highways, and at one-fourth for other local burdens. (Final, pp. 37, 38.)

And the deficiency arising should be made good, for the present, by means of a parliamentary grant from estate duties on personalty. (Final, p. 38.)

Agricultural land should be rated at one-half. (Final, p. 74, Lord Balfour.)

Effect of proposals upon rates leviable upon land. (Final, pp. 83, 84, Lord Balfour.)

The agricultural rates grants are indiscriminately and inequitably distributed. (Final, pp. 117, 118, Hamilton—Murray.)

The agricultural rates grants for highways are specially inadmissible. (Final, p. 118, Hamilton—Murray.)

Agricultural land should be rated at one-half for onerous services. (Final, pp. 128, 132, 144, Hamilton—Murray.)

Reservation on the classification of land for rating purposes. (Final, p. 88, Orford Smith and Stuart Wortley.)

The retention of the Agricultural Rates Act, 1896, along with increased general subventions would be relieving the agricultural ratepayer twice over. (Final, p. 89, Stuart.)

AMUSEMENTS, PUBLIC:

A tax upon is not undesirable, but is of small importance. (Final, p. 125, Hamilton—Murray.)

ASYLUMS:

Proposed new pauper lunatic accommodation grant. (Final, p. 26.)

Proposed grant in respect of asylum buildings. (Final, pp. 79, 80, Lord Balfour; p. 140, Hamilton—Murray.)

Calculation of total proposed grant. (Final, p. 81, Lord Balfour; p. 140, Hamilton—Murray.) (See also under "LUNATICS, IMBECILES, &c.")

BASIS OF TAXATION:

Comparison of Imperial and local taxes. (Final, pp. 14, 15.)

Local taxes are practically levied in respect of only one class of property. (Final, p. 15.)

This is objectionable from owners' point of view. (Final, p. 15.)

And also from occupiers' standpoint. (Final, p. 16.)

And is not merely a question as between owners and occupiers. (Final, p. 16.)

Basis of local taxation prior to 1888 was still more restricted. (Final, p. 16.)

Though partial remedies had been effected by means of differential rating and grants from Imperial funds. (Final, p. 16.)

(See also under "COMPLAINTS OF RATEPAYERS"; "EQUITY OF CONTRIBUTION"; "SUBVENTIONS.")

BEER AND SPIRIT SURTAXES:

Should continue in relief of local rates. (Final, p. 21.)

There is no reason for assigning them to the Local Taxation Account. (Final, p. 114, Hamilton—Murray.)

The present allocation of, is not defensible on any principle. (Final, p. 116, Hamilton—Murray.)

BICYCLES:

Taxation of, for the maintenance of highways. (Final, p. 72, Lord Balfour.)

The tax should be collected by the Central Government and re-allocated according to the needs of the localities. (Final, p. 72, Lord Balfour.)

BIRTHS AND DEATHS, REGISTRARS OF:

Proposed grants for. (Final, p. 32.)

BOARDS OF GUARDIANS:

(See under "GUARDIANS, BOARDS OF".)

BOROUGH RATES:

Valuation for. (See under "VALUATION".)

BOROUGHS:

Formation of County Boroughs. (First, p. 20; Final, p. 100, Hamilton—Murray.)

Duties of County Borough Councils, and rates upon which expenses fall. (Final, pp. 100, 101, Hamilton—Murray.)

Local Authorities in non-County Boroughs, their duties, and the rates upon which their expenses fall. (Final, p. 101, Hamilton—Murray.)

CANALS:

Rating of, under old Canal Acts. (Final, p. 49.)

CHARITABLE INSTITUTIONS:

Exemption from rateability. Opinions of various authorities. (Final, p. 49.)

CHILDREN, POOR LAW:

Proposed new grant for. (Final, p. 26.)

Number of Poor Law children and desirability and justification for proposed grant. (Final, pp. 26, 27.)

Estimated cost of proposed grant for. (Final, pp. 27, 28, 32.)

The grant should be higher in London than elsewhere. (Final, p. 89, Stuart.)

Proposed grant for teachers in Poor Law schools and school fees of pauper children. (Final, p. 32.)

CHURCHES, &c.:

Exemption from rateability. (Final, p. 48.)

CHURCH RATE:

Antiquity of. (Second, p. 9.)

Liability of non-resident occupier to contribute to the repairs of the church. Jeffrey's case, 1589. (First, p. 8.)

CLERGY:

The question of their liability to contribute to public burdens in early times. (Second, pp. 8, 9; pp. 32, 33, 35, O'Connor), and under the Poor Relief Acts of 1597 and 1601. (Second, pp. 10-13; pp. 33-35, O'Connor.)

Hardship to the clergy of the system of assessment which came to be adopted under the Act of 1601. (Second, p. 12.)

COLLECTION OF RATES:

System of collection and recovery of Poor Rates. (First, p. 19.)

Varying systems of collecting Borough Rates. (First, pp. 21, 22.)

System in London. (First, p. 26.)

Resolution of Select Committee on division of rates between owners and occupiers, 1870. (First, p. 34.)

Unnecessary multiplication of Collecting Authorities and suggestions by witnesses for the simplification of the system. (First, pp. 36, 37.)

Attempts made to improve the system of collection:—

Select Committee on assessment and collection of Poor Rates, 1868. (First, pp. 37, 38.)

Select Committee on Local Taxation, 1870. (First, p. 38.)

Mr. Stansfeld's Bill of 1873. (First, p. 38.)

Recommendations made by the Commission. (First, p. 41.)

Recommendation by Mr. C. B. Stuart Wortley. (First, p. 42.)

Reservation as to Urban Districts by Mr. C. A. Cripps. (First, p. 42.)

COMPLAINTS OF RATEPAYERS:

Summary of. (Final, pp. 11, 14.)

Ratepayers complain that they are unduly burdened for services which are of national rather than of local importance. (Final, p. 111, Hamilton—Murray.)

That taxation levied exclusively in respect of immovable property operates unfairly. (Final, p. 111, Hamilton—Murray.)

That the burden on particular trades and industries is abnormally heavy. (Final, p. 112, Hamilton—Murray.)

Large measures of relief have been given, but the result is not satisfactory. (Final, p. 112, Hamilton—Murray.)

The owners of urban land are said not to contribute adequately. (Final, p. 112, Hamilton—Murray.)

(See also under "BASIS OF TAXATION.")

COMPOUNDING:

System of. (First, p. 19; Final, p. 50.)

Under Poor Rate Assessment and Collection Act 1869. (First, p. 19; Final, pp. 50, 51.)

Special limits in London, Liverpool, Manchester, and Birmingham. (First, p. 19; Final, p. 50.)

Under Municipal Corporations Act, 1882, and Local Acts. (First, p. 19; Final, p. 51.)

Under Public Health Act, 1875. (First, p. 19; Final, p. 51.)

Provisions referring to London. (First, p. 26.)

Amount of small house property in certain districts. (Final, p. 51.)

Objections to system. (Final, p. 51.)

Difficulty of abolishing the system. (Final, pp. 51, 52.)

Recommendation as to limit, adoption of system, &c. (Final, p. 52.)

Objection to raising the limit for the Poor Rate from 8*l.* to 10*l.* (Final, p. 90, Stuart.)

Powers with regard to compounding should be vested in Rate Collecting Authority. (First, p. 42.)

Powers with regard to compounding should be vested in Valuation Authority. (First, p. 42, Cripps.)

COUNTIES, ADMINISTRATIVE:

Formation of. (First, p. 20; Final, p. 100, Hamilton—Murray.)

COUNTY BOARDS:

Mr. Slater Booth's Bills of 1878 and 1879 for the establishment of. (First, p. 35.)

COUNTY COUNCILS:

Duties of, and rate upon which expenses fall. (Final, p. 100, Hamilton—Murray.)

COUNTY RATES:

Assimilation to county and other rates of procedure and custom under Poor Rate. (First, p. 13; Final, p. 178, O'Connor.)

Charged upon administrative county or on some smaller area. (First, p. 20.)

How calculated and charged. (First, p. 21.)

Valuation for. (See under "VALUATION.")

CRIMINAL PROSECUTIONS, &c.

Cost of, should be borne by State. (Final, p. 29.)

Proposed grant. (Final, pp. 79, 81, Lord Balfour; pp. 139, 140, Hamilton—Murray.)

CROWN PROPERTY:

Is not rateable, but the Government make a contribution in respect of the rates. (Final, pp. 46, 47.)

DEATH DUTIES:

(See under "PERSONAL PROPERTY.")

DIFFERENTIAL RATING AND CLASSIFICATION:

Under Lighting and Watching Acts, 1833 and 1851, Public Health Act, 1875, &c. (Second, p. 26; Final, p. 5; p. 101, Hamilton—Murray.)

Rateable properties receiving differential treatment. (Final, p. 56.)

Classification under Poor Law (Scotland) Act, 1845. (Final, pp. 36, 37; p. 127, Hamilton—Murray.)

DIFFERENTIAL RATING AND CLASSIFICATION—cont.

Classification of properties other than agricultural land and tithes and tithe rentcharges attached to a benefice should not be extended. (Final, p. 38.)

Rates fall unequally on different classes. (Final, pp. 125, 126, Hamilton—Murray.)

Classification of property for rates. (Final, p. 143, Hamilton—Murray.)

A triple classification of properties would be desirable, but would involve great difficulties. (Final, pp. 127, 128, Hamilton—Murray.)

(See also under "AGRICULTURAL LAND," "TITHE RENTCHARGE," and "TITHE RENTCHARGE ATTACHED TO A BENEFICE.")

DISEASES OF ANIMALS ACTS:

Expenses of the Board of Agriculture under. How defrayed in Great Britain. (Final, p. 45.)

Expenses under. How defrayed in Ireland. (Final, p. 46.)

Complaints as to this system. (Final, p. 46.)

The expenditure incurred by the Board of Agriculture and the Irish Department of Agriculture should be borne by the Exchequer. (Final, p. 46.)

DIVISION OF RATES:

The system in Scotland and its application to England. (Final, p. 157*)

Advantages and disadvantages of system. (Final, p. 157*)

EDUCATION:

The necessitous School Board grants under the Education Acts of 1870 and 1897. How calculated. (Final, p. 76, Lord Balfour.)

Proposed amendment of these grants. (Final, pp. 81, 82, Lord Balfour; p. 140, Hamilton—Murray.)

More specific directions with regard to Technical Education are required. (Final, p. 29.)

Estimated cost of proposed grant for Technical Education. (Final, p. 32.)

Proposed grant for Technical and Secondary Education. (Final, p. 81, Lord Balfour; p. 140, Hamilton—Murray.)

EQUALISATION OF RATES IN LONDON:

Establishment and principles of "Equalisation Fund." (First, p. 27; Final, p. 75, Lord Balfour.)

Equalisation of poor rates. (Final, p. 100, Hamilton—Murray.)

(See also under "METROPOLITAN COMMON POOR FUND.")

EQUITY OF CONTRIBUTION:

Contribution by properties or by persons. (Final, p. 10.)

Contributions by realty and personality. (Final, p. 10.)

Persons, not properties, contribute to taxation. (Final, pp. 108, 109, Hamilton—Murray.)

The legal distinction between realty and personality is not applicable for the purposes of this discussion. (Final, p. 109, Hamilton—Murray.)

The distinction between rateable and non-rateable properties involves difficulties. (Final, p. 109, Hamilton—Murray.)

But more difficult is the problem of determining what constitutes "equitable distribution." The "equitable" distribution of the burden of taxation involves the insoluble problem of incidence. (Final, p. 109, Hamilton—Murray.)

The classification of taxes, according as they are levied in respect of rateable or non-rateable property, is impossible without grave risk of error. (Final, pp. 109, 110, Hamilton—Murray.)

Rates and taxes which really fall on the occupiers of dwelling-houses are a burden on the consumers of a commodity rather than in respect of property. (Final, p. 110, Hamilton—Murray.)

Perhaps some rates should not be regarded as taxation at all. (Final, p. 110, Hamilton—Murray.)

Perhaps neither the Land Tax nor other "hereditary charges" should be regarded as taxation. (Final, pp. 110, 111, Hamilton—Murray.)

The problem of "equitable contribution" cannot be solved on a statistical basis. (Final, p. 111, Hamilton—Murray.)

* Separate Report on Urban Rating and Site Values by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

EQUITY OF CONTRIBUTION—cont.

The end to which we must address ourselves. (Final, p. 111, Hamilton—Murray.)
 Complication of issues involved. (Final, p. 121, Hamilton—Murray.)
 Interpretation placed upon the reference to the Commission. (Final, pp. 177, 178, O'Connor.)
 He who takes the benefit should also take the burden. (Final, p. 179, O'Connor.)
(See also under "BASIS OF TAXATION," "COMPLAINTS OF RATEPAYERS.")

ESTATE DUTIES:

(See under "PERSONAL PROPERTY.")

EXCHEQUER CONTRIBUTION ACCOUNTS:

Payments from, during each of the years 1895–96 to 1898–99. (Final, p. 9.)
 Abolition of, suggested. (Final, pp. 29, 30; p. 83, Lord Balfour.)
 The arrangement as to "Exchequer Contribution Accounts" confuses local finance. (Final, p. 115, Hamilton—Murray.)

EXEMPTIONS FROM RATEABILITY:

General exemptions from rateability. (Final, p. 46.)
 Exemption of stock-in-trade and other movable property in 1840. (First, p. 12; Second, pp. 20, 21; Final, pp. 2, 33, 46; p. 98, Hamilton—Murray.)
 Of charitable institutions. (Final, p. 49.)
 Of churches, &c. (Final, p. 48.)
 Of Crown property. (Final, pp. 46, 47.)
 Of lighthouses. (Final, p. 47.)
 Of schools, Sunday and Ragged. (Final, p. 48.)
 Of schools, Voluntary. (Final, pp. 48, 49.)
 Of scientific, &c., societies. (Final, p. 48.)
 Of tithe rentcharge, extraordinary. (Final, p. 49.)
 Of unoccupied property. (First, pp. 19, 26; Final, p. 52.)
 Of Volunteer and Militia storehouses. (Final, p. 47.)
 Local public property is not generally exempt. (Final, pp. 47, 48.)
 Arguments against exemptions. (Final, pp. 49, 50).
 Recommendation. (Final, p. 50.)

"FREE BALANCES" OF ASSIGNED REVENUES:

The specified grants should first be paid from the Local Taxation Account, and the residue allocated according to amounts of localised revenue collected in each area. (Final, p. 30.)
 This arrangement would be simpler and more equitable than existing system. (Final, pp. 30, 31.)
 Adjustments between Counties and County Boroughs may be necessary. (Final, p. 31.)
 Application of free balances and their amount. (Final, pp. 31, 32.)

GASWORKS:

Complaints as to methods of valuing gasworks. (Final, pp. 61, 62.)

GROUND RENTS AND GROUND VALUES:

(See under "SITE VALUES, RATING OF.")

GUARDIANS, BOARDS OF:

Constitution of. (First, p. 15.)
 Duties of, and rate upon which expenses fall. (Final, p. 99, Hamilton—Murray.)
Proposed grant in aid of Guardians' Expenditure:
 For the Guardians' grant the minimum expenditure everywhere necessary is taken at 3s. 6d. per inhabitant; but some regard should be paid also to expenditure in excess of this minimum. (Final, p. 76, Lord Balfour.)
 To give due weight to the varying ability of different districts, the uniform standard rate should be fixed at 4d. in the £. (Final, pp. 76, 77, Lord Balfour.)
 The grant will then consist of (1) the difference between the product of 3s. 6d. per inhabitant and the product of the 4d. rate; (2) one-third of expenditure in excess of the minimum. (Final, p. 77, Lord Balfour.)
 Summary of scheme for Guardians' grant. (Final, p. 77, Lord Balfour.)

GUARDIANS, BOARDS OF—cont.

Proposed grant in aid of Guardians' Expenditure—cont
 Example of the working of the scheme in a particular union. (Final, pp. 77, 78, Lord Balfour.)
 Table showing generally the operation of the scheme. (Final, pp. 78, 79, Lord Balfour.)
 Generally the poor unions will be treated more favourably than the rich, and the economical unions more favourably than those which spend largely. Inter-action of these principles illustrated. (Final, p. 79, Lord Balfour.)
 Application to Guardians' expenditure of proposed scheme for distributing Subventions. (Final, p. 134, Hamilton—Murray.)
 Operation of scheme illustrated. (Final, pp. 134, 135, Hamilton—Murray.)
 Objects which will be effected by scheme. (Final, pp. 135, 136, Hamilton—Murray.)
 Bearing of scheme on administration. (Final, p. 136, Hamilton—Murray.)
 Comparison of scheme with existing arrangements in particular unions. (Final, pp. 136–138, Hamilton—Murray.)
 London Poor Law Finance under the Scheme. (Final, pp. 138, 139, Hamilton—Murray.)
 Calculation of the total grant. (Final, p. 80, Lord Balfour; p. 140, Hamilton—Murray.)
 Objections to a block grant for Poor Law Expenditure. (Final, pp. 32, 33.)

HORSE TAX:

Taxation of pleasure horses for the maintenance of highways. (Final, p. 72, Lord Balfour.)
 The tax should be collected by the Central Government and re-allocated according to the needs of the localities. (Final, p. 72, Lord Balfour.)
 Not undesirable, but of small importance. (Final, p. 125, Hamilton—Murray.)

HOUSES:

Difficulties and objections of a special rate upon dwelling-houses. (Final, pp. 13, 14.)
 Rates on dwelling-houses are a rough income tax. (Final, p. 126, Hamilton—Murray.)
 But to limit rating to dwelling-houses is impracticable. (Final, p. 127, Hamilton—Murray.)
 Houses should not be rated for local purposes. (Final, p. 181, O'Connor.)
(See also under "INHABITED HOUSE DUTY.")

HUE AND CRY ACT, 1585. (Second, p. 11.)**INCIDENCE OF LOCAL TAXATION:**

It cannot be assumed that all rates are a burden on real property. (Final, pp. 10, 11.)
 Views of Town Holdings Committee in 1892. (Final, p. 39.)
 The final incidence of taxation is a most perplexing problem. (Final, p. 109, Hamilton—Murray.)
 The incidence of local rates as between occupiers, owners, and other persons is especially obscure. (Final, p. 109, Hamilton—Murray.)
 The ultimate incidence of rates as between seller and purchaser, lessor and lessee. (Final, p. 155*)
 Unforeseen increments of rates fall on the lessee for the time being. (Final, p. 155*)
 In making a new contract tenants take the rates into account. (Final, pp. 155, 156*)
 The owner bears the real burden of the part of rates proportionate to the value of the site, and also probably of any exceptionally high rates. (Final, p. 156*)
 Do occupiers pay for improvements twice over? (Final, pp. 156, 157*)

INCOME TAX:

A local income tax is impossible. (Final, p. 12.)
 The assignment of part of the income tax to local authorities deserves consideration. (Final, p. 23.)
 Valuation for Schedule A. (See under "VALUATION.")

INHABITED HOUSE DUTY:

Should be applied to the relief of local rates. (Final, pp. 21, 22.)
 Views of some political economists who favour the transfer of the duty. (Final, p. 22.)
 Arguments for transfer of duty to Local Authorities. (Final, p. 70, Lord Balfour.)

* Separate Report on Urban Rating and Site Values by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

INHABITED HOUSE DUTY—cont.

Objections to transfer of duty to Local Authorities. (Final, p. 70, Lord Balfour.)
 The transfer of house duty to Local Authorities would be neither equitable or convenient. (Final, p. 122, Hamilton—Murray.)
 With arguments against transfer of duty we do not agree. (Final, pp. 22, 23.)
 Valuation for. (See under "VALUATION.")

LAND TAX:

Each parish or place has to raise a fixed quota, but there are maximum and minimum rates. (First, p. 28.)
 Transfer of, to Local Authorities not favoured (Final, p. 23.)
 Objections to transfer of tax to Local Authorities. (Final, p. 70, Lord Balfour.)
 Cannot be transferred to Local Authorities. (Final, p. 122, Hamilton—Murray.)
 Valuation for. (See under "VALUATION.")

LAND VALUES:

(See under "SITE VALUES, RATING OF.")

LICENCE DUTIES (LOCAL TAXATION):

Transfer to Local Authorities of collection and variation would have advantages, but some difficulties would arise. (Final, pp. 18, 19.)
 Might furnish further assistance to local funds. (Final, p. 21.)
 Trading Licences might, in some cases, be increased. (Final, p. 21.)
 Establishment Licences are capable of development. (Final, p. 21.)
 Proposals concerning, would entail no further drafts from Exchequer. (Final, p. 21.)
 Proposed localisation of the Licence Duties. (Final, p. 113, Hamilton—Murray.)
 The distribution of the Licence Duties according to collection is anomalous and inequitable. (Final, pp. 116, 117, Hamilton—Murray.)
 Cannot be made truly local. (Final, pp. 121, 122, Hamilton—Murray.)

LICENSED PREMISES:

The value of the licence should be taken into consideration in valuing licensed premises. (Final, p. 53.)

LIGHTHOUSES:

Exemption from rateability. (Final, p. 47.)

LOCAL GOVERNMENT AREAS IN LONDON:

Formation of. (First, p. 22.)

LOCAL TAXATION ACCOUNT:

Receipts and payments, 1890–91 to 1899–1900. (Final, p. 8.) In 1898–99. (Final, pp. 105, 106, Hamilton—Murray.)
 Payments out of the Account under proposed arrangements. (Final, p. 30.)

LUNATICS, IMBECILES, &c.:

Pauper Lunatic Maintenance Grant should, with modifications and restrictions, be extended to all imbeciles, epileptics, and lunatics maintained by Poor Law Authorities. (Final, p. 24.)
 Views of various authorities on treatment of pauper imbeciles and epileptics. (Final, pp. 24, 25.)
 The proposed extension of the present grant would remove the objection brought against it, and effect a reform in the administration of provincial work-houses. (Final, pp. 25, 26.)
 Number of pauper lunatics, imbeciles, and epileptics, and rate and estimated cost of proposed grants. (Final, pp. 26, 32.)
 The grant should be higher in London than elsewhere. (Final, p. 89, Stuart.)
 (See also under "ASTLEUMS.")

MACHINERY:

Machinery was legally rateable up to 1840. (Final, pp. 53, 54.)
 Since 1840 machinery has not been rateable *per se*, but, according to the decisions of the Courts, certain kinds of machinery are to be taken into account in valuing factories. (Final, p. 54.)

MACHINERY—cont.

Principle of estimating the value of machinery in the Tyne Boiler Case and in *R. v. Lee*. (Final, p. 54.)
 Principle of estimating the value of machinery in Gifford, Fox, and Co. v. the Chard Union. (Final, p. 55.)
 Uncertainty of present law in regard to what kinds of machinery are to be taken into account in valuing factories. (Final, p. 55.)
 Bills introduced into Parliament since 1887 in connexion with the valuation of machinery. (Final, p. 55.)
 An amendment of the present law desirable in order to remove uncertainty as to what kinds of machinery are rateable. (Final, pp. 55, 56.)
 Recommendation. (Final, p. 56.)
 Difficulty as to valuation of. (Final, p. 179, O'Connor.)
 Machinery should not be rated for local purposes. (Final, p. 181, O'Connor.)

METROPOLITAN COMMON POOR FUND:

Establishment and principles of Fund. (First, p. 27; Final, p. 100, Hamilton—Murray.)
 Effect on the Fund of proposals for increased Subventions. (Final, p. 32.)
 Machinery of, should be simplified, and the Fund should be administered by the London County Council. (Final, p. 89, Stuart.)
 The continuance of the Fund under the proposed scheme for the distribution of Guardians' Grants. (Final, pp. 138, 139, Hamilton—Murray.)

MINES:

Complaints as to the methods of valuing mines. (Final, p. 62.)
 Mines worked under the sea should be subject to rates. (Final, p. 53.)

OCTROIIS:

Are objectionable. (Final, p. 125, Hamilton—Murray.)

PARISH:

How far a rating area. (Final, p. 4.)

PARISH COUNCILS AND MEETINGS:

Duties of, and rate upon which expenses fall. (Final, p. 102, Hamilton—Murray.)

PERSONAL PROPERTY:

The rating of, was not intended by the Act of Elizabeth or the Parochial Assessments Act, and the contrary view receives no support from the Poor Rate Exemption Act. (Final, pp. 178, 179, O'Connor.)

Rating of, in the 18th century. (Second, p. 12; Final, p. 2.)

Held rateable in 1839 and exempted by a temporary Statute in the following year. (First, p. 12; Second, pp. 20, 21; Final, pp. 2, 33, 46; p. 98, Hamilton—Murray.)

Transfer of moiety of Probate Duty remedied, to some extent, one of the main grievances of rate-payers. (Final, pp. 19, 20.)

But personality does not yet contribute sufficiently to local purposes. (Final, p. 20.)

Proposal for increasing payments from Death Duties on personality to local purposes. (Final, p. 20.)

A further contribution from non-rateable property deserves consideration. (Final, p. 23.)

The deficiency arising from the proposed differential rating of agricultural land should be made good for the present by means of a Parliamentary Grant from Estate Duties on personality. (Final, p. 38.)

Arguments for transfer of additional duties upon non-rateable property to local authorities. (Final, p. 70, Lord Balfour.)

Supposed contribution from personality to local taxation. (Final, pp. 112, 113, Hamilton—Murray.)

The allocation of the Death Duty Grant in proportion to the discontinued grants of 1887–88 was a makeshift at the time, and is now out of date. (Final, p. 116, Hamilton—Murray.)

Personality cannot be rated. (Final, p. 125, Hamilton—Murray.)

Proposed additional taxation on realised personal property would not be practicable. (Final, pp. 130, 131, Hamilton—Murray.)

PERSONS CHARGED WITH THE PAYMENT OF RATES are generally the occupiers. (First, p. 19; Final, p. 3; p. 98, Hamilton—Murray.)

POLICE:

The grant should be extended to cover one-half of the net cost. (Final, p. 24.) Position of London with regard to Police Grant. (Final, p. 89, Stuart.) Distribution of proposed grant on lines of ability and necessity. (Final, p. 79, Lord Balfour; p. 139, Hamilton—Murray.) Calculation of the total proposed grant. (Final, p. 81, Lord Balfour; p. 140, Hamilton—Murray.) Effect of scheme in London. (Final, pp. 139, 140, Hamilton—Murray.)

POOR LAW UNIONS:

Creation of. (First, p. 13.) Number of, in one or more counties. (First, p. 15.)

POOR RATE:

Provisions of Act of 1597. (First, p. 8; Second, p. 10; p. 33, O'Connor.) Provisions of Poor Relief Act, 1601. (First p. 9; Second p. 10; pp. 83, 84 O'Connor; Final p. 2; p. 178, O'Connor.) Contribution according to some standard of ability appears to have been originally intended. (First, p. 9; Second, p. 11.) Rates were intended to be a kind of local income tax. (Final, p. 33.) Taxable capacity was to be measured by visible properties (both real and personal) of the inhabitants. (First, p. 10.) The classes of personal property assessed were considerably restricted, and non-residents could not be rated at all in respect of personal property in the parish. (First, pp. 10-12.) Taxation with strict regard to ability was found to be impracticable, and the annual value of immoveable property was chosen as the basis. (First, p. 12; Second, pp. 11, 12; Final, p. 33; p. 142, Hamilton—Murray.) Method of making the rate. (First, p. 19.) Valuation for. (See under "VALUATION.")

POOR RELIEF:

Liability of secular clergy, &c. before 1536. (Second, p. 9.) After the dissolution of the monasteries the burden was, for a time, met from charitable sources. (Second, p. 9.) But compulsory provisions for obtaining contributions were subsequently adopted. (First, p. 8; Second, pp. 9, 10.) Growing interest of State in Poor Relief. (Final, p. 142, Hamilton—Murray.) Proposed grant for the residue of Poor Law expenditure. Unions with the lowest rateable values per inhabitant should receive most. (Final, p. 28.) But this grant should be deferred until the other Poor Law Grants have been provided. (Final, pp. 28, 29.) Existing payments in respect of certain items of Poor Relief are not entirely satisfactory, either as regards equity of distribution, or from an administrative point of view. (Final, p. 82, Lord Balfour.) Objections to grants for particular classes of paupers. (Final, p. 82, Lord Balfour.) (See also under "GUARDIANS, BOARDS OF.")

PRECEPT SYSTEM:

Authorities whose expenditure is met from Poor Rate and authorities levying their rates direct. (First, p. 7.)

PROFITS:

Rating on profits is impracticable. (Final, p. 126, Hamilton—Murray.)

PROPERTIES LIABLE TO BE RATED. (Final, pp. 2, 3; p. 98, Hamilton—Murray; p. 179, O'Connor.)

RAILWAYS:

Difficulty of valuing railways in accordance with the Parochial Assessments Act. (Final, pp. 56-58.) Method of valuing the running line of a railway. (Final, pp. 57, 58.)

RAILWAYS—cont.

Method of valuing railway stations. (Final, p. 58.) Complaints as to the methods of valuing railways. (Final p. 62.)

Valuation of each railway as a whole recommended by the Railway Commission in 1867. (Final, p. 58.) Advantages of valuing a railway as a whole. (Final, p. 58.)

Method of valuing railways in Scotland. (Final, p. 58.) And in Ireland. (Final, p. 59.)

Systems of allocating value between rating areas:

In Scotland and Ireland. (Final, p. 59.)

Passenger-mileage and ton-mileage. (Final, p. 59.)

Train-mileage. (Final, p. 59.)

Line-mileage. (Final, p. 59.)

Recommendations. An Assessor of Railways should be appointed. The value of the line should be distributed according to train-mileage. Appeals. (Final, p. 60; p. 142, Hamilton—Murray.)

Allocation of total value between stations and running line. (Final, p. 86, Lord Balfour and Lord Kinross.)

RATES LEVIABLE:

Rates leviable and areas of levy. (Final, p. 4; pp. 99 *et seq.*, Hamilton—Murray.)

Table showing amount of rates raised by various Local Authorities. (Final, p. 103, Hamilton—Murray.)

ROADS:

Ancient provisions for meeting the cost of repairing highways. (Second, pp. 8, 9.)

A grant should be given towards the cost of maintaining main roads. (Final, p. 29.)

But the roads to be deemed main roads should be selected by some duly authorised tribunal. (Final, p. 29; p. 89, Stuart.)

Amount of proposed main roads grant. (Final, pp. 29, 32.)

Proposed grant for main roads. (Final, pp. 73, 81, Lord Balfour; p. 140, Hamilton—Murray.)

The effect of the proposed scheme for allocating the Exchequer Grants in reference to the maintenance of roads and highways. (Final p. 72, Lord Balfour.)

Revenue for the maintenance of highways might be obtained from a tax upon pleasure horses and bicycles. (Final, p. 72, Lord Balfour.)

The agricultural rates grants for highways are especially inadmissible. (Final, p. 118, Hamilton—Murray.)

RURAL DISTRICT COUNCILS:

Duties of, and rates upon which expenses fall. (Final, p. 101, 102, Hamilton—Murray.)

SANITARY OFFICERS:

Proposed grant for. (Final, p. 140, Hamilton—Murray.)

Estimated cost of proposed grant. (Final, p. 32; p. 73, Lord Balfour; p. 140, Hamilton—Murray.)

SCHOOL BOARDS:

Rates upon which expenses fall. (Final, p. 102, Hamilton—Murray.)

SCHOOLS:

Exemption from rateability of Sunday and Ragged Schools. (Final, p. 48.) Of Voluntary Schools. (Final, pp. 48, 49.)

SCIENTIFIC, &c. SOCIETIES:

Exemption from rateability. (Final, p. 48.)

SERVICES ADMINISTERED BY LOCAL AUTHORITIES:

Distinction between National or onerous, and Local or beneficial services. (Final, pp. 11, 12; p. 123, Hamilton—Murray.)

Transfer of services to the State cannot now be carried further. (Final, p. 121, Hamilton—Murray.)

Onerous and beneficial expenditure. (Final, p. 123, Hamilton—Murray.)

The distinction between National and Local services has often been neglected. (Final, p. 123, Hamilton—Murray.)

SERVICES ADMINISTERED BY LOCAL AUTHORITIES—cont.

Summary of principles. (Final, p. 131, Hamilton—Murray.)

The essence of the Local Taxation question. (Final, p. 144, Hamilton—Murray.)

Summary of recommendations, and advantages claimed for them. (Final, p. 144, Hamilton—Murray.)

Classification of services according to whether they are "national," "local," or "personal." (Final, p. 178, O'Connor.)

Personal services should be paid for by the individual benefited; National services from the common fund of the nation; and Local public services from the common fund of the locality. (Final, p. 181, O'Connor.)

1. National Services:

Characteristics of National services. (Final, p. 123, Hamilton—Murray.)

Enumeration of. (Final, p. 12; p. 124, Hamilton—Murray.)

Net cost of. (Final, p. 87, Lord Balfour; pp. 182, 183, Hamilton—Murray.)

How they should be paid for:

Transfer of National services to Central Government. (Final, p. 12; p. 121, Hamilton—Murray.)

Principle of ability to pay. (Final, p. 13; p. 124, Hamilton—Murray.)

Local income tax. (Final, p. 13.)

Inhabited House Rate. (Final, pp. 13, 14.)

State assistance in some form is necessary. (Final, p. 14; pp. 124, 143, Hamilton—Murray.)

But the whole expenditure cannot safely be met from Imperial sources. (Final, pp. 124, 125, Hamilton—Murray.)

(See also under "SUBVENTIONS, 5.")

2. Local Services:

Characteristics of Local services. (Final, p. 123, Hamilton—Murray.)

The State should not contribute to services which are purely local and beneficial. (Final, p. 143, Hamilton—Murray.)

Beneficial expenditure can be properly met by rates. (Final, p. 124, Hamilton—Murray.)

Contributions to beneficial expenditure should be according to benefit. (Final, p. 124, Hamilton—Murray.)

Expenditure on urban improvements is properly local, and may rightly be defrayed by charges in respect of immovable property. (Final, p. 153.*)

SEWERS RATE:

Arbitrary areas in which charged in ancient times. (Second, p. 9.)

SICK AND INFIRM:

Proposed new grant for the maintenance of the sick and infirm in workhouse wards and infirmaries (Final, p. 26.)

Number of sick and infirm paupers in workhouse wards and infirmaries, and rate and estimated cost of proposed grant. (Final, pp. 28, 32.)

SITE VALUES, RATING OF:**(A.) For:****1. The various Proposals:**

The ordinary proposals for rating site value combine two different propositions, viz.: (1) a rate proportioned to the value of sites only; (2) a direct charge on the lessors. (Final, p. 158.*)

A. The London County Council Scheme:

Scheme for a direct charge on owners of site value. (Final, p. 158.*)

Incidence of present rates. (Final, pp. 158, 159.*)

Why contracts should be disregarded. (Final, p. 159.*)

Amount and purpose of new rate. (Final, p. 159.*)

Objections to taxation of buildings. (Final, p. 159.*)

SITE VALUES, RATING OF—cont.**(A.) For—cont.****1. The various Proposals—cont.****A. The London County Council Scheme—cont.**

Mr. Harper's scheme for throwing the charge upon the true owner of site value by a system of deductions from rent. (Final, p. 159.*)

B. Mr. Fletcher Moulton's Scheme:

Proposal for a rate on site value charged on owners, and a smaller rate on building value charged on occupiers. (Final, p. 160.*)

Reasons for taxing sites more highly than buildings. (Final, p. 160.*)

The ground landlord and the lessees nearest to him are the owners of site value. (Final, p. 160.*)

C. Criticism of the Schemes:

Fundamental disagreement on the question, Who is the owner of site value? (Final, pp. 160–162.*)

Mr. Fletcher Moulton's scheme contains inconsistencies, and would in many cases conspicuously fail to reach the supposed "unearned increment." (Final, pp. 162, 163.*)

Mr. Harper's scheme is well adapted for its purpose, but is not without flaws, and is very complicated. (Final, p. 163.*)

2. Existing Contracts and Mortgages:

Violation of contracts is indefensible. (Final, p. 163.*)

Rent is closely analogous to purchase money, and from this point of view the lessee may be said to be the real owner of site value. (Final, pp. 163, 164.*)

Capital value of reversions not a subject for rating. (Final, p. 164.*)

The question of existing contracts does not concern the public at large. (Final, p. 164.*)

Difficulty with regard to mortgages. (Final, p. 165.*)

Existing contracts should be absolutely respected. (Final, pp. 183, 184, O'Connor.)

3. What Rating of Site Values really means:

The various schemes put forward for rating the owners of site value are open to objection. (Final, p. 165.*)

But site value is a fit subject for direct taxation. (Final, p. 165.*)

The essence of the rating of site value is not a charge upon owners, but a local redistribution of burden. (Final, pp. 165, 166.*)

4. Why Site Values should be rated:

A moderate rate on site value should be imposed in urban districts. (Final, p. 166.*)

Causes of increase of site values. (Final, p. 166.*)

The value of sites is increased by public improvements. (Final, p. 167.*)

A site value rate is expedient because it would not hamper development. (Final, p. 167.*)

Greater ability to pay in respect of site. (Final, pp. 167, 168.*)

A site value rate is especially equitable and necessary in conjunction with an increase of Subventions in urban districts. (Final, p. 168.*)

There is an essential difference between land and every other form of property. (Final, p. 179, O'Connor.)

The land belongs to the community, but the existing situation is contrary to this view. (Final, pp. 179, 180, O'Connor.)

Land acquires its value from the presence of man. (Final, p. 180, O'Connor.)

Structural value is due to individual action; site value depends on the action of the community. (Final, pp. 180, 181, O'Connor.)

* Separate Report on Urban Rating and Site Values, by Lord Balfour, Lord Kiross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

SITE VALUES, RATING OF—*cont.*(A.) FOR—*cont.*5. *Valuation of Sites:*

Meaning of site value. (Final, p. 168*)
 How far a valuation of sites would be more difficult than the present valuation of hereditaments. (Final, pp. 168, 169*)
 A valuation of sites is practicable and not too expensive. (Final, p. 169*)
 Independent advantages of separate assessment. (Final, pp. 169, 170*)
 The valuation of land as distinguished from buildings is possible, and is being done every day. (Final, p. 182, O'Connor.)

6. *How Site Values should be rated:*

Division of rates in proportion to value of site and structure not desirable. (Final, p. 170*)
 A special site value rate should be levied in urban districts. (Final, pp. 170, 171*)
 The rate should be charged in part on owners when existing contracts expire. (Final, pp. 171, 172*)
 Necessity of safeguards. Limitation of purposes and amount of rate. (Final, p. 172*)
 The best plan would be to divide the site value rate half and half between owner and occupier. (Final, p. 172*)
 The desirability of a rate on site value does not necessarily depend on any particular view of incidence. (Final, pp. 172, 173*)
 The land only should be rated for local purposes, and the difficulty as to railways, &c., and unoccupied land would then disappear. (Final, p. 181, O'Connor.)
 The site value rate should be thrown on the persons in enjoyment of site value by means of deductions from rent. (Final, pp. 182, 183, O'Connor.)

7. *Summary of Conclusions and Advantages:*

Summary of conclusions and advantages claimed for the proposals. (Final, pp. 175, 176*; p. 184, O'Connor.)

Qualified approval of the recommendations made by Lord Balfour, Lord Kinross, Sir Edward Hamilton, and Sir George Murray. (Final, p. 90, Stuart; p. 182, O'Connor.)

(B.) AGAINST:

1. *The various Proposals:*

Proposed separate assessment and special taxation of Land Values. (Final, p. 39.)
 The taxation of Ground Rents was an earlier form of this proposal. (Final, p. 39.)
 It is generally admitted that the mere taxation of Ground Rents and Feudal Duties would be inequitable. (Final, p. 39.)
 New proposals for separate valuation and special rating of land apart from buildings. (Final, p. 40.)
 It is usually admitted that land is already taxed as part of the rateable hereditament. (Final, p. 40.)
 The proposals for the special rating of land differ in character and extent. (Final, p. 40.)

2. *Existing Contracts:*

Existing contracts present an insoluble difficulty. Breach of contract is indefensible, and, on the other hand, a new site value rate falling on occupiers and lessees would be most burdensome and unfair. (Final, p. 44.)

3. *Valuation of Sites:*

It is claimed that the separate valuation of sites would facilitate a better distribution of the burden of taxation, and would improve the present system of assessment, especially with regard to deductions. (Final, p. 40.)

SITE VALUES, RATING OF—*cont.*(B.) AGAINST—*cont.*3. *Valuation of Sites—cont.*

The practice as to deductions can be rectified by other means. (Final, p. 43.)
 Conflicting evidence as to the practicability and cost of separate valuation of sites. (Final, pp. 40, 41.)
 Varying estimates of the cost of a separate valuation of sites. (Final, pp. 42, 43.)
 Practical difficulties pointed out by Surveyors. Probable increase of litigation, difficulties as to restrictive covenants and easements; objections to capital value and hypothetical estimates. (Final, pp. 41, 42.)
 A separate valuation of sites would not be impossible, but would be complicated, expensive, and uncertain. Difficulties as to sites not fully utilised by buildings, and as to leases approaching their termination. (Final, p. 43.)
 The separate valuation of site and structure would not assist in the division of rates between owner and occupier, even if such a division were desirable. (Final, p. 43.)
 The separate valuation of sites would not improve valuation generally. (Final, p. 44.)

4. *Conclusions:*

Conclusions of Town Holdings Committee in 1892 :—
 Ground rents, &c., already taxed. (Final, p. 39.)
 Benefit from current expenditure. (Final, p. 39.)
 Burden of increased uncontemplated local taxation. (Final, p. 39.)
 These conclusions remain valid. (Final, pp. 39, 40.)
 The abandonment of the present system of assessing the annual value of the whole hereditament as it stands is most undesirable, unless important objects are to be secured thereby. (Final, p. 43.)
 A special additional tax on "site" or land values would be inequitable, and cannot be justified either on the ground of ability or benefit. (Final, p. 44.)
 A general rate on all site value would be in no way proportioned to the increments of value, but would fall also on the sites which have decreased in value. (Final, p. 44.)
 No new tax on land is practicable or equitable. (Final, pp. 44, 45.)

SPENDING AUTHORITIES:

(Final, p. 4; pp. 99 *et seq.*, Hamilton—Murray.)

STAMP DUTIES:

Certain of these duties might be diverted to Local Taxation Account. (Final, p. 21.)

STOCK-IN-TRADE:

Held rateable in 1839, and exempted by a temporary Statute in the following year. (First, p. 12; Second, pp. 20, 21; Final, pp. 2, 33, 46; p. 98, Hamilton—Murray.)
 Extent to which it was rated before the Poor Rate Exemption Act of 1840. (First, pp. 10-12.)

SUBVENTIONS:

1. *Present Statutory Provisions and Amounts:*

Varied forms of relief to ratepayers. (Final, p. 103, Hamilton—Murray.)
 Transfer of Services. (Final, p. 103, Hamilton—Murray.)
 By Annual Votes of Parliament. (Final, p. 6; p. 104, Hamilton—Murray.)
 Grants-in-Aid before 1888. (Final p. 6; p. 104, Hamilton—Murray.)
 The system of Assigned Revenues. (Final, p. 7; p. 104, Hamilton—Murray.)
 Licences and Death Duty Grant. (Final, p. 105, Hamilton—Murray.)

* Separate Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

SUBVENTIONS—cont.

- 1. Present Statutory Provisions and Amounts—cont.**
 - Beer and Spirit Surtaxes. (Final, p. 105, Hamilton—Murray.)
 - Application of Assigned Revenues. (Final, pp. 7-9.)
 - Local Taxation Account: Receipts and Payments, 1890-91 to 1899-1900. (Final, p. 8.) In 1898-99. (Final, pp. 105, 106, Hamilton—Murray.)
 - Allocation to Counties and County Boroughs of money paid from Local Taxation Account. (Final, p. 107, Hamilton—Murray.)
 - Adjustment between each County and the County Boroughs, within it. (Final, p. 107, Hamilton—Murray.)
 - Exchequer Contribution Accounts: Payments from during each of the years 1895-96 to 1898-99. (Final, p. 9.)
 - Services in respect of which payments are made. (Final, pp. 107, 108, Hamilton—Murray.)
 - Agricultural Rates Act Grant. (Final, pp. 9, 10; p. 105, Hamilton—Murray.)
- 2. Objections to existing System:**
 - State assistance in the past. (Final, pp. 142, 143, Hamilton—Murray.)
 - The present systems of allocation are unsatisfactory and very difficult to understand. (Final, pp. 115, 116, 133, Hamilton—Murray.)
 - Tables illustrating allocation by Counties and County Boroughs. (Final, pp. 118-120, Hamilton—Murray.)
 - Tables illustrating allocation by Unions. (Final, p. 120, Hamilton—Murray.)
 - Summary of defects of present system. (Final, p. 120, Hamilton—Murray.)
 - (See also under "BEER AND SPIRIT SURTAXES," "LICENCE DUTIES (LOCAL TAXATION)," "PERSONAL PROPERTY".)
- 3. The Theory of Assigned Revenues and the Question of their Extension:**
 - Mr. Goschen's scheme for the reform of Local Taxation. (Final, pp. 16, 17.)
 - The scheme was based upon sound principles, but certain objections have been taken to it in practice. (Final, p. 17.)
 - It is contended that Assigned Revenues are in reality grants from central funds, but this is fallacious. (Final, p. 17.)
 - That the scheme of Imperial finance might require readjustment was recognised by Mr. Gladstone and Mr. Goschen. (Final, pp. 17, 18.)
 - And the real effect of the legislation of 1888 was not doubted by them. (Final, p. 18.)
 - Other objections taken to Mr. Goschen's scheme. (Final, p. 18.)
 - Main principles of Local Government Act, 1888, should be adhered to, but certain modifications might have been made. (Final, p. 18.)
 - Present treatment of Appropriated Revenues is very complicated, but it might be simplified. (Final, p. 19.)
 - Application of principles laid down. (Final, p. 19.)
 - A complete settlement could only be effected gradually. (Final, p. 19.)
 - As the central authority must continue to collect some of the surrendered revenues, it should also control their expenditure. (Final, p. 19.)
 - Transfer of moiety of Probate Duty remedied, to some extent, one of the main grievances of ratepayers. (Final, pp. 19, 20.)
 - But personality does not yet contribute sufficiently to local purposes. (Final, p. 20.)
 - Transfer of certain taxes. (Final, pp. 21-23.)
 - The proposals should be adopted without delay. (Final, p. 28.)
 - Present method of providing funds for relieving local rates, and suggestions for its extension. (Final, p. 69, Lord Balfour.)
 - Objects of and advantages claimed for present system. (Final, pp. 69, 70, Lord Balfour.)
 - Objections to system of Assigned Revenues. (Final, p. 70, Lord Balfour. See also p. 89, Stuart.)
 - The system of Assigned Revenues established in 1888. (Final, p. 112, Hamilton—Murray.)
 - The separation of Imperial and Local Finance. (Final, p. 112, Hamilton—Murray.)

SUBVENTIONS—cont.

- 3. The Theory of Assigned Revenues and the Question of their Extension—cont.**
 - Supposed contribution from personality to Local Taxation. (Final, pp. 112, 113, Hamilton—Murray.)
 - Other advantages claimed for Assigned Revenues. (Final, p. 113, Hamilton—Murray.)
 - Proposed localisation of the Licence Duties. (Final, p. 113, Hamilton—Murray.)
 - Advantages and disadvantages of the system established in 1888. (Final, pp. 113, 114, Hamilton—Murray.)
 - There is no reason for assigning the Beer and Spirit Surtaxes to the Local Taxation Account. (Final, p. 114, Hamilton—Murray.)
 - Other subsequent events have nullified the advantages claimed for the scheme. (Final, p. 114, Hamilton—Murray.)
 - The charge of the Agricultural Rates Grants on the Estate Duty is misleading. (Final, p. 114, Hamilton—Murray.)
 - The system of Assigned Revenues confuses the public accounts and leads to waste. (Final, pp. 114, 115, Hamilton—Murray.)
 - Transfer of taxes is impracticable. General objections. (Final, pp. 121, 122, Hamilton—Murray.)
 - (See also under "BEER AND SPIRIT SURTAXES," "BICYCLES," "HORSE TAX," "INHABITED HOUSE DUTY," "LAND TAX," "LICENCE DUTIES (LOCAL TAXATION)," "PERSONAL PROPERTY," "STAMP DUTIES.")
 - 4. Contributions from Consolidated Fund:**
 - Arguments for payment of a fixed sum from Consolidated Fund. (Final, p. 71, Lord Balfour; p. 86, Lord Kinross. See also p. 88, Stuart Wortley; p. 89, Stuart.)
 - On the whole this course would appear to be the more convenient and economical. (Final, p. 71, Lord Balfour; p. 86, Lord Kinross. See also p. 88, Stuart Wortley; p. 89, Stuart.)
 - The State contribution should be fixed for 10 years, and should not in the total exceed one-half of the onerous expenditure. (Final, p. 128, Hamilton—Murray.)
 - The State contribution should be charged on the Consolidated Fund. (Final, pp. 128, 129, Hamilton—Murray.)
 - If the services are National, they should be assisted out of National funds. (Final, p. 129, Hamilton—Murray.)
 - All taxpayers should contribute. (Final, p. 129, Hamilton—Murray.)
 - Advantages of fixing the State contribution. (Final, p. 129, Hamilton—Murray.)
 - Uniformity in England, Scotland, and Ireland can only be attained by means of a charge on the Consolidated Fund. (Final, p. 129, Hamilton—Murray.)
 - Summary of financial advantages of a charge on the Consolidated Fund. (Final, pp. 129, 130, 146, 147, Hamilton—Murray.)
 - Summary of principles. (Final, pp. 131, 132, Hamilton—Murray.)
 - Proposed Exchequer Grant in aid of National services. (Final, pp. 132, 133, Hamilton—Murray.)
 - Increase of charge on Exchequer under proposals. (Final, p. 141, Hamilton—Murray.)
 - Advantages of fixity of Grant. (Final, pp. 141, 143, Hamilton—Murray.)
 - Advantages of grant from Consolidated Fund as compared with Assigned Revenues. (Final, p. 143, Hamilton—Murray.)
 - Summary of recommendations and advantages claimed for them. (Final, p. 144, Hamilton—Murray.)
 - 5. The Total Amount of the Subventions proposed, and its Distribution:**
 - Services to which present grants are paid. (Final, p. 23.)
 - Conditions to be observed. (Final, p. 23.)
 - Financial effect of recommendations. (Final, pp. 31, 32.)
 - The proposals should be adopted without delay. (Final, p. 38.)

SUBVENTIONS—*cont.*5. *The Total Amount of the Subventions proposed, and its Distribution*—*cont.*

Amount and distribution of Subventions. (Final, p. 73, Lord Balfour.)

Equity, economy, and efficiency the main considerations. (Final, p. 73, Lord Balfour.)

The total grant should be about one-half of the total expenditure on National Services, but the proportion should vary with different services and in different districts. (Final, p. 73, Lord Balfour.)

Actual present expenditure upon National Services and amount of proposed grants. (Final, pp. 73, 74, Lord Balfour.)

The local share of the burden should be adjusted in accordance with the principle of ability. (Final, p. 74, Lord Balfour.)

The pressure of rates for National Services is now very unequal, because both requirements and resources vary in different districts. (Final, p. 74, Lord Balfour.)

Effect of the variation of the amount of rateable value per inhabitant. (Final, p. 74, Lord Balfour.)

The grants should be distributed in such a way that the local burden remaining may be equalised so far as practicable. Principles of ability and necessity. (Final, p. 74, Lord Balfour.)

Population the primary measure of the requirements of a district. (Final, p. 75, Lord Balfour.)

Valuation the best measure of the ability of a district. (Final, p. 75, Lord Balfour.)

Grants should not be in direct proportion to valuation. (Final, p. 75, Lord Balfour.)

These principles advocated in the House of Commons in 1888. (Final, p. 75, Lord Balfour.)

Population and valuation were combined in the manner suggested in the Highlands and Islands Grant, and the London (Equalisation of Rates) Act is similar in principle. (Final, p. 75, Lord Balfour.)

Similar proposal by Mr. E. H. Dawe. (Final, p. 75, Lord Balfour.)

Besides population, actual expenditure should be regarded as a subsidiary measure of the requirements of a district, subject to due safeguards. (Final, p. 76, Lord Balfour.)

The grants to necessitous school boards afford a precedent for this. (Final, p. 76, Lord Balfour.)

They were originally based on average attendance combined with regard to the ability of the district, but under the Act of 1897 actual expenditure is also taken into account. (Final, p. 76, Lord Balfour.)

In the distribution of Subventions the three criteria of population, expenditure, and valuation (i.e., assessable value) should be combined. (Final, p. 76, Lord Balfour.)

Summary of Guardians', Police, and Asylum Grants. (Final, p. 80, Lord Balfour.)

Extensive powers of control should be given to the Central Authority in connexion with the grants. Guarantees under existing system. (Final, p. 82, Lord Balfour; p. 133, Hamilton—Murray.)

The items to which assistance is given should not be stereotyped. (Final, pp. 82, 83, Lord Balfour.)

Inequality of grants for particular items of expenditure. (Final, p. 83, Lord Balfour.)

The equalisation of onerous rates would facilitate improvement of administration without special grants. (Final, p. 83, Lord Balfour.)

A "block" grant, subject to compliance with prescribed conditions, is the best system. (Final, p. 83, Lord Balfour.)

Effect of proposals upon different rates and in different districts. (Final, p. 84, Lord Balfour.)

General principles and objects of scheme proposed. (Final, p. 84, Lord Balfour.)

Adaptation of proposals to a system of Assigned Revenues. (Final, p. 84, Lord Balfour.)

The question of valuation in relation to the proposals. (Final, p. 84, Lord Balfour.)

SUBVENTIONS—*cont.*5. *The Total Amount of the Subventions proposed, and its Distribution*—*cont.*

Certain other objections which may be taken to the proposals need not prevent their adoption. (Final, p. 85, Lord Balfour.)

Concluding remarks. (Final, p. 85, Lord Balfour.)

Lord Kinross concurs in the views expressed by Lord Balfour. (Final, p. 86. See also Final, p. 88, Stuart Wortley; p. 89, Stuart.)

All contributions should be appropriated to specific services. (Final, p. 117, Hamilton—Murray.)

"Necessity" and "ability" should be the guiding principles. (Final, p. 133, Hamilton—Murray.)

"Necessity" should be measured by population and expenditure, "ability" by assessable value. (Final, pp. 133, 134, Hamilton—Murray.)

General outline of scheme. (Final, p. 134, Hamilton—Murray.)

Estimated cost of proposals. (Final, pp. 140, 141, Hamilton—Murray.)

The difficulties of the scheme outweighed by its advantages. (Final, pp. 141, 142, Hamilton—Murray.)

Advantages of State grants. (Final, p. 142, Hamilton—Murray.)

Improved system of allocation indispensable. (Final, pp. 143, 144, Hamilton—Murray.)

Summary of scheme proposed and advantages thereof. (Final, p. 144, Hamilton—Murray.)

(See also under "GUARDIANS, BOARDS OF," "CHILDREN, POOR LAW," "CRIMINAL PROSECUTIONS, &c.," "EDUCATION," "FREE BALANCES OF ASSIGNED REVENUES," "LUNATICS, IMBECILES, &c.," "POLICE GRANT," "POOR RELIEF," "ROADS," "SICK AND INFIRM," "UNION OFFICERS.")

"TAXATION RAISED FOR LOCAL PURPOSES":

Meaning attached thereto. (Final, p. 1.)

Tolls, dues, &c. may be disregarded. (Final, pp. 97, 98, Hamilton—Murray.)

Total of taxation raised for local purposes. (Final, p. 108, Hamilton—Murray.)

Separation of taxing authority from spending authority. How far a danger. (Final, p. 121, Hamilton—Murray.)

Complexity of system. (Final, p. 178, O'Connor.)

(See also under "RATES LEVIABLE.")

TITHE AND TITHE RENTCHARGE:

Origin of tithes. (Second, pp. 7, 8.)

Chargeability of tithes inappropriate under Poor Relief Act, 1597. (Second, p. 10.)

Tithe rentcharge has been payable by the landowner since 1891. (Second, p. 14.)

Differential rating of, under Lighting and Watching Acts, 1833 and 1851, and Public Health Act, 1875. (Second, p. 26; p. 35, O'Connor; Final, p. 5.)

Exemption from rateability of extraordinary tithe rentcharge. (Final, p. 49.)

Proposals with regard to the classification of tithes and tithe rentcharges. (Final, p. 38.)

There is no ground for distinguishing between clerical and lay occupiers of tithe rentcharge. (Second, p. 31, O'Connor.)

And the hardship in the matter of local rates would be sufficiently met by the extension to tithe rentcharge of the Agricultural Rates Act, 1896. (Second, pp. 31, 32, 35, O'Connor.)

TITHE RENTCHARGE ATTACHED TO A BENEFICE:

The question of the liability of tithes and tithe rentcharge to be rated under the Poor Relief Act of 1601. (Second, pp. 11–13; pp. 33, 34, O'Connor.)

The case with which the value of tithes could be ascertained gave rise to the practice of rating the incumbent in respect of them. (Second, p. 12; pp. 33, 34, O'Connor dissents.)

The assessment of tithes from 1601 to 1840. (Second, pp. 12–14; p. 34, O'Connor.)

The exaction of tithes previous to 1836. (Second, p. 15.)

The commutation of tithes by the Tithe Act, 1836. (Second, pp. 14, 15.)

TITHE RENTCHARGE ATTACHED TO A BENEFICE—*cont.*

The question of the liability of tithes to be rated was not affected by the Tithe Act, 1836. (Second, p. 15.)

The provisions of the Parochial Assessments Act, 1836, and their application to the assessment of tithe rentcharge. (Second, pp. 16–19.)

It was generally supposed that these provisions preserved the principle of assessment laid down in *R. v. Jodrell*. (Second, pp. 16, 17.)

But it was held in *E. v. Capel* that tithe rentcharge was to be assessed according to the rule laid down for other properties by the Parochial Assessments Act. (Second, pp. 17, 18.)

System of assessment of tithe rentcharge as set out in letter of Poor Law Commissioners in 1840, after the decision in *E. v. Capel*. Deductions allowed and those not allowed. (Second, pp. 19, 20.)

The Poor Rate Exemption Act, 1840, did not affect the liability of parsons or vicars. (Second, pp. 20, 21.)

Since 1840 the liability of the parson as an occupier of tithe rentcharge has not been seriously contested, and his case now rests mainly upon equitable considerations. (Second, p. 21.)

The assessment of tithe rentcharge was much higher after the passing of the Parochial Assessments Act and the Tithe Act than before. (Second, pp. 17, 19; p. 34, Observation by O'Connor.)

Inapplicability of the deductions named in the Parochial Assessments Act to tithe rentcharge, and necessity for proceeding by analogy. (Second, p. 22.)

Deductions to be allowed as stated by the Poor Law Board in 1858 and 1859 after the decisions in the Hackney cases. (Second, pp. 22, 23.)

Disallowance of deduction for payments to daughter churches, for curate's salary, and for chancery repairs. (Second, p. 24.)

Method proposed in the Valuation Bills, 1876–79, for ascertaining the rateable value of tithe rentcharge. (Second, p. 24.)

Deductions now allowed and those not allowed. (Second, p. 25.)

The unimprovable character of tithe rentcharge, and the increase of rates since 1836. (Second, pp. 25, 26.)

Effect of Agricultural Rates Act, 1896, on tithe-owners. (Second, p. 26; p. 35, O'Connor.)

It is argued that, whether as inhabitant or as occupier of tithe rentcharge, the tithe-owner is rated unequally with other inhabitants and occupiers. (Second, pp. 26, 27.)

Proposals made by various witnesses for a more equitable adjustment of the tithe-owners' contributions to local rates. (Second, pp. 27, 28.)

The pressure of the present law upon incumbents. (Second, pp. 28, 29.)

Conclusions arrived at by the Commissioners, and recommendation of some special measure of relief. (Second, pp. 29, 30.)

Further deductions should be allowed from the gross value. (Second, p. 30, Hibbert, Murray, and Cripps.)

The case of the clerical tithe-owner should be considered at the same time as that of other rate-payers. (Second, p. 30, Lord Kinross; p. 36, Stuart.)

The reduction of the incomes of the beneficed clergy is due to the fall in the value of tithe, and not to the rates. (Second, p. 36, Stuart.)

Differential rating of, under Tithe Rentcharge (Rates) Act, 1899. (Final, p. 6.)

Proposed classification of. (Final, p. 39.)

Clerical tithe rentcharge should be rated at one-half. (Final, p. 74, Lord Balfour.)

Effect of proposals upon rates leviable upon tithe rentcharge. (Final, pp. 83, 84, Lord Balfour.)

Reservation on the classification of tithe for rating purposes. (Final, p. 88, Orford Smith and Stuart Wortley.)

UNION OFFICERS:

Extra-metropolitan grant for, should be brought up to date. (Final, pp. 23, 24.)

Metropolitan grants for indoor paupers, &c. should be discontinued and Union officers' grant extended to London. (Final, p. 24.)

UNOCCUPIED PROPERTY:

Not rated, except in the case of certain rates in the City of London. (First, pp. 19, 26; Final, p. 52.)

Some part of the rates should be charged upon unoccupied property, but land should not be rated on its building value if used for other purposes. (Final, p. 52.)

Empty houses should not be rated on their full annual value. (Final, p. 85, Lord Balfour.)

Unoccupied properties should be subject to the site value rate. (Final, p. 173.*)

Uncovered land in urban districts is mostly occupied, and, therefore, already rated to some extent, but not in full, nor on its value for building. (Final, p. 173.*)

The alleged holding up of land. (Final, p. 173.*)

Rating of uncovered land on its building value clearly desirable in some cases, but surrounded by difficulties. (Final, pp. 173, 174.*)

Proposal of Housing Commission, in what respects defective. (Final, p. 174.*)

The new site value rate should be levied in respect of all land which can be let for immediate building. (Final, p. 174.*)

The discouragement of open spaces. (Final, pp. 174, 175.*)

Difficulties of valuation, and suggested safeguards. (Final, p. 175.*)

Advantages claimed for the proposal. (Final, p. 176.*)

URBAN DISTRICT COUNCILS:

Duties of, and rate upon which expenses fall. (First, p. 101, Hamilton—Murray.)

URBAN TENURES:

Town holdings, building tenures, intermediate tenures, occupation tenures, and mortgages. (Final, p. 153.*)

Freehold building system, rentcharge system, London leasehold system, occupation tenures, sales, premiums, and mortgages. (Final, pp. 153, 154.*)

The ground rent is not the same as the value of the ground. (Final, p. 154.*)

The terms "ground landlords" and "house owner" may be misleading. (Final, p. 154.*)

History of an imaginary typical town holding. (Final, pp. 154, 155.*)

VACCINATORS, PUBLIC:

Estimated cost of proposed grant. (Final, p. 32.)

VALUATION, AUTHORITIES:

Independent valuations which may be made. (First, p. 7.)

Appointment of Overseers and Assistant Overseers.

Fast and present systems. (First, p. 16.)

Transference of appointment, powers, &c., of Overseers to Vestries in London. (First, p. 23.)

Union Assessment Committees constituted in 1862. (First, p. 14.)

Union Assessment Committees, constitution of. (First, pp. 15, 16.)

Appointment of Assessment Committees in London. (First, pp. 22, 23.)

In first instance valuations are made by Overseers and Assistant Overseers of each parish under the supervision of the Union Assessment Committee. (First, p. 15.)

Borough Councils may make a separate valuation for borough rates. (First, p. 21.)

Municipal Corporations Acts, 1835 and 1832, and County Rates Act, 1852, gave Borough and County Authorities power to make independent valuations. (First, p. 14.)

* Separate Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

VALUATION AUTHORITIES—*cont.*

The County Rate Basis Committee fixes the valuation of each parish for county rates. (First, p. 20.) Joint Assessment Committee of County and County Borough Councils may be formed where the two have to contribute towards common expenditure. (First, pp. 20, 21.) Position and action of London County Council with regard to valuation of London. (First, p. 27.) For Income Tax purposes and Inhabited House Duty the valuation of property is in the hands of local commissioners. (First, p. 28.) Valuation for Land Tax purposes is in the hands of the Land Tax Commissioners. (First, pp. 28, 29.) Multiplication of authorities for valuation purposes outside London. (First, p. 29, 30.) Possible authorities. Amount of rates raised by Poor Law, County, and Borough Authorities in 1879-80 and 1896-97. (First, p. 36.) Suggestions of witnesses. (First, p. 39.) The difficulty in the way of simplifying the valuation system is that the areas of the principal classes of spending authorities are not coterminous. (First, p. 39.) There should be but one valuation in each area. (First, p. 40.) The areas of the County and County Borough Councils are the most suitable valuation areas, but the Councils in each Geographical County should have power to combine. (First, p. 40.) In the case of Lancashire, one Valuation Authority should act for the whole of the Geographical County. (First, p. 40.) Revocation as to London by Mr. C. A. Cripps. (First, p. 42.) Objections to the authorities proposed by the Commission. (First, pp. 43, 44, Elliott.) Three systems of valuation in force in Great Britain have given satisfaction. Surveyors of Taxes are associated with each of them. (First, p. 44, Elliott.) In rural areas the present Assessment Committees, and in urban areas the urban authorities, are the most suitable authorities for valuation purposes. (First, pp. 44, 45, Elliott.) But the Surveyors of Taxes and representatives of the County Authorities should be associated with the Authorities, and sundry modifications of procedure would be necessary. (First, pp. 44, 45, Elliott.) In Urban areas the existing Guardians should, so long as they hold office, also be associated with the Valuation Authorities. (First, p. 45, Elliott.) The smaller Boroughs and Urban and Rural Districts should be grouped for valuation purposes. (First, pp. 45, 46, Elliott.) Special properties, such as canals, mines, tramways, &c., should, if desired by occupier, be valued by proposed Railway Assessor. (Final, p. 62.)

VALUATION, PRINCIPLES:

Definition of "net annual value" in Parochial Assessments Act, 1836, and difficulty of ascertaining rental value in certain cases. (First, pp. 13, 17; Second, p. 16; Final, p. 8.) Definitions of "gross estimated rental" in Union Assessment Committee Act, 1862. (First, p. 17.) Definition of "full and fair annual value" for county rate purposes. (First, p. 20.) Definitions of "gross value" and "rateable value" in Valuation (Metropolis) Act, 1869. (First, p. 24; Final, p. 3.) Definition of "annual value" for Income Tax purposes and Inhabited House Duty. Deductions allowed. (First, p. 28.) Basis of valuation for Land Tax. (First, pp. 28, 29.) Valuation may be based on rent actually paid, on "contractor's rent," or on profits earned. (Final, p. 3; pp. 98, 99, Hamilton-Murray.) Valuation of properties situate in several parishes. (Final, pp. 3, 60.) A maximum scale of deductions for calculating rateable value is prescribed for London. Practice of Valuation Authorities with regard to it. (First, p. 24.) Deductions should not be upon a uniform scale, but should be based upon the actual circumstances of each case. (Final, p. 52.)

VALUATION, PROCEDURE:

A valuation list for each parish had to be made up under the Union Assessment Committee Act, 1862. (First, p. 16.) New or supplemental valuation lists may be made up from time to time, but there is no statutory provision as to this. (First, p. 16.) Deposit of Valuation Lists by Overseers for inspection and transmission to Assessment Committee. (First, p. 17.) Objections to Valuation List. Who may object, and stipulations to be observed. (First, p. 17.) The Assessment Committee may call for books of assessment of any taxes or rates and require the attendance of persons having the custody of them, but outside London they have no power to obtain information from owners and occupiers. (First, p. 16.) The Assessment Committee may amend the Valuation List, but if they do so the List must be redeposited in the parish to which it relates, after which further objections may be made. (First, p. 17.) Valuation List, as approved by Assessment Committee, to be open to inspection. (First, p. 18.) Overseers may appeal against Valuation List to Quarter Sessions. (First, p. 18.) Appeals against Poor Rate may be made to Special and Quarter Sessions, and, under certain circumstances, to High Court. (First, pp. 18, 19.) County rate basis contains the totals of each parish only. (First, p. 20.) County rate basis. Notices required, objections, and appeals. Approval by County Council. (First, pp. 20, 21.) Powers of County Rate Basis Committee and County Council with regard to county rate basis. (First, p. 20.) Powers of Borough Council with regard to borough rate valuation. Appeals. (First, pp. 21, 22.) Preparation of Quinquennial, Supplemental, and Provisional Valuation Lists in London. (First, pp. 23, 24.) Valuation Lists in London are prepared in conjunction with Surveyors of Taxes, and are used for Imperial taxes as well as local. Objections, notice, &c. (First, pp. 24, 25.) Owners and occupiers may be required to furnish returns as to rent, &c. to Assessment Committees in London. (First, p. 25.) Appeals to Special and Quarter Sessions, and to High Court in the case of London. (First, pp. 25, 26.) Preparation of Valuations for Income Tax purposes and Inhabited House Duty. Notices to occupiers and appeals. (First, p. 28.) Appeals against assessments for Land Tax. (First, p. 29.) Amendments suggested. (First, p. 46, Elliott.)

VALUATION, GENERAL:

Poor Rate Valuation adopted as basis for certain county and borough rates between 1826 and 1840. (First, p. 14.) Attempts made to improve the system of Valuation: Bill introduced by Sir G. C. Lewis and Sir G. Grey in 1850. (First, pp. 31, 32.) Select Committee on Laws affecting Parochial Assessments, 1850. (First, pp. 32, 33.) Mr. Ward Hunt's Bill of 1867. (First, pp. 33, 34.) Select Committee on Assessment and Collection of Poor Rates, 1868. (First, p. 34.) Mr. Goschen's Bill of 1869. (First, p. 34.) Select Committee on Division of Rates between Owners and Occupiers, 1870. (First, p. 34.) Mr. Stanfeld's Bill of 1873. (First, pp. 34, 35.) Mr. Slater Booth's Valuation Bills of 1876, 1877, 1878, and 1879. (First, pp. 35, 36.) Mr. Slater Booth's Bills of 1878 and 1879 for the establishment of County Boards. (First, p. 35.) Summary. (First, p. 14.) Under-valuation of parishes previous to County Rates Act, 1852, with the view of reducing the proportion of the county rates chargeable thereon. (First, pp. 13, 14.)

VALUATION, GENERAL—*cont.*

Extent of application of Union Assessment Acts, 1862 to 1880. (First, pp. 14, 15.)
Defects in present system outside London. (First, pp. 29, 30.)
Amendments in the extra-metropolitan system desired by witnesses. (First, pp. 29, 30.)
Rates and taxes to which Valuation Lists in London are applicable. (First, p. 26.)
Advantages and defects in London system. (First, p. 31.)
Beneficial effects of Valuation (Metropolis) Act, 1869. (First, pp. 26, 27, 34.)
Valuation Bills introduced by London County Council into House of Commons in 1893, 1894, and 1896. (First, p. 27.)

VALUATION, GENERAL—*cont.*

Complaints as to the inequality in the valuation of one property compared with another in different districts. (Final, pp. 60, 61.)
Summary of Recommendations made by the Commission. (First, pp. 40, 41.)
Reform of Valuation imperatively necessary. (Final, p. 145, Hamilton—Murray.)

VOLUNTEER AND MILITIA STOREHOUSES:

Exemption from rateability. (Final, p. 47.)

WHEEL AND VAN TAX:

Not undesirable, but of small importance. (Final, p. 125, Hamilton—Murray.)

INDEX TO REPORT FOR SCOTLAND.

The Reports and Recommendations are—

REPORT (signed by THE RIGHT HON. LORD BALFOUR OF BURLEIGH, K.T., EARL CAWDOR, THE RIGHT HON. LORD BLAIR BALFOUR (now LORD KINROSS OF GLASCLUNE), THE RIGHT HON. SIR JOHN T. HIBBERT, K.C.B., THE RIGHT HON. C. B. STUART WORTLEY, K.C., M.P., MR. O. N. DALTON, C.B., MR. C. A. CRIPPS, K.C., M.P., MR. HARcourt E. CLARE, SIR T. H. ELLIOTT, K.C.B., MR. E. ORFORD SMITH, MR. JAMES STUART, and THE RIGHT HON. JOHN L. WHARSTON, M.P.).

SEPARATE RECOMMENDATIONS by LORD BALFOUR OF BURLEIGH and LORD KINROSS OF GLASCLUNE.

REPORT by SIR EDWARD HAMILTON, K.C.B., and SIR GEORGE MURRAY, K.C.B.

REPORT ON URBAN RATING AND SITE VALUES by LORD BALFOUR OF BURLEIGH, LORD KINROSS OF GLASCLUNE, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, and MR. JAMES STUART.

REPORT by HIS HONOUR JUDGE O'CONNOR, K.C.

In the case of separate Reports and Recommendations the names of the Commissioners signing them are given.

AGRICULTURAL LAND AND AGRICULTURAL RATES, &c. ACT, 1896:

Rating of agricultural land under Agricultural Rates, &c. Act. (p. 8.)

Payments into the Local Taxation Account under the arrangements of 1896-98 for the relief of agricultural occupiers and other purposes. (pp. 9, 10.)

Occupiers of agricultural land and heritages should be partially exempted from the payment of rates. (p. 16; p. 32, Lord Balfour and Lord Kinross; p. 49, Hamilton—Murray.)

ASYLUMS:

The distribution of the Lunatic Asylums Grant offers some difficulties. (p. 17.)

The distribution of the Lunatic Asylums Grant on the lines of "ability" and "necessity" offers some difficulties. (p. 41.)

But these may be removed by an amendment of the existing system of meeting the cost of asylum accommodation in certain districts. (p. 17; p. 41, Lord Balfour and Lord Kinross.)

How the grant to each authority should then be calculated. (p. 41.)

(See also under "LUNATICS.")

AUDIT:

An efficient audit system should be established for all local accounts. (p. 44, Lord Balfour and Lord Kinross.)

BEER AND SPIRIT SURTAXES:

(See under "SUBVENTIONS.")

BURGH ASSESSMENTS:

How charged. (p. 3.)

CEMETERIES:

Cemeteries worked at a profit should be rated. (p. 25.)

CLASSIFICATION:

(See under "DIFFERENTIAL RATING AND CLASSIFICATION.")

COLLECTION OF RATES:

Authorities for. (p. 7.)

Consolidation of rate-collecting machinery. (p. 24.)

COUNTY ASSESSMENTS:

How charged. (p. 3.)

CROWN PROPERTY:

Exemption of, and contributions in lieu of rates. (p. 24.)

DEATH DUTIES:

The cost of the relief proposed to be given to occupiers of agricultural lands and heritages should, for the present, be paid out of the Estate Duties on personality. (p. 16.)

(See also under "SUBVENTIONS.")

DIFFERENTIAL RATING AND CLASSIFICATION:

Origin of the classification of properties for rating. (p. 2.)

Some properties in burghs are assessed at one-fourth of their full annual value for certain rates. (p. 7.)

Classification of properties for rates. (pp. 7, 8. See also Final Report for England and Wales, pp. 36, 37.)

Classification of occupiers for parochial rates should be optional. (p. 23.)

Underground piping should be assessed at one-quarter of its annual value. (pp. 23, 24.)

DISEASES OF ANIMALS ACTS:

Expenses of Board of Agriculture under. How defrayed in Great Britain. (Final Report for England and Wales, p. 45.)

Complaints as to this system. (Final Report for England and Wales, p. 46.)

The expenditure incurred by the Board of Agriculture should be borne by the Exchequer. (Final Report for England and Wales, p. 46.)

DIVISION OF RATES:

Early instances of division of rates between owners and occupiers. (pp. 1, 2.)

Existing provisions regarding division of rates between owners and occupiers. (p. 4; p. 50.*)

Division of rates between owners and occupiers should continue. (p. 22.)

"Stereotyped" county rates should be divided. (pp. 22, 23.)

Parochial rates should be divided so as to leave an equal rate in the £ upon owners and occupiers. (p. 23.)

EDUCATION:

The cost of the abolition of school fees is principally borne upon the Votes. (p. 16.)

Supplementary School Fee Grant should, with the voted grant, be distributed at the rate of 12s. per scholar. (pp. 17, 18; p. 42, Lord Balfour and Lord Kinross.)

Amendment of grants to necessitous School Boards and to small schools is desirable. (p. 42, Lord Balfour and Lord Kinross.)

Grant for Secondary and Technical Education should be distributed by Scotch Education Department. (p. 17; p. 42, Lord Balfour and Lord Kinross.)

EXEMPTIONS FROM RATEABILITY:

Exemption of unoccupied property. (p. 24.)

Exemption on ground of poverty. (p. 24.)

Exemption of Crown property and contributions in lieu of rates. (p. 24.)

Local public property is mostly rateable. (p. 25.)

Various exemptions granted by Statute. (p. 25.)

No further exemptions should be granted. (p. 25.)

* Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

GROUND RENTS AND GROUND VALUES:
(See under "SITE VALUES, RATING OF.")

LAND VALUES:

(See under "SITE VALUES, RATING OF.")

LOCAL TAXATION ACCOUNT:

Should be brought to an end. (p. 52, O'Connor.)

LUNATICS:

The existing Pauper Lunatics Grant has not equalised the burden of pauper lunacy, and whilst it has unnecessarily increased the number of asylum patients in some districts, it has not adequately encouraged asylum treatment in the poorer districts. (pp. 43, 44, Lord Balfour and Lord Kinross.)

(See also under "ASYLUMS.")

"MEANS AND SUBSTANCE":

Rating of occupiers on. (p. 2.)

Gradual disappearance of rating on. (p. 3.)

POLICE:

Police Grant should be one-half of whole net cost of police. (p. 16.)

In the distribution of the Police Grant, equalisation may be carried to a greater extent than with the Poor Relief Grant. (p. 39, Lord Balfour and Lord Kinross.)

Proposals already made for the distribution of the English Police Grant. (p. 39, Lord Balfour and Lord Kinross.)

Each police authority should receive a grant equal to (1) the difference between the products of 1s. 2d. per inhabitant and a 1d. rate upon the assessable value, and (2) one-half of its expenditure above 1s. 2d. per inhabitant. (pp. 39, 40, Lord Balfour and Lord Kinross.)

General result of this scheme. (p. 40, Lord Balfour and Lord Kinross.)

Illustration showing how the grant would be calculated. (p. 40, Lord Balfour and Lord Kinross.)

Full effect of the scheme in all cases. (p. 40, Lord Balfour and Lord Kinross.)

Total amount of Police Grant. (pp. 40, 41, Lord Balfour and Lord Kinross.)

POOR RATE:

Origin of. (p. 1.)

Early Poor Rates in burghs. (p. 2.)

Various methods of rating authorised by Poor Law Amendment Act, 1845. (pp. 2, 3.)

POOR RELIEF GRANT:

Equalisation and economy should be the main considerations in its distribution. (p. 32, Lord Balfour and Lord Kinross.)

The smallness of the administrative units causes great inequalities in the Poor Rates, and makes equalisation even more necessary than in England. (pp. 32, 33, Lord Balfour and Lord Kinross.)

The principles of "ability" and "necessity" should be maintained, with slight modifications. (p. 33, Lord Balfour and Lord Kinross.)

The grant to each parish should be a prescribed proportion of the expenditure, the proportion being greater in the poorer parishes and smaller in the richer parishes. (pp. 33, 34, Lord Balfour and Lord Kinross.)

The proportion should also be greater in so far as the expenditure is indisputably economical, and smaller as it becomes more extravagant. (p. 34, Lord Balfour and Lord Kinross.)

The scale of percentages suggested. (p. 34, Lord Balfour and Lord Kinross.)

Illustration of the method of calculating the grants. (p. 35, Lord Balfour and Lord Kinross.)

The reason for certain features of the scale. (p. 35, Lord Balfour and Lord Kinross.)

Full effect of the proposals. (p. 36, Lord Balfour and Lord Kinross.)

Poor parishes will receive larger grants per inhabitant than rich parishes, and economical parishes will require a smaller rate than extravagant parishes. (p. 36, Lord Balfour and Lord Kinross.)

POOR RELIEF GRANT—cont.

The equity of these principles. (p. 36, Lord Balfour and Lord Kinross.)

The high proportion of the expenditure which would be given in certain hypothetical cases is not incompatible with economy. (pp. 36, 37, Lord Balfour and Lord Kinross.)

The grants should nowhere fall below the present Pauper Lunacy and Medical Relief Grants. (p. 37, Lord Balfour and Lord Kinross.)

Results of proposals compared with existing system in certain cases. (pp. 37-39, Lord Balfour and Lord Kinross.)

Total amount of Poor Relief Grant, and effect upon the proposals of the adoption of net value as the basis for all rates. (p. 39, Lord Balfour and Lord Kinross.)

Opinion of Mr. W. Penney, General Superintendent of Poor, as to desirability and possibility of equalising the Poor Rate. (p. 44, Lord Balfour and Lord Kinross.)

PROPERTIES ASSESSED FOR LOCAL RATES:
(pp. 3, 4.)

RAILWAYS:

Valuation of railways, &c. by Railway Assessor. (p. 6.)

Railways are valued on the profits principle. (p. 20.)

Present method of valuing railways. (pp. 20, 21.)

Receipts, deductions, and total valuation of Caledonian Railway for 1901-1902. (p. 21.)

Allocation of total value of railways between various rating areas and valuation of stations, &c. (p. 21.)

Valuation of sidings. (pp. 21, 22.)

Proportion of total value of Caledonian and North British Railways allocated to stations and lines respectively. (p. 22.)

The deductions should be determined by the Railway Commission or the Court of Session. (p. 22.)

The value of the line should be apportioned between the various rating areas according to train-mileage, and not line-mileage. (p. 22.)

There should be a statutory definition of the term "undertaking" as used in the Valuation Act. (p. 45, Lord Balfour and Lord Kinross.)

The tenants' working stock and plant should be re-valued periodically. Suggested amendment in present method of ascertaining value for intermediate years. (pp. 45, 46, Lord Balfour and Lord Kinross.)

A deduction for depreciation should be continued, but that for expenditure upon renewals should cease, and the amount of that expenditure should be added to the value of the tenants' stock. (p. 46, Lord Balfour and Lord Kinross.)

The deduction for occupiers' Income Tax should cease. (p. 46, Lord Balfour and Lord Kinross.)

Summary of proposals with regard to deductions. (pp. 46, 47, Lord Balfour and Lord Kinross.)

The actual amount of the percentages allowed should be determined by the Railway Commission or the Court of Session. (p. 47, Lord Balfour and Lord Kinross.)

Stations should be valued at not less than 3 per cent. upon their capital value, but the percentage should vary above that figure according to the value of the line per train-mile. (p. 47, Lord Balfour and Lord Kinross.)

Determination of net value of properties valued by Railway Assessor. (p. 48, Lord Balfour and Lord Kinross.)

RATES LEVYABLE:

Rates levied separately, and rating areas. (pp. 6, 7.)

Consolidation of rates. (p. 24.)

ROADS:

Grant for main roads. A Commission suggested to determine which are main roads. (p. 17; p. 41, Lord Balfour and Lord Kinross.)

The total amount of grant. (p. 17; p. 41, Lord Balfour and Lord Kinross.)

SANITARY OFFICERS:

Proposed grant for. (p. 17; p. 41, Lord Balfour and Lord Kinross.)

SERVICES ADMINISTERED BY LOCAL AUTHORITIES:

Personal services should be paid for by the individual served; general public services from general public resources; and local public services from the local fund represented by the value of the land of the locality. (p. 51, O'Connor.)

SITE VALUES, RATING OF:

Conclusions set forth in Urban Rating Report for England and Wales should be applied to Scotland. (p. 49.*)

Proposals and criticisms. (pp. 50, 51.*)
Recommendation. (p. 51.*)

"SPECIAL DISTRICTS":

Should be conterminous if possible. (p. 25.)

SPENDING AUTHORITIES. (pp. 6, 7.)

SUBVENTIONS:

1. Present Statutory Provisions and Amounts:

The re-arrangement of the Subventions in 1888-90. (p. 9.)

Amounts of the discontinued grants. (p. 9.)
The Subventions now pass through the Local Taxation (Scotland) Account. (p. 9.)

Revenues payable into the Account under the arrangements of 1888-90. (p. 9.)

Payments into the Account under the arrangements of 1896-98 for the relief of agricultural occupiers and other purposes. (pp. 9, 10.)

Amounts paid into the Account in 1890-91 and 1900-1901. (p. 10.)

Provision was originally made for defraying from the Account the cost of the abolition of school fees, but the cost is now principally borne upon the Votes. (p. 10.)

Payments out of the Account in 1900-1901. (pp. 11-13.)

The grants are mainly fixed grants. (p. 14.)
Summary of the grants payable from the Account in separate parts. (p. 14.)

2. Objections to existing System:

Objections to some of the existing grants. (p. 43, Lord Balfour and Lord Kinross.)

3. How Relief to Local Rates should be provided, and the Amount proposed to be given:

This problem is similar to that which arises in England, and should be dealt with on uniform lines. (p. 14.)

The surrender of certain Imperial revenues to local purposes is desirable; or, alternatively, assistance should be given from the Consolidated Fund. (p. 14.)

Under either proposal the question arises as to the proportion to be allocated to England and Scotland respectively. (pp. 14, 15.)

Present basis of allocation of Estate Duties and Beer and Spirit Duties. Population would be a better basis. (p. 15.)

Population would also be a better basis than expenditure on Poor Relief, Police, &c. (p. 15.)

Population of England, Scotland, and Ireland. (p. 15.)

The proportion allocated to Scotland would be much the same, whether the present basis of allocation or population basis be adopted. (p. 15.)

Relation of total proposed grant to expenditure upon National services. (p. 16.)

For general public services a grant should be given sufficient to secure completeness and efficiency. (p. 51, O'Connor.)

The grant should be charged on the Consolidated Fund. (p. 49, Hamilton-Murray; p. 52, O'Connor.)

(See also under "DEATH DUTIES.")

SUBVENTIONS—cont.

4. The Distribution of the proposed Grants:

The additional moneys should be distributed with due regard to the effect upon local administration. The proposals made in the case of England and Wales. (p. 16.)

Those proposals might, it is thought, be extended to Scotland. (p. 16.)

The proposals involve a re-arrangement of the Scottish grants. Objects of the existing grants. (p. 18; pp. 42, 43, Lord Balfour and Lord Kinross.)

The grants should be paid direct to the authorities administering the services. (p. 18.) Provision should be made for the distribution of a sum to counties and burghs in aid of their general expenditure. (p. 18.)

Approximate amount of this grant. (p. 18.)

Increased powers of control should be given to the Government Departments concerned in the administration of the services assisted. (p. 18; p. 44, Lord Balfour and Lord Kinross.)

Scottish Subventions should be distributed upon same broad principles as English Subventions. (p. 31, Lord Balfour and Lord Kinross; p. 49, Hamilton-Murray.)

Chief features of scheme of distribution proposed for England. (p. 31, Lord Balfour and Lord Kinross.)

The services regarded as National, and to which assistance should be given. (pp. 15, 16; p. 31, Lord Balfour and Lord Kinross.)

Expenditure upon National services, and allocation of total grant between them. (p. 32, Lord Balfour and Lord Kinross.)

Grants should be fixed for a period of years. (p. 32, Lord Balfour and Lord Kinross; p. 49, Hamilton-Murray; p. 52, O'Connor.)

Definition of "assessable value" under the proposals. (p. 32, Lord Balfour and Lord Kinross.)

Advantages of our proposals. (p. 43, Lord Balfour and Lord Kinross.)

Objections to stereotyping the grants to certain items of expenditure. (p. 43, Lord Balfour and Lord Kinross.)

The local expenditure to which the State ought to contribute. (p. 49, Hamilton-Murray.)

Sir Edward Hamilton and Sir George Murray concur generally with the recommendations of Lord Balfour. (p. 49. See also p. 52, O'Connor.)

(See also under "DEATH DUTIES.")

UNOCCUPIED PROPERTY:

Exemption of. (p. 24.)

URBAN TENURES. (p. 50*)

VALUATION, AUTHORITIES:

Valuation authorities and the appointment of assessors. (p. 5.)

Surveyors of Taxes should be appointed Lands Valuation Assessors wherever possible. (p. 19.)

The Lands Valuation Appeal Court should consist of three Judges of the Court of Session, and should hear all valuation appeals. (pp. 19, 20.)

In certain cases the Railway Assessor should be supplied with counsel. (p. 20.)

(See also under "RAILWAYS.")

VALUATION, PRINCIPLES:

System of valuation; gross and net value. (p. 4.)
Definition of gross value; actual rent and estimated rent. (p. 4.)

Valuation based on "contractors' rent." (pp. 4, 5.)

Valuation based on profits. (p. 5.)

Deductions to arrive at net value for parochial rates. (p. 6.)

All rates should be levied upon the net value, which should be determined by the valuation authority, and entered in the valuation roll. (pp. 18, 19.)

Maximum scale of deductions should be fixed by Parliament. (p. 19.)

(See also under "RAILWAYS.")

* Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

VALUATION, PROCEDURE:

- Preparation of valuation roll. (p. 5.)
Objections and appeals. (pp. 5, 6.)
No supplementary valuation roll can be made. (p. 6.)
Valuation authorities should have power to make up a supplementary valuation roll in the middle of each year. (p. 19.)
Suggested alterations with regard to date and place for holding county and burgh valuation appeal courts. (p. 19.)

VALUATION, PURPOSES FOR WHICH USED:

- Valuation rolls form the basis for all local assessments. (p. 6.)

WATERWORKS, CORPORATION:

- Exceptional circumstances to be considered in the valuation of corporation waterworks. (p. 47, Lord Balfour and Lord Kinross.)
Existing method of valuing corporation waterworks. (p. 47, Lord Balfour and Lord Kinross.)
The question of trade profits in relation to the valuation. (pp. 47, 48, Lord Balfour and Lord Kinross.)
The gross revenue is a wrong starting point, and should be modified. (p. 48, Lord Balfour and Lord Kinross.)
"Profits principle" and "contractors' rent" principle not inconsistent in these cases. (p. 48, Lord Balfour and Lord Kinross.)
Deductions for tenants' interest, &c. (p. 48, Lord Balfour and Lord Kinross.)
Allocation of total value. (p. 48, Lord Balfour and Lord Kinross.)

INDEX TO REPORTS FOR IRELAND.

The Reports, Memoranda, &c. are—

Report on Valuation:

REPORT (signed by all the Commissioners. See p. 5).

Final Report:

REPORT (signed by all the Commissioners. See p. 5).

SEPARATE RECOMMENDATIONS by LORD BALFOUR OF BURLEIGH and LORD KINROSS OF GLASCLUNE.

MEMORANDUM by SIR EDWARD HAMILTON and SIR GEORGE MURRAY.

MEMORANDUM by JUDGE O'CONNOR.

REPORT ON URBAN RATING AND SITE VALUES by LORD BALFOUR OF BURLEIGH, LORD KINROSS OF GLASCLUNE, SIR EDWARD HAMILTON, SIR GEORGE MURRAY, and MR. JAMES STUART.

The Volumes containing the Reports are referred to as the "Valuation" and "Final," and in the case of separate Reports, Memoranda, &c., the names of the Commissioners signing them are also given.

AGRICULTURAL LAND AND AGRICULTURAL GRANT:

How the net annual value of land was to be estimated. (Valuation, pp. 1, 2.)

Valuation of. Method of procedure. Matters considered by valuers. (Valuation, p. 2.)

Valuation of. Question of tenant right. (Valuation, p. 3.)

No revision of valuation of land. (Valuation, p. 3.) Owners and occupiers and the Agricultural Grant. (Final, pp. 6, 7.)

The calculation of the amount of the Agricultural Grant. (Final, pp. 9, 10.)

The relief of the agricultural ratepayer should be continued for the present. (Final, p. 14.)

Large proportion and varying quality of agricultural land. (Final, pp. 21, 22, Lord Balfour and Lord Kinross.)

Distribution of Agricultural Grant not altogether satisfactory. (Final, p. 24, Lord Balfour and Lord Kinross.)

The Agricultural Grant is not an inalienable endowment of particular districts. (Final, p. 25, Lord Balfour and Lord Kinross.)

But the exemption of the agricultural ratepayer should be continued. (Final, pp. 25, 26, Lord Balfour and Lord Kinross.)

BEER AND SPIRIT SURTAXES:

How the amount of the Beer and Spirit Duties to be allocated to Ireland should be calculated. (Final, p. 18.)

CHARITABLE PROPERTY:

Exemption of. (Final, p. 15.)

COLLECTION OF RATES:

Collection of the Poor Rate. (Final, p. 7.)

CONGESTED DISTRICTS:

Description of. (Final, pp. 22, 23, Lord Balfour and Lord Kinross.)

COUNTY CESS:

Provisions concerning, and expenses to which applied. (Final, p. 5.)

CROWN PROPERTY:

Exemption of, and contributions in lieu of rates. (Final, p. 15.)

DEATH DUTIES:

How the amount to be allocated to Ireland should be calculated. (Final, p. 13.) Unsatisfactory character of present system of distribution. (Final, p. 24, Lord Balfour and Lord Kinross.)

DIFFERENTIAL RATING:

Provisions concerning. (Final, p. 8.)

Graduated Rates in Belfast. (Final, pp. 8, 9.)

DISEASES OF ANIMALS ACTS:

Expenses under. How defrayed in Ireland. (Final Report for England and Wales, p. 46.)

Complaints as to this system. (Final Report for England and Wales, p. 46.)

The expenditure incurred by the Irish Department of Agriculture should be borne by the Exchequer. (Final Report for England and Wales, p. 46.)

DIVISION OF RATES:

Division of rates between owners and occupiers. (Final, p. 29.*)

Division of municipal rates between owners and occupiers. (Final, p. 9.)

EDUCATION:

The cost of Primary Education in Ireland falls wholly on Parliamentary Votes. (Final, p. 9.)

Grant for Technical and Intermediate Education. (Final, p. 14.)

Funds should continue to be provided for Agricultural, Technical, and Intermediate Education. (Final, p. 23, Lord Balfour and Lord Kinross.)

EXEMPTIONS FROM RATEABILITY:

Wide range of exemptions. (Final, p. 15.)

Rating of half-rents. (Final, p. 15.)

Exemption of Crown property, and contributions in lieu of rates. (Final, p. 15.)

Of other public or charitable property. (Final, p. 15.)

Recommendations. (Final, pp. 15, 16.)

* Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

GRAND JURY CESS:

Provisions concerning, and expenses to which applied. (Final, p. 5.)

GROUND RENTS AND GROUND VALUES:

(See under "SITE VALUES, RATING OF.")

LAND VALUES:

(See under "SITE VALUES, RATING OF.")

LICENCE DUTIES (LOCAL TAXATION):

How the amount of the Local Taxation Licence Duties to be allocated to Ireland should be calculated. (Final, p. 12.)

LICENSED PREMISES:

Valuation of. (Final, pp. 16, 17.)

LOCAL GOVERNMENT:

Irish Local Government has been recently re-organised. Bearing of this fact upon the Local Taxation problem at present. (Final, p. 21, Lord Balfour and Lord Kinross.)

LOCAL TAXATION ACCOUNT:

Should continue. (Final, p. 13.)

MINES:

Valuation of. (Valuation, p. 2.)

MUNICIPAL RATES:

Provisions concerning. (Final, pp. 6, 8.)

POLICE:

The cost of Police in Ireland falls wholly on Parliamentary Votes. (Final, p. 9.)

POOR RATE:

Provisions concerning the Poor Rate previous to 1898, and expenses to which applied. (Final, pp. 5, 6.) Distribution of the new Poor Rate. (Final, pp. 7, 8.)

POOR RELIEF:

The present grants for Poor Relief expenditure should be continued. (Final, p. 14.)

The distribution of the present grants takes no account of the ability of the unions. (Final, pp. 23, 24, Lord Balfour and Lord Kinross.)

PROPERTIES RATEABLE. (Valuation, p. 2)**RAILWAYS:**

Valuation of. (Valuation, p. 2; Final, p. 16.)

RATES LEVIABLE:

Changes effected by the Local Government Act, 1898. (Final, p. 6.)

ROADS:

Grant for Main Roads. (Final, p. 14.)

RURAL RATES:

Distribution of Rural Rates. (Final, p. 22, Lord Balfour and Lord Kinross.)

Total Rural Rates in various districts; county, union, and district charges. (Final, p. 22, Lord Balfour and Lord Kinross.)

SERVICES ADMINISTERED BY LOCAL AUTHORITIES:

Personal services should be paid for by the individuals served, general public services from general public resources, and local public services from the local fund represented by the value of the land of the locality. (Final, p. 28, O'Connor.)

SHOOTING RIGHTS:

Valuation of. (Final, p. 17.)

SITE VALUES, RATING OF:

Recommendations. (Final, p. 29.*)

SUBVENTIONS:**1. Present Statutory Provisions and Amounts:**

Old system of grants-in-aid continued in Ireland down to 1898. (Final, p. 9.)

The Death Duty Grant. (Final, p. 9.)

Beer and Spirit Surtaxes. (Final, p. 9.)

Agricultural Grant. (Final, pp. 9, 10.)

Equivalent of Licence Duties, and additional sum. (Final, p. 10.)

Distribution of Death Duty Grant. (Final, p. 10.)

Distribution of Beer and Spirit Surtaxes. (Final, p. 10.)

Exchequer Contribution of 40,000*l.* a year. (Final, p. 11.)

Distribution of produce of License Duties, and additional sum of 79,000*l.* a year. (Final, p. 11.)

Application of Agricultural Grant. (Final, pp. 11, 12.)

Payments into and out of the Local Taxation (Ireland) Account, 1900–1901. (Final, p. 12.)

2. How Relief to Local Rates should be provided, and the Amount proposed to be given:

The Irish Local Taxation system does not differ materially from the English system, and the changes suggested for the improvement of the latter should be applied, so far as possible, to the former. (Final, pp. 12, 13.)

Funds for local purposes should be supplemented by certain Imperial revenues. (Final, p. 13.)

In determining the amount of the revenues to be transferred, the expenditure upon National services locally administered should be considered. (Final, p. 13.)

Source from which Subventions should be given. (Final, p. 21, Lord Balfour and Lord Kinross.)

Present Subventions are large in amount, but the pressure of Local Taxation is still severe owing to the poverty of the country. (Final, p. 21, Lord Balfour and Lord Kinross.)

A small increase of, say, 125,000*l.* should be made in the Irish Subventions. (Final, pp. 25, 26, Lord Balfour and Lord Kinross.)

Sir Edward Hamilton, Sir George Murray, and His Honour Judge O'Connor concur with the recommendations of Lord Balfour and Lord Kinross. (Final, pp. 27, 28.)

The State contribution to Ireland should be charged on the Consolidated Fund. (Final, p. 27, Hamilton—Murray, p. 28, O'Connor.)

For general public services a grant should be given sufficient to secure completeness and efficiency. (Final, p. 28, O'Connor.)

But when considering the amount of the grant, it should be remembered that money which should properly be spent in Ireland is being continually diverted to Great Britain. (Final, p. 28, O'Connor.)

3. The Distribution of the proposed Grants:

The National services to which assistance should be given. (Final, pp. 13, 14.)

Sundry new grants should be given. (Final, p. 14.)

Sundry miscellaneous grants should be continued. (Final, p. 14.)

There should also be a grant at the disposal of County and County Borough Councils. How this grant should be distributed. (Final, p. 14.)

Total effect of Subventions illustrated. (Final, pp. 24, 25, Lord Balfour and Lord Kinross.)

A redistribution of Subventions is desirable. (Final, p. 25, Lord Balfour—Lord Kinross.)

Summary of Recommendations. (Final, p. 26, Lord Balfour and Lord Kinross.)

The distribution of the principal part of the Subventions should proceed upon the lines of "necessity" and "ability." (Final, pp. 26, 27, Lord Balfour and Lord Kinross.)

* Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

SUBVENTIONS—cont.**3. The Distribution of the proposed Grants—cont.**

Sir Edward Hamilton, Sir George Murray, and His Honour Judge O'Connor concur with the recommendations of Lord Balfour and Lord Kinross. (Final, p. 27.)

URBAN TENURES. (Final, p. 29.*)**VALUATION, AUTHORITIES:**

Local authorities might take some part in the valuation. (Valuation, pp. 4, 5.) Question of appeals to Quarter Sessions where no point of law arises. (Final, p. 17.)

VALUATION, PERIODS AT WHICH MADE:

First Government Valuation, 1830-46. (Valuation, p. 1.)

Second Government Valuation, 1846-52. (Valuation, p. 1.)

Third Government Valuation, 1852-66. Griffith's Valuation. (Valuation, p. 1.)

General revision of the valuation has never been made. (Valuation, p. 3.)

VALUATION, PERIODS AT WHICH MADE—cont.

Annual revision of the valuation. (Valuation, p. 3.)

Annual revision of the valuation insufficient and incomplete, only decreases in the value of buildings recorded. (Valuation, p. 3.)

Re-valuation of Ireland necessary. (Valuation, p. 4.).

VALUATION, PRINCIPLES:

Valuation to be made upon an estimate of the net annual value. (Valuation, p. 1.)

Valuation of buildings never let. (Valuation, p. 3.)

New buildings. Deduction to arrive at the level of Griffith's Valuation. (Valuation, p. 3.)

VALUATION, PROCEDURE:

Appeals against valuation. (Valuation, p. 4.)

VALUATION, GENERAL:

Attempts to improve the Valuation. (Valuation, p. 4.)

Under-valuation in Dublin and other towns. (Valuation, p. 4.)

* Report on Urban Rating and Site Values, by Lord Balfour, Lord Kinross, Sir Edward Hamilton, Sir George Murray, and Mr. James Stuart.

R. 427
ROYAL COMMISSION ON LOCAL TAXATION.

S. 2309

REPORT

ON

VALUATION IN IRELAND

BY

HIS MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

LOCAL TAXATION.

Presented to both Houses of Parliament by Command of His Majesty.



LONDON:
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1902.

1d.

R. 427

TERMS OF REFERENCE.

To inquire into the present system under which taxation is raised for local purposes and report whether all kinds of real and personal property contribute equitably to such taxation; and, if not, what alterations in the law are desirable in order to secure that result.

ANALYSIS OF REPORT.

	Page
First Government Valuation, 1830-1846	1
Second Government Valuation, 1846-1852	
Third Government Valuation, 1852-1866, Griffith's Valuation.	
Principles of Valuation. Valuation to be made upon an estimate of the net annual value.	
How the net annual value of land was to be estimated.	
Properties rateable	2
Method of Procedure. Matters considered by Valuers.	
Valuation of Mines, Railways and similar properties.	
Valuation of buildings never let	3
Question of Tenant Right.	
General revision of the Valuation has never been made.	
Annual revision of the Valuation. No revision of the valuation of land.	
Annual revision of the Valuation insufficient and incomplete. Only decreases in the value of buildings recorded.	
New buildings. Deduction to arrive at the level of Griffith's Valuation.	
Appeals against Valuation	4
Attempts to improve the Valuation.	
Under-valuation in Dublin and other towns.	
Re-valuation of Ireland necessary.	
Local Authorities might take some part in the Valuation.	

ROYAL COMMISSION ON LOCAL TAXATION.

REPORT ON THE SYSTEM OF VALUATION IN IRELAND.

TO THE KING'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY:

As stated in the portion of our Final Report relating to England and Wales, we hope to present, in due course, and at no distant date, reports on Local Taxation in Scotland and Ireland. But we believe that it will be convenient if the conclusions at which we have unanimously arrived on one especial question, viz., the system of valuation of rateable property in Ireland, are presented in advance of our general Report. We therefore beg leave humbly to submit to your Majesty the following special Report on this question:

The work of valuation in Ireland is entirely performed by a Government Department.* The first Government Valuation was commenced in 1830 for the purpose of "the more equal levying of the Grand Jury Cess." The unit of valuation was the *townland*, and the valuation of land was to be made with reference to a scale of agricultural prices. Houses were valued at two-thirds of the annual rent for which they could be let.†

When the whole of Ireland, with the exception of six counties, had been valued, the passing of the Poor Law Act‡ of 1838 rendered a separate valuation of each *tenement* necessary for the purposes of levying the Poor Rate, and as the dividing up of the townland valuation was not satisfactory, a valuation of the remaining six counties by *tenements* was made upon an estimate of the net annual value.§

The existence of two valuations, one for County Cess and another for the Poor Rate, led to the passing of the Valuation Act of 1852, and under this and amending Acts|| the valuation of Ireland is at present carried out. The preamble to the Act states that "it is expedient to make one uniform valuation of lands and tenements" in Ireland, which may be used for all public and local assessments and other rating," and this valuation (commonly known as Griffith's Valuation) superseded the townland and tenement valuations made under the earlier Acts.

The valuation was made separately for every tenement or rateable hereditament upon "an estimate of the net annual value" which was defined in regard to houses and buildings¶ as "the rent for which, one year with another, the same might in its actual state be reasonably expected to let from year to year, the probable average annual cost of repairs, insurance, and other expenses (if any) necessary to maintain the hereditament in its actual state, and all rates, taxes, and public charges, if any, (except tithe rentcharge) being paid by the tenant,"**

Principles of valuation.
Valuation to be made upon an estimate of the net annual value.

No corresponding definition was given with regard to land,†† but it was directed that the net annual value was to be estimated "with reference to the average prices of the several articles of agricultural produce" specified in the Act,††† "all peculiar

How the net annual value of land was to be estimated.

* See "Memorandum prepared for the Commission by the Irish Local Government Board"; "Memorandum prepared for the Commission by the Commissioner of Valuation, Ireland," C.-8764, 1898, pp. 127-142 and 277-281, and Minutes of Evidence, Vol. I. (C.-8763, 1898), and Vol. V., Ireland, Cd. 383, 1900.

† 7 Geo. IV. c. 62; 1 & 2 Will. IV., c. 51; 2 & 3 Will. IV., c. 73; 4 & 5 Will. IV., c. 55; 6 & 7 Will. IV., c. 84.

‡ 1 & 2 Vict. c. 56.

§ 9 & 10 Vict. c. 110.

|| 15 & 16 Vict. c. 63; 17 Vict. c. 8; 23 Vict. c. 4; 27 & 28 Vict. c. 52; 37 & 38 Vict. c. 70.

¶ Buildings include all farmhouses and farm buildings.

** 15 & 16 Vict. c. 63, s. 11.

†† Land means land not covered with buildings.

††† The scale of prices was:—

	s. d.
Wheat	7 6
Oats	4 10
Barley	5 6
Flax	49 0
Butter	65 4
Beef	35 6
Mutton	41 0
Pork	32 0

These prices were taken from the general averages of 40 market towns in Ireland during the years 1849, 1850, and 1851.

" local circumstances in each case being taken into consideration, and all rates, taxes, " and public charges, if any, (except tithe rentcharge) being paid by the tenant."

The Act contained no reference to a "gross estimated rental" as in England, and consequently the net value only appears in the valuation lists.

Properties
rateable.

The tenements and hereditaments defined as rateable by the Act of 1852 and its amending Acts are as follows* :—

- (1.) All lands and buildings, and all mines which have been opened for seven years, or re-opened for seven years after having been *bond fide* abandoned ;
- (2.) All commons and rights of common, and all other profits to be had or received or taken out of any land ;
- (3.) Half the annual rent derived by the owner or other person interested in any tenements or hereditaments exempted by reason of being used for public or charitable purposes, or for the purposes of science, literature, and fine arts (see section 2 of amending Act of 1854—17 Vict. c. 8) ;
- (4.) All rights of fishery ;
- (5.) All canals, navigations, and rights of navigation ;
- (6.) All railways and tramroads ;
- (7.) All rights of way and other rights or easements over land, and the tolls levied in respect of such rights and easements, and all other tolls.

A proviso was inserted "that no turf bog or turf bank used for the exclusive purpose of cutting or saving turf, or for making turf mould therefrom for fuel or manure, shall be deemed rateable . . . unless a rent or other valuable consideration shall be payable for the same." (Section 12.)

Any increase in the value of lands and hereditaments arising from drainage or reclamation, etc. was exempted from rating for seven years after the drainage had been carried out.

In the valuation of any "mill or manufactory or building erected or used for any such purpose," the water or other motive power thereof was to be valued, but the value of any machinery therein, "save only such as shall be erected and used for the production of motive power," was not to be taken into account. (See section 7 of the amending Act of 1860, 23 Vict., c. 4.)

Method of
procedure.
Matters
considered
by valuers.

The valuation, which was carried out under the direction of Sir R. Griffith, was commenced in the South of Ireland in 1852 and completed in 1866, the north being valued last. In the course of the fourteen years during which the work was in progress, agriculture became more prosperous, and rents had risen, with the result that the valuation of agricultural land in the North of Ireland was rather higher than in the South.† The general instructions issued by Sir R. Griffith were to the effect that the value of the land was to be ascertained separately from that of the buildings, but that the total valuation of the land and buildings was not to exceed the fair letting value to a solvent tenant. For the purposes of the valuation the whole of Ireland was divided into districts, each district was then divided into "quality lots," i.e. areas in which the land was of equal value throughout, and in the valuation of the separate holdings in each of these areas the particulars of the soil and subsoil, underlying rock, and climate as affected by altitude, &c., were taken into account. Regard was also paid to facilities for getting seaweed and bog for manure and fuel, proximity to market towns, and their size and importance. Mr. Barton, the Commissioner of Valuation, stated in his evidence: "I have got all the particulars of the old valuation, and it is wonderful with what care it was worked out. The description of the soil, and subsoil, the altitude, and the amount of allowances for each of those different matters was worked out in each particular case."‡

Valuation of
mines, rail-
ways, and
similar
properties.

In the case of mines, quarries, and potteries, the receipts for an average of years were taken as a basis of valuation; similarly railways, canals, fisheries, waterworks, gasworks, &c., were valued on net receipts, and their valuations divided among the various rating areas in which they were situate, according to their respective values in each. In these valuations due allowance was made for interest on floating capital, tenants' profits, and depreciation.§

* Shooting rights are not valued in Ireland.

† The Commissioner of Valuation furnished a statement to the House of Commons Committee on Valuation in 1865 showing the difference existing between the valuations in the various counties. (See App. (Part I.) to Vol. I. of Min. of Ev., C-8764, 1898, p. 130.) See also Barton, 3311-6, 3520-8.

‡ Barton, 3279-81, 3294-300, 3506-13.

§ Barton, 3340-9; 3386-403.

Valuation of buildings never let.

The valuation of buildings for which no rent was paid was based on an estimate of the sum which the valuer considered fairly represented what they would let for, one year with another, and this was determined to some extent by the cost of the buildings as deduced from measurements. Their age, position, and solidity were also taken into account.*

At the time when Griffith's Valuation was made, tenant right only existed in Ulster, and it has been questioned whether its value was included in the estimates made by the valuers. That the value was so included Mr. Barton appears to have no doubt. He points out that the object of the valuation was to obtain the full annual value of the land, and that under the system prescribed by the Act the fact that both landlord and tenant had an interest in that value would not affect the results obtained.†

The Act of 1852 provided for a general revision of the valuation, but no funds were provided for the execution of such work, and such a general revision has never been made, with the result that in the course of time the valuation has become quite out of date, consequent chiefly upon the alteration of the prices of the various articles of produce and upon the changes in the cultivation of the separate holdings.‡

The Act also provided for a revision of the valuation every year and in accordance with the provisions of a later Act (17 Vict. c. 8) such annual revision is to be made in the case of—

- (1.) "The rateable tenements and hereditaments the limits whereof shall become altered; and also of"
- (2.) Rateable tenements and hereditaments the annual value of which is liable to frequent alteration, such as fisheries, railways, canals, tolls of roads, bridges, mines, gas and water works, and buildings."

The procedure is as follows:—

The collector of poor rates makes out and delivers to the Secretary to the County Council or to the Clerk to the Urban District Council, as the case may be, a list of all tenements and hereditaments within his district where a revision of the valuation becomes necessary for any of the above reasons. And any ratepayer who feels aggrieved may apply for a revision of the valuation of any rateable hereditament in the area in which he is rated. Lists embodying these cases are transmitted to the Commissioner of Valuation to be dealt with, who may alter or confirm the valuations as the cases may require, but under no circumstances, except where a clerical error is discovered, may the total valuation of the lands, independently of the buildings, within each respective townland or other denomination, as originally fixed under the Valuation Act of 1852, be increased or lessened.

No revision of valuation of land.

This annual revision of the valuation, provided for in the original Act, has been insufficient to keep the original valuation up to date.§ In the first place the valuation of uncovered land, apart from buildings, cannot be increased, and it is evident that many alterations in value must have taken place since the valuation was originally fixed. Large tracts of country have been drained, reclaimed and otherwise improved, but no increase has been made in their valuation, while, on the other hand, land has deteriorated without a corresponding reduction in the valuation. Mr. Barton informed us that he has no power to go into a district and make a revaluation and, generally speaking, except where structural alterations have been made, any alteration in the value of buildings is not brought to his notice by the Local Authorities, and consequently there are many cases of property which has increased in value remaining at the old valuation. On the other hand, where the value of any property has fallen, the fact is at once brought under notice by the owner or occupier, and the valuation accordingly reduced.

Annual revision of the valuation insufficient and incomplete.

In regard to new buildings which are included in the annual revision lists, and those in which a structural change has been made, Mr. Barton also stated that it is his practice to make a deduction from the full annual value in order to bring the valuation down to the average level of Griffith's Valuation, and he says, "if we did not do this we would have the new houses with a relatively much higher valuation than the old ones, and that would be a case of great injustice to the owners of property now being valued." He added that the deduction varied in different districts from 5 per cent. to 30 per cent.||

Only decreases in the value of buildings recorded.

New buildings. Deduction to arrive at the level of Griffith's Valuation.

* Barton, 3330-2 and App. (Part I.) to Vol. I. of Min. of Ev. C.—8764, 1898, p. 279, par. 13.

† Barton, 3282-93, 3356-63, 3404-11, 3494-503, 3514-19; O'Brien, 23,561-3, 23,566-7; O'Doherty, 26,073-90.

‡ Barton, 3300-4, 3449-51; O'Brien, 23,534; Dagg, 24,436-9; Field, 24,823-5; Battersby, 25,065-8; Bagwell, 25,534-40.

§ Dagg, 24,445-9; Battersby, 25,055-61; Finlay Heron, 26,392-410.

|| Barton, 3338-9, 3377-85, 3537-40; 27,260-3.

Appeals
against
valuation.

Ratepayers were empowered to appeal against the original valuation, in the first place to the Commissioner of Valuation, and from him to the Court of Quarter Sessions whose decision was final.

The same powers were given in the case of the annual revision, but these powers have since been extended, and questions of law may now be taken to the Court of King's Bench and then to the Court of Appeal, the decisions of the Court of Quarter Sessions being final as regards questions of fact.

Attempts to
improve the
Valuation.

From time to time attempts have been made to improve the valuation of Ireland, and Bills were introduced into the House of Commons for this purpose in 1866, 1873, and 1877.* In the two earlier Bills the valuation of all property was to be made "upon an estimate of the net annual value," but in the later Bill agricultural land was to be valued "upon an estimate of the net annual value thereof," with reference to a scale of agricultural prices. None of these Bills, however, passed into law.

Under-
valuation in
Dublin and
other towns.

Striking evidence was brought before us as to the under-valuation existing in Dublin and other urban districts in Ireland.† Under the recent Local Government Act,‡ However, a general revaluation of the six County Boroughs created by that Act may be made on the application of the Borough Council, and such a revaluation has already been nearly completed in Belfast.

Revaluation
of Ireland
necessary.

It was urged by several witnesses that the absence of any general revaluation during more than 40 years, and the insufficiency of the annual revision, rendered a complete revaluation of the whole of Ireland necessary.§ Other witnesses, however, thought that a revaluation of agricultural land was undesirable and unnecessary, holding that the great difficulty of the task would far outweigh the advantages to be gained by it.||

That difficulty arises mainly from the fact that (owing to the operation of the Land Acts and Land Purchase Acts) few Irish farms are now let in the open market at a competitive rent, and consequently the test of the rent actually paid (which renders valuation to a great extent automatic in England) is not available for determining what rent a tenant might reasonably be expected to pay.

On the other hand, the judicial rents fixed by the Land Courts do not in most cases profess to include all the elements which should enter into rateable value, and on this account they could not properly be made the basis of local taxation.

We are far from considering the difficulties thus arising to be negligible. But we are glad to find that the witness who would be least likely to under-rate them does not consider them insurmountable. Mr. J. G. Barton, who, as the Commissioner of Valuation, has unequalled experience, expressed an unhesitating opinion that a valuation of the whole of Irish rateable property on the basis of the English definition of annual value is not only very desirable but also—in spite of the serious difficulties which we have pointed out—practicable. Without attempting to solve all the detailed problems which would unquestionably arise, we decidedly concur in his opinion. And we would add an expression of our strong conviction, based upon prolonged study of the question of rating throughout the United Kingdom, that it is not easy to exaggerate the importance of fair, uniform, and accurate valuation, as a preliminary to any just distribution of the burdens of local administration.

Local
Authorities
might take
some part
in the
Valuation.¶

The question was raised by some of the witnesses who appeared before us whether the work of valuation might not with advantage be transferred wholly or partly from the Central Government to Local Authorities. There was some conflict of opinion as to the desirability of this step,|| and on the whole the weight of evidence inclines us to the belief that no such transfer is at present desirable.

We would not deny that English experience has proved that local responsibility and local knowledge are in some respects desirable elements in valuation, but on the whole we have tended more and more to think that expert skill and absolute independence are still more indispensable. Even as regards England we expressed the opinion in our First Report** that it is very desirable to enlarge the valuation area, to introduce professional surveyors, to increase the powers of the Inland Revenue

* House of Commons Bills, 135 of 1866, 64 of 1873, and 102 of 1877.

† Dawson, 23,629–37, 23,644–5, 23,697–710, 23,719; Black, 23,787, 23,980–6; Battersby, 24,986–9; Barton, 27,519–21.

‡ 61 & 62 Vict. c. 37.

§ Barton, 3375–6, 27,250–9; Robinson, 23,388–93; O'Brien, 23,480–2; Dagg, 24,436–44; Field, 24,833; Battersby, 24,986–92, 25,062–3; Finlay Heron, 26,480.

|| Montgomery, 25,190–206, 25,280–305; Bruen, 25,807–14; Hussey, 25,519; Bagwell, 25,534–40; Synott, 26,711–34.

¶ O'Brien, 23,490–9; 23,593–4, 23,609–12; Dawson, 23,638–41, 23,646–8; Black, 23,785–6; Haslett, 24,245–9; 24,298–306; 24,307–9; Dagg, 24,436–44; Battersby, 24,986–92; 25,038–42; Heron, 26,476–9; 26,480–4; Synott, 26,779; Barton, 27,305–17.

** C.—9141, 1899.

representatives, and even, with regard to railways and some other properties, to introduce a new system of Government Valuation. In Scotland, again, we think that the large part already played by Central Departments in valuation should be extended rather than curtailed.

Thus the tendency of our recommendations for Great Britain is towards making valuation a centralised and expert function. In Ireland such a system is already in existence, and its advantages have been realised in a high degree, so far as the imperfection of the Valuation Law has allowed. At the same time, with a view to the changed methods which will be necessary in the future, we think that the recent reorganisation of Local Government affords a favourable opportunity for the introduction of some local element. Accordingly we consider—and we understand that the evidence of the Commissioner of Valuation is not in opposition to this view—that, when the County Councils called into existence under the Act of 1898 have acquired rather more experience in administering local affairs, it would be desirable to confer on them some responsibility for the process of valuation, even if it should be thought better at first only to call them in for consultation and advice.

All which we humbly submit for Your Majesty's gracious consideration.

(Signed)	BALFOUR OF BURLEIGH (<i>Chairman</i>).	
	CAWDOR.	C. A. CRIPPS.
	J. B. BALFOUR.	HARCOURT E. CLARE.
	JOHN T. HIBBERT.	T. H. ELLIOTT.
	CHARLES B. STUART WORTLEY.	ARTHUR O'CONNOR.
	E. W. HAMILTON.	EDWARD ORFORD SMITH.
	G. H. MURRAY.	JAMES STUART.
	C. N. DALTON.	JOHN L. WHARTON.

ARTHUR WILSON FOX,
Secretary.

T. LLEWELYN DAVIES,
Assistant Secretary.

14th February 1902.

NOTE.—Certain points as to procedure, and as to the valuation of special properties, including Railways and Licensed Premises, will be dealt with in the general Report.

R/H/43

ROYAL COMMISSION ON LOCAL TAXATION.

S 2309

M E M O R A N D A

CHIEFLY RELATING TO THE
CLASSIFICATION AND INCIDENCE

OF

IMPERIAL AND LOCAL TAXES.

Presented to Parliament by Command of Her Majesty.



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TABLE OF CONTENTS.

	PAGE
QUESTIONS ADDRESSED TO FINANCIAL AND ECONOMIC EXPERTS BY THE ROYAL COMMISSION	2
REFERENCES TO ANSWERS	5
MEMORANDUM BY SIR EDWARD HAMILTON, K.C.B., ON IMPERIAL AND LOCAL TAXATION	7
ANSWERS BY LORD FARRER	66
" THE RT. HON. LEONARD COURTNEY, M.P.	85
" SIR R. GIFFEN, K.C.B.	93
" PROFESSOR SIDGWICK	99
" " MARSHALL	112
" " EDGEWORTH	126
" " BASTABLE	137
" " GONNER	144
" MR. E. CANNAN	160
" " L. L. PRICE	175
" " G. H. BLUNDEN	187
" " C. H. SARGANT	209
" " T. MACKAY	219
" " G. L. GOMME	235
" " J. W. S. CALLIE	244
" " C. P. SANGER	246

QUESTIONS.

These questions were sent by the Commission, in the autumn of 1897, to the financial and economic experts, whose answers will be found in the following pages. A copy of Sir Edward Hamilton's Memorandum was subsequently sent to them.

1. Is the classification of Imperial Taxation indicated in the accompanying Table a correct classification; if not, what alterations can you suggest? (See Table opposite.)
2. Assuming the classification, is it complete, and are the several items correctly distributed?
3. In particular should such an item as the net revenue of the Post Office, be treated as a tax, and if so, under which of the heads specified in the Table?
4. In considering the equity of any tax or system of taxation what tests should be applied?
5. Can you offer any suggestions which would assist the Commission in determining the question of the real incidence of taxation as distinguished from its primary or apparent incidence?
6. Could you, for example, state your view as to the real incidence of—
 - (a.) The Inhabited House Duty;
 - (b.) Rates levied on houses and trade premises;
 - (c.) Rates levied on agricultural land;
 - (d.) Taxes on the transfer of property;
 - (e.) Taxes on trade profits;
 - (f.) Death duties.
7. Is it possible to frame any criterion whereby the purposes for which taxation should be raised locally can be distinguished from those for which taxation should be raised by the central Government?
8. Should the two kinds of purposes and the expenditure on them be kept distinct or should the expenditure for local purposes be partly borne by the central Government?
9. Should local rates be divided between owners and occupiers of real property, and if so, in what proportions?
10. Should ground values be separately rated for local purposes, and if so, on what principles?
11. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, by—
 - (a.) The increase of an old rate.
 - (b.) The imposition of a new rate.
 - (c.) The reduction or abolition of a rate.
12. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, if an occupier by whom a rate had hitherto been paid were empowered to deduct the whole or a portion thereof from the rent in the same manner as he is now entitled to do in the case of Income Tax (Schedule A.)?
13. What is the effect, if any, upon rent of rating property—
 - (a.) On different scales of duty according to the value of the property.
 - (b.) On different scales of duty according to the character of the property or the purposes for which it is used.
14. Can you make suggestions to the Commission as to any methods of raising revenue for local purposes, otherwise than by means of rates?
15. Does any point not included under any of the foregoing questions occur to you on which having regard to the terms of reference to the Commission you wish to express an opinion?

TERMS OF REFERENCE TO THE COMMISSION.

“ To inquire into the present system under which taxation is raised for local purposes, and report whether all kinds of real and personal property contribute equitably to such taxation; and if not, what alterations in the law are desirable in order to secure that result.”

TABLE.
Classifying Taxes raised by PARLIAMENT in 1895-6.*

NOTE.—The Classification includes the Taxes assigned to the Local Taxation Accounts as well as the Taxes payable to the Exchequer. The figures represent the Net Receipts under the principal heads of Tax Revenue as given in the Finance Accounts for 1895-6, pp. 19-22.

DESCRIPTION OF TAX.	Taxes incidental to the Ownership, Occupation, or Transfer of Property.			Taxes not incidental to Property.				GRAND TOTAL.	
	Rateable Property.	Non-Rateable Property.	Total.	Taxes levied in respect of Commodities.	Taxes levied in respect of Incomes derived from Personal Exertion.	Miscellaneous Taxes.	Total.		
	£	£	£	£	£	£	£	£	
1. CUSTOMS DUTIES	—	—	—	20,965,000	—	—	20,965,000	20,965,000	
2. EXCISE DUTIES:									
Duties on Consumable Articles (including Licences falling on Consumable Articles).	—	—	—	29,704,000	—	—	29,704,000	29,704,000	
Licences (other than those falling on Consumable Articles).	—	—	—	—	—	1,632,000	1,632,000	1,632,000	
Railway Passenger Duty	—	—	—	—	—	250,000	250,000	250,000	
TOTAL EXCISE DUTIES	—	—	—	29,704,000	—	1,881,000	31,585,000	31,585,000	
3. DEATH DUTIES:									
Probate and Account Duty	48,000	133,000	181,000	—	—	—	—	181,000	
Temporary Estate Duty	150,000	13,000	163,000	—	—	—	—	163,000	
Estate Duty	3,540,000	6,933,000	9,923,000	—	—	—	—	9,923,000	
Legacy Duty	724,000	2,007,000	2,731,000	—	—	—	—	2,731,000	
Succession Duty	897,000	154,000	1,051,000	—	—	—	—	1,051,000	
Corporation Duty	34,000	6,000	40,000	—	—	—	—	40,000	
TOTAL DEATH DUTIES	5,393,000	8,096,000	14,089,000	—	—	—	—	14,089,000	
4. STAMP DUTIES:									
Deeds and other Instruments	1,946,000	2,059,000	4,005,000	—	—	—	—	4,005,000	
Securities to Bearer	—	207,000	207,000	—	—	—	—	207,000	
Joint Stock Companies' Capital	—	260,000	260,000	—	—	—	—	260,000	
Contract Notes above 1d.	61,000	110,000	171,000	—	—	—	—	171,000	
Bills of Exchange and Promissory Notes	—	673,000	673,000	—	—	—	—	673,000	
Bankers' Notes and Composition for Duty on Bankers' Bills and Notes.	—	124,000	124,000	—	—	—	—	124,000	
Playing Cards	—	—	—	20,000	—	—	20,000	20,000	
Licences and Certificates	—	—	—	—	—	107,000	107,000	107,000	
Life Insurances	—	67,000	67,000	—	—	—	—	67,000	
Marine Insurances	—	145,000	145,000	—	—	—	—	145,000	
Patent Medicines	—	—	—	239,000	—	—	239,000	239,000	
Receipts, Drafts, &c.	—	1,261,000	1,261,000	—	—	—	—	1,261,000	
TOTAL STAMP DUTIES	2,007,000	4,906,000	6,913,000	259,000	—	167,000	426,000	7,339,000	
5. LAND TAX (unredeemed)	1,021,000	—	1,021,000	—	—	—	—	1,021,000	
6. INHABITED HOUSE DUTY	1,487,000	—	1,487,000	—	—	—	—	1,487,000	
7. INCOME TAX:									
Schedule A.	4,766,000	28,000	4,794,000	—	—	—	—	4,794,000	
Schedule B. (including Farmers' profits assessed Schedule D.).	—	59,000	59,000	—	119,000	—	119,000	178,000	
Schedule C.	—	1,300,000	1,300,000	—	—	—	—	1,300,000	
Schedule D.:									
Fishings and Shootings	22,000	—	22,000	—	—	—	—	22,000	
Railways in the United Kingdom	613,000	588,000	1,003,000	—	—	—	—	1,033,000	
Quarries, Mines, &c.	447,000	404,000	851,000	—	—	—	—	851,000	
Railways out of the United Kingdom	—	390,000	390,000	—	—	—	—	390,000	
Foreign and Colonial Securities and Coupons.	—	495,000	495,000	—	—	—	—	495,000	
Municipal Interest, other Interest, and other Profits.	—	239,000	239,000	—	—	—	—	239,000	
Public Companies	—	1,029,000	1,029,000	—	—	—	—	1,029,000	
Trades and Professions	—	726,000	726,000	—	2,902,000	—	2,902,000	3,628,000	
Schedule E.	—	—	—	—	1,124,000	—	1,124,000	1,124,000	
TOTAL INCOME TAX (at 5d. in the £)	5,890,000	5,958,000	11,838,000	—	4,145,000	—	4,145,000	16,983,000	
8. POST OFFICE (excess of Revenue over Expenditure).	—	—	—	—	—	2,994,000	2,994,000	2,994,000	
(GRAND TOTAL)	15,788,000	19,060,000	35,348,000	50,928,000	4,146,000	5,052,000	60,123,000	95,473,000	
PERCENTAGES OF GRAND TOTAL	16·8	20·5	37·0	53·4	4·3	5·3	63·0	100·0	

* For Memorandum explaining the basis of this Table, see p. 63.
Cf. also pp. 33-37 of Sir Edward Hamilton's Memorandum.

REFERENCES TO ANSWERS.

	Pages	Answers to Questions—							
		1	2	3	4	5	6	7	8
Lord Farrer	66	66	66	66	66	67	69	69	
Rt. Hon. L. Courtney	85	85	85	85	86	86	88	88	
Sir R. Giffen, K.C.B.	93	94	95	95	96	96	97	97	
Professor Sidgwick	99	99	100	100	102	103	106	106	
" Marshall	112	112	113	113	115	117	123	123	
" Edgeworth	126	126	127	127	128	129	133	133	
" Bastable	137	139	139	139	140	141	142	143	
" Gonner	147	149	149	144	149	153	156	156	
Mr. E. Cannan	160	162	163	164	166	167	170	171	
" L. L. Price	175	176	178	178	179	180	183	184	
" G. H. Blunden	187	188	188	188	189	189	192	193	
" C. H. Sargent	—	—	—	—	209	212	214	215	
" T. Mackay	219	219	220	220	221	221	228	228	
" G. L. Gomme	235	235	236	236	236	241	242	242	
" J. W. S. Callie	244	244	244	244	245	245	245	245	
" C. P. Sanger	248	248	248	249	—	—	249	249	

	Pages	Answers to Questions—						
		9	10	11	12	13	14	15
Lord Farrer	79	81	83	83	83	83	83	83
Rt. Hon. L. Courtney	89	89	89	89	90	90	90	91
Sir R. Giffen, K.C.B.	97	97	97	98	98	98	98	98
Professor Sidgwick	107	107	108	108	108	108	109	—
" Marshall	124	124	124	117	117	124	124	124
" Edgeworth	134	134	135	135	137	137	137	137
" Bastable	143	143	143	143	144	144	—	—
" Gonner	156	157	158	158	159	159	159	159
Mr. E. Cannan	171	171	171	171	171	172	173	
" L. L. Price	184	185	186	186	186	—	—	
" G. H. Blunden	193	194	195	196	196	196	197	
" C. H. Sargent	215	216	217	217	218	—	—	
" T. Mackay	229	—	—	—	—	—	—	
" G. L. Gomme	242	242	242	242	243	244	244	
" J. W. S. Callie	245	246	—	—	—	—	—	
" C. P. Sanger	—	—	—	—	—	250	250	

**Memorandum on Imperial Relief of Local Burdens and on the
System of Imperial and Local Taxation, prepared for the
Royal Commission on Local Taxation by
Sir Edward Hamilton, K.C.B.**

TABLE OF CONTENTS.

	Page
I.—PRELIMINARY REMARKS.	
Growth of local expenditure, and demands for relief	11
Objects of Memorandum	11
II.—HOW THE QUESTION OF LOCAL TAXATION HAS BEEN TREATED BY PARLIAMENT AND SUCCESSIVE GOVERNMENTS.	
Lord Althorp's Committee on County Rates (1834)	11
Grants for criminal prosecutions and removal of convicts (1835)	11
Constabulary Commission (1836)	11
Mr. Miles' resolution (1845); Grounds of Government opposition; Position changed by repeal of the Corn Laws (1846)	12
Sir Robert Peel's measure, including grants for criminal prosecutions; maintenance of prisoners; medical relief; Poor Law schools; union auditors; Irish constabulary	12
House of Lords Committee on Burdens on Land (1846)	12
Mr. Disraeli's proposals (1849)	12
Mr. Disraeli again (1850); Attitude of political leaders	13
House of Lords Committee on Parochial Assessments (1850); Views of Sir G. Cornwall Lewis as to relations between local and Imperial finance; deprecating generally the proposed transfers of charges from rates to taxes; Report of the Committee	13
House of Commons Committee on Police (1853)	14
Police Act of 1856, providing for Imperial contribution of one-fourth of cost of pay and clothing	14
Contribution for rates on Government property (1859)	14
House of Commons Committee on Turnpikes (1864)	14
House of Commons Committee on Metropolitan Government (1866); Corporation of London Bill for rating owners referred to the same Committee (1867)	14
Mr. Goschen on the burden of rates (1867)	14
Resolution of Sir Massey Lopes for relief of real property (1868)	14
Motion of Sir Massey Lopes for a Royal Commission on local taxation (1869)	15
Mr. Goschen's Committee on division of rates (1870); Instruction to Committee to inquire into incidence; Mr. Goschen's draft report	15
Inquiry proposed by Sir Massey Lopes into incidence of taxation, Imperial and local (1871); Legislation promised by the Government	15
Mr. Goschen's Report (1871); Summary of its conclusions	16
Government Bills on local government and taxation introduced (1871); Bills unfavourably received, and withdrawn	16
Resolution of Sir Massey Lopes for relief of ratepayers from the charge for national services (1871); Discussion thereon; Resolution carried	16-17
Sir Stafford Northcote's measures (1874); comprising a grant for pauper lunatics and increased grants for police and for rates on Government property; Mr. Gladstone's protest	17
Prisons Acts of 1877, transferring local prisons from local authorities to the State	17
Duke of Richmond's Commission on Agricultural Depression	17
Mr. Gladstone's administration (1880-85)	18
Mr. Paget's resolution for relief of local taxation (1882); Annual grant for disturnpiked and main roads	18
Mr. Pell's resolution for immediate relief to ratepayers (1883); Amendment moved and supported by Government for associating relief with reform of local government; Amendment carried by narrow majority, and pressure put upon Government by their own supporters	18
Further resolution of Mr. Pell carried against the Government (1884)	18
Amendment to the Budget Bill carried by Sir Michael Hicks-Beach, and Government overthrown (1885)	18
Mr. Gladstone's election address (1885)	19
Resolution carried by Mr. Thorold Rogers, for equal division of rates between owners and occupiers (1886)	19
Cessation of London coal and wine dues	19
Mr. Goschen's first Budget (1887); Farmers' assessment to Income Tax; Increase of grant for disturnpiked and main roads	19
Mr. Gladstone's attack on the Budget proposals (1887)	20
Local Government reform (1888);—Discontinuance of grants-in-aid; Substitution of transferred licences; And additional relief by assignment of revenue	20
Particulars of discontinued grants-in-aid; and of transferred licences	20
Equivalent grant to Ireland	21
Reasons for transfer of probate duty	21

	Page
Allocation of the assigned revenues among local authorities	21
Abandonment of proposals for new licences	21
Additional beer and spirit duties imposed for local purposes (1890); Allocation between the three kingdoms, and application of the new duties	22
Sir Henry Fowler's report on local taxation (1893) :—Urban v. rural rates; Occupiers v. Owners	22
Report of Agricultural Commission (1896); Agricultural Rates Act, 1896	23
Summary of measures of Imperial relief	23
TABLE (A).—Showing the extent to which Local Taxation has been at different periods, and is now, relieved by the State in England, Scotland, and Ireland, and in the United Kingdom as a whole	24
Conclusions from retrospect	26

III.—PRESENT SYSTEM UNDER WHICH TAXATION IS RAISED FOR LOCAL PURPOSES.

Taxation raised by local authorities	27
Taxation raised by Parliament for local purposes	27
System of assigned revenues; Advantages of the system over grants-in aid	27
Objections to the system :—As diminishing local control; as based on fallacy; as weakening Parliamentary control; as making local finance uncertain	27
Attempted separation of local and Imperial finance has not succeeded	28
Further relief still sought	28
Amount of taxation for local purposes	28
TABLE (B).—Showing the amounts raised respectively by Local Authorities and Parliament for Local Purposes at different periods	29
Observations on Table B.	30
Results of the measures of 1846, 1874, and 1888–90	30
TABLE (C).—Showing the proportions which the amounts of Local Taxation bear to the Rateable Value at different periods	31
Conclusions from Table C.	32

IV.—AN ATTEMPT TO DEFINE AND CLASSIFY TAXES.

Enquiry must embrace both Imperial and local taxation	33
Taxes fall on persons, not on things	33
Definition of a "tax"; and of "Imperial" and "local" taxes	33
Previous classifications of taxes :—According to source; as direct and indirect; other classifications	34
Classification adopted for taxes levied by Parliament	34
Subdivision of taxes on property :—	
Real and Personal property	34
Movable and immovable property	34
Rateable and non-rateable property	34
Subdivision of taxes not incidental to property	35
General scheme of classification	35
TABLE (D).—Classifying taxes raised by Parliament in 1895–6	35
Reasons for regarding part of the Post Office revenue as a tax	36
Application of the classification to taxes raised locally	37
Onerous and beneficial rates	37
Classification does not determine incidence of any tax; least of all that of Inhabited House Duty and local rates	37
Shifting of taxes on agricultural land	38
Partial shifting of taxes on dwelling-houses	38
Shifting more easy in case of rates than of Inhabited House Duty	38
Difficulty of determining real incidence	38
Operation of supply and demand	38

V.—TAXATION RAISED FOR LOCAL PURPOSES CLASSIFIED.

Classification affected by treating the assigned revenues as separate local taxes, or as part of Imperial revenue	39
TABLE (E).—Showing the respective "Contributions" to taxation raised for Local Purposes, with the assigned revenues treated as separate Local Taxes	40
TABLE (F).—Showing the respective "Contributions" to taxation raised for Local Purposes, with the assigned revenues treated as Imperial subventions	40
Disappearance of difference shown by these Tables, when Imperial and local taxes are classified together	40–1

VI.—IMPERIAL AND LOCAL TAXATION CLASSIFIED TOGETHER.

TABLE (G).—Classifying Imperial and local taxation together for 1895–6	41
Proportions given by Table G. not those of real incidence	41
But these proportions may be compared for 1868–9 and 1895–6	41
TABLE (H).—Comparing the amounts and proportions of Imperial and Local Taxation incidental to "real" property, and of other Imperial and local taxation, in 1868–9 and in 1895–6	42
Adjustments necessary for true comparison	42
TABLE (I).—Classifying, on an identical basis, the Imperial and Local Taxation for 1868–9 and 1895–6	43
<i>Prima facie</i> deductions as to drift of taxation within that period	43

VII.—THE CLASSIFICATION OF IMPERIAL AND LOCAL TAXES ADJUSTED.

	Page
Classification may be adjusted so as to accord more closely with incidence	43
Ways in which taxes on dwelling-houses fall to some extent on occupiers	44
Necessary here to substitute "real" and "personal" for "rateable" and "non-rateable" property	44
England and Wales :—	
Valuation of lands, houses, and other property	44
Distribution of local rates among the various kinds of property according to valuation	44
Adjustments to be made in this distribution	45
Adjusted distribution of local rates as levied on the various kinds of property	46
Assumed incidence of rates on <i>Lands</i>	46
Assumed incidence of rates on <i>Houses</i>	46
Assumed incidence of rates on <i>Railways and Canals</i>	46
Assumed incidence of rates on <i>Other Properties</i>	47
TABLE (J.).—Apportioning rates in England and Wales on these assumptions	47
Scotland :—	
Valuation of the several classes of property	47
Distribution of local rates according to valuation	47
Assumed incidence of Scottish rates	47
TABLE (K.).—Apportioning rates in Scotland on these assumptions	48
Ireland :—	
Valuation of the several classes of property	48
Distribution of rates between each class of property	48
Assumed incidence of Irish rates	48
TABLE (L.).—Apportioning rates in Ireland on these assumptions	49
TABLE (M.).—Apportioning rates in the United Kingdom on adjusted classification	49
Assumed incidence of Inhabited House Duty; of Taxes in respect of Railways and Canals, and of Quarries, Mines, &c.	49-50
TABLE (N.).—Adjusting Table D.	50
TABLE (O.).—Adjusting, on the foregoing assumptions, the respective "Contributions" to taxation raised for Local Purposes	50
TABLE (P.).—Re-classifying, on the foregoing assumptions, the aggregate taxation raised for Imperial and Local Purposes	51
TABLE (Q.).—Comparing Tables G. and P.	51
Theories respecting the ultimate incidence of taxation	51

VIII.—CONCLUDING REMARKS.

Imperial taxes give rise to but little complaint	52
Local rates are a source of constant complaint; owing to the fact that personal property escapes its direct share of the burden; as it has done also from the Land Tax; this inequality could not be avoided	52-53
Imperial taxation largely proportioned to ability; but local taxation has to be proportioned also to benefits; incompatibility of these canons	53
Classification does not show incidence	53
Misconceptions as to incidence of taxation	53
Local rates which have increased are mostly beneficial	53
Imperial relief must come out of general taxation raised by the State; of which the larger proportion is not levied according to ability	54
Points suggested for attention :—	
Incidence	54
Equality of contribution	54
Onerous or beneficial nature of expenditure	54
Concluding <i>caveat</i>	54
LIST OF AUTHORITIES CITED IN THE MEMORANDUM	55

LIST OF APPENDICES.

APPENDIX I.—Schedule of Excise Licences, the proceeds of which are assigned to Local Authorities in Great Britain, showing the number of licences issued, and the amount of the proceeds in 1895-6	56
APPENDIX II.—Table classifying taxes raised by Parliament in 1868-9, on basis of Table D., at p. 35 of Memorandum	57
APPENDIX III.—A detailed account of the various Subventions in relief of Local Taxation, prepared by Mr. Blain of the Treasury	58
APPENDIX IV.—Memorandum by Sir Alfred Milner on the classification of taxes raised by Parliament, as given in Table D., at p. 35	63

I DESIRE it to be understood that I present this Memorandum to the Local Taxation Commission, not in the capacity of a member of it, but in the capacity of Assistant Secretary to the Treasury, on behalf of which I may assume that, had I not been appointed to serve on the Commission, I should have been summoned as a witness.

E. W. H.

14th July 1897.

In revising this Memorandum for publication, after an interval of two years, I have not attempted to bring the statistics up to date, and still less to meet any criticisms on questions of theory or policy; but I have contented myself with a very few minor amendments of the wording and the calculations.

E. W. H.

30th June 1899.

M E M O R A N D U M .

I.—PRELIMINARY REMARKS.

Few questions have occupied more frequently and persistently the attention of Parliament, since the first Reform Bill was passed in 1832, than the question of Local Taxation. In order to keep pace with the growth of local needs all over the country—such as better drainage and water supply, improved lighting and policing, better roads and streets, new municipal buildings, more efficient administration of the Poor Law and care of pauper lunatics, better primary education and housing of the working classes—there has been a constantly increasing expenditure to be met by local authorities, and, as a result thereof, a constantly increasing demand on their part for relief from the pressure of rates incidental to property, out of the public or common purse to which the whole community contributes.

The objects of this Memorandum is to trace historically the action which Parliament has taken at different times on these repeated applications for Imperial relief in aid of local burdens; to show the extent to which, and the manner in which, the ratepayers are, under existing arrangements, assisted by the taxpayers; to indicate in a general way the sources from which taxation is raised for Imperial as well as local purposes; and to give some indication of the great difficulties surrounding the questions which are raised by the Terms of Reference to us.

II.—HOW THE QUESTION OF LOCAL TAXATION HAS BEEN TREATED BY PARLIAMENT AND SUCCESSIVE GOVERNMENTS.

The first occasion on which the question of the burdensome nature of rates seriously engaged the attention of Parliament, and on which at the same time action was taken, was towards the close of Lord Grey's Government in March 1834. On the motion of his Chancellor of the Exchequer, Lord Althorp,* a Select Committee was appointed to inquire into the county rates in England and Wales, and to report what regulations might be adopted to diminish the pressure of local burdens on owners and occupiers of land. But, as the reform of the Poor Law administration was then under consideration, poor rates were excluded from the scope of the inquiry.

The Committee† admitted—and in support of this admission they had the authority of the Select Committee which a year before had inquired into the state of agriculture‡—that certain charges borne on local rates, such as those connected with prisons, criminal prosecutions, and inland communications, were charges of national importance and general utility, and as such were anomalously defrayed by local taxation. Accordingly, being of opinion that some portion of such charges might properly be placed on “those funds to which the general mass of property throughout the ‘country contributes more equably than it does to the county rate,’” Lord Althorp’s Committee recommended that the expenses of prosecuting at the assizes, of conveying prisoners to convict depôts, of maintaining the militia establishment, and of preparing certain parliamentary returns, should be met out of public revenues. Partial effect was given to these recommendations in the following year (1835) by Lord Melbourne’s Government, there being a provision of 80,000*l.* made in the estimates§ for defraying one-half of the expenses of prosecutions at assizes and quarter sessions, and a provision of 30,000*l.* for meeting the cost of the removal of convicted prisoners from local prisons.

In the course of the next year (1836), a Royal Commission was appointed to consider the best means of establishing an efficient constabulary force in the counties of England and Wales; and one of the recommendations which the Commissioners made, when they reported in 1839, was that a quarter of the cost of the contemplated force should be defrayed out of public funds.|| The legislation, however, which followed

Growth of local expenditure, and demands for relief

Objects of Memorandum.

Lord Althorp's Committee on County Rates (1834).

Grants for criminal prosecutions and removal of convicts (1835).

Constabulary Commission (1836).

* 3 Hansard, Vol. 21, p. 1349.

† House of Commons Paper, No. 542 of 1834.

‡ House of Commons Paper, No. 612 of 1833.

§ The estimates for these requirements were prepared by Lord John Russell (Home Secretary), and conveyed by him to the Treasury in a letter of the 13th June 1835.

|| Parliamentary Paper, No. 169 of 1839.

upon this Report was merely permissive, and made no provision for the State's undertaking any part of the expenses of such a force, if constituted.

Mr. Miles' resolution (1845).

In 1845 Sir Robert Peel's Government were pressed to extend the relief which had been afforded to county rates ten years previously. The question of further relief, which had been outside the scope of the inquiry into local taxation held by the Poor Law Commissioners in 1843,* was brought before the House by Mr. Miles. He moved† that in the disposal of the Budget surplus, due regard should be had to the claims of the agricultural interest; and he urged that the State should not only bear the whole cost of assize prosecutions and of the maintenance as well as the conveyance of committed prisoners, but should also contribute half the cost of county prisons and coroners' inquests, and the whole cost of the registration of voters, which charges, for England and Scotland, he put at 350,000*l.* Sir James Graham, the Home Secretary, opposed the motion on the practical ground that the burden of poor relief, which constituted a first charge on land, had been appreciably diminished, owing to the beneficial effect of recent fiscal legislation, and on the principle that land had no right to claim exemption from burdens, and at the same time retain Protection, which was in consideration of those burdens. Sir Robert Peel, moreover, pointed out that the proposed transfers of local burdens to the Consolidated Fund would not really benefit the agricultural interest; for, the cost of the services would certainly increase, and the more that was imposed on that Fund, the more would ratepayers, who were also taxpayers, have to contribute to it.

Grounds of Government opposition.

Position changed by repeal of the Corn Laws (1846).

Sir Robert Peel's measure, including grants for criminal prosecutions; maintenance of prisoners; medical relief; Poor Law schools; union auditors; Irish constabulary.

House of Lords Committee on Burdens on Land (1846).

Mr. Disraeli's proposals (1849).

In the following year (1846), some of the arguments by which Mr. Miles' motion had been resisted in 1845 fell to the ground. The duties on foreign corn were to be immediately reduced and ultimately abolished. The agricultural industry, therefore, was about to lose the benefit of Protection; and, owing to the altered situation of the agricultural ratepayer, Sir Robert Peel, notwithstanding what he had said less than 12 months previously, accompanied his corn law proposals by an undertaking to provide for transferring a part of the local burdens from the rates to the Exchequer.‡ The State was in future to pay the whole cost of conducting criminal prosecutions and of maintaining convicted prisoners; to pay half the cost of medical relief in England and Scotland; to provide salaries in Poor Law schools and those of union auditors; and also to undertake the whole cost, instead of half the cost, of the Irish Constabulary, in order that Ireland might be compensated for any injury which Sir R. Peel's commercial policy might inflict on the agricultural interests of that country. The additional charge to be laid upon the taxpayers by these transfers was estimated at 341,000*l.*; and Sir Robert Peel pointed out that in almost every case the assumption of the charge by the State would be attended with some guarantee of improved administration or other public advantage.

The close connexion of the abolition of Protection with the burdens on local rates naturally raised discussion in the House of Lords. The discussion was brought on by Lord Beaumont. He moved§ for a Select Committee to inquire into the "burdens on real property, and the impediments to agricultural transactions, caused by the existing system of Excise Duties, Poor Laws, and Local Taxation." After some debate, in which Lord Grey combated the idea that landowners bore more than their proper share of public burdens, when regard was had to the enhanced value of land and to the special benefit which agriculturists derived from expenditure out of local rates, the appointment of the Committee was agreed to, with, however, an amendment that the inquiry was to be extended to the "legislative exemptions and "pecuniary advantages provided by law in respect to taxation affecting landed property."

The recommendations bearing on the relation between Imperial and Local Finance which were made by this Committee|| in the spring of 1846 did not differ materially from the measure of relief promised by Sir Robert Peel; and, with the support of those recommendations, the undertaking which he had given at the commencement of the Session was duly fulfilled.

The Protectionist party, however, were far from being satisfied. In 1849, they gave expression to their feelings in a long debate initiated by Mr. Disraeli,¶ who maintained that the poor rate, the highways rate, and the county rate were all applied to national objects. To the amount of these rates (ten millions) he added the Land Tax (two millions), and proposed that one-half of this total of 12 millions should be borne by the Consolidated Fund. In reply to Mr. Disraeli, Sir Charles

* House of Commons Paper, No. 486 of 1843.

† 3 Hansard, Vol. 78, p. 963.

‡ 3 Hansard, Vol. 83, p. 264.

§ 3 Hansard, Vol. 83, p. 912.

|| House of Lords Paper, No. 29 of 1846.

¶ 3 Hansard, Vol. 103, p. 224.

Wood, who was then Chancellor of the Exchequer, laid stress on the benefits which had been conferred upon the agricultural interests, not only by the larger subventions recently granted, but by the repeal of taxes bearing upon agriculture since 1815.

Though defeated on this occasion, Mr. Disraeli returned to the charge early in the following session (1850), by moving for a Committee to consider the poor laws with a view to mitigate agricultural distress.* He disputed the contention that the landed interest had no grievance in the (so-called) "hereditary burdens"; but in his practical proposals he limited himself to seeking redress from such burdens as could not be considered "hereditary." These were (1) the establishment charges connected with the relief of the poor; (2) rates levied by the machinery of the poor rate; and (3) the cost of relieving the casual poor.

Sir George Grey, the Home Secretary, admitted on behalf of the Government that some of the charges which had been enumerated could not be easily distinguished from those which Sir Robert Peel had already transferred from local to general funds; but he held that the change would not be operative for the end in view, because, through the shifting of such charges, the gain to the agricultural ratepayers would be counteracted by their having to bear an increase of Imperial taxation. Mr. Gladstone supported the motion, not because he sympathised with Mr. Disraeli's objects, but because he thought that the proposed inquiry might be useful in weakening the demand for a revival of Protection. On the other hand, Sir Robert Peel, while not averse to some of the proposals in themselves, opposed the motion, because in his opinion, its success would stimulate hopes of a reversal of policy. Mr. Disraeli's motion was only rejected by a narrow majority; and in the House of Lords an inquiry into the grievances of ratepayers was shortly afterwards granted.

The inquiry was conducted by a Select Committee, of which Lord Portman was Chairman, and to which was referred the consideration of the laws relating to parochial assessments.† Sir George (then Mr.) Cornwall Lewis, who has always been regarded as a high authority on questions connected with local taxation, appeared as principal witness before this Committee, and stated at length his views on the policy of the transfer of charges from the local rates to the National Exchequer.‡ He admitted as a general principle that "whenever any expenditure whatever is proposed, the presumption is in favour of making it a national charge, paid out of the National Exchequer, and that an exception can only be made from that general rule on account of special circumstances arising in the particular case."

But, though he laid down that general principle, the rest of his evidence was devoted to impressing upon the Committee the necessity for extreme caution in its application. It was very easy to point out the unfairness of a tax exclusively imposed upon a limited class of property; but that disadvantage might in any case be outweighed by two considerations. One was whether it was, on the whole, expedient that the particular service should be under local rather than national management. The other was, what had been the continued usage and the connexion of the particular institution with the habits and system of the country.

He reviewed the principal charges which had been made the subject of contention with the object of showing that, whatever might be the *prima facie* appearance, there was a good deal to be said on the above grounds against change in the direction proposed.

The Committee reported in the form of a series of resolutions which embodied the following conclusions:

That poor relief was a national object to which every description of property ought justly to be called upon to contribute; but, until some means could be found of defining "stock in trade" with sufficient accuracy for assessment purposes, it would be necessary to continue to exempt it from its legal liability;

That, although several items of union and county expenditure were charged, and others might conveniently be charged, on the Consolidated Fund, it was not expedient to provide out of that fund for the general maintenance of the poor; and

That any plan for assessing personal property in aid of the rates on real property would have to be considered in minute detail, especially as to the allocation of money so raised.

Six years later (1856), the recommendations of the Royal Commission of 1836 in favour of charging on public funds a part of the cost of the provincial police at last

Mr Disraeli again (1850)

Attitude of political leaders.

House of Lords Committee on Parochial Assessments (1850).

Views of Sir G. Cornwall Lewis as to relations between local and Imperial finance;

deprecating generally the proposed transfers of charges from rates to taxes.

Report of the Committee.

* 8 Hansard, Vol. 108, p. 1026.

† House of Lords Paper, No. 150 of 1850.

‡ See p. 313 of Report of House of Lords Committee.

House of Commons Committee on Police (1853).

Police Act of 1856, providing for Imperial contribution of one-fourth of cost of pay and clothing.

Contribution for rates on Government property (1859).

House of Commons Committee on Turnpikes (1864).

House of Commons Committee on Metropolitan Government (1866).

Corporation of London Bill for rating owners referred to the same Committee (1867).

Mr. Goschen on the burden of rates (1867).

Resolution of Sir Massey Lopes for relief of real property (1868).

bore fruit. In 1853 a Select Committee of the House of Commons* had reported that the permissive system of rural police had been a failure, and urged upon the Government not only the necessity for uniformity of arrangements throughout Great Britain, but also the expediency of the State's rendering financial assistance to local authorities without interfering with local management. With a view to giving effect to these recommendations, Sir George Grey, who was again Home Secretary in Lord Palmerston's first administration, introduced a Bill in 1856, providing compulsorily for an adequate supply of police in counties and boroughs, and proposing that Parliament should meet one-fourth of the cost of paying and clothing each force certified to be efficient. This Bill passed into law as the Act 19 & 20 Vict. c. 69.

In 1858 a Select Committee of the House of Commons was appointed to consider the question of the exemption of Government property from local rates and taxes. The Committee† recommended that all lands and buildings used for public purposes should be assessed to local rating; and, though Lord Derby's Government failed in their attempt to alter the law so as to make such property legally liable to local assessment, the equity of the case established by the Committee was admitted in the following year (1859), to the extent of a proposal that the Government should henceforth make an annual contribution in lieu of rates in respect of lands and buildings owned or occupied by itself.‡

Five years later (1864) the consideration of the question of Turnpike Trusts and Tolls, which had occupied the attention of a Select Committee 28 years previously (1836),§ was resumed. Another Select Committee,|| which was appointed by Lord Palmerston's Government, inquired into this subject, and they expressed concurrence in the conclusions at which the previous Committee had arrived. What had been considered desirable in 1836 was still more desirable in 1864, by which time, owing to the spread of railways, traffic on roads was principally restricted to local traffic, so that the tolls levied at turnpikes were generally paid by neighbouring ratepayers. In these altered circumstances, a system of tolls seemed to the Committee to be costly and injurious. They thought it better that those who mainly bore the charge for keeping the roads in order should do so by contributing to a rate, which would be administered under their own supervision.

Effect was given to this recommendation, with the result that turnpikes gradually disappeared throughout the country, and the maintenance of roads became a liability on the rates.¶

In 1866 there was appointed a Select Committee on Metropolitan Government, of which Mr. Ayrton was Chairman. The intolerable pressure of London rates was represented to the Committee, and they recommended that a portion of the charge "for permanent improvements and works should be borne by the owners of property in the metropolis, the rate being in the first instance paid by the occupier, and subsequently deducted from his rent."** In the following year (1867) a Bill, promoted by the Corporation of London, to empower them to levy a 6d. rate on owners for improvements in the City, was referred to the same Committee. The Committee, however, expressed an opinion that such a power should only be exercised to the extent of one-half of the projected improvements, and so far as such improvements were sanctioned by the Metropolitan Board; the opinion being accompanied by a recommendation that owners of London property should be represented on the Board by some of the justices.††

In the same session (1867) Mr. Goschen‡‡ drew attention to the continuous increase of burdens on rateable property, and suggested, as a means of obliging other property to contribute, the imposition of an additional penny Income tax to be collected and retained by the Government, who should hand over as an equivalent the Inhabited House Duty, to be collected and applied by local authorities.

In the following year (1868) the general question of local taxation was brought before the House of Commons by Sir Massey Lopes, principally in the interests of the owners of agricultural land.§§ He moved a resolution to the effect that it was unjust and impolitic to levy all local rates from real property; but, after some debate, Mr. Disraeli's Government secured the withdrawal of the motion.

* House of Commons Paper, No. 715 of 1853. † House of Commons Paper, No. 444 of 1857-8.

† 3 Hansard, Vol. 154, p. 794. § House of Commons Paper, No. 547 of 1836.

|| House of Commons Paper, No. 383 of 1864.

¶ As recommended by the Committee of 1864, the area of local liability for roads was extended in 1878 by the Act 41 & 42 Vict. c. 77, pursuant to which half the expense of main roads was charged upon the county rates, the remainder only on the districts and parishes.

** House of Commons Paper, No. 186 of 1866. †† House of Commons Paper, No. 268 of 1867.

‡‡ 3 Hansard, Vol. 190, p. 1011.

§§ 3 Hansard, Vol. 192, p. 136.

The next year (1869), by which time Mr. Gladstone was installed in Downing Street, Sir Massey Lopes again took up the cudgels for the ratepayer. On this occasion he moved* for the appointment of a Royal Commission to inquire into the amount, incidence, and effect of local taxation. But he had, for a second time, to resort to withdrawal of his resolution, in deference to the representation of the new Government—(a representation which may have a passing interest for the present Commission)—that proposals affecting taxation were not proper for reference to a Royal Commission, and that the Government would themselves consider the subject.

Motion of Sir Massey Lopes for a Royal Commission on local taxation (1869).

A year later (1870) Mr. Goschen, who was now President of the Poor Law Board, moved† for a Select Committee to inquire into the expediency of dividing between owners and occupiers the charges imposed on occupiers of rateable property, and to report what changes in the constitution of local bodies should follow such division.

Mr. Goschen's Committee on division of rates (1870).

An inquiry, however, of this kind was not what Sir Massey Lopes and his friends had in view, and he moved an amendment to the Ministerial motion in favour of postponing the appointment of the proposed Committee, until the Government had introduced (what he considered to be) their promised measure for dealing with the incidence of rating. It was impossible, in his opinion, to determine how rates should be apportioned, until it had been decided whether the objects for which they were levied were local or Imperial. Mr. Gladstone, however, held that it would be time enough to settle that point, when the inquiry how local burdens should be divided between the parties having a joint interest in such property had been concluded; and after he had admitted the necessity for subsequently considering whether the assistance given from Imperial funds to local purposes was too great or too small—whether it was given in the best manner—and whether it was so given as to promote efficiency and economy or to interfere with sound administration, the amendment was withdrawn.

Before the appointment of the Committee was agreed to, Mr. Corrance succeeded in making it an instruction to the Committee that they should "inquire further 'into the proper classification of rates, with a view to determine their proper incidence 'upon the owners or occupiers of rateable property.'

Instruction to Committee to inquire into incidence.

Mr. Goschen's draft report.

When the Committee was appointed, Mr. Goschen was called to the chair. After evidence had been taken, the Chairman submitted to the Committee a draft Report, which has since been recognised as one of the most able and useful contributions to the discussion of the rating question. But the Committee preferred to confine themselves to reporting to the House certain resolutions of a less elaborate and decisive character,avouring an adjustment of the system of rating in such a manner that owners as well as occupiers should be made liable for a part of the rates, and at the same time given an interest in local expenditure.‡

Inquiry proposed by Sir Massey Lopes into incidence of taxation, Imperial and local (1871).

Undeterred by previous failures to secure the assent of the House to an inquiry on his own lines, Sir Massey Lopes reverted to the subject of local taxation early in the Session of 1871. The motion§ which he brought forward on this occasion had wider objects in view. He moved that, inasmuch as many of the existing and contemplated charges on local rates were for national purposes, it was the duty of the Government to inquire forthwith into the incidence of Imperial as well as local taxation, and to take steps to ensure that every description of property should equitably contribute to national burdens. In support of his motion, Sir Massey Lopes contended that three-fifths of the 20 millions raised by local taxation were applied to purposes of a national character, and he urged that the State might properly undertake to provide for part of the cost of pauper lunatic asylums, for the salaries of more Poor Law officers, and for the maintenance of the Queen's highways.

Legislation promised by the Government.

The duty of replying to Sir Massey Lopes devolved on Mr. Goschen, who pointed to the twofold description of such property as houses and land; to the want of logic in contending that, because the existing method of raising local rates was inequitable, local expenditure should therefore be made a national charge; to the concessions made to landed proprietors by Sir R. Peel in 1846; and to the difficulties of providing out of the common purse for the relief of able-bodied poor. The Government, he said, had fully inquired into the matter, and were prepared to introduce remedial legislation. This being so, the appointment of a Committee would merely cause delay. Sir Massey Lopes' motion, however, was only set aside by the carrying of the previous question, which was secured by a majority of 46.

* 3 Hansard, Vol. 194, p. 223.

† 3 Hansard, Vol. 199, p. 638.

‡ House of Commons Paper, No. 353 of 1870, and Mr. Goschen's "Reports and Speeches on Local Taxation," pp. 151-176.

§ 3 Hansard Vol. 204, p. 1037.

Mr. Goschen's Report (1871).

Summary of its conclusions.

Government Bills on local government and taxation introduced (1871).

Bills unfavourably received, and withdrawn.

Resolution of Sir Massey Lopes for relief of ratepayers from the charge for national services (1872).

Discussion thereon.

Almost immediately after this debate, that is, in March 1871, Mr. Goschen addressed to the Treasury his well known "Report on the progressive increase of local taxation, " with special reference to the proportion of local and Imperial burdens borne by "the different classes of real property in the United Kingdom as compared with the burdens imposed upon the same classes of property in other European countries."*

Reference has been and is so frequently made to that Report that it may be well to give the conclusions to which the investigation appeared to Mr. Goschen to lead. They admit of being briefly summarised:—

- (1.) The increase of local taxation in England and Wales might have been less than in other countries, yet it was very great.
- (2.) In about 30 years rates had doubled; they had risen from 8,000,000*l.* to 16,000,000*l.*
- (3.) The increase of eight millions, of which at least six-and-a-half millions had fallen on urban districts, was attributable to three main causes. The poor rate was accountable for two-eighths, which meant, to some extent, more humane treatment. Town improvements were accountable for five-eighths, mainly representing outlay for remunerative purposes. Police was accountable for a large part of the remaining eighth, and such expenditure secured an equivalent in value.
- (4.) The rateable value had not only undergone a correspondingly great increase, but had also followed the course of local taxation, having been greater in the urban than in the agricultural districts.
- (5.) While house property was heavily taxed, the burdens on land, which for the most part were hereditary, were not heavier than they had been on past occasions and were less heavy than in most foreign countries.

A few weeks later—on the 3rd April 1871—Mr. Goschen moved† for leave to bring in a Rating and Local Government Bill, which was founded in part on the resolutions of the Select Committee of 1870, and was intended to simplify and improve local administration. In his speech he explained the provisions, not only of this Bill, but of a second Bill, which, under the name of a Local Taxation Bill, was intended to remedy the alleged grievance of ratepayers.

Under these Bills it was proposed that, at an undetermined date, the House Tax should be levied by and paid to local authorities. But those who advocated relief of local burdens in the interests of landowners did not view with any favour Mr. Goschen's offer of relief, accompanied as it was with provisions for transferring the payment of half the rates from occupiers to owners, with only bare respect for existing contracts; and the result was that both Bills were withdrawn, before they even reached the stage of second reading.

Having regard to the disappointing nature of the abortive Rating Bills brought forward in 1871, and to the absence of any intention on the part of the Government to resume consideration of the question of local taxation, Sir Massey Lopes came forward with another resolution‡ in the following year (1872). The claim for the recognition of poor relief as an imperial liability was dropped. But the resolution called on the House to say that "no legislation with reference to local taxation will be satisfactory which does not provide, either in whole or in part, for the relief of occupiers and owners in counties and boroughs from charges imposed on rate-payers for the administration of justice, police, and lunatics, the expenditure for such purposes being almost entirely independent of local control."

In the speech in which Sir Massey Lopes moved this resolution, he suggested that, to give practical effect to it, the Government should bear the whole cost of administering justice, half the cost of police, and half the cost of pauper lunatics, involving, as he estimated, an increased charge of rather over two millions on the Consolidated Fund, viz.:—

	£
In England	1,626,000
In Scotland	245,000
In Ireland (where the whole cost of the police was already met out of public funds)	166,000
Total	<u>£2,037,000</u>

* Reprinted in 1893 as House of Commons Paper, No. 201 of 1893.

† 3 Hansard, Vol. 205, p. 1115. ‡ 3 Hansard, Vol. 210, p. 1331.

Sir Thomas Acland, from the Ministerial side of the House, moved an amendment to Sir Massey Lopes' resolution. The amendment was evidently intended to minimise the difficulties with which Mr. Gladstone's Government found itself confronted on the question of local taxation. While admitting the desirability of relieving rate-payers from charges of a national character and of abolishing exemptions from rates, Sir T. Acland's amendment asked for an equitable distribution of new local burdens between owners and occupiers.

Mr. Stansfeld, who had succeeded Mr. Goschen as President of the Local Government Board (which had by the Act 34 & 35 Vict. c. 70. superseded the old Poor Law Board), replied for the Government, which was prepared to support this amendment. He denied that the administration of justice, police, and pauper lunatics was beyond local control, and commented on the absurdity of Sir Massey Lopes' allegation that, because the value of rateable property was said to be one-seventh of the estimated total income of the country, therefore one-seventh of the income bore all the local burdens. Such burdens fell on persons, not on property. He agreed that the State should bear part of the cost of pauper lunatics; and he intimated that it was the desire of the Government to introduce a Bill to repeal all total exemptions from rating, including that of Government property.

Mr. Disraeli, however, reminded the Government that, in offering to give up the Inhabited House Duty, they had admitted the case for further relief in aid of local taxation; and, after a protest from Mr. Goschen against indiscriminate grants from the Consolidated Fund, Sir Massey Lopes' resolution was carried against the Government by a majority of 100.

Resolution carried.

Two years elapsed before any effect was given to this decided expression of opinion on the part of the House of Commons. By that time Sir Massey Lopes' friends were in power; and one of the first acts of the new Chancellor of the Exchequer, Sir Stafford Northcote, was to admit the claim of local taxation to special consideration in connexion with the disposal of the huge surplus which had been bequeathed to him by his predecessor, Mr. Gladstone.

Sir Stafford Northcote's measures (1874)

Having so recently acceded to office, Mr. Disraeli's Government were unable to propound an elaborate plan. The proposals, therefore, which Sir Stafford Northcote made in April 1874,* were admittedly not final; but they would meet immediate needs, and would facilitate a subsequent settlement. They took the form of increased subventions out of the Exchequer or grants-in-aid. The State was to provide a grant of 4s. weekly per head on account of pauper lunatics, and half, instead of one quarter, the cost of the pay and clothing of the police in England and Scotland. It was further to contribute in respect of rates to all parishes containing Government property, irrespectively of the amount of such property on which contribution had hitherto depended. These additional subventions or grants-in-aid amounted at the time to a million and a quarter.

comprising a grant for pauper lunatics and increased grants for police and for rates on Government property.

Mr. Gladstone's protest.

These proposals were accepted by Parliament, but not without a warning from Mr. Gladstone that they meant a transfer from a fund supported by property to a fund supported by property and labour jointly, and an expression of regret on his part that, unlike Mr. Goschen's proposals, the present proposals failed to secure better administration of local taxation and safeguards against extravagance.

Three years later (1877), Mr. Disraeli's Government brought forward a measure for relieving local authorities from the obligation of having to provide prison accommodation for their prisoners. It was introduced† by Mr. Cross, the Home Secretary, and it became law by the Act 40 & 41 Vict. c. 21. In pursuance of that Act, all prisons belonging to any prison authority, under the Act 28 & 29 Vict. c. 126., were transferred to the Home Office, and the expenses of maintaining both prisons and prisoners were thenceforth transferred from the ratepayer to the taxpayer. Separate Acts of the same Session made similar provision for the Scotch and Irish prisons.

Prisons Acts of 1877, transferring local prisons from local authorities to the State.

In 1879 a Royal Commission was appointed to inquire into the depressed state of the agricultural interests. The Duke of Richmond presided over it; and in their final Report, the Commissioners expressed an opinion that the maintenance of indoor poor should be charged either upon the Consolidated Fund, or upon a rate or taxes equitably adjusted according to means and substance, and that a certain proportion of taxes should be assigned to local authorities in aid of local expenditure. They also advocated an equal apportionment of rates between owners and occupiers subject to due observance of existing contracts.

Duke of Richmond's Commission on Agricultural Depression (1879).

* 3 Hansard, Vol. 218, p. 651.

† 3 Hansard, Vol. 232, p. 132.

‡ Parliamentary Paper, C. 3309 of 1882,

Mr. Gladstone's administration (1880-85).

Mr. Paget's resolution for relief of local taxation (1882).

Annual grant for disturnpiked and main roads.

Mr. Pell's resolution for immediate relief to ratepayers (1883).

Amendment moved and supported by Government for associating relief with reform of local government.

Amendment carried by narrow majority, and pressure put upon Government by their own supporters.

Further resolution of Mr. Pell carried against the Government (1884).

Amendment to the Budget Bill carried by Sir Michael Hicks-Beach, and Government overthrown (1885).

During Mr. Gladstone's second administration (1880-5), measures for the reform of county government, including the question of contributions from Imperial taxes in relief of local burdens, were promised. But the Government never succeeded in giving definite shape to their intentions, in spite of their being repeatedly pressed and attacked by those who were not content with mere promises.

A resolution was moved* in February 1882 by Mr. R. Paget, and seconded by Sir Massey Lopes, calling upon the Government to remedy the injustice of the incidence of local taxation "by an adequate increase of contributions from general taxation." The motion was met by a few words from Mr. Gladstone, stating that the proposals of his Government could not be revealed before the Budget, and taking exception to the fettering nature of a premature resolution of an abstract kind; and the "previous question" was carried by a majority of five. When, however, the time came for him to propound his Budget,† he had to admit that the contemplated measure for establishing County Boards and readjusting local finance was abandoned, and to content himself with a proposal to relieve the highway rate by a moderate increase of the licence duty on carriages. The projected increase of the carriage duty was abandoned, but a sum of 250,000*l.* was voted in 1882,‡ and subsequent years, for disturnpiked and main roads in England and Scotland.

In 1883 Mr. Pell, who two years before§ had tried to prevail upon the House of Commons to undertake an annual review of local finance, corresponding to that which is secured for Imperial finance in the Budget statement, brought forward a motion|| "that no further delay should be allowed in granting adequate relief to "ratepayers in counties and boroughs in respect of national services required of local "authorities." He contended that the relief which had been afforded in 1874 was no longer sufficient, more especially in view of the growing charge on rates for education. The motion having been seconded by Lord Emlyn, an amendment was moved by Mr. Albert Grey, and supported by the Government, seeking to commit the House to an opinion that relief to ratepayers "should be by the transfer to local "authorities of the revenue proceeding from particular taxes or portions of taxes," and should be dealt with in connexion with local government. Sir Charles Dilke, as President of the Local Government Board, endeavoured to show that the subventions of 1874 had led to an accelerated increase of expenditure on police and pauper lunatics; and Mr. Gladstone, while admitting the injustice of levying rates exclusively in respect of visible property, protested against remedying one injustice by the perpetuation of others, in which the imposition of new burdens upon labour would result.

Mr. Pell's motion was rejected, and the amendment carried by a majority of only 13. A few days later, the Government were warned that the feeling of the House on the subject of the urgency of relieving ratepayers was even stronger than the division list showed. Thirty-one members, who had supported the Government by their votes, presented a memorial stating that their support had only been given on the understanding that the amendment implied an intention to deal promptly with the question.

As there seemed to be no prospect of legislation in the following Session (1884), Mr. Pell renewed the attack. His motion deprecated "the postponement of further "measures of relief acknowledged to be due to ratepayers in respect of local charges "imposed on them for national services"; and on this occasion Mr. Pell succeeded in carrying his point by a majority of 11.¶

Notwithstanding these warnings, no measures for relieving local taxation were forthcoming. But in 1885 the rate-paying interests again made themselves heard, and this time with some indirect success. Sir Michael Hicks-Beach moved an amendment to the Budget Bill** (which proposed an alteration in the Death Duties, affecting real as well as personal property); and the leading provision of his amendment was that no fresh taxation on real property should be sanctioned, until effect had been given to the Resolutions of the 17th April, 1883, and the 28th March, 1884, by which it had been acknowledged that further measures of relief were due to ratepayers in respect of local charges imposed on them for national services. The amendment was carried by a majority of 12, and, in consequence of sustaining this defeat, Mr. Gladstone's Government resigned.

* 3 Hansard, Vol. 266, p. 1285.

† 3 Hansard, Vol. 273, p. 1577.

‡ 3 Hansard, Vol. 278, p. 437.

§ 3 Hansard, Vol. 295, p. 1421.

† 3 Hansard, Vol. 268, p. 1301.

§ 3 Hansard, Vol. 261, p. 1084.

¶ 3 Hansard, Vol. 286, p. 1023.

When the appeal was made to the country in the autumn, Mr. Gladstone in his address to the Midlothian electors explained the reasons by which he had been actuated in resisting the motions relating to local taxation which had been pressed upon his Government between 1880 and 1885.

Mr. Gladstone's election address (1885).

"In the reform of local government, the first objects," he said, "to be aimed at, "in my judgment, are to rectify the balance of taxation as between real and personal property; to put an end to the gross injustice of charging upon labour, through the medium of the Consolidated Fund, local burdens which our laws have always wisely treated as incident to property; to relieve the ratepayer, not at the charge of the working population, but wholly or mainly by making over, for local purposes, wisely chosen items of taxation; to supply local management with inducements to economy, instead of tempting and almost forcing it into waste; finally, and most of all, to render the system thoroughly representative and free."*

In 1886, which witnessed the fall and accession of two Governments and another dissolution of Parliament, the question of local taxation did not admit of being practically dealt with. But in the early part of the Session, when Mr. Gladstone was in power again for the third time, Mr. Thorold Rogers moved a resolution,† declaring that the incidence of local taxation as between owners and occupiers was unjust, and that owners should bear at least one-half the burden. To this resolution Sir R. Paget moved an amendment pronouncing that "an equitable readjustment of taxation as between real and personal property was more urgently required than a division of rates between owners and occupiers"; but the amendment was negatived and the original motion carried.

Resolution carried by Mr. Thorold Rogers, for equal division of rates between owners and occupiers (1886).

In the autumn of the same year (1886), by which time Lord Salisbury's second administration had been formed, a decision had to be taken on the question of continuing the coal and wine duties levied by the Corporation of London and the Metropolitan Board of Works, which under the existing statute (31 Vict. c. 17.) were due to expire in July 1889. These duties were of ancient origin. The duty of 1s. 1d. per ton upon coal produced about 400,000*l.* a year, and the duty of 4s. 9½*d.* per Imperial tun upon wine produced 8,500*l.*; and by these means the authorities in question had been able to carry out great schemes of metropolitan improvement. The decision of the Government was announced by Lord Randolph Churchill,‡ as Chancellor of the Exchequer, to a deputation which waited upon him from the bodies concerned. His announcement was to the effect that the coal duties (which alone were important) being a tax upon a prime necessary of life, and also a serious hindrance to the progress of manufactures in the metropolis, could not be justified except upon the plea of works of urgent public necessity which could not be otherwise provided for. This justification had not been established in the opinion of the Government, and they could, therefore, hold out no hope of any further continuance of the duties.

Cessation of London coal and wine dues.

A few weeks after Lord Randolph Churchill had given the death blow to the Coal and Wine Duties, his brief tenure of the Chancellorship of the Exchequer came to an end; and he was succeeded by Mr. Goschen in January 1887.

The question of the Imperial and local burdens in respect of property had long engaged Mr. Goschen's attention, but the bulk of his proposals for relieving local taxation were reserved to accompany the contemplated plan of local government reform. In his first Budget§ he confined himself to carrying two minor measures for the benefit of the agricultural interest. The first measure conceded to farmers the option of being assessed to Income Tax on their actual profits under Schedule D. instead of on the arbitrary basis afforded by Schedule B. His second measure was one to double the existing grant-in-aid of disturnpiked and main roads, which then amounted to 250,000*l.* in England and Scotland, while Ireland was to receive an analogous grant of 50,000*l.* for the promotion of arterial drainage.

Mr. Goschen's first Budget (1887).

Mr. Goschen's proposals, modest though they were, were not carried without evoking considerable criticism. Mr. H. H. Fowler held that relief from the pressure of rates was most required in towns, while Mr. Goschen's proposals were intended to benefit rural ratepayers only. Lord Randolph Churchill condemned the increased grants-in-aid as a continuance of the discredited system of doles, and as weakening the power of the Government to establish a popular system of local government. Lord Randolph's strictures were endorsed by Mr. Gladstone, who made the proposal the text for some general observations on the relations between Imperial and local finance.

Farmers' assessment to Income Tax.
Increase of grant for disturnpiked and main roads.

* "Times," 19th September 1885.
† 3 Hansard, Vol. 303, p. 1643.

‡ "Times," 19 November 1886.
§ 3 Hansard, Vol. 313, p. 1415.

Mr. Gladstone's attack on the Budget proposals (1887).

Dealing first with the obvious retort that the proposal was merely an extension of the road grant which his own Government had instituted, Mr. Gladstone said that step was taken not willingly, nor with any pretence of willingness, but under Parliamentary pressure which his Government was not in a position to resist. He quite agreed that the ratepayer, meaning the occupier, was in a cruel position. The occupier was under agreements which bound him to meet the charge of rates, whatever they might be. But since those agreements came into force great changes had taken place. Originally the rates were confined to certain limited and narrow purposes, and the occupier knew what he was about. But of late years new economic and social wants had sprung up, the burden of which was borne by the occupier, though the benefit went almost entirely to the owner of the soil and of the houses. This was a gross injustice, and it was necessary to consider, not only the relation between visible and invisible property, but between owner and occupier. These grants-in-aid might give immediate relief to the occupier, but not an enduring relief. Whether rents were rising or falling, on the next adjustment the grants would be taken into account, and the landlord would get so much more rent. By professing to redress the inequality between one form of property and another, they were seriously and permanently aggravating the inequality as between property and labour. Mr. Goschen defended his grants as being merely a temporary measure pending the complete scheme.

Local Government reform (1888).

In the following year (1888) the question of the reform of Local Government, accompanied with the re-arrangement of the relations between taxpayers and ratepayers, was taken seriously in hand. It devolved upon Mr. Ritchie,* as President of the Local Government Board, to explain and carry the measure for constituting county councils, and upon Mr. Goschen,† as Chancellor of the Exchequer, to explain and carry the financial proposals for affording substantial relief in further aid of local taxation, which had been and still was increasing so formidably.

We are only concerned with the financial proposals, which were not carried in their entirety in 1888, and which were supplemented in 1890.

The main principle of the proposals made by Mr. Goschen in 1888 was that the greater part of the grants-in-aid of local taxation, annually charged on the votes, were to be discontinued—that in lieu thereof there should be handed over to local authorities the bulk of the Excise licences, which would more than cover the discontinued grants-in-aid—and that, by way of further relieving the pressure of rates, there should be assigned to the same authorities certain additional revenues with which some of the growing local requirements might be met. It was only the additional relief that was to be applied to Ireland, because the circumstances of that country connected with the provision made by the State for local charges differed so materially from the rest of the United Kingdom, and because the reform of Local Government was not to extend across St. George's Channel, at any rate for the present.

The grants-in-aid, which were discontinued in pursuance of the Acts 51 & 52 Vict. c. 41. and 52 & 53 Vict. c. 50., were the following:—

1. *In England and Wales*—

	£	£
Disturnpiked and main roads	-	250,000
Poor Law grants	-	290,000
Criminal prosecutions	-	145,000
Police (London, County, and Borough)	-	1,430,000
Pauper lunatics	-	485,000
 Total	 -	 2,600,000

2. *In Scotland*—

Roads	-	35,000
Medical relief	-	20,000
Police	-	155,000
Pauper lunatics	-	90,000

300,000

3. *In Ireland*—Nil.

Total	-	£2,900,000
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* 3 Hansard, Vol. 323, p. 1644.

† 3 Hansard, Vol. 324, p. 268.

† These figures represent the amounts, in *round* sums, which Parliament would have been asked to vote under the old arrangement (cf. Parliamentary Papers, C.—5344 of 1888).

The Excise licences which were handed over to local authorities in lieu of these grants-in-aid are given in Appendix I. and of transferred licences.

	£
1. In <i>England</i> these licences amounted to (about) and, therefore, England for the moment gained	- 3,000,000 - 400,000 <hr/>
by receiving the English licences in lieu of the grants-in-aid	- 2,600,000 <hr/>
2. In <i>Scotland</i> the licences amounted to (about) and, therefore, Scotland for the moment gained	- 318,000 - 18,000 <hr/>
by receiving the Scottish licences in lieu of the grants-in-aid	- £300,000 <hr/>

3. As England and Scotland both gained somewhat by this arrangement, there was first voted and subsequently charged on the Consolidated Fund, in pursuance of the Act 54 & 55 Vict. c. 48. s. 5, an annual equivalent grant of 40,000*l.* in favour of *Ireland*, whose grants-in-aid remained untouched, in order that that country might, from a local taxation point of view, be under no disadvantage as compared with the other two countries. Equivalent grant to Ireland.

The Excise licences, though no longer paid into the Exchequer, continue to be levied by the Imperial Parliament and collected by Imperial officers. It is true that by means of an Order in Council, passed on the recommendation of the Treasury in pursuance of section 20 of the Act 51 & 52 Vict. c. 41, the power might be conferred on county councils in England to levy the duties on all or any of the licences. But this power has never been exercised; while there is no similar provision in the corresponding Act relating to Local Government in Scotland (52 & 53 Vict. c. 50.).

The additional relief to be granted for local purposes, other than those to which the State had hitherto contributed, consisted of (1) half the probate duty, whatever that duty as then levied might yield, and (2) two new licences.

The probate duty was the tax selected to be partially applied in relief of local burdens, because it was the one tax which fell exclusively on realised personality; and it had always been the dream of reformers of local taxation to make personality contribute thereto.* Moreover, it was a tax of which the yield was calculated to grow, and thus the ratepayer would have a share in the benefit of the growing realised wealth of the community. As the probate duty was yielding about five-and-a-half millions, the local half would produce about two-and-three-quarter millions; and this half was to be assigned to England, Scotland, and Ireland, in the respective proportions of 80, 11, and 9 per cent., those being about the proportions in which it was believed at the time that the three kingdoms were contributing to public revenue as a whole.†

In Scotland and Ireland the probate duty grants were allocated by Parliament to specific purposes.‡ But in England and Wales there was no such specific allocation of the grant. It was to go in relief of rates generally. The only question decided by Parliament was how the grant should be distributed among the various local authorities. Three methods of distribution at first presented themselves. The choice seemed to lie between population, rateable value, and indoor pauperism; and the Government originally selected indoor pauperism, as affording the best basis for providing that relief should be given where it was most required. At a later stage, however, in order to ease the passage of the Bill, that basis was discarded; and it was determined that the English share of the probate duty should be distributed between counties in proportion to existing grants-in-aid,§ notwithstanding that, as such grants fluctuated from year to year, they constituted a basis liable to become at any time obsolete and inequitable.

The new licence duties proposed to be levied in Great Britain consisted of (1) a duty on horses and racehorses, estimated to yield in England 540,000*l.*, and in Scotland

Reasons for transfer of probate duty.

Allocation of the assigned revenues among local authorities.

Abandonment of proposals for new licences.

* 3 Hansard, Vol. 324, pp. 735, 745, &c.

† The actual proportions in which England, Scotland, and Ireland are respectively contributing to public revenue, according to the latest calculations (see "Financial Relations" Return, No. 336 of 1896), are 81·81, 10·71, and 7·68 per cent.

‡ 51 & 52 Vict. c. 60.

§ 51 & 52 Vict. c. 41. s. 22.

54,000*l.*; and (2) a duty on carts and wheels, estimated to yield in England 300,000*l.*, and in Scotland 30,000*l.* But the proposed duty on carts and wheels created so much opposition, in face of which argument and fact produced comparatively little effect, that the Bill imposing the two licences had ultimately to be abandoned, notwithstanding that the Chancellor of the Exchequer made several important concessions to meet the general complaints of the incidence of the "wheel-tax" and to remedy the grievances of particular interests.

Additional beer and spirit duties imposed for local purposes (1890).

Allocation between the three kingdoms, and application of the new duties.

In order to provide some substitute for these licence duties, which had been dropped in 1888, and to meet the demand for police superannuation, Mr. Goschen two years later (1890) proposed to levy for local purposes and to hand over to local authorities an extra duty or surtax of 3*d.* per barrel on beer, and an extra duty or surtax of 6*d.* per gallon on spirits, estimated to produce 1,304,000*l.* in all. The proceeds of these surtaxes were to be distributed between the three kingdoms in the probate duty proportions of 80, 11, and 9 respectively. The proposed levy received the sanction of Parliament by the Act, 53 Vict. c. 8; but the proposed appropriation of the money was materially modified in the House of Commons. It was originally intended that a part of it should be devoted to diminishing the number of public-house licences. But the licensing proposals met with so much opposition that they had to be abandoned, and consequently the proceeds of the surtax had to be allocated afresh.

The new allocation, which was confirmed by the Act 53 & 54 Vict. c. 60, was as follows :—

	England, 80 per Cent.	Scotland, 11 per Cent.	Ireland, 9 per Cent.
Police superannuation	£ 300,000	£ 40,000	£ —
In relief of rates or for technical instruction	743,000	48,000	—
School fees	—	40,000	—
Medical, &c. officers	—	15,000	—
National School teachers	—	—	78,000
Intermediate education	—	—	40,000
Totals	1,043,000	143,000	110,800
		£1,304,000	

Between the fall of Lord Salisbury's Government in 1892 and the fall of Lord Rosebery's Government in 1895, the question of local taxation was not dealt with in Parliament, except that, in consequence of the abolition of the Probate Duty by the Finance Act, 1894 (57 & 58 Vict. c. 30), there was substituted for the Probate Duty grant to the Local Taxation Accounts a grant of an equivalent amount out of the new "Estate Duty" derived from personal property (s. 19). But Sir (then Mr.) Henry Fowler, while he presided at the Local Government Board, gave the matter his special attention.

Sir Henry Fowler's report on local taxation (1893).
Urban v. rural rates.

Occupiers v. owners.

In 1893 he made a report* to the Treasury on the subject, "with especial reference to the proportion of local burdens borne by urban and rural ratepayers, and different classes of real property in England and Wales." It was in great measure a report in continuation of Mr. Goschen's Report of 1871. The gist of Sir Henry Fowler's conclusions was that, while local rates had during the last 20 years increased far more largely than they had in the preceding half century, the increase had been due to additional expenditure incurred by urban authorities, mainly in connexion with sanitary and educational requirements, and also to the abolition of turnpike tolls and of the London coal and wine duties; that the substantially increased assistance rendered by the general taxpayer to the local ratepayer under Mr. Goschen's arrangements was a material set-off against the rise in rates; that, as regards rural rates, they were comparatively low or had practically remained stationary in recent years; and that, if ratepayers were overburdened, it was the occupiers, and not the landowners, who were overstrained.

* House of Commons Paper, No. 168 of 1893.

The only other measure bearing on the relief of local taxation, which remains to be noticed, is the measure of last Session (1896), which gave rise to the appointment of the present Commission. The Royal Commission on Agriculture, in an *ad interim* report,* had recommended, and the Government had undertaken, that something should be done for relieving agricultural distress. Accordingly, a Bill was introduced providing that occupiers should be liable to pay only half the rates in respect of agricultural land in England and Wales, and that the annual deficiency arising from such exemption, which was estimated at 1,560,000*l.*, should be made good by a further grant out of the estate duty derived from personalty. The Opposition took strong exception to the measure, and urban ratepayers showed considerable jealousy of the favour extended to rural districts. The consequence was, that before the Bill became law under the title of the Agricultural Rates Act, 1896, (59 & 60 Vict. c. 16.), its provisions were limited to five years, and the institution of the present inquiry was promised. There were also passed consequential Acts, making proportionately "equivalent grants" to local purposes in Scotland and Ireland, under which, if the financial effect of the English Act prove to be correctly estimated, Scotland will receive (by the Act 59 & 60 Vict. c. 37) 214,000*l.* per annum, and Ireland (by the Act 59 & 60 Vict. c. 41.) 176,000*l.* per annum.†

It will have been gathered from what has already been said that the claims of ratepayers to be relieved out of the common purse have been recognised substantially on four occasions, first, by Sir Robert Peel's Government in 1846, as a corollary to the repeal of the Corn Laws; secondly, by Mr. Disraeli's Government in 1875; thirdly, by Lord Salisbury's Government in 1888 and in 1890; and lastly, by the present Government in 1896.

Report of
Agricultural
Commission
(1896).

Agricultural
Rates Act,
1896.

Summary
measures
of Imperial
relief.

The following Table A., giving amounts which the State has at different periods contributed to the relief of local taxation,‡ purports to show approximately what were the amounts of those several recognitions (with the exception of the last, which will not be in full force until the end of 1897-8); and it also shows in greater detail the various local purposes to which Imperial relief was applied under the arrangements prior to 1888-9, and (so far as is possible) is applied under present arrangements. A detailed account of the subventions will be found in Appendix III.

* Parliamentary Paper, C.—7981 of 1896.

† According to the latest information received from the Local Government Board, the deficiency under the Agricultural Rates Act, 1896, for England and Wales will probably not exceed 1,340,000*l.* Consequently, the total grants payable to the Local Taxation Accounts in England, Scotland, and Ireland, under the measures of last Session, will be less than was originally anticipated by nearly 300,000*l.*

‡ The "relief of local taxation" is taken to be represented by the cost of such of the services for which the State provides as have at some time or other, wholly or in part, constituted a charge on local rates in one or all of the divisions of the United Kingdom, and as would naturally have to be provided (if at all) by local authorities. The classification is, no doubt, open to criticism, so far as it relates to relief by expenditure met out of the Exchequer; but, as it appears in a statement annually prefixed to the Civil Service Estimates, (Estimates for Civil Services, 1896-7, pp. xviii. to xx.), and also in the annual Parliamentary Return of Public Income and Expenditure, associated with the name of Sir Henry H. Fowler (House of Commons Paper, No. 344 of 1896), I have reason as well as authority for adopting it.

The amount taken to represent "relief of local taxation" must not be confounded with the expenditure classified in the "Financial Relations" Returns as "local charges" or "local services" in the three kingdoms. Those "local charges" or "local services" include all expenditure which may be held to be peculiar to England, Scotland, or Ireland, in contradistinction to Imperial expenditure, in which Englishmen, Scotchmen, and Irishmen may be presumed to have a common interest.

The cost of national education constitutes a charge on rates as well as on the Exchequer. But I exclude from the head of "relief of local taxation" the amount which the State provides for educational purposes, regarding it (rightly or wrongly) as a "national" charge.

TABLE A.—Showing the extent to which LOCAL TAXATION has been at DIFFERENT PERIODS, and is now, RELIEVED by the STATE in ENGLAND, SCOTLAND, and IRELAND, and in the UNITED KINGDOM as a whole:—

(Extracted from *House of Commons Papers numbered 402 of 1873, 187 of 1879, and 344 of 1896.*)

1.—ENGLAND and WALES.

	1842-48.	1852-58.	1872-78.	1875-76.	1885-86.	1891-92.	1895-96.
(1.) Out of General Revenues paid to the Exchequer.							
Metropolitan Fire Brigade	—	—	10,000	10,000	10,000	10,000	10,000
Rates on Government Property	15,628	18,186	63,236	132,714	177,019	187,082	348,709
Disturnpiked and Main Roads	—	—	—	—	229,490	*	*
Poor Law Unions:—							
Salaries of Teachers in Poor Law Schools	—	104,846	161,002	{ 34,405	37,640	*	*
Moiety of Salaries of Poor Law Medical Officers.	—	—	—	{ 129,341	147,341	*	*
Moiety of Salaries of Medical Officers of Health and Inspectors of Nuisances.	—	—	—	57,586	71,321	*	*
Poor Law Auditors' Salaries and Expenses and Superannuations.	—	18,391	18,258	21,014	16,971	15,587	9,860
Public Vaccinators	—	—	4,623	16,825	18,784	1,248	981
Pauper Lunatics	—	—	—	837,126	478,841	53	144
Do. (Criminal Lunatics Act, 1884).	—	—	—	—	11,159	8,022	7,291
Registrars of Births and Deaths (37 & 38 Vict. c. 88.)	—	—	—	6,382	9,550	*	*
Criminal Prosecutions:—							
Repayments to Counties and Boroughs	180,117	237,061	120,406	139,272	185,585	*	*
Clerks of Assize	—	—	19,606	19,772	20,645	17,397	17,578
Central Criminal Court	—	—	4,004	4,167	5,075	*	*
London Sessions, formerly Middlesex Sessions.	—	—	766	756	851	1,454	1,844
Clerks of the Peace, &c., Compensations	—	—	5,434	4,547	1,808	198	198
Metropolitan Police:—							
Contribution in Aid	98,567	101,165	328,562	398,704	545,329	*	*
Salaries and Pensions of Commissioner and Receiver	—	—	—	—	—	5,969	5,300
Police, Counties and Boroughs	—	—	278,971	675,721	889,895	*	*
Prisons, Reformatories, &c.:—							
Maintenance of Prisoners in County and Borough Gaols.	—	98,574	92,728	90,226	—	—	—
Prisons transferred (40 & 41 Vict. c. 21.)	—	—	—	—	394,148	890,693	415,282
Prison Officers' Pension Commutation Annuities.	—	—	—	—	4,664	9,461	5,609
Maintenance of Children in Reformatory Schools.	—	—	64,386	64,991	63,820	57,588	58,042
Maintenance of Children in Industrial Schools.	—	—	76,038	88,304	128,524	136,556	133,508
Removal of Convicts from County Prisons	†	†	2,987	4,003	—	—	—
Grants to School Boards under 33 & 34 Vict. c. 75. s. 97.	—	—	—	385	4,352	8,395	26,507
Repair of Berwick Bridge	90	90	90	90	90	90	90
Registration of Voters	—	—	—	—	42,277	—	—
Diseases of Animals	—	—	—	—	—	138,200	22,000
Total out of Exchequer Revenue	244,402	568,313	1,146,092	2,236,281	3,388,999	987,807	1,057,149
(2.) Out of Assigned Revenues paid to the Local Taxation Accounts.							
Additional Beer and Spirit Duties:—							
(a.) Customs	—	—	—	—	—	169,770	162,793
(b.) Excise	—	—	—	—	—	955,851	953,746
Excise Licences	—	—	—	—	—	3,062,304	3,188,448
Share of "Probate Duty" and "Estate Duty."	—	—	—	—	—	2,238,935	1,952,034
Total out of Local Taxation Revenue	—	—	—	—	—	6,426,860	6,257,021
GRAND TOTAL	244,402	568,313	1,146,092	2,236,281	3,388,999	7,414,667	7,314,169

* The charges against which there is set an asterisk are charges which were transferred from the Exchequer to the Local Taxation Accounts under Mr. Goschen's proposals.

† Included under the head of Criminal Prosecutions, Repayments to Counties and Boroughs, in 1842-3, and in General Prisons Vote in 1852-3

2.—SCOTLAND.

	1842-43.	1852-53.	1872-73.	1875-76.	1885-86.	1891-92.	1895-96.
(1.) Out of General Revenues paid to the Exchequer.							
<i>Scotland.</i>							
Rates on Government Property	£ 561	£ 811	£ 468	£ 7,585	£ 9,201	£ 11,549	£ 22,408
Disturnpiked and Main Roads	—	—	—	—	85,000	*	*
Medical Relief, Proportion of expense	—	9,970	10,195	9,982	20,000	*	*
Do. Vaccine Lymph	—	—	85	84	69	79	75
Pauper Lunatics	—	—	—	59,483	85,108	*	91
Criminal Proceedings:—							
Sheriffs' Accounts, Procurators Fiscal and Expenses of Criminal Prosecutions in Sheriff Courts.	48,468	65,250	58,842	50,153	49,181	44,472	48,789
Police, Counties and Boroughs	—	—	47,107	112,752	143,530	*	*
Prisons, Reformatories, &c.:—							
Prisons transferred (40 & 41 Vict. c. 53.)	—	—	—	—	84,568	59,308	68,923
Maintenance of Children, Reformatory Schools.	—	—	16,204	15,672	18,540	10,657	11,568
Maintenance of Children, Industrial Schools.	—	—	38,880	37,071	48,835	52,256	51,177
Maintenance of Prisoners in County and Borough Gaols.	—	7,074	13,951	15,317	—	—	—
Removal of Convicts from County Prisons	—†	—†	1,638	1,837	—	—	—
Grants to School Boards under 85 & 86 Vict. c. 62. s. 67.	—	—	—	1,120	5,555	9,873	12,995
Sheriff Court Houses:—							
Half Cost of erecting or improving	—	—	5,065	24,274	789	33	3,364
Registration of Voters	—	—	—	—	5,421	—	—
Diseases of Animals	—	—	—	—	—	16,800	8,000
Local Taxation Relief	—	—	—	—	—	110,000†	—
Total met out of Exchequer Revenue	£ 49,029	£ 82,605	£ 192,435	£ 335,280	£ 500,297	£ 815,022	£ 221,549
(2.) Out of Assigned Revenues paid to the Local Taxation Accounts.							
<i>Additional Beer and Spirit Duties:—</i>							
(a.) Customs	—	—	—	—	—	23,346	22,383
(b.) Excise	—	—	—	—	—	192,429	129,715
Excise Licences	—	—	—	—	—	829,433	835,653
Share of "Probate Duty" and "Estate Duty."	—	—	—	—	—	310,504	267,405
Total out of Local Taxation Account	—	—	—	—	—	795,712	755,156
GRAND TOTAL	£ 49,029	£ 82,605	£ 192,435	£ 335,280	£ 500,297	£ 1,110,734	£ 976,705

* See note on preceding page.

† Included in Vote for Criminal Prosecutions in 1842-3, and in general Prisons Vote in 1852-3.

‡ This sum represented the "equivalent grant" ($\frac{1}{4}$ ths) of the English School Fee Grant in 1891-2, and, pending the passage of the corresponding educational measure for Scotland, was applied in relief of local rates for that year.

3.—IRELAND.

	1842-43.	1852-53.	1872-73.	1875-76.	1885-86.	1891-92.	1895-96.
(1.) Out of General Revenues paid to the Exchequer.							
<i>Ireland.</i>							
Rates on Government Property	£ 2,974	£ 8,712	£ 1,430	£ 47,853	£ 31,939	£ 30,635	£ 42,435
Poor Law Unions:—							
Half Salaries of Sanitary Officers	—	—	—	12,167	14,161	15,670	16,120
Salaries of Schoolmasters and School-mistresses in Workhouses.	—	—	8,029	8,915	10,362	9,513	9,406
Half Salaries of Medical Officers and Half Cost of Medicines,	—	—	66,397	69,586	73,946	74,190	78,723
Poor Law Auditors	—	3,296	3,701	3,626	3,874	4,001	4,901
Vaccine Lymph	—	—	—	—	735	749	836
Pauper Lunatics: Contribution in aid of Maintenance.	—	—	—	56,948	97,810	111,666	126,266
Criminal Prosecutions	—	—	25,926	27,305	16,779	20,494	14,918
Dublin Metropolitan Police	£ 30,438	£ 34,826	£ 61,092	£ 84,904	£ 100,208	£ 99,142	£ 96,596
Irish Constabulary	£ 963,473	£ 543,594	£ 820,004	£ 1,022,691	£ 1,303,897	£ 1,375,863	£ 1,378,316
Prisons, Reformatories, &c.:—							
Maintenance of Prisoners in County and Borough Gaols.	—	4,321	5,184	8,653	—	—	—
Prisons transferred (40 & 41 Vict. c. 49.)	—	—	—	—	91,726	99,304	79,269
Maintenance of Children in Reformatory Schools.	—	—	15,563	16,663	15,283	10,944	—
Maintenance of Children in Industrial Schools.	—	—	37,479	59,546	76,410	96,575	105,510

3.—IRELAND—*continued.*

	1842-43.	1852-53.	1872-73.	1875-76.	1885-86.	1891-92.	1895-96.
(1.) <i>Out of General Revenue paid to the Exchequer—cont.</i>							
<i>Ireland—cont.</i>	\$	\$	\$	\$	\$	\$	\$
Survey and Valuation:—							
Moalty of the Expense of the Annual Revision of Rateable Property, &c.	—	—	10,368	17,855	15,977	17,362	18,975
Infirmarys: Grants under 5 Geo. 3. e. 20.	3,385	3,251	1,871	1,542	579	401	312
Dublin Hospitals: Grants in aid	31,070	17,825	16,750	16,750	15,850 16,691	15,850	15,723
Registration of Voters	—	—	—	—	—	—	—
Diseases of Animals	—	—	—	—	—	20,000	50,000
Exchequer Contribution to Ireland (54 & 55 Vict. c. 48.).	—	—	—	—	—	40,000	40,000
Total met out of Exchequer Revenue	330,640	610,765	1,073,787	1,454,504	1,886,227	2,042,359	2,073,897
(2.) <i>Out of assigned Revenues paid to the Local Taxation Accounts.</i>							
Additional Beer and Spirit Duties:							
(a.) Customs	—	—	—	—	—	19,097	18,314
(b.) Excise	—	—	—	—	—	95,933	102,523
Excise Licences	—	—	—	—	—	—	—
Share of "Probate Duty" and "Estate Duty."	—	—	—	—	—	244,230	233,104
Total Payments to Local Taxation Accounts	330,640	610,765	1,073,787	1,454,504	1,886,227	359,260	353,940
GRAND TOTAL	330,640	610,765	1,073,787	1,454,504	1,886,227	2,401,619	2,427,337

4.—SUMMARY FOR THE UNITED KINGDOM.

	1842-43.	1852-53.	1872-73.	1875-76.	1885-86.	1891-92.	1895-96.
1. Out of General Revenues paid to the Exchequer.	\$ 624,071	\$ 1,621,683	\$ 2,412,314	\$ 4,026,065	\$ 5,775,523	\$ 3,345,188	\$ 3,352,094
2. Out of assigned Revenues paid to the Local Taxation Accounts:—							
(1.) Additional Beer and Spirit duties.	—	—	—	—	—	1,396,426	1,359,473
(2.) Excise Licences	—	—	—	—	—	3,391,737	3,524,101
(3.) Share of "Probate Duty" and "Estate Duty."	—	—	—	—	—	2,793,669	2,452,543
Total for the United Kingdom	\$ 624,071	\$ 1,261,683	\$ 2,412,314	\$ 4,026,065	\$ 5,775,523	\$ 10,927,020	\$ 10,718,211
Increases	637,612		1,613,751		5,151,497		

Conclusions from retrospect.

This Table A. shows that the Imperial relief in aid of local taxation has, during the last half century been largely augmented. Such relief amounted in 1842-3 to less than 650,000*l.* It amounted in 1895-6 to nearly 10,750,000*l.* So it has increased in the period by more than 10,000,000*l.*; and, if we add the relief which will result from last year's Act, estimated at nearly 2,000,000*l.*,* the increase may be put at 12,000,000*l.*

When we come to consider the total amount of money raised for local purposes, it will be seen that the amount of Imperial relief has increased at a greater proportion than the burden on local rates.

It will be gathered from this sketch of the history of local taxation in its parliamentary aspect, that the question has been treated in very piecemeal fashion; and that, though the ratepayers have in the long run succeeded in making their voices heard against those of the taxpayers, yet successive Governments have approached the consideration of it with no little chariness and hesitation.

I now proceed to come to closer quarters with the terms of reference to our Commission.

* But see p. 23 above and specially footnote † thereon.

III.—PRESENT SYSTEM UNDER WHICH TAXATION IS RAISED FOR LOCAL PURPOSES.

The first instruction given to our Commission is "to inquire into the present system under which taxation is raised for local purposes."

The greater part of such taxation is raised by local authorities; and when so raised it consists principally of rates, but also of other imposts, like tolls, dues, &c. The remainder consists of the amount raised by Parliament, in order to supplement local revenue and thus relieve the pressure of rates.

It will have been seen from what has been said in the preceding section that this relief is afforded in two ways. (1) Parliament annually undertakes to provide certain services which otherwise (so far as they might be provided at all) would presumably constitute a charge on local rates. (2) Parliament also assigns certain specific revenues to assist local authorities in the performances of other services, which without such assistance would likewise constitute a charge on local rates.

These assigned revenues, consisting of the bulk of the excise licences, half the former probate duty (now an equivalent grant out of the estate duty "derived from personal property") and surtaxes on beer and spirits, are diverted from the Exchequer, and paid over to the English, Scottish, and Irish Local Taxation Accounts, on which the Local Government Board in England, the Secretary for Scotland, and the Lord Lieutenant of Ireland respectively operate.

Mr. Goschen's plan was the first serious attempt made to deal with Imperial and local taxation in a comprehensive manner; and in some respects it unquestionably had advantages over the previous system of parliamentary grants-in-aid. Such grants or doles, emanating from what is thought to be an inexhaustible reservoir, tend to the idea that the source of relief is unlimited, and thus lead to extravagant administration. So long, indeed, as the grants-in-aid increased (so to speak) automatically, incentive to economy was considerably impaired. The substitution of assigned revenues for grants-in-aid, was a step in the direction advocated by those who had regarded the relief of local taxation with least favour, and who like Mr. Gladstone had put forward the assignment of "chosen items of taxation"** for local purposes as the proper way of meeting the demands of ratepayers. Moreover, the change introduced by Mr. Goschen had the effect of preventing the simultaneous appearance of certain items in the expenditure sides of the Imperial and local accounts.

But, though the plan was a great improvement over former plans, yet considerable exception was taken to it at the time, and some of the anticipations originally formed of it have not been realised.

One of the leading principles on which improved local government and improved local taxation are professedly based is that each locality should itself provide and administer its own resources. But the measures of 1888 were inconsistent with this leading principle. They conferred, on the one hand, larger powers of self-government on local authorities; but, by placing at the disposal of those authorities larger sums from outside sources, the same measures had, on the other hand, the effect of withdrawing from local control a relatively larger amount of funds spent on local purposes.

The new system, it was said, when compared with the old system, constituted a distinction without a difference. You could not earmark particular taxes or portions of taxes out of the general proceeds of Imperial taxation. It was the same thing to the taxpayer whether certain revenues were intercepted on their way to the Exchequer and paid into other accounts, or whether all revenues were allowed to go into the Exchequer, and a certain number of millions was drawn thereout for the relief of ratepayers. But, while under the old system the millions appropriated to local purposes were annually controlled and supervised by the House of Commons, the amount—and a still larger amount—which went to meet local requirements under the new system was once for all surrendered. Moreover, while the interests of the taxpayers would in future be less carefully safeguarded, the ratepayers would, so far as the relief afforded to them was dependent on the yield of so uncertain a branch of revenue as the death duties, be exposed to the inconvenience of not knowing beforehand the amount of assistance on which they could reckon.

Taxation raised by local authorities.

Taxation raised by Parliament for local purposes.

System of assigned revenues.

Advantages of the system over grants-in-aid.

Objections to the system:

As diminishing local control:

as based on fallacy;

as weakening Parliamentary control;

as making local finance uncertain.

* See p. 10 above. Mr. Gladstone presumably had in his mind such "items of taxation" as the Excise Licences and the Inhabited House Duty, which, unlike the Probate Duty, admit of being localised.

Attempted separation of local and Imperial finance has not succeeded.

Mr. Goschen intended that the "Probate Duty Grant" and the Surtaxes on Beer and Spirits, as well as the Excise Licences, though all these duties were to continue to be levied and to be only alterable by Parliament, should be finally sundered from Imperial finance and be regarded as local taxes. As a matter of fact, however, local finance has not been successfully disentangled from Imperial finance. In the "Financial Relations" Returns, to which so much attention has recently been directed, it has been found necessary on one side of the account to add to the revenue paid into the Exchequer the revenue raised for local authorities, and on the other side to add to the expenditure met out of the Exchequer the expenditure represented by payments out of the local taxation accounts. Otherwise, neither the full burden falling upon the taxpayers of the three kingdoms respectively, nor the total expenditure for which the State provides would be exhibited. These additions to both sides of the public accounts have likewise to be made, whenever a comparison is instituted between the current public revenue and expenditure and the public revenue and expenditure of any year preceding the changes introduced by Mr. Goschen.

Further relief still sought.

Moreover, as has been witnessed by the rating measures of last Session (1896), the assignment of specific revenues has not succeeded, as it was hoped, in putting an end to claims for further relief on the part of ratepayers.

Amount of taxation for local purposes.

As the "system" under which taxation is raised for local purposes is one of the subjects referred to the Commission, I have felt bound to allude to the disadvantages and inconveniences* attending the present Local Taxation arrangements. But, in so doing, I desire it to be understood that, in this Memorandum which I write as a representative of the Treasury, I do not intend to pronounce judgment on financial arrangements which have so recently received the sanction of Parliament.

Under the present system the "taxation raised for local purposes" naturally falls under one or other of four heads. I take the latest figures, and, consequently, those relating to 1895-6, so far as they are available.

A.—*Raised by the State.*

	£	£
1. Grants in aid of local taxation provided out of moneys voted by Parliament in 1895-6 (see Table A.)	3,352,000†	
2. Revenues assigned to Local Taxation Accounts in 1895-6 (see Table A.)	7,366,000†	
	<hr/>	10,718,000

B.—*Raised by Local Authorities.*

	£	
3. Proceeds of rates (latest years)	38,506,000‡	
4. Proceeds of tolls, dues, &c.	6,425,000‡	
	<hr/>	
	44,931,000	
Accordingly, this sum of	£55,649,000	<hr/>

represents the total amount of "taxation raised for local purposes."

Let us now see (1) what proportions the amounts of "taxation raised for local purposes" by Parliament bear to the amounts of taxation raised for the same purposes by local authorities, at the different periods which I have taken in the preceding section; and (2) what proportions the amounts of "taxation raised for local purposes" by local authorities bear to the rateable value at the same periods.

The following Tables B. and C. give these comparisons for the three Kingdoms severally and jointly.

* Cf. Lord Farrer's book on Mr. Goschen's Finance; the "Economist" of the 28th April, 30th June, and 28th July 1888; G. H. Blunden's "Local Taxation and Finance," pp. 32-8; and the Journal of the Royal Agricultural Society of England for December 1896.

† Cf. Sir H. Fowler's Return of Public Income and Expenditure, No. 344 of 1896, p. 29.

‡ The figures relating to Great Britain are taken from the Statistical Abstract, 1896, pp. 41 and 43, which, by excluding sums received from the sale of gas and water, purports to give only the receipts from rates. In the case of Ireland, the tables in the Statistical Abstract include certain proceeds of water undertakings among the amounts raised by rates. In the above totals the sums included for Ireland have been taken from the Local Taxation Returns for 1895 (C.—8198 of 1896), a deduction of £68,000 being made from the produce of the rates, as being the payment for private water supplies.

TABLE B.—Showing the AMOUNTS raised respectively by LOCAL AUTHORITIES and PARLIAMENT for LOCAL PURPOSES at different periods.

(1.) ENGLAND AND WALES.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Taxation raised for Local Purposes by Parliament.	Proportions per Cent.		Proportions per Cent.		References for Taxation raised by Local Authorities.
	Rates.	Tolls, Dues, &c.	Total.		Total Taxation raised for Local Purposes by Local Authorities.	Taxation raised for Local Purposes by Parlia- ment.	Rates only.	Taxation raised for Local Purposes by Parlia- ment.	
1842-3	£ 8,847,000	£ 2,585,000	£ 11,832,000	£ 244,000	98	2	97	3	Mr. Goschen's Return, 201 of 1893, p. 125 (amount in 1843).
1852-3	9,917,000	2,535,000	12,452,000	568,000	96	4	95	5	Do., p. 127 (amount in 1851).
1872-3	18,572,000	4,885,000	23,957,000	1,146,000	95	5	94	6	Local Government Board Report, 1875.
1875-6	22,477,000	4,886,000	27,813,000	2,236,000	98	8	91	9	Do., 1878.
1885-6	26,162,000	5,157,000	31,319,000	3,389,000	90	10	89	11	Statistical Abstract, 1896.
1891-2	28,509,000	5,456,000	33,965,000	7,415,000	82	18	79	21	Do.
Latest Year	33,229,000	4,981,000	37,210,000	7,314,000	84	16	82	18	Do.

B.—(2.) SCOTLAND.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Taxation raised for Local Purposes by Parliament.	Proportions per Cent.		Proportions per Cent.		References for Taxation raised by Local Authorities.
	Rates.	Tolls, Dues, &c.	Total.		Total Taxation raised for Local Purposes by Local Authorities.	Taxation raised for Local Purposes by Parlia- ment.	Rates only.	Taxation raised for Local Purposes by Parlia- ment.	
1842-3	£ 468,000	£ 495,000	£ 963,000	£ 49,000	95	5	91	9	Mr. Goschen's Return, 201 of 1893, p. 125 (amount in 1843).
1852-3	908,000	475,000	1,378,000	88,000	94	6	92	8	Local Taxation (Scotland) Report, C.—7575 (1895, pp. x and xvii) (for 1848).
1872-3	1,793,000	800,000	2,593,000	192,000	98	7	90	10	Do. do. (for 1867).
1875-6	2,629,000	1,060,000	3,682,000	835,000	92	8	89	11	Statistical Abstract, 1890, p. 38 (for 1879-80).
1885-6	8,865,000	1,007,000	9,872,000	500,000	90	10	87	13	Do., 1896, p. 42.
1891-2	8,265,000	950,000	9,215,000	1,111,000	79	21	75	25	Do., 1896, p. 43.
Latest Year	8,340,000	957,000	9,297,000	977,000	81	19	77	23	Do. do.

B.—(3.) IRELAND.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Taxation raised for Local Purposes by Parliament.	Proportions per Cent.		Proportions per Cent.		References for Taxation raised by Local Authorities.
	Rates.	Tolls, Dues, &c.	Total.		Total Taxation raised for Local Purposes by Local Authorities.	Taxation raised for Local Purposes by Parlia- ment.	Rates only.	Taxation raised for Local Purposes by Parlia- ment.	
1842-3	£ 1,415,000	£ 146,000	£ 1,561,000	£ 351,000	88	17	81	19	Mr. Goschen's Return, 201 of 1893, p. 125 (amount in 1843).
1852-3	2,179,000	146,000	2,325,000	611,000	79	21	78	22	Do., p. 127 (amount in 1851.)
1872-3	2,441,000	365,000	2,806,000	1,074,000	78	28	69	31	Local Taxation Returns.
1875-6	2,544,000	528,000	3,072,000	1,456,000	68	32	64	36	Do.
1885-6	2,797,000	448,000	3,245,000	1,886,000	63	37	60	40	Do.
1891-2	2,877,000	472,000	3,349,000	2,402,000	58	42	54	46	Do.
Latest Year	3,937,000	487,000	3,424,000	2,427,000	59	41	55	45	Do. Total receipt from rates reduced by £8,000/-, being the amount of rates for private water supply. C.—8198 of 1896, p. 6.

B.—(4.) UNITED KINGDOM.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Taxation raised for Local Purposes by Parliament.	Proportions per Cent.		Proportions per Cent.	
	Rates.	Tolls, Dues, &c.	Total.		Total Taxation raised for Local Purposes by Local Authorities.	Taxation raised for Local Purposes by Parlia- ment.	Rates only.	Taxation raised for Local Purposes by Parlia- ment.
1842-3	£ 10,730,000	£ 8,176,000	£ 18,906,000	£ 624,000	96	4	95	5
1852-3	12,999,000	8,156,000	16,155,000	1,262,000	93	7	91	9
1872-3	22,806,000	5,850,000	28,156,000	2,412,000	92	8	90	10
1875-6	27,643,000	6,419,000	34,062,000	4,026,000	89	11	87	13
1885-6	32,324,000	6,612,000	38,936,000	5,776,000	87	13	85	15
1891-2	34,651,000	6,878,000	41,529,000	10,927,000	79	21	76	24
Lateat year	38,506,000	6,425,000	44,931,000	10,718,000	81	19	78	22

Observations on Table B. This Table B. is an attempt to show the comparative growth of the amounts raised in taxation for purposes of local expenditure by the Imperial Parliament on the one hand, and by Local Authorities on the other. The years selected for comparison are, as far as possible, the same years for which the amounts of Imperial contribution have already been presented in Table A.; and the table shows, for each of the three divisions of the United Kingdom, as well as for the United Kingdom as a whole, the relative proportions in which local expenditure has been met from local and from Imperial taxation, and the changes in those relative proportions which followed from the great measures of relief adopted in 1846, 1874, and 1888-90.

It must be pointed out, however, that, owing to the absence of any complete record of local taxation in the earlier years with which the Table deals, it has been necessary to adopt the figures for the nearest years which have formed the subject of previous inquiry. Similarly, the figures relating to the Imperial contribution for 1895-6 cannot be compared with those relating to local taxation for the same period, the returns for which are not yet available. In several instances, therefore, the relative proportions exhibited in the Table are not based upon the actual facts of any one year; but it is submitted that they afford a sufficiently close approximation to support any general inferences which may be drawn from them.

The amount devoted from Imperial taxation to local purposes is compared in the Table both with the amount raised from local rates and with the total amount of local taxation, including under that term, not only rates, but receipts from tolls, dues, and similar charges. The inclusion of the latter class of receipts does not materially affect the results of the comparison as between one year and another; and accordingly attention may be principally confined to the comparison with rates alone, more especially as rates constitute the local burden which is most severely felt.

It will be seen from Table B (4), last column, that, out of the total sum raised for local purposes in the United Kingdom by rates and Imperial taxes combined, the Imperial contribution now amounts to 22 per cent. of the whole, whereas in 1842-3 it was only 5 per cent. of the whole. In other words, while the amount raised by rates is about three and a half times greater than it was 50 years ago, the Imperial relief afforded to the ratepayers has, during that period, increased about seventeen-fold.

It may be interesting to note how far the three great measures of relief respectively contributed to cause the alteration in the relative proportions of the local expenditure borne by rates and taxes.

Results of the measures of 1846, 1874, and 1888-90.

I.—Sir Robert Peel's measure of 1846.

From being 5 per cent. in 1842-3, the proportion of the Imperial contribution was increased to 9 per cent. in 1852-3.

II.—Sir Stafford Northcote's measure of 1874.

Between 1872-3 and 1875-6 the proportion of the Imperial contribution was raised from 10 to 13 per cent. of the whole.

III.—*Mr. Goschen's measures of 1888-90.*

As a result of the additional subventions granted between 1888 and 1890, the proportion rose from 15 per cent. in 1885-6 to 24 per cent. in 1891-2.

TABLE C.—Showing the PROPORTIONS which the amounts of LOCAL TAXATION bear to the RATEABLE VALUE at different periods.

(1.) ENGLAND AND WALES.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Estimated Rateable Value.	Proportion per Cent. to Rateable Value.		Rate in the £ of Rates.	References for Estimated Rateable Value.
	Rates.	Tolls, Dues, &c.	Total.		Of Rates only.	Of total Taxation raised for Local Purposes by Local Authorities.		
1842-3	£ 8,847,000	£ 2,535,000	£ 11,382,000	£ 62,540,000	14	18	s. d. 2 10	Mr. Goschen's Return, 201 of 1893, p. 69 (value in 1841).
1852-3	9,917,000	2,535,000	12,452,000	69,770,000	14	18	2 10	House of Commons Paper, 461 of 1875 (Mean of Values in 1849-50 and 1855-56).
1872-3	18,572,000	4,885,000	22,957,000	112,393,000	16	30	3 2	Sir H. Fowler's Return, 168 of 1893, Appendix, p. 10.
1875-6	22,477,000	4,886,000	27,318,000	119,080,000	19	28	3 10	Do. Do.
1885-6	26,162,000	5,157,000	31,319,000	147,351,000	18	21	3 7	Do. Do.
1891-2	28,509,000	5,456,000	33,965,000	155,896,000	18	22	3 7	Statistical Abstract, 1896, p. 49.
Latest year	32,229,000	4,981,000	37,210,000 (1893-4)	161,082,000 (1894)	20	28	4 0	House of Commons Paper, No. 204 of 1895.

C.—(2.). SCOTLAND.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Estimated Rateable Value.	Proportion per Cent. to Rateable Value.		Rate in the £ of Rates.	References for Estimated Rateable Value.
	Rates.	Tolls, Dues, &c.	Total.		Of Rates only.	Of Total Taxation raised for Local Purposes by Local Authorities.		
1842-3	£ 468,000	£ 495,000	£ 963,000	£ 9,300,000	5	10	s. d. 1 0	Report on Local Taxation, Scotland, C. 7575/1895, p. 123 (1841).
1852-3	903,000	475,060	1,878,000	10,990,000	8	18	1 7	Do. (Mean of Values for 1848 and 1856).
1872-3	1,793,000	600,000	2,393,000	18,991,000	9	13	1 10	Do. (value in 1874).
1875-6	2,624,000	1,060,000	3,684,000	20,566,000	13	18	2 7	Inland Revenue Commissioners' Report, 1885.
1885-6	3,365,000	1,007,000	4,372,000	28,872,000	14	18	2 10	Do. 1887.
1891-2	3,965,000	950,000	4,915,000	24,310,000	13	17	2 7	Do. 1893.
Latest year	3,340,000	957,000	4,297,000 (1892-3)	25,070,000 (1894-5)	13	17	2 7	Do. 1896.

C.—(3.) IRELAND.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Estimated Rateable Value.	Proportion per Cent. to Rateable Value.		Rate in the £ of Rates.	References for Estimated Rateable Value.
	Rates.	Tolls, Dues, &c.	Total.		Of Rates only.	Of Total Taxation raised for Local Purposes by Local Authorities.		
1842-3	£ 1,415,000	£ 146,000	£ 1,561,000	£ 13,429,000	11	12	s. d. 2 2	House of Commons Paper, 513 of 1844.
1852-3	2,179,000	146,000	2,325,000	11,584,000	19	20	3 10	House of Commons Paper 263 of 1867-8. (1851.)
1872-3	2,441,000	365,000	2,806,000	18,252,000	18	21	3 7	C. 7720-I., of 1895, p. 430.
1875-6	2,544,000	523,000	3,067,000	18,494,000	19	23	3 10	Inland Revenue Commissioners' Report, 1885.
1885-6	2,797,000	448,000	3,245,000	14,008,000	20	23	4 0	Do. 1887.
1891-2	2,877,000	472,000	3,349,000	14,273,000	20	23	4 0	Do. 1893.
Latest year	2,937,000	487,000	3,424,000 (1895)	14,379,000 (1894-5)	20	24	4 1	Do. 1896.

C.—(4.) UNITED KINGDOM.

YEAR.	Taxation raised for Local Purposes by Local Authorities.			Estimated Rateable Value.	Proportion per Cent. to Rateable Value.		Rate in the £ of Rates.
	Rates.	Tolls, Dues, &c.	Total.		Of Rates only.	Of Total Taxation raised for Local Purposes by Local Authorities.	
1842-3	£ 10,730,000	£ 3,176,000	£ 13,906,000	£ 85,269,000	13	16	s. d. 2 7
1852-3	12,999,000	3,156,000	16,155,000	92,344,000	14	17	2 10
1872-3	22,806,000	5,350,000	28,156,000	144,560,000	16	19	3 2
1875-6	27,643,000	6,419,000	34,062,000	153,140,000	18	22	3 7
1885-6	32,924,000	6,612,000	38,936,000	185,231,000	17	21	3 6
1891-2	34,651,000	6,878,000	41,529,000	194,479,000	18	21	3 7
Latest year	38,506,000	6,425,000	44,931,000	200,531,000	19	22	3 10

Conclusions from Table C.

In this Table (C.) the amounts of local taxation raised by rates and by tolls, dues, &c., are exhibited in relation to the rateable values of the respective countries in the series of years already dealt with, or in the nearest years for which those values have been recorded. The Table shows that, in spite of the great increase which has taken place in the rateable value of the United Kingdom, viz., from £ 85,000,000 in 1842-3 to £ 200,000,000 in 1894-5, the amount of local taxation has increased in a still greater degree. Except in Ireland, the increase in the amount raised by rates has been greater than in the yield of the other sources of local taxation. For the whole of the United Kingdom the increase in the burden of the rates, expressed in terms of the total rateable value, has been from 2s. 7d. in the £ in 1842-3 to 3s. 10d. in the £ in the latest year for which the returns are available. The extension, therefore, of Imperial grants has not resulted in an appreciable reduction of the pressure of local rates, but has only prevented or arrested the still more rapid increase in the growth of local rates which would otherwise have taken place. Had there been no such grants, and had all the expenditure incurred by local authorities had to be met by local rates, it is not improbable, whether for good or evil, that that expenditure would not have grown at the pace at which it has grown.

The Imperial contribution in 1842-3 was equivalent to less than 2d. in the £ on the then rateable value of the United Kingdom. In 1895-6 it was equivalent to nearly 1s. 1d. in the £ on the rateable value according to the most recent returns. Accordingly, if the local charges which are defrayed from Imperial funds had been borne upon local rates, the effect would have been to increase the average amount of those rates

from 2s. 7d. in the £ to 2s. 9d. in 1842-3, and from 3s. 10d. to 4s. 11d. at the present day. If, on the same reckoning, we gauge the effect of the additional State assistance which has been rendered to ratepayers since 1842, we find that it is equivalent to a lightening of the burden on rates by about 11d. in the £.

IV.—AN ATTEMPT TO DEFINE AND CLASSIFY TAXES.

We are next instructed to "report whether all kinds of real and personal property contribute equitably" to the taxation raised for local purposes.

This second point raises questions of great intricacy and difficulty. It is practically a twofold instruction to the Commission. (1) We have, in the first place, to determine the incidence of "taxation raised for local purposes." (2) We have, in the second place, to pronounce judgment on the "equity" of the system under which such taxation is raised; and this pronouncement, I submit, can hardly be made apart from the system under which the whole of the taxation of the country is raised, whether for Imperial or local purposes.

These are problems with which it must be left to the Commission as a whole to deal. I do not aspire to do more than prepare the way for a solution of those problems, if, indeed, a solution is possible; and the first preparatory step to take will be to attempt a classification of taxes.

Before such an attempt is made, some preliminary considerations must be taken into account.

One would imagine from what is often said and written, even by high authorities on economic subjects, that taxes are levied on *things* (in the broadest sense of the word)—that is, on property of some description, and on articles of consumption. This, however, is not only a loose and unscientific definition of taxes, but, as it appears to me, an erroneous and misleading definition. To such error and misconception the terms of reference are indeed open, alluding as they do to contributions of real and personal property.

Taxes fall on persons, not on things.

I submit that it is more correct to say that taxes are levied on *persons*, not on things. It follows that it is not property which is taxed, but the person or persons who are in enjoyment of it.

Many attempts have been made to define a tax, and the result of those attempts has been very varied. I take it that the essential elements of a definition are that it should be clear and concise, and that it should at the same time be in the closest possible conformity with facts. The definition of a tax which appears to me to answer best to those requirements, though it does not correspond with the actual wording to be found in any text book, is the following:—

Definition of a "tax";

A tax, or rate, is an obligatory contribution by persons in respect of, or incidental to, something which they possess or something which they do.

and of "Imperial" and "local" taxes.

Taxes levied by Parliament are (ordinarily) exacted from and contributed by persons for the payment of expenses incurred by the central authority for the common benefit of the community at large.

Rates and taxes levied by local authorities are exacted from and contributed by persons within the jurisdiction of the taxing power, for the payment of expenses incurred by such authorities inside a particular area.

Previous classifications of taxes:—
According to source

The attempts made to classify taxation have been as numerous as the attempts made to define a tax. As almost all taxes, rates, and imposts are paid, practically, if not theoretically, out of the income of those on whom the levy is made, it would seem as if taxation might most naturally and properly be classified according to the source of income out of which it is paid; that is to say,—

- (1) Taxes paid out of income derived from (so called) *real* property;
- (2) Taxes paid out of income derived from (so called) *personal* property; and
- (3) Taxes paid out of income derived from *personal exertion*; that is, out of income earned by mental or manual labour.

Such a classification, however, at once lands us in insurmountable difficulties. It involves two impossible computations—the computed sources of the incomes of individuals, and the computed amounts paid in taxes out of those various sources.

We must, therefore, seek some more practical classification of taxes.

The distinction most commonly drawn between taxes, and the one with which we are most familiar in financial works and in official statements, is the distinction between *direct* and *indirect* taxes. This distinction has generally been drawn from

motives of convenience rather than on scientific principles, and rests on the supposition that taxes of the first kind are borne or intended to be borne by the payer, while taxes of the second kind are shifted, or intended to be shifted, on to the shoulders of some one other than the payer. Such a classification is useful for showing in a broad and general way the trend of taxation—that is, the amount raised from the propertied classes as compared with the amount raised from the community at large; but it does not serve for present purposes without considerable qualification and explanation.

Other classifications.

Some authorities, as, for instance, Professor Rau of Heidelberg, have divided taxes into (1) taxes levied on the basis of assessment or valuation, and (2) taxes levied on articles of consumption.* This division corresponds broadly to "direct" and "indirect" taxation, as also does another not uncommon, and very similar division, viz. (1) taxes on income, and (2) taxes on expenditure.

A classification which has been adopted by other authorities is one that divides taxes into (1) taxes on persons, (2) taxes on property, and (3) taxes on income.†

Taxes have also been grouped into taxes in respect of wealth, (1) at the time of its acquisition, (2) while it is in possession, and (3) upon its being consumed.‡ This classification has the sanction of two German authorities (Wagner and Colm), but it does not adapt itself to our present inquiry any better than the preceding classifications.

The fact is, a classification which suits one system of taxation does not suit another system of taxation. Moreover, a classification which is appropriate when one purpose is in view, may become inappropriate when another purpose is in view. We must, therefore, find some classification other than those which I have enumerated; but I do not believe that human ingenuity can devise any classification to which objection cannot be taken.

The classification of taxes levied by Parliament, which Sir Alfred Milner and I suggest, after much deliberation, as the one least open to exception and at the same time suitable for present purposes, is a classification which in the first place divides taxes into two general heads, viz. :—

1. Taxes incidental to the Ownership, Occupation, or Transfer of Property.

2. Taxes not incidental to Property.

Subdivision of taxes on property :—

We next propose to subdivide these two general heads—the first into subheads which will include a distinction between the two classes of property, and the second into such subheads as the nature of taxes unconnected with property may seem to require.

Real and Personal property.

The subdivision of the first head, viz., "Taxes incidental to Property," which would accord most literally with the Terms of Reference to the Commission would be "Taxes incidental to *Real Property or Realty*" and "Taxes incidental to *Personal Property or Personality*." But here we are at once met with a difficulty. Such a subdivision, as Sir Alfred Milner pointed out to the Royal Commission on Agriculture,§ is based on a legal, not on a material, distinction. In the eye of the law, real property or realty includes certain things, like heirlooms and shares in some of the old companies, which in their material aspect are personality. In the same eye, personal property or personality, consisting as it does of chattels real as well as chattels personal, includes property held under leases, no matter how long the currency of the leases may be;|| and leasehold property in its material aspect is clearly realty. It seems, therefore, desirable and, indeed, necessary, to disregard the manner in which the law divides property, and to adopt some other classification of property than that of "real" and "personal."

Movable and immovable property.

According to Maine, "the only natural classification of the objects of enjoyment which corresponds with an essential difference in the subject-matter is that which divides them into movable and immovable."¶ If we follow this classification, which is founded on Roman Law, we should subdivide property into (1) *immobilia*, or immovable property, which would include all land, however held, and all the buildings and constructions permanently fixed upon or under it, and (2) *mobilia*, or movable property, which would include all other kinds of property.

Rateable and non-rateable property.

As this subdivision of property into immovable and movable closely corresponds with *rateable* and *non-rateable*, the subdivision which seems to be most cognate to

* Cf. Professor Ely's "Taxation in American States and Cities," p. 65.

† Cf. Professor Plehn's "Introduction to Public Finance," p. 90. ‡ Cf. Ditto, p. 93.

§ See Parliamentary Paper, C.—8021 of 1896, p. 476.

|| Williams' "Principles of the Law of Real Property," Part IV., Ch. I.

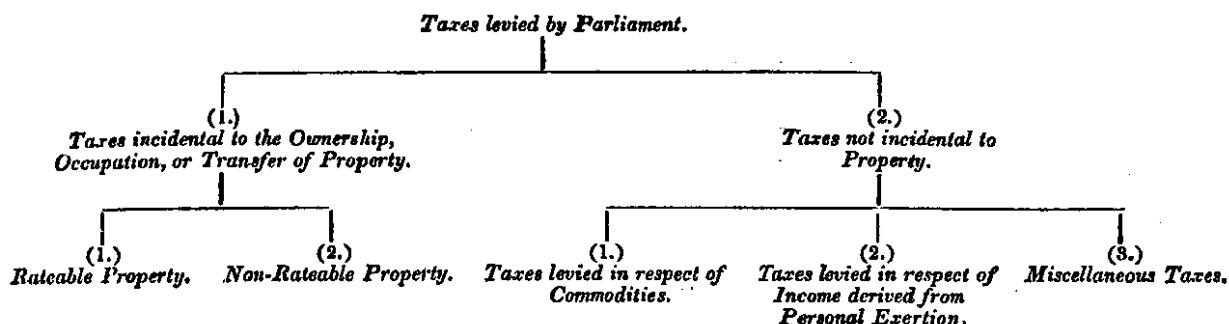
¶ Maine's "Ancient Law," Ch. VIII., p. 273 of 3rd Ed.

our inquiry is that which distinguishes *rateable* from *non-rateable* property. Accordingly, it is submitted that we should subdivide "Taxes incidental to the Ownership, Occupation, or Transfer of Property" into taxes in some way incidental to (1) "*rateable property*," and (2) "*non-rateable property*."

"Taxes not incidental to Property" will probably best be subdivided into (1) "*Taxes levied in respect of commodities*," (2) "*Taxes levied in respect of income derived from personal exertion*," and (3) "*Miscellaneous Taxes*," which do not lend themselves to specific designation.

The proposed division and subdivision of taxes levied by Parliament will be most easily followed by the following "tree," or classification in tabular form.

General scheme of classification.



Sir Alfred Milner has, with great care and in great detail, applied this classification to all taxes raised by Parliament, whether for Imperial or local purposes. It stands to reason that in the classification there must be a certain number of doubtful items, which one person might be inclined to group under one sub-head, and another person under another sub-head. But one fancy or adjustment would probably compensate another fancy or adjustment. So the margin for error is believed to be small.

The following Table D. gives the result of the classification of all the taxes which were raised by Parliament in 1895-6:—

TABLE D.—Classifying TAXES raised by PARLIAMENT in 1895-6.*

NOTE.—The Classification includes the Taxes assigned to the Local Taxation Accounts as well as the Taxes payable to the Exchequer. The figures represent the Net Receipts under the principal heads of Tax Revenue as given in the Finance Accounts for 1895-6, pp. 19-22.

DESCRIPTION OF TAX.	Taxes incidental to the Ownership, Occupation, or Transfer of Property.			Taxes not incidental to Property.				GRAND TOTAL.	
	Rateable Property.	Non-Rateable Property.	Total.	Taxes levied in respect of Commodities.	Taxes levied in respect of Incomes derived from Personal Exertion.	Miscellaneous Taxes.	Total.		
	(1.)	(2.)	(3.)	(1.)	(2.)	(3.)	(4.)		
1. CUSTOMS DUTIES	£	£	£	20,965,000	£	£	20,965,000	20,965,000	
2. EXCISE DUTIES : Duties on Consumable Articles (including Licences falling on Consumable Articles). Licences (other than those falling on Consumable Articles). Railway Passenger Duty	—	—	—	29,704,000	—	—	29,704,000	29,704,000	
	—	—	—	—	—	1,632,000	1,632,000	1,632,000	
	—	—	—	—	—	259,000	259,000	259,000	
TOTAL EXCISE DUTIES	—	—	—	29,704,000	—	1,891,000	31,595,000	31,595,000	
3. DEATH DUTIES : Probate and Account Duty	48,000	133,000	181,000	—	—	—	—	181,000	
Temporary Estate Duty	150,000	13,000	163,000	—	—	—	—	163,000	
Estate Duty	3,540,000	6,388,000	9,923,000	—	—	—	—	9,923,000	
Legacy Duty	724,000	2,007,000	2,731,000	—	—	—	—	2,731,000	
Succession Duty	897,000	154,000	1,051,000	—	—	—	—	1,051,000	
Corporation Duty	34,000	6,000	40,000	—	—	—	—	40,000	
TOTAL DEATH DUTIES	5,383,000	8,039,000	14,082,000	—	—	—	—	14,082,000	

* For Memorandum explaining the basis of this Table, see App. IV., p. 63.

DESCRIPTION OF TAX.	Taxes incidental to the Ownership, Occupation, or Transfer of Property.			Taxes not incidental to Property.				GRAND TOTAL.	
	Rateable Property.	Non-Rateable Property.	Total.	Taxes levied in respect of Commodities.	Taxes levied in respect of Incomes derived from Personal Exertion.	Miscellaneous Taxes.	Total.		
(1.)	(2.)	(3.)	(1.)	(2.)	(3.)	(4.)	(5.)	(6.)	
4. STAMP DUTIES:									
Deeds and other Instruments -	1,946,000	2,059,000	4,005,000	-	-	-	-	4,005,000	
Securities to Bearer -	-	207,000	207,000	-	-	-	-	207,000	
Joint Stock Companies' Capital -	-	260,000	260,000	-	-	-	-	260,000	
Contract Notes above 1d. -	61,000	110,000	171,000	-	-	-	-	171,000	
Bills of Exchange and Promissory Notes -	-	673,000	673,000	-	-	-	-	673,000	
Bankers' Notes and Composition for Duty on Bankers' Bills and Notes.	-	124,000	124,000	-	-	-	-	124,000	
Playing Cards -	-	-	-	20,000	-	-	20,000	20,000	
Licences and Certificates -	-	-	-	-	-	167,000	167,000	107,000	
Life Insurances -	-	67,000	67,000	-	-	-	-	67,000	
Marine Insurances -	-	145,000	145,000	-	-	-	-	145,000	
Patent Medicines -	-	-	-	239,000	-	-	239,000	239,000	
Receipts, Drafts, &c. -	-	1,261,000	1,261,000	-	-	-	-	1,261,000	
TOTAL STAMP DUTIES -	2,007,000	4,906,000	6,913,000	259,000	-	167,000	426,000	7,339,000	
5. LAND TAX (unredeemed) -	1,021,000	-	1,021,000	-	-	-	-	1,021,000	
6. INHABITED HOUSE DUTY -	1,487,000	-	1,487,000	-	-	-	-	1,487,000	
INCOME TAX:									
Schedule A. -	4,766,000	28,000	4,794,000	-	-	-	-	4,794,000	
Schedule B. (including Farmers' profits assessed Schedule D). -	-	59,000	59,000	-	119,000	-	119,000	178,000	
Schedule C. -	-	1,300,000	1,300,000	-	-	-	-	1,300,000	
Schedule D.:									
Fishings and Shootings -	22,000	-	22,000	-	-	-	-	22,000	
Railways in the United Kingdom -	645,000	388,000	1,033,000	-	-	-	-	1,033,000	
Quarries, Mines, &c. -	447,000	404,000	851,000	-	-	-	-	851,000	
Railways out of the United Kingdom -	-	390,000	390,000	-	-	-	-	390,000	
Foreign and Colonial Securities and Coupons.	-	495,000	495,000	-	-	-	-	495,000	
Municipal Interest, other Interest, and other Profits.	-	239,000	239,000	-	-	-	-	239,000	
Public Companies -	-	1,929,000	1,929,000	-	-	-	-	1,929,000	
Trades and Professions -	-	726,000	726,000	-	2,902,000	-	2,902,000	3,628,000	
Schedule E. -	-	-	--	-	1,124,000	-	1,124,000	1,124,000	
TOTAL INCOME TAX (at 8d. in the £)	5,880,000	5,958,000	11,838,000	-	4,145,000	-	4,145,000	15,988,000	
8. POST OFFICE (excess of Revenue over Expenditure).	-	-	-	-	-	2,994,000	2,994,000	2,994,000	
GRAND TOTAL -	15,788,000	19,580,000	35,368,000	50,928,000	4,145,000	5,052,000	60,125,000	95,473,000	
PERCENTAGES OF GRAND TOTAL -	16·5	20·5	37·0	53·4	4·3	5·3	63·0	100·0	

The classification of *Customs Duties* under the head of "Taxes levied in respect of commodities" speaks for itself. The basis on which the duties and taxes composing the *Inland Revenue* are classed has been separately explained by Sir Alfred Milner, and his explanatory notes will be found in Appendix IV. There remains the item of *Post Office*, and a few words justifying its appearance in a classification of taxes are necessary.

There is great doubt whether the whole or any part of the Post Office Revenue should or should not be treated as a tax. It is a point about which there is great diversity of opinion among financial writers.* The whole of the receipts from the various sources administered by the Post Office has always been treated in our Public Accounts as "Non-Tax Revenue." It is all carried to the Exchequer; and the whole cost is annually provided by Parliament. Therefore, to omit altogether this public receipt from a classification of taxes would seem to be the natural course to take. But the charge which is made for the carriage of letters, telegrams, and parcels, so far as the Post Office services are a State monopoly, is unquestionably "an obligatory contribution by persons in respect of or incidental to something which they do." Accordingly, to take no account of this charge, which nobody can avoid, would be

* Cf. Professor Bastable's "Public Finance," p. 191; Professor Sidgwick's "Elements of Politics," p. 170; Professor Seligman's "Essays on Taxation," p. 297; Professor Plehn's "Introduction to Public Finance," p. 270.

to omit something which falls within our definition of a tax. At the same time, it is obvious that to treat the whole of the Post Office revenue as a tax would for present purposes be misleading, inasmuch as the amount actually expended by the State represents direct and immediate service rendered to those who write letters or send telegrams. Regard being had to these considerations, when balanced one with another, it appears to me that the least incorrect course to adopt is to treat as a tax the amount by which the revenue derived from Post Office services exceeds the cost of administering those services. In arriving at this conclusion, I have been much influenced by the fact that, when Mr. Goschen, in his Report on Local Taxation in 1870, came to classify Imperial and local taxation, he took a similar course and included in his classification the net amount of Post Office revenue.* The amount which I have taken represents the balance of revenue which remains over, after there has been deducted from the actual receipts the total expenditure incurred as shown in the Parliamentary Returns numbered 345 and 346 of 1896, in which allowance is made for the interest on the stock created for the purchase of telegraphs.

If we turn from the taxes raised by Parliament to the taxes raised by local authorities, the classification which has been adopted lends itself to be readily applied to the latter taxes. All rates naturally and necessarily fall into the category of "*Taxes incidental to the Ownership or Occupation of Rateable Property*"; and imposts, like tolls, dues, &c., range themselves under the head of "*Taxes not incidental to Property*".

Application
of the classi-
fication to
taxes raised
locally.

In connexion, however, with this classification of taxes raised by local authorities, it cannot be too prominently borne in mind that there are rates and rates. Some rates are levied for the purpose of meeting expenditure which, like Poor Law expenditure, has, more or less, a general character, which is devolved on local authorities for administrative reasons, and for which the ratepayer gets no direct return. These are what may be called "onerous" rates,† and, as such, are unquestionably taxes. But there are other rates levied for the purpose of meeting expenditure of a different kind; expenditure which, like that on drainage, paving, and lighting, the ratepayer could not dispense with, according to modern ideas of civilisation, and which renders him direct service. By such expenditure, the individual ratepayer has done for him what he would otherwise have to do for himself; and it is done in that way much more cheaply, for it is clear that the joint wants of a number of persons can be supplied more economically by one authority than the wants of an individual by himself. It has not inaptly been called "a wholesale instead of a retail transaction."‡ The rates levied for expenditure of this kind are what may be called "beneficial" rates;† and it is open to doubt whether such rates should be considered taxes at all. As, however, I have no means of properly distinguishing "beneficial" from "onerous" rates, I have no choice but to treat, for present purposes, all rates as "*Taxes incidental to the ownership or occupation of Rateable Property*".

Onerous and
beneficial
rates.

Though we have arrived at a classification of all taxes, both those raised by Parliament and those raised by local authorities, yet a classification of taxes does not carry us far in the direction of establishing their incidence. It cannot claim to indicate the ultimate or real incidence of any tax. It may approximately denote the primary incidence of the taxes levied by Parliament, with the exception of the Inhabited House Duty; but with respect to that duty, and with respect to the bulk of the rates levied by local authorities, the classification is misleading, even as regards primary incidence.

Classification
does not
determine
incidence of
any tax;
least of all
that of
Inhabited
House Duty
and local
rates.

It is necessary to explain why the classification is so specially misleading as regards the Inhabited House Duty and local rates.

Both imposts cannot but be classed under a heading so comprehensive as "*Taxes incidental to Rateable Property*." Indeed, as regards rates, their very name necessitates this treatment. But it must be remembered that (speaking generally) the Inhabited House Duty and rates are neither of them levied in respect of the ownership of property, but in respect of its occupation. A dwelling-house which is uninhabited is not assessed to the Inhabited House Duty at all. Similarly, a piece of land which is vacant, or which brings in no return, evades the demands of the rate collector altogether.

* Cf. Mr. Goschen's "Reports and Speeches on Local Taxation," pp. 107-9.

† Mr. G. H. Murray's Article on "The Growth and Incidence of Local Taxation," in the "Economic Journal" of December 1893.

‡ Article in "Quarterly Review" of January 1894, on "Betterment and Local Taxation."

The House Duty and rates are closely allied to one another, raised as they are from one class only—the first from occupiers of houses, and the second from occupiers of lands and houses. At the same time they differ in some respects. The Imperial Tax is levied at uniform rates throughout Great Britain,* and the amount payable varies only according to the rental. The local taxes are levied at rates which vary greatly in different parts of the United Kingdom ; and the amount payable depends not only on the value of the property assessed to rates, but on the needs of the taxing power.

Shifting of taxes on agricultural land.

It is generally held that the occupier of agricultural land, though himself liable for the payment of these taxes, succeeds in shifting the burthen of them on to the landowner, except so far as it increases during the currency of the lease (if there be one). That is to say, when treating with a landlord, the farmer takes the taxes into account as one of the necessary expenses of his trade, and the amount of those expenses in part determines the amount of the rent which he is prepared to give.†

Partial shifting of taxes on dwelling-houses.

The occupier, however, of a dwelling-house is in a less good position to shift the burthen of the rates and similarly of the Inhabited House Duty ; and, so far as those taxes are not shifted, they fall on (what Mr. Goschen so pertinently called) "the consumers of a commodity called a house"‡ ; in other words, they are taxes not differing economically from the duties in respect of consumable articles,§ and, as such, they are not properly incidental to property.

Shifting more easy in case of rates than of Inhabited House Duty.

The extent to which the taxes in respect of so necessary a commodity as a habitation fall on the occupier is most difficult to determine. It is probable that the burthen of rates admits of being shifted more easily than the burthen of the Inhabited House Duty, because there is a larger element of free-will about the former than about the latter. One of the considerations which determine a person's place of residence may be the amount of the poundage at which houses are assessed to rates by local authorities. A low rate in the pound attracts occupiers of houses ; a high rate deters them. But the Inhabited House Duty, being always payable at the same rate on a given value, cannot be avoided in one locality more than in another.

Difficulty of determining real incidence.

It may not be easy to follow up the incidence of the Inhabited House Duty, but it is still more difficult to follow up the incidence of rates. There is a larger choice of persons on whom the burthen may fall. More considerations come into play. Rates in respect of dwelling-houses may fall wholly or in part on the freeholder of the ground on which the house stands, or the "ground landlord," as he is generally called. They may fall wholly or in part on the person who holds an intermediate position between the freeholder and the occupier, the receiver of the rack-rent, who is ordinarily called the "owner of the house," and who pays for a given number of years a fixed annual sum to the "ground landlord." They may fall wholly or in part on the occupier of the house who holds at a rack-rent, on a yearly tenancy, or under an agreement or a lease, from the middleman.

Operation of supply and demand.

In connexion with the extent to which resort can be had to the shifting of the incidence of rates, there is, according to some authorities, the state of supply and demand to be reckoned with.|| If the supply of houses in a particular locality exceeds the demand, the would-be occupier is in a position to make better terms with the "ground landlord" or the "owner of the house," than if the reverse state of things existed, and, consequently, may succeed in shifting the whole or part of the rates on to those who have superior proprietary interests in the building. If, on the other hand, the demand for houses is in excess of the supply, and the competition is accordingly brisk, then it is the "ground landlord" or the "owner of the house" who can make the best of the bargain, with the result that the rates wholly or in part fall on the occupier.¶ But the owner, the middleman, and the occupier do not exhaust the possibilities of the real bearer of the rates. It is universally recognised (with possibly some slight qualifications) that rates increased or newly imposed during the currency of a lease, and likewise the augmented rates due to a rise in the rateable value of the house during that term, do not lend themselves to be shifted

* The Inhabited House Duty is not levied in Ireland.

† Cf. G. H. Blunden's "Local Taxation and Finance," p. 45.

‡ Cf. Mr. Goschen's "Reports and Speeches on Local Taxation," pp. 129 and 164.

§ Cf. Dr. Fleeming Jenkin's Papers, Vol. II., p. 115.

¶ Cf. Mr. Goschen's "Reports and Speeches on Local Taxation," pp. 167-8.

|| This theory would not be admitted by everybody, on the ground that it is the rent only which is affected by the state of supply and demand, because at the moment the rates are a constant quantity.

back, and therefore do not fall either upon the ground landlord or the middleman.* It would seem, therefore, to follow that such rates must fall on the occupiers; but this is not a necessary consequence. If, for instance, the occupier be a shopkeeper, he probably somehow or other shifts on to his customers wholly or in part the rates naturally falling upon him. A large part, therefore, of the rates payable in respect of Bond Street and Oxford Street may be contributed by all of us, in the shape of an enhancement of the price which we pay for our commodities.

It must not be thought that these points connected with the incidence of taxes and rates are mere theoretical conundrums. As a matter of fact, they have a most practical and important bearing on our inquiry which, indeed, turns more on a solution of the conundrums than on anything else; and I must, therefore, beg that any attempt that has been made to classify taxes may not be confused with an attempt to solve the question of incidence.†

I now proceed to apply the suggested classification of taxes to "taxation raised for local purposes."

V.—TAXATION RAISED FOR LOCAL PURPOSES CLASSIFIED.

We have seen that the taxation raised for local purposes amounted, for the latest available year, to 55,649,000*l.*‡; and I now give the classification of such taxation in two ways, according as the revenue assigned to the Local Taxation Accounts is taken to consist of (1) taxes which are separately levied for local purposes, and the collection of which is only retained in the hands of the Government for administrative reasons; or of (2) subventions out of the general proceeds of Imperial taxation.

In the first case, we must separate the revenue raised by Parliament for Exchequer purposes from the revenue raised by Parliament for Local Taxation purposes. As the separation slightly alters the percentages in the classification, it will be well to give the two classifications side by side:—

Classification affected by treating the assigned revenues as separate local taxes or as part of Imperial revenue.

	Taxes raised by Parliament for Exchequer and Local Taxation Purposes (see Table D. above). (1.)		Taxes raised by Parliament for Exchequer Purposes only. (2.)	
	Amount.	Percentage.	Amount.	Percentage.
I.— <i>Taxes incidental to Ownership, Occupation, or Transfer of Property:</i>				
a. Rateable Property	15,788,000	16·5	15,788,000	17·9
b. Non-Rateable Property	19,560,000	20·5	17,107,000	19·4
Total incidental to Property	35,348,000	37·0	32,895,000	37·3
II.— <i>Taxes not incidental to Property</i>	60,125,000	63·0	55,212,000	62·7
TOTAL	95,473,000	100·0	88,107,000	100·0

1. If the assigned revenues are considered to be raised in the form of taxes separately levied for local purposes, then the only sum to be classified in the proportions of the taxes raised for the Exchequer is that which is provided for local

* The length of the occupier's lease is of course a material consideration. During the currency of it, if it be long, the occupier's share of rates may become a very formidable amount, but if he be an agricultural tenant in England, he would presumably gain all the benefit of last year's Rating Act, even should the lease have only five more years to run. On the other hand, in the absence of a lease, the occupier is in a more favourable position to shift on to his landlord any annual increase of rates, while the agricultural tenant so circumstanced would presumably benefit little, if anything, under last year's measure.

† On the question of the incidence of rates, cf. Mr. Goschen's "Reports and Speeches on Local Taxation"; Dr. Fleeming Jenkin's Papers, Vol. II., p. 115; Report from the Select Committee on Town Holdings (House of Commons Paper, No. 214 of 1892); Mr. G. H. Murray's Article on "The Growth and Incidence of Local Taxation," in the "Economic Journal" of December 1893; M. G. H. Blunden's "Local Taxation and Finance"; Professor Seligman's "Shifting and Incidence of Taxation"; C. H. Sargent's "Urban Rating"; J. J. O'Meara's "Municipal Taxation at home and abroad"; Professor Edgeworth on the "Pure Theory of Taxation" in the "Economic Journal" of March 1897, &c.

‡ See p. 28 above.

purposes out of voted moneys, viz., 3,352,000*l.** The grant of Estate Duty derived from personality (2,453,000*l.*) is divisible in the proportions of 26·4 contributed by rateable property, and 73·6 by non-rateable property (*see Appendix IV.*).

TABLE E.—Showing the RESPECTIVE “CONTRIBUTIONS” to TAXATION raised for LOCAL PURPOSES, with the ASSIGNED REVENUES treated as SEPARATE LOCAL TAXES.

“Contributions” to Taxation raised for Local Purposes.	Amount.	Percentage.
(1.) <i>By Taxation incidental to Rateable Property :</i>		
(a.) Proceeds of rates - - - - -	£ 38,506,000	
(b.) 17·9 per cent. of 3,352,000 <i>l.</i> , provided out of moneys voted by Parliament - - - - -	600,000	
(c.) 26·4 per cent. of Estate Duty derived from personality (2,453,000 <i>l.</i> , as in Table A., p. 26) - - - - -	648,000	
	39,754,000	71·4
(2.) <i>By Taxation incidental to Non-Rateable Property :</i>		
(a.) 19·4 per cent. of 3,352,000 <i>l.</i> , provided out of moneys voted by Parliament - - - - -	650,000	
(b.) 73·6 per cent. of Estate Duty derived from personality (2,453,000 <i>l.</i> , as in Table A., p. 26) - - - - -	1,805,000	
	2,455,000	4·4
(3.) <i>By Taxation not incidental to Property :</i>		
(a.) Proceeds of Excise Licences (<i>see Table A.</i> , p. 26)	3,524,000	
(b.) Proceeds of Surtaxes on Beer and Spirits - - - - -	1,389,000	
(c.) 62·7 per cent. of 3,352,000 <i>l.</i> , provided out of moneys voted by Parliament - - - - -	2,102,000	
(d.) Proceeds of Tolls, Dues, &c., raised by Local Authorities - - - - -	6,425,000	
	13,440,000	24·2
TOTAL - - - - -	55,649,000	100·0

2. If the assigned revenues are regarded as mere subventions out of the general proceeds of Imperial taxation, such revenues (7,366,000*l.*), as well as the grants provided for local purposes out of voted moneys (3,352,000*l.*), amounting together to 10,718,000*l.**, must all be classified in the proportions of the total taxes raised by Parliament, as given in Table D.; and the contributions to the sum of 55,649,000*l.* from various sources will be exhibited in the following Table F.:—

TABLE F.—Showing the RESPECTIVE “CONTRIBUTIONS” to TAXATION raised for LOCAL PURPOSES, with the ASSIGNED REVENUES treated as IMPERIAL SUBVENTIONS.

“Contributions” to Taxation raised for Local Purposes.	Amount.	Percentage.
(1.) <i>By Taxation incidental to Rateable Property :</i>		
(a.) Proceeds of rates - - - - -	£ 38,506,000	
(b.) 16·5 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - - -	1,768,000	
	40,274,000	72·4
(2.) <i>By Taxation incidental to Non-Rateable Property :</i>		
20·5 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - - -	2,197,000	3·9
(3.) <i>By Taxation not incidental to Property :</i>		
(a.) 63 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - - -	6,753,000	
(b.) Proceeds of tolls, dues, &c., raised by local authorities - - - - -	6,425,000	
	13,178,000	23·7
TOTAL - - - - -	55,649,000	100·0

amount raised for local purposes from taxes incidental to non-rateable property is 2,197,000*l.*, or 258,000*l.* less than it would be if the assigned revenues were considered to be separate local taxes.

The difference is immaterial; but it will be more marked when the relief in aid of agricultural rates, afforded by the assignment of a further sum, estimated at 1,950,000*l.*,* out of the Estate Duty derived from personality, is in force and can be taken into account.

But the differences resulting from the two ways of treating the assigned revenues as local taxes or subventions out of the Consolidated Fund are only material when we are dealing with the amount of "taxation raised for local purposes" by itself. The choice of treatment does not signify if we take the local taxation raised for Imperial and local purposes together; and it appears to me, as it did to Mr. Goschen in 1871, that, without such a comprehensive view of our system of taxation, we shall fail to attain the real end of the inquiry intrusted to us.

VI.—IMPERIAL AND LOCAL TAXATION CLASSIFIED TOGETHER.

In his Report to the Treasury in March, 1871, Mr. Goschen said, "Any view of the burdens imposed upon real property by local taxation is incomplete, unless the case of real property as regards Imperial taxation is worked out at the same time."† Acting on the same principle, I now proceed to classify Imperial and Local Taxation combined together for the latest year in the following table:—

TABLE G.—Classifying IMPERIAL and LOCAL TAXATION together for 1895–6.

	Levied by Parliament. (Table D.)	Levied by Local Authorities. (Tables B. and C.)	Total.	Per- centages.
I.—Taxes incidental to the Ownership, occupation, or Transfer of Property :—				
(a.) Rateable - - - - -	15,788,000	38,506,000	54,294,000	38·7
(b.) Non-rateable - - - - -	19,560,000	—	19,560,000	13·9
Total incidental to Property - - -	35,348,000	38,506,000	73,854,000	52·6
II.—Taxes not incidental to Property - - -	60,125,000	6,425,000	66,550,000	47·4
Total Taxes, Imperial and Local - -	95,473,000	44,931,000	140,404,000	100·0

Conclusions must not be hastily drawn from this Table (G).‡ It must not be assumed that to every 100*l.* raised for Imperial and local purposes owners of "rateable property" are contributing 38*l.* 14*s.*, while owners of "non-rateable property" are only contributing 13*l.* 18*s.* The apparently large contribution of "rateable property" is mainly due to the large total which rates reach; and, notwithstanding the question of the incidence of those burdens may be, it is quite certain that an appreciable proportion of recent and current rates falls on occupiers of dwelling-houses. It is probable that the amount which that proportion represents is beyond the bounds of accurate calculation. But, as has already been pointed out, this unknown quantity of rates, whatever it may be, falls on the consumers of a commodity called a house; and, so far as the quantity is ascertainable, it would be transferable from the head of "Taxes incidental to Rateable Property" to the head of "Taxes levied in respect of commodities." Such a transfer would, of course, entirely alter the proportionate contribution of "rateable" (or real) property, and *pro tanto* increase the amounts of "Taxes not incidental to Property," which even under the classification in Table G. already contribute a large proportion.

Notwithstanding the necessary imperfections inherent in any classification of taxes, it is interesting and instructive to compare the figures and percentages in the last Table (G.) with the figures and percentages which Mr. Goschen worked out in his analysis of the Imperial and Local Taxation for 1868–9.

Proportions given by Table G. not those of real incidence.

But these proportions may be compared for 1868–9 and 1895–6.

* See p. 23 above and footnote.

† Mr. Goschen's "Reports and Speeches on Local Taxation," p. 36.

‡ See Table Q. below, p. 51.

It will be seen by a reference to Appendix A. to his Report (Part III., Tables III. and VI.*), that Mr. Goschen made no attempt to identify in his classification the "Taxes falling on Personal Property" (answering to "Taxes incidental to Non-Rateable Property"). He only eliminated from the sum total of Imperial and Local Taxation what he considered to be "Taxes falling on Real Property," (answering to "Taxes incidental to Rateable Property"), and then showed what proportion the taxes so eliminated bore to the sum total of taxation. If we proceed on the same basis, the comparison of the two years (1868-9 and 1895-6) would be exhibited in the following Table H. :—

TABLE H.—Comparing the AMOUNTS and PROPORTIONS of IMPERIAL and LOCAL TAXATION incidental to "REAL" PROPERTY and of other IMPERIAL and LOCAL TAXATION, in 1868-9 and in 1895-6.

	1868-9.				1895-6.			
	Levied by Parliament.	Levied by Local Authorities.	Total.	Per-centages.	Levied by Parliament.	Levied by Local Authorities.	Total.	Per-centages.
I.—Taxes incidental to "Real" or "Rateable" Property.	£ 8,157,000	£ 20,007,000	£ 28,164,000	81·1	£ 15,788,000	£ 38,506,000	£ 54,294,000	88·7
II.—Taxes not incidental to "Real" or "Rateable" Property.	57,237,000	5,146,000	62,383,000	68·9	79,685,000	6,435,000	86,110,000	61·3
TOTAL - -	65,394,000	25,153,000	90,547,000	100·0	95,473,000	44,931,000	140,404,000	100·0

Adjustments
necessary
for true
comparison.

This, however, is not a strict comparison of like with like; and it is essential to all comparisons that like should be compared with like. In the first place, Mr. Goschen did not adopt exactly the same basis for his classification of "Taxes falling on Real Property" as that which Sir Alfred Milner has adopted for his classification of "Taxes incidental to Rateable (Real) Property." In the second place, it is necessary for the purposes of our present inquiry that, in the classification, "Taxes incidental to Non-Rateable (Personal) Property," as well as "Taxes incidental to Rateable (Real) Property," should be separated from "Other Taxes" or "Taxes not incidental to Property." In the third place, Mr. Goschen included as "Taxes" revenue derived from "Fee and Patent Stamps," and from other cognate receipts collected by means of stamps. At that time, such revenue was included under the general head of Stamp Duties, and was therefore naturally reckoned as "Tax Revenue." Since then, these receipts consisting as they do of charges made for specific services rendered, have been separated from Stamp Duties, and brought to account as "Miscellaneous Revenue," the change having been made in 1882-3, with the approval of the Public Accounts Committee.†

If the receipts in 1868-9 from Fee and Patent Stamps, &c., viz.	£	466,000
be deducted from the total of the Imperial "Tax Revenue"		
given by Mr. Goschen, viz.	-	65,394,000

such Revenue would have amounted to	-	64,928,000
-------------------------------------	---	------------

Regard being had to these divergencies in the classifications made by Mr. Goschen and Sir Alfred Milner, it has seemed desirable to classify the Imperial and local taxes for 1868-9 on a basis identical with that on which the classification of the Imperial and local taxes for 1895-6 has been made. The amended classification prepared by the Inland Revenue Department has, accordingly, been introduced in the following Table I., the details of which are given in Appendix II.

* Cf. Mr. Goschen's "Reports and Speeches on Local Taxation," pp. 107 and 109.

† Cf. Third Report of Public Accounts Committee in 1881, and Treasury Minute of 1st February 1882.

TABLE I.—CLASSIFYING, on an identical Basis, the IMPERIAL and LOCAL TAXATION for 1868-9 and 1895-6.

	1868-9.				1895-6.			
	Levied by Parliament.	Levied by Local Authorities.	Total.	Per-centages.	Levied by Parliament.	Levied by Local Authorities.	Total.	Per-centages.
I.—Taxes incidental to the Ownership, Occupation, or Transfer of Property :—	£	£	£		£	£	£	
(a.) Rateable	8,620,000	20,007,000	28,627,000	31·8	15,786,000	38,506,000	54,294,000	38·7
(b.) Non-rateable	7,814,000	—	7,814,000	8·7	19,560,000	—	19,560,000	13·9
Total incidental to Property	16,434,000	20,007,000	36,441,000	40·5	35,348,000	38,506,000	73,854,000	52·6
II.—Taxes not incidental to property.	48,494,000	5,146,000	53,640,000	59·5	60,125,000	6,425,000	66,550,000	47·4
TOTAL	64,928,000	25,153,000	90,081,000	100·0	95,473,000	44,931,000	140,404,000	100·0

This Table (I.) shows in a general way what has been the drift of taxation *prima facie* during the last quarter of a century. While the proportional amount of Imperial and local taxation not incidental to property has decreased, the proportional amount of taxation incidental to rateable property has increased, and the proportional amount of taxation incidental to non-rateable property has increased relatively in a far more marked degree.

The results may be stated in a different and, perhaps, more lucid manner. Rates and taxes incidental to rateable property have increased by 90 per cent.; rates and taxes incidental to non-rateable property by 150 per cent., and rates and taxes not incidental to property by 24 per cent.

But these broad results deducible from Table I. must not be held to coincide with the incidence of taxation. I have already deprecated the assumption that to every 100*l.* raised for Imperial and local purposes, 38*l.* 14*s.* was being contributed in 1895-6 by persons in respect of "rateable property." *A fortiori*, it does not follow that such contribution has, in the last 25 years, increased by 6*l.* 18*s.* The tendency of recent fiscal legislation has undoubtedly been to raise a greater portion of taxation from those who have property than from the community at large. The Income Tax is 8*d.* in the £, instead of 6*d.* in the £, as it was in 1868-9. The Income Tax exemptions and abatements have in the meanwhile been extended. The Estate Duties have been graduated, and applied equally to rateable as well as non-rateable property. On the other hand, the duties levied in respect of sugar and the registration duty on corn have disappeared, and the duty levied in respect of tea has been reduced. But the increase of burdens in respect of rateable property is due mostly to the increase of local rates; and, as the increase of rates is in great part attributable to demands on the ratepayers for purposes which are new since 1868-9 (such as educational and sanitary purposes), it is tolerably safe to assume, other things being equal, that a relatively larger amount of rates falls now upon occupiers than on owners. To that extent, whatever it may be, more taxes classified as incidental to rateable property would, as regards their incidence, prove to be taxes in respect of "commodities called houses."

One further point may be noted in connexion with Table I. While Imperial taxes have, since 1868-9, increased from 64,928,000*l.* to 95,473,000*l.*, or by 47 per cent., local taxes have increased from 25,153,000*l.* to 44,931,000*l.*, or by 79 per cent.

VII.—THE CLASSIFICATION OF IMPERIAL AND LOCAL TAXES ADJUSTED.

I have already dwelt on the necessity of not confounding a classification of taxation with its incidence. It is one thing to classify rates and taxes; it is quite another thing to say on whom the burthen of them falls. There is no problem in the science of political economy which is more intricate, subtle, and obscure, or which has been more variously discussed than the incidence of taxation. It is difficult enough to establish the primary incidence, or the first blow. It is far more difficult, if indeed

Classification may be adjusted so as to accord more closely with incidence.

it is at all possible, to determine the ultimate incidence, or the final blow. I do not pretend to be able to contribute anything of much worth to the solution of the problem of even primary incidence. But what I can do, in order to lessen the risk of error and misconception, is to show how different will be the complexion of the classification which has been made of Imperial and Local Taxation, if that classification be subjected to some such adjustments as the circumstances seem to require.

Ways in
which taxes
on dwelling-
houses fall
to some
extent on
occupiers.

I have been able to adduce high authority in favour of the contention that, when the burthen of rates which in the classification naturally come under the head of "Taxes incidental (in some way) to Rateable Property," falls on the occupier of a dwelling-house, they become taxes in respect of a necessary commodity. Now, it is beyond question that the burthen does so fall on the occupier as regards any increase of these taxes during the currency of his lease (if he has one), and also as regards any portion of them which, when he made his contract, he was unable or neglected to shift on to the shoulders of the "owner of the house" or the "ground landlord." There is also to be taken into account the general consideration on which Lord Farrer has laid stress, that "a tax is apt to stick where it first falls."^{*}

In these circumstances, more especially when regard is had to the great rise in urban rates within recent years, there can be no doubt that the burthen on the occupiers of dwelling-houses is considerable. To determine what the amount of that burthen is presents great difficulties. But it is necessary, for the purpose of bringing the classification more into harmony with facts, to transfer the amount, whatever it may be, from the head of "Taxes incidental to Rateable Property" to the head of "Taxes levied in respect of Consumable Articles."

Necessary
here to
substitute
"real" and
"personal"
for "rate-
able" and
"non-rate-
able" prop-
erty.

To eliminate a part of rates from the category of "Taxes incidental to Rateable Property" involves the commission of a solecism. In order, therefore, to avoid an awkward confusion of expressions, I shall, in attempting to adjust the classification, discard the terms "Rateable Property" and "Non-rateable Property," and substitute for them the less legally correct terms "Real Property" and "Personal Property" as used in their ordinary sense.

The first thing to be done in connexion with such an attempt is to separate in the Poor Law valuation *Houses* from *Lands* and *Other Properties* which are assessed to rates; and for this computation it is necessary to take the three Kingdoms severally.

ENGLAND
AND

WALES:—
Valuation
of lands,
houses, and
other
property.

1. In April 1895, Mr. Shaw Lefevre, then President of the Local Government Board, presented to Parliament a Memorandum,† showing, for *England and Wales*, the rateable values respectively, in 1894, of lands (including farm-houses and tithes), buildings, railways, and all other kinds of rateable property. According to that return the proportions which the several descriptions of property bore to the total amount of property assessed to local taxation in 1894 were as follows:—

Description of Property.	Rateable Value.	Percentages.
Lands (including farm-houses, tithes, &c.)‡ -	£ 33,655,000	20·9
Houses§ -	102,662,000	63·7
Railways -	13,871,000	8·6
Other property -	10,894,000	6·8
Total -	161,082,000	100·0

Distribution
of local rates
among the
various
kinds of
property
according to
valuation.

The total amount of local rates raised in England and Wales in 1893-4 was, as has already been shown in Tables B. and C. above, 32,229,000*l.* If the rates had been uniformly levied throughout the country—that is, at the same average rate

* Select Committee on Town Holdings, House of Commons Paper, No. 341 of 1890, Q. 1246.

† House of Commons Paper, No. 204 of 1895.

‡ The properties included under the head of "Lands" comprise not only lands which are, or could be, used for agricultural purposes, but also parks, open spaces, gardens exceeding an acre, farm-houses and buildings, tithes, &c.

§ "Houses" include other buildings besides dwelling-houses, viz., shops, warehouses, mills, factories, docks, &c. Some part of the rates levied in respect of the premises occupied by Joint Stock Companies must fall on the shareholders in those Companies: and would seem therefore to be "incidental to Personal Property," as in the case of Railways, but I have not been able to take account of this in my calculations.

(about 4s.) in the £ of rateable value—the distribution of this amount between the various descriptions of property would have been as follows:—

Description of Property.	Amount of Rates.	Percentages.
Lands (including farm-houses, tithes, &c.)* -	£ 6,736,000	20·9
Houses†	20,530,000	63·7
Railways	2,772,000	8·6
Other property	2,191,000	6·8
Total	32,229,000	100·0

It is obvious, however, that these proportions need adjustment, because lands uncovered by houses are for the most part situated in rural districts; and it is well known that the average poundage of rural rates is less than the average poundage of urban rates. Sir Henry Fowler‡ computed the average poundage of rural rates in 1890–1 at 2s. 3d.; but, to judge from the general course of rates during the following three years,§ it seems fair to infer that rural rates were on an average higher in 1893–4 than they were in 1890–1. Perhaps the rise may be taken at 3d. In that case the average poundage of rural rates in 1893–4 would have been 2s. 6d. in the £.

If, then, all lands had been situated in rural districts, the rates falling on them would have been 2s. 6d. in the £ on 33,655,000l., or 4,207,000l. But, as some lands which, though uncovered by buildings, are in use, are included in urban districts where the average poundage of rates is higher (even allowing for the favourable treatment of land under the Public Health Act), and as certain sewer and drainage rates are not taken into account in that average, some addition has to be made to the rates payable in respect of lands.

The addition which Sir Henry Fowler suggested for 1890–1 was £ equivalent to about 2½d. in the £, and if the same addition be made for 1893–4 there should be added to —————— 4,207,000 a sum representing 2½d. in the £ on 33,655,000l., or —————— 351,000

and the total amount of rates payable in respect of "Lands" (including farm-houses, tithes, &c.) would be —————— 4,558,000

If we deduct the amount of —————— 4,558,000 from the total of local rates —————— 32,229,000

there would remain to be payable in respect of *Houses* and *Other Rateable Properties* —————— 27,671,000

There is no direct means of allocating this sum between "Houses" and the "Other Rateable Properties." But it seems not unreasonable to assume that rateable properties other than lands and houses (that is, railways, canals, mines, &c.) contribute in the proportion of their rateable values. This gives a contribution of—

Railways 8·6 per cent. of 32,229,000l.	2,772,000
Other property 6·8 per cent. of 32,229,000l.	2,191,000
	4,963,000

leaving a balance of £22,708,000

as the amount of local rates attributable to houses.

* The properties included under the head of "Lands" comprise not only lands which are, or could be, used for agricultural purposes, but also parks, open spaces, gardens exceeding an acre, farm-houses and buildings, tithes, &c.

† "Houses" include other buildings besides dwelling-houses, viz., shops, warehouses, mills, factories, docks, &c. Some part of the rates levied in respect of the premises occupied by Joint Stock Companies must fall on the shareholders in those Companies: and would seem therefore to be "incidental to Personal Property," as in the case of Railways, but I have not been able to take account of this in my calculations.

‡ House of Commons Paper, No. 168 of 1893, par. 45.

§ Summary of Local Taxation Returns for 1893–4 (House of Commons Paper, No. 436—IV. of 1895, Session 2, p. xii).

|| This rough estimate is confirmed by the figures included in the Railway Returns.

Adjustments
to be made
in this
distribution.

Adjusted distribution of local rates as levied on the various kinds of property.

We are now in a position to distribute, on the above assumptions, the total amount of rates as paid in respect of the several descriptions of rateable property, as follows:—

	£
(1.) In respect of lands	4,558,000*
(2.) " houses	22,708,000
(3.) " railways	2,772,000
(4.) " other property	2,191,000
Total	<u>£32,229,000</u>

Assumed incidence of rates on Lands.

Assumed incidence of rates on Houses.

Assumed incidence of rates on Railways and Canals.

Rates levied in respect of "*Lands*" (including farm-houses and tithes) are clearly "Taxes incidental to Real Property."

With respect to "*Houses*," we know that a portion of the rates incidental thereto falls on the occupiers. But we do not know what that portion is; and it is here where the difficulty lies. Professor Seligman,[†] who is one of the latest authorities on the subject of the incidence of taxation, comes to the conclusion that such rates in this country rest almost entirely on the occupier; and Mr. Blunden, who has given much attention to this difficult point, and brings practical experience to bear upon it, arrives at similar conclusions.[‡] With these somewhat extreme conclusions I do not agree. The conviction which I have formed is that a part of the rates in respect of houses falls on the landowner as certainly as a part falls on the occupier. What amount each of those parts represents I do not pretend to say. But I shall assume, for the sake of argument, that half the rates (£11,354,000) falls on the occupiers, and that the other half (£11,354,000) falls on those who have superior interests in the houses. Accordingly, the first half will represent "Taxes in respect of commodities," and the other half will represent "Taxes incidental to real property." This apportionment of rates is, I admit, hypothetical; but, when all circumstances are taken into account, it is probably a reasonable hypothesis.[§] Moreover, the Select Committee on Town Holdings of 1892 suggested, as Mr. Goschen suggested in 1870, an equal division of rates between occupiers and owners; and this suggestion was made with a view to bringing the real and apparent incidence of local taxation more nearly into unison.^{||}

Before dealing with the burden of the rates paid in respect of *Railways*, it is desirable to separate from the total of rates on "Other Properties" that portion which is levied on *Canals*, as the incidence of rates on those undertakings would appear to resemble most nearly the case of railways. According to the Income Tax valuations, Canals amount to about 11 per cent. of the whole of these "Other Properties," and on the assumption that canals contribute to local rates in the same proportions, the respective contributions would be:—

	£
Canals	241,000
Quarries, mines, &c.	1,950,000
	<u>£2,191,000</u>

* In estimating the amount of rates falling on persons in respect of "Lands" as distinguished from "Houses," I have followed the line taken by Sir Henry Fowler. But I am inclined to think that the result established by this method, namely, that rates levied in respect of "Lands" in England and Wales, amount to about 4½ millions, or about ½th of the whole, is to attribute to such property too large a proportion of the aggregate burden of rates. According to the latest calculations of the Local Government Board the deficiency to be made good under the Agricultural Rates Act, 1896 (59 & 60 Vict. c. 16) amounts to 1,340,000*l.* As such deficiency represents about half the rates falling on agricultural land (with houses, farm buildings, park lands, and pleasure grounds excluded), it follows that the total rates payable in respect of land under agriculture amount to 2,680,000*l.*, and this is equivalent to an average rate of 2*s.* 2*d.* in the £ on 24,500,000*l.*, which is the latest estimate of the rateable value of such land. There would, accordingly, be left as chargeable in respect of other property comprised under "Lands" (4,558,000*l.* — 2,680,000*l.*, or) 1,878,000*l.*; and rates amounting to this sum on (33,655,000*l.* — 24,500,000*l.*, or) 9,155,000*l.* would represent an average burden of about 4*s.* 2*d.* in the £, which would seem to be a very high average for rates levied mainly in rural districts.

† Professor Seligman "On the Shifting and Incidence of Taxation," pp. 121–7. Cf. also Ricardo in his "Political Economy," Ch. XIV., par. 3; the "Economist" of 9th October 1886; Mr. Fletcher Moulton, on the "Taxation of Ground Values."

‡ G. H. Blunden's "Local Taxation and Finance," pp. 39–65, and his Paper read before the British Association at Liverpool in 1896.

§ Since writing the above I find that this hypothesis was some time ago accepted by Mr. Dudley Baxter, who has been considered an authority of some standing on financial questions, and who was concerned to show that Mr. Goschen had understated the burdens on "Real Property." In his hook on "Local Government and Taxation" (p. 83), he says, "We cannot be far wrong in taking half the total rates on lands and houses as falling upon their owners, and the other half upon the occupiers," which latter half he treated as "taxes on expenditure."

|| House of Commons Paper, No. 214 of 1892, pp. xviii and xxi.

It may be presumed that, speaking generally, rates in respect of *Railways and Canals* fall on the shareholders of the companies owning such properties. Accordingly, such rates would seem to be akin to Income Tax levied under Schedule D., and as such to be more properly reckoned as "Taxes incidental to Personal Property."

It is less clear on whom the rates levied in respect of *Quarries, Mines, &c.*, fall. But, in the absence of what is called "economic friction," the burthen is presumably borne by the consumers of the produce. The rates enhance the cost of the production of the commodity, and, consequently, they are *prima facie* thrown upon those who use it.

On the foregoing assumptions, the apportionment of rates in England and Wales would be as given in the following Table J.

TABLE J.—Apportioning RATES in ENGLAND and WALES on these ASSUMPTIONS.

—	Amounts. £	Percentages.
1. Rates falling on persons in respect of <i>Real Property</i> —		
a. Lands (including farm-houses, tithes, &c.)	4,558,000	
b. Houses (Half)	11,354,000	
	<hr/> 15,912,000	49·4
2. Rates falling on persons in respect of <i>Personal Property</i> —		
a. Railway shares	2,772,000	
b. Canal shares	241,000	
	<hr/> 3,013,000	9·3
3. Rates falling on persons in respect of <i>Commodities</i> —		
a. Houses (Half)	11,354,000	
b. Quarries, Mines, &c.	1,950,000	
	<hr/> 13,304,000	41·3
Totals	<hr/> 32,229,000	100·0

2. As regards *Scotland*, the preliminary information is more ready to hand. In his historical report upon Local Taxation in Scotland, Dr. Skelton* shows the respective amounts of rates levied in respect of each class of property in 1893, and the proportions in which he makes the distribution are as follows:

SCOTLAND :—
Valuation of
the several
classes of
property.

Description of Properties.	Percentages.
Lands (including farm-houses)	17·9
Houses	68·1
Other Rateable Properties	14·0
Totals	<hr/> 100·0

If these proportions be applied to the amount of rates in Scotland, given in Tables B. and C. above (which exclude the proceeds of gas and water undertakings), the respective amounts levied in respect of the three classes of property in 1892-3 would be as follows:

Distribution
of local rates
according to
valuation.

—	Amounts. £	Percentages.
Lands (including farm-houses)	598,000	17·9
Houses	2,274,000	68·1
Other Rateable Properties	468,000	14·0
Totals	<hr/> 3,340,000	100·0

As with England, so with Scotland, I shall assume that the rates levied in respect of lands are "incidental to real property"; and that, as regards the rates levied in respect of dwelling-houses, half falls on the occupiers, and half on those who have

Assumed
incidence
of Scottish
rates.

superior interests in the houses or in the land on which they stand. Under this division, which would correspond with the practice governing the actual levy of most Scottish rates, 1,137,000*l.* would represent "taxes incidental to real property," and 1,137,000*l.* would represent "taxes in respect of commodities."

Having regard to the Inland Revenue assessments of "other rateable properties," and the returns of railway companies, I take the amount of rates levied in respect of railway property to be 240,000*l.* out of 468,000*l.*, the remainder (228,000*l.*) being, consequently, levied in respect of mines, &c.

On these assumptions, the apportionment of rates in Scotland would be as given in the following Table K.:-

TABLE K.—Apportioning RATES in SCOTLAND on these ASSUMPTIONS.

—	Amounts.	Percentages.
1. Rates falling on persons in respect of Real Property—	£	
a. Land - - - - -	598,000	
b. Houses (Half) - - - - -	1,137,000	
	1,735,000	51·9
2. Rates falling on persons in respect of Personal Property—		
Railway Shares - - - - -	240,000	7·2
3. Rates falling on persons in respect of Commodities—	£	
a. Houses (Half) - - - - -	1,137,000	
b. Mines, &c. - - - - -	228,000	
	1,365,000	40·9
Totals - - - - -	£ 3,340,000	100·0

IRELAND:—
Valuation of
the several
classes of
property.

3. The information to enable one to apportion the rates in *Ireland* between the different classes of property is more meagre. According to the Report of the Inland Revenue Commissioners for 1896,* the valuation was made up as follows:—

Description of Properties.	Valuation.	Percentages.
Lands (including farm-houses) - - - - -	£ 9,944,000	69·2
Houses - - - - -	3,831,000	26·6
Other Rateable Properties - - - - -	604,000	4·2
Totals - - - - -	£ 14,379,000	100·0

Distribution
of rates
between
each class of
property.

In the absence of any materials for more precise division, I shall assume, for the purposes of approximately apportioning rates in Ireland, that lands bear the grand jury cess† at an average rate of 2*s.* in the £, and the poor rate at about 1*s.* 6*d.* in the £, or a total of 3*s.* 6*d.* in the £. I shall further assume that houses bear the poor rate at the same rate in the £ (1*s.* 6*d.*), together with town taxes, at an average of 4*s.* 2*d.* in the £, or a total of 5*s.* 8*d.* in the £. On these assumptions, which are the best that can be made, the rates levied in Ireland, which amounted in 1895 to 2,937,000*l.* (see Tables B. and C. above), would have been levied as follows:—

—	Amounts.	Percentages.
Lands (including farm-houses) - - - - -	£ 1,740,000	59·2
Houses - - - - -	1,086,000	37·0
Other Rateable Property - - - - -	111,000	3·8
Totals - - - - -	£ 2,937,000	100·0

Assumed
incidence of
Irish rates.

In the case of Ireland, I likewise assume that half the rates in respect of houses (543,000*l.*) falls on the occupiers, and half on those who have superior interests in the

* C.—8226. of 1896, pp. 116 and 118; also footnote on page 132.

† Cf. Memorandum prepared for the present Commission by the Irish Local Government Board, p. 269 (C. 8764 of 1898).

houses or the land on which they stand ; and, after taking into account the Income Tax assessments, together with the railway returns, I think the amount of rates which are leviable in respect of railways may be put at 95,000*l.*, leaving 16,000*l.* for rates in respect of mines, &c.

We should then have the following apportionment of rates in Ireland :—

TABLE L.—Apportioning RATES in IRELAND on these ASSUMPTIONS.

—	Amounts.	Percentages.
1. Rates falling on persons in respect of <i>Real Property</i> —	<i>£</i>	
a. Land	1,740,000	
b. Houses (half)	543,000	
	<hr/>	
2. Rates falling on persons in respect of <i>Personal Property</i> —	2,283,000	77·7
Railway Shares	95,000	3·2
3. Rates falling on persons in respect of <i>Commodities</i> —	<i>£</i>	
a. Houses (half)	543,000	
b. Mines, &c.	16,000	
	<hr/>	
Totals	559,000	19·1
	<hr/>	
	2,937,000	100·0

We can now bring together the assumed apportionment of rates in the *United Kingdom*, in the following Table M. :—

TABLE M.—Apportioning RATES in the UNITED KINGDOM on ADJUSTED CLASSIFICATION.

—	England. (Table J.)	Scotland. (Table K.)	Ireland. (Table L.)	United Kingdom.	Per- centages.
1. Rates falling on persons in respect of <i>Real Property</i> .	<i>£</i> 15,912,000	<i>£</i> 1,735,000	<i>£</i> 2,283,000	<i>£</i> 19,930,000	51·8
2. Rates falling on persons in respect of <i>Personal Property</i> .	3,013,000	240,000	95,000	3,348,000	8·7
3. Rates falling on persons in respect of <i>Commodities</i> .	13,304,000	1,365,000	559,000	15,228,000	39·5
Totals	32,229,000	3,340,000	2,937,000	38,506,000	100·0

Having attempted a re-classification of rates, I proceed to make one or two adjustments of an analogous kind in the classification of taxes raised by Parliament, as given in Table D.

Only a very small proportion of the Inhabited House Duty is payable in respect of farm-houses,* and as the duty payable in respect of other dwelling-houses is not *prima facie* capable of being shifted on to the owners of the houses, or of the land on which they stand, by reason of its being a charge of which no one can get rid, go where he will, I shall assume that the duty, which amounted in 1895–6 to 1,487,000*l.*, falls generally on occupiers, and, as such, is a tax in respect of their being obliged to house themselves somewhere; in other words, in respect of a necessary commodity.† Accordingly the taxes estimated to be “ incidental to rateable “ (or real) property ” in Table D., should be reduced by 1,487,000*l.*, and the taxes “ not incidental to property ” should be *pro tanto* increased.

I have assumed that rates in respect of railways and canals fall on the shareholders of the companies owning such properties. Analogously, the whole of the taxes raised by Parliament in the same respect would fall on the same shoulders; and, accordingly, while the taxes estimated to be “ incidental to rateable (or real) property ” in Table D. should be reduced by 645,000*l.*, those “ incidental to non-rateable (or personal) property,” should be *pro tanto* increased.

Assumed incidence of Inhabited House Duty;

Of taxes in respect of Railways and Canals;

* Cf. Inland Revenue Commissioners' Report, C.—8226, 1896, p. 133.

† Cf. The “Economist,” of 9th October 1886.

and of
Quarries,
Mines, &c.

As I have, moreover, assumed that rates in respect of "Quarries, mines, &c." are borne by the consumers of the produce extracted therefrom, the whole of the taxes raised by Parliament in respect of such property would by analogy fall likewise on the consumers; and, consequently, the items of 447,000*l.* and 404,000*l.* (= 851,000*l.*) in Table D., which are estimated to be "incidental to rateable (or real) property" and "non-rateable (or personal) property" respectively, should be transferred to the sub-head of taxes, "levied in respect of commodities" which come under the more general head of taxes "not incidental to property."

Table D. should accordingly be subjected to the adjustments made in the following Table N.:—

TABLE N.—Adjusting Table D.

	Taxes incidental to Property.			Taxes not incidental to Property.	Grand Total.
	Rateable (or Real).	Non-rateable (or Personal).	Total.		
As in Table D (p. 36 above)	£ 15,788,000	£ 19,560,000	£ 35,348,000	£ 60,125,000	£ 95,473,000
Adjustments:—					
Inhabited House Duty	- 1,487,000	—	- 1,487,000	+ 1,487,000	—
Income Tax in respect of Railways.	- 645,000	+ 645,000	—	—	—
Quarries, Mines, &c.	- 447,000	- 404,000	- 851,000	+ 851,000	—
Total adjustments	- 2,579,000	+ 241,000	- 2,338,000	+ 2,338,000	—
Grand Totals in Table D adjusted	13,209,000	19,801,000	33,010,000	62,463,000	95,473,000
Percentages	13·8	20·8	34·6	65·4	100·0

We are now in a position to re-adjust the "Contributions" to "Taxation raised for local purposes," as given in Table F. above.

TABLE O.—Adjusting, on the foregoing ASSUMPTIONS, the respective
"CONTRIBUTIONS" to TAXATION raised for LOCAL PURPOSES.

Adjusted Contributions to Taxation raised for Local Purposes.	Amounts.	Percentages.
1. By Taxation falling on persons in respect of <i>Real Property</i> —	£	
a. Proceeds of Rates (Table M.) - - - 19,930,000 b. 13·8 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - 1,479,000	21,409,000	38·5
2. By Taxation falling on persons in respect <i>of Personal Property</i> —	£	
a. Proceeds of Rates (Table M.) - - - 3,348,000 b. 20·8 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - 2,229,000	5,577,000	10·0
3. By Taxation not incidental to Property—	£	
a. Proceeds of Rates (Table M.) - - - 15,228,000 b. 65·4 per cent. of 10,718,000 <i>l.</i> raised by Parliament - - - 7,010,000 c. Proceeds of Tolls, Dues, &c. raised by Local Authorities - - - 6,425,000	28,663,000	51·5
Total Taxation raised for Local Purposes - - -	55,649,000	100·0

I now apply the adjusted classification to Imperial and local taxation combined in the following Table P.

TABLE P.—Re-classifying, on the foregoing ASSUMPTIONS, the AGGREGATE TAXATION raised for IMPERIAL and LOCAL purposes.

	Levied by Parliament. (Table N.)	Levied by Local Authorities. (Table M.)	Totals.	Per-centages.
I.—Taxes falling on persons in respect of Real Property	£ 13,209,000	£ 19,930,000	£ 33,139,000	23·6
II.—Taxes falling on persons in respect of Personal Property	19,801,000	3,348,000	23,149,000	16·5
Total in respect of Property	33,010,000	23,278,000	56,288,000	40·1
III.—Taxes not incidental to Property	62,463,000 {	15,228,000 } 6,425,000 }	84,116,000	59·9
Totals	95,473,000	44,931,000	140,404,000	100·0

This Table exhibits results materially different from those exhibited in Table G. above.

Indeed, the results are so different that it may be well to give the figures in Tables G. and P. side by side in the following additional Table Q.* :—

TABLE Q.—Comparing Tables G. and P.

	Table G. (p. 41 above.)		Table P.	
	Totals.	Per-centages.	Totals.	Per-centages.
I. Taxes and Rates falling on persons in respect of "Real" property.	£ 54,294,000	38·7	£ 33,139,000	23·6
II. Taxes and Rates falling on persons in respect of "Personal" property.	19,560,000	13·9	23,149,000	16·5
Total in respect of property	73,854,000	52·6	56,288,000	40·1
III. Other Taxes (not incidental to property)	66,550,000	47·4	84,116,000	59·9
Aggregate Taxes and Rates	140,404,000	100·0	140,404,000	100·0

I am far from asserting that the classification which brings out the results given in Table P. corresponds with true incidence; but I do think that it must indicate with a closer approximation to facts, where the burden of taxation at any rate in the first instance lies, than does the classification which brings out the results given in Table G. However that may be, the two Tables show how practically impossible it is to draw from figures any exact conclusions bearing on the subject referred to us.

Where the burthen ultimately rests I do not presume to say. There are two extreme theories with respect to the ultimate incidence of taxation. One is that the shifting of taxes that can be shifted tends upwards, and that such taxes, in the long run, fall on land, which is the source of all wealth. The other theory is that the shifting tends downwards, and that the burthen ultimately falls on the consuming classes. What is more likely is that the truth lies somewhere midway. There is, on the one hand, the natural tendency of burdens to be shifted on to the shoulders of the wage-earning classes, who are the weaker parties. On the other hand, there is a necessary minimum, and a minimum which has recently increased, below which wages cannot fall. Perhaps

Theories respecting the ultimate incidence of taxation.

* The differences in the two Tables would be still more marked if those burdens in respect of land which, by reason of their having been imposed for a long period, are called hereditary, were eliminated from Table P.

there is more truth than is popularly supposed in the optimistic theory of general diffusion, which is (to use the words of an American economist) that "taxes equate and diffuse themselves, and if levied with certainty and uniformity they will, by a diffusion and repercussion, reach and burden all property with unerring certainty and equality."*

VIII.—CONCLUDING REMARKS.

Perhaps, in conclusion, I may be permitted to make a few additional remarks of a more or less general character bearing upon the subject of the inquiry which has been intrusted to us.

It is not infrequently alleged, that, whatever their real incidence may be, the payment of rates, of which taxation raised for local purposes principally consists, is more sensibly felt than the payment of any other tax in our financial system; and the allegation is probably not ill-founded.

Imperial taxes give rise to but little complaint.

If we except the recent extension of the Estate Duty, in its graduated form—and that extension only affects a limited class of persons—little or no complaint is made of the severity of any particular tax which is levied by Parliament. It may be said that such an assertion is inconsistent with a recent finding of the majority of the Royal Commissioners who reported on the financial relations between Great Britain and Ireland. But we are not concerned at this moment with the question, whether our present financial system presses unduly on one part of the United Kingdom in comparison with another, but rather whether that system is equitable as regards the things in respect of which members of the community at large are taxed. At any rate, the old cry for "retrenchment" on the part of the Government of the day is no longer heard. On the contrary, constantly increasing demands are made on every Chancellor of the Exchequer to provide more money for existing and fresh services. It appears, therefore, that the country acquiesces not unreadily in the huge expenditure undertaken by the State; and this acquiescence, to which possibly a sense of value received contributes, may be considered to afford fairly good proof that, with perhaps the single exception of the Estate Duty, Imperial taxation as a whole is not felt to inflict any serious strain on the community.

Local rates are a source of constant complaint.

It is otherwise with rates. The ratepayer is perpetually complaining that rates (to use an historic formula) "have increased, are increasing, and ought to be diminished." The rounds of the rate-collector are viewed with real apprehension, foreboding, as his approach generally does, some increased demand. The most popular platform on which a candidate for a vacancy on a County Council, or on a Board of Guardians, can take his stand, is an undertaking that he will use his utmost efforts to reduce the rates, or at any rate to prevent a rise in them. It is the immensity of the expenditure of local authorities, not of the central authority, which comes home to the people of this country, and which mainly gave rise to the appointment of our Commission. The ratepayers are always demanding to be relieved at the expense of the taxpayers, though in part they are one and the same body; and this of itself may show that it is not Imperial, but local taxation, from which the pinch comes, or at any rate where it is felt.

Owing to the fact that personal property escapes its direct share of the burden.

One of the reasons may be that there is less equality of sacrifice on the part of ratepayers than of taxpayers. The original intention of the Poor Rate, which is the foundation of all local rates, and on to which many other rates have been grafted, was that it should be a contribution from the inhabitants of parishes according to their "ability" or substance; in fact, a sort of local Income Tax. In order to supply some means of ascertaining or assessing relative ability or substance it was necessary to resort to a system of valuation; and in olden days the readiest and most natural basis of valuation to take was the land which the parishioner possessed, or the house which he occupied. Hence annual value became the standard by which the "ability" of householders to contribute to the Poor Rate was to be measured, with the result that receipts derived from moveable property slipped through the mesh of the rate net altogether, and the exemption of such property had at last to be legally recognised.

* Quoted by Professor Seligman: "Shifting and Incidence of Taxation" p. 45. Mr. L. Courtney, whose authority is entitled to much weight on economic subjects, admits the plausibility of the theory that "in the end the burden reaches each back according to its capacity to bear it." See "Reign of Queen Victoria," Chapter on Finance, p. 332.

This recognition was accorded by the Legislature in 1840, but in a cautious and tentative manner; for the Act which was passed (3 & 4 Vict. c. 89.) was a temporary measure, and has had to be renewed ever since from year to year.*

It may be mentioned, by the way, that the Land Tax was similarly intended to be a tax in respect of property, in the widest sense of the term. "Personal estate," including the profits and salaries of persons holding offices, was as much the original object of the charge as landed estate. But, owing to there being no adequate machinery for assessing persons to the Land Tax, in respect of their personal or non-rateable property, such assessment fell into disuse, and the impossibility of enforcing it was finally admitted in 1833 by the Act 3 Will. 4. c. 12.

In short, the system under which rates and also the Land Tax are levied has had to be worked in conformity with the limitation attaching to every law and every intention of Parliament relating to taxation—the limitation of what is practically possible. The result is that the assessment of persons to local rates and Land Tax is now confined to land and the structures thereon, irrespectively of the relative "ability" or means of those on whom nominally or actually the charge falls, except so far as dwelling-houses in respect of which rates are levied are good tests of what people can afford to spend.†

This disregard of "ability to pay," however inevitable it may be, is one of the contributory causes of the unpopularity of rates, and with reason. One of the primary canons of taxation of all kinds, handed down to us from the days of Adam Smith, and accepted by all subsequent authorities on economic subjects, is that persons should contribute to it "as nearly as possible in proportion to their respective abilities."‡ Effect has been given to that canon to a not inconsiderable extent in the case of our Imperial taxation. We have the principle of graduation recognised in the Inhabited House Duty, and, in a more marked degree, in the Estate Duty. We have exemptions and abatements in connexion with the Income Tax.

But difficult as it may be to have regard to ability to pay in any system of Imperial taxation, it is still more difficult to apply it directly to a system of local taxation; because in connexion with the latter system there is another financial canon of importance to be taken into account. It is, that persons should contribute to local expenditure in proportion to the benefit which they receive therefrom; and this canon is not compatible with the other canon, for no expenditure can confer benefits upon people in proportion to their ability to contribute to it.§

A man, for example, who lives in a house annually rated at 200*l.*, and who has an income of 1,500*l.* a year, is no doubt contributing to beneficial rates in excess of his ability when compared with his neighbour, who lives in a house annually rated at 400*l.* and who has an income of 15,000*l.* a year. In order to subject the two individuals to even a nominal equality of sacrifice, the man with 15,000*l.* a year should be annually rated at 2,000*l.*, and not 400*l.* But nobody will contend that the man, who, though enjoying an income of 15,000*l.* a year, is content to live in a house rated only twice as highly as the house of the man with an income of 1,500*l.* a year, receives a tenfold greater benefit from the expenditure incurred by the local authorities than his neighbour with more slender means.

I will now briefly sum up what seem to be the principal conclusions to be drawn from the remarks with which I have troubled my colleagues on the Local Taxation Commission; they are these:—

1. That a mere classification of taxes does not and cannot represent even their primary incidence, and still less their ultimate incidence.

2. That, owing to the difficulties inherent to establishing the incidence of taxation, there is much misconception about the sources from which it is raised, and especially so with regard to rates; in other words, that, as a large part of the rates falls on occupiers of dwelling-houses, rates to that extent constitute a tax in respect of a commodity which is a necessary of life, and that consequently local expenditure is not met nearly as much as is commonly supposed by the "taxation and re-taxation of land."||

3. That the rates have largely risen throughout the country as a whole; that the rise has been greater in urban districts than in rural districts; but that, as the rise

As it has done also from the Land Tax.

This inequality could not be avoided.

Imperial taxation largely proportioned to ability.

But local taxation has to be proportioned also to benefits.

Incompatibility of these canons.

Classification does not show incidence.

Misconceptions as to incidence of taxation.

Local rates which have increased are mostly beneficial.

* Cf. E. Cannan's "History of Local Rates."

† J. S. Mills' "Principles of Political Economy," Book V., Ch. 3, s. 6.

‡ Adam Smith's "Wealth of Nations," Book V., Ch. II., Part II.

§ Cf. E. Cannan's "History of Local Rates," pp. 131-2.

|| "Edinburgh Review" of 1881.

has been mainly in respect of "beneficial rates," and as "beneficial rates" are mostly levied in urban districts, it is in those districts that the ratepayers have got most direct return out of the increased expenditure incurred by local authorities.

Imperial relief must come out of general taxation raised by the State.

Of which the larger proportion is not levied according to ability.

Points suggested for attention :—

Incidence.

Equality of contribution.

Onerous or beneficial nature of expenditure.

Concluding *caveat*.

4. That the favourite remedy for relief of rates is further assistance from the common purse; and that such assistance, whether it takes the form of Parliamentary grants-in-aid, or of assigned revenues, must really be rendered by the community at large, and be contributed by persons in the proportions in which they contribute to Imperial taxation generally.

5. That, notwithstanding the recent trend of fiscal policy, the largest share of Imperial and Local taxation combined still consists, on reasonable hypotheses, of taxes of which the most are levied on the community at large, without regard to the means of taxpayers, and thus irrespectively of their ability to pay.

In bringing to a close these remarks which, I am afraid, have already exceeded due limits, I should like briefly to denote the points to which it appears to me that our attention should be mainly directed :

1. We should first endeavour to probe to the utmost the difficult and abstruse question of the true incidence of rates and taxes, and especially of rates. It is the solution of that problem (so far as any solution is practicable), by which alone we can properly answer the Terms of Reference made to us.

2. If, or so far as, the incidence of rates and taxes be ascertainable, we should next consider whether, under our present financial system, persons who derive their means of livelihood from one source contribute to local expenditure too much or too little as compared with persons who derive their means of livelihood from another source; and, if there be inequalities, how such inequalities can best be redressed.

3. Lastly, in suggesting any means of redress, we should keep in view—

- (a) The distinction between (1) local expenditure, which is "onerous" to ratepayers, and (2) local expenditure which is "beneficial" to ratepayers; and
- (b) The expediency of confining to "onerous" expenditure incurred by local authorities any measures for relieving the burthen of ratepayers.

In attempting to solve these difficult problems we must take care not to redress any present inequalities by creating fresh inequalities; and, if we propose any alterations in our existing financial system, we shall do well to bear in mind that there is great force in the old saying that "an old tax is no tax." Somehow or other, taxation, if undisturbed, sooner or later finds (so to speak) its own level.

It may be presumptuous and venturesome on my part to have touched ground on which the highest economic authorities have "feared to tread"; but I hope it will not be thought that I have laid myself open to the charge of dogmatising, and I must beg that my remarks may only be considered as signposts on the road of our inquiry.

28th March 1897.

E. W. HAMILTON.

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APPENDIX I.

SCHEDULE of EXCISE LICENCES, the PROCEEDS of which are assigned to LOCAL AUTHORITIES in GREAT BRITAIN, showing the NUMBER of LICENCES issued, and the AMOUNT of the PROCEEDS in 1895-6.

(Cf. *Thirty-ninth Report of Inland Revenue Commissioners*, pp. 38-9.)

	GREAT BRITAIN.		
	NUMBER OF LICENCES.	Amount of Duty charged, 1895-96, including Duty for which no Licences were issued.	Net Amount of Duty received, 1895-96.
CLASS A.			
LICENCES TO VENDORS OF INTOXICATING LIQUORS:—			
Dealers in Beer	9,229	29,752	29,752
" additional Licences to retail	4,071	5,050	5,050
Dealers in Spirits	10,237	105,988	105,987
" additional Licences to retail	7,864	24,868	24,868
Dealers in Wine	4,485	45,927	45,927
Retailers of Spirits—Publicans	74,048	1,391,506	1,391,168
" " occasional Licences	30,698	4,978	4,978
" Grocers, Scotland	3,815	36,069	35,964
Retailers of Beer, Cider, and Perry:			
To be consumed on the premises	80,534	106,388	106,370
Occasional Licences	951	57	57
Not to be consumed on the premises	12,630	16,420	16,420
Retailers of Beer and Wine:			
To be consumed on the premises	4,986	19,444	19,443
Not to be consumed on the premises	1,569	4,671	4,672
Retailers of—			
Cider and Perry	53	65	65
Table Beer	90	22	22
Wine:			
To be consumed on the premises (Refreshment Houses)	351	1,115	1,114
Occasional Licences	442	24	24
Not to be consumed on the premises	8,320	19,560	19,553
Sweets—Dealers	76	398	392
" Retailers	1,915	2,320	2,320
TOTAL CLASS A.	206,314	1,814,117	1,813,641
CLASS B.			
LICENCES TO TRADERS OTHER THAN VENDORS OF INTOXICATING LIQUORS:			
Auctioneers, Appraisers, and House Agents	11,551	77,971	77,945
Hawkers and Pedlars	11,107	22,220	22,218
Pawnbrokers	4,556	34,170	34,170
Plate Dealers:			
To sell 2 ozs. of Gold, or 30 ozs. of Silver, or upwards, in one article	4,167	23,690	23,684
To sell more than 2 dwts. and less than 2 ozs. of Gold, or more than 5 dwts. and less than 30 ozs. of silver in one article	12,781	28,400	28,400
Refreshment Houses	11,501	8,547	8,546
Tobacco Dealers	285,671	78,235	78,235
Tobacco Dealers' occasional Licences	20,048	575	574
TOTAL CLASS B.	361,877	268,808	268,772
CLASS C.			
ESTABLISHMENT LICENCES:—			
Male Servants	195,460	147,013	146,980
Carriages:			
Hackney Carriages	115,807	86,500	86,506
Other than Hackney Carriages:			
With four or more wheels, and adapted to be drawn by two or more Horses, or by mechanical power	47,873	100,095	100,099
With four or more wheels, and adapted to be drawn by one Horse	79,005	82,645	82,649
With less than four wheels	306,946	229,577	229,270
Armorial Bearings:			
Painted on or affixed to a Carriage	15,286	32,101	32,102
Otherwise worn or used	40,841	48,016	42,957
TOTAL CLASS C.	801,218	720,947	720,563
CLASS D.			
GUN AND GAME LICENCES:—			
Gun	175,467	87,740	87,660
Game, to kill	58,132	163,516	163,415
" (occasional)	6,742	6,742	6,742
" to deal in	3,861	7,722	7,722
TOTAL CLASS D.	244,202	265,720	265,539
CLASS E.			
DOG LICENCES	1,845,283	504,568	504,519
TOTAL	2,958,394	3,574,160	3,573,034

APPENDIX II.

TABLE classifying TAXES raised by PARLIAMENT in 1868-9, on BASIS of TABLE D., at p. 35 of MEMORANDUM

DESCRIPTION OF TAX.	Taxes incidental to the Ownership, Occupation, or Transfer of Property.			Taxes not incidental to Property.			GRAND TOTAL	
	Rateable Property.	Non-Rateable Property.	Total.	Taxes levied in respect of Commodities.	Taxes levied in respect of Incomes derived from Personal Exertion.	Miscellaneous Taxes.		
				£	£	£	£	
1. CUSTOMS DUTIES				22,422,000			22,422,000	
2. EXCISE DUTIES:								
Duties on Consumable Articles (including Licences falling on Consumable Articles). Licences (other than those falling on Consumable Articles).				19,112,000			19,112,000	
Railway Passenger Duty and Stage Carriage Duty.						803,000	803,000	
Assessed Taxes						536,000	536,000	
TOTAL EXCISE DUTIES AND ASSESSED TAXES				19,118,000		2,573,000	21,686,000	
3. DEATH DUTIES:								
Probate, Administration and Inventory Duties.	422,000	1,170,000	1,592,000				1,592,000	
Legacy Duty	545,000	1,506,000	2,049,000				2,049,000	
Succession Duty	614,000	106,000	720,000				720,000	
TOTAL DEATH DUTIES	1,579,000	2,782,000	4,361,000				4,361,000	
4. STAMP DUTIES:								
Deeds and other Instruments	703,000	749,000	1,457,000				1,457,000	
Securities to Bearer	—	90,000	90,000				90,000	
Fire Insurance	679,000	310,000	1,019,000				1,019,000	
Gold and Silver Plate	—	695,000	695,000	57,000			57,000	
Bills of Exchange and Promissory Notes	—	132,000	132,000				132,000	
Bankers' Notes and Composition for Duty on Bankers' Bills and Notes.	—	—	—				—	
Newspaper Duty	—	—	—	112,000			112,000	
Playing Cards	—	—	—	10,000			10,000	
Licences and Certificates	—	—	—			133,000	133,000	
Life Insurances	—	17,000	17,000				17,000	
Marine Insurances	—	80,000	80,000				80,000	
Patent Medicines	—	—	—	64,000			64,000	
Receipts Drafts, &c.	—	567,000	567,000				567,000	
TOTAL STAMP DUTIES	1,387,000	2,679,000	4,066,000	243,000		133,000	376,000	
5. LAND TAX (unredeemed)	1,118,000	—	1,118,000				1,118,000	
6. INHABITED HOUSE DUTY	1,131,000	—	1,131,000				1,131,000	
7. INCOME TAX:								
Schedule A	3,063,000	17,000	3,083,000				3,083,000	
Schedule B	—	139,000	139,000		270,000		270,000	
Schedule C	—	847,000	847,000				847,000	
Schedule D:								
Fishings and Shootings	4,000	—	4,000				4,000	
Railways in the United Kingdom	175,000	235,000	410,000				410,000	
Quarries, Mines, &c.	100,000	117,000	277,000				277,000	
Railways out of the United Kingdom	—	16,000	16,000				16,000	
Foreign and Colonial Securities and Coupons.	—	31,000	31,000				31,000	
Municipal Interest, other Interest, and other Profits.	—	13,000	13,000				13,000	
Public Companies	—	371,000	371,000				371,000	
Trades and Professions	—	517,000	517,000		2,060,000		2,060,000	
Schedule E	—	—	—		521,000		521,000	
TOTAL INCOME TAX (at 6d. in the £)	3,405,000	2,353,000	5,758,000		2,866,000		2,866,000	
8. POST OFFICE (excess of revenue over expenditure)	—	—	—			1,144,000	1,144,000	
GRAND TOTAL	8,620,000	7,814,000	16,434,000	41,778,000	2,316,000	3,850,000	48,494,000	
PERCENTAGES OF GRAND TOTAL	13·3	12·0	23·3	64·4	4·6	5·9	100	

APPENDIX III.

**A DETAILED ACCOUNT of the various SUBVENTIONS in RELIEF of LOCAL TAXATION,
prepared by MR. BLAIN of the TREASURY.**

(For the amounts contributed under the respective heads, see Table A. of Memorandum, pages 24-26.)

ENGLAND AND WALES.

1. METROPOLITAN FIRE BRIGADE.

This is a fixed subvention of 10,000*l.*, annually granted by Parliament in pursuance of the Metropolitan Fire Brigade Act of 1865 (28 & 29 Vict. c. 90), which imposed upon the Metropolitan Board of Works the duty of extinguishing fire and of protecting life and property in case of fire in the Metropolis, including the City, with certain outlying parishes and districts. The grant, which is borne on the Vote for "Rates on Government Property" (Class I. of the Civil Service Estimates, Vote 13), appears to have been originally made by way of compensation for the loss occasioned to the Board by there being in the Metropolis a number of public offices which were exempted from legal liability to local rates. But, as the Government now contributes to rates on the same footing as private persons, the grant may be regarded as a spontaneous subscription to the expenses of the Metropolitan Fire Brigade, to which all companies insuring property in the Metropolis against fire also contribute. The deficit is charged on the Metropolitan, now the County, rate.

2. RATES ON GOVERNMENT PROPERTY.

All property occupied by the Crown for the public service is, except where otherwise provided by special Acts, exempt from legal liability to local rates. In 1859 the Government undertook to make a voluntary contribution in lieu of rates; but this contribution was limited to the poor rates and to parishes in which the Government property represented one-seventh of the total rateable value. In 1874 the basis of contribution was extended to include all local rates and all Government property. A Treasury minute of 7th February 1896 provides for the quinquennial re-valuation of Government property in London for the purposes of this contribution, and for re-valuation in the provinces wherever private properties are re-valued. The general provision for contributions in lieu of rates is made in Class I. of the Civil Service Estimates, Vote 13, additional provision is made in the Post Office Estimates for rates on Savings Banks premises, and in the Telegraph Estimates for rates on telegraph wires and premises.

3. DISTURNPIKED AND MAIN ROADS.

The first grant-in-aid, 250,000*l.*, was voted in 1882, in deference to the claim for some relief to ratepayers in respect of the charge which had been transferred to them through the abolition of turnpikes and the consequent augmentation of highway rates. Under the Act 41 & 42 Vict. c. 77., one-half the expenses of main roads formed a charge on county rates, the other half falling upon the districts or parishes. The object of the Parliamentary grant was to relieve the districts or parishes of half their burden, i.e., of one-quarter of the total cost. In the first year one Vote was taken for the whole of Great Britain, but in subsequent years the Votes for England and Scotland were taken separately. The grants ceased on the passing of the Local Government Act, 1888.

4. SALARIES OF TEACHERS IN POOR LAW SCHOOLS.

This grant was first voted by Parliament in 1846, the object being to increase the efficiency of workhouse instruction by inducing the guardians to appoint teachers where they did not already exist, and to obtain more efficient services where they did. The amount payable to each board of guardians was dependent upon the number of scholars and the terms of the certificate furnished by an inspector of the Local Government Board. The grant ceased on the passing of the Local Government Act, 1888.

5. SALARIES OF POOR LAW MEDICAL OFFICERS.

This grant was first voted by Parliament in 1846 with a view to improve the system of medical relief. Provision was made for half the salaries of the Poor Law medical officers, and also for half the expenditure

incurred by guardians for drugs and medical appliances, — the latter addition being rendered necessary because in some cases the medical officer's salary covered the cost of such requirements. The grant ceased on the passing of the Local Government Act, 1888.

6. SALARIES OF MEDICAL OFFICERS OF HEALTH AND INSPECTORS OF NUISANCES.

This grant originated in consequence of the passing of the Public Health Act, 1872, the Government having undertaken, in connexion with that Act, to bear half the cost of the salaries of the medical officers and inspectors to be appointed thereunder, subject to the condition that their qualifications, salaries, &c., should be in accordance with the regulations of the Local Government Board. The grant ceased on the passing of the Local Government Act, 1888.

7. SALARIES, &c., OF POOR LAW (NOW DISTRICT) AUDITORS.

Under the Poor Law Act of 1834 (4 & 5 Will. IV. c. 76.) the auditors were paid officers of the Unions. In 1846 the first Parliamentary Vote for their salaries was taken, and from that time forward they were paid, so far as regards the audit of Poor Law Accounts, by the State. Successive Acts assigned to the same officers the audit of the accounts of Local Boards, School Boards, and Highway Authorities, but with the proviso in each case that their remuneration for these duties should be borne by the respective authorities.

In 1879 the District Auditors Act (42 & 43 Vict. c. 6.) directed that all payments to these officers out of local rates should cease, and that they should be remunerated out of the Votes. At the same time every local authority whose accounts they audit was required to contribute to the cost by a stamp duty according to scale. Similar provision has since been made in regard to the audit of the accounts of county councils and parish councils (Vote for Local Government Board, Civil Service Estimates, Class II., Vote 16).

8. PUBLIC VACCINATORS.

Under the provisions of the Vaccination Act, 1867 (30 & 31 Vict. c. 84.), payment was made to public vaccinators at a rate not exceeding 1*s.* for each successful operation; such payment being in addition to the remuneration provided for these officers by the boards of guardians by whom they were appointed. That grant ceased on the passing of the Local Government Act, 1888. But the State still provides, in the Vote for the Local Government Board, England, the salaries and other expenses of the National Vaccine Establishment. This institution, originally under the care of the Medical Colleges, from whom it was taken over in 1858, is concerned with the collection and distribution of lymph, and with instruction of students in vaccination (Civil Service Estimates, Class II., Vote 16).

9. PAUPER LUNATICS.

This grant was made to each of the three kingdoms as part of Sir Stafford Northcote's scheme of additional relief to local taxation in 1874. In England it was paid to boards of guardians and to county and borough authorities in respect of the pauper lunatics chargeable to these authorities; in Scotland, to parochial boards; and in Ireland, to county and borough authorities. The maximum amount was 4*s.* a week per head in each country; but in England the payment could not exceed the net cost of the patient's maintenance after deducting sums recoverable from his relatives or otherwise; while in Scotland and Ireland it must not exceed one-half of the actual net cost.

As regards England, the grant ceased on the passing of the Local Government Act, 1888.

CRIMINAL PAUPER LUNATICS.

The Criminal Lunatics Act, 1884 (47 & 48 Vict. c. 64. s. 10), provided for the maintenance out of voted

moneys of criminal pauper lunatics detained in any asylum. Consequently, since the passing of that Act, no claim has been made upon local authorities for the contributions to which they would otherwise have been liable for the maintenance of pauper inmates of the Broadmoor Criminal Lunatic Asylum (Class III. of Civil Service Estimates, Vote 10).

10. REGISTRARS OF BIRTHS AND DEATHS.

The Births and Deaths Registration Act, 1871 (37 & 38 Vict. c. 88.), increased the rate of remuneration payable by boards of guardians to the registrars. A vote in aid of the additional expense entailed upon the guardians was taken for the first time in 1875, and continued until the passing of the Local Government Act, 1888.

11. CRIMINAL PROSECUTIONS (REPAYMENTS TO COUNTIES AND BOROUGHS):

Prior to 1752, the cost of a criminal prosecution had to be borne by the prosecutor himself. The Act 25 Geo. II. c. 36. empowered the Court, in cases of conviction for felony, to order the county (or quarter sessions borough) to make reasonable compensation to the prosecutor, and this provision was subsequently extended to other offences. In 1835 a Vote was taken to reimburse to the local authorities one-half the expenses of all prosecutions at assizes and quarter sessions, and from 1846 onwards such expenses were charged wholly to the Votes until the grant ceased on the passing of the Local Government Act, 1888.

12. CLERKS OF ASSIZE.

These officers were remunerated entirely by fees, paid out of county funds, until 1856. Under the nisi prius Act, 1852 (15 & 16 Vict. c. 73.), and the Criminal Justices Act, 1855 (18 & 19 Vict. c. 126.), they were placed on salaries, the provision for which was made in the Vote for criminal prosecutions up to the year 1883-4, and since that year in the Vote for the Supreme Court of Judicature (Civil Service Estimates, Class III., Vote 3).

13. CENTRAL CRIMINAL COURT.

From the establishment of the Court in 1834, the salaries and expenses were borne by county rates until 1846, when the whole cost was provided in the Parliamentary Votes as part of the expense incurred for criminal prosecutions. The grant ceased on the passing of the Local Government Act, 1888.

14. LONDON SESSIONS.

Under an Act of 1859, a deputy was authorised to be employed in the absence of the Assistant Judge of the Middlesex Sessions, to be paid from the Middlesex county rates. Any sums so paid by the county would have been repayable to them out of the Vote for criminal prosecutions, so the deputy's remuneration was made a direct charge upon that Vote. Under the Local Government Act, 1888, the Assistant Judge became Chairman of the London Sessions, and the above arrangement was continued for the tenure of the then chairman. The provision was made in the Vote for miscellaneous legal expenses (Civil Service Estimates, Class III., Vote 2) until 1896-7, when it ceased.

15. CLERKS OF THE PEACE, &c. COMPENSATIONS.

The Criminal Justice Act, 1855 (18 & 19 Vict. c. 126.) provided for payment out of the Parliamentary Votes of compensation to clerks of the peace and other officers of quarter sessions whose emoluments were diminished by the operation of the Act. Provision for this gradually expiring charge was made formerly on the Vote for criminal prosecutions, and is now included in the Vote for miscellaneous legal expenses (Civil Service Estimates, Class III., Vote 2).

16. METROPOLITAN POLICE (CONTRIBUTION IN AID).

The cost of this force was borne by the metropolitan parishes until 1833, when the Act 3 & 4 Will. IV, c. 89. provided for the payment of a Government contribution sufficient with a parish rate of 8d. in the £ to meet the total charge; subject, however, to the condition that the annual contribution should not exceed £0,000*l.* The limitation to £0,000*l.* was changed in 1857 to that of an amount equal to the produce of a 2d. rate, and again in 1868 to one-fourth of the total charge, which was not itself to exceed the amount of a 9d. rate.

The scheme of Government relief to local rates in 1874 contemplated for the metropolitan, as for the

provincial police, an increase of the previously existing subvention by an amount equal to one-fourth of the cost of pay and clothing. It proved inconvenient to make the contribution in a twofold form, based partly upon the amount of the police rate and partly upon particular items of expenditure. So, as it was found that the total contribution thus reckoned was equal to about 4*d.* in the £ on the rental assessed, that basis was fixed upon in 1877 for the contributions of future years.

The contribution ceased on the passing of the Local Government Act, 1888.

17. METROPOLITAN POLICE (COMMISSIONERS AND RECEIVER).

From the establishment of the force in 1829 there were two Commissioners, paid by the State, until 1856. In that year, by the Act 19 Vict. c. 2, one Commissioner was dispensed with, and two Assistant Commissioners were substituted. Their salaries are still defrayed out of the Parliamentary Votes.

In 1839 the Receiver of the Metropolitan Police, who had formerly been paid out of the Police Fund, was made also Receiver of the Metropolitan Police Courts, and his salary was charged on the Consolidated Fund as part of the Police Court charges; in 1854 the charge for his salary was transferred to the Votes. (Vote for Police (England and Wales), Civil Service Estimates, Class III., Vote 7.)

18. POLICE, COUNTIES AND BOROUGHS.

Prior to 1856 the establishment of a police force in the English counties was at the option of the justices (under the Acts 2 & 3 Vict. c. 93. and 3 & 4 Vict. c. 88.), and the power was not largely exercised. In boroughs the Act 5 & 6 Will. 4. c. 76. purported to make the appointment of sufficient police compulsory, but there was no power to compel a proper standard to be maintained.

In 1856 the Act 19 & 20 Vict. c. 69. made the formation of a police force compulsory in counties as well as boroughs throughout England and Wales, provided for inspection under the Home Office, and empowered the Treasury to contribute one-fourth of the cost of pay and clothing of any force certified as efficient, except in boroughs of less than 5,000 inhabitants. Similar provisions were applied to Scotland in the following year (20 & 21 Vict. c. 72).

As part of the general scheme of relief to local taxation in 1874 the limitation of the contribution to one-fourth the cost of pay and clothing was suspended by the Act 37 & 38 Vict. c. 58. (afterwards continued annually), and the contribution from the Votes was increased to one-half the cost. It continued until the passing of the Local Government Act, 1888.

19. PRISONS (MAINTENANCE OF PRISONERS IN COUNTY AND BOROUGH GAOLS).

Up to the year 1346 local authorities had to provide for the accommodation and maintenance of all prisoners, not only while awaiting their trial, but also after conviction, pending their removal to a convict prison or the hulks. In 1846 the first Vote was taken to repay the cost of maintenance, in the local prisons, of prisoners convicted at assizes or quarter sessions, or summarily convicted under certain specified Acts. The contribution for this purpose was at the rate of 4*s.* a week for each prisoner. It was included for some years in the Vote for "Criminal Prosecutions" and afterwards in the Vote for "County Prisons, &c., Great Britain," which ceased on the transfer of the local prisons to the State under the Prisons Act, 1877.

20. PRISONS TRANSFERRED.

Up to the year 1877 local authorities in each of the three divisions of the United Kingdom were under obligation to provide for the accommodation of prisoners awaiting trial or undergoing sentences of imprisonment for short terms, while the State maintained convict prisons for the custody of prisoners sentenced to penal servitude. The three Prisons Acts of 1877 (viz., 40 & 41 Vict. c. 21. for England, c. 53. for Scotland, and c. 49. for Ireland) transferred to the State all prisons belonging to local prison authorities, and made the expenses of maintenance of prisons and prisoners chargeable to the Votes. The transferred prisons in England are provided for in the Civil Service Estimates, Class III., Vote 8.

21. PRISON OFFICERS' PENSION COMMUTATION ANNUITIES.

Superannuation allowances awarded to officers who were in the service of local prisons at the date of their transfer to the State are chargeable proportionably to Imperial and local funds. For convenience of payment it was provided by the Act 41 & 42 Vict. c. 63. that either the Treasury or the local authority might commute its share of the joint payment. Where the Treasury share is commuted, the necessary capital sum for its discharge may be advanced by the National Debt Commissioners under the Act 45 & 46 Vict. c. 72. Such advances by the National Debt Commissioners are repaid by means of terminable annuities for which provision is made in the Superannuation Vote. (Class VI. of Civil Service Estimates, Vote I.) This arrangement applies to England and Ireland, but not to Scotland, where it could not be conveniently carried out.

22, 23. MAINTENANCE OF CHILDREN IN REFORMATORY AND INDUSTRIAL SCHOOLS.

Reformatory and industrial schools were in their origin voluntary institutions. They are still under the control and management of committees of private persons, except a small number of industrial schools provided by the local authorities. Their expenses are defrayed mainly from the Parliamentary Vote, partly from the contributions which local authorities are empowered, but not obliged, to make, and for the rest from voluntary subscriptions. The payments levied by magisterial order on the parents of the children are taken by the Government in aid of the Parliamentary Grant.

The first Parliamentary Vote for "Reformatory Institutions" was passed in 1854-5. A grant for industrial schools was included in the Public Education Vote from 1856-7 to 1861-2, when the provisions for the two classes of schools were united into one vote.

The expenses of reformatory schools are regulated by the Act 29 & 30 Vict. c. 117, which empowers contributions both by the Treasury and by local authorities; and similar provision was made in the same year for industrial schools by the Act 29 & 30 Vict. c. 118. The Parliamentary contribution is a capitation grant, the general rate for each child in reformatory schools being 6s. a week, while for industrial schools it is 5s. a week in England and 4s. 6d. in Scotland.
(Civil Service Estimates, Class III., Vote 9.)

24. REMOVAL OF CONVICTS FROM COUNTY PRISONS.

In 1835 the first vote was taken for repaying the cost of removal of convicted prisoners from local prisons to the convict prisons or the hulks, an expense which had formerly been borne by county rates. The provision was for some years included in the estimate for "Criminal Prosecutions, Repayments to Counties and Boroughs." Subsequently a separate estimate was set up under the title "County Prisons, &c., Great Britain," which continued to be voted until the whole cost of convicted prisoners became a direct charge upon the State under the Prisons Act, 1877.

25. GRANTS TO SCHOOL BOARDS IN POOR DISTRICTS.

These grants are paid under the Elementary Education Act, 1870 (33 & 34 Vict. c. 75. s. 97), which provides that, in the case of any school board district in which the sum required for the expenses of the year is actually paid to the Board by the rating authority, and does not exceed the proceeds of a rate of 3d. in the £—such rate at the same time being calculated to produce less than 20l., or less than 7s. 6d. a child—a special Parliamentary grant may be made sufficient, with the proceeds of a 3d. rate, to make up 20l. in all, or 7s. 6d. a child, as the case may be. The provision is made in the estimate for public education (Class IV. of Civil Service Estimates, Vote I.).

26. BERWICK BRIDGE.

This small grant of 90l. 9s. has a very ancient origin. It represents a grant of 160l. made by Charles II. to the Corporation of Berwick for maintaining the bridge built by James I. It was paid out of the Civil List to the end of the reign of George IV., and as the House of Commons was at that time against the transfer of the charge to Crown Revenues it was placed on the Votes, on which it has since been annually borne. The Corporation has to show by its accounts that the money is actually expended on repairs of the bridge. The grant

is now included in the Vote for "Miscellaneous Charges and other Allowances, Great Britain." (Class VI. of the Civil Service Estimates, Vote 4.)

27. REGISTRATION OF VOTERS.

A special vote was taken in the year 1885-6 to relieve localities of the expenditure entailed upon them in connection with the registration of voters under the Act for the extension of the County Franchise. A motion was introduced into the House of Commons at that juncture, in favour of exempting local rates from all charge for Parliamentary registration (3 Hans., vol. 298, p. 367). The Government resisted the motion, but undertook to provide by vote in that year for the exceptional expenditure resulting from the new Act. The amount of the contribution was calculated at 4d. per voter in England and Scotland; in Ireland it was fixed on different lines, and was equivalent to a somewhat higher rate.

28. DISEASES OF ANIMALS.

Under the Contagious Diseases (Animals) Act, 1878 (41 & 42 Vict. c. 74.), local authorities were empowered to require the slaughter of animals which were affected with pleuro-pneumonia or had been exposed to infection, and to pay the owners compensation out of the local rates. By the Pleuro-Pneumonia Act of 1890 (53 & 54 Vict. c. 14.), this power was transferred to the Board of Agriculture, and provision was made for meeting the expenses of compensating owners out of moneys voted by Parliament. (Vote for Board of Agriculture, Class II. of Civil Service Estimates, Vote 11.)

SCOTLAND.**29. RATES ON GOVERNMENT PROPERTY. See No. 2.****30. DISTURNPIKED AND MAIN ROADS. See No. 3.****31. MEDICAL RELIEF, PROPORTION OF EXPENSE.**

Sir Robert Peel's scheme of 1846 contemplated the provision in Scotland, as in England and Ireland, of one-half the salaries of Poor Law medical officers, and of the cost of medicines. But in Scotland the local Poor Law authorities were not obliged to appoint medical officers. Consequently, the subvention took the form of a fixed annual grant, which was distributed among the parishes on lines laid down by the Board of Supervision. The amount of the voted grant remained at 10,000l. from 1846 to 1882-3, when it was raised to 20,000l. as the result of an agitation by the Scottish Members of Parliament. It ceased on the passing of the Local Government Act, 1889.

32. VACCINE LYMPH.

Since 1867-8, an annual provision of 100l. for cost of vaccine lymph has been included in the estimate for the Board of Supervision, now the Local Government Board, Scotland. (Class II. of Civil Service Estimates, Vote 31.)

33. PAUPER LUNATICS. See No. 9.

The grant for Scotland ceased on the passing of the Local Government Act, 1889.

34. CRIMINAL PROCEEDINGS (SCOTLAND).

In Scotland, criminal prosecutions undertaken at the instance of the Lord Advocate in the High Court or, with his cognizance, in the Sheriff Courts, have always been defrayed by the Crown. Formerly they were charged upon the Hereditary Revenues, but in 1851 they were transferred to the Parliamentary Votes.

Criminal investigations before Justices of the Peace and minor cases in the Sheriff Courts were paid out of a county rate, called the Rogue Money Assessment, until 1851, when (by Treasury Minute of 6th June 1851) it was directed that these charges should be paid from the Votes in order to place Scotland on an equal footing with England. The procurators fiscal or public prosecutors, before 1850, received their remuneration from public funds entirely by way of fees, but since that time the fees have been gradually abolished and fixed salaries provided instead. (Class III. of Civil Service Estimates, Vote 11.)

35. POLICE, COUNTIES AND BOROUGHS. See No. 18.

36. PRISONS TRANSFERRED. See No. 20.

The transferred prisons in Scotland are provided for in the Civil Service Estimates, Class III., Vote 14.

37, 38. MAINTENANCE OF CHILDREN IN REFORMATORY AND INDUSTRIAL SCHOOLS. See Nos. 22 and 23.

39. PRISONS (MAINTENANCE OF PRISONERS IN COUNTY AND BOROUGH GAOLS).

Concurrently with the grant made for the same purpose in England, provision was made on the Votes in 1846 for contributing to local prison boards in Scotland the cost of maintenance after conviction of prisoners tried by jury. In 1851 the contribution was extended to include prisoners convicted without a jury, when tried under a sheriff's warrant. As in England the maximum allowance was 4s. a week for each prisoner, and the contribution continued to be made in the Vote for "County Prisons, &c., Great Britain," until the transfer of the local prisons to the State under the Prisons Act, 1877.

40. REMOVAL OF CONVICTS FROM COUNTY PRISONS.

The grant initiated in 1835 for conveyance of convicts from local prisons to the convict depots appears to have applied to Scotland as well as to England. In 1849-50, when the charge for this service was removed from the Vote for "County Rates Repayments" to the general Prisons Vote, the provision was described in the estimates as for "Conveyance of Convicts, Great Britain," and it continued to be borne upon that Vote until the passing of the Prisons Act in 1877 threw upon the State the whole charge for prisoners after conviction.

41. GRANTS TO SCHOOL BOARDS IN POOR DISTRICTS.

Under the Education (Scotland) Act, 1872 (35 & 36 Vict. c. 62, s. 67), grants are made to school boards in poor districts in Scotland, the conditions being the same as for the corresponding grants in England under the Act of 1870. (See No. 25.) (Class IV. of Civil Service Estimates, Vote 9.)

42. SHERIFF COURT HOUSES.

Since 1861-2 an annual Vote has been taken to provide half the cost of building and maintaining sheriff court houses in Scotland, the other half being provided out of county rates. The reason for this division is, that the Scottish sheriff courts have not only a civil jurisdiction corresponding to that of county courts in England, but also a criminal jurisdiction, corresponding to that of petty and quarter sessions, the cost of which falls on local funds. (Class I. of Civil Service Estimates, Vote 5.)

43. REGISTRATION OF VOTERS. See No. 27.

44. DISEASES OF ANIMALS. See No. 28.

45. LOCAL TAXATION RELIEF.

In 1891-2 the first Vote was taken for fee grants to schools in England and Wales under the Elementary Education Act, 1891. Pending the legislation necessary for the extension of the fee grant system to Scotland, an equivalent sum of £10,000/-, being 11-80ths of the English grant in that year, was voted in 1891-2 as a grant in aid of local rates in Scotland, to be applied by county and town councils and police commissioners in relief of the rates raised by them in such manner as they might determine. The fee grant system was extended to Scotland in the following year, and so this Vote was not renewed.

IRELAND.

46. RATES ON GOVERNMENT PROPERTY. See No. 2.

47. SANITARY OFFICERS.

Under the Public Health (Ireland) Act, 1874 (37 & 38 Vict., c. 93, s. 10), the Treasury was empowered to regulate the salaries of sanitary officers to be appointed under the Act, or the additional salaries in cases where

the appointment might be conferred on an existing officer; and provision was made for payment out of voted moneys of such part of these salaries and additions to salaries as Parliament might determine. Accordingly, provision is made in the Vote for the Local Government Board (Civil Service Estimates, Class II., Vote 35), for repaying to the local authorities one-half of the new and additional salaries.

48. SCHOOLMASTERS AND SCHOOLMISTRESSES IN WORKHOUSES,

and

49. POOR LAW MEDICAL OFFICERS AND COST OF MEDICINES.

When Sir Robert Peel in 1846 took over the English charge for salaries of teachers in the Poor Law schools, and half the salaries of Poor Law medical officers, he refrained from extending the same provision to Ireland on the ground that considerable alterations in the Irish Poor Law system were then in contemplation. The Select Committee which inquired into Irish taxation in 1864-5 recommended that Parliament should give Ireland the same aid as was given to England, and as a result of that recommendation provision has been made on the Votes since 1867-8 for the salaries of Irish workhouse schoolmasters and schoolmistresses, and for half the salaries of medical officers and of the cost of medicines and appliances. (Vote for Local Government Board, Class II. of Civil Service Estimates, Vote 35.)

50. POOR LAW AUDITORS.

The English Poor Law Commissioners, appointed under the Act 4 & 5 Wm. IV. c. 76., were entrusted with the administration of relief to the poor of Ireland, and the provisions of that Act in regard to Poor Law auditors (see No. 7) applied to the latter country. Since 1868-9 a separate vote has been taken for the Irish Poor Law Commission (now the Local Government Board, Ireland), and the auditors' salaries are provided in that Vote (Class II. of Civil Service Estimates, Vote 35). The salaries cover the work done by the auditors in auditing the accounts of other local bodies besides boards of guardians, the payments made by such local bodies for those services being taken into the Exchequer.

51. VACCINE LYMPH.

Prior to 1876 a small annual grant had for many years been made to the Dublin Vaccine Institution, out of the Vote for Hospitals and Infirmarys, Ireland. In 1876, in consequence of a discussion raised by the Irish members on the Vote for the English Local Government Board, the institution was taken over by Government, and provision made for its expenses in the Vote for the Local Government Board, Ireland (Class II. of Civil Service Estimates, Vote 35).

52. PAUPER LUNATICS. See No. 9.

The Irish grant for this purpose is still borne on the Votes (Class VI. of Civil Service Estimates, Vote 4.)

53. CRIMINAL PROSECUTIONS.

Prosecutors and witnesses' expenses were charged to county funds until 1859. A committee on County Rates in Ireland recommended in 1858 that such costs of prosecutions as has been transferred to the Votes in England and Scotland should be similarly defrayed in Ireland. This proposal was carried out from the 1st April 1859, the first provision being made in the Estimates for 1860-61. The contribution continues to be provided on the Votes (Civil Service Estimates, Class III., Vote 15).

54. DUBLIN METROPOLITAN POLICE.

An annual Parliamentary Vote has been taken for this service since 1819. The form of estimate then presented showed the anticipated cost of the force and the revenue from local sources, and Parliament was asked to vote the deficiency. A Select Committee of the House of Commons, which inquired into the Irish Miscellaneous Estimates in 1829, recommended that the charge should be equally divided between the public and the locality; but practically the system has remained unaltered, under which the State provides for all expenditure which is not covered by receipts from local sources. These receipts consist of a police tax—levied since 1837 at 8d. in the £ on the rateable value of property in the police district—of carriage

rates, and of sundry licences, fees, fines, and penalties. They amount at the present time to rather more than one-third of the gross expenditure. (Class III. of Civil Service Estimates, Vote 19.)

55. ROYAL IRISH CONSTABULARY.

The force was created in 1836 under the Act 6 Will. IV. c. 13, which made half the cost a charge upon the Consolidated Fund, the other half being repayable to that Fund out of local rates. In 1846, by the Act 9 & 10 Vict. c. 97, the provision for recovery of one-half the expenses from local authorities was repealed, this measure being designed by Sir Robert Peel as compensation to Ireland for the injury which his free-trade policy was expected to inflict on the agricultural interest of that country. Since 1846 the Constabulary has been administered and provided for wholly by the State. In 1854 the charge was transferred from the Consolidated Fund to the Parliamentary Votes, on which it is still borne. (Class III. of Civil Service Estimates, Vote 20.)

In 1857 the Revenue Police, which had previously existed in Ireland as a separate force, was abolished, and the duties were transferred to the Constabulary. This service being of an Imperial, not a local, character, its estimated cost (about 40,000*l.*) is deducted in calculating the cost of the Constabulary as a local charge.

56. PRISONS (MAINTENANCE OF PRISONERS IN COUNTY AND BOROUGH GAOLS).

The contribution under this head, initiated in Great Britain in 1846, was not extended to Ireland until 1859. The conditions of the grant corresponded to those which applied in England, but the maximum rate of grant, instead of 4*s.* a week for each prisoner, was fixed at first at 3*s.* a week, and was raised to 3*s.* 9*d.* in 1874. The contribution continued until the transfer of the local prisons to the State under the General Prisons Act, 1877.

57. PRISONS TRANSFERRED. See No. 20.

The transferred prisons in Ireland are provided for in the Civil Service Estimates, Class III., Vote 21.

58, 59. MAINTENANCE OF CHILDREN IN REFORMATORY AND INDUSTRIAL SCHOOLS.

The first Vote for reformatory schools in Ireland was taken in 1859-60, and for industrial schools in 1869-70. The maintenance grant is at the rate of 6*s.* a week for each child in reformatory schools and 5*s.* a week for each child above six years of age in industrial schools.

60. SURVEY AND VALUATION.

This service was instituted in 1826 to make a valuation of Ireland for the assessment of county rates. It was provided that the cost should be advanced out of the Consolidated Fund, to be repaid in full by the counties. The valuation was begun as a townlands valuation, but was changed to a tenement valuation in 1846, owing to the introduction of the Poor Laws into Ireland. It was not completed until 1864, and since then it has been annually revised or corrected under the Act 17 Vict. c. 8.

In 1857-8 the charge was transferred from the Consolidated Fund to the annual Votes.

In 1860, as the valuation was then being used for various Imperial purposes, as well as for local purposes, the Act 23 Vict. c. 4 provided that one-half only of the annual cost of revision should be repaid by the counties, the other half being borne by the Votes of Parliament. This division continued until 1874, when the Act 37 & 38 Vict. c. 70 prescribed a fixed annual sum as the contribution of each county and city. These contributions—amounting to a total of 8,000*l.*—are now appropriated in reduction of the annual Vote. (Class II. of Civil Service Estimates, Vote 39.)

61. INFIRMARIES.

An Act of the Irish Parliament (5 Geo. III. c. 20) established public infirmaries throughout Ireland, and provided for contributions by grand juries in aid of their expenses. In 1807 these contributions were charged upon the Consolidated Fund by the Act 47 Geo. III. c. 59, and in 1854 the charge was transferred from the Consolidated Fund to the annual Votes. In 1851 the Medical Charities (Ireland) Act, 14 & 15 Vict. c. 68, enacted that any allowance or stipend payable under the foregoing provisions to any officer of such institutions should terminate with the existing recipient, except as regards institutions in the city or county of Dublin. The effect of that enactment was to make the allowances moribund, except in the case of four Dublin infirmaries; and the result up to the present has been to reduce the number of participating institutions from 39 to 5. (Class VI. of Civil Service Estimates, Vote 5, Subhead E.)

62. DUBLIN HOSPITALS.

By a provision of the Act of Union between Great Britain and Ireland, the Parliament of the United Kingdom was bound to provide, for local purposes in Ireland, during the first 20 years after the Union, an annual sum not less than the average sum expended by the Irish Parliament for certain local purposes, which included the maintenance of pious and charitable institutions. This obligation was very liberally fulfilled by the United Parliament; and, since its period expired, annual grants have continued to be made to certain Dublin hospitals. The grants are now made, in accordance with the recommendations of a Select Committee of 1854, to nine hospitals, and they amount to an annual sum of 15,850*l.* (Class VI. of Civil Service Estimates, Vote 5, Subhead D.)

63. REGISTRATION OF VOTERS. See No. 27.

64. DISEASES OF ANIMALS. See No. 28.

65. EXCHEQUER CONTRIBUTION TO IRELAND.

As explained in Sir Edward Hamilton's Memorandum (page 21), a certain advantage accrued to England and Scotland from the exchange of their grants-in-aid for the proceeds of Excise licences under the scheme of 1888. In Ireland there was no corresponding exchange, and the existing grants-in-aid were continued; but as an equivalent for the gain which the other two countries secured by the exchange, an annual grant of 40,000*l.* was made to Ireland, which was voted in the first year, but has since been charged upon the Consolidated Fund under the Act 54 & 55 Vict. c. 48.

This annual grant has been used to build up the guaranteed fund under the Purchase of Land (Ireland) Act, 1891. Having now served that purpose, it becomes available for grants to boards of guardians in Ireland, for labourers' cottages, and for other local uses.

APPENDIX IV.

MEMORANDUM by Sir ALFRED MILNER explaining the BASIS OF TABLE D. at p. 35 of MEMORANDUM, which purports to classify all TAXES (including those transferred to the LOCAL TAXATION ACCOUNTS) raised by PARLIAMENT in the year 1895-96.

UNITED KINGDOM.

The table herewith is an attempt to classify the taxes raised in the year 1895-96 under the following heads :—

I. Taxation incidental to the ownership, occupation, or transfer of property :

1. Rateable.
2. Non-rateable.

II. Taxes not incidental to property, viz. :—

1. Taxes levied in respect of commodities.
2. Taxes levied in respect of incomes derived from personal exertion.
3. Miscellaneous taxes.

The various taxes have been dealt with in the order in which they appear in the finance accounts for 1895-96, viz. :—

1. Customs duties.
2. Excise duties.
3. Death duties.
4. Stamp duties.
5. Land tax unredeemed.
6. Inhabited house duty.
7. Income tax.

1. CUSTOMS DUTIES.

These duties, amounting to 20,965,000*l.*, being imposed upon articles of consumption exclusively, have been placed under the first sub-head of taxes not incidental to property.

2. EXCISE DUTIES.

These duties (with the exception of those licences which do not affect consumable articles, and of the railway passenger duty) fall under the same head and sub-head as Customs duties. They account for 29,704,000*l.* of the total.

The balance, viz. :—

Licences not falling on consumable articles (such as gun, game, and establishment licences)	1,632,000
And railway passenger duty	259,000
Total	1,891,000

are classified under "Miscellaneous."

Dealing in the first place with Excise duties falling on consumable articles, the following details show how the total of 29,704,000*l.* has been arrived at, viz. :—

Beer duty	11,131,000
Spirit duty	16,380,000
Chargos on delivery	4,000
Coffee mixture labels, and chicory duty	8,000
Total	27,518,000

Licences on consumable articles :

1. To vendors of intoxicating liquors* 1,970,000
2. To manufacturers of the same (brewers, rectifiers, &c.)† 17,000

* The details will be found under Licences, Class A, 39th Report Inland Revenue, pp. 30 and 31.

† The details will be found under Licences, Class B, 39th Report Inland Revenue, p. 32.

3. To vendors of consumable articles other than intoxicating liquors*	199,000
Total	2,186,000
Grand total of Excise duties on consumable articles	29,704,000

The following are the details of the licences other than those falling on consumable articles classed under "Miscellaneous," 1,632,000*l.*

Auctioneers	85,000
Pawnbrokers	37,000
Establishment	721,000
Gun licences	95,000
Licences to kill game	183,000
Dog licences	504,000
Penalties	7,000
Total	1,632,000†

Railway passenger duty, 259,000*l.* classed as miscellaneous.

3. DEATH DUTIES.

These duties must evidently be classed in their entirety with "taxes incidental to the ownership, occupation, or transfer of property." They constitute a true property tax, though levied by way of "fines" payable at irregular intervals and at varying rates. On the other hand their distribution between rateable and non-rateable property presents many difficulties, and only an approximate result can be arrived at.

Probate and Account Duty.

Rateable	48,000
Non-rateable	133,000

The proportions of rateable to non-rateable, viz. 26·5 per cent. and 73·5 per cent. are based upon an analysis of the property subject to Probate duty made by me in connection with my evidence before the Commission on Agricultural Depression. The details of the calculations, by which these proportions were arrived at, are fully set forth in my "Statement of Evidence" (Vol. IV. of Evidence, pp. 579 and 580).

Temporary Estate Duty.

Rateable	150,000
Non-rateable	13,000

The sum of 150,000*l.* is made up as follows :—

Rateable Property.

Realty	146,000
Personality (26·5 per cent. of the total duty on personality)	4,000
Total	150,000

Page 66.
39th Report
Inland
Revenue.

* The details will be found under Licences, Class B, 39th Report Inland Revenue, p. 32. The whole of the licences in Class B are included under this heading, except those already included in 2. and auctioneers', &c. and pawnbrokers' licences. This heading also includes game dealers' licences (see 39th Report Inland Revenue, p. 33 where these appear in Class D).

† See pp. 32 and 33 of the 39th Report Inland Revenue.

Non-rateable Property.

	£
73·5 per cent. of the total duty on personality	18,000

The proportions of rateable to non-rateable in the personal property subject to the Temporary Estate duty are the same as in the case of the Probate duty, and the amount of duty has been distributed accordingly.

Estate Duty.

	£
Rateable	3,540,000
Non-rateable	6,383,000
Total	<u>9,923,000</u>

The non-rateable portion is 73·6 per cent. of all the duty paid on personality.

The rateable portion includes all the duty (1,250,000*l.*) paid on realty and 26·4 per cent. (2,290,000*l.*) of the duty paid on personality.

It will be observed that the proportions of rateable to non-rateable in the case of personality subject to estate duty differ only fractionally from the proportions in the case of probate duty. The proportions in the one case, as in the other, are the same as those taken by me in my analysis of tax revenue submitted to the Commission on Agricultural Depression (see above). As already stated, their accuracy is not beyond question. Indeed if the death duty statistics of a number of years were analysed, the proportions would doubtless vary somewhat in every year. But there is no reason to suppose that the year actually taken is otherwise than an average one.

Legacy Duty.

	£
Rateable	724,000
Non-rateable	2,007,000
Total	<u>2,731,000</u>

The legacy duty is paid entirely by personality. The rateable proportion has been arrived at on the basis adopted in the case of the probate duty, i.e., 26·5 per cent. rateable, 73·5 per cent. non-rateable.

Succession Duty.

	£
Rateable	897,000
Non-rateable	154,000
Total	<u>1,051,000</u>

Of the total capital paying succession duty one-fifth has been taken as representing personality; one-fifth of 1,051,000*l.* = 210,000*l.* but of this 210,000*l.* a certain proportion must be assigned to rateable property, and this proportion has been based on the percentages previously ascertained, viz.:—

26·5 per cent. rateable 56,000*l.*, 73·5 per cent. non-rateable 154,000*l.* Adding 56,000*l.* to 841,000*l.* the duty on realty, we have the total duty on rateable property, 897,000*l.*

Corporation Duty.

The accounts at the Inland Revenue Office enable us to state with approximate accuracy the actual duty borne by rateable and non-rateable property, viz.:—

	£
Rateable	34,000
Non-rateable	6,000
Total	<u>40,000</u>

4. STAMPS.

1. Deeds and other instruments.
2. Securities to bearer.
3. Joint-stock companies' capital.
4. Contract notes above 1*d.*
5. Bills of exchange and promissory notes.

- 6. Bankers notes.
- 7. Composition for duty on bankers' bills and notes.
- 8. Cards.
- 9. Licences and certificates.
- 10. Life insurances.
- 11. Marine insurances.
- 12. Patent medicines.
- 13. Receipt, draft, and other 1*d.* Inland Revenue stamps.

1. Deeds and other Instruments.

The stamps on these documents fall under the head of:—

Taxes incidental to property

	£
Rateable	1,946,000
Non-rateable	2,059,000
Total	<u>4,005,000</u>

1. The distribution of the duty on "Deeds and other Instruments" is, necessarily, only approximate, this being one of the heads of revenue, the analysis of which presents the greatest difficulty.

A certain number of the instruments are executed on stamped paper and their precise nature is not known and cannot be discovered. The same applies to instruments to which adhesive stamps are attached. The bulk of the documents, however, consists of conveyances, mortgages, and leases. Conveyances (including under that term transfers of stocks and shares) account for upwards of 2,950,000*l.*, leases and mortgages for another 350,000*l.*; so that these items between them represent upwards of 82 per cent. of the total. From accounts kept at the Inland Revenue it is possible to distinguish the conveyances, leases, and mortgages of land and houses, from similar documents dealing with other property. The stamps on the whole of the former category, upwards of 1,000,000*l.*, have, of course, been credited to rateable property. The amount of stamps on transfers of stocks and shares has, on the other hand, been divided between rateable and non-rateable in the proportion of about 35 to 65; this having been taken, in the calculations submitted by me to the Agricultural Commission, as the proportion of rateable to non-rateable property in the capital of public companies, including railway and others of the class technically assessed under Schedule A.

These figures were the mean result of several independent calculations, not differing very largely in their outcome, and are probably not far from the truth, but they cannot pretend to accuracy.

The rest of the yield of stamp duties on "deeds and other instruments" consists of items, most of which are very difficult to distribute. Fortunately the amount is not sufficiently large for any error in this distribution to affect very materially the total result of these calculations.

2. Securities to bearer, and
3. Companies' capital duty.

The stamps in both these cases are clearly borne by non-rateable property, and have been allocated accordingly.

4. Contract notes.

These stamps have been divided between rateable and non-rateable property in the same proportion as the stamps on transfers of stocks and shares under the heading "Deeds and other Instruments." On further consideration, however, I think this is not quite correct. Contract notes are issued, not only in connection with transfers of stocks and shares of Public Companies, but with transfers of foreign stocks—all non-rateable—consols, &c. Consequently, I think that the amount assigned to rateable property under this head is rather too large. But I can think of no means of arriving at anything like an exact division. One-fourth and three-fourths is, as a pure guess, what I should be inclined to take. The amount at issue is very inconsiderable.

The remaining items under the head of stamps, with the exception of 7 and 11 (playing cards and patent medicines, which I believe everyone is prepared to leave under the head of duties on consumable articles), and 8 (licences and certificates which are classed as miscellaneous), are items which it has been decided

to transfer from the category of taxes not incidental to property, in which I was disposed to place them, to that of taxes on non-rateable property.

My reasons for dissenting from this change have been so abundantly stated in conversations with Sir E. Hamilton and Mr. Murray that I do not think it necessary to repeat them here. I still adhere to my original opinion, but I admit that the question is one of great difficulty, and I feel so much the force of the arguments used on the other side that, while still dissenting from the prevalent view, I was, before resigning my seat on the Commission, quite prepared to acquiesce in the course preferred by Sir E. Hamilton and Mr. Murray.

5. LAND TAX UNREDEEMED.

This tax is all on rateable property.

6. INHABITED HOUSE DUTY.

This tax is chargeable on the occupiers of dwelling-houses, which are rateable, and has, therefore, been classed under the head of "Taxes incidental to the ownership, occupation, or transfer of property." This, of course, gives the go-by to the question of "real incidence." As far as that is concerned, the question seems to me identical with that of the incidence of "onerous" rates—that is to say, of those rates, which are really taxes, whether on the owner or occupier, and not merely payments for services rendered.

7. INCOME TAX.

Schedule A.

	£
Rateable	4,766,000
Non-rateable	28,000
Total	<u>4,794,000</u>

The non-rateable portion only calls for explanation. The 28,000*l.* thus classed represents principally the duty levied in respect of mortgage, interest, &c. secured on churches, chapels, and other property which is not rated.

Schedule B.

	£
Non-rateable	59,000
Incomes derived from personal exertion	119,000

This latter sum represents two-thirds of the duty collected under Schedules B. and D. (Farmers).

The other third represents the duty attributable to the farmers' capital.

Schedule C.

£1,300,000.

Schedule C. is a tax on the income derived from Government securities, home, colonial, and foreign. These are property, but they are clearly not rateable property.

Schedule D.

Fishings and shootings, 22,000*l.*

The income tax paid by these sources of profit is attributed to rateable property.

Railways in the United Kingdom, 1,033,000*l.*

The tax borne by these is attributed partly to rateable property, and partly to non-rateable property. The division is made on the following principle. We know from the income-tax assessments the total profits on which railways are charged. We know from the returns of local taxation their gross estimated rental. The tax on so much of the profits as is equal to gross estimated rental, 645,000*l.*, has been attributed to

"rateable property"; the tax on the balance, 388,000*l.*, to "non-rateable property."

Quarries, mines, canals, ironworks, waterworks, gas-works, salt springs or works, markets, tolls, and cemeteries, 851,000*l.*

The profits of all these sources of revenue, the last four of which are almost a *quantité négligeable*, have been dealt with together and on the same principle. Like railways, they are rateable, and, like railways also, they are rateable only on a portion of their profits. In order to divide income-tax paid by them between "rateable property" and "non-rateable property," the same system has been followed as in the case of railways; accordingly, 447,000*l.* is apportioned to rateable property, and 404,000*l.* to non-rateable property.

Railways out of the United Kingdom, 390,000*l.*

The tax on these should clearly be credited, in its entirety, to "non-rateable property," these undertakings being, of course, not subject to rates so far as this country is concerned.

Foreign and Colonial securities and coupons, 495,000*l.*

This includes all Foreign and Colonial securities not assessed under Schedule C. These, again, are entirely "non-rateable property."

Municipal interest, other interest, and other profits, 239,000*l.*

This is a small item, and again is "non-rateable property."

Public companies, 1,929,000*l.*

This head comprises all companies other than railway companies and companies owning property already dealt with under the head "Quarries, Mines, &c." The income-tax paid by such companies under Schedule D. is entirely credited to "non-rateable property." No doubt a portion of their property (such as factories or business premises) is rateable. But such portion pays income-tax under Schedule A. and has therefore already been dealt with. Their profits under Schedule D. are arrived at after deducting the assessments, which are charged under Schedule A.

Trades and professions, 3,628,000*l.*

This head comprises all profits made in industry, business, or the exercise of any profession by individuals as distinct from public companies. The assessments on the *immobilia* of such individuals, like those on the *immobilia* of public companies, are made under Schedule A., and are deducted in arriving at their profits under Schedule D. Therefore, so much of the income-tax paid on the profits of "trades and professions," as is attributable to property at all, must be credited to "non-rateable property." But no materials exist for determining what proportion of the incomes arising from "trades and professions" as above defined is derived from property, i.e., from capital, as distinct from personal exertion. Sir Robert Giffen in his "Growth of Capital," following Mr. Dudley Baxter, estimates it at one-fifth. In a matter where, admittedly, "no exactness is possible" the procedure of these eminent economists has been followed. "Non-rateable property" has, therefore, been credited with one-fifth (726,000*l.*) of the income-tax on the profits of "trades and professions," while the other four-fifths (2,902,000*l.*) have been classed as "taxes in respect of incomes derived from personal exertion."

Schedule E.

1,124,000*l.*

Schedule E. is a tax on salaries; the duty has, therefore, been classed as one on "incomes derived from personal exertion."

8. POST OFFICE.

The treatment of the Post Office revenue is explained in Sir E. Hamilton's Memorandum (pp. 36-7).

Answers by Lord Farrer.

Question 1. Is the classification of Imperial Taxation indicated in the accompanying Table a correct classification : if not, what alterations can you suggest ?

Question 2. Assuming the classification, is it complete, and are the several items correctly distributed ?

I am unable to suggest any amendment of the classification of Taxes contained in the Table.

Question 3. In particular, should such an item as the net revenue of the Post Office, be treated as a Tax, and, if so, under which of the heads specified in the Table ?

I think that the surplus Revenue of the Post Office, after paying the expense of the service, is rightly treated as a Tax, and is rightly placed under the heading "Taxes not incidental to Property," and the Sub-heading "Miscellaneous."

But it differs from most other Taxes, inasmuch as the principal object in administering the Post Office should be, not the amount of Revenue, but the efficiency of the service.

Question 4. In considering the equity of any tax or system of taxation, what tests should be applied ?

This question has a very wide scope. I do not suppose the Commission desire their witnesses to write an essay on principles of taxation, or to repeat Adam Smith's canons, or to discuss the mysteries of "equal sacrifice." But there are two or three practical suggestions concerning taxation which have occurred to me, and which seem peculiarly appropriate to the subject before the Commission. They are as follows :—

- (a.) Taxes have a tendency to distribute their burden fairly, if only they are constant and uniform. This is especially true of taxes on property. The corollary is that unnecessary changes in such taxes are to be avoided.
- (b.) Facility of collection is no doubt a great advantage to a governing body. But this facility should not be such as to make the taxpayer unconscious of the burden. Otherwise a great security for economy and good administration is lost. Those who pay the piper call the tune ; and in calling the tune they should not only pay the piper, but feel that they pay him.
- (c.) It is not enough that a tax is fair in its ultimate incidence. It should be made clear to the taxpayer that it is fair. Otherwise a good tax may be endangered in consequence of ignorant discontent. Sentiment and ignorance play a large part in questions of taxation.
- (d.) Simplicity in accounts is a test of good Finance. Where accounts are so confused that ordinary people cannot understand what they pay, who pays it, how it is applied, or who is responsible for its right application, there will probably be not only ignorance and discontent, but maladministration.

Question 5. Can you offer any suggestions which would assist the Commission in determining the question of the real incidence of taxation as distinguished from its primary or apparent incidence ?

I will not invade the domain of the professor by attempting to write an essay on this very difficult and very speculative question. In my answer to Question 6 I have said a few words about the ultimate incidence of the special taxes referred to in these questions. Here I will only say that I believe it to be a general truth that taxes have some tendency to stick where they first fall. This is true, though to a comparatively small extent, even of taxes on consumption, such as customs and excise duties. The ultimate incidence of these taxes is undoubtedly on the consumer, but the shifting of their incidence may be modified or concealed by the state of the market. If a brewer is making large profits, he may prefer to bear a small tax rather than alter the price of a pot of beer. If he is losing, he may raise his price by more than the tax, or may withdraw from the business. The price to the consumer is no doubt ultimately affected. But the change may be delayed, accelerated, or concealed by other circumstances.

That taxes have a tendency to stick where they fall is much more generally true of taxes on property. It is, indeed, doubtful whether a permanent tax on permanent property is ever shifted at all from the first possessor to any subsequent purchaser. The first purchaser pays a smaller price in consequence of the tax ; and every succeeding transferee takes the property with the burden.

Between these two extremes, viz., of certain ultimate shifting in the case of taxes on consumption, and of no shifting at all after the first purchase in the case of permanent taxes on property, there are a great variety of degrees of shifting which are difficult to trace.

Question 6. Could you, for example, state your view as to the real incidence of—

- (a.) *The Inhabited House Duty;*
- (b.) *Rates levied on houses and trade premises;*
- (c.) *Rates levied on agricultural land;*
- (d.) *Taxes on the transfer of property;*
- (e.) *Taxes on trade profits;*
- (f.) *Death duties.*

First as regards the real incidence of—

- (a.) *Inhabited House Duty;*
- (b.) *Rates levied on houses and trade premises.*

I can add little to what is contained in Sir E. W. Hamilton's Memorandum pp. 37 to 39, with which, and with Mr. Goschen's Reports and Speeches on Local Taxation, I agree. I mean, of course, the Mr. Goschen of 1870—not the Mr. Goschen of 1887-90.

I disagree entirely with the School who deny that any part of these Rates and Taxes can be shifted from the occupier to the owner. I believe, that if the Inhabited House Duty and all existing Rates were abolished in London to-morrow and replaced out of Customs, Excise and Income Tax, one result would be a large increase in the rent roll of London at the cost of the industry of the Nation. Those who deny this are often the same persons who allege as one of the grievances of the present system that by the improvements made with expenditure out of the Rates, the permanent value of land in London is increased. And in this I think they are right. But when they say that an improvement—e.g., sewerage—has increased the value of London land, and deny that a permanent or quasi-permanent charge imposed for the purpose of making sewers is not to be set against the value of the improvement, they appear to me to be inconsistent. The whole estate, from the occupier to the owner in fee, is benefitted by the improvement; and each successive reversioner gets his proportion of the benefit. The whole estate, from the occupier to the owner of the fee, is burdened with a charge, and each successive reversioner bears his proportion of this charge. Of course the benefit and the burden may not exactly correspond either in time or in amount; but in general we may assume that they have some correspondence in point of time, and that (if administration is good) the benefit is greater than the burden.

This is the case with permanent improvements such as Sewers. It is less obviously the case with works of shorter duration, such as paving and lighting, and less obviously still in case of what are called onerous charges, such as police and education. But in these cases if the capital outlay is less, it is recurrent or constant, and so is the improvement. Look at London as a whole, and there can be no doubt that the value of London land and buildings to all parties interested in them is largely increased by the expenditure of all London rates; and that against this value has to be set the burden of these rates, which as tenancies fall in, is, like the increase in value, one of the elements in fixing rents.

As regards the Inhabited House Duty, the shifting of the incidence is probably similar on the whole to the shifting in the case of Rates. But there is, as pointed out by Sir E. W. Hamilton, somewhat greater difficulty in shifting it since the Duty is the same everywhere, whereas Rates differ in different places; but I do not think that this prevents the House Duty from being a burden on landlords. Abolish the House Duty and the Duke of Bedford's income would probably be increased.

On the other hand, it must be remembered—

1. That the tenure of houses, especially in London, is very complicated, and that there are many interests besides those of the occupier and the owner in fee, all of which share the benefit and the burden in varying degrees.
2. That any addition to Rates not contemplated when the tenancy began, falls, undoubtedly, during the tenancy, on the tenant.
3. That, as noted above, Rates and Taxes have a tendency to stick where they fall; and further that the facility with which they can be shifted depends on the state of the market. The taxation on a house which a man rents or lets is only one of many elements which decide him in making or accepting an offer, and the weight it has with him must depend on the proportion it bears to other

elements. Under such circumstances I do not see how we can expect to arrive at any definite conclusion concerning the exact proportion of any given Rates which fall upon rent from any actual figures which it is possible to procure. All we can say is that when a man is letting or looking for a house, the charge for rates and taxes which he knows will have to be paid upon it, is one of the things he takes into consideration.

The point in question is one of extreme importance, as pointed out by Mr. Goschen in 1870. The error of supposing that Rates are wholly paid by the Occupier of houses in towns and are not shifted at all on to the reversioner, has led the inhabitants of towns to make common cause with landowners in a crusade against Rates, and in attempts—too often successful—to get them paid or subsidised out of the National purse. The general result of these attempts is more fully noticed below. Here it may be pointed out that the attempts in question may operate so as to defeat the object of the agitators and to impose an additional burden on the occupier.

For instance, if the burden of Rates now falls to any extent on the Owner, then any abolition of Rates, or any substitution of other Funds for Rates, is to that extent a gift to the Owner, and not to the Occupier. It may be even more; it may be a gift to the Owner at the expense of the Occupier.

Mr. Goschen (the Mr. Goschen of 1887, not the Mr. Goschen of 1870) has subsidised local rates out of the National purse. As a matter of name and of account, this subsidy is said to be charged on the Death Duties on Personality. Assume this fiction to be a fact, and we have as a result that the owners of personality in London—who are for the most part occupying tenants—are made in addition to what they pay as occupiers, to help as owners of personality to pay that share of the rates which London rent-owners now pay. But, disregarding the mischievous fiction that the subsidy is really paid out of the Death Duties on personality—a fiction which answers no purpose except that of confusing accounts—and looking to the real facts, viz., that this subsidy to London rates is paid out of the general National purse, the case is worse still. For the effect of Mr. Goschen's charge is to make the industry of the country which pays Income Tax, and the poorer classes of the country who contribute the Customs and Excise duties, pay towards subsidising not only the London occupier but the London landowner.

Such are some of the consequences of a misapprehension of the incidence of taxation, coupled with the influence of the land-owning classes, on a Minister who in his earlier and stronger days did more than any other man to expose the injustice which he was afterwards induced or compelled to commit.

How it may be possible to remove these misapprehensions, and to make it clear that the reversioner shall bear his due proportion of local taxation, is considered below in answering question 9.

(c.) Taxes levied on Agricultural Land.

It seems to be generally agreed that the incidence of these taxes is on the landowner; subject, of course, to any special stipulations in leases, where leases exist.

(d.) Taxes on the Transfer of Property.

Theoretically, I think, these taxes diminish *pro tanto* the selling value of the property. Who actually pays the tax in any given case, is more than I can say.

(e.) Taxes on Trade Profits.

If this Tax is a Tax on all Profits, I suppose that, theoretically, it would diminish profits. How far any given Tax can be shifted on to Customers or Consumers I cannot say. It will depend largely on the special circumstances, and the condition of the market. If reference to the existing License Duties is here intended, I may express a doubt whether their abolition would lead to any reduction of the charges now made by the Licensees to the public.

(f.) Death Duties.

I am inclined to think that these cannot be directly shifted, and that they remain where they fall, a charge on the estate of the next possessor. Of course this must be taken subject to the consideration that his expenditure has to be reduced. If the State takes 10,000*l.* from a great landowner or millionaire, he will have so much the less to spend, and work and wages will be shifted from the persons he employs to the persons employed by the State.

I have put down the above as the most summary answers I can give to questions so difficult that they probably admit of no certain and definite solution. This will

probably suit the purpose of the Commissioners better than an elaborate essay stating all the pros and cons, which may be found in the books and treatises referred to in Sir E. W. Hamilton's memorandum.

Question 7. Is it possible to frame any criterion whereby the purposes for which taxation should be raised locally can be distinguished from those for which taxation should be raised by the central Government?

Question 8. Should the two kinds of purposes and the expenditure on them be kept distinct, or should the expenditure for local purposes be partly borne by the central Government?

I will take these two questions together, since it is difficult to separate them, and between them they raise all the most difficult points upon which the Commission have to report.

The desiderata as between Imperial and Local Taxation appear to be—

1. That the accounts of receipts and expenditure, both Imperial and Local, should be accurate, clear, and intelligible, so that ordinary persons may be able to understand from what source each item of receipt is derived, and to what purposes it is applied.
2. That Imperial receipts and Imperial expenditure should, so far as possible, be kept distinct from Local receipts and Local expenditure.
3. That the Authority which receives Taxes should be responsible for their expenditure, and, *per contra*, that the Authority which administers the expenditure should collect and have control of the Taxes out of which it is paid.
4. That both in the case of Imperial and of Local Taxation the Authority which has the control of a tax and of its expenditure should be responsible to the persons who pay the Tax.

In short, let those who pay the piper call the tune, and let those who call the tune pay the piper.

These are devout imaginations—ideals which it is impossible wholly to realise; but in whatever degree the practice conforms to them, in that degree it may, from the point of view of the Commission, be considered to be satisfactory, and in whatever degree it departs from them to be unsatisfactory.

There are certain fields of administration, and certain Taxes which realise this ideal completely. For instance, there are the great National Functions of War and Foreign Policy, the functions of the Central Executive and of the Central Administration of justice, and other functions of a like National character, which are paid for out of the general taxes paid by the whole Nation. The National Government is solely responsible for the discharge of these functions, and it levies and controls the Taxes requisite for their performance. Again, there are local functions, such as paving and lighting, which are discharged by local bodies elected by the persons who are interested in their discharge, and which are paid for by rates levied on these persons. Here again the benefit and the burden—the duty and the taxes requisite for its performance—are in the same hands and are co-extensive in their application and incidence. Indeed, from the point of view from which we are considering taxation, there is probably no tax which fulfils all the requirements of a good tax so well as a local rate applied to local purposes. The benefit and the burden are co-extensive; the accounts of receipt and expenditure are simple and obvious; the responsibilities of the local authority are clear; and the control of the ratepayers direct and complete; add to which that it falls on property and not upon industry or consumption. If it fell upon all property equally, upon movables as well as immovables, it would be an ideal tax.

In the cases we have been considering there is no confusion between what is Imperial and what is Local. And if it were possible to bring all functions of Government and all forms of Taxation under one or other of the above categories, our difficulties would be solved. But, unfortunately, this is out of the question. Between the two classes of administrative action above indicated, there is an immense mass of subjects which are partly Imperial and partly Local, and which it is impossible to reduce into either of the above classes. We may, I think, take it for granted that it is a hopeless task to make a complete separation between Imperial and Local administration, so that one set of subjects shall be dealt with exclusively by the Imperial Government and paid for by Imperial taxation, and so that a separate set of subjects shall be dealt with exclusively by Local authorities, and paid for out of Local taxation. We cannot afford to transfer Local Administration to the Central Government simply because there is a difficulty in paying for it out of local resources. Local administration, weakened and demoralised as it too often is by Imperial subsidies, is too valuable a thing to be abandoned for the sake of financial simplicity; and experience shows that it cannot

and will not discharge the ever increasing duties demanded of it without financial help from Central Funds.

If we consider how these demands have arisen, we shall see the more reason why this help is necessary. The demand for local improvement seldom begins with the localities themselves. If it did, if they were the first to feel the want, they might exert themselves to supply it. But this is not the way in which improvements begin. Philosophers or Statesmen are the first to perceive a great want; the country takes it up, and it becomes a National concern. The people as a whole are ahead of local communities, and the Imperial Parliament and Government are ahead of Local Administrative bodies. Parliament requires certain things to be done, and in order to get Local bodies to do them, is compelled both to direct how they shall be done, and to give help and inducements towards getting them done. This has been the case with Police, with Education, and with Health, which now form the principal objects of Local Government; and it is likely to be the case still where new developments are required. This is more especially the case in growing towns; and the consequence is that by the time the town population have become keen about their own wants, they have also become accustomed to look for Imperial relief, and are ready to join with the powerful landed interest in the constant endeavour which that interest is always making, to transfer local burdens on to National shoulders. The pressure is all in this direction, and however unreasonable the pressure may be we must accept it as a fact. Mr. Goschen, who in 1870 did more than anyone to prove its unreasonableness, has since that time succumbed to it altogether. It is always the Locality which wants help from the Central Government, not the Central Government which wants help from the Locality. This consideration governs the whole question, and what we have to discuss is, in what form this help can best be given.

Before attempting this, it is desirable to understand distinctly in what form this help is now given. This is a very difficult and complicated matter; for the confusion of the present accounts, especially since the so-called reforms of 1888, and the subsequent changes, is such that it is scarcely possible for anyone who is not an expert to ascertain what are the matters in which the Imperial Government subsidises Local Authorities, and in what form and under what conditions the subsidies are given. In Sir E. W. Hamilton's memorandum, at page 24, a "Table A." is given, which sets out the items in which Local Taxation is now relieved by the State; (1) Out of General Revenues paid to the Exchequer, and (2) out of the assigned Revenues paid to the Local Taxation Account under Mr. Goschen's changes. But this table does not set out the appropriation to different purposes of the sums paid to Local Authorities out of the Local Taxation account, which constitutes, of course, by far the greater part of the help given by the State. This appropriation has been furnished to me by Sir E. W. Hamilton in a separate memorandum, so that in Table A. of Sir E. W. Hamilton's memorandum, coupled with this memorandum, we have a complete list of all the sums paid by the State to Local Authorities and of the objects to which they are appropriated.

The facts and figures, as given in these two documents, are as follow:—

I.—EXTRACT from TABLE A. in Sir E. W. HAMILTON'S MEMORANDUM, showing the EXTENT to which LOCAL TAXATION is now RELIEVED by the STATE in ENGLAND.
(Extracted from House of Commons Papers, numbered 402 of 1873, 187 of 1879, and 344 of 1896.)

I.—ENGLAND AND WALES.

1895-96.

(1.) OUT OF GENERAL REVENUES PAID TO THE EXCHEQUER.

	£
Metropolitan Fire Brigade	10,000
Rates on Government Property	343,709
Disturnpiked and Main Roads	—*
Poor Law Unions:—	
Salaries of Teachers in Poor Law Schools	—*
Moiety of Salaries of Poor Law Medical Officers	—*
Moiety of Salaries of Medical Officers of Health and Inspectors of Nuisances	—*
Poor Law Auditors' Salaries and Expenses and Superannuations	9,860
Public Vaccinators	981

* The charges against which there is set an asterisk are charges which were transferred from the Exchequer to the Local Taxation Accounts under Mr. Goschen's proposals.

	1895-96
	£
Pauper Lunatics	141
Do. (Criminal Lunatics Act, 1884)	7,291
Registrars of Births and Deaths (37 & 38 Vict. c. 88.)	—*
Criminal Prosecutions:—	
Repayments to Counties and Boroughs	—*
Clerks of Assize	17,573
Central Criminal Court	—*
London Sessions, formerly Middlesex Sessions	1,344
Clerks of the Peace, &c., Compensations	193
Metropolitan Police:—	
Contribution in Aid	—*
Salaries and Pensions of Commissioner and Receiver	5,300
Police, Counties and Boroughs	—*
Prisons, Reformatories, &c.:—	
Maintenance of Prisoners in County and Borough Gaols	—
Prisons transferred (40 & 41 Vict. c. 21.)	415,282
Prison Officers' Pension Commutation Annuities	5,609
Maintenance of Children in Reformatory Schools	58,042
Maintenance of Children in Industrial Schools	133,508
Removal of Convicts from County Prisons	—
Grants to School Boards under 33 & 34 Vict. c. 75. s. 97.	26,507
Repair of Berwick Bridge	90
Registration of Voters	—
Diseases of Animals	22,000
Total out of Exchequer Revenue	<u>£1,057,148</u>

1895-96.

(2.) OUT OF ASSIGNED REVENUES PAID TO THE LOCAL TAXATION ACCOUNTS.

	£
Additional Beer and Spirit Duties:—	
(a.) Customs	162,793
(b.) Excise	953,746
Excise Licenses	3,188,448
Share of "Probate Duty" and "Estate Duty"	<u>1,952,034</u>
Total out of Local Taxation Revenue	6,257,021
GRAND TOTAL	<u>£7,314,169</u>

II.—ADDITIONAL MEMORANDUM furnished by SIR E. W. HAMILTON showing the EXPENDITURE of LOCAL AUTHORITIES which is met out of the LOCAL TAXATION ACCOUNT in ENGLAND and WALES.

"The Local Government Act, 1888, enacted that the sums carried to the Local 51 & 52 Vict. Taxation Account as the proceeds of Excise Licences and of the Probate Duty c. 41. grant, should be distributed to the Councils of Counties and County Boroughs. Each Council was to receive as its share (1) the amount of Licence Duty collected within Section 20. its own area, and (2) a share of the Probate Duty Grant proportionate to the share Section 22. which it had received in the preceding year out of the Exchequer grants in aid of local rates.

"All sums received by a Council from this source were to be carried to a separate Section 23. account called its Exchequer Contribution Account. The moneys standing to that Account were to be applied by the Council to the following purposes:—

- "I. Costs of the Exchequer Contribution Account (a trifling amount). Section 24.
- "II. Payments in substitution for the discontinued Exchequer grants, viz.:—
- "(1.) To Boards of Guardians: the amounts certified by the Local Government Board for remuneration of Teachers in Poor Law Schools and of Public Vaccinators;
- "(2.) To Boards of Guardians: the School Fees of Pauper Children in public elementary schools;
- "(3.) To Local Authorities paying a Medical Officer of Health or Inspector of Nuisances, one-half the salary of such Officers;
- "(4.) To Boards of Guardians: the amount formerly received out of Exchequer Grants for remuneration of Registrars of Births and Deaths;

* The charges against which there is set an asterisk are charges which were transferred from the Exchequer to the Local Taxation Accounts under Mr. Goschen's proposals.

"(5.) Four shillings a week towards maintenance of *Pauper Lunatics* chargeable either to the County, to Boards of Guardians, or to Borough Councils;

"(6.) Compensation payable to *Clerks of the Peace* and other Officers of Quarter Sessions;

"(7.) One-half the cost of Pay and Clothing of the *County and Borough Police*.

"For counties contributing to the Metropolitan Police the amount is differently computed, and has to be certified by a Secretary of State.

Sections 23
and 26.

"III. Payment to Boards of Guardians of the costs of *Union Officers* and Officers of District Schools, and of Drugs and Medical Appliances.

Section 23.

"IV. Remainder to be applied to *General and Special County purposes*, and in distribution between *Borough and District Councils*, on a prescribed basis, for application to any rating purposes.

"In 1890 the additional Customs and Excise Duties were directed to be paid into the Local Taxation Account, and the Act 53 & 54 Vict. c. 60. provided for their distribution. The English share of these additional duties was to be applied as follows:—

"I. To Police Superannuation 300,000*l.* a year, of which—

"(a.) 150,000*l.* was to be paid to the Receiver of the Metropolitan Police District;

"(b.) The remaining 150,000*l.* to be distributed among the other Police Authorities in England on a basis prescribed by the Police Act, 1890 (53 & 54 Vict. c. 45. s. 17).

"II. The residue (after payment of the 300,000*l.*) to be distributed among County and County Borough Funds,* to be carried to their Exchequer Contribution Account, and to be applied, like the other moneys carried to those Accounts, to the *purposes defined by the Act of 1888*, as described above; but with the proviso that a Council might instead apply its share of such residue, or any part thereof, as a contribution to the *Cost of Technical Education*.

"To show how the money is actually applied to the respective purposes, the figures for the year 1894-95 will be taken, that being the latest year for which complete accounts are available.

"The Finance Accounts, 1894-95 (p. 103), show that the amount paid into the Local Taxation Account (England) in that year was 5,976,281*l.* 13*s.* 8*d.*

"The amount paid out of the Account in that year by the Local Government Board was 6,006,876*l.*, which was distributed as follows:—

Summary of
Local Taxa-
tion Returns,
1894-95.
H. of C.
Paper 218 of
1897, p. v.

£
"To Councils of Counties and Boroughs :—
"(a.) For Exchequer Contribution Accounts - - - - - 5,074,995
"(b.) For Police Pension Funds - - - - - 149,665
"To Receiver of Metropolitan Police - - - - - 781,899†
"To Hove Improvement Commissioners (for Police Pension fund) - - - - - 317
<u>£6,006,876</u>

"The amount, however, with which we are here concerned is not that of the payments, either into or out of the Local Taxation Account, but of the payments during the year by the respective Councils out of their Exchequer Contribution Accounts. As just stated, the sums received by County and County Borough Councils for their Exchequer Contribution Accounts during the year amounted to 5,074,995*l.*; the payments made by them out of those accounts during the same period amounted to a total of 5,122,182*l.*, viz.:—

Summary,
p. 85.
p. 88.
p. 47.

£
"By County Councils - - - - - 3,360,094
" County Borough Councils - - - - - 1,239,993
" London County Council - - - - - 522,095
<u>£5,122,182</u>

* The sums received by County and County Borough Councils for their Police Pension Funds do not pass through their Exchequer Contribution Accounts.

† i.e., Half cost of Pay and Clothing (paid direct for Metropolitan Police)
For Police Pension Fund - - - - -

£
- 631,899
- 150,000
<u>£781,899</u>

"The following Table shows the detailed purposes to which the payments included in that total were applied :—

PAYMENTS out of EXCHEQUER CONTRIBUTION ACCOUNTS, 1894-95.

	By County Councils.	By County Borough Councils.	By London County Council.	Total.	
Cost of Exchequer Contribution Account	£ 725	£ 243	£ —	£ 968	
Payments to Public Vaccinators	5,470	1,894	2,459	9,823	
Paid to Boards of Guardians.	Teachers in Poor Law Schools Pauper Children School Fees Registrars of Births and Deaths Pauper Lunatics Union Officers Medical Officers and Inspectors of Nuisances Pauper Lunatics Police Pay and Clothing Technical Education, &c. Pauper Lunatics Compensation to Clerks of Peace, &c. Police Pay and Clothing Other transfers	8,579 — 212 9,525 319,824 741,061 83,106 41 79,026 391,239 8,543 387 510,714 2,527	5,137 — 42 1,035 148,061 257,351 6,718 — — 146,718 3,998 826 418,667 —	13,484 — — 582 109,099 1,221 49,423 — — 57,000 — — — — —	27,200 — 254 11,142 576,984 999,633 139,247 41 79,026 594,957 12,541 1,213 929,381 2,527
Paid to other Local Authorities.	1,199,115	249,303	288,827	1,737,245	
Residue paid to the General Funds of Councils and in aid of rates	£ 3,360,094	1,239,993	522,095	5,122,182	

"The figures in the last line of the foregoing Table represent the amounts at the disposal of the County Councils in aid of their own revenues after meeting all the specific charges imposed by Statute upon their Exchequer Contribution Accounts. But it is to be noted that some of the preceding items, being paid into the Councils' own accounts, and not to other local authorities, operated also to reduce the burden upon the County and County Borough rates; also, more especially, that the amounts contributed to Technical Education are so devoted at the option of the Councils who are at liberty if they please to forego contributing to that purpose from their Exchequer Contribution Accounts and to apply the money instead in relief of their rates for general purposes."

"(Dated 14th January 1898.)"

It will be observed that the above Table and Memorandum do not deal with Education or with the grants made out of the Public Exchequer for that purpose, except so far as regards the amounts applied by County Councils to Technical Education out of the grants made by the Act of 1890. The Commissioners do not, in their questions, refer to the Education Grants.

The mere fact that it requires the work of a careful expert to give the above summary of the present state of things, and the complications obvious in the summary, are enough to condemn the present system. But the more it is examined, the stronger are the objections to the present system. A state of things bad enough before has been rendered intolerable by recent changes.

The gravest objection in principle to this gigantic system of doles from the public purse is that they constitute a transfer from the shoulders of property and accumulated wealth to the shoulders of poverty and industry.

The doles or grants in question amounted in 1896, according to Sir E. Hamilton (p. 26), to nearly 13,000,000*l.* If to this sum be added the Irish grant of this year, and the increase which has taken place in the grant out of Estate Duty, the whole amount will now probably be more than 14,000,000*l.* And if the very peculiar Education grant of last year be added the amount will be still more. By far the largest proportion of these grants has been made in recent years. Sir E. Hamilton states (p. 26) that the whole amount of such relief in 1842-3 was only 650,000*l.*, and he further states (p. 30) that the proportion which Imperial grants in aid of local taxation bore to the whole amount of money raised for local purposes was only 5 per cent. in 1842-43; that it was raised to 9 per cent. by Sir Robert Peel in 1853;

that it was further raised from 10 to 13 per cent. by Sir Stafford-Northcote's measures between 1873 and 1875; and that it was still further raised from 15 to 24 per cent. by Mr. Goschen's measures of 1888-90. The recent measures of the present Government must have made the proportion larger still. The fund out of which this large sum is contributed consists of the aggregate amount of National Taxation raised by Parliament. These taxes in 1895-96 were as follows (see Sir E. W. Hamilton's memorandum, p. 35):—

	£
1. Customs duties -	20,965,000
2. Excise duties -	31,595,000
3. Stamp duties -	7,339,000
4. Income tax -	15,983,000
5. Post Office surplus -	2,994,000
6. Death duties -	14,089,000
7. Land Tax -	1,021,000
8. Inhabited House Duty -	1,487,000
 Total -	 £95,743,000

Out of these taxes the first five, amounting to more than three-fourths of the whole, fall to a very large extent on the poverty and industry of the country, whilst the last three, amounting to £16,597,000, fall principally, though not exclusively, on accumulated property. The exact proportion cannot be ascertained without elaborate calculations and estimates; but it may safely be asserted that any grant made out of this total is drawn for by far the greater amount from charges laid by Parliament on the consumption of the working classes and on the industry of the nation.

Local rates, on the contrary, are to a very large proportion of their whole amount charges on that form of realised property which is subject to rates, in other words, on immoveable property. Consequently the large and increasing sum which has been paid out of the National Taxation in aid of rates since the middle of the century, constitutes to a very great extent an addition to the burdens on the poverty and industry of the country and a relief *pro tanto* of immoveable property. Moreover, it will probably be found on a careful investigation of the incidence of rates, that the persons who derive the greatest benefit from grants in aid of rates are not those who most require relief. In agricultural districts, where the ultimate incidence of rates is on the landowner, it is the landowner, and not the distressed farmer, who ultimately benefits; to which it must be added, as shown by Mr. Goschen in 1870, that the recent increase of rates, of which so much complaint is made, has been comparatively little felt in those districts. On the other hand, in towns there is no such distress as exists in agricultural districts: the larger proportion of the amount raised by rates is probably paid by comparatively wealthy occupants; and if the poorer occupiers have a grievance, it is a grievance which should, as pointed out below, be remedied at the expense of the urban landowners, and not out of the taxes levied on consumption and industry.

In short, the history of taxation in recent years shows that, whilst on the one hand there have been constant efforts to reduce taxes on consumption and to throw the national burdens more and more on realised property, these efforts have been to a considerable extent neutralised by a counter effort to throw burdens heretofore borne by realised immoveable property on to the shoulders of the general taxpayers.

Considerations such as these lead to the conclusion that, if the policy of taking taxes off industry and consumption and placing the burden of National expenditure on accumulated wealth is a sound policy, then the policy of relieving the ratepayers at the expense of the general taxpayer must be an unsound policy; that the further progress of such a policy should be checked; and that, if and so far as is possible, what has been already done in furtherance of this policy should be recalled. But without going this length there are ample reasons why the steps taken in recent years should be reconsidered and modified. These reasons may be stated as follows:

(1.) *Practical misrepresentation in case of Probate Duty.*

So far as concerns the large amount granted out of Probate (now Estate) Duty under the Acts of 1888 and following years, and Mr. Chaplin's Agricultural Rates Act, 1896, the Acts themselves and the accounts founded on them contain a practical misrepresentation. The Probate Duty was selected by Mr. Goschen, as stated by

Sir E. Hamilton, "because it was the one tax which fell exclusively on realised " personality; and it had always been the dream of reformers of local taxation to make " personality contribute thereto." But this is a mere delusion, calculated only to deceive the ignorant. The sum appropriated to the Relief of Rates is not really taken from the Probate Duty. It is taken from the aggregate sum arising from National Taxation, which Taxation has to be increased for Imperial purposes by whatever amount is taken from the Probate Duty for Local purposes. If you draw from one supply pipe of a cistern, you exhaust the cistern just as much as if you draw from the cistern itself; and if the cistern has to be kept at a certain level, you must increase its other supplies by as much as you draw off. The Relief to Local Rates falls really upon the industry of the country in the shape of Income Tax, and upon the consumption of the working classes in the shape of Customs and Excise duties, just as much as it falls on realised personality. It is only as a matter of account—and that a false and misleading account—that the relief thus given to local rates comes out of personality. The effect of the enactments charging it on Probate duty is only to confuse the public accounts and mislead the people. A misrepresentation of facts does not become less serious because it is authorised by an Act of Parliament and embodied in the Public Accounts.

(2.) *Confusion in the Public Accounts.*

The natural and simple way of keeping an account is to show first all the receipts, and then how these receipts are expended. In the present case the natural way would be to show all the receipts from Imperial Taxation on the one side, and then to show all the items of expenditure, including grants in Relief of Local Taxation, on the other. But by taking certain sums out of the National Taxation before they reach the National Exchequer, this simple form of account is abandoned, and it is made difficult to ascertain what the National Revenue really is. The Accounts, instead of showing that amount, and then showing how it is spent, show a sum which has to be supplemented by the sum which is applied in aid of Local Taxation. Consequently, in every attempt to deal with the National Finances this process has to be gone through, to the infinite vexation and probable blundering of writers and readers.

(3.) If National Accounts are confused, Local Accounts are still more confused. It is, as above stated, almost impossible to ascertain, and quite impossible to state in any simple form, what aid is given by the State to Local Authorities, or for what purposes.

There are—

1. The several items still paid out of the National Exchequer as stated in Sir E. W. Hamilton's Memorandum, Table A., page 24.
2. The various items paid out of or charged upon the Local Taxation Accounts.

These items again are disposed of in various ways.

Some of them, e.g., the London Police Contributions, are intercepted before they reach the Exchequer Contribution Accounts. Some are paid to Local Authorities for the purpose of being handed over to other authorities. Some parts are specifically appropriated to specific purposes, so that the local authority is as to them a more conduit pipe. It is only a comparatively small residue which is really at the disposal and discretion of the Local Authority.

Let anyone take up the accounts of a Local Authority—say the London County Council, and endeavour to ascertain how much the Imperial Government gives to the London County Council, to what purposes it is applied; how much of it is at the discretion of the London County Council; and as to how much the London County Council is merely a conduit pipe, through which various sums—fixed I know not how or when—reach their destined object, and he will have some idea of the confusion introduced into Local Accounts by the system of Exchequer Grants, and consummated by Mr. Goschen's ill-omened changes of 1888 and the following years.

(4.) *Effect in stopping demands.*

It was supposed, or stated, that the reforms of 1888 would have been final, and have checked further demands on the Imperial Exchequer; but what has been the actual result? There has been, in 1890, upwards of a million a year granted by a sort of fluke out of the additional Beer and Spirit Duties for various local purposes; and since then we have had two of the most flagrant instances of doles which unfortunate interests have ever exacted from a weak or complaisant Government, namely, the grants under the Agricultural Rating Act and the Voluntary Schools Act.

The Agricultural Rating Act is especially open to Financial criticism. Regarded as a form of rating, it gave relief to that class of ratepayers upon whom, as proved by Mr. Goschen in 1870, the burden of rates fell least severely. Regarded as a relief of distress, it was not only inefficient, but the relief it gave, as I know by my own personal experience, and to my own personal advantage, was given without discrimination, and often to those who least required it.

The Voluntary Schools Act transcends the limits of mere Finance, and I should scarcely have referred to it if Mr. Balfour in his speech at Manchester on January 10th, 1898, had not spoken of it as a most successful experiment in local organisation. If Mr. Balfour thinks it an administrative triumph to induce a particular class of persons who have a special cause warmly at heart to combine in favour of that cause by offering them a grant of public money, he will find that local government is a very easy thing; but at what cost to the public exchequer, and to other public interests, it is difficult to say. Small wonder that Local and Imperial Finance should have got into a state of confusion, when a statesman of Mr. Balfour's eminence can speak so lightly on such a subject.

It may be added that the practice of giving Doles out of the National Exchequer to special local interests is still growing. *Vires acquirit eundo.*

(5.) *Parts of Taxes transferred—not even ear-marked.*

The half of the Probate Duty, and the special taxes on beer and spirits, imposed in 1890, are both of them parts of large national taxes, which are not even ear-marked. There is not only danger that local authorities may make further demands on other parts of these taxes, but the fact that the local authorities have an interest in aliquot parts of them may seriously embarrass future Chancellors of the Exchequer in dealing with these taxes.

(6.) *Effect on local Government.*

Over the collection and amount of the subsidies thus given local authorities have no control whatever; and when we come to look into their application, we find that in many, perhaps in most, cases they have no control over the manner in which they are to be applied. Consequently, they do little or nothing towards fostering an independent spirit of self-government, but the reverse.

(7.) *Distribution of the new subsidies.*

This is what Mr. Goschen said on this subject in introducing his scheme:

"There is a proposal that you should give the new money in proportion as counties and boroughs have been in receipt of the old grants. It seems to me that nothing could be more unjust. If there were a great lunatic asylum, in a particular county, receiving a considerable Imperial grant, and if you were to say, 'this county has been receiving so much, and practically, as there is more money to be distributed, you must pay in proportion to what it has received hitherto,' you would be offending against every principle of justice: you must rather look to see where the shoe pinches most."

And yet the course which Mr. Goschen thus emphatically condemned was the course actually adopted. I need not dwell more on this point, which will no doubt be brought fully before the Commission by the representatives of London and other towns, which complain bitterly that they do not recover their fair share. In justice to Mr. Goschen, I ought to state that the pressure which made him depart from his original intention, was in a great measure due to the action of persons who were not supporters of the Government.

(8.) *No Control by taxpayer.*

The effect of the reforms of 1888 has been, to withdraw the grants in relief of local taxation from the control of Parliament, without giving any control or any responsibility to the local taxpayer. So long as the Exchequer grants were placed upon the votes, there was—in form, at any rate—some control by Parliament. Where taxes are placed wholly in the control of local authorities, there is control by the local ratepayer. But these subsidies are an anomaly and an exception to all our ordinary rules. They are taken out of the sources which ought to fill the national purse, and are then diverted by permanent Acts of Parliament to special local purposes, without the criticism and publicity which is given to the ordinary national expenditure; they are then placed in the hands of local authorities who have no control whatever over their amount or their collection, and who have therefore the smallest possible interest in spending them economically, and who, moreover, are in many cases mere conduit pipes for conveying them to certain objects already determined. The Metropolitan

Police is a curious instance of this ; it is supported partly by rates, partly by a grant out of the Local Taxation Account—that is, out of national taxation—and yet, neither the ratepayers of London nor the taxpayers in Parliament have any control over this expenditure; whilst the Home Secretary, under a recent Act, has in certain events an unlimited power of raising additional rates in London for the support of this force.

Suggested Remedies.

It is not easy to criticise satisfactorily a system so confused and unintelligible as that which now prevails. But it is still less easy to suggest satisfactory remedies.

(1.) Abolish Local Taxation Account with its mystifications.

It is indeed, easy enough to suggest the abolition of recent complications and mystifications. It is easy and obvious to do away with the misleading fiction that local rates are relieved out of the Probate and Estate Duty; and to restore the whole of that duty, and the whole of the Beer and Spirit Duties, which are essentially National Taxes, to the National Exchequer. It is no less easy and obvious to do away with the Local Taxation Account; to make all National Taxes payable into the National Exchequer; and to let all such payments as it may still be necessary to pay out of the National purse towards local objects, be paid directly and expressly out of the National Exchequer under the authority of Votes of Parliament.

All this is easy and should certainly be done. The real difficulty is to determine what transfers of work or of taxation can be made which will separate Local from National Funds, and thus abolish or reduce the grants made out of the Public purse for Local purposes.

The following suggestions must be taken subject to the observation that I am painfully conscious of my own insufficient knowledge and experience.

(2.) Transfer of subjects of administration from Local Authorities to Central Government.

My first suggestion is, that inquiry should be made whether it may not be possible to help Local Authorities by transferring certain subjects of administration, with the attendant expenses, from Local Authorities to the Central Government. This has been done in the case of Prisons, and, so far as I know, with success. The change has not impaired Local Government, and it has saved Local Authorities a very considerable expense, as appears by Table A. above quoted. Might not the same thing be done with some other subjects? Those which—looking to the above Lists—I should suggest for this purpose, are—

- The care of Pauper Lunatics;
- Reformatory Schools;
- Industrial Schools;
- Public Vaccination;
- Registrars of Births, Deaths, and Marriages.

I am well aware what excellent work is now bestowed on some of these subjects by members of the London County Council and other administrative bodies. But I see no reason why they should not be equally well administered by the Central Government. Nor do I see any reason, economical or otherwise, why the expense of such institutions should be greater in the hands of the Central Government than it is in the hands of local bodies. What the relief to rates would be, I do not know. But it would be considerable; and it would be applied in those places where growth of population has brought with it increased local burdens.

(3.) Transfer of certain Taxes to Local Authorities.

But the relief to be afforded by transferring whole subjects from Local to Imperial administration is necessarily limited. There is a wholesome tendency in favour of decentralisation and of local administration to which Finance must accommodate itself; and the question therefore is, how local bodies can be furnished with additional resources in such a manner as that the settlement may be final, as between Local and Imperial Exchequers; and also in such a manner as to provide, that taxes raised for local purposes shall be levied out of local resources with a large amount of discretion, both as to their amount and their application, so as to throw the burden, the responsibility, and the benefit on the same local shoulders.

One method of doing this is to transfer certain taxes bodily from the National Exchequer to Local bodies.

A beginning has been made with the License Duties. These are local duties, and such part of them as is levied in each county or borough is handed over to the Council of that county or borough. These duties are, therefore, local taxes devoted to administrative purposes in the locality in which they are collected, and they thus fulfil one condition of a good local tax. But this is the only good condition of a good local tax which they fulfil. They are still collected by the Inland Revenue Commissioners; there is no power to vary them; and if their collection were handed over to the Local Authorities, those authorities would have no real control over their amount. Is this sound policy? Is it clear that none of these duties could be raised, or lowered by different authorities without inconvenience? Is it not possible that the power to vary them might not only be convenient to the local authorities, but might lead to useful experiments in legislation, e.g., high license duties for the sale of alcoholic liquors?

Again, might there not be power given to Local Authorities to raise other taxes of the same description, e.g., taxes on amusements, or on advertisements?

Further, it should be considered whether Local Authorities should not also have much greater discretion than is given by the present law in applying the proceeds of these taxes. At present they are bound to administer them, or a great part of them, for certain prescribed purposes.

In short, it is clear that until the power of increasing, diminishing, or repealing these duties, and the power of selecting the purposes to which they are applied, is given to Local Authorities, their transfer does little or nothing towards advancing self-government or self-taxation. The Local Authority is a mere conduit pipe.

(4.) *Taxation of Immovable Property in each District.*

But the obvious fund for relief of local taxation is the immovable property within the district. It is the source suggested by Mr. Goschen in 1870; it is a fund which is increased in value by expenditure out of the local rates; it is a fund which in urban districts, where the burden of rates is greatest, is constantly becoming larger, and, therefore, more able to bear taxation. It is property which Local Authorities are accustomed to assess, and which, therefore, they are competent to tax. It is property which it is their interest to tax fully and fairly, but which it is not their interest to tax so as to kill the goose which lays the golden eggs. If, therefore, there are any Imperial Taxes on this property which can be transferred to Local Authorities, there will be many advantages in substituting such transfer for the present modes of relief.

(a.) INHABITED HOUSE DUTY.

This duty seems peculiarly appropriate for transfer. In 1871 Mr. Goschen proposed to hand over this tax to local authorities. Why he did not do so in 1887 we can only guess. Was it because the relief afforded by such transfer would have been most felt in Urban Districts, which most need relief from increasing rates, whilst it would not have been felt by the rural landowner, whose rates have increased but little, but whose pressure on a weak or compliant Government seems to be irresistible?

(b.) LOCAL DEATH DUTIES ON IMMOVABLE PROPERTY.

These are also taxes which might, for the reasons above stated, be properly handed over to Local Authorities; and before Sir W. Harcourt's Budget of 1894 a Municipal Death Duty was one of the most obvious methods suggested for the purpose of relieving Rates. The Reforms introduced by that Budget have created a considerable difficulty with respect to Estate Duty. That duty is levied for National purposes on all the property moveable and immovable left by the deceased, and it would be difficult, if not impossible, to separate that part of this duty which is levied on immovables in a given district and hand it over to the Local Authority of that district. But is there any reason why the Legacy and Succession Duties, which fall on particular bequests, should not be divided, and that portion of them which falls on immoveable property be transferred to local authorities? I am not sufficiently acquainted with the practice to judge whether there would be any insuperable difficulty in this.

Another mode of effecting the same object would be to have a new Municipal Death Duty, to be levied and applied by Local Authorities, making at the same time in favour of the class who have to pay it some allowance or reduction from the amount they now pay in the form of Imperial Death Duties.

For such a measure Sir William Harcourt's Budget of 1894 creates facilities which did not exist before. Under it all immovable property will be valued for the purpose of the Imperial Death Duty, and it will, therefore, only need an additional assessment on that valuation to provide an additional Death Duty for Municipal purposes.

Whether in the case of the Inhabited House Duty, or of Municipal Death Duties, the Local Authority should have any and what power of altering the duties, would be a point to be carefully considered.

One further mode of helping the present occupying ratepayer, viz., dividing the rates between him and the owner, I have considered in answering subsequent questions.

(5.) *Central Control of Local Administration.*

There is one administrative difficulty which should be noticed. Help has, as above noticed, often been given from the public purse in order to induce Local Authorities to make administrative improvement which they would not make unless their expenses, or a part of their expenses, are paid. If Local Funds are wholly separated from Imperial Funds, this form of help would cease. I am not sufficiently acquainted with the details of local administration to know how far help and interference of this kind is really necessary. On Financial grounds it seems desirable to avoid it whenever possible, since it is really a bribe to Local Authorities to do what is their duty, and is a constant temptation to them to press for a larger and a larger grant. But if it must continue, the cases in which it continues should be specified, the amount of grant and the conditions on which it is given should be fixed, and the money should be voted annually and appear in the Estimates.

It is also deserving of consideration whether, in cases where it has been the practice to bribe Local Authorities to do their duty, by paying a certain proportion of the expense out of Imperial Funds (a course obviously open to objection), it would not be better, first to see that they are provided with sufficient funds for all the duties which are required of them; then to impose those duties on them in precise terms; and finally in case of their refusing or neglecting to perform those duties, to enable the Imperial Government or some Superior Local Authority to take the discharge of the unperformed duty out of the hands of the recusant authority, and to charge the expense on the Local District.

In answering Questions 7 and 8 I have tried to indicate different ways in which Imperial Finance may be brought to the aid of local finance without confusion of accounts, and without infringing the responsibility of Local Authorities; but I am painfully aware how crude my suggestions are, and how much more labour and knowledge are necessary in order to bring them into any practical shape.

Question 9. Should local rates be divided between owners and occupiers of real property, and if so, in what proportions?

I think that they should be so divided, especially in towns, where the shifting of rates on to rent is more doubtful than in the country. The broad ground is that here is a large fund of localised property which is rapidly increasing in value; which owes its value in a very small degree to the efforts of its owners, and in a very large degree to the industry of those who live upon the property; and which contributes nothing directly and expressly towards the payment of those rates.

To any proposal to charge rates on owners the objection is sometimes made that the incidence of these rates is governed by economical causes, and that the operation of these causes cannot be altered by legislation. When analysed, this objection resolves itself into two different, and indeed, inconsistent positions. The one is to the effect that all rates and similar burdens ultimately fall upon rent; that there is, therefore, really no injustice in a system which throws them in the first instance on the occupier; and that there would be no advantage to the occupier in a change of incidence which would be merely nominal. The other is to the effect that the landowner can always exact from the occupier the extreme amount which the occupier will pay, and that, therefore, if the occupier is relieved from rates, the owner will take out the difference in increased rent, and the occupier will not benefit by the change. Which of these two theories is true, and to what extent, is one of the most perplexing questions in political economy. The ultimate incidence of rates is certainly upon the owner in agricultural districts; and it is also, I believe, as stated in my answer to Question 6, to some extent upon the owner in towns. To some extent, in towns at any rate, it is upon the occupier. But without solving this problem it is not difficult to give practical answers to the above objection.

If and so far as the burden of rates now falls on the owner, he will sustain no loss by a change which makes him pay directly what he now pays indirectly. On the contrary, he will be relieved from the invidious imputation of exceptional immunity from taxation. If, on the other hand, the occupier now pays more than he ought to pay, it is just that he should be relieved. To the argument that this cannot be done, and that the landlord will always take out in rent what he is made to pay in rates, it may be replied that if this were true, the position of the landowner must inevitably be one of great odium and even of danger; for a title to property which does not bear and cannot be made to bear its share of public burdens, is a very unsafe one. Under all circumstances it would be greatly to the security of the landlord to be made to appear to pay. There is, however, every reason to believe that the law can relieve the occupier. Taxes, as I have said above, have the habit of sticking where they first fall; and as a matter of fact our laws have been framed on the principle that it is possible to throw the burden of local taxation on the owner. Many of our old Rates—*e.g.*, the Sewer Rates—were known as Landlords' Rates; whilst in recent times Sir R. Peel's Income Tax has been imposed on Owners, and they are expressly prevented from contracting out of it. But the application of the principle is a matter of some difficulty.

First the relation between the occupier who pays the rates and the owner, or owners, is not a simple one, especially in London and other large towns. There is often tenancy behind tenancy, lease behind lease; and the complete ownership is made up of a series of different interests beginning with the actual occupier and ending with the freehold reversioner. This makes it necessary, in providing for the incidence of taxation to spread it as fairly as possible over all the interests concerned.

Here, however, there is one set of interests which raises a serious question; the interests, namely, of those who only retain a rentcharge without any reversion in the *corpus* of the property, or, which comes almost to the same thing, with a reversion so small as to be of little or no value. Fixed interests of this sort may be rendered more secure, but are not increased in value by the expenditure of rates, and the argument drawn from such increase fails. On the other hand, if such interests are not taxed, there will be a large and uncertain proportion of real property still remaining exempt from direct local taxation; and on this ground it will probably be desirable, at any rate in the case of future contracts, that such rents should, like other rents, be subject to deduction on account of rates. The case of such rents already reserved by existing contracts presents much greater difficulties.

Again, as regards not these cases only, but all cases there is the consideration that we have to deal not only with new contracts, but with existing contracts. In the case of existing contracts, it is true on the one hand that many, if not most, existing leases contain stipulations that the occupier shall pay the rates; and it is also true on the other, that we are certain that the incidence of new and unforeseen burdens falls on the occupier and not on the owner.

Again, the rates, the burden of which has to be distributed, differ widely in their application and in the way in which their expenditure benefits different interests in the land; but they differ in this respect in varying degrees, so that it is impossible to say that one rate ought to fall on one particular interest, whilst another ought to fall on a different interest. The effect of the expenditure of a lighting or paving rate is comparatively transitory, and that for the purpose of the Main Drainage or the Thames Embankment, is comparatively permanent; but the benefit of neither of them is co-incident with any particular interest of occupation, lease, or ownership. Moreover, besides such rates as these, there are a number of rates, *e.g.*, Poor Rates, School Rates, and Police Rates, which benefit all the successive interests in the land. This consideration makes it impossible to say that the incidence of different Rates should be distinguished, and that Rates for permanent improvements ought to be charged on the Freeholder whilst other rates are charged on the occupier.

Looking to these considerations, the following are offered as propositions that should govern the case. They were originally suggested by Lord Hobhouse and were given by me to the Town Holdings Committee:—

In the case of future Contracts—

1. Some portion of the burden of the rates should be thrown on the owners as distinct from occupiers.
2. All owners of whatever tenure, whether for years, in life or in fee, should bear their due share.
3. Each owner should be charged upon the present amount of annual benefit accruing to him from the property assessed.

4. Each owner should pay part of the rate collected from the occupier by means of a deduction of his rent according to the method used in the case of property tax.
5. Owners should contribute to the rates not only in respect of improvements, but of other purposes.
6. Owners should pay not different proportions of different rates but a fixed proportion of the whole; a fair proportion should be charged upon owners.
7. Half is suggested as a fair proportion.

In the case of existing Contracts—

8. New rates may be imposed without regard to private contracts.
9. Contracts which contain no stipulations that the occupier should pay rates need not be regarded.
10. Further contracts by lessees to pay otherwise than as the law directs should be made void.
11. Future increases of old rates may be treated as new rates.
12. Rates existing at the date of a contract should be left under the operation of the contract.
13. Rates, or increase of rates, imposed after the date of a contract and before the change of law require special treatment. Some compromise is necessary as suggested by the Committee of 1870, but it should be more speedy and wider in its operation.

To these suggestions I would add that the case of quit rents or fixed rents with no reversion, or a reversion so small as to be of no value, held under existing contracts, requires special consideration. When such rents have been bought and sold as investments returning a fixed income, there would be great and well-founded objections to any plan of making deductions from them in order to relieve persons who have acquired and hold the property which is subject to these rents.

These suggestions are probably capable of improvement. But whatever be the details of the plan, I feel sure that it is essential that a part of the burden of rates should be made to fall, and to appear to fall, on the Reversioner or Reversioners. It is a matter of great importance in the interest of the National Exchequer, as well as of Local Government, that the present system of raising money by rates should be preserved unimpaired. Rates are a form of tax which falls upon property, and which, beyond any other form of tax, provides security for good and economic administration. They ought, therefore, to be made as popular as possible, and for this purpose every injustice in levying them, whether real or apparent, should be removed. The fact that they are levied solely on the occupier, and not on the owner, is an apparent, even where it is not a real, injustice, and it ought therefore to be altered.

Question 10. Should ground values be separately rated for local purposes, and if so, on what principles?

This question it is very difficult to answer. There are very real grounds for the demand, and equally great difficulties in accomplishing it. It is clear that an alteration in the incidence of rates which are proportioned to rent will not be sufficient, without some further taxation of capital values. Rent and capital value are two different things, and rent is often no test of capital value. In the case where a lease has been paid for by a premium; in the case of land which can be, but has not been, built on; in the case of an old lease in an improving quarter; in the case of land in the neighbourhood of towns, and in all the pleasant residential parts of England; the actual rent, which is often a mere agricultural rent, bears no proportion to the real value; and if local taxes were levied upon rent, and proportioned to rent alone, there would be a large quantity of real property which would escape local taxation altogether.

But the difficulty of associating any plan of rating ground values with our present system of rating on annual value seems to me to be very great, if not insuperable. It is conceivable that in place of our present system we might have had one under which capital values, instead of rent, might have been taken as the basis, so that the annual rate might be proportional to some assumed rate of interest on that capital. The experiment seems to have been tried in the United States, and does not seem to have been successful. (See "Taxation in American States and Cities" by R. T. Ely, New York.)

But the great objection to any such plan is that there exists at present in this country an established system of valuation and rating fairly understood by the Assessment

Committees whose business it is to make the valuations. It is an assessment of annual value; it is avowedly based on rent; and has in the actual rents obtained in the market a certain basis and test. The suggestion that rates shall be based on capital values would be a complete subversion of the system which now exists, and would need a completely new process, and a very different machinery. This objection appears to me to be fatal to any plan of substituting capital value for rent as the basis of rates.

The same objection seems to me to be also fatal to a plan of taxing site values, which finds much favour in some quarters, and especially in the London County Council. The gist of the plan is, to distinguish buildings—which are the produce of human labour and capital—from the land on which they are built; and then to lay a new, separate, and heavy rate on the land, which would go in relief of existing rates. In this way it is supposed that the capital values arising out of the mere possession of improved land might be made to contribute, without taxing the industry and capital employed in building.

I doubt whether any such scheme is practicable. In the first place the land and the house have not, for purposes of valuation, any separate existence. Valuers, no doubt, say they can value them separately, and Mr. Chaplin's Agricultural Rating Act may be quoted as a precedent, if, indeed, that unfortunate Act can be quoted as a precedent for anything. Valuers will, no doubt, put a valuation on anything, whether they know anything about it or not; but the question is what real basis they have for their valuation. The only ultimate basis of a valuer's knowledge is his experience of actual market values; and as the land and the houses upon it are sold and let together, no such basis can exist for a separate value of the two things. A valuer's judgment is limited by his experience, and where there is no experience his judgment is untrustworthy. I am told, for instance, that an experienced valuer's estimate of the late site of Her Majesty's Theatre, which was, of course, an exceptional case, has proved utterly erroneous. I do not see how it is possible for any valuer to say with any approach to truth or certainty, what is the value of the estate of the Duke of Bedford or of the Duke of Westminster, apart from the buildings which stand upon them.

A second objection to this plan of taxing site values is that the question at issue is not so much a question between the owner of the house and the owner of the land, as a question between the owner and the occupier of both house and land; and as the ownership and occupation of both are divided into a great number of successive interests, and as the tax upon the site must be levied in the first instance from the original occupier, it will be necessary to have an elaborate system of deductions which each successive tenant is entitled to make from the rent paid to his immediate landlord, until we arrive at the sum to be charged on the ultimate freeholder. This process will be parallel and analogous to that which has been suggested for the case of deductions of present rates from annual rent. We should thus have two systems of valuation and of successive deductions going on, both elaborate, both difficult, alongside one another, and leading, as it seems to me, to inextricable complication and confusion.

There is a third objection which is, at any rate, good as an *argumentum ad hominem*. Those who are strong advocates of the plan of taxing "Site Values," are often also persons who believe that the present Rates in Towns fall wholly on the occupier and are not shifted on to the owner. I do not agree with them in this belief. But if they are right, what security have they that rates on Site Values will not also in the end fall on the occupier.

In the absence of any practicable scheme for the separate rating of ground values, I have suggested in my answers to Questions 6 and 7 certain alternatives in the form of Municipal Death Duties.

Before quitting the subjects of Questions 9 and 10, it may be desirable to notice the difficulty which was much discussed in former years, namely, whether it would be fair to tax owners without giving them direct representation. The principle that taxation and representation must go together have already been largely departed from; and in the present temper of public feeling about representation, I do not think that there is any prospect of giving what would be called "fancy franchises" to owners. It is also, I think, open to doubt whether such franchises would be of much service to them, and whether such franchises are necessary in order to give them their due influence on Local Bodies. The influence of ownership and property is very great indeed without any direct or any proportionate franchise, and I do not think that the experience we have had of modern local bodies with democratic constitutions shows that property has any reason to be afraid of them.

The London County Council is, perhaps, the most striking case. In that body there has been a good deal of talk of a socialistic kind; but their bark has been worse than their bite; it has alarmed the conservatism of London; it has reduced the Progressive majority; and the danger seems to be now rather that valuable reforms, which would have been welcomed 50 years ago, will be impeded and delayed, than that any revolutionary attacks will be successfully made on London property.

Question 11. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, by—

- (a.) *The increase of an old rate?*
- (b.) *The imposition of a new rate?*
- (c.) *The reduction or abolition of a rate?*

So far as I understand this question, I have done my best to answer it in the answers given to Questions 6 and 7. The increase of an old rate, if a settled and well-established rate, would for this purpose be much the same thing as the imposition of a new rate. Any change in rates made during the existence of a tenancy would of course affect the tenant and not the landlord. Upon the making of a new tenancy, past changes in rates, and possibly also the probability of future changes in rates, would be elements to be taken into consideration; but what specific effect they would have would depend upon the circumstances of the case.

Question 12. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, if an occupier by whom a rate had hitherto been paid were empowered to deduct the whole or a portion thereof from the rent in the same manner as he is now entitled to do in the case of Income Tax (Schedule A.)?

I am inclined to think that, as in the case of Income Tax, the owner would in such case really pay the part deducted, though it is impossible to speak with absolute certainty; but whether he really paid it or not, it would be a great security to his property, and a great support to the existence of the rate, that he should appear to pay it.

Question 13. What is the effect, if any, upon rent of rating property—

- (a.) *On different scales of duty according to the value of the property?*
- (b.) *On different scales of duty according to the character of the property or the purposes for which it is used?*

I am not sure that I understand this question.

As regards (a), I do not, without an example, see how it can be done, at any rate in those cases in which there are successive interests in the property. Is the value of the property to be taken as its value to the occupier, or to the owner? and is the value of property to the owner to be taken as the value of the particular property—say the house—to him? or is the value on which he is to be taxed that of all similar property which he owns in the district?

On first consideration, I do not see how it is possible to have a graduated scale of taxation for rating purposes.

As regards (b), I am in an equal difficulty, and need a specific suggestion before giving an opinion. Possibly, reference is made to the separate rating of lands and buildings under Mr. Chaplin's Agricultural Rating Act: if so, I think the whole scheme absurd. A farmhouse, a barn or a pigsty has no separate value apart from the farm with which it is connected, even though all the valuers in England have agreed to put down the values of the buildings and of the land in separate columns.

Question 14. Can you make suggestions to the Commission as to any methods of raising revenue for local purposes, otherwise than by means of rates?

I have already answered this question, so far as I am able, in answering Questions 7 and 8.

Question 15. Does any point not included under any of the foregoing questions occur to you, on which having regard to the terms of reference to the Commission, you wish to express an opinion?

I believe I have, in the answers to the previous questions, given all the information in my power. But if any further question arises upon what I have said, I shall be glad to explain. The whole subject is one of such difficulty and complexity, that it is impossible to be positive without being presumptuous, or exhaustive without being wearisome.

FARRER.

Abinger Hall,
23rd January 1898.

Addition to Lord Farrer's Answers to the Questions submitted to him by the Royal Commission on Local Taxation.

On looking over my answers to questions put by the Royal Commissioners on Local Taxation, I find two points of importance which are not sufficiently emphasized; and if it is not too late I should like to add a word or two upon them.

I. The first point is the effect of the recent immense development of grants or doles out of the public purse in relief of Rates on the balance and distribution of taxation.

These grants or doles amounted in 1896 to 10,750,000*l.*, and this is exclusive of about 2,000,000*l.* under the Agricultural Rating Act; of the grant to Ireland contemplated this Session; and of all grants under the Education Acts (*see* Sir E. W. Hamilton's Memo., p. 26). They are the growth of recent years, the amount having been only 650,000*l.* in 1843 (*ibid.*). The per-cent-age of local taxation contributed by the Imperial Exchequer was 5 per cent. in 1843, 13 per cent. in 1876, and by Mr. Goschen's measures of 1888-90 it was raised to 24 per cent. (*Ibid.* pp. 30-1.)

These grants are made out of a fund which in 1896, consisted of the following items. (*Ibid.* pp. 35-6):—

	£
1. Customs Duties	20,965,000
2. Excise Duties	31,595,000
3. Stamp Duties	7,339,000
4. Income Tax	15,983,000
5. Post Office Surplus	2,994,000
6. Death Duties	14,089,000
7. Land Tax	1,021,000
8. Inhabited House Duty	1,487,000
Total	<hr/> £95,473,000

Of these items of taxation the first five, amounting to more than three-fourths of the whole, fall chiefly on the consumption and industry of the country, whilst the last three, amounting to less than one-fourth of the whole, fall in the main on realised property. Local rates fall principally on realised property.

Consequently the grants in question, probably amounting in the whole to 15,000,000*l.* a year or upwards, are to a large extent a transfer of burden from the shoulders of property and accumulated wealth to the shoulders of poverty and industry.

The more closely Rates are analysed, the more, I believe, will this be found to be the case. In Agricultural districts the ultimate incidence of rates is upon owners and not upon occupying farmers; and in towns, even where the rates fall upon occupiers, it seems probable that comparatively wealthy occupiers bear the greatest part of the burden.

The real remedy of the town occupier, where he requires a remedy, is against the landowner, not against the general taxpayer.

This disturbance in the incidence of the National burdens is a point so obvious that I failed to describe and insist upon it in my answers as much as I ought to have done. It is of such first-rate importance that I am anxious not to be thought to have neglected it.

II. The other point to which I wish to call further attention, arises out of what I have said at page 78 about a Municipal Death Duty, and the difficulties created by Sir W. Harcourt's Budget of 1894 in devising such a duty. I wish to point out that if that Budget creates some difficulties, it also creates some facilities which did not exist before. Under it all immoveable property in towns will be valued for the purpose of this Imperial death duty, and it will, therefore, only need an additional assessment on that valuation to provide an additional Death Duty for Municipal purposes. I am anxious to call attention to this point, because the more this subject is discussed, the greater appear to be the difficulties of taxing Capital or Ground values in Towns for Municipal purposes in any other form than that of a Municipal Death Duty; whilst, on the other hand, the expediency and even the necessity of such taxation becomes more and more apparent.

FARRER.

27th March 1898.

Answers by the Right Hon. Leonard Courtney, M.P.

1. I am afraid I am wholly unable to accept the classification of Taxes contained in the paper Table D. It appears to me to proceed upon an entirely wrong method, and, whilst its analysis is laborious and painstaking, the results are, in my judgment, of little value in themselves.

The error running through the Table infects also the terms of reference to the Commission. It lies in regarding the problem as one of adjustment between things instead of between persons. We can only talk of justice between real and personal property by a strained metaphor, sure to mislead the many, and, indeed, constantly endangering the clearness of judgment of the few. The real task of the Commission is to investigate the existing system of Local Taxation in respect of individuals, and to readjust it, if necessary, so as to secure that these individuals shall be required to contribute in accordance with the principles of justice. The moment we use language which is inconsistent with this truth we are in danger of confusion of purpose, and our investigation is apt to be fumbling and stumbling in the dark after a very unsatisfactory fashion. Persons are, no doubt, taxed in relation to the possession of things and to the consumption of things, and some measure of the taxable capacity of persons may be found in the extent of these possessions and of this consumption; but, after all, what we have to find out is not whether one thing is unfairly taxed compared with another thing, but whether the taxes as imposed take from one person, or one set of persons, more than the sums of which they should be mulcted if they are to be treated justly, as compared with other persons or sets of persons.

The inquirer into the subject of Local Taxation should, in my judgment, proceed by examining first what should be the limits of Local administration and Local expenditures, in the course of which he might distinguish between those branches of administration and expenditure which have reference to the general and indivisible service of the community: and next, those branches which deal with separate services to the individual members or families constituting the community. As an illustration of this distinction it may be suggested that if a municipality supplied gas within its limits, the service to every household or factory would be separate, while the service for lighting the streets would be indivisible.

Secondly, he should inquire into the proper basis of contribution between the members of the community towards the expenses which have to be met, discriminating again between the indivisible and separable services.

Thirdly, he should examine the existing modes of raising the Local Revenues required to meet Local expenditures, separating the revenue which does not arise directly or indirectly from the taxation of individuals, and should compare the analysis thus affected with the principles of just contribution already investigated.

Fourthly, he should inquire into the most expedient ways of bringing the existing system, as set out in the result of the third branch of the inquiry into agreement with the ideal standard, worked out in the second branch.

2. In view of the answer I have given to No. 1 no reply appears necessary to this question.

3. The net revenue of the Post Office, which strictly calculated would be less than the surplus of income over expenditure shown in the public accounts, since nothing is allowed in the latter for the interest on capital sunk in the service, is a tax primarily at least on the senders of letters. In the case of business correspondence some proportion of the cost may become a business charge, and be recouped by customers availing themselves of the services of the business.

4. Where the tax is levied to meet the cost of a separable service it would seem fair to impose it upon the individual in exact proportion to the cost of the service rendered. But this canon must be qualified by consideration of the circumstance, whether the service is rendered primarily for the sake of the individual or for the sake of the community. If the education of a child be the duty of a parent, the cost of the education should be met by the parent, nor would the obligation be different, even where the community enforces the duty; but if after taking into account the necessity of defraying the cost of education of those absolutely indigent and the economy of dispensing with separate accounts and separate returns, a community undertakes the whole charge of education within its limits, the service may be regarded as undertaken for the community rather than for the individual, and may thus become indivisible,

The question in fact turns on the determination of the limits of personal and public duty, and the burden of the taxation may be shifted with the variation of these limits. With respect to all services which are recognised as common and indivisible the apportionment of their cost must follow the principles of taxation in general. As to this the answer which has most recommended itself to me is that taxation for common purposes should be levied from each member of a community according to the law of equal sacrifice, meaning thereby that each individual should be mulcted of such a sum as would, having relation to his means, involve the same sacrifice to the common want. The suggestion which has often been made of allowing to each member of the community an irreducible minimum necessary for the maintenance of existence, before considering the taxation of the overplus, is founded on an obscure appreciation of this doctrine of sacrifice, since the sacrifice becomes infinitely greater when this minimum is treacherous upon. Correlative, however, to a reservation of the minimum is the suggestion that with the extension of the overplus the proportion of the tax may be increased since the sacrifice diminishes as this extension increases. The principle of graduation of taxation thus appears to be dictated by considerations of pure justice, but it must be admitted that it is extremely difficult to apply a rule of graduation. It must be regulated by such conceptions as we may have of the tenacity of attachment of the normal man to growing possessions, and of the corresponding sacrifice involved in a tax on this tenacity. All we can hope for is some rude measure of apportionment approved by common morality. It should, however, be observed that in estimating the means of the individual, a common measure should be adopted which in strictness can only be obtained by a capitalisation of resources. The power of the citizen is not varied with variations of the form in which it may please him to invest his means. Here again we are dealing with pure theory, and in its application to ordinary life it will be sufficient, if within particular communities we can light upon some working test which may be accepted as a gauge of the relative capacities of the members of the community. I may refer to my answer to the last question (No. 15) for a suggestion of a test of this kind.

5. The best way of answering the question upon whom rests the ultimate incidence of a tax is, I think, to be found in pursuing an investigation as to who would be benefited if the tax were abolished. This method will be best seen by the illustrations in the next answer.

6.—(a.) Speaking generally, I think the Inhabited House Duty is borne by the occupier. Where there is no special advantage of site or position, the main element in determining the rent of a house is the cost of building another similar to it, that is, affording about the same accommodation. The rent cannot exceed what is sufficient to give a market return to the builder, as otherwise more houses would be built, nor except in decaying towns can it fall much below this, as otherwise the houses would soon become insufficient for would-be occupiers, and yet none would be built if the builder could not get an adequate return. If this view be correct, it would follow that the abolition of a house duty would be a relief to the occupier only, and the imposition of a house duty would be a burden on the occupier. Even if the duty had the effect of compelling the occupier to live in a house less commodious than he would otherwise obtain, the burden would still rest upon him, not by making him pay more, but giving him less for his money. Where, however, site or position forms an important part in the value of the house, the rent paid in respect of the site would not be affected by the considerations I have mentioned, and so much of the house duty as was proportionate to this rent, and, so to speak, attached to it, would be ultimately borne by the person entitled to the receipt of the rent, because this person, or class of persons, would be able in the long run to get their rent increased by the amount of the house duty taken off in respect of it. The proposition remains generally true, as far as houses occupied for domestic purposes are concerned, that Inhabited House Duty is paid by the occupier.

(b.) The reasoning in the before-going answer applies to rates levied on houses used for domestic occupation, but it must be observed that if the abolition of a house duty, or of a rate, is balanced by the imposition of some other tax—if, in fact, there is a transformation and not a cessation of burden, the problem for practical consideration would extend to an inquiry as to the incidence of the new burden. I mention this only as a matter of caution.

As regards rates on trade premises, these must ordinarily form part of trade expenditure, and be ultimately borne by the customers availing themselves of the services, or consuming the commodities the trade supplies. For if these rates were

removed, the trading profits would be *pro tanto* increased, and the competition between those engaged in the trade, and of others ready to enter into it would bring down prices so as to secure the ultimate benefit passing to the customer. This is the general view, but it must be qualified by the consideration that, where the situation of the trade premises gives it exceptional advantages, so that the occupier of them is not exposed to the effective competition we have contemplated, the owner of the position would, in the long run, be able to secure the advantage derived from the abolition of the rate. It may be noticed also, that rates on trade premises using the word trade in its amplest sense, so as to cover manufacturing establishments, often operate to favour the development of a trade in one district which is lightly rated to the exclusion of others heavily rated, and this would tell upon the persons interested in the particular districts. But this burden is of a secondary degree, and does not affect the incidence of the rates where levied, which are borne generally by the customer or consumer.

(c.) This is an illustration, in the main, of the question answered in the last, qualified by a consideration of the nature of the competition to which the agricultural trader is exposed, and of the special advantages commanded by the position of the land he occupies. In so far as the prices of agricultural produce are determined by foreign competition, a taking away of the rates on land would temporarily enable the tenant to put his produce on the market at a lower cost, and would thus temporarily increase his profits or diminish his losses. But the competition of would-be farmers at home would take away this advantage on the one hand, while the effective competition of the foreign producer would nullify it on the other. In respect of all commodities which come upon the market under conditions independent of the distance of the place of origin the consumer would almost immediately lose whatever theoretical advantage he might appear to grasp at first, whilst, as far as regards commodities, the market conditions of which do depend on the place of origin, the owner of the home property would gradually acquire the benefit of the reduction. It is easy to see that if a single farm were to be let rate free the landowner would secure a higher rent just as he would in letting a farm tithe-free. But if all farms could be let rate free, the landowner could only secure the advantage just so far as the tenant would have an advantage over outland producers, that is just as far as the produce to be marketed depended for its market value upon being produced within the distance of the farm from the market.

(d.) I do not know whether it is possible to give a single answer to this question. It would seem that the burden of the tax must depend upon the character of the property transferred. A distinction must, for instance, be drawn between property which is capable of being multiplied, and property which is pretty strictly limited. As railways are being continually extended and railway capital as continuously increased, and large classes of investors regard many railways with equal eyes, it would seem that if the taxes on the transfer of such property were abolished the result would be the division of the benefit between present holders and those who bought from them. After a time, the net result would be a fractional increase in selling values. But this increase would be kept down by the ever increasing mass of values open for sale. In the case of landed property not thus capable of continuous extension (landed must here be separated from house-property) the advantage of an abolition of transfer of taxes would be almost entirely absorbed by the owners at the time of the abolition. (These transfer duties have an important secondary effect in impeding free interchange, which however is beside the present inquiry.) As regards those cases where transfer taxes are levied in the respect of consumable commodities passing into or through a market, these must be classed as falling ultimately on the consumer of the commodities in question. Market tolls are an illustration of this class.

(e.) I do not see how it is intended to connect this question with general inquiry into local taxation. If anyone contemplated the imposition of a local tax on trading profits it must be remarked upon such a suggestion that under the present circumstances of complete freedom of internal communication by post and rail, and consequent competition between the traders of any particular spot, and those who are prepared to supply the wants of its inhabitants from outside, it would be very difficult to prevent the tax from falling on the traders in the place contemplated, with the possible result of driving some of the trade away. On the whole I scarcely think this notion can be seriously considered. On the other hand it is difficult to contemplate a universal tax on trading profits as pertinent to the inquiry. If imposed its operation would vary according to the circumstances of particular trades. Where the trade partook

of the character of a monopoly it might be possible for the trader to pass on some of the tax to his customer in the shape of diminished quantity or deteriorated quality, or even in some cases of added price with a reflex consequence of some diminution in the extent of his trade. But where nothing of the nature of a monopoly exists the main burden of the tax would apparently rest on the trader.

(f.) It is not easy to see how the deduction of a death duty can be passed on to any other person than the man who, in the absence of the duty, would have received so much additional property by transmission. This person is evidently the primary loser, be he heir, residuary legatee, or what not, and it seems that he must remain the loser. It may be suggested that a living man may provide by insurance or otherwise for the duty to be paid at his death, and if the duty is the sole cause of the provision, which would in no case have been otherwise made, then the living man may be said to have borne by anticipation the burden of the duty. But it is obvious that he might have made a similar saving from mere motives of saving, and he would have left a bigger estate to be transmitted to someone who loses the benefit of the addition because the duty takes it away.

7. Where the subject of administration is one mainly, if not exclusively, of local concern, the reasons greatly preponderate in favour of making its control local, and where the control is local the money required for the administration should be raised locally also. Independently of the great value in a political sense of engaging the inhabitants of a locality in the management of their own affairs, it must also be recognised that these inhabitants must be best acquainted with the immediate circumstances of the neighbourhood, and ought to have the best knowledge as to the means of doing what is wanted. Moreover, where those who control administration have to provide for its cost, there are the best guarantees of economy in administration. These seem to be the governing principles upon which our decision should be founded, but the degree in which they should be observed and followed must probably depend upon the different estimate we may have of the value of the several principles themselves. For my own part, I hold so highly the political importance of maintaining local administration that I would uphold it even at the risk of its not always rising to the highest standard. Much difficulty must in practice arise in defining the limits of a community in respect of any special subject, partly through the growth and variation of localities, and partly because for different subjects different areas must be adopted as limiting the community. An example of the first difficulty is frequently afforded in the expansion of towns. Examples of the second class arise in considering what limits may be best assigned to a community for educational, police, or poor law purposes. Many anomalies and defects of administration have arisen from the rigidity of Town Boundaries, and it may well be considered whether some simpler method should not be established of providing for their extension. When, however, we have defined the proper limits of a community for the several purposes of local administration there remains the question of the expediency of securing some unity of principle and of standard in different areas, thus binding them together under some higher authority, it may be of a larger provincial area, it may be of the State, and in these cases it becomes proper that some contribution should be made from the higher authority, which contribution would entail some check on expenditure, if not some participation in it on the part of the higher authority.

8. The answer to the last question indicates the conditions under which some portion of a local expenditure may properly be contributed from a larger area, of which the central Government is only the highest example. It suggests that where conditions of administration are strung up so as to secure more uniformity or a higher standard, the additional expense might fairly be imposed on the authority requiring the improvement, which authority would also have some right of intervention in respect of this contribution. The administration of the police in England is a familiar example of this process. Police administration was originally parochial work. It still remains independent within the larger towns, but, subject to this, it has become a matter of county concern, except in London, where a different system prevails. The area of the community for the purpose of police has thus been modified, but besides this the standard of police administration has been raised to meet the requirements of a central authority, and a large contribution has been made under the same authority towards the cost. In the same way, the State has developed and enforced a higher standard of primary education, and contributes towards its cost. It is unnecessary to examine the special forms of contribution which have been adopted: they should in all cases be chosen so as to secure that the money be spent on the right object, and

that it does not deprave the spirit of economy of the local administrators. In any general reorganisation of the relations between the State and local areas, whether county, town, sanitary, district, or parish, these objects should be kept in view as of paramount importance.

9. In answer to Question 6, I have given reasons for thinking that rates on the occupation of houses fall on the occupier, and rates on the occupation of agricultural land on the landowner. If this view be true, there is no great question of principle involved in the division of rates, for on the establishment of any tenancy the average amount of rates will be an element taken into consideration. But there may be important variations of rates, and even the creation of new rates during tenancies, and these possible variations have often very great effect in retarding the adoption of beneficial proposals, because they would throw expenditure upon those who did not contemplate them in their bargains. On this account I think it highly expedient that rates on real property should be divided, and there is no better division than that of equality between owner and occupier, and the smoothness of the working of such a division in Scotland supports the suggestion. It was, moreover, recommended long ago by the Richmond Commission in the case of agricultural tenancies.

10. Where the utmost use is made of a piece of land for building purposes, which is ordinarily the case where land is covered with houses of recent origin, the rent paid for the house includes the rent of the ground on which it is built, and I have given reasons in answer to Question 6 for thinking that the rates paid by occupiers of houses are borne by them, except in the case where the position of the land gives it exceptional value, so that the owner of that land would in the case of a new lease command the advantage of any remission of rate. Shortly, therefore, rates on ground values would adjust themselves at each new letting. But, as suggested in the last answer, great changes may arise during tenancies, and whilst a separate rating of ground values would not bring any new subject of valuation under rating at the time of a commencement of a tenancy, and would not alter the incidence of the rate at that time, its absence may, in the course of a tenancy, leave improved values exempt from rating, and in consequence greatly affect the real incidence of the local rates. Suppose, for example, an acre of ground occupied with inferior houses, built 60 or 70 years ago, and that in the course of those years the value of the land has enormously increased. The rates raised upon the houses are levied only in relation to their actual letting value, without reference to the improved value of the land on which they stand. The owner of the land sees his property ripening without any additional burden put upon him, though, as he would urge, without any immediate addition of income, and whilst he, with his improving property, escapes rating those who do pay the rates have so much the more to defray. This view suggests a strong argument for the separate rating of ground values, so as to secure an otherwise neglected growth, and the natural course would be to rate the ground upon an assessment, representing what might be reasonably expected to be got from it if about to be let.

A further question may be raised as to whether a different rate should be levied upon a ground value and upon a house value. If the purpose of the expenditure of the rate can be shown to have special relation to the occupiers as a class, or to the owners as a class, the amount of a rate might be especially increased in respect of one or the other, but the general case where the rate is levied to meet an indivisible charge in respect of some common want of the community requires separate examination, and this I give in the answer to Question 15, where I examine the principles of contribution as between occupiers and owners.

11. I think the answers to these questions are contained in what I have already given. If the contemplated changes (of increase, imposition, reduction, or abolition) occur during tenancy, they would, under the present law, leave the rent unaffected. On the commencement of a new tenancy or the resettlement of a tenancy, the rate, as altered, or imposed, or repealed, would become an element in the fresh bargain, and its incidence would be adjusted upon the principles already set out.

12. This question has also been dealt with in substance in previous answers. At the commencement or revision of a tenancy rents would be settled in view of the power of deduction supposed to be granted, so that the real burden of rates and the real benefit of rents would remain as before. The new power would become operative only during tenancies, when the tenant would get all the advantage its form suggested of obtaining a recoupment in whole or in part from the landlord. It may, no doubt, be urged that in such circumstances the stipulated rent on a new tenancy would be increased, so as to meet the possibility of a demand for recoupment of added rates, but I do not think

that this would be practically possible. Existing rates may be, and are, taken into account when tenancies are created, but no one can speculate, with practical effect, on the possibility of a subsequent increase or diminution of them.

13.—(a.) If this question means, as I understand it, that the occupant of a house of 50*l.* a year may be subjected to a higher rating upon his assessment than the occupier of a house of 100*l.* a year, and this latter again higher than the rate on the occupant at 20*l.* a year—if, for example, the rates in the three cases were to be two shillings, eighteen-pence, and a shilling in the pound—I do not think in the long run there would be any effect on rents. The burden would be borne by the occupier, and though occupiers might be compelled to live in smaller houses, the supply of these houses would be augmented to meet the demand, the rents being fixed by the return required by the house-builder upon his outlay. The difference of rate might shift occupiers from one class of houses to another, but the burden would still be on the occupier. If the suggestion is contemplated with regard to agricultural land the rates would fall upon the owner as in ordinary cases (see answer to Question 6), and there might be a disposition to break up large farms into smaller ones, so as to escape the loss involved through letting farms of large size.

(b.) I suppose this second part applies to a suggestion for increasing the rate where houses are used as public-houses, or perhaps on farms where farms are used as hop-gardens. Generally speaking, the effect of such an increase would be to impose an additional element of cost on the conduct of the business, be it farming or public-housekeeping, and in the case of the public-house would be ultimately borne by the customers. In the case of a farm, so far as its command of the market is limited by foreign competition, the additional burden would, like the original rate (see former answers) operate in diminution of rent.

14.—(1.) Many methods may be suggested, but few seem to deserve approval. An *octroi* furnishes a large revenue in Paris, and is a familiar incident of municipal taxation on the Continent. Examples of it, restricted to one or two commodities of general consumption, are to be found in some of our own towns. A general *octroi* involves much labour and cost of collection, is a great hindrance to trade, and, in respect of a large number of articles, the results are wholly disproportionate to the expense. A conviction of these truths led to the abolition of general *octrois* in Belgium some 30 years ago, and steps were being taken towards this same end in France before the downfall of the Second Empire. An *octroi*, limited to one or two articles, is more defensible as a means of raising an indirect tax. But it is very difficult to put such a system in operation without also impeding freedom of industry, whilst the cost of collection often tends to be excessive. In special places a revenue might be raised by taxes on the introduction of special commodities, but every suggestion of the kind requires separate examination, and the presumption must be in general against their adoption.

(2.) Special license duties, or rates at a higher degree, might be imposed in respect of particular trades operating as taxes on the persons availing themselves of the services of these trades. Where such trades refer to matters of universal consumption such indirect taxes might bring contributions to the cost of organisation of the area under contemplation from classes not easily brought under a system of direct taxation. This idea of specially taxing a special trade has for moral, rather than for financial, reasons been extended in Scandinavia to the municipalisation of public-houses with the result of securing large increase of revenue, and, it is said, reduction in the consumption of intoxicating liquors. Moral considerations are here brought in support of the financial suggestion, but with respect to the kindred proposal to tax* places of amusement the balance of moral consideration is perhaps on the whole against it.

(3.) Foreign countries afford many examples of the local imposition of taxes of the nature of assessed taxes; for example, on carriages, horses, servants, windows, &c., and there is one argument in favour of such taxes being imposed directly by a municipality as against the system of imposing them by the State, and handing over the proceeds to the municipality, namely, that the first system offers inducements to economy, inasmuch as economy might be followed by a reduction or abolition of taxes, whilst the second system provides a sum of money for local purposes, with a kind of obligation to spend it.

The taxes suggested under the above three heads are such as it might be expedient to allow local authorities to experiment upon. Such experiments, no doubt, would require to be carefully watched, especially in regard to their effect on the internal movement of persons and of commodities; and if they are to be tried they should be

instituted subject either (1) to agreement to certain conditions prescribed beforehand, or (2) in pursuance of some plan or scheme drawn up by the local authority, and submitted for approval to Parliament or some prescribed intermediate authority before being put into execution.

(4.) Funds might also be provided for local purposes by an addition to certain selected Imperial taxes of a certain per-cent-age, similar to the additional centimes which are raised in France. But it is at least doubtful whether this nominal appropriation of special surplus taxes for local purposes is not altogether misleading, and whether it would not be more honest as well as more simple to vote directly out of the consolidated fund grants for local purposes in accordance with some defined law of contribution. Beside the objection already noticed that supplies obtained in this fashion for local purposes inspire no feeling towards economy, it must be further observed that every system of assisting localities from Imperial funds brings its own crop of disputes over the fairness of the distribution as affecting special areas.

Before parting with this question the practice of the United States should be noticed, where funds for local purposes are raised by assessments on the members of a local community in proportion to the total valuation of the means of such members. A schedule is made of the property of every taxpayer similar to the valuation made here for purposes of probate, with the addition of (I believe) the amount of one year's income from any profession or trade in which the person may be engaged, and on the total so made up the local tax is assessed. This system has the advantage of being completely free from any connexion with or dependence upon Federal taxation, but it is believed to be so provocative of false and fraudulent returns that it cannot be suggested for adoption.

15. In answering this question I at first recall what I have already said as to the expediency, if not urgency, of establishing and maintaining the appropriate areas of local organisation. The town boundaries for example should be capable of easy if not automatic modification so that the area through which municipal jurisdiction should extend should correspond to what the town really is. Tests may be suggested such as the density of population by which such extension might be secured, but it would probably be enough if the function of adjusting town boundaries were removed from Parliament, and given in the simplest cases to some county authority, and in more important cases to that permanent tribunal to which it has often been suggested private Bill business should be relegated. Similarly the union of parishes or parts of parishes for poor law or other purposes should be favoured by the easiest procedure so as to secure appropriate areas. Having thus obtained the proper sphere within which to operate, the problem resolves itself to that of obtaining within that sphere a just method of contribution to the funds necessary for its purposes. Here I would repeat what I have said on the reasons for separating local from Imperial finance. The contributions from the central Government should be limited to direct payments in respect of particular services in the efficiency and uniformity of which the whole nation is interested, and should be so distributed as to secure, first, that these services are properly met, and next, that economy of administration on the part of the local authority is not endangered. I pass by as not requiring amplification what has been said as to octroi duties, tolls, and other indirect charges upon the consumers within a community, merely observing that these modes of raising revenue are often costly and are always open to the objection that their operation is obscured and rarely appreciated. There remains the question of direct taxation. In former answers I have given reasons for supposing that rates on land are ultimately born by the owner, rates assessed on the rental of houses privately occupied are borne by the occupier, except so far as this rental covers the rental of the land on which the house is built, and that rates on manufactories, shops, and business premises are charges upon the several businesses, and are ultimately borne by their customers. As such customers must often live outside the area, within which the expenditure arises for which the tax is levied, the justice of levying in this manner a contribution from outsiders is not evident, unless it can be said that the conduct of the business imposes expenditure on the community in whose area it is placed. This would happen where the cost of road making is increased through the existence of the business, but this form of justification cannot be generally advanced. Following up these remarks on existing rates, I would recall the fact that I have admitted that ground values might be separately rated, thus bringing in a subject of assessment at present neglected; and it would be strictly in agreement with the principle of such extension, to impose rates in respect of unoccupied and undeveloped land in proportion to their estimated value. Summarising direct taxation for local purposes as it exists, we have before us a levying

of rates, borne ultimately by the owners of land and occupiers of houses within the area rated, and we return to the inquiry whether both classes, owners and occupiers, should be taxed, and if so, whether on the same terms. It may be said that the occupiers form the resident community for whose use and advantage the services are maintained, the cost of which is met by rates. But it may be retorted that owners though absent in body do enjoy indirectly many of the advantages residents command, and enjoy them in a more permanent fashion. On the whole, I cannot doubt that the rating of owners can be justified as it certainly will be maintained. The question remains whether the two classes should be rated on equal terms. Here it must be remarked that whilst occupiers of houses are rated on the assessed rental of their dwellings, this is only a measure though perhaps the best measure of their taxable capacities *inter se*. But it does not exhaust these capacities, whereas the owner of land is rated *quoad* that land to the utmost measure of his capacity. Of two men, one may rent a house of 100*l.* per annum, the other may be the owner of a farm yielding 100*l.* per annum. But the disposable income of the occupier of the house may be 800*l.* or 1,000*l.* A rate, therefore, of 4*s.* in the pound would be a tax of 20 per cent. on the income of the landowner, but a tax of only 2½ per cent. or 2 per cent. on the income of the house occupier. If the problem of local taxation is to secure the same sacrifice from contributors to the cost of local administration, it is not solved by levying the same rate on owners and occupiers, and apparently the proper method would be to reduce the rate upon land to such a proportion to that upon houses as would succeed in obtaining in general what may be deemed a proper contribution from each. I refrain from naming a precise ratio.

A thought may be suggested by what has been just written on which a word may be spent. We have been talking of rates borne by owners of land and occupiers of houses; but it may be objected that owners of houses are, at least, as much interested in local administration as owners of land if not as occupiers of houses, and the question arises whether it would not be right and possible to rate house owners separately as well as house occupiers, just as we have been talking of rating separately ground values. The answer is, that any rate imposed on a house owner, unless something similar applied to all forms of ownership, would come back upon the occupier, as the owner must get his normal interest and profit on the cost of construction. But whilst this reasoning is correct, it is also true that there is a certain friction delaying and preventing the smooth and complete transmission of taxes from the person primarily paying them to the person by whom, in theory, they are ultimately borne, so that something sticks on the way; and if the occupier of a house were entitled to recover over from the owner such a proportion of rates as might be judged proper according to the principles already explained, something of this would be borne really, as well as apparently, by the owner who is thus reached.

If the views above expressed are sound, it must follow that owners of land have been disproportionately taxed to meet the cost of local administrations. The owner of land within the local area has been rated on his full income, whilst the occupier of a house has been rated according to a rental which represents a fraction of his income. This inequality has, however, existed so long that, except as regards recent additions to rates, every trace of personal hardship has disappeared from it. Owners of land have bought and sold subject to the peculiar burden attached to such ownership, and the burden is an element which comes into account in fixing rentals and therefore in fixing prices. It may be said of the traditional poor rate, that it is no more a personal charge than is the obligation to pay tithe rent. It is true that the statute of Elizabeth provided for the rating of stocks in trade according to a method which was devised to rate the incomes of traders in the same degree as the incomes of landowners, and it is sometimes urged that this liability of trade incomes is kept alive by the fact that the Act exempting them from assessment is renewed every year as a temporary measure expiring out for such renewal. This, however, is but make-believe. The rating of stock has long been impracticable, and the annually renewed suspending Act is a confession of the truth previously recognised through practical experience, and confirmed by legal decisions. However unequal the rating of landowners may have been at starting, it would be a fresh injustice to remove it altogether now. If we are to make a real settlement of the question of local rating, which cannot, in my judgment, be done without much pains, I think we should make a survey of what has in fact been contributed on the average of a sufficient number of years towards local expenditure by rates levied in respect of the occupation of agricultural land. This could, of course, be effected by commissions of inquiry, but might probably be more cheaply and expeditiously done with the aid of the statistics of rates at the command of the

Local Government Board. Anyhow the facts can be ascertained, and when we have got them, the method of subsequent action would be comparatively simple. We should have to determine what proportion the rate on the occupation of land should bear to that on the occupation of a house in order to secure justice of contribution. Suppose we determined it should be one fourth—and I name this proportion only because it is that adopted in some recent legislation—it should then be provided that three fourths of what has been ascertained to be the average rate of the past should be charged on the lands subjected to them, thus forming a permanent endowment for local purposes, whilst the rating of the future being reduced to one fourth would at the outset bring in precisely the same income as before, but would secure with respect to the future that equality of contribution of persons, which is the ideal we wish to realise. Every development of local action, every extension of local administration would then be supported by a just assessment of the persons who can be called upon to sustain the burden, whilst the revenue which has been brought in by the practice of generations, and has become a charge on land rather than a tax upon owners, would remain as a local endowment. If we had such a system established we could face changes with equanimity; we should be more at liberty to discuss proposals for a relief of those local rates which now press on manufacturing and commercial industry. If, however, further resources were desired I should regard as the best means of supplementing other revenues a transfer of the Inhabited House Duty to local authorities, making the duty so transferred a real power of taxation in their hands, which they could increase if necessary, and abate if economy made it possible. With the transfer, the form of assessing the duty should, however, be remodelled. Not merely the house, but the demesne, or policy, or whatever forms part of the amenity of the house as a residence should come into the valuation, and that process of alleviating the pressure of the duty on the occupiers of the lowest class of houses, which legislation has already sanctioned, might properly be extended to some increase of rates as valuation increased. Speaking roughly, the style of house, in its more extended definition, in which a man lives is as good a measure as can be found of his taxable capacity, and if the principle be sound in Imperial taxation that where means largely increase taxable capacity increases still more rapidly, it cannot be otherwise than sound in respect of local finance. These hints may perhaps be regarded as counsels of perfection, and, indeed, the suggestions I have made respecting our system of rating may be sufficient for the present attention of the Commission.

L. COURTNEY.

Answers by Sir Robert Giffen, K.C.B.

1. I do not think this question expresses fully what was probably meant. The question is "Is the classification of Imperial taxation indicated in the accompanying Table a correct classification; if not, what alterations can you suggest?" But a classification of taxation may be correct, that is, the definition of the classes into which taxation is divided, may be clear and precise, without the classification itself being useful? This remark applies to the classification in the table referred to. It is clear and precise, and therefore correct, but it is not in my opinion a useful classification. It divides taxation into two classes, "taxes incidental to the ownership, occupation, or transfer of property," and "taxes not incidental to property." But of what use is such a classification intended to be even if it can be carried out in detail? Taxes "incidental" to the ownership, &c. of property may vary greatly in their incidence, and that incidence may not be on "property" at all, while if they fall on "property" and not on the individuals who are the owners of the property, they would cease to be taxes in the proper sense of the word, viz., contributions by individual members of the community to the expenses of the State.

To make my meaning plainer I should like to point out that Income Tax, speaking broadly, is a fairly equal tax upon all profits and earnings above the minimum limit of the incomes to which it is applied. Whether a man has an income from property or from other sources he pays the same Income Tax, and he cannot better himself by changing from one property to another. It is therefore a tax where the incidence is upon the individual and not upon the property. Rates on real property again are for the most part—I believe, to a very large extent indeed—burdens on the

property itself, and therefore not taxation in the proper sense of the term ; in other words not contributions to the expense of the State by the individuals who bear the rates in the same way that the Income Tax is a contribution by those who bear it. To take a third illustration : Duties upon the succession to property at death are sums reserved by the State out of property which dying people leave behind them, and which are therefore not taxes upon the dying, because they are not levied till they have ceased to own the property, and not taxes upon the inheritors because they only inherit by the will and permission of the State itself. The phrase "taxes incidental to property" thus covers most various things, and the phrase is not a useful one in any question of the incidence of taxation.

The Land Tax is an Imperial tax in the nature of a rate, and is not a tax in the ordinary sense of the word.

The incidence of moderate stamps on deeds and other instruments, bills of exchange, and bankers' notes is also obviously quite different from the incidence of Income Tax, or rates, or duties on succession to property at death. These are really taxes on transactions, and their incidence is rather that of the duties which are classified as not incidental to property than that of any other part of the class to which they are assigned.

I do not suggest any alterations in the classification itself, not being aware of the precise purpose for which classification is required.

2. The second question is as to the completeness of the classification ; and then, "Are the several items correctly distributed?" The answer I have given to the first question is also to a large extent the answer to the second. The completeness of the classification depends upon the objects for which it is required.

As to the distribution of the items, I do not think there can be such distribution unless "incidental to property" is accepted in the widest sense, and not even then. If we stretch the interpretation, we might even hold that a large part of the Customs and Excise Duties are incidental to property because they are paid by owners of incomes derived from property. If we narrow the interpretation, however, then almost all the taxes included in Group 4 of the table ought to go out, as they are taxes on transactions falling equally on the community as a whole, and not on the owners of property at all. Land Tax, Death Duties, and Income Tax I have already dealt with. These "taxes" are not of a common species with each other or with the other taxes incidental to property comprised in the classification.

One other tax mentioned in the Table, "House Duty," I have not yet referred to. It is all put down as a tax incidental to property—I presume because it is incidental to the occupation of property. But "House Duty," whatever it is, is clearly not paid out of property, except in the sense that Customs and Excise Duties may be paid out of property. It may be paid by people who derive incomes from property, but it may also be paid, and is paid, by many people who derive incomes from other sources than property. It is really a consumption duty, being a duty on the consumption of houses, just as Excise and Customs are duties on the consumption of spirits, tobacco, wine, beer, &c. A portion of "House Duty," like the rates, may in certain circumstances be a burden on the property affected in the nature of a rentcharge, and, therefore, not a tax at all in the proper sense of the word ; but, so far as the house duty is a tax, it is a consumption tax, and nothing else.

A special remark must also be made on the last heading of all, viz. : Post Office "Excess of revenue over expenditure" classified with taxes not incidental to property. This item is wrong in respect that it does not include the gross revenue of the Post Office. The idea seems to be that up to the limit of what the Post Office expends the Post Office does a service to the community, for which it is repaid ; it is only in respect of what it receives, beyond that sum that the Post Office imposes taxation. But this is incorrect in theory. The postage of letters is a tax on letters—*taxe des lettres*, it is called by French economists. The same with telegrams and the other business of the Post Office. A special service is no doubt rendered to each contributor of the tax, as well as a general service to the whole community, by means of the facilities of communication always available ; but the charge is what is technically known as a tax, and the fact that a particular, as well as a general, service is rendered, does not alter the tax nature of the charge. Apart from theory it has also to be considered that the productive portion of the Post Office revenue is derived from charges where the cost is very little—from letters, for instance in the metropolitan district, or in and between great centres of population, where the cost of conveyance and delivery does not exceed, probably, one tenth of a penny per letter, and the surplus of nine tenths

is spent on other services of the Post Office on which there is a deficit. The same with telegrams. If the Government were to appropriate the surplus revenue from these productive sources to the general expenditure of the country everyone would see that real taxation is involved. The real nature of the surplus is not altered by the circumstance that it is applied specially to other Post Office expenditure (so that we never see what the surplus is), and not to the general expenditure of the State. I think, therefore, that in any statement of taxation the gross Post Office revenue ought to be included.

I am well aware of the precedent set for the present arrangement in Mr. Goschen's Report on Local Taxation in 1871, which I had some knowledge of at the time. Since that date, however, I have frequently had the matter under consideration, and I am satisfied the correct method is to classify the entire Post Office revenue as "taxation."

The items, moreover, seem to be farther defective in that miscellaneous revenue of different kinds, which is really derived from taxation, is omitted. I refer especially to the fees on legal proceedings. These fees are not merely taxes, but they are, on the whole, very bad taxes, amounting to the sale of justice by the State, and the taxes falling with unequal weight upon special classes and individuals of the community. The fees on county court proceedings are in this category. From the way the estimates and finance accounts are now framed, it would be difficult to get a complete sum of all these taxes, but an account ought certainly to be given in any complete classification of taxation. The question as to which of these taxes are incidental to property or not, would be a specially difficult one, and probably no division of the sum could be made.

This seems to be the place also to notice the distinction made in the table between rateable and non-rateable property, which is admitted to be very difficult, and which appears to me an impossible one to make. Railway stocks and debentures are personal property and non-rateable, although the *corpus* of the undertaking is partly real property and so-called rateable. How can a distinction be made between what is rateable and non-rateable here? The particular tax is "incidental" to the non-rateable part of the individual property as far as the payment of the rates is concerned, although the charge is in respect of what is called rateable. I do not see any way by which this part of the classification can be justified. There must be many similar cases.

3. This specially relates to Post Office revenue, and I have answered it in the above reply to Question 2. See also what I have said under Question 2 as to the omission of such items as "fees and stamps on legal proceedings" from the account of taxation.

4. I do not think the equity of any single tax by itself can be properly considered. It is the equity of the aggregate of taxation that should be looked at, and there can be no other test I imagine than equality of pressure by the aggregate of taxes on individual members of the community. Each person should contribute equally according to his means to the expenditure of the State. Obviously this may be arrived at by means of a tax or set of taxes pressing on some particular members and classes of the community, and other taxes and other sets pressing on other members and other classes.

The Income Tax, for instance, may be considered in idea a fair tax down to the minimum limit, but it should be compensated by taxes on the members and classes of the community whose incomes are below the Income Tax limit.

It will be found in practice, however, that there are certain sources of revenue which need not be balanced one against another. The whole of the taxes in group 4 of the classification, or nearly the whole, may be considered in this category. They are moderate taxes on transactions, and the pressure, as far as one can judge, is equal throughout; they constitute a deduction from the aggregate profits and earnings of the community, and the exact incidence need not be traced. For a different reason the same conclusion may be applied to the death duties. These duties are not properly taxes, and no individual has a right to complain of them. Could anything be more unreasonable than for a stranger in blood whose inheritance is charged 10 per cent., say, on 100,000*l.*, to complain that he pays a tax of 10,000*l.* which no one else pays? He should rather be thankful that the State permits him to inherit at all, and does not take the whole 100,000*l.* to itself. So with a tax like the Land Tax. It is in the nature of a rentcharge owned by the State, and not properly a tax in the sense that it is a contribution by the persons through whom it reaches the State towards the general expenses of government.

I am not sure but that something of the same kind could be said as to the incidence of some Customs and Excise Duties. Were these duties more general, questions would no doubt arise as to whether the real incidence was always on the consumers of the article charged—whether the effect was not sometimes to diminish the profits on business generally, and so equalise itself over the whole community. But this would involve most intricate and speculative considerations which need not be pursued farther.

I have spoken above of equal pressure upon every individual according to his means. It seems unnecessary here to raise the farther question of taxable surplus, by which a certain deduction would be made from the income of each person before the taxable surplus on which equal assessment is to be made is arrived at. It seems also unnecessary to raise the farther question of proportional taxation, according to which incomes would be taxed at a higher rate as they increase in size. The point here is merely that there is to be equality as far as individuals are concerned, however equality in detail may be considered to be established.

5. I have no special suggestions to make beyond what has already been said as implied in the above answers.

The important matter is that there is often a real incidence of taxation as distinguished from the primary incidence. This is apparent as a rule with regard to Customs and Excise Duties. The people who pay the duties to the Government are not the people who bear the burden of the tax. No such simple test can be applied, however, in the case of taxes like the Post Office Revenue or many stamp duties where the practical conclusion must be that they do not come into any balancing of taxation between different classes at all. It may also be pointed out that the mere fact that particular individuals would gain by the remission of certain taxes, such as rates, does not prove that the burden at present falls upon them.

There are also some difficult and special cases. At one time, in Italy, for instance, a tax upon milling—a grist tax as it was called—was imposed. It was assumed beforehand that such a tax would add to the price of bread to the consumer. As a matter of fact no such addition to the price of bread could be traced. What happened was that the supervision required in connexion with the levy of the tax and the additional capital required in the business had the effect of crushing out of existence the small millers, and the tax was largely, if not wholly, paid out of the profits of the big capitalists who could afford it when there was less competition. How is the real incidence of such a tax to be described?

I believe something of the same kind has been experienced in connexion with recent changes in beer and tobacco duties. Monopolists have paid the increase, or a large part of it, apparently, out of increased profits.

It is also frequently urged that generally with new or increased taxes of moderate amount, there is great friction in passing on the charge to the ultimate consumer. At first, at least, something is paid out of the profits of the trade.

Practically, the conclusion must be that, while rough approximations may be made as to the real incidence of taxation, the matter is not one for nice and exact statement in detail, when the analysis of taxation in a particular country comes to be made.

6. I have already stated my views on most of these heads. Substantially, and subject to the qualifications above stated, where they apply, my conclusions are—

- a. The Inhabited House Duty is a consumption tax like Customs and Excise Duties, and not incidental to property in the sense that it is paid out of property.
- b. Rates on house and trade premises are deductions from the property in the nature of a rentcharge; at least, old rates are; and, practically, all rates—on the assumption that local expenditure must be paid out of rates.
- c. The same as (b) with rates on agricultural land.
- d. Taxes on the transfer of property where moderate, as in England, are taxes on transactions, and are a deduction from the general profits of industry in a community. Serious taxes on the transfer of property, as in France, lower the value of all property liable to be transferred, and if new, are a charge on the owners; if old, are a deduction from the property for the benefit of the State.
- e. Taxes on trade profits, if special to a particular trade, fall upon profits generally in a country by diminishing the area of profit, and not upon the particular people in the trade. An Income Tax is different, because it falls upon everybody, whether the profits are from trade or not.
- f. Death Duties are not, strictly speaking, taxes at all, and form no part of the *equal* contribution which the inheritors should pay as members of the community towards the expenses of the State.

7. The criteria by which the purposes for which taxation should be raised locally are to be distinguished from those for which taxation should be raised by the central government appear to be two:—

- a. There should be local taxation for local improvements, such as drainage, sewerage, and embankment works, or public gardens and parks.
- b. There should be local taxation for purposes like the relief of the poor, or police or other objects of apparently State or national concern, where it is convenient and expedient that the administration should be entirely in local hands.

I believe these criteria would cover every case. Of course, there are great difficulties of application in detail. The health of a town which gains primarily by good drainage and sewerage works is indirectly the concern of the country as a whole, and so of the State. Drainage and sewerage works are thus matters for the central as well as the local government. But practically there is not much difficulty in picking out a large class of works where the locality gains primarily, and where the locality may thus properly bear the cost. Again, as regards such an object as the relief of the poor, it is easy to see that while the object is not theoretically local at all, but is the direct concern of the whole State, yet from the nature of the case the locality would not willingly part with the local administration. When this is the case the expenditure and taxation must also be local, for the simple reason that otherwise there would be no end to the expenditure.

Historically these criteria have been the criteria actually applied. Localities have taxed themselves for their own improvements because the Central Government had no money. As the improvements were much wanted, they had to be done in and by the locality, or not at all. The same with other objects more properly of national concern. Partly by the wish of the locality where the administration had to be local, and partly by pressure from the Central Government which had little money, objects of government of any kind requiring local administration were taken up by or assigned to the localities.

As time goes on one object after another ceases to be so purely local as it was, and charges are from time to time transferred from the localities to larger areas, and finally to the State, and very properly so. Provided the transfer is not too rapid, of which there may be danger, no harm is done.

8. There ought, as far as possible, to be a clear division between central and local objects of expenditure. Expenditure and taxation for local objects should *both* be local—in other words the revenue should be locally levied and locally administered. A system by which the local authority receives money in any quantity from the Central Government is full of danger. Grants from the Central Government for local purposes should be most jealously watched. The best excuse for them sometimes is that the State makes a grant in return for local conformity to some standard of excellence; but this is apt to lead to complete State management. These remarks apply to the assignment of revenues collected by the State to local authorities, as well as to grants specifically so called.

9. The division of local rates between owners and occupiers of real property is recommended for practical reasons by many authorities, but I have never been able to see the merit of it. The arrangement keeps up the illusion that the incidence of the tax is upon those who pay the money to the Government, whereas the real incidence is not affected by the question as to who pays in the first instance, owner or occupier. There may be some friction in the transfer of the burden from the occupier to the owner where the occupier pays in the first instance, but the transfer cannot but be made somehow as regards all rates existing prior to the occupancy, and, as regards rating generally, on the understanding that rating is the recognised method of defraying local expenditure. The class of occupiers count the full cost of the rates before they settle what rent they will pay to the owner.

10. The idea of the separate rating of ground values arises from a misunderstanding of the real incidence of rates. As that burden falls *ab initio* upon the ground landlord, diminishing the sum of capital or income he is able to obtain for his property, there is really no separate ground value to be assessed.

11. The increase of an old rate or the imposition of a new rate would apparently leave the owner untouched so long as a lease to an occupier who had contracted to pay all rates is in existence. But the parties who make such contracts no doubt take into account the contingency of new rates or additions to old ones, so that these are also a burden upon the property. There would be nothing inequitable in this, provided the objects of local expenditure were always such as ought fairly to be made local

according to the principles above explained. (See answer to question 7.) In the same way the reduction or abolition of a rate would make the property more valuable.

12. An occupier could not be empowered to deduct the whole or portion of a rate he has hitherto paid under agreement or custom from the owner without injustice. Contracts must in all cases be kept. If it is thought desirable for any reason to make such an arrangement regarding rates, the only equitable method of carrying it out as regards existing rates would be to add the amount of the deduction in the first instance to the rent.

A rate is not on all fours with the Income Tax, as the Income Tax is not a burden on the property, while the rates are.

13. The effect of rating property on different scales according to the value of the property would clearly be to relieve some property at the expense of others. It could have no other effect. What would be the object of such an arrangement I do not understand. The size of properties in a particular place is a mere accident. What reason can be suggested then why a particular property should pay more or less in proportion to its size I do not see. The idea seems to be borrowed by suggestion from the idea of taxing large incomes of individuals at a higher rate than small incomes, but what may be applicable to individuals with the object of arriving at equality of taxation is obviously not applicable to properties. A small property in a particular place may, in fact, be owned by someone who is a great owner of property generally and *vice versa*.

The effect of rating property on different scales of duty according to the character of the property or the purposes for which it is used would also be, of course, to subject the property not favoured to a higher charge than would otherwise fall upon it. This has been fully shown by the experience of the last Agricultural Ratings Act, but experience is not required. It is a mere question of arithmetic. If a given sum has to be raised from rateable property in a particular locality, then if certain kinds of rateable property pay less the other kinds must pay more.

I can see no grounds for distinguishing between property and property for the purposes of rating if any property is to be rated at all. What can be rated, I believe, is real property only; and all that can be done by law is to define such property precisely. All those questions as to the rating of machinery fixed and not fixed and the like which have given so much trouble to the Law Courts should be avoided by clear definition. Nothing should be rated in the nature of stock-in-trade, or anything which is not, in the strictest meaning of the word, real property.

14. I do not think very much turns on this head as all local taxes, I believe, must ultimately fall on real property. The burden of the local government of a community, if it could be placed on the individual members of the community, would lead immediately to a movement for an equivalent reduction of rent so as to place the individuals upon an equality with residents in another locality. In this way the *octroi* of a city like Paris depresses *pro tanto* the rent of the City which would be increased if there were no *octroi*.

Keeping this principle in view I should be inclined to suggest as a possible means of taxation, though it is against many ideas and prepossessions in this country, a Customs Duty or *octroi* on the admission of articles of general consumption into a locality. Such articles as coal and raw materials used in manufacture must be exempted, though even as regards these the duties, if very small, would probably add little to the cost of manufacturing, and would fall on real property in the long run. Apart from raw materials, however, articles of general consumption might well bear a small local duty in lieu of rates on real property. The incidence, for the reason already stated, would ultimately be the same; but the *octroi* would be the more easily collected.

15. No. Perhaps I should add that I disagree with the terms of the reference itself, viz., to report whether all kinds of real and personal property contribute equitably to local taxation, and if not, what alterations in the law are desirable in order to secure that result. The result is one that ought not to be aimed at. It is essential that taxation for local objects should be locally levied and administered; and as all local taxes must, in the nature of things, and as long experience has proved fall ultimately on real property, the question of taxing such property equitably or equally with personal property does not come in. The notion of taxing personal property must in fact be given up in any proper scheme of local taxation. The burden of local government must be a burden on real property; and the real

problem of local government is how to give the owners of such property adequate control of the administration without destroying the efficiency of local government itself.

POSTSCRIPT.

Since writing the above answers, I have had the opportunity of perusing Sir Edward Hamilton's able and instructive memorandum on the history of local taxation, and the proposals for dealing with it in the last fifty years, with special reference to the question of Imperial relief of local burdens. I see no necessity, however, for modifying the answers. The memorandum rather confirms my views generally. It may be useful, perhaps, to state that I had the honour of assisting Mr. Goschen in the preparation of the tables for his Report on Local Taxation in 1871, and consequently that I have been conversant for a long time with many of the problems discussed by Sir Edward Hamilton, though I have given less attention to them of late years than I did at one time. It might be useful to the Commission, I believe, to have before them a long paper in the *Economist* (8th April 1871) devoted to the discussion of Mr. Goschen's Report, which appeared shortly after that report was issued. This paper was written by Mr. Bagehot, whose authority as an economist is well known, and in it there is the best exposition I know of the nature of the hereditary burden of rates.

I have to express my full agreement with Sir Edward Hamilton in the opinion that all old taxation tends to become equally diffused over the whole community. The case of old rates, which tend to become a rentcharge on the property affected, is, however, a very special case.

R. G.

Answers by Professor Sidgwick.

Questions 1 and 2.—The classification of taxes is a question on which there is considerable difference of opinion among experts; and I agree with Sir E. Hamilton in holding that a classification appropriate to one purpose may be inappropriate to another. I propose, therefore, to consider the classification presented to me only in relation to the matter on which this Commission has to report, which I understand to be the extent to which equity is realised in our present system of local taxation, so far as property is the object taxed, and the changes (if any) desirable for the better realisation of equity.

The first question that arises is, How far and in what way is an inquiry into Imperial or national* taxation relevant? To this there seem to be three answers, one obvious and hardly controvertible, the other two more doubtful and needing some discussion.

I.—Manifestly, we ought to adopt the same general view of equity in dealing with both kinds of taxation. There is considerable diversity of opinion as to the true definition of equity in this matter; but to adopt principles for local taxation, inconsistent with those adopted for national taxation, would be palpably indefensible. If, therefore, in contemplating our system of national taxation, it clearly appears to be based on a certain view of equity, I presume that the Commission will, speaking broadly, adopt that view in considering the equity of local taxation.

II.—This connexion in respect of principles appears to me, as I have said, almost indisputable. But assuming the principles determined, is there any further connexion between their applications to the two kinds of taxation respectively?

Prima facie, it would seem that there is not; for since local taxation varies, and ought to vary, from district to district, we obviously cannot satisfactorily compensate for the overburdening of any class in the system of local taxation by lightening the burden on the same class in the national system. That is, only the *quantum* of burden common to all districts would admit of this kind of compensation; the *quantum* of burden falling only on some districts and not on others would not admit of it. We must, it would seem, treat local and national taxation as separate systems, and endeavour to make each equitable independently of the other.

But though this view seems to me incontrovertible if we are considering ideal equity, I do not think it would be practically wise to adopt it. For if we find—as

* The term "Imperial" seems to me not happily chosen to denote the taxation of the United Kingdom, in view of the current use of the term "British Empire." I have, therefore, used "National" in this sense.

I think we shall find—that either system of taxation is such as only allows at best a very rough approximation to justice, it is possible that the highest attainable degree of equity in both systems taken together will require us to compensate an inequality in the one by an opposite inequality in the other, in spite of the manifest imperfection of this mode of compensation.

I think, therefore, that it is the duty of the Commission, on both the above grounds, to form a judgment as to the equity of our system of national taxation; and that the propriety of the classification presented should accordingly be considered from this point of view.

III.—I gather it to be Sir E. Hamilton's view that there is a third kind of connexion between local and national systems of taxation, in the funds annually raised by the State for local purposes. On this point I should be inclined to take a somewhat different view; I should consider the connexion here to be primarily rather between local and national *finance*, than between local and national *taxation*.

There appear to be two distinguishable cases:—

- (a.) If the proceeds of a national tax are handed over in their entirety to be spent by local authorities, the tax must be regarded as transferred to the local system, and its burden must be taken into account, as much as the burden of any local rate, in considering the equity of the local system as a whole. The State in this case merely furnishes the machinery of collection. On the other hand—
- (b.) If a grant is made from national funds in aid of local expenditure, in view of the national interest in such expenditure, it should, I think, be considered as a contribution from the nation at large, and the equitable distribution of the taxation which it involves should be considered in relation to national as distinct from local taxation.

The two most characteristic features of the classification presented are—

- (1.) the distinction between taxes (a) incidental to ownership, occupation and transfer of property, and taxes (b) not incidental to property; and
- (2.) the further distinction under head (a) between "rateable" and "non-rateable" property.

These distinctions, carefully worked out as they are by Sir A. Milner, are certainly of value; but as they neglect the fundamentally important question as to the *shifting* of incidence, they can only aid us in the first stage of the inquiry; an entirely different division is needed before we can arrive at any conclusion on the question of equity. I need not labour this point, as it is fully admitted in Sir E. Hamilton's Memorandum. Even if we contemplate the primary incidence alone, it would seem that the "occupier" of a dwelling-house, who purchases the commodity of house accommodation for an annual rent, is in a position more analogous to that of the consumer of certain kinds of "moveable" commodities than to that of the owner of "immoveables."

Indeed the term "property" seems used rather arbitrarily, when a tax on the occupiers of dwelling houses is taken as "incidental to property" and a tax on persons keeping private carriages is not so taken.

(Some further criticism will be most conveniently given under later heads.)

Question 3.—I am quite willing to follow Sir E. Hamilton, and take net revenue as the only estimate practically available of the tax imposed through the Post Office monopoly. I do not, indeed, think that it is strictly speaking the right estimate. In estimating how much Englishmen are taxed through their payments for postal services, we ought strictly to consider not how much they pay beyond what these services cost, but how much they pay beyond what they would have to pay if the Government gave up its monopoly. That this latter principle is the right one appears, perhaps, more clearly when we consider how the burden of the tax is distributed. For there can be no doubt that it is not spread equably throughout the country; it falls on the urban element, speaking broadly, as distinct from the rural. The inhabitants of towns would get their internal correspondence done more cheaply if the monopoly were abolished. How much they would gain we can only conjecture; but it seems clear that that hypothetical gain, whatever it may amount to, corresponds to the real burden of the tax imposed through the existing governmental monopoly.

Question 4.—There cannot be said to be any universally accepted view as to the principles of equitable taxation.

I.—The principle that at first sight appears most obviously just is that each individual should pay in proportion to the services rendered to him by Government: *i.e.*, in proportion either to the *utility* to him or the *cost* to Government of the services in

question, or perhaps in accordance with some compromise between utility and cost, if the two measurements diverge. And most persons, I suppose, would accept this principle as equitable in the case of payment for services which the payer is left free to take or to leave. But then we do not call these payments "taxes," except so far as their amount is increased through the governmental monopoly, as in the case of postal services. The principle, however, seems theoretically applicable to services compulsorily received, so far as we can clearly distinguish and estimate the different amounts of service—whether measured by utility or cost—that Government renders to different individuals or classes. And some political economists have held that all taxes ought to be regarded as payments for services received, and the equity of taxation entirely determined on this principle. I think however, that it is practically inapplicable—or only applicable to a very slight extent—in the case of all the most financially important services of national government, because they cannot be thus individualised. Thus it would be hopeless to try to portion out among different classes of the community the cost of the army and navy, or of the interest on national debts incurred for warlike purposes, on the principle of payment in proportion to services rendered. And the same may be said, in the main, of the expense of the administration of justice and the police,—since Bentham's remark, that those who are under the necessity of going to law are those who benefit *least* not *most* by the administration of the law, appears to be sound. Perhaps stamp duties on instruments of transfer of property may be to some small extent regarded as a special contribution from the propertied classes to the cost of the civil administration of justice, which is preponderantly concerned with their affairs. But at any rate, for determining the equitable distribution of the burden of the main part of national taxation some other principle must be found.

II.—So far as apportionment in the ratio of service rendered is impracticable, the right principle—from the point of view of equitable distribution—seems to be that of equalising, as far as possible, the burden or sacrifice that taxation imposes on different individuals. It is sometimes thought that taxation proportioned to income would attain this result; but it can only attain it very roughly, owing partly to the great difference in the needs of different classes of persons with equal incomes, —*e.g.*, fathers of families as compared with bachelors—partly to the much greater severity of the sacrifice imposed by taxation, so far as it involves a reduction of expenditure below the standard required for health or efficiency. This leads us to the view that taxation should be proportioned not on incomes as wholes, but to superfluous incomes, *i.e.*, those portions of incomes that are not required for such expenditure as is necessary for the health or efficiency of the taxpayer himself and those dependent on him,—including needful savings. But owing to the difficulty of defining necessities—especially as both health and efficiency admit of indefinite degrees—and the complicated differences in the needs of different persons, it would be practically impossible to carry out this principle by any system of direct taxation. This leads to the plan actually adopted in England, so far as national finance is concerned, of taxing small incomes only indirectly, by taxation of consumable articles not necessary for health or efficiency. But if this plan is adopted, we cannot hope for more than a very rough approximation to equity in the distribution of the burden of taxation,—especially if, as is actually the case, the commodities selected for taxation are luxuries like alcoholic liquors and tobacco, which largely tend to be consumed in excess of what is salutary. There is an obvious expediency in selecting such commodities; but it cannot be realised without a sacrifice of equity, since persons may—and largely do—abstain from alcohol or tobacco out of regard for health or merely from taste, and not in consequence of pecuniary needs; and there is no ground for supposing that the amounts consumed by different consumers correspond at all closely to the amounts of their superfluous incomes. Indeed it is certain that the normal expenditure on such commodities absorbs an increasing amount of the consumer's income as we descend in the scale of wealth; so that the taxation of such commodities requires to be supplemented, as it is in our system, by other taxes falling exclusively on the wealthier classes, in order to attain equity as far as possible as between class and class.

And here we come to the most practically important question of principle, which has to be settled before any detailed discussion of the equity of our system of national taxation can be profitable. Are we, in balancing the over-taxation of the lower income classes through customs and excise by taxes—such as income-tax, death duties, stamp duties, &c.—which fall exclusively or more heavily on the richer classes, to aim at proportioning the total taxation to the total incomes, or to what I have called the

superfluous incomes of the different income-classes? Only a rough approximation is possible, whichever standard we take; but what should the ideal be? My own view is that the end of equalizing burdens or sacrifices would be best attained by taxation proportioned to superfluous income—*i.e.*, income in excess of expenditure required for health or economic efficiency—if only this standard could be made definite. But, considering all the difficulties in the way of doing this, I think that practically the best course is as follows:—

- (1) To treat death-duties as *sui generis*, and regard them as a special contribution from the wealthy and moderately well-to-do classes; and
- (2) As regards the rest of the burden of national taxation—except the unredeemed Land Tax, for reasons to be presently explained—to aim at an approximate apportionment of the contributions of different income classes to their total incomes; provided that all direct taxation of the poor, and all taxation of necessaries, are carefully excluded.

I treat death-duties as *sui generis*, in view of the peculiarities of their incidence, and especially of the fact that the amount of the tax rightly varies with the relationship of the deceased person to those who benefit by his death.

The unredeemed Land Tax—being the remains of a special tax on land, that has been for a century redeemable—is, I think, on the whole most fairly regarded not as a tax properly speaking, but a portion of rent reserved to the State; which cannot be taken into account in considering the equitable distribution of the burden of taxation. It is true that, so far as the land burdened with this payment has passed from hand to hand by inheritance alone, the existing owners probably still bear the burden of it in most cases, as they would probably have inherited the same land without this or any corresponding burden if the tax had not been imposed. But this statement applies equally to the heirs of those who have redeemed the tax, and, to a great extent, to the heirs of previous owners who have sold the land; so that we cannot practically take this effect into account.

Turning now to the equity of local taxation, we find that the principle of proportioning taxation to the utility or cost of governmental services—which was easily seen to be, in the main, practically inapplicable to national taxation—holds here an important place, and requires to be carefully examined. The whole theory of local taxation rests on the assumption that the inhabitants of one district have special needs of governmental expenditure distinguishable from those of the inhabitants of another; and it is possible to contend that special benefits result from such expenditure to certain classes in the district, especially if we extend the notion of “benefit” to include the performance by Government of duties held to be incumbent on these classes; indeed, *prima facie*, this contention would seem to be required to justify the existing system. But before we can decide how far it is well-founded, it is necessary to examine more closely the incidence of taxation.

(I have accordingly deferred till the concluding answer the statement of my views on the equity of local taxation.)

Question 5.—A treatise might be written—treatises have been written—on the incidence of taxation. My limits only allow me to make a few general remarks before passing to the examples specially selected.

I.—The difference between “real” and “apparent” incidence does not affect the main part of national taxation to any considerable extent,—assuming it to be “apparent” that the customs and excise duties fall on the consumers of the commodities taxed. These taxes may, indeed, be avoided by abstinence from alcohol, tobacco, &c., in which case the burden imposed by the tax consists in the inconvenience (if any) suffered by abstinence; but there is no important tendency for the burden to be transferred from those who do consume the commodities—since no important diminution in the numbers of the poorest class, through emigration, abstinence from marriage, or death of children, is to be expected in consequence of the high prices that they have to pay for alcohol, tobacco, and tea. No doubt, so far as the rise in price restricts the consumption of alcoholic liquors, it tends to cause some loss to the owners of agricultural land, which ought not to be overlooked in considering broadly the burdens laid on agriculture; but we cannot infer from this that the consumer is not burdened to the full amount of the tax, as taxes on commodities ordinarily cost the consumers more than they bring in to the State. Again, an income tax laid equally on incomes from different sources, with exemptions and reductions for smaller incomes, has no tendency to be transferred. The same may be said, speaking broadly, of the present system of death duties, except so far as they may tend to

diminish the accumulation of capital, and so cause a rise—or prevent a fall—in the rate of interest.

But of these duties, as well as the Inhabited House Duty and the Stamp Duties, I shall have to speak in answering Question 6.

II.—The incidence of a tax imposed on a particular class of persons (including owners of a particular kind of property) cannot be properly considered out of relation to the whole system of taxation, as it will be entirely different according as the tax in question is or is not compensated by other taxes imposed on other classes. Thus, a tax on farmers' profits, if it stood alone, would tend to be transferred through industrial competition to other classes of the community; but standing as a part of a fairly adjusted general income tax, it has no such tendency.

III.—There is in most cases some difference between the incidence of a tax when first laid on and its incidence at a later period; but the amount of difference varies very much in different cases. Thus a tax on any kind of consumable commodity, when first laid on, falls to some extent on the sellers and producers of the commodity, so far as the rise in price causes a contraction of the demand; but the amount of this effect varies greatly with the commodity selected, owing to the great difference in the extensibility of the demands for different commodities.

IV.—Speaking generally the burden of any *uncompensated* tax imposed upon a particular class of producers tends ultimately, through industrial competition, to be no longer borne by this class,—assuming the class to continue to exist. But it does not necessarily tend to be transferred wholly or even mainly to the consumers of the products in question. The effect of the tax will be to diminish, rapidly or slowly, the amount of capital employed in this branch of production, and therefore the amount of products; but if similar products, or satisfactory substitutes for them, can be obtained from other sources, the rise in price resulting from the diminution of the supply may be small compared with the tax. In this case the ultimate effect of the tax will be largely to cut off the portion of the production carried on under least favourable conditions,—a process usually involving the destruction or depreciation of a certain amount of the capital invested in the business, and tending to cause some loss to the owners of land, mines, &c., so far as the demand for their products is thereby diminished.

V.—It is convenient to follow the Germans in distinguishing between "forward-shifting" of the incidence of taxation from seller to buyer and "backward-shifting" from buyer to seller. "Forward-shifting" is sometimes—as in the case of customs and excise duties—clearly designed when the tax is imposed; and I have accordingly taken it to be "apparent" in this case. Of "backward-shifting" I do not think that this can ever be said.

Question 6.—PRELIMINARY REMARK.

In the following discussion I shall use the word "old" tax to mean "a tax that has lasted for a period sufficiently long for the cessation of the effects of its first imposition, so far as industrial competition tends to do away with those effects."

(a.)—Inhabited House Tax.

A new tax on inhabited houses, proportioned to their annual value, tends to cause men to be content with less house accommodation; and so far as this cause operates, a part of the burden of the tax must fall on the owners of houses, and some part also on house builders, for whose services the demand is reduced; moreover, as the reduction in the demand for building diminishes the demand for land suitable for building, a slight share of the loss will be handed on to the owners of such land.

When the tax has become old, it may be assumed that no part of it is borne by builders as such, or by the owners of houses so far as they are products of the building industry. The rent paid for a house must be sufficient, speaking broadly, to allow the builder of new houses as much profit as he would have had if the tax had not been imposed; and this rise in the value of new houses must be accompanied by a corresponding rise in the value of old houses, at any rate in all localities in which there is effective competition going on between new houses and old. In localities where the demand for houses is so slack that it is not worth while to build, the burden of the tax will remain partly on the owners of houses so far as the demand for them is strictly local.

Putting aside this exceptional case, we may conclude that the portion of the tax that corresponds to the value of the house as a product of industry must be paid by the

consumer *i.e.*, occupier, (except so far as he is a producer who can shift it forward, a point to be hereafter considered). And in rural districts, where the value of the ground for house building does not materially exceed its value for agricultural purposes, this statement applies to the whole tax. But so far as the ground value exceeds the value of agricultural land, the portion of the tax corresponding to this excess of ground value will fall on the owner of the ground,—assuming for simplicity that the house is not held on lease, but on yearly tenure. He has no means of escaping it by raising his rent, so far as this is competitively determined, since it must be assumed to be already as high as the demand for houses will allow, and the tax can have no tendency to increase the demand. Nay, further, as the tax must be assumed permanently to reduce in some degree the demand for houses, the owners of urban land as a class must even lose a little more than the portion of the tax corresponding to the excess of the ground values over agricultural values, since they lose the additional rise in ground values that would have taken place if the demand for houses had not been reduced. But this loss we may neglect.

It remains to consider how far the occupier can shift his burden forward as producer, trader, or professional man, on to the consumers of his products or services. This, however, will be more conveniently considered under head (e), since that part of the tax which corresponds to the value of the portion of the house needed for productive purposes may be taken to fall primarily on producers' profits. So far as the occupier is the ultimate consumer, no such shifting is possible; the portion of the tax falling on him must be regarded as paid out of his income.

So far I have ignored, for simplicity, the case of leasehold tenure. But the complication introduced by a lease presents no real difficulty. If the lease is more recent than the tax, it does not affect the normal incidence of the latter, as the occupier must be assumed to have taken it into account in making his bargain with the landlord; if, on the other hand, a tax (unforeseen) is imposed after the lease has been taken, the portion of it that would otherwise have fallen on the owner of the ground will be borne by the holder of the lease until its termination.

(b.) The case of a rate or local tax, proportioned to the annual value* of an inhabited house, would be obviously similar to that of a national tax on inhabited houses, if it were uniform over the whole country. The special question, therefore, to be considered under this head is the real incidence of the *differential* element of the higher rates levied in certain localities. I will for simplicity first assume that the rate is *old*, and consider only its incidence in the case of houses of which the letting is more recent than the rate, so that the rate may be assumed to have been known to the occupier when he took the house. In this case it seems clear that the whole burden of the differential rate, so far as it is onerous, must fall on the owner of the ground value, provided that in spite of this burden the land remains still more valuable for the purpose of house building than for any other purpose. I say, "so far as it is *onerous*," because so far as its proceeds are expended in increasing the utility and value of the house the payment of it need not be regarded as a burden at all, unless it is imposed on persons who do not enjoy the resulting advantages, or do not enjoy them to an adequate extent. But so far as the differential rate is really onerous, its imposition cannot in any way increase the demand for the house, and therefore cannot enable the owner to exact a higher rent than he would have exacted if it had not been imposed. The differential rate is in short to be simply subtracted from the price of the differential advantages of situation for which the tenant pays; the owner must be assumed in any case to make the most of these advantages in fixing the rent, so that if the differential rate were removed, as the advantages would remain unaltered, he would simply increase the rent to a corresponding extent.

Of course the case is different with a new rate, which, so far as it affects the occupiers of houses held on lease, obviously cannot be shifted back on to the owners of the land until the termination of the lease. In fact the leaseholder may be regarded as having purchased the annual value of the ground for a certain time at a certain price, and therefore must, of course, bear during this period the burden of a new tax falling on ground values. Even when the tenure is only from year to year, it is not unlikely that a differential rate or increment of rate imposed since the occupation commenced may be borne by the occupier, from a dislike of the trouble and expense of moving, although the owner would not have attempted to raise the rent if the rate had not been imposed; but so far as we suppose both parties to act with alert regard to their interest, a house let after a differential rate has been imposed must be assumed

* I omit for simplicity any consideration of the difference of assessment in the case of the house tax and the local rates respectively.

to be let on terms which throw the whole burden of the rate on the owner of the ground value.

Hence the prevalent belief, that the extra burden of the high rates of London and other towns really falls in the main on the occupiers of houses as such, would seem to be not well-founded, except on the supposition that the persons in question do not adequately look after their pecuniary interest. I am not acquainted with the evidence on which this supposition is based.

(Some further discussion of this question will be given in answering question 9.)

(c.) I shall assume the principle, that a tax laid on a special class of producers will in the long run be shifted from them by industrial competition, to be applicable to agriculture. No doubt here the stability of rural habits of thought and economic action is likely to prolong the process of shifting, and the period required for a tax to become "old" in the sense before defined. Still, it may be assumed, that the burden of a rate sufficiently old on agricultural land is not borne by the farmers. It must, therefore, be borne by the owners of land,—at least if we assume for simplicity that the land has not been exchanged for non-rateable property during the period in question*—except so far as any restriction of the area of cultivation that the rate has caused may have thrown some part of the burden on the purchasers of agricultural products by raising their price. The restriction may take place either through the abandonment of the cultivation of land previously cultivated, or through the non-extension of cultivation to land that would otherwise have been cultivated. It is obvious that a smaller burden of taxation will be required to produce the latter effect; but in the depressed condition in which agriculture has been in England for twenty years, it is the former effect that has chiefly to be considered. In any case the effect on price of the restriction of area thus caused cannot be considerable in the present state of trade, so that the main burden of an old rate may be assumed to rest on the owners of land.

It is assumed in the above argument that the rents paid by farmers are competition rents. I believe this assumption to be near the truth in England at the present time.

(d.) Taxes on transfer of property are, in respect of their incidence, chiefly of two kinds. So far as the transfers taxed are normal incidents in the management of accumulated wealth or income, the burden of them remains on the owners of property, so long as they do not fall with serious inequality on different kinds of property, and are kept so low as not materially to impede the transfers in question. If they are so high as to impede transfer, they tend to cause some diffused loss to the community at large by preventing productive wealth from getting into the hands best qualified to use it. Otherwise any such tax may be regarded as a kind of supplementary income tax weighting the burden thrown on the higher income-classes. On the other hand, so far as these taxes fall on particular classes of traders, such as bankers, specially concerned in the movement of property, the burden of them, as of other taxes on special branches of industry, tends to be shifted forward by industrial competition, through the supply of the services of the traders in question being rendered less abundant and cheap.

(e.) Taxation of trade profits has no tendency to be shifted so far as it is merely a part of an equably distributed taxation of incomes; but the burden of any special taxation of traders, not balanced by a corresponding taxation of other classes, tends when the taxation is old to be partially diffused through the community, through the effect of this industrial disadvantage in diminishing the abundance and cheapness of traders' services. And some effect of this kind must be assumed to be produced by the tax on shops, &c., included in the Inhabited House Duty, the degree in which it is produced varying with the proportion borne by the tax to the whole expenses and profits of the business. But owing to the large range of business on which the tax falls, its effect cannot be expected to be distinctly traceable.

(f.) Death duties are a quite unique case in the theory of the incidence of taxation no less than in the theory of its equity. For in this case even the primary incidence is not clear. When property is taken in *transitu* from the dead to the living, the burden of loss may be borne according to circumstances (1) by the heirs or legatees who receive the remainder; or (2) by persons who do not receive legacies which would otherwise have been left them; or (3) it may have been borne by the deceased proprietors, who may have been induced to earn or save more than they would otherwise have done, in order that the benefit enjoyed by their heirs or legatees may not be diminished by the tax. We have no means of ascertaining the precise proportion

* The effect of such exchanges will be considered in my concluding remarks.

in which these three effects are produced ; but, considering the ordinary balance of human motives, and the normal transit of property from parents to children, we may assume that by far the larger part of the loss falls on the recipients of the property.

In any case, this taxation falls on owners of capital as a class, and can only be "shifted" from this class so far as it causes a diminution of the supply of capital tending to compensate the class of capital-owners through a rise in the rate of interest.

Here, again, we have to consider the effect of the prospect of the duties on the actions of the deceased proprietors during life, as well as the effect of the actual taxation on the recipients of the property. As regards the former, I think that any definite estimate would require a greater knowledge than we possess of the relative force of different motives that prompt men to save, especially as saving largely depends on varying habits and customs of expenditure and of provision for children. But as regards the effect on the recipients, it can hardly be doubted that, if the 14,000,000*l.* taken annually by the State through death duties had been allowed to pass to heirs and legatees, by far the larger part of it would have been treated as capital; while if any other 14,000,000*l.* of taxation were remitted, there is no reason to think that the part of this that would be saved would bear a much larger ratio to the whole than the aggregate annual savings of Englishmen actually bear to their aggregate incomes. I conclude, therefore, that a diminution in the capital annually saved does tend to result from these duties ; and that in consequence a slight tendency to raise the rate of interest, and thereby compensate for a portion of the burden laid by the duties on the owners of capital, may reasonably be assumed ; but I do not consider this effect practically important, in view of the total amount of capital annually accumulated.

Questions 7 and 8.—The primary reason for local taxation is that the needs of certain kinds of governmental action involving considerable expenditure vary considerably, both in nature and extent, in different districts, and that consequently the benefits derived from the expenditure in question accrue mainly to the inhabitants of these districts. I say "mainly" and not "exclusively," because the separation of interests is never complete. Thus, the cost of paving and lighting the streets of a town mainly benefits the inhabitants of the town, but also in a minor degree other persons who visit it as travellers or reside in it temporarily. Similarly, the sanitary state of any district is a matter of serious concern to its neighbours, owing to the tendency of many diseases to spread ; but it is, of course, of much more importance to the group of persons inhabiting the district than to other persons. In either of these cases the preponderance of local interest is so decisive that no objection on the score of equity can be brought against the localisation of cost, especially as the prevention of the diffused mischief caused to outsiders by becoming a focus of infectious disease may be fairly regarded as a part of the general negative duty of not harming others, which every individual or group of individuals owes to other individuals and groups.

But in other cases the separation of interests is far more doubtful and varying, and the consideration of the benefits accruing from the action of Government points rather to the division of cost between central and local taxation. Before entering on these, I should point out that the questions of local taxation and local administration are closely connected—if we assume the general acceptance of the principle of modern responsible government, that governmental work will be better performed if the persons whom it is designed to benefit, and who have to pay for it, are allowed effective control over it, through periodical election of the governing body. This connexion is important in the case of the police, where the distinction of local and national interests is peculiarly difficult to apply. The persons residing in any district have obviously a special interest in the repression and detection of crime within the district : still, it is also a matter of great concern to the whole community that no district should harbour law-breakers or allow facilities for their operations. And since the laws enforced by the police are in the main laid down by the central legislature, a purely local organisation of the police involves a danger that some locally unpopular law may be inadequately enforced. This constitutes a reason, political rather than economical, why a large part of the cost of the police should be paid from national funds, in order that the central government may more easily assume control of it in case of necessity.

In the matter of poor relief again, the principle we are applying leads to a mixed and dubious result. So far as destitution leads to crime, it is the interest of the self-supporting inhabitants of any district to relieve the paupers ; but this is only a small part of the reason for treating the relief of indigence as a public duty. Again, it is sometimes contended, in defence of rates on agricultural land, that every industry ought to support its workers, and that if any industry affords such low wages that

the workers cannot provide by saving for old age and infirmity, the burden of such provision, or at any rate a special share of it, may properly be borne by the landowners and capitalists engaged in the industry. But this view of social duty leads rather to some form of compulsory insurance than to the English system of poor relief; and, at any rate, the principle cannot be fairly applied to agriculture alone: nor could it be made to cover the whole case. It is obviously inapplicable to the pauperism that arises from want of employment, and to the provision for imbeciles and lunatics. Again, if as a substitute for, or supplement to, this contention, the simple tie of neighbourhood is urged, it may fairly be replied that, considering the actual mobility of labour and the present state of law and practice as regards the removal of paupers, this argument is now to an important extent no longer applicable. On the whole, equity seems clearly in favour of the division of the cost of poor relief between local and national funds, in such a country as England,—especially as the administration in this department is properly shared between local and central authorities.

A similar conclusion might be similarly defended in the case of elementary education, only here the question is complicated by denominational considerations.

The form of the contribution of the central government, supposing it to contribute, presents some difficulty. Thus, in the case of poor relief, a simple grant in aid proportioned to expenditure is objectionable on economic grounds, since experience shows that there is a tendency for local authorities to be over lavish, at any rate as regards out relief, and this would be increased if a portion of every increment of expenditure were borne by the nation. This objection is avoided if the grant is proportioned to the population or to the average of past expenditure; but either proportionment may differ materially from proportionment to needs. The best course, so far as it is applicable, is to take special departments of poor relief, in which the economic advantages of local administration are not material—such as the provision for lunatics and idiots—and defray the whole expense from national funds.

Questions 9 and 10.—On the view that I have given in answer 6 of the incidence of rates, the shifting of their primary incidence from occupier to owner would not produce economic effects of great importance on the whole,* except on the assumption that owners are decidedly more, or decidedly less, alert and keen than occupiers, in looking after their economic interests. For, as we saw, an old differential rate must, if both owner and occupier look after their respective interests with equal keenness and foresight, cause a corresponding reduction in rent, at any rate so far as it is a really onerous rate, whether it is actually paid by owner or occupier. And this is also the case with a new rate of the same kind, so far as we suppose it capable of being foreseen equally by both. At the same time, if we assume, as appears to be widely assumed, that there is a prospect of a future increase of onerous rates, similar to what has occurred in the recent past, at once sufficiently definite to be made a ground of legislative action and yet not definite enough to be taken into account in private bargaining, and if we are prepared to acquiesce in this increase, there are undoubtedly reasons for imposing a portion of this increment of taxation upon owners of ground values, so far as this can be done without serious disturbance of existing contracts.

(Question 9.)—In the case of a rate clearly “beneficial” to the occupiers of houses or farms, the considerations are different. So far as the proceeds of the rate are used to defray current expenditure of a kind immediately beneficial, the occupier simply pays for value received, and the result is approximately the same even when the rate has to be paid before the benefit, so long as it is not materially altered from year to year, since the benefit derived from antecedent expenditure roughly balances the rate paid for subsequent benefit. But when a temporary rise in the rate occurs, from the need of outlay of which the benefit will last beyond the period during which the extra taxation is paid, it is no doubt possible for the occupier to pay for a benefit from which the owner will gain in the form of increased rent. Especially in towns this is liable to occur in important cases, and it is most likely that this effect will be believed to occur much more widely than it does occur. Apart, therefore, from political objections it would, I think, be advantageous—to some extent for the sake of justice but more to prevent discontent—that any future increase in the beneficial part of the rate, so far as it cannot be provided against by special assessments, should be divided between owner and occupier in the manner suggested by Mr. Goschen in 1870. But if this were done, justice would require us to give owners as such representation on local taxing

* Of course owners would lose something; as in all cases of non-payment or deferred payment of rent, they would lose by the addition of the rate to the rent. This is specially important in the case of low-priced tenements; but so far as these are concerned, it is already provided for in arrangements for compounding.

bodies, and this would introduce what I suppose would now be an unpopular complication into the machinery of local government.

I think, however, that the end in view would be better attained by the method of taxing ground values, supposing the technical difficulties in the way of carrying this out justly were overcome.

(Question 10.)—Taxation of ground values might be used, like the division of rates between owner and occupier, to prevent the burden of an increase of rates caused by improvements from falling on persons who do not receive the benefits. It might, I think, be applied with advantage in the special case of new loans for urban improvements; it would tend to secure an equal division of the cost of the improvements between ground landlord and leaseholder, and would prevent any transient burdening of what I may call the "occupiers pure and simple"—the occupiers on a yearly or shorter tenure—through their ignorance, or dislike of the trouble and expense of removal. In order to be just, this method, like the simpler and ruder plan of division between occupier and owner, would require a representation of ground landlords on the administrative body that decided on the improvement. It would not, of course, realise anything like ideal justice, even if supplemented by special assessments or "betterment," owing to the indefinitely varying degrees of benefit that different landowners (or leaseholders) would derive from any particular improvement; but it would, I think, be more equitable than the existing system, and would tend to allay discontent.

The case is not so clear as regards any increase in the rates that are merely onerous to the owners of houses or lands. On the one hand, the "unearned increment" of urban values seems to me a proper object of special taxation, so far as this taxation is traditional and established. On the other hand, it would be obviously inequitable to tax the owner of ground values, for the purpose of poor relief or education, more highly than the owner of any other kind of property, in districts or parts of districts in which these values are stationary or diminishing.

But the question ought not, in my opinion, to be a practical one; since I think that we ought to prevent any such increase by throwing some part of the burden of poor relief on the national budget. No doubt the advantage of this change, if effected, would partly accrue to the ground landlord; but I think that if the burden of new improvements were partly thrown on him, as above proposed, the gain through diminution in onerous rates would be a not inequitable compensation to him, while both changes alike would tend to allay the discontent now felt by ratepaying occupiers.

I will only add that any taxation of ground values, as such, beyond what is above proposed, appears to me to involve a too violent interference with the effects of contracts freely made between leaseholder and ground landlord.

Question 11.—This has, perhaps, been sufficiently answered under Question 6; since the effects of the reduction or abolition of a rate are, speaking broadly, similar in nature and opposite in direction to the effects of the imposition of new rate, or new increment of rate.

Question 12.—Of course if the occupier, being a leaseholder, had undertaken to pay the rate, and were allowed to deduct it from the rent, which the landlord was not allowed to increase, he would gain the whole rate during the period of the lease. But this cannot be contemplated. On the other hand, if the land or house is let from year to year, I do not see how the occupier can gain by the power of deduction,—except on the assumption that by a strange want of foresight he does not adequately take the rate into account in bargaining about the rent,—unless the rate varies materially from year to year. So far as it varies in a manner unforeseen, the economic occupier will gain by the power of deduction when the rate is higher than was foreseen and lose when it is lower. If custom prevents the rent from being annually changed, he will gain if the rate is on the average higher than was foreseen during the time for which the rent remains unchanged, and lose if it is on the average lower. A similar result will obviously take place in the case of leases made after the empowering Act is passed.

Question 13.—(a) There would be no effect produced on rent by a graduated scale of rating, graduated according to value, provided it could be proportioned to what is sometimes called "pure economic" or "Ricardian" rent; i.e., provided that the element of value due to the investment by the landlord of capital in the land, or in any way that increases the utility of the land, could be exempted from its operations. In the case of land in towns, this separation of elements would be adequately attained by a well adjusted taxation of ground values; and in this case taxation of ground values on a graduated scale would have no tendency *in itself* to affect the rent; i.e., it would simply take for public purposes the portion of the rent designed to be taken and leave the rest unaltered.

But in the case of agricultural land this separation would be practically impossible ; and if it were not attempted the graduated scale of rating would increase the effect, which the rate in any case has, of diminishing the inducement to invest capital in land ; and this would indirectly affect both the amount of rent in the ordinary sense and "pure economic" rent.

(b.) In considering the effect upon rent of a scale of rates varying with the character of the property or the purpose for which it is used, I presume that the "character" in question is to be supposed capable of being attached to or withdrawn from property to a material extent by human labour; i.e., it is exemplified by the difference between dwelling houses and shops, or farms and pleasure grounds, and not by the difference between hills and valleys.

If so, we have to distinguish two cases.

(1) So far as the character or purpose is not changed in consequence of the unequal rating, this tends to affect the rent of different kinds of property unequally, to an extent corresponding to the inequality of the rate.

But (2) the inequality must be assumed to have some tendency—which may, of course, in particular cases be practically insignificant—to change the relative amounts of the unequally rated kinds of property, increasing the under-rated, and decreasing the over-rated, and so far as this change takes place, the first-mentioned effect on rents will be partly counteracted.

Question 14.—The chief suggestion that appears to me acceptable is one that is already familiar to all who have studied the question, viz., to hand over the Inhabited House Duty to local purposes, supplying its place by an addition to the income tax. It is a drawback of our system of local taxation, that it tends to raise the price of house accommodation ; and if this drawback has—as I think—to be endured owing to the difficulty of finding taxes suitable for local purposes, it is undesirable that there should be any tax on houses in the system of national taxation. Moreover, the Inhabited House Duty as at present adjusted is well adapted by its exemptions to reductions to compensate somewhat for the inequality with which the rate falling on houses presses on the poorer classes, who spend on the average a larger proportion of their income on house accommodation than the higher income classes do ;—supposing that such compensation is judged to be equitable, when everything is taken into account.

For the reason given in my answer to Question 10 I should propose to accompany this by direct taxation of ground values to meet expenditure on improvements.

It also seems to me incontrovertible that the principle of "special assessments" or "betterment" should be applied in the case of improvements, with reasonable safeguards.

Concluding remarks.—I will now return to the question (4), as to the equities of local taxation. I shall confine my remarks to considerations of equity ; but it should be observed that, in considering the economic effects of taxes, we have to allow weight to *productional* as well as *distributional* consequences, and sometimes to allow more weight to the former.

For clearness, it is convenient to treat separately the cases of (1) urban and (2) rural rates, and also to distinguish, as far as is possible, (a) beneficial from (b) onerous rates.

(1a.) Taxation imposed to meet expenditure that makes houses healthier, streets more fit for their use, and generally residence in the town more agreeable, seems to be properly thrown entirely on owners or occupiers of the buildings in the town. So far as the taxation is required to meet current expenditure, it is properly imposed on the occupiers ; so far as it is required for improvements (including sanitary improvements) of a durable kind, in which a considerable outlay is required for utilities lasting through a long subsequent period, I think that the best approximation to equity would be attained by direct taxation of ground values. I think, however, that this principle should be only applied to new improvements ; and I consider that its practical importance relates chiefly to the division of cost between leaseholders and ground landlords, and only in a slight degree to the division as between owners of ground values and occupiers as such ; since I hold, as before explained, that the excess of urban over rural rates in any case falls in the main on owners of ground values.

The proportionment of the beneficial rates to the annual value of the house seems to me tolerably equitable so far as owners of ground values are concerned. The question is more difficult so far as occupiers are concerned. As I have said, the portion of the rate that corresponds to the value of the building falls more heavily on the poor in proportion to their income, as house accommodation forms a larger share of their expenditure ; on the other hand, the poor man derives advantages either proportional to

his payments or in a higher ratio, from an important part of the expenditure in question (e.g., sanitation, public lighting, burial grounds, open spaces). Further, in considering the matter for practical purposes we have to take into account the benefits accruing to the poor from local taxation that is merely onerous to the rich.

(1b.) By "onerous" rates I mean taxation to defray expenditure of which the benefit (if any) which accrues to the individual taxpayer is, generally speaking, so vague and indirect that the principle of proportioning payment to benefit is inapplicable;—as we have seen it to be as regards the greater part of national taxation. Poor relief, education, and police are the most important items that come under this head in our local system—so far at least as the higher income classes are concerned. Of the two former kinds of expenditure it may no doubt be said that, though onerous to the rich, they are clearly beneficial to the poor. But it would be altogether contrary to the design of the English Poor Law that the self supporting poor should pay more highly than the richer classes for the relief of indigence. And a similar view is now generally accepted as regards elementary education so far as its expense is defrayed from national funds; that is, it is regarded as expenditure for the benefit of society as a whole, of which the burden should be equitably distributed without regard to benefit. I do not, however, think that the same view ought therefore to be taken in dealing with local taxation, since it is implied in the general idea of this taxation that special contributions may properly be exacted from sections of the community, to meet expenditure for their sectional benefit; and the principle of proportionment of payment to benefit is usually taken as a matter of course in dealing with expenditure for the benefit of owners or occupiers of houses and lands as such. I conclude, therefore, that in considering the equitable distribution of the burden of urban taxation, we may reasonably take into account the special benefit accruing to the poor from the expenditure on elementary education.

But in entering upon this consideration, we are met with a question which attracted only slight attention in dealing with national taxation, because it was then only of minor importance and not difficult to answer;—the question how far payments exacted from owners of ground values should be regarded as strictly taxation, and not rather as a portion of rent reserved for public use, which is not to be taken into account in arranging the equitable distribution of the burden of taxation proper. It seemed to me that this was the right view to take of the unredeemed Land Tax; but the case of rates is different, since the amount of the rate is not fixed and there has been no redemption. Still, considering the antiquity of this burden, the number of sales and purchases of land that have taken place since it was imposed, and the fact that, speaking broadly, urban ground values have increased *pari passu* with the increase in urban rates and from the same causes, I think that there is no reason to relieve the owners of urban ground values from the share that they have hitherto borne in providing for local public expenditure of an onerous kind. I shall therefore leave this share out of account in considering the equitable distribution of the remaining burden.

If the view that I have taken (in the answer to Question 4) of the equities of national taxation be applied to local taxation, we should endeavour to proportion this burden as far as possible to income;—except that, in the national system the death duties, varying on a quite peculiar ground, were treated as a special extra contribution from the wealthier classes. However, the contribution from the owners of ground values occupies a similar position, though financially more important, in the local system, which leaves us with the simple principle of "taxation proportioned to income" for the remaining burden of onerous rates. In the national system, however, this principle is only accepted with the important proviso that taxation is not to be thrown on necessities of life. It is impossible, I think, to apply this proviso to local taxation, so far as it falls on dwelling-houses*, and this seems to me an equitable ground for lightening the burden of onerous rates on the poor in the local system. In considering this burden, we have to take into account not only that part of the onerous rate that falls on the occupiers of dwelling-houses, but also the burden of the excise licences handed over to the local system in 1888; and in both cases the burden practically falls more heavily on the incomes of the poor, although in the case of the excise licences it is an avoidable burden. If, however, we take beneficial as well as onerous rates into account, and allow for the special benefit derived by the poor from certain parts of the expenditure, of which the educational expenditure is the most important item, it is not clear to me that the poor actually bear an undue share of the burden of urban

* So far as the rate is charged on buildings that are used solely for industrial purposes, or buildings larger and more costly because they are in part so used, its burden tends, as has been explained, to be more or less vaguely diffused through the community.

taxation, according to the principles above adopted. But I have not the data for anything like an accurate estimate of the proportion paid by them; and in any case, from the nature of the considerations involved, only a very rough approximation to ideal equity would in this matter be possible.

There remains an inequality as between the large incomes and the moderate incomes among urban occupiers of houses; since house rent, speaking broadly, absorbs a larger proportion of the latter than of the former. This is roughly compensated, so far as a portion of the proceeds of the death duties which press with unequal weight on the larger incomes is handed over to the local system, in accordance with the principle adopted in 1888.

(2.) Much of what has been above said of urban rates obviously applies to rural rates also, so far as they fall on dwelling houses and gardens cultivated for pleasure, only that the considerations which have to be estimated in any attempt to equalize the burden of rates as between different income classes are different in the country. For, on the one hand, elementary education is mostly provided by religious denominations; on the other hand, the price at which house accommodation is provided for the poor is largely determined on strictly economic grounds. But the most important question that meets us when we turn from urban to rural rates relates to the burden that falls on agricultural land. If the view that I have taken in answering Question (6) is sound, we may, without material error, regard the burden of an *old* rate on agricultural land as actually falling on the owners of the land—apart from the question of exchanges between rateable and non-rateable property.

We have to ask, then, Is this incidence of the burden in accordance with equity? *Prima facie*, it is certainly not so. No one would think of imposing the whole of this special burden on land, if it were a question of new taxation at the present time. Some part of the expenditure on highways and police might in this case be properly thrown on agricultural land; but with important parts of the "beneficial" expenditure—e.g., all that is spent on sanitation—agricultural land has no concern. As regards poor relief, granting that there is something to be said for throwing on the capitalists concerned in any branch of industry a part of the burden of poor relief required for workers in that branch, it is not equitable to apply this principle to agriculture alone; and, as I have before said, there is an important part of necessary poor relief which this principle cannot fairly be stretched to cover.

I conclude, therefore, that the existing burdens on agricultural land can only be defended on a ground that I have so far excluded from consideration: viz., on the view that the antiquity of the burden, and the number of transfers that have taken place since it was imposed, renders it reasonable now to regard it—like the unredeemed Land Tax—rather as a portion of rent reserved for public purposes than as a tax, strictly speaking.

I myself think that this view might reasonably be taken, if the system of local taxation could be properly considered apart from the system of national taxation; or if in the latter the balance had been kept even between the taxation of land and the taxation of other property, during the long period through which a special burden has been laid on land in the local system. For then it might be fairly argued that during this long period many landed estates have been purchased by persons who have accumulated wealth in trade and manufacture: that in any such purchase the special taxation imposed on land must have been taken into account: that, therefore, after any such exchange has taken place, the burden of the special taxation is not really borne by the owner who has acquired it through purchase, although he pays the rate. It is, in fact, borne by the seller who has got a smaller price for the land than he would otherwise have got: for the new owner the rate is merely a portion of the annual value of the land that he is required to pay over for purposes of local government, a portion for which he has never paid, and to which, therefore he has no equitable claim.

This reasoning appears to me sound, on the assumptions above stated, although it might still be argued that this special burden on agricultural land is inexpedient from its depressing effect on agricultural industry; and that the recent fall in the annual value of land, consequent on the cheapness of agricultural products caused by free importation, affords a good opportunity for at least reducing the burden. But the assumptions required for the validity of the argument above given are really unwarrantable. For the purchaser contemplated in this argument cannot be supposed to have fixed his attention exclusively on the *local* burdens on land, as if this were the only effect on the value of land due to the action of Government; he must be supposed, in estimating the value of the commodity, to have taken into account any exemptions that it enjoyed in the system of national taxation, and any advantages accruing to it

from the established principles of our national policy. Now, during the most important part of the period that we have to consider down to 1846, the owners of agricultural land had the advantage of protective duties on agricultural products; and it was certainly as much a settled principle of our policy to prohibit or impede the importation of grain when the price was below a certain figure as it was to throw the burdens of local taxation on real property. I think that the abandonment of this principle in 1846 gave the owners of agricultural land an equitable claim to be relieved from such part of the special burden of local taxation as it would have been inequitable to impose on them if the system of local taxation had then been arranged *de novo*; and that the interval of time that has elapsed since 1846 is not sufficient to impair materially the force of this claim, especially since the tendency of free trade to lower the value of agricultural land has only been gradually realised.

We have also to take note of the advantage attached to the possession of real property in the way of exemption from death duties up to 1853, and, in a less degree, up to 1894. This was not indeed peculiar to agricultural land, but it comes into consideration as balancing, to some extent, the special burdens thrown on real property in the system of local taxation.

I conclude, therefore, that the principle on which partial relief from rates was granted to the owners of agricultural land in 1896 is sound from the point of view of equity. This conclusion is independent of the economic objection to special onerous rates on agricultural land, as discouraging the investment of capital in agriculture. The force of this objection would remain unaltered, even if the question of equity were otherwise decided.

Answers by Professor Marshall.

I have found it difficult to answer satisfactorily within a moderate compass the questions proposed by the Commission, so I have thought it best to answer a few somewhat fully, and merely to indicate my opinion as to the rest.

I., II.—1. I hold that taxes are paid by persons, not things. Things are the channels through which many taxes strike persons; and in considering the incidence of taxes on persons and the equity of that incidence, we have to take account of all the circumstances of those persons as owners, users, sellers, purchasers, &c. of those things. I submit that the present inquiry must be taken to relate not to the distribution of the burden of taxation between different kinds of property, but to the distribution of the burden between different classes of persons with special reference to their interests in different kinds of property.

2. Further, when we say that a thing is the channel through which a tax strikes persons, we must be sure that the thing is self-contained. If it is only one part of a group of things which cannot be easily separated—this particular thing being taken by the tax gatherer as representative of that group for convenience—then we get into hopeless confusion if we treat the tax as impinging on that representative thing alone and not the group. For instance, in old times the windows of a house were taken as representative of the house, and were taxed heavily. But the tax did not strike, and was not intended to strike, persons as owners and users of windows only; it was intended to strike them, and did strike them, as owners and users of houses. Now, just as the window is a more or less good representative of the house; so the house is a representative, perhaps a better representative, of a certain scale and style of household expenditure in general; and when houses are taxed, the tax is, and is intended to be, a tax upon the ownership and use of the means of living in certain general conditions of comfort and social position. If part of the tax assessed on houses were removed, and the deficit made up by taxes assessed on furniture and indoor servants, the true incidence of the taxes would be nearly the same as now, but the indications of Table D. would be much changed.

3. I am aware that tables similar to Table D. have been approved by high authorities, academic as well as practical, and it is therefore with great diffidence that I express the opinion that, when taken as a basis for a scheme of finance, they suggest wrong inferences. For instance, Table D. corresponds in some respects to Sir Alfred Milner's Table I. on page 582 of Vol. IV. of the Report of the recent Royal Commission on Agriculture, and suggests a second table corresponding to Table II.

on page 583 of that volume; which shows £m.3,000 of rateable property bearing about £m.10 of taxation, i.e., at the rate of '79d. in the £ on capital value; and £m.6,000 of non-rateable property bearing about £m.14 of taxation, i.e., at the rate of '54d. in the £. But this result implies that furniture, &c. estimated at £m.1,000 escape taxation altogether. That, I submit, is as wrong in principle as it would have been if, when windows were taken by the tax-gatherer as representative of houses, a table had been made out in which the capital value of the windows had been estimated separately, and entered as the basis of the whole window tax; while the capital value of the whole of the rest of the house had been entered in another column as escaping taxation altogether. If the furniture, &c. were reckoned with the houses, this change alone would materially alter the general effect of Sir A. Milner's results. Where he now gets '79d. he would get '6d., where he now gets '54d. he would get '64d. And when corresponding changes had been made for the equipments of factories, shops, mines, railways, &c., the general purport of his conclusions would be inverted. I do not, however, suggest that a table so modified would be of good service. It would, for instance, still fail to take account of the fact that a considerable part of the tax assessed on large houses is really a tax on the habit of employing many indoor servants. Again, it would not indicate how taxes levied through the channel of immovable and other tangible property bear on creditors and the owners of the machinery of credit (see VI.-e, 3). Another weakness of the method is shown in its treatment of railways under classes 2 and 7.

4. The old window tax was bad; because, though intended to be a tax upon houses and not upon windows, its pressure was so intense on the point on which it impinged, that many people diminished their windows to the injury of happiness and health. And in like manner it may be argued that, though taxes which impinge on houses do really rest on general expenditure, yet their pressure at their point of impact is so intense as to cause people to seek by preference modes of expenditure which require but little houseroom. The question whether this is so is important, but the figures in Table D. throw little light upon it.

5. Similarly, it may be contended that when heavy new taxes are imposed upon buildings used for trade purposes, the pressure at their point of impact on those trades which happen to require large buildings in proportion to their net returns is unjust or impolitic; but in such matters also the table affords no guidance.

III.—So long as the net revenue of the Post Office is reaped, not solely by rendering services to the public, but in part by prohibiting other people from rendering similar services, it must, I think, be entered in a general list of taxes, but in a separate class.

IV.—1. Equity assumes definite rights; it is equitable that every shareholder in a company should pay calls in proportion to his holdings. But, save in such exceptional cases, there is no definite basis for equity. For while one function of the State is to create, maintain, and regulate rights; its second, and scarcely less important function, is to give expression and effect to the public conscience. Accordingly, I think that the so-called canons of equity in taxation are not in general canons of equity pure and simple: they are canons of equity combined with and modified by obligations of duty. It is in this broader use of the term that I propose to discuss the "equity" of taxation. I use here the term "tax" to include licenses, rates, &c.

2. When a special tax is levied for a particular purpose and the case is not one for any interference by public authority with existing rights of ownership—as, for instance, where an arterial system of land drainage is created—the owners of the properties to be benefited may fitly be assessed on the "joint stock principle," according to which calls are made from shareholders in proportion to their stake in the common venture. Such taxes are strictly "remunerative" and stand in contrast to those "onerous" taxes which supply the means of discharging public duties, of paying interest on the national debt, of supporting the general expenses of government, &c.

3. Onerous taxes, Imperial and Local, must be treated as a whole. Almost every onerous tax taken by itself presses with undue weight on some class or other; but this is of no moment if the inequalities of each are compensated by those of others, and variations in the several parts synchronize. If that difficult condition is satisfied, the system may be equitable, though any one part of it regarded alone would be inequitable.

4. A non-remunerative tax assessed on anything is *prima facie* onerous to its owner unless and until he can shift the burden elsewhere; but it does not follow that, in considering the equity of a system of taxation, the continuation of this same tax should

be regarded as onerous to a new holder into whose hands the thing has come either by purchase or inheritance. The new holder has, no doubt, acquired a property of less value than if there had been no such charge upon it. But the question whether this charge is one to be henceforth counted as entitling him to some exemption from other taxation cannot be solved without inquiry as to the conditions, implicit and explicit, under which the original title to the thing was obtained. Such inquiries are of importance chiefly in relation to rights in land and to durable monopolies, whether complete or partial.

5. It used to be held that all persons should contribute to the system of onerous taxes in proportion to their net incomes. But now the opinion seems to be gaining ground that the poorer classes should contribute a smaller percentage of their revenues than the middle classes; and these, again, a smaller than the richer classes. This arrangement seems to me to be "equitable" in the broader sense of the word.

6. It is true that so long as a person retains the right of voting on the levying and expenditure of taxes, it is not safe that he should wholly escape onerous taxes. But it may be safe and reasonable to return to him or his children the equivalent of his payments in such benefits as will increase physical and mental health and vigour, and will not tend towards political corruption.

7. I take net income to be gross income after deducting for wear and tear, and for replacement of capital. These deductions are large in the case of income derived from perishable property, and incomes derived from personal exertion.

8. Income, so defined, seems, on the whole, the best basis of a system of taxation; but it has many deficiencies. It presses unduly on those who do not spend the whole of their income, but save some of it: they are taxed on their savings, and they are taxed again on the revenue derived from their savings.

9. Taxes on expenditure evade this difficulty, but have others of their own. Expenditure in general cannot be defined, still less can it be assessed. Nearly all taxes on particular forms of expenditure have technical faults, which make them productive of great harm to the community in proportion to the funds which they yield. The chief exceptions are taxes (and rates) on houses and stimulants: for they can be kept at a high level without much economic waste; but at present they press with disproportionate weight on the poorer classes. Assessed taxes on male servants, horses, carriages, and dogs were once "progressive" in England; perhaps they should be so now.

10. Perhaps also it may be possible to partially exempt savings from taxation for a limited number of years, so as to avoid the injustice of charging twice the income from which they are saved. Any such plan must necessarily proceed on broad lines, and ignore the lighter considerations of equity when seeking to adjust the weightier; and it would need to be introduced gradually and tentatively. I am inclined to think it might with advantage be at once tried experimentally on a small scale as regards investments at home in immovable property, with special reference to local taxation.

11. But even if the total burden of a system of taxation could be adjusted progressively to expenditure, there would still remain a fundamental inequity. For such taxes would not strike at indulgence in easy-going habits of life. If, of two persons with equal capacity, one works twice as hard as the other, taxes adjusted to expenditure will strike him more heavily than the other, though he has deserved better of the State. Some account might conceivably be taken of this consideration in adjusting taxation between different parts of the same country where different habits of activity prevail; as, e.g., between the north and south of Italy, or of France, or, again, between England and Ireland. But even that is doubtful; and, as between individuals, no account at all can be taken of it. On the whole I conclude that no near approach to equity in taxation is attainable.

12. In recent discussions on taxation, and especially local taxation, there has, perhaps, been some tendency on the part of reformers to assume that if an existing arrangement can be shown to be at all inequitable it should be changed: while those who would retain things as they are have, perhaps, been too ready to assume that a new scheme has been put out of court as soon as it has been shown to work inequitably in some respects. In opposition to such tendencies, I venture to suggest that, even in the interests of equity, canons based on mere considerations of equity are often of but secondary importance in practice. Speaking generally, those systems of finance have caused the least injustice and hardship which have most favoured the development of the energies and inventiveness of the people; which have hindered them the least in the selection of those routes for the satisfaction of their wants; which, partly in pursuance of this end, have given a preference to taxes which were productive

and elastic, in proportion to the army of officials needed to levy them ; which have avoided vexatious meddlings, and which have been most definite and certain, and free from surprises and from opportunities of corruption. The body politic has a great power of so adjusting itself to the pressure of taxation as gradually to diminish the inequities which are inherent in every imposition or remission of taxation when new. In the interest of equity itself, these and other more or less technical considerations should, I submit, be allowed a large and often a predominating influence.

V.—1. The greater part of economic science is occupied with the diffusion throughout the community of economic changes which primarily affect some particular branch of production or consumption ; and there is scarcely any economic principle which cannot be aptly illustrated by a discussion of the shifting of the effects of some tax "forwards," i.e., towards the ultimate consumer, and away from the producer of raw material and implements of production ; or else in the opposite direction, "backwards."

2. It is a general principle that if a tax impinges on anything used by one set of persons in the production of goods or services to be disposed of to other persons, the tax tends to check production. This tends to shift a large part of the burden of the tax "forwards" on to consumers and a small part "backwards" on to those who supply the requirements of this set of producers. Similarly, a tax on the consumption of anything is shifted in greater or less degree "backwards" on to its producer. Thus nearly all taxes are shifted in some degree.

3. A tax upon a pure monopoly cannot be shifted ; provided it is assessed either upon the monopoly as a unit, or on the net profits of the monopoly. In neither of these cases does it affect the calculations of the monopolist as to the price which will give him the greatest aggregate excess of receipts over outgoings. But it will be shifted, more or less, if it is assessed on his gross receipts ; or according to any other plan which causes it to increase with the amount of services he renders to the public, for then the tax will make it worth his while to diminish the amount of his services, and thus raise their price.

4. In whatever way the tax is assessed, the monopolist may raise his price if he thinks that, by making the consumers believe that the tax is paid by them, he can induce them to agitate for its repeal. Action of this kind has done much to confuse the public mind as to the true incidence of taxes.

5. The ownership of land is not a monopoly. But much that is true of a tax on monopolies is true also, though for different reasons, of a tax on that part of the value of land which is not due to recent investments of labour or capital in it by its owner. Any tax which is so levied as to discourage the cultivation of land or the erection of buildings on it, tends to be shifted forward on to the consumers of the produce of land or the users of buildings ; and, if the buildings are used for the purposes of any trade, then further forward still on to the consumers of the products of that trade. But a tax on that part of the (annual) value of land, which arises from its position, its extension, its yearly income of sunlight and heat and rain and air, cannot settle anywhere except on the landlord ; a lessee being, of course, landlord for the time. This (annual) value of the land is sometimes called its "inherent value" ; but much of that value is the result of the action of men, though not of its individual holders ; and therefore it is perhaps more correct to call this part of the annual value of land its "public value ;" while that part of its value which can be traced to the work and outlay of its individual holders may be called its "private value." Speaking generally, a tax on the "public value" of lands does not diminish the inducements of cultivators to cultivate it highly, nor of builders to erect expensive buildings on it. Such a tax therefore does not, in general, diminish the supply of agricultural produce or of houses offered on the market, any more than a tax on the net profits of a monopoly does. It therefore is not shifted away from the owners of land.

6. Taxes on buildings and on that part of the value of land, urban or rural, which results directly from investments of capital by its owners have peculiarities of their own which will be discussed under Question VI. a—c. In general they tend to be shifted in the same way as, though more slowly and irregularly than, taxes on movable goods. We may, then, illustrate the general process of shifting by the typical case of a tax upon the product of a staple trade.

7. An unexpected and heavy tax upon (say) printing would strike hard upon those engaged in the trade, for if they attempted to raise prices much, demand would fall off quickly ; but the blow would bear unevenly on various classes engaged

in the trade. As printing machines and compositors cannot easily find employment out of the trade, the prices of printing machines and wages of compositors would be kept low for some time. On the other hand, the buildings and steam engines, the porters, engineers, and clerks would not wait for their numbers to be adjusted by the slow process of natural decay to the diminished demand; some of them would be quickly at work in other trades, and very little of the burden would stay long on those of them who remained in the trade. Part of the burden, again, would fall on subsidiary industries, such as those engaged in making paper and type, and a part of it would be borne by authors, publishers, booksellers, &c.

8. This case illustrates well the contrast between the incidence of Imperial and of local taxation, for if the tax were only local, the compositors would migrate beyond its reach; and the owners of printing houses might bear a larger and not a smaller proportionate share of the burden than those whose resources were more specialised but more mobile. If the local tax were uncompensated by any effect which tended to attract population, part of the burden would be thrown on local bakers, grocers, &c., who would meet with diminished custom.

9. So far I have avoided technical phrases. But the kernel of the problem can, perhaps, be brought out better by a free use of them. The income derived from "land" in the narrower use of the term—that is, from the "public value" of land—is a "Rent" in this strict sense that its amount is governed by the general market relations of demand for, and supply of, the commodities which it produces, and not by the exertion or sacrifice of its owner. A tax upon this rent does not therefore alter the action of the owner; for he takes none in order to earn this rent: it does not "enter into the cost of production" of the commodities raised on the land. A tax on it does not alter that cost; does not restrict the supply of the commodities; does not raise their value; is not shifted forwards; and, of course, cannot be shifted backwards.

10. Income derived from durable improvements in land is popularly called rent. A tax upon it would diminish the inducement to make similar improvements and prevent some old improvements from being renewed, and thus, in the very "long run," it would increase that "cost of production" which has to be covered to make production profitable, and would ultimately stint production. Most of it would, therefore, ultimately be shifted forwards on to consumers, though, perhaps, a small part might be shifted backwards on to those who supplied the appliances needed for making the improvements. In the very long run, therefore, the income derived from these improvements has to be regarded as profits on investment.

11. But yet popular usage is right in treating this income as a rent rather than as profits for most purposes. For the tax could not for a long time produce an appreciable effect on the amount of such improvements, nor therefore on the supply of the commodity, nor therefore on the price which the consumers paid for it. Meanwhile, the income derived from the improvements would be governed practically in the same way as the rent of land; that is, by the general market relations of demand for, and supply of, the commodities, and not by the slackening or increasing exertions or sacrifices of the owner of the improved land. In short, the income would be a "Quasi-rent," partaking partly of the nature of rent, and partly of the nature of profits; but being more akin to a rent than to profits for the purpose of discussions as to the incidence of taxes for a long time, perhaps a whole generation. But it would be more akin to profits than to rent for discussions as to their ultimate incidence.

12. In the case of less durable improvements, we should have similar results but for shorter periods. For the tax would quickly affect the supply of such improvements, and, therefore, of the commodities raised from the land; and would, therefore, raise their price.

13. More generally, the shorter the time required for altering the stock of appliances for production, the shorter is the time during which the income derived from them is to be regarded as a quasi-rent—that is, as an income, a tax on which must be borne by the owner of the appliances, and cannot be shifted by them appreciably, either forwards or backwards; or, in other words, the shorter is the time required for the tax to act on the income as though the income were profits from fluid applications of capital.

14. All skilled workers, whether employers, employed, or professional men, are in the possession of specialised appliances for production, the stock of which cannot be very quickly altered. Part of their income is the earnings of effort, and a tax on this part would immediately stint effort, and would, therefore, be immediately shifted more or less from the workers on to the community. But part of their income is of the

nature of returns on investments in specialised appliances of such a nature that their stock cannot be increased or diminished quickly, and this part of their income is for the time a quasi-rent; a tax upon it will, for a considerable time, remain on the workers and not be shifted.

15. If any land, whether improved or not, or any machinery or industrial skill, or any other thing, can be easily and immediately applied to more than one branch of production, then the income derived from it is always to be regarded as profits or earnings, rather than as rent or quasi-rent, in any question that exclusively concerns any one of those branches. A special tax on the thing in that use alone would cause it to be turned quickly to other uses, and the tax would be shifted at once on to the consumers of the things produced by it in that use.

VI-a. 1. It will be convenient first to discuss an Imperial tax on buildings in general.

2. In English urban tenures there are commonly three distinct interests. First are those of the "ultimate" owner, popularly but incorrectly called the "ground owner;" he has an annuity secured on both building and land for the present, and will be owner of both when the building lease falls in. Secondly are those of the "interim owner," sometimes called "the building owner;" he owns both building and land to the end of his lease, unless he has himself leased them out. In that case, he has a secured annuity on them during the lease granted by himself, with a reversion of both building and land from the end of that lease to the end of the first lease; there may thus be a series of interim owners. Lastly, there is the tenant, who may hold on lease.

3. The building has practically no value apart from the land, but that value which the land would have if cleared of buildings has been called the "site value" of the property. It is convertible with the "public value" of the land (see V-5), provided it be so reckoned as to exclude the value of improvements made below the surface by the owner or his predecessors.

4. If a uniform Imperial tax be levied on the annual value of all land and buildings, the building part of it tends to settle on the occupier; or on his customers, if he uses the building for trade purposes: but the site part of it tends to settle on the owner for the time being, that is, on the interim owner, in so far as it is imposed during his lease; and on the ultimate owner when he comes into possession. If, however, agricultural land is exempt from the tax, then the tenant escapes only that part of the site tax which is assessed on the excess of the value of the land for building uses over its value for agriculture. This is of little importance practically, except when a large garden attached to a house is taxed at the value of urban land.

5. Passing to the Inhabited House Duty, we find trade premises and very small houses exempted from that. In consequence, tenants of large houses cannot make the owners bear the whole tax on the site value. For the owners will not erect large houses till there is already such a scarcity of them that they give to the owners as good a return as could be obtained by an equal outlay in building trade premises, &c. Houses of a medium size and premises used for trade and dwelling combined are partially exempted from the Inhabited House Duty, and their case is probably about the same as it would be if there were no exemptions at all.

6. These are tendencies, not actual results. But the differences between the two are not very great now, so far as the Inhabited House Duty is concerned, for that has altered its form but little of late years. The various causes by which such tendencies are retarded will be discussed in relation to rates, which change rapidly.

7. The tax has been assumed to be "onerous." But if it be so expended as to confer direct benefit on owners or tenant, the results will be different. This consideration, also, may be neglected in considering the Inhabited House Duty; it is of first rate importance in regard to rates.

VI-b (also XI., XII. and XIII.). 1. The Inhabited House Duty, being onerous, tends to check building. But many rates are so expended as to provide the householder with necessities, comforts, and luxuries on cheaper terms than he could provide them for himself. An increase of such expenditure may attract tenants instead of driving them away, may increase local building instead of checking it, and may raise the ground rents at which land can be let on building leases. The ultimate effects of such rates can be ascertained fairly well by discovering the effects of onerous rates, and then reversing those. Other rates, e.g., school rates, are onerous to some classes of society, and beneficial to others. Rates devoted to improved school buildings tend to attract artisans, but slightly to repel well-to-do residents for the time being;

though in the course of a generation they may so much improve the character of the neighbourhood as to raise the value of the land for building expensive houses, as well as for other purposes.

2. Such considerations show that any general statement as to the incidence of rates must be incorrect. But fairly definite conclusions may be reached as to the incidence, immediate and ultimate, of onerous rates, that is, of rates, the burden of which is not compensated by any equivalent local gain. And thence the incidence of other rates can be inferred more or less, when account has been taken of their special circumstances.

3. If onerous rates are approximately uniform all over the country, then their incidence resembles that of similar Imperial taxes; the fact that they are levied and spent by local authorities does not materially affect the distribution of the burden imposed by them between ultimate owner, immediate owner, and tenant.

4. Next, as to the distinction between rates on site and on building values. It is true that the tenant does not distinguish between them. But anyone, whether ultimate owner or not, who is thinking of erecting buildings on the land, will reflect that expensive buildings would be subject to heavy rates. If in doubt between putting expensive and inexpensive buildings on any site he has chosen, he will be turned towards the inexpensive by the expectation of a rise in the rates, in so far as they are assessed on building values. But his decision will not be affected by that part of the rates which is assessed on site values; though, of course, before deciding whether to erect any buildings at all, he will have had to consider whether the site value would escape rates if kept vacant. Thus the site value and the building value parts of exceptionally heavy onerous rates press temporarily with almost equal weight on the owners; but ultimately the building value part alone presses upon the tenant: it alone tends to drive away population and trade.

5. These are general tendencies; the causes which prevent them from being applied in prediction resemble those which prevent the mathematical reasonings from being applied to the course of a ball on the deck of a ship that is rolling and pitching in cross seas. If the ship would but stay at one inclination, the movement of the ball could be calculated. But before any one tendency has had time to produce much result it will have ceased to exist, and its successor cannot be predicted. Just so, though economists settled once for all, nearly a century ago, the general tendencies of the shifting of taxation; yet the relative weight of onerous rates in different places often changes so rapidly that a tendency may make but little headway before it is stopped off, or even reversed, by changes which cannot be predicted. We here need a study of the past and present distribution of onerous rates, with an inquiry as to its causes: its general drift is to some extent indicated in Mr. Cannan's article in Vol. V, of the "Economic Journal."

6. Partly in accordance with his suggestions it may, perhaps, be surmised that: (i.) Those rates which are truly onerous are less in amount, and vary less from place to place than is commonly supposed. (ii.) A place which has incurred a large debt for enterprises that have been unfortunate or wastefully managed may expect a large share of onerous taxes for a long while, but such cases are not numerous. (iii.) A place which has a large pauper population and offers no great attractions for industry or residence, has a prospect of long continued high poor relief rates; and such cases are considerable, even when allowance has been made for future widening of rating areas so as to make rich districts bear a larger share of the burden of the neighbouring poor. Inequalities of school rates come partly under this head. (iv.) Subject to the two last exceptions, exceptionally onerous rates are chiefly due to transitional causes. One possible cause is present bad management, but that is likely to work its own cure. A more frequent cause is a recent wakening of the district to a sense of responsibility in sanitation and other matters: such of the consequent expenditure as is necessitated by natural defects of the situation may be permanent; but even this, if wisely conducted, diminishes the relative disadvantages of the district and increases its attractions to builders.

7. In short, it seems probable that the cases are somewhat rare, in which the truly onerous rates of a district are fairly certain to last for a considerable part of the life of a house or the duration of a building lease. That is, it may be surmised, that there are not very many cases in which a builder, after taking account of the direct and indirect local benefits which are obtained at the expense of high rates, will be repelled by the fear of rates from building in a place which he would otherwise have selected without hesitation.

8. [Mr. Cannan has observed that there is no obvious connexion between the numbers of the population of the different towns of England and Wales and their rates. To this may be added that there is no very palpable connexion between their rates of growth and their rates. Nearly all those large towns which increased fast (more than 20 per cent.) between the census years 1881 and 1891 had, in 1891-2, medium rates (between 3s. 6d. and 4s.); and all those which in 1891-2 had very high rates (above 5s.) increased at a medium pace in the preceding ten years, the lowest percentage of increase of population among them being that of London (10·6) and the highest that of Leeds (18·9).]

9. If these surmises be correct, it follows that the total pressure of onerous rates on the enterprise of building speculators and other interim owners is not very great; and that many rates which have appeared to be onerous have really enriched them. But vicissitudes of the rates increase slightly the great risks of the building trade, and inevitably the community pays for such risks more than their actuarial equivalent. And, since uncertainty causes speculators to fortify themselves against onerous rates even in places where, in fact, rates have not been specially onerous; tenants and ultimate owners in these favoured districts gain less by that good fortune than appeared from the broad reasonings with which we started (VI-b, 4).

10. Here, perhaps, is the right place for discussing a suggestion that has been made, that an equalisation of rates would relieve owners, and especially ultimate owners, at the expense of tenants. It is argued that the building owner deducts from the ground rent, which he offers for a particular site, any onerous rates on building value (as well as on site value) which he anticipates as exceptional, and which he believes he could avoid by building elsewhere; and that he does so because the future tenant from whom the rates are deducted will make a similar deduction from the rent he offers. It is argued that the tenant will perforce pay those rates which he cannot escape by moving elsewhere; and that the builder, knowing he will be recouped, will not deduct them from the ground rent which he offers. This is plausible, but apparently invalid.

11. It is true that an equalisation of rates would raise the aggregate of site values, if it removed rates from the best sites and increased rates on the inferior sites. But the equalisation is at least as likely to transfer part of the burden of rates from the inferior sites to the better sites, and, if it did that, it would lessen the aggregate of site rents. This is, indeed, a new version of an old paradox. Improvements in agriculture, specially applicable to rich and well-situated land, would raise aggregate farm rents very much. But improvements which brought up the least favoured land, account being taken of situation as well as fertility, to the same level with the most favoured would destroy agricultural rents altogether in a country that had more land than it needed. Similarly, if we could conceive rates so adjusted as to make all building sites equally advantageous, no site would have more than mere agricultural value.

12. A tax on one site has thus the effect of a betterment on a rival site which escapes the tax. It has been observed that if two similar premises are adjacent, but the boundary between high and low rates comes between them, so that they share equally the benefits of rates to which they contribute unequally; then their rents vary inversely as the rates. Such facts have been quoted as inconsistent with the general principle that the greater part of rates are borne by the occupier, but they appear to be quite consistent with it.

13. Here may come the answer to Question XIII. Differential rates, which favour any special use of land, will raise or lower aggregate rents, according as the places which they specially favour are, or are not, those which already have special advantages for that use. If applied over the whole country, or in places chosen at random, they will slightly lower aggregate rents.

14. Similarly, the under assessment of the older and more highly-rented parts of a town, which is said still to be not very uncommon, tends to raise rents. If carried very far it might lead people to prefer small sites in the central area to large sites outside, and in the result aggregate rents might conceivably be higher than if there had been no rates at all. This, again, is akin to an old paradox, viz., that a tax of so much per acre, or any other tax which differentiated against poor soils, might conceivably raise aggregate rents.

15. The migration of tenants, in order to escape high rates, is hindered less, perhaps, than is commonly supposed by ignorance and indifference. But it is much hindered by the special requirements of each individual. Low rates in Devonshire will not draw there people who prefer London life, and manufacturers who must live in or

near a district where they can obtain the special things and services needed in their trade. The tenant is further hindered by the expense and trouble of moving; that may be the equivalent of two years' rent; and, if so, he will lose by moving unless the differential advantage which he secures in rates amounts to 2s. in the £ sustained for 30 years.

16. The mobility of the working classes is, in some respects, greater than that of the well-to-do; but, when rates are compounded, friction sometimes acts on the side of the tenant. The manufacturer is often affected as much by the rates on his workmen's dwellings as by those on his own premises; and though high rates may be among the causes which have driven some manufacturers out of large towns, it is doubtful whether a curtailment of expenditure from the rates would have much lessened this centrifugal force. For most new expenditure from the rates materially increases local comforts or lessens local discomforts from the point of view either of the manufacturer or his workpeople.

17. The case of the shopkeeper is the most urgent. His rates are large relatively to his income, and many of them are distinctly onerous from this point of view. His work belongs to that group in which economic progress is raising supply relatively to demand; a little while ago its remuneration was artificially high, at the expense of society. Now, his remuneration is falling to a lower and perhaps more equitable level, and he is slow to recognise the new conditions. His mind fastens on the injustice which he suffers when rates are suddenly raised much, and he attributes to that some of the pressure on him which is really due to deeper causes. His sense of injustice is sharpened by the fact that he does not always bargain on quite even terms with his landlord; for, to say nothing of the cost of fixtures and the general expense of moving, he might lose a great part of his custom by moving to equally good premises even a little way off.

18. But shopkeepers are constantly rising and falling, coming and going. Their minds are alert, and they take full account of the rates; and thus, after a few years, they shift the burden of onerous rates on to the owners and customers more fully than almost any other class does. Hotel and lodging-house keepers may rank here with shopkeepers.

19. To sum up: rates, the current expenditure of which gives full value to the occupier, remain with him, as they should. Other rates are borne by the occupier to a rather greater extent, and for a rather longer time, than they would be if he were allowed to deduct them from his rent as he does Income Tax, Schedule A. He, however, transfers most of them rather quickly to his immediate landlord; unless he is known to be unwilling to move, and his landlord takes advantage of that. Interim owners, as a class, have a great power of self-defence; they are in a position to check the supply of buildings, and they do it until nearly the same net return as before can be got from new building. By that time much capital expenditure from the rates, which was at first of small benefit to the tenants, bears fruit; and those rates, so far as building value goes, are put back again upon the tenants, but are not a net burden to them. Meanwhile, that part of the rates on building values which is exceptionally onerous, will have driven away population and trade and will have inflicted a small burden on those who, for personal and other reasons, must continue to live, or work, or trade or hold property there. Among these will be the ultimate owner; and that is why the occupier will not pay quite the whole of the exceptionally onerous rates, even in so far as they are assessed on building values. The ultimate owner will bear a little even of this part of the onerous rates, and he will pay the whole of all onerous rates, whether exceptional or not, which are assessed on site rents.

20. Heavy onerous rates in one place act as a betterment to rival places which escape similar rates. It is, therefore, not true that an equalisation of onerous rates would enrich site owners at the expense of occupiers. An equalisation of remunerative rates, while their expenditure was unequal, would be, generally speaking, unjustifiable.

21. A small increase in rates is apt to escape the attention of well-to-do residents, but it presses perceptibly on shopkeepers, lodging-house keepers, &c., and it influences their action; but, though thus a disproportionately great evil to them at first, an increase ceases to be any burden at all to them ere many years are past: unfortunately, they do not always recognise that this is so.

22. The incidence of a long-established rate is little affected by its being collected from the tenant, and not from the owners, but it is vitally affected by the proportions in which the rate is assessed on site and building values respectively; the main part of the former settles on the owners, and of the latter on the tenants. On the other hand, the incidence for the first few years of an increase in onerous rates is much

affected by the mode of collection. The occupier bears more of the burden than he would if part of the rates were collected from the owners, or he were allowed to deduct a part of them from his rent.

23. The removal of onerous rates yields a passing benefit to the tenant, but the greater part of the gain goes to the interim and afterwards to the ultimate owners. If these owners have acquired the property since the rate was imposed, the remission of the rate is a present to them of so much public property. As regards those rates which fall on trade premises, and especially shops, the case is still stronger. When a new rate is imposed, they bear for a time a burden out of proportion to their resources; and so, when the rate has well settled in, and they have thrown on their customers that part which cannot be shifted on to the owners and which the tenant of a dwelling-house would, therefore, continue to bear for himself, then the sudden remission of the rate enables them to retain themselves for some time a double share of public property.

24. The above remarks apply only to neighbourhoods that are making progress. Where the population is receding, and building has ceased, onerous rates tend to press upon owners. But in such places economic friction is generally strong.

VI-c. 1. My opinion as to the incidence of rates on agricultural land has already been indicated. In so far as the rates are remunerative in the immediate present they stay with the farmer, but are no net burden to him. Rural populations probably bear less onerous rates than is commonly supposed. They have gained by improved police service and the abolition of turnpikes, and they have increasing access to advantages purchased by high rates in the neighbouring towns, to which they do not contribute.

2. A considerable part of those rural rates which are really onerous is fairly uniform all over the country, and its incidence is like that of an Imperial tax on rent. A tax on that part of rent which results from the "original and indestructible powers of the soil" must settle on the owner of the soil. But the farmer "always has a lease, even when he has none," and a new tax collected from the farmer would be likely to remain for some time on him, unless there were other causes at the time tending to readjust his relations with his landlord.

3. A tax on that part of a landlord's income, which, though called rent, is really the return to capital applied to the land by him or his immediate predecessors in title, stands on a different footing. If a tax be levied on that, and not on the income derived from capital applied to other uses, then the tax discourages cultivation and tends to raise the price of produce. If the country cannot import food, the consequent rise of price may be such as nearly to recoup the farmer soon, and therefore the landlord ultimately. [If the tax had been on all agricultural produce, and the whole of that produce had been strictly necessary, then, according to a third old paradox, it would have raised the value of produce in the same ratio as it lowered produce-rents; it would, therefore, have left real rents unaltered.] As it is, such a tax would press at first on farmers in their capacity of implicit lessees, and afterwards on landlords; and it would diminish a little the employment of farmers and labourers in making improvements for the landlord. But the tax would not bear on the returns to the farmer's own capital, and it would therefore afford a slight stimulus to modes of cultivation that did not require additional landlord's capital.

4. If the onerous tax were local only, its incidence on consumers through prices would be still smaller. But local production would be checked more rapidly, and meanwhile the local farmer would be in a rather better position for transferring to the landlord that part of the tax which fell on the returns to (the quasi rent of) landlord's capital sunk in the soil.

5. Such taxes on agricultural land as have been imposed for a long time are no direct burden on present landowners, farmers, or labourers; though they may give to present owners in certain cases some indirect claim to consideration. Speaking generally, any remission of such taxes would be a present of public property to the owners, a small part being caught by the farmers on the way. Any relief as regards old rates should therefore apply only to new buildings and other fresh investments of capital. That would stimulate agricultural activity, give new employment to farmers and labourers, help to keep the profit on the land, and diminish our dependence on foreign imports of food.

6. It must be remembered that land may be for a time yielding very little net rent, that is, very little money income in excess of what is needed to remunerate landlords' capital; and yet be a valuable property. It may have possibilities as urban land, or it

may contain minerals; and, in any case, its ownership is likely to yield an income of satisfaction outside of the money rent received for it. In so far as this is the case, land is apt to be under-assessed even when rated at its full rental value. Properly, it should be assessed at a percentage on its capital value.

7. For reasons which are partly economic, partly traditional, the owner of a farm has something more of partnership with his tenant than has the urban landlord; there are traces of *métayage* even in tenures which are thoroughly "English." When seasons and markets are favourable to the farmer, he pays his full rent and avoids making demands on the landlord that might set him thinking whether the rent ought not to be raised. When things go badly, the landlord, partly from sympathy and partly as a matter of business, makes temporary remissions of rent, and bears the expense of repairs, &c., which he would otherwise have left for the farmer. There may thus be much give and take between landlord and tenant without any change of nominal rent. Such adjustments obscure the incidence of agricultural rates, as the eddies of wind rushing past a house will often carry snowflakes upwards, overbearing, but not destroying, the tendency of gravitation. The tendencies of the incidence of rates may even become wholly obscured for a time if the rating question happens to have been made a political issue. For all men are apt to believe and to prove temporarily that changes, which they are advocating, will benefit others more than themselves. (See V. 4.)

VI-d. 1. If A has a thing which has a less money value to him than it has to B, they will probably trade, unless there is a tax on the transfer. If there is, they will not trade until A's need for it, measured in money, has diminished relatively to B's by the amount of the tax. But no one can say whether this will be effected chiefly by a rise in the net price which B will give for the thing, or by a fall in the net price which A will take. On the average, however, A will be the weaker party, and the delay will throw more of the burden on him than on B.

2. The tax is bad, even when it impinges only on commodities for immediate use. But in fact it impinges chiefly upon instruments of production, and thus it is very bad. For it hinders their adjustment to the needs of the community. A heavy tax on the transfer of land and buildings assists the laws of entail in keeping property in the hands of landlords who cannot do their duty by their tenants. These taxes resemble taxes on underfed labourers; they are collected barely once, but they are paid several times.

3. Taxes on the transfer of any kind of property slightly lower its value even to a willing purchaser; for the same reason that, of two stock exchange securities on the same basis, that one will sell for the higher proportionate value which belongs to the larger issue.

VI-e. 1. Profits, in my opinion, are not an economic entity. They include some interest on capital, some earnings of ability and work, and, often, some insurance against risk. But there is no uniformity of practice in the business world, and no common agreement among economists as to how much of the earnings of work and ability shall be reckoned as profits in any particular case.

2. If this difficulty could be overcome, there would remain a more serious one, which would by itself prevent the adaptation of the old broad doctrines about taxes on profits to the more refined results of modern analysis. The elements of which profits are composed obey different laws, and they enter in different proportions (whatever definition of "profits" be taken) in different industries, in the same industry in different places, and in large and small businesses even in the same industry and in the same place. It would, for instance, be necessary to discuss on different plans the profits of a large joint stock company, where salaries of a thousand a year are not reckoned with profits; and those of a small tradesman whose profits include the earnings of much manual labour. Some taxes on profits would increase the influx into the learned professions, and tend to lower the earnings of medical men. Others would increase the pressure of candidates for apprenticeship to the bricklaying trade. All taxes on profits would tend to check the growth of capital and to increase its emigration; some of them would tend perceptibly to increase the emigration of persons and so on.

3. Generally speaking, the incidence of taxes on profits is widely and evenly diffused; they run over rapidly from one part of a trade to another and from one trade to other trades. And this is one reason why there are very few incomes from movable or personal property in England which have not helped to bear the burden of rates. The case of income derived from property abroad is different.

VI-f. 1. The old objection to taxes on inheritance that they are paid out of capital, and that the heir is apt to live up to the full income which he has inherited, seems to me to have great force still. No doubt this question, as well as the allied question whether much war expenditure may safely be defrayed by loans, has changed its position during the century with the growth of wealth and the development of international markets for capital. But the very fact that death duties seem less inequitable, and to press less hardly on any one, than other taxes of equal intensity, suggests that they may still affect savings much as our forefathers thought they did. On the whole I think no one generation should very much increase them; experience alone can show whether we have outgrown the stage in which the incidence of such taxes lies heavily on the springs of prosperity.

2. Special death duties on any one kind of property are duties on its compulsory transfer and lower its value. Such duties, if assessed on the "public" value of land, would not affect production; if assessed also on farm buildings, &c., they would be a discriminating duty against a special form of investment of capital, and would diminish production and be partly incident on the community.

VII., VIII. 1. It is with the utmost diffidence that I hazard opinions on these large questions.

2. The scope of local government has changed, is changing, and is likely to change faster than ever. Our duty at present is to experiment freely, but to move cautiously; to abstain equally from any formal recognition of existing customs which might tend to stereotype them, and from any organic alteration which might claim to govern future development. We should aim rather at handing down to the coming generation some serviceable experience, together with freedom in dealing with the problems which have just risen above the horizon, and others that have not yet risen.

3. For, indeed, it is possible that the recent changes in the general relations of "central" and "local" government will be carried much further. The government of a Swiss canton or an American State seems to belong to an intermediate class which may be called "provincial" standing between the central authority and the local authorities properly so called. It seems possible that the London and other County Councils may grow in importance and responsibility; and that the term "local" will be generally applied to minor authorities, subordinate to these provincial authorities. I therefore deprecate any attempt to delimit the functions of local government just now.

4. If much freedom is allowed to first class local authorities, some are sure to pioneer new paths, which the whole country is not yet ready to tread. They will have more initiative, more invention, more willingness to take trouble for the public good than is always found in the officials of a large central department. But other local authorities will lag behind. The chief work of the central authority should perhaps be, on the one hand, to help the most enlightened local authorities in comparing, criticising, and profiting by the experiences of one another; and, on the other hand, to put pressure on the more backward to work up to a high level.

5. This requires some approach to uniformity in local work, partly for statistical purposes. But all power of variation, that is consistent with order and economy of administration, is an almost unmixed good. The prospects of progress are increased by the multiplicity of parallel experiments, and the inter-communion of ideas between many people, each of whom has some opportunity of testing practically the value of his own suggestions.

6. The constructive work of government, and especially of local government, is life itself in one of its highest forms. Taxation is but a means; and in a country which has rid herself, as England has now, of all taxes which are in themselves mischievous, the reform of taxation should be subordinated to the development of the constructive work of government.

7. I am opposed to the allocation of central taxes to local purposes. I prefer frank contributions from the Exchequer, given in aid of local services, and on the conditions of their being efficiently performed. Of course, they should not be given in aid of remunerative rates; but onerous rates are generally devoted to purposes of national as well as local importance, e.g., poor relief, asylums, police, education. When the appropriate department at Westminster had satisfied itself that local authorities were performing any of these duties with vigour and intelligence, it should abstain from interference except for urgent cause. But when they are laggard, or behind the general progress of the country, the department should threaten the withdrawal

or diminution of the grant, should specify the faults which had to be removed, and should revert temporarily to methods of detailed supervision.

8. Each first class local authority should have considerable freedom of experiment as to methods of raising revenue. It should, however, be prohibited from taxing persons on account of property which they own, or income which they earn, outside of its area. And since new taxes, and especially new local taxes are apt to be much more vexatious, burdensome, and unjust than the same taxes would be if they had time to diffuse themselves and settle, every proposed change in the scheme of taxation should be submitted to the central government. Great and sudden changes should be discouraged, and especially such as might press with exceptional weight on any one class.

9. The central government should remain the guardian of the ratepayer of the future against debts incurred for extravagant expenditure in the present; especially because the growth of migratory habits among the people increases the chance that those who have voted for new ventures, partly because they will give additional employment to labour, will not stay in the locality to bear their share of the rates involved. It should prohibit wasteful tolls, octroi duties, &c.: but it should recognise as *prima facie* reasonable a claim of a local authority to assess outlying districts to special rates, the expenditure of which will benefit those districts; and it should adjudicate on such claims: or perhaps it should set up gradually more and more powerful and extensive provincial authorities for dealing with them.

10. As regards the supply of water, local interests cannot be isolated. The chief sources of water supply should therefore be declared national property; and, after compensation to private owners, they should be leased, subject to conditions, to local authorities.

11. The same is true of fresh air. The central government should see to it that towns and industrial districts do not continue to increase without ample provision for that fresh air and wholesome play which are required to maintain the vigour of the people and their place among nations; this is, perhaps, the most important public financial responsibility which has not yet been faced. We need not only to widen our streets and increase the playgrounds in the midst of our towns. We need also to prevent one town from growing into another, or into a neighbouring village; we need to keep intermediate stretches of country in dairy farms, &c., as well as public pleasure grounds.

IX., X., XI., XIV., XV. 1. I have even greater diffidence in offering suggestions as to the practical results to which these principles point, than in submitting the principles themselves. My knowledge and experience in these matters are small; and I have not even been able to consider the particular questions proposed by the Commission with the care they require. But by answering them as best I can, I may, perhaps, clear up ambiguities in my earlier answers.

2. As regards rural land, the change most needed in the interest of the community is to diminish the burden of those rates which press differentially against the application of capital to agriculture (*see VI.c. 5.*). Some wish that this should be effected chiefly by a large subvention, in some form or other, from the Imperial Exchequer, laying stress on the repeal of the corn laws and the recent increase in the death duties on land.

3. Others regard these as the withdrawal of special privileges rather than the imposition of special burdens; they dwell on the facts that the English law knows nothing of "landowners," and that "landholding" has never been divorced from special obligations to the poor, with the consent of those immediately concerned, and the approval of economists generally. Resting on these broad facts, more than on details in the history of the Poor Law and the Land Tax, they wish the burden of the rates to be transferred from man's action in improving and developing the land to his privileges in holding for private use a part of Nature's free gifts: they do not wish much of it transferred to the public exchequer, where it would be borne, in a more or less disguised form, chiefly by industry.

4. I do not wish to urge either of these views, though I incline to the latter. But I assume (*see VII., VIII., 7*) that there be contributions from the national exchequer towards the Poor Rate and some other rates, which may be large or small; I myself wish them to be rather small. And I propose that a preliminary rate for the purpose of poor relief be made of the public value of agricultural land, that is, of its value as it stands after deducting for any buildings on it, and any distinct improvements made in it at private expense during, say, the preceding twenty years. This rate might

be large or small. I should prefer it to be considerable, say a penny in the pound on the capital value of the land, *per se*. I regard this as practically public income reserved to the State rather than as a tax.

5. As regards land which has a special site value, of which the test might generally be that its capital value is more than (say) 30*l.* per acre, my opinions are more decided. I think that its site value should be assessed to a rather heavier preliminary poor rate than I have suggested for rural land; and in addition to a "fresh air rate" to be spent by local authority under full central control for the purposes indicated above (VII., VIII., 11). This fresh air rate would not be really a heavy burden on owners, most of it would be returned to them in the form of higher values for those building sites which remained. There may be great difficulty in allocating the betterments due to any particular improvement. But, as it is, the expenditure of such private societies as the Metropolitan Public Gardens Association, and much of the rates raised on building values for public improvements, is really a free gift of wealth to owners who are already fortunate.

6. For rural and urban districts alike, after allowing for this preliminary poor rate and the contributions from the Imperial Exchequer towards those local services which are of national concern, the remainder of the necessary funds should be obtained by rates on immovable property, supplemented by some minor local taxes at the discretion of the local authorities. These main rates should be graduated somewhat after the fashion of the Inhabited House Duty, which should be suppressed; but the graduation should proceed gently at first, and should not cease at 60*l.*, as that for the Inhabited House Duty does. Those who live in expensive houses are just those who now pay less than their fair share to the general expenses of the country; and very high rates on their houses would not inflict on them a heavier burden than would be inflicted by any other methods that have been proposed for extracting from them their fair share. [The standard unit of rating might be at houses rented at 40*l.* for urban districts, and 30*l.* for rural. Suppose the rates on those houses in any place were at 4*s.*; then 4*s.* should be the rate for all trade premises of not less than 40*l.* in urban, or 30*l.* in rural districts. There should be lower rates for less valuable houses and trade premises, and the only higher rates should be those levied on larger houses. For them the rate might rise gradually from the standard rate of 4*s.* to, say, 8*s.* for 200*l.* houses, and 10*s.* for the largest houses. Special regulations would be needed for expensive lodgings and hotels. Such parks and grounds attached to large houses as were open to the public under reasonable conditions might be wholly or partially exempted from rates.]

7. The tenant of a farm or any other premises should be at liberty to deduct a portion of the rates from his rent in the same way as he deducts Income Tax, Schedule A. Perhaps this portion should be a half in every case, except that of large houses (*see VIa. 5*). The tenant of a large house should deduct only what would be half his rates, if he were rated at the standard level. [That is, where 4*s.* was the standard rate; if a 90*l.* house were rated at 6*s.*, the tenant should deduct 9*l.*, not 13*l.* 10*s.*] The immediate landlord should deduct in proportion from his payments to the superior holder next to him, and so on.

8. The plan of dividing the rates between tenant and owner is simple, and is supported by very high authority. It would diminish the injustice which a sudden increase of rates inflicts on farmers, shopkeepers, and other traders: and the modification now proposed would further diminish that injustice. It is true that this division of the rates is to some extent illusory when a rate has been long unchanged. For then nearly the whole of that part which is assessed on public or site value of land will be borne by owners; and nearly all the remainder of it will be borne by tenants or their customers; and this result will not be materially affected by a law allowing the tenant to deduct a half or even the whole of his rates from his rent. I propose to attain equity so far as old rates are concerned, not by this division, but by the special assessment of public or site values.

The alternative plan of allowing the tenant to deduct all the rates assessed on land values, and only (say) a third or a quarter of those assessed on the remaining value of the premises, would have some advantages; but would be more strange.

9. Taxes on immovable property have their faults; but so have all taxes. And theirs are perhaps less than those of any, except the alcohol taxes, the death duties, and the income tax. And these are, perhaps, pressed as far as they ought to be pressed in time of peace. They are all essentially war taxes. On the whole, therefore, I think that the taxes on immovable property ought not to be diminished, and that if the local taxes on it were diminished, Imperial taxes on it ought to be increased. I am,

therefore, not anxious to suggest substitutes. I think it better to try to remove such evils as there are in local rating, to aid by contributions from the Exchequer, and perhaps to make a little more room for rates by withdrawing the Inhabited House Duty, or to use that duty as a fund for the assistance of specially poor districts.

10. But I see no objection to local authorities having the whole responsibility, subject only to general control from Westminster, of the beer and spirit licenses and some others; nor to their defraying the expenses of the roads by taxes on all vehicles and horses, with partial exemption for those belonging to farms. Local taxes on servants and on carriages and pleasure horses would be often of least use where they are most wanted; and perhaps the same may be said of taxes on advertisements, &c.

11. With the great increase in the facilities of locomotion which electricity seems to promise in the next few years, the geographical separation of rich and poor may become even more marked; it may become even more true than now that local rates are sometimes least productive where they are most wanted. Possibly we should look for a remedy, not so much to increased aid and control from the Imperial Government, as to the development of three orders of government—Imperial, Provincial, and Local in the narrower sense; each provincial government having large responsibilities and powers over an area wide enough to include rich and poor in fair proportions.

ALFRED MARSHALL.

Answers by Professor Edgeworth.

1. A classification may be incorrect in two ways. It may violate the rules of formal or those of material logic. For instance, suppose taxes divided into indirect, and those which are on commodities; or taxpayers divided into those who are at least six foot high, and those who are under six foot. The first classification is incorrect because the classes formed are not mutually exclusive: the second classification is incorrect because it subserves no purpose of art or science.

The proposed classification, properly interpreted, is not incorrect in either sense. If the terms "incidental to . . . property" and "in respect of commodities" are defined so as not to overlap, then the classification may subserve the purpose of enabling the various items of the national Budget to be held together in thought.

The classification might be considered incorrect, if it was designed to indicate the incidence of taxation. For, certainly, it does not fulfil that purpose, as appears from the cross-questioning to which the author of the classification was subjected by Sir Robert Giffen.* But the classification was not designed to fulfil this purpose, as appears from the answers given on the occasion referred to.†

I cannot suggest, I do not recommend, any alteration of the proposed classification. The object of such an emendation would be, apparently, to render the classification a better exponent of the real incidence. But it may be doubted whether a classification which fulfils the first purpose—to afford a comprehensive view of the receipts of the Exchequer—admits of being amended so as to fulfil the second purpose—to indicate the real incidence of taxation. It must be recognised that the points of primary percussion and final incidence are not coincident. There is the sort of difference which exists between an ordinary map divided into provinces and counties, and a map of which the divisions are designed to exhibit the variety of geological formations. There is, doubtless, a certain correspondence between the two charts, and it is not only in Greek that mountains are associated with boundaries. But query if it would be worth while to alter familiar demarcations—subtracting a district from one county, and adding it to another—in order to construct a sort of mongrel map, which should subserve at once the purposes of ordinary geography and scientific geology.

2. The questions may be understood to mean: (1) Do the items enumerated in the proposed Table together make up the total taxation raised by Parliament? (2) Is each item placed in the compartment to which it properly belongs?

(1.) To the first question there can be only one answer. The only qualification to the obvious affirmative is the caution that the amount raised by taxation is not an accurate measure of the real burden. As Mill says of a tax on newspapers, it is

* Agricultural Commission, Q. 63,235, and context.

† *Ibid*, Q. 63,253; 63,266.

"objectionable, not so much where it does fall, as where it does not." The principle has been generalised by Professor Marshall in his theory of "consumers' rent." For example, if the duties on some consumable articles were raised, the burden of taxation would certainly be increased, but the ordinary pecuniary measure of that burden might quite possibly be reduced.

(2.) The arrangement of the items appears to me correct enough. I should add that it might have been widely different, without appearing to me incorrect. For the term "incidental to" signifying simply "with respect to"—and divorced, as I contend that it should be, from its association with *incidence*—is so vague and elastic that the compartments which it defines may be made to include more or less, at pleasure. Thus several of the items under Head 4, e.g., bills of exchange and promissory notes, might as well have been, where Sir Alfred Milner was at first disposed to place them,* in the category of taxes not incidental to property, as where they are now. Distinctions which turn upon such differences seem hardly worth contending for.

3. What is the best definition of a tax is an interminable inquiry. There is a whole literature on the subject on the Continent. It may be true, as a French writer has observed, that all this dialectic never brought an additional franc into the Treasury. Yet the discussion exercises speculative faculties which are demanded by some problems in taxation. It will not be expected, however, that this academic exercise should be performed here.

For the present purpose we may accept Professor Bastable's definition of a tax, and understand with him that "when ordinary profit is exceeded, the monopoly possessed " by the [public] office is employed for taxation."[†] Or, in Professor Sidgwick's words, "Government avoids interfering with distribution"—whether in the way of tax or bounty—"if it sells the commodity at the price at which it would be sold if " provided by private industry."[‡] But "we can only conjecture roughly" what that price would have been.[§] We do not know to what extent the service would be monopolised in the absence of Governmental interference. The calculation is further complicated by the possibility that, whether in a *régime* of perfect competition, or more or less imperfect monopoly, there might be different prices, varying with the cost of service in different localities. It has further to be considered that the burden imposed on the public by the Government monopoly of the post is not to be measured simply by the rise in price which it may occasion. Professor Marshall, in a letter to "The Times," of April 6th, 1891, estimated the loss to the public in the way of "consumers' rent," consequent on the prohibition of private enterprise in postal services, as amounting to some four and a half million pounds sterling annually. It seems to follow that the "net revenue of the Post Office" is a very inaccurate measure of the fiscal burden imposed by the Government monopoly.

4. The equity of any particular tax must be judged by reference to the system of which it forms part. That the same tax may or may not be inequitable, according as the payer is or is not otherwise burdened, is an acknowledged principle.^{||} We may go on then to consider the equity of a system of taxation. The following is a summary of views expressed fully in the "Economic Journal" for December 1897.[¶]

In considering the equity of any political system, the test which should be applied is the greatest happiness principle.^{**} From this principle it follows that *ceteris paribus* the sum of privation or sacrifice caused by taxation should be a *minimum*. Therefore, if a certain amount of taxation has to be raised (for purposes of which the benefit cannot be allocated to particular persons), the *prima facie* best distribution is that the whole amount should be paid by the wealthiest citizens. The incomes above a certain level should all be reduced to that level; the incomes below that level should be untaxed, the level being determined by the amount which it is required to raise.^{††}

This levelling principle requires to be corrected by several prudential considerations.^{††} There is the danger of driving the rich, or at least their riches, from the country, and checking accumulation; there is the danger of awakening the predatory instinct of the poor, and precipitating revolution. When tempered by ordinary prudence, the

* Memorandum, p. 64.

† "Public Finance," Book II., Ch. I., sec. 4.

† "Political Economy," Book III., Ch. VIII.

§ Note to 1st Ed., *loc. cit.*

|| See Fawcett, "Manual of Political Economy," Book IV. Ch. I. Bastable, "Public Finance," 2nd Ed., p. 300 and p. 555, note 1. Seligman, "Progressive Taxation" (on the principle of *compensation*).

¶ "Pure Theory of Taxation," No. III., Economic Journal, Vol. VII. (1897).

** *Loc. cit.*, p. 550.

†† *Loc. cit.*, p. 553.

†† *Loc. cit.*, pp. 554-6.

suggested rules of equity deduced from the principle of *least sacrifice* are not, in practice, very different from the received rules which are deduced from the principle of *equal sacrifice*. But there is an important theoretical difference between the two first principles.

I maintain that the principle of equal sacrifice derives its acceptance from its similarity in conception and dictates to the principle of least sacrifice: that the former has no authority independent of the latter. J. S. Mill, the leading authority on the subject, confuses the two principles. In the same breath he enounces the principle of equal sacrifice and identifies it with that of least sacrifice. "Whatever 'sacrifices it [Government] requires of them [persons or classes] should be made 'to bear as nearly as possible with the same pressure upon all, which, it must be 'observed, is the mode by which least sacrifice is occasioned on the whole.'"* The association in Mill's thought between *equal sacrifice* and *equality*—an inference from *least sacrifice* is apparent in his method of advocating the limitation of inheritances,† and in the juxtaposition noted by Professor Sidgwick,‡ between the first clause above quoted and the dictum in the same section that "the true idea of distributive justice 'consists . . . in redressing the inequalities . . . of nature."

Many distinguished foreign authorities also seem to hover between the two principles, having "*equal sacrifice*" on their lips, but using arguments which are germane to "*least sacrifice*."

The principle of equal sacrifice has sometimes been clearly distinguished from that of utilitarianism pure and simple, and preferred to it as being free from the dangers which, as above admitted, attend the working of the latter principle. But in order to deduce any rule of distribution from the principle of equal sacrifice, there is needed some assumption as to the degree of slowness with which utility tends to increase with the increase of means. Upon a very probable assumption as to that slowness, the principle of equal sacrifice would lead to a progressive taxation almost as drastic as that which has been above described. This is admitted by Professor Sidgwick when he says, "If equalisation of burden were the sole consideration, the equity of a 'graduated rate of taxation, rapidly increasing as incomes rise, could hardly be denied."<§

It should seem therefore that, as a working principle, equal sacrifice has no great advantage over least sacrifice.

For further defence and qualification of the views propounded the reader is referred to the article already cited. The main result of that investigation is somewhat to weaken the prepossession in favour of taxation proportional to incomes (above a certain minimum), and somewhat to strengthen the arguments in favour of progressive taxation. It may be added that there does not seem to be much weight in the common objection to progressive taxation: that if the proportion payable continually increases, it must ultimately reach 100 per cent., or at least a ratio such that the taxpayer would have no interest in increasing his income. For, first, the point at which these consummations would be attained may well be far above the highest existing incomes, as happens in the case of some progressive systems in Switzerland. And secondly, the dictates of the least sacrifice principle might be approximately satisfied by a law of progression which ultimately, for high incomes, converged to a simply proportional rate of taxation. If the ultimate ratio was very high, the initial ratio might be very low.

5. I have elsewhere|| suggested four distinctions which may be of assistance in determining the real incidence of taxation.

There is first the distinction between a *régime* of monopoly and one of competition. The laws of incidence are not the same for these two cases. Thus it is rightly argued that rates in respect of railways and canals fall upon the shareholders who own the property, while rates in respect of mines and quarries fall upon the consumers of the products||; it being understood that monopoly prevails in the former case, competition in the latter. A less familiar inference is that, even if a canal or quarry is monopolised, a rate would not fall entirely upon the monopolist, but partly on the consumer; supposing, as is usual, I believe, that the rate is proportioned to the output.**

* "Political Economy," Book V. Ch. II, sec. 2.

† "Economic Journal," loc cit., p. 565.

‡ "Political Economy," Book III, Ch. VIII, par. 7, 1st. Ed.

§ "Politics," p. 182. Cp. "Political Economy," Book III, Ch. VIII, par. 7, sub.

|| "Economic Journal," Vol. VII. (1897) p. 46.

¶ See Memorandum by Sir Edward Hamilton, p. 47.

** See Marshall, "Principles of Economics," p. 482, and "Economic Journal," Vol. VII., p. 227.

The second distinction is between products which obey the law of "diminishing returns" and those which do not. This distinction is relevant to the weight rather than the point of incidence. The burden of a tax on products obeying the law of "increasing returns" is apt to be greater. It may be observed that the articles with which the commission is specially concerned, lands and houses,* seem mostly to belong to the category of diminishing returns.

The third distinction is between cases where there exists mobility between different industries and cases where this mobility does not exist. One important case of immobility is that of capital fixed during a "short period" † as distinguished from "the long run." Thus there is an essential difference between the incidence of a new house rate, according as it affects the owner of a house already built, or as it enters into the calculation of an intending builder.

The fourth distinction is between a tax which varies with the amount of article (including money) produced or dealt in, and one which is irrespective of that amount. A specific and an *ad valorem* tax belong to the former category; to the latter, a poll tax and a payment for a licence. Consider, for example, different modes which might be imagined of taxing the production of barley—I say barley, not corn, to avoid the complication attending the taxation of labourers' necessities.‡ Mobility between the farming and other industries being supposed, a tax proportioned to the amount of output falls upon the consumer; since before, as after, the impost the "final" increment of product must just repay the producer.§ By a parity of reasoning a tax under the form of a license to grow barley will presumably fall on the landlord; supposing that he has no mobility and must either let his land for the cultivation of barley or not at all. It must be supposed also that he can bear it, that his rent, minus the license, is a positive quantity. Theoretically it would seem that, in general and when the demand for the commodity is not perfectly inelastic, the consumer would, in the long run, only be affected when the licence exceeds the rent. Nor even then is the operation of the licence quite so simple as it is sometimes taken for granted in the books.|| More practical exemplifications of these theories will be given in subsequent answers.

6. In the answers which follow relating to imposts on houses I shall suppose, when the contrary is not expressed, that the so-called "London leasehold system" ¶ prevails. Statements made with special reference to that system can easily be adapted to other circumstances.

(a.) To determine the incidence of the Inhabited House Duty is a problem so complicated that it is expedient to break it up by first considering an ideally simplified case, then introducing one by one the concrete complications.

(1.) First let us suppose the inhabitants of a town to deal with the owners of houses already built, abstracting the competitive influence exercised by new houses and other towns. For periods and circumstances which permit this supposition a tax such as the Inhabited House Duty will, theoretically, fall entirely on the owners on the expiry of each occupant's lease (that is, on an average, in less than three-and-a-half years after the imposition of the tax, supposing that the term of the occupation-lease is sometimes seven years and sometimes three). For, the supply of houses being perfectly inelastic, the owners have no choice but to throw these their wares upon the market without a reserve price; they must accept that price which just carries off the supply. Since the imposition of the duty does not increase the demand of the occupants, the payment per house which they can be got to make will not be increased. The payment now made by the occupant, consisting of rent *plus* tax, will be the

* As to lands, see Mill's "Political Economy" *passim*; as to houses, Marshall's "Principles of Economics," *sub voce* "Margin of building."

† Professor Marshall's useful phrase.

‡ In this hypothetical analogy the effect of foreign trade on price may be left out of sight as an incident not relevant to the building industry.

§ In the case of agricultural produce, as Mill points out (Book V. Ch. IV. sec. 3, par. 1), if the tax diminishes consumption, "it to that extent contributes to throw back agriculture upon more fertile lands or less costly processes and to lower the value and price of corn; which therefore ultimately settles at a price increased not by the whole amount of the tax, but by only a part of its amount." There is, theoretically, an analogous diminution of the expenses, with the rise of the "margin," of building (the law of diminishing returns prevailing); but it may be doubted whether this effect is considerable.

|| See "Economic Journal," Vol. VII. p. 59.

¶ There is a good description of the system in the final report (1892) of the Select Committee on Town Holdings, p. vi.

same as the payment made before by him, consisting of rent alone. The payment received by the owner will be less than before by the full extent of the tax.*

(2.) Now, let us take into account the circumstance that houses are not eternal. First, let us suppose the town, or other circumscribed region, to be renewed without being enlarged, new houses from time to time being built on old sites, but not on new sites. If the average duration of a house is 50 or 100, or generally n years, then an n^{th} part of the total number of houses in the town will be yearly produced, and offered for occupation by building *entrepreneurs*. These *entrepreneurs*, being free to apply their capital otherwise than in building, will require as good profits in that industry as in any other not subject to a special tax. Whence it follows, by familiar reasoning, that the duty, being an *ad valorem* tax on the price paid for a consumable article, falls entirely on the consumer—the occupant. The occupants of new houses then pay the entire duty. But it is not theoretically possible that, in the same market, similar articles should be obtained for different prices: old houses for the same rent as before the imposition of the tax, new houses for that rent *plus* the tax. If, as a first approximation, we ignore the difference in the demand for new and for old houses, the pressure exercised by the builders of new houses will, in the course of less than seven years, result in imposing the tax† on the occupants of the old as well as the new houses.

(3.) A similar conclusion is obtained when we take into account the circumstance that where the population is increasing new houses will be required on new sites as well as old ones; still assuming that new and old houses are exactly similar articles. But, of course, this is a very inexact assumption. New and old houses are not interchangeable like sovereigns of different dates; urban and suburban residences are not identical articles, but more or less perfect *substitutes* for each other.

(4.) Account being taken of this relation between new and old houses, we shall find that the effect exercised by the new buildings upon the house-market is similar in kind, but not in general equal in quantity, to that which was described under heading (2). In the limiting case, when the rivalry between the new and old houses is null, the whole tax falls on the owner, as in case (1). In general it may be supposed that the case lies between (1) and (2); that the occupier of an old house pays a part, but not the whole, of the tax. But this natural supposition is not quite correct. The extra payment imposed on the occupants of old houses in consequence of the tax is not limited to the extent of the tax. Zero is, indeed, an inferior limit, but there is no definite superior limit. The imposition of the tax may so disturb the delicate balance of demand for the rival articles, central and suburban—or, more generally, old and new—houses, that in the new equilibrium the occupants of old houses pay a rent increased by more than the tax, the owners of old houses positively gain by the tax.‡ This *curiosum* in the theory of value seems only to be of importance as it tends to confirm the conclusion that the occupier will bear a considerable portion of the tax.§

(5.) There is next to be introduced the competition between different towns. Residences in different places constituting rival commodities, we may see, by an extension of the analysis above employed, that a uniform tax may so disturb the balance of complex demand as to cause a certain rush of inhabitants to one town from another. The owners of houses already built may gain more rent by the increase of demand consequent on such disturbance than they lose through that more immediate action of the tax which was indicated under the preceding head. Conversely, they may

* The matter is put more technically in my study on the Pure Theory of Taxation ("Economic Journal," Vol. VII., p. 50).

† The whole tax, if we admit what may be called the classical assumption that the expenses of building are not sensibly altered by the diminution of demand for houses which may be caused by the rise of the price paid by the consumer—the occupier. (See the penultimate note to Q. 5.)

‡ "Economic Journal," loc. cit., p. 63, note.

§ The eminent Mr. N. G. Pierson, of Holland, in his noteworthy discussion of this subject (in the second edition of his *Leerboek der Staathuishoudkunde, eerste deel*, p. 166, et seq.) has come to a different conclusion, namely, that the occupier of a house with a high ground rent, as in a central region, will, at most, pay only as much tax as what is paid by the occupier of an exactly similar house with [little or] no ground rent, as in a suburban periphery. Mr. Pierson deduces this conclusion from the assumption that the difference between the rents of the two houses may be expected to be the same after and before the imposition of the tax (or, at least, not greater after than before). This assumption would be appropriate if two similar houses dissimilarly situated [*"twee huizen van ongelijke ligging en alleen daarom in huurwaarde verschillend,"* loc. cit., p. 178; *"twee gelijksoortige perceelen,"* p. 171] could be regarded as two units of the same commodity, analogous to two quarters of barley grown on a highly rented site and at the margin of cultivation respectively. But I submit that the two houses ought rather to be regarded as *different quantities of commodity*, analogous to the quantities of barley produced by the outlay of the same capital at the margin and on a highly rented site. There is no "*anomaly*" (loc. cit., p. 179) in the supposition that the difference between the prices paid for those two quantities of produce should be increased by a tax. It is the received theory, as stated, e.g., by Mill (Book V., Ch. IV., sec. 3, pars. 2, 3, 4).

lose rent through the competitive action referred to under the present head. As regards the distribution of the burden between owner and occupier, the competition between towns does not tend, on the whole, to alter the proportions.

(6.) Lastly, account is to be taken of "friction." With respect to the distribution of the burden between owner and occupier, friction acts in two opposite ways. It obstructs that transference of the tax from the occupier to the owner which was indicated under head (1), and that transference from the owner to the occupier which was indicated under heads (2), (3), and (4).

In the first case, the process by which the burden tends to be shifted from the occupiers to the owners is as follows.—If, before the imposition of the rate, each occupier had as much house accommodation as he wanted at the old price (the rent of occupation), thereafter he will have more house accommodation than he demands at the new price (the rent *plus* the rate). Accordingly, he will seek to disembarass himself of this superfluous housing by moving, or threatening to move, to less extensive premises. But this action is much clogged by friction. The gain in utility (or "consumers' rent") which is effected by taking just as much as he wants at the new price may well be overbalanced by the expense and trouble of moving.

Case (2), at first sight, does not seem to admit of as much friction. As the owner of a new house will not pay the rate, the occupier must undertake to pay it; but he will not do so while equally good old houses are obtainable at the same rent and less rates. As Mr. Cannan says: "Who will stand up and confess that he took 76 — Street at 100*l.* a year, and subject to 20*l.* of rates, when an exactly similar house next door was to let at 100*l.* a year, and only 12*l.* of rates?"* However, in the case before us, it may well be that the paucity of new houses is a circumstance favourable to friction. That n^{th} part of the town or region which is yearly renewed may not be sufficient, so to speak, to leaven the whole region with the effect of the tax. It is, perhaps, significant of the preponderance of friction—the impotence of what may be called the normal forces—in this case, that Mr. Pierson, in his discussion of a rate on houses in a circumscribed region, such as *The City* in London,† considered as unaffected by the competition of extra-urban houses, has taken no account of the competitive influence exercised by *new houses within the region*. The action of friction in favour of the occupier in case (2) may be enhanced by the characteristic of case (4), the imperfect capacity of new houses to act as substitute for old ones.

Case (3) is affected less by the circumstance of paucity, and more by the circumstance of imperfect substitution.

The principal forces, normal and frictional, which are at work have now been analysed. But I have not sufficiently accurate knowledge of the facts to determine in concrete cases the resultant of all the forces. Doubtless, in virtue of friction, it may be expected that more or less of the tax will stick where it hits. But whether this expectation is greater when the tax is imposed on the occupier than when it is imposed on the owner, I am unable to say.

So far as to the incidence of the Inhabited House Duty on occupiers and owners. There is still to be considered its incidence on the ground landlord. This action is, of course, very slow, making itself felt immediately with respect only to the small proportion of sites for which new leases are being created at any time, with respect to the average of sites not until after many years—perhaps 40 or 50.‡

Theoretically, a house being regarded as a sort of product grown upon the land,|| a house tax paid by the occupier tends to diminish the ground rent through the diminution of the demand on the part of building entrepreneurs for sites. The limiting case is when the demand for houses is quite inelastic. Then the same amount of house accommodation is demanded before as after the imposition of the tax. The occupier pays the same rent as before *plus* the duty; the builder obtains the same profits; the ground landlord the same rent. In general, the imposition of the tax causes a diminution of demand for house accommodation; intending builders divert their enterprise to other investments; the ground landlord suffers through slackened demand for sites. But what the Exchequer loses through the diminished use of houses is not, in general, equal to what the ground landlords lose through the diminution of demand for sites.¶ Nor would the equality be of any fiscal significance, since what is

* History of Local Taxation, p. 135.

† Above, p. 130.

‡ Loc. cit., p. 178.

§ Supposing the average term of a building lease to be 80 or 100 years.

|| See answer to Question 5, last paragraph. Compare Mr. Goschen ("Local Taxation," p. 164):—"The inhabitant of the house is, in reality, the consumer of the commodity produced by the builder."

¶ Compare the formulæ given by the present writer in the Article No. 1 on the Pure Theory of Monopoly in the "Giornale degli Economisti" for 1897.

lost by the ground landlords is not gained by the Exchequer. Indeed, the question has been raised whether an effect of this sort—detrimental to a certain class, without any corresponding benefit to the Exchequer—can properly be described as the *incidence of a tax*.*

(b)—(1.) The principal difference, with respect to incidence, between the Inhabited House Duty and house rates is that the former is uniform, the latter may vary† from place to place. So far as such variation does not occur, the preceding analysis holds good of house rates. Where one locality is more heavily rated than another, the excess of rates may or may not correspond to extra advantages offered to occupants. For instance, a municipality may give more service in the way of lighting and cleansing than others in return for an equivalently heavy rate, or it may give the same service, e.g., in the way of drainage, at a heavier rate corresponding to disadvantages of situation.‡

To begin with the second case, the differential rates will tend to divert demand from the locality, with the following results to occupiers and superior interests. The occupiers who are not driven away suffer the aggravation of rates; the occupiers who are driven away suffer a loss of *utility* (or “consumer’s rent”). The owners during the remainder of their terms, and the ground landlords ultimately, suffer a loss of rent consequent on the slackened demand for houses in the locality.

These results are counteracted when the extra rates correspond to extra benefit. If that benefit is immediate, none of the parties need suffer. Demand is not slackened; rents do not fall. If the benefit is a future result of present outlay, both occupiers and owners will suffer temporarily in the ways above described. It is not true of differential rates that the occupier bears all the cost of improvements by which the owner is ultimately benefited.

(2.) As pointed out by numerous authorities,§ a rate on trade premises falls partly on the customer, partly on the trader, partly on the owner, in proportions difficult to determine: *ceteris paribus*, more upon the customer the greater his preference for dealing in the particular locality; on the trader the greater the loss incurred by him in moving to another place (or business); on the owner the longer his term. The only remark not quite familiar which occurs to me is that the owner of old premises is not quite so defenceless as might be supposed, since he benefits by the competitive action which is propagated from new premises in the manner indicated under head (a) 2.

(c.) According to Ricardo, “a tax on rent” [in the proper sense of the term] . . . “would fall wholly on landlords.” But “a tax on rent, as rent is constituted” [i.e., true rent plus “quasi-rent,” as we might now say] . . . “would be a tax on the ‘profits of the landlord.’ ‘The capital expended on these buildings, &c. [‘the buildings and the improvements which are made by the landlord’s stock’] ‘must afford the usual profit of stock; but it would cease to afford this profit on the land last cultivated, if the expenses of these buildings, etc. did not fall on the tenant, and if they did, the tenant would then cease to make his usual profits of stock, unless he could charge them on the consumer.’”

This general theory must be applied with caution to the present circumstances. It may be doubted whether English landlords expect their outlay on their estates to afford “the usual profit of stock”; the supply of such expenditure follows a special law, not that of the general investment-market. Moreover, with respect to produce for which there is a world market, such as wheat, the effect of agricultural rating in one country upon the price must be insensible. From the first incident it is deducible, I think, that the landlord will bear some part of the tax on the quasi-rent; from the second incident, that he will bear the greater part. On the other hand, as Mr. Blunden has ingeniously observed,|| the farmer will not be able to shift on to the landlord any burden which is common to other industries, in particular that part of the rate which falls on his dwelling-house, say 5 per cent. of the total agricultural rate. Altogether, theory leads to the conclusion that the greater part of an agricultural rate falls on the landlord.

* A dictum carrying the combined weight of Ricardo’s and Adam Smith’s authority can be quoted on the affirmative side of this verbal question. “The payment of this tax, then, would ultimately fall on ‘the occupier and ground landlord, but in what proportion this final payment would be divided between ‘them,’ says Adam Smith, ‘it is not, perhaps, very easy to ascertain.’”—Ricardo, “Political Economy,” Ch. XIV. (Taxes on Houses).

† Dudley Baxter has pointed out this difference very clearly.—“Taxation of the United Kingdom,” p. 65.

‡ Compare Mr. Cannan’s valuable analysis of the causes of inequality in local rates.—“Economic Journal,” Vol. V., p. 31.

§ E.g., Professor Sidgwick, “Political Economy,” 2nd Ed., p. 575, note; Professor Bastable, “Public Finance,” 2nd Ed., p. 421; Mr. Blunden, “Local Taxation,” p. 55.

|| Local Taxation, p. 41.

These theoretical tendencies are masked by friction, the action of which seems to vary with the conditions of supply and demand. Under the conditions which prevailed when Mr. Goschen wrote his classical report on local taxation, it may have been true that a farmer could not insist on his landlord's reducing the rent in consequence of the imposition of a rate. Dudley Baxter may have been right when he wrote: "On all the evidence that I can collect, I have little doubt that, although in theory the rates are paid by the landlord, yet in practice and on the average of tenancies, a portion of the rates does fall upon the tenant."^{*} This portion was estimated by him as one-fourth. But under the present conditions, the "pull of the market" being against the landlord, "friction" seems to favour the tenant. I know of a case in which a set of agricultural tenants, threatened with a school board rate, declined to trouble themselves about the matter, averring their confidence that the whole rate would virtually have to be borne by the landlord. I know of many cases in which the tithe rentcharge was transferred from the tenant to the landlord, according to the Act of 1891, without any concomitant increase of the rent. Friction, as well as theory, seems now to make against the landlord.

(d.) Taxes on the transfer of property fall indifferently on both parties, now on the buyer more, now on the seller.[†] Adam Smith's *dictum* that "taxes upon the sale of land fall altogether upon the seller," for that "the seller is almost always under the necessity of selling," cannot be predicted generally of the sale of land including hereditaments.[‡] But it is true wherever the proprietor has no use for the property except to sell it. One important application of this theorem is that a tax on the sale of urban sites, like a tax on ground rent, falls altogether on the ground landlord.

(e.) As to the incidence of a tax on trade profits, I have only one remark to add to the received theories on the subject. The difficulties which I have elsewhere raised[§] as to the mode in which a tax on the profits of a particular trade is compensated by a rise in price seem to strengthen the probability of the tax acting as a preventive to improvements of production which would otherwise have been adopted.^{||}

(f.) Adam Smith's *dictum* that taxes on inheritance "fall finally as well as immediately on the persons to whom the property is transferred" is substantially incontrovertible. But there is much to be said for the view^{|||} that in property of speech such taxes fall immediately on the persons *from* whom the property is transferred. It is they who have the power of evading the tax (by donation to the living); it is they who bear the burden of that evasion when they forego the luxury of bequest. Nor is Adam Smith's "finally" to be interpreted so strictly, but that this tax, like all taxes, will have diffused effects upon accumulation and production.^{**}

7 & 8. *Prima facie* some purposes may be distinguished as purposes for which taxation should be raised locally, namely, those of which the benefit accrues to the inhabitants of the locality exclusively; for instance, amenities which conduce to pleasure rather than efficiency. Conversely the taxation should be raised by the central Government for certain other purposes, such as national defence. But there is a large intermediate class where the benefit cannot be altogether allocated either to the part or the whole, e.g., local police and education.

The criterion thus afforded by the proportion in which the benefit is divided between the locality and the nation does not suffice to determine the proportions in which the expenditure should be borne. Where indeed the benefit accrues wholly to the locality, perhaps the expenditure should be wholly borne by the locality. But the converse does not hold, for it seems to be requisite for the sake of economical administration that some expenditure which is chiefly in the interest of the general public—for instance, the maintenance of the poor—should be largely borne by particular localities. *A fortiori*, the criterion is not available where the proportions in which the benefit is divided cannot be ascertained.

As Mr. Cannan says, "the expenditure does not fall into two clearly defined classes, " and even if it did, the most consummate statesmanship would find it difficult always

* Taxation of the United Kingdom, p. 62.

† Cf. Professor Bastable, "Public Finance," p. 547, and the present writer, "Economic Journal," Vol. VII., p. 49, par. 2.

‡ Cf. Mill, "Political Economy," Book V., Ch. V., par. 1, note.

§ "Economic Journal," Vol. VII., p. 59.

|| This preventive action is indicated by J. S. Mill, "Political Economy," Book V., Ch. IV., par. 2, *sub finem*.

||| As suggested by Sir Robert Giffen in Q. 63,281 of the Royal Commission on Agricultural Depression.

** See Professor Bastable, "Public Finance," Book IV., Ch. IX., par. 9; and compare the present writer, "Economic Journal," Vol. VII., p. 57, par. 2.

"to reconcile the extension of the area of chargeability with economy in administration."* I am prepared to think that here, as in some other subjects, no principle is available except the general one which justifies the method of comparing, and in some sort, averaging the unanalysable judgments given by competent authorities conversant with the circumstances of each case.

9. It is convenient to answer this question after Question 10, and along with Question 12.

10. Ground rents should be specially rated, when newly created, in localities where an "unearned increment" has accrued to landlords. A contribution may thus be obtained from a source which would not otherwise be tapped.

This conclusion is at variance with reasoning which many experts have put before the Town Holdings Committees.† It has been argued that as a rate on the occupier's rent ultimately burdens the ground landlord, so a rate on the ground rent ultimately burdens the occupier. This reasoning seems to be incorrect in that it ignores what may be called the *marginal* character of economic transactions. If to each site there corresponded a building of a certain invariable cost, then it might be true that, if the rate is added to the occupier's payment, an equal amount must be subtracted from the ground landlord's receipts; and, if the rate is subtracted from the ground landlord's receipts, an equal amount must be added to the occupier's payment—the builder's profits being constant. But, theoretically, in general the cost of the building on each site is not to be considered as fixed before hand. The builder will push his expenditure up to the point at which his last or "marginal" increment of outlay is likely to be only just compensated by the increase in the rent which he is to receive from the occupier. Accordingly, where there is a virtually *ad valorem* rate, the addition to the rate, due to the last increment of value added to the house must be paid entirely by the occupier. Therefore, if we may treat house accommodation as a commodity sold in a market,‡ the rate, not only on the marginal increment but on the whole value of the building, will be paid by the occupier.

It may be objected that if the rate on the ground rent is applied to relieve the occupier, then the demand for houses being thereby increased, occupier's rents and ultimately ground rents will go up; the last state will be no better than the first.

This objection would have weight if it were proposed to apply the rate on each site to relieve the occupiers of that site. This proposal will be considered below as a case of division between the occupier and superior interests (*see* answer to question 12). But here we are entitled to assume that the proposed ground rate is applied to the relief of occupiers generally, or, what comes to the same, to the execution of improvements for which otherwise additional rates would have been imposed on the occupiers. No doubt the improvements tend to increase demand for residences, and this increased demand will tend to increase the occupiers' rents. But this tendency would equally have operated if the improvements had been executed at the occupier's expense, and the occupiers are gainers, by having them executed at the expense of the ground landlords. No doubt the increased demand for residences will tend to increase ground rent; but the occupiers will gain by having these fresh accretions of ground rent in part applied to further improvements.§ It would be a strange complaint against a newly discovered source that, after it had been tapped, it was apt to be replenished.

* History of Local Rates, last page.

† See Evidence, 1887, Qs. 3,360 and 11,285; 1888, Qs. 2736, 2837, 3188, 4442, 9355; 1891, Q. 1969 *et seq.* (particularly lucid); *see also* Mr. Sargent's evidence before the Town Holdings Committee and his "Urban Rating," pp. 45-52.

‡ Compare Marshall, "Principles of Economics," 3rd Ed., App. Note XIV.

§ The theory, as here stated, is not touched by the examples which Mr. Sargent has adduced in his "Urban Rating" (p. 47 *et seq.*) to prove that rates fall upon ground rent. His arguments are, perhaps, not aimed at, at any rate they do not hit, the position here taken up; that a special rate on the ground rent falls altogether on the ground landlord.

A case which has been confidently appealed to (by the writer of the *Digest of Evidence*, given before the Town Holdings Select Committee, Vol. II., p. 200), is adduced by Colonel Sackville West, agent for Lord Penrhyn, in his evidence before the Town Holdings Commission (1888, Q. 11,560, *et seq.*). Of two parishes in the neighbourhood of the Penrhyn quarries, the rates of cottages were paid in Llandegai parish by the lessor, Lord Penrhyn; in Llandechid parish by the lessees, his workmen; and the ground rent per house in Llandegai was greater than the ground rent in Llandechid by almost exactly the amount of the rate per house, viz., 9s. This case is somewhat peculiar, in that the ground landlord appears to have been virtually a monopolist. However, the general principle that taxes on rent are borne by the landlord does not entirely fail on that account. If the authorities had seen fit to impose a special rate on the ground rent in these parishes, the landlord would probably have had to pay it all in Llandechid. (Theoretically, indeed, he could shift a part of it by restricting the amount of land offered.) In Llandegai, he would certainly have the resource of putting the ground rent on the same footing as that in Llandechid. But where the interests are divided by competition there could be nothing analogous to this latter adjustment.

While thus holding that the proposal to rate ground rents is theoretically sound, I hesitate in such a matter to follow pure theory very far without the support of specific experience. Possibly a rate of so much per cent. on ground rents generally—or on any other scale that could practically be employed—would prove *differential* in the sense which has just been explained.* Perhaps the market for house accommodation is not so perfect as the theory requires. Probably there are serious technical difficulties in the way of applying the theory. It may be difficult to distinguish true ground rent, which is the object of the proposed rating, from returns which the landlord may receive for the execution of improvements preliminary to building—for instance, drainage or road-making. It may be difficult to prevent the ground landlord from evading the proposed rate—for instance, by accepting a fine from the building lessee in lieu of a portion of the ground rent. It may be difficult to define the region in which ground rents, having received an “unearned increment,” are a fit object of special taxation. Moreover, the immediate relief to be obtained from this new source of contribution is small; since ground rents form only a fraction of occupation rents, and new ground rents are created infrequently in the situations where the higher ground rents mostly occur, that is, on sites which have already been built on. However, the source is likely to become more considerable with the growth of population.

It will be remarked that the special rating of ground values is here based solely on the presumption that an unearned increment has accrued to the landlord. The proposal is not applied to “improvements” in the ground rent due to the landlord's outlay. It is not applied to ground rents already created. As pointed out by numerous expert witnesses before the Town Holdings Committee, such ground rents are fixed charges, which have not experienced any unearned increment.† They have been largely bought by insurance companies and other prudent investors as specially safe securities; and they would seem to be very unsuitable objects for special taxation.

11. The laws which have been enunciated in Answer 6, for the imposition of a new rate, apply equally to the increase of an old rate. The laws for the reduction or abolition of a rate are given as the negative case of the former. The chief difference—beyond the change of *sign*—between the positive and negative case is due to friction. There is some reason for believing that friction resists an increase less than a reduction of rates. For one of the chief processes by which a change of rate is propagated is the competition between new and old houses, described in sections (2) and (3) of heading (a.) in Answer (6). In the case of a new rate being imposed, intending occupiers of new houses bid against actual occupiers of old houses whose leases are expiring. In case of a rate being reduced, actual occupiers of old houses whose leases are expiring bid against intending occupiers of new. The competition is naturally keener in the former case. A slight difference of rate may decide an intending owner to apply for an old rather than a new house. But a considerable difference of rate may be required to determine an actual occupier to incur the trouble and expense of a move.

12. Division of rates between owner and occupier, whether by deduction or otherwise, profits little theoretically. If there is a perfect market in any commodity—it may be house accommodation, or it may be tea—the imposition of an ordinary tax (or rate), disturbing the balance of demand and supply, results in a rise of the price paid by the consumer. But it makes no difference to the result, theoretically, whether the tax collector takes his share of the price from the hands of the buyer or those of the seller.

The exceptions to this general proposition are principally due to friction. But there are some exceptions valid even in theory. A tax by way of licence to produce is, under certain circumstances, borne entirely by the producer, as pointed out in the answer to Question 5. If, then, a tax of this sort is commuted in part for an ordinary tax on the consumer, the producer will, theoretically gain by the division. A consumer's

* Cf. Answer 12.

† I should be prepared to modify this statement upon obtaining evidence that the capital value of such fixed charges is generally and materially raised by an increase in the value of the houses on which the ground rent is charged. I am assuming (1) that, as Mr. Sargent says (*Urban Rating*, p. 101), “if it [the charge] is well secured, the addition can be but trifling,” and (2) that it generally is well secured.

licence presents a similar incident. "In Holland," says Adam Smith, "people pay so much a head for a licence to drink tea." If the licence was so much, irrespective of the quantity of tea drunk, and not large enough to deter many from becoming tea-drinkers, then, the "final utility" of tea not being sensibly affected, the tax would be borne altogether by the consumers. Accordingly, they would be permanently gainers by the division of the impost with the producers.

I do not know that this theory has much bearing on house rates in this country. Abroad, perhaps, some exemplifications could be found. In Austria the "house-class" tax is proportioned to the number of habitable dwelling-rooms irrespectively of the style of architecture. "The wealthy owner pays no higher rate of taxation on a "marble edifice . . . than the owner of a common brick tenement with the same "number of rooms."^{*} If this tax was not large enough to cause a material reduction of the number of rooms inhabited, the burden would stick where it hit; a division of the tax between owners and occupiers would be effectual.

The following theory is more germane to the purpose in hand. If the occupier of a new house be entitled to deduct a portion of his rates from the ground rent, then, for reasons above assigned,† the ground landlord will be unable to shift this charge. Thus the occupier of a new house will experience a real relief which will be propagated, by the influence of competition, to old houses in the neighbourhood. The rents of those old houses will be reduced, the rates remaining the same; so that, even without division, the burden would, *pro tanto*, be shifted to the owners. Division, thus fortified, would be even theoretically effectual.

The buttress thus afforded to the project of division is itself liable to give way. It is threatened by the competition with houses on cheaper sites. The ground rents in such situations will not be large enough to afford substantial relief to the occupiers. Intending occupiers of such houses will therefore, according to the theory stated in Answer 6 (a) (3), press in and compete against the occupiers who are obtaining substantial relief by the deduction of ground rents. The advantage promised by reduction to the occupiers of houses with expensive sites will thus be shifted back to the owners and, ultimately, the ground landlords. Things will come round again, after much wasted trouble, to the *status quo ante*.†

However, it is a tenable supposition that residences in neighbourhoods where the ground rent of new houses is high and those in which it is low are very imperfect substitutes for each other; that, even in the absence of friction, competition between them is feeble. Accordingly, the relief of occupiers by a certain percentage, say, 30 per cent. of the ground rent, though it would amount to different percentages of the occupiers' rent in different localities, say 12 per cent. in central and 6 per cent. in peripheral neighbourhoods, yet would fail to disturb the balance of demand for houses in those respective situations. On this supposition the division of rates between owner and occupier, buttressed by deduction from the ground rent in new houses with newly created ground rents, might stand. As conducive to the working of this arrangement the deduction of a moderate proportion only, say a third, of the occupier's rent may be recommended. Presumably this proportion should be deducted from the owner in the case of old houses, in the case of new houses with newly created ground rents from the ground landlord up to a certain proportion of the ground rent, say a third, and the remainder from the owner.

It will be remarked that in this reasoning, as throughout the answers, it is presumed that in the case of a new house the owner does not pay the rate, since he expects the ordinary profits on his investment—a circumstance which removes the case from the analogy of the income tax (referred to in Question 12), since the income tax, not being special to investment in building, cannot be shifted by the building owner.

Apart from the special arrangement which is here propounded as even theoretically defensible, I think it probable that in virtue of *friction*, if an occupier by whom a rate had hitherto been paid (Question 12) were empowered to deduct part of the rent from the owner, part of the burden would be thrown on the owner.

Altogether I am disposed to recommend that "local rates should be divided between owners and occupiers" (Question 9) as a means to that end; which appears to me desirable so far as owners are, or are about to be, in the enjoyment of unearned increment.§ But, before pressing this recommendation, I should require to be satisfied that the principle of taxing unearned increment would be fairly applied. Perhaps some sort of court to make allowance for hard cases would be required. It should be observed that exemptions granted to individual owners would be

* O'Meara, *Municipal Taxation*.
† Compare Answer 10, p. 134.

† See Answer 10.
§ Cf. above, p. 135.

ineffectual, since no individual could stand out for better terms than would be current in the neighbourhood. Exemptions could only be granted in favour of (the owners in) regions or zones practically isolated from external competition. As an additional precaution it might be recommended that the rule should not come into force until after the expiry of the occupier's lease; or at least not within some three years after the enactment. With these precautions the division could do little harm; it might do some good, and seem to do more. What seems may be as important as what is for the political purpose of appeasing discontent and getting municipal improvements adopted.*

Friction is most likely to be effective when the effect required of it is not very great. Friction may resist the force of gravity on a slope of 30 degrees, but fail to do so on a slope of 60 degrees. On the score of friction, therefore, as well with reference to the special deduction from ground-rent above proposed, it may be recommended that the deduction should not be very large; say, a third of the occupiers' rent. This proposal may square with the fact that it is difficult to give the owners a voice equal to that of the occupiers in the imposition of rates.

13. (a.) The effect of a *progressive* rate would be to lighten the contribution of the poorer householders and thereby probably to make the distribution of fiscal burdens more equitable; possibly, to make the working classes more efficient. This desirable result is apt to be reduced by friction in the numerous cases† in which the rates are paid by the owners. *A fortiori* if, as testified by some,‡ the owners of small tenements act as monopolists. For in this case the relief of the occupiers will be, even theoretically, not indeed null, but probably less than in the case of perfect competition.§ And practice may lag even further behind theory.

(b.) An obvious tendency of rating property differently, according to its character and purpose, is to divert demand to the more favoured conditions. But in the more important existing cases of such difference, e.g., between agricultural and urban rates, between rates on inhabited houses and those on trade premises, I do not suppose that this effect is considerable.

14 & 15. As to methods of raising revenue for local purposes otherwise than by rates, I suggest that accurate information should be collected as to the expedients resorted to in foreign municipalities. At the same time, attention might be given to the teachings of experience abroad concerning the incidence of local taxation.

I express the opinion that, if such information is worth obtaining, it is worth printing legibly.

F. Y. EDGEWORTH.

Answers by Professor Bastable.

I.

The classification given in Table D. may be described as *formally* correct, inasmuch as it includes the whole tax revenue and does not count any part of that revenue more than once. Regarded, however, as a scientific or practically instructive arrangement it seems to be open to serious objections.

(1.) It suggests the idea that all taxation can be cut up into two great classes each with well-defined common characteristics resulting from, or at all events connected with, the presence or absence of the feature of being "incidental to property." An inspection of the table, however, shows that very different taxes are grouped together, while similar taxes are separated. As an instance of the former I may give "The Unredeemed Land Tax," and "The Inhabited House Duty;" of the latter "Bankers

* Mr. Costeloe, among other witnesses before the Town Holdings Committee, insisted much on the impossibility of getting improvements adopted—the "deadlock" of the present system. Cf. Final Report, 1892, p. xxi., "In our opinion the change would do much to remove the sense of injustice which, whether rightly or wrongly, is no doubt at present very widely entertained."

† According to Mr. Sargent, three-fourths of all the cases.—*Town Holdings Committee*, Q. 4364.

‡ Cf. Mr. Costeloe's evidence before the *Town Holdings Committee*, 1890, Q. 4529.

§ Cf. "Economic Journal," Vol. VII., p. 227, par. 1.

Notes" and "Railway Passenger Duty." Such defective grouping cannot be remedied by readjustments; it is, I believe, inherent in the classification, and results from the natural complexity of the tax system. To take one illustration, the various stamp duties (which to a great extent correspond to what are described by writers on public finance as "taxes on acts") cannot scientifically or correctly be placed in the same category as taxes imposed directly on the yield of land or capital. They are levied on wealth in circulation and often affect gains from personal exertion or mixed revenues. They have, besides, important resemblances to taxes on commodities.

(2.) Another objection arises from the vagueness in the expression "property." This term describes from the legal side what the economist calls "wealth," but either expression may be confined to material things (*the res corporales* of Roman law), or may be so extended as to include valuable rights which are not directly exercised over material objects (*res incorporales*). Again, property is sometimes used as synonymous with "capital" or "revenue yielding wealth." It appears from the inclusion of the produce of Schedule C under the head of "Non-rateable property" that the widest meaning is the one adopted. This at once raises the difficulty that as "property" includes all wealth its taxation should include taxation of commodities which are indisputably a part of the total stock of wealth. Either from the scientific or practical point of view it is hard to perceive the advantage of placing a tax on the commodity "houses" (where, be it noted, the duty is directly levied from the user) under the head of "Taxes incidental to property" while a tax on the commodity "beer" (which is taxed in the possession of the producer) is put under the head of "Taxes not incidental to property."

(3.) The probable answer that would be made to the foregoing criticism, viz., that the taxes on commodities are really taxes on enjoyment and consumption, and therefore not on "property," would not excuse the laxity of terminology, but certainly indicates another grave objection—the treatment of the question of incidence. It is admissible in taking a preliminary view of a system of taxation to assume *for the moment* that the burden of a tax always remains on the first payer. In making a complete estimate of its effects it is important to trace the various shifting by which the weight is finally distributed. It cannot be correct to *assume* at the outset the existence and established operation of some forms of shifting as is done in the table. Thus it is assumed (a) that the whole mass of customs and excise duties is shifted forward from producers and dealers to the consumers of the dutiable articles, (b) that the excise licences on dealers and manufacturers are similarly shifted, (c) that the Inhabited House Duty is shifted backward from the occupier to the owner. Even if all these assumptions could be justified by argument, they should not have been made without such justification, and, when established, should have been carried out consistently.

(4.) By the partial introduction of the question of incidence it would appear that the old division of taxes into "direct" and "indirect" has had some influence on the arrangement under consideration, and this belief is confirmed by the fact that almost 51,000,000*l.* out of the 60,000,000*l.* of tax revenue described as "not incidental to property" is taxation of commodities. The balance of 9,000,000*l.* is obtained by taking about one-fourth of the income tax (*i.e.*, the yield of Schedule E. and highly conjectural proportions of Schedule B. and part of Schedule D.) supposed to be due to "personal exertions," along with the net post office revenue and some licences. All other taxes are regarded as "incidental to property," but they, with the exception of the "stamp duties" and the Inhabited House Duty are the "direct taxes" of the old classification. We are thus led to regard the arrangement of the table as a slight readjustment of the well-known grouping of taxes into either "direct" or "indirect," which is now generally regarded as being too loose and imperfect for scientific employment.

From these considerations it follows that the classification of taxes must be more complex than the framers of the table believe it to be. The whole problem of classifying public revenues has recently been discussed by writers on finance,* but personally I have seen no reason for altering my opinion that the most suitable division from a scientific point of view is "Into primary and secondary. The former " include those on land, on business and capital, on persons and on earnings. General " income or property taxes are a combination of these primary forms. The secondary " taxes are those: (a) on commodities, (b) on communication and transport, (c) on

* See Seligman "Classification of Public Revenues." Quarterly Journal of Economics April 1895 (Reprinted in *Essays in Taxation*. Bastable, *Public Finance* (2nd Ed.) Book II., Ch. 1 and note, Book III., Chs. 1 and 4, ss. 6-12. Plehn, "Classification of Public Finance" Political Science Quarterly, March 1897.

"commerce and legal transactions, (d) on transfer of property, (e) on successions." It must be added that heads (d) and (e) of the secondary taxes have points of affinity with the primary taxes.

But whatever be the most suitable or least unsuitable method of theoretical arrangements, I would venture to point out that such discussions are unnecessary for the purpose of the Commission.

Its aim is to inquire into the present system of local taxation, and especially into the relative contributions of real and personal property. It has, further, to decide whether equity is at present attained and, if not, to indicate how it can be.

For these objects the most important preliminary question is to get a clear view of the taxation at present falling on land and houses either immediately or through the process of shifting, and the distribution of the charge between the different interests concerned. No mere external classification and analysis of Imperial, or of Imperial and local taxation combined, will materially further this enquiry.

Study of Sir E. W. Hamilton's important Memorandum strongly confirms me in the view taken above. While apparently accepting the classification of the Table (which seems to have been in a measure forced on Sir A. Milner by a resolution of the Royal Commission on Agricultural Depression*) the author carefully points out its weakness (pp. 37-39) and corrects some of its most misleading features.

II.

Several of the items which seem improperly placed even on the principle of the Table have been already indicated; such are the Inhabited House Duty, the licences on dealers and manufacturers, and the railway passenger duty.

The apportionments between "rateable" and "non-rateable" property are also open to question. I would particularly instance the division of income tax on railways into two parts, though the whole is clearly a deduction from dividends and therefore falls on the yield of movable property.

Another more than questionable item is the Unredeemed Land Tax, which is regarded as a "tax on rateable property" instead of being excluded from the Table as being a "rentcharge" rather than a "tax." The possibility of capitalising and redeeming this so-called "tax" shows conclusively its real nature. Were it not so, the capital value of the redeemed land tax should be counted as a still existing asset obtained from the estates redeemed.

III.

In respect to the Post Office revenue two different views of almost equal plausibility may be taken, viz:—(1) that which treats the Post Office as a State industry obtaining a monopoly profit through the economy which monopoly makes possible. We may perhaps with justice assume that under private competitive industry postal rates would not be lower than at present. Therefore the gain is in a sense "earned" by the State. But (2) we may also regard the State as only entitled to ordinary profit on the capital it employs, and then we must hold that the surplus is a kind of taxation. If this latter view (which is, I think, the better one) be taken, we must further note that this tax falls not on the whole but on a part of the postal service. It does not fall on the telegraphs, which do not make a profit, nor on the parcels service, which is open to private competition, nor, I would conjecture, on circulars or book post, which are carried at low rates. It really falls on letters which might, if this surplus were surrendered, be transmitted for a half-penny instead of the present penny rate. The charge is, therefore, on the writers of ordinary and commercial letters, i.e., it is in part, like excise and customs, a tax on enjoyment, in part like the stamp duties one on business transactions.

IV.

In dealing with a tax-system (the equity of any particular tax depends on the other taxes that co-exist with it, and therefore cannot be determined by considering it alone) two general standards may be applied as tests of equitable distribution, viz:—(1) Is taxation in proportion to benefit received? and (2) Is taxation proportioned to the ability of the payers? If it were possible to use the former principle exclusively it would be the proper one, but owing to the nature of public services it is out of the question to attempt to say how much each citizen gains by his participation in the State.

* See his Evidence to that Commission, *Report*, Vol. IV., p. 471.

Hence the need for employing "ability" or "faculty" as the criterion of contribution. But the unavoidable limitations on the employment of the "benefit" principle do not hinder its use where practicable. Thus the whole system of "fees" (what the French call "*taxes*," as distinct from *impôts*, and the German *Gebühren*) or, as they might be called, "special taxes," is an example of the application of "contribution according to benefit."

The "benefit" principle is of special importance in relation to local finance for (a) the demarcation of local from Imperial taxation is in great part due to the desire to confine taxation to those who benefit, and (b) the services rendered by local bodies have more of an economic character, and more readily admit of approximate measurement than is the case with State services.

It would seem, on the whole, that the distribution of taxation according to benefit should be carried as far as is practicable, the principle of "ability" being applied only to the remainder of the required revenue. Under actual conditions in the United Kingdom this would mean that the benefit principle would be an important, if not the preponderating, element in assigning the distribution of local taxation, while the revenue of the central government would be raised almost entirely in accordance with the canon of taxing according to ability, which may most conveniently be regarded as measured by amount of income.

A further condition desirable, in order to make a tax system equitable, is that it should be "certain" or "stable." Certainty is here used somewhat differently from the sense it bears in the second of Adam Smith's maxims. It is intended by it to mark the fact that the economic arrangements of society are adjusted to the actual state of things, and that reasonable expectations are formed which would be disappointed by sudden and unexpected changes. This consideration applies with very different degrees of force to different taxes. It has little or no weight in the case of most alterations of an income tax or of taxes on commodities (though it is evident that a revolutionary change, such as the doubling or entire remission of the spirit duties, would cause very serious disturbance and loss to sections of the community). Its force is greatest in those cases where contracts for lengthened periods are affected, and in which an old and established system has come to be regarded as permanent. The alteration of taxes (including rates) on land and houses, and the readjustment of tax areas supply instances in which this canon needs particularly to be kept in mind.

The truth contained in (or rather suggested by) the popular maxim that "an old tax is no tax," is, I think, fully expressed in the doctrine of "certainty," as just explained. Taken strictly the saying would imply acceptance of a thoroughly unsound theory of incidence, that of general diffusion, and might be parodied by the statement that "an old grievance is no grievance." The truth is that some old taxes (and grievances) are worse by reason of their protracted and accumulated effects, while others have their evils reduced by time, and cannot be removed without causing new injuries.

V.

It is extremely difficult to deal briefly with the subject of incidence. Definite propositions stated without the necessary qualifications are certain to prove misleading if not positively erroneous. I must therefore guard myself by reference to more detailed treatment elsewhere,* in explanation of the following statements:—

- (1.) Taxes on commodities tend in the main to fall on the consumers, but exceptions exist in the case of (a) monopolies, where the monopolist frequently bears the burden, (b) of industries with much fixed capital where demand contracts with higher prices (is elastic). Here for a long time the producers bear the charge, (c) similarly with very durable commodities, e.g., houses, (d) where the tax is a small one, and therefore too slight to lead to readjustment.
- (2.) Taxes directly levied on rent or on any differential gain are not shifted, but remain on the original payer.
- (3.) Taxes on fixed capital are shifted with difficulty inasmuch as it takes time to reduce the supply of such capital sufficiently to raise its value.
- (4.) Taxes on movable capital are generally evaded by migration, or are so partial in application as to allow of their transference to its users.

* Bastable, *Public Finance*, Book III., Ch. 5, 6, s. 8. Book IV., Ch. 1, s. 9, Ch. 2, ss. 5, 12, Ch. 4, s. 10, Ch. 6, s. 15, Ch. 7, s. 7, Ch. 8, ss. 2, 6, Ch. 9, s. 10.

Also Seligman, *The Shifting and Incidence of Taxation*, which is in general agreement with preceding.

- (5.) Taxes on employers' gains in general are not shifted, but special taxes on a particular set of gains are, unless (a) there is a monopoly, or (b) the capital cannot be withdrawn without loss.
- (6.) A general tax on business profits is not transferred, and even if confined to particular kinds of business, its transfer will prove difficult unless there is great facility for moving to other businesses.
- (7.) Taxes on commodities consumed by labourers may be passed on by them to their employers under favourable conditions.
- (8.) Taxes directly imposed on wages may or may not be transferred.
- It therefore appears that in dealing with questions of incidence, it is specially important to consider,—
- (a) the extent to which labour and capital are mobile or fixed, (b) the presence or absence of monopoly, (c) the existence of differential returns of which rent is a conspicuous instance, (d) the nature of the law of demand in respect to articles affected by the taxes under examination.

VI.

(a.) Broadly speaking this tax falls finally as well as immediately on the occupier. So far as demand for building is reduced by it the ground landlord is affected, but this influence must be trifling. The tax has been long enough in existence for building profits to have been adjusted to it, but it is possible that in stationary localities its remission might enable house owners to get some more rent, and so far it falls on them, but this is also a small matter.

(b.) The incidence of rates is more complex, owing to (1) their greater amount, (2) their inequalities, and (3) the varying applications of their yield. At first the charge seems to rest on the occupier, but his demand for house accommodation is reduced, leading to a lowering of ground rent and less investment of capital in building. Where a locality is stationary the increase of rates falls on the house owners, who would otherwise get more rent. Where different amounts of rates are levied in different parts of the same district, the extra rates are shifted back to the house owner, and in the case of new building tend to lower ground rent. A distinction has therefore to be drawn between the effect of the amount of rates general over the country which resemble the Inhabited House Duty, and the extra amounts charged in the more heavily rated localities. It is even possible that owners of houses and building ground may gain by increases of rates outside their districts, which enable them to obtain higher rents.

In specially favoured situations, where building sites command a high, or what is usually called a monopoly, value, the ultimate incidence of rates is clearly on the ground owner. The occupier pays a combined sum of rent and rates equal to the value of the situation, the house owner regulates his offer of ground rent by the cost of building and the rate of profit, so that ground rent is reduced by the estimated rates.

The effects of the expenditure of rates must also be taken into account. In so far as their outlay is reproductive in adding to the value of the houses in the district, they may be said to come out of a fund created by their employment and thus to adapt a phrase of J. S. Mill's to be "paid by no one." The "rate" becomes a "fee" instead of a "tax," and cannot be counted as a burden in the same way that it otherwise would.

Rates on business premises are further complicated by the possible effect they may have on prices to consumers. An equal tax on all business premises in a country would be a tax on profits since it could not be evaded by change, but a rate on such premises in a particular locality would appear to be shifted either forward to the consumers in higher prices or backward to the ground owners in lower ground rents. Owing, however, to modern facilities of communication the former is very difficult, and I am inclined to believe that in practice special local rates fall mainly on the gains of the traders occupying the taxed premises who have established a connexion that gives them an extra profit. Here, again, the advantages resulting from a proper expenditure of rates may either recompense the traders, or so attract consumers as to allow of higher prices being maintained.

Finally, it is essential to take into account the slowness of the shifting process in the case of rates, and the diverse interests into which the ground ownership and that of the buildings may be cut up.

(c.) The ultimate incidence of rates on agricultural land is on "rent" i.e., on the "return due to the natural powers of the soil." But where capital has been permanently invested in land and has raised its value that portion of rates falls on the

capital so fixed. On an extreme hypothetical view it might be argued that this portion of the burden would "in the long run" be passed on to the consumers of agricultural products. Actual conditions clearly prevent this.

(d.) The expression "property" in this case also is somewhat ambiguous. Ordinary commodities are "property" and yet a tax on their transfer is held to fall on the ultimate user. Taking the term in the sense which, I presume is meant, viz., "land and capital," the old doctrine of the English economists was that taxes on land transfer fell on the seller, who was in need and therefore had to sell for what he could get. Another view, favoured on the Continent, was that such taxes fell on the possessors of land *at the time they were first imposed*, since the value of the taxed property was reduced. Personally, I believe that the effect is more complicated. In part the owners of land suffer, but purchasers also suffer, as they pay more (the tax included), and so does the community in the greater immobility of land as an instrument of production by which it is kept in less efficient hands.

In respect to fixed capital the above considerations are modified by the unwillingness of persons to create it without adequate reward, hence a tax on its transfer will ultimately pass to the community or, at least to the users of articles made by the taxed capital.

(e.) This has been dealt with in answering question 5 (see p. 140), but I may add that in practice a good deal depends on the *form* of the tax. The French *Patente*, the various German "business taxes," and Schedule D. of the English Income Tax all come under this head, and yet have different effects.

(f.) I see no reason for departing from the old doctrine that death duties fall "finally as well as immediately on the payer," bearing in mind of course the remote possibility that they may be paid out of capital and thus reduce the accumulated wealth of the country, raise interest and lower wages. This would be the consequence as the particular method of imposition in their case.

This is the most convenient place to notice two points raised in Sir E. W. Hamilton's *Memorandum* respecting questions of incidence. Sir E. W. Hamilton holds (1) that "a large part of the rates of Bond-Street and Oxford Street may be contributed by all of us" (p. 39), since higher prices are charged to purchasers there, (2) that in the absence of economic friction the burden of rates on mines and quarries "is borne by the consumers of the produce" (p. 47).

I would respectfully dissent from both these conclusions. As to (1), I believe that the rates fall on the ground landlord, whose rent is produced by reason of the high prices and not *vice versa*. As to (2), it is I think clear that rates like royalties fall to by far the largest extent on *rent*. I cannot see how if we accept *in any sense* the economic theory of rent we can regard such rates as importantly affecting cost of production.

VII.

Assuming for the moment, and subject to what is said in the next answer, that the criterion sought is one for distinguishing the duties of central from those of local government, it seems that there are certain classes of duties specially suitable for local government, viz., (1) those which exclusively, or mainly, concern the inhabitants of the locality; (2) those in which more effective, including more economical management and supervision can be attained by local administration; and (3) those in which variety and flexibility are required in order to meet differing conditions. Maintenance of roads, water supply, sanitary measures may be given as examples of the first class. The poor law arrangements are the best instance of the second—the chief arguments against placing the relief of the poor under a central board, maintained by Imperial funds were derived from this principle. For the third class police and education may be taken as examples.

It is evident that services at one time proper for local direction, may at another be advantageously given to the central government, since they may alter in character, or in the area of their benefit.

It is also to be noticed that it is only the first class that is assigned to local government in order to secure just distribution of the burden. The delegation in the other classes is founded on general advantage.

There is, accordingly, no such strong ground for placing the whole expense of these services on the locality concerned.

VIII.

A full answer to this question would involve the introduction of political considerations as being more important than financial ones. Keeping to the latter, the weight of evidence is in favour of two distinct systems, viz., (1) general, and (2) local, each raising its own revenue. Lord Farrer has forcibly insisted on the advantages of this separation. (*Mr. Goschen's Finance*, p. 54.) In order to secure the full benefits of the division it is, in addition desirable that the taxes to be levied by each division shall not overlap, but be as distinct as possible. Recent reforms in Prussian local taxation, and the proposals of the best American writers in reference to the local taxation of the United States are in this direction.

The sound principle of separating the two systems does not prohibit the assignment of specific parts of the general tax revenue for the assistance of local government. It may be necessary to relieve local bodies from undue weight of expenditure incurred for general advantage, but this method should be limited to cases of real and serious pressure, and the mode in which the assigned revenue is distributed should be such as to secure relief to the proper persons.

IX.

The division of rates between owner and occupier seems on the whole desirable. In the case of agricultural land, it secures at once a portion of that shifting which would only come at the expiration of leases or readjustment of rental. In the case of houses also it makes economic friction (so called) work for the occupier rather than against him (of course, I assume, as has been so often proposed, that the division is half and half). But with short tenancies and where competition is effective the question of division is a minor one. It also raises the problem of the representation of owners, who would otherwise be taxed without having any influence in the matter.

X.

I cannot see that any important advantage would be gained by the separate rating of ground rents. There is, I gather from the opinions of valuers, a great difficulty in making a separation between the value of the buildings and that of the ground. Where the latter has a high value it is really taxed as explained in answer 6 (b). In the case of the smaller ground rents they exist under long standing contracts and are really rentcharges which frequently change owners. It would, of course, be feasible to distribute the rate proportionately over the various interests into which the rent may be divided, each payer deducting the amount per pound.

As to the principle of valuation it should be that of taking "true market value" so far as it is discoverable.

XI.

This question is simply a variant of question 6, (b) and (c). Theoretically, the imposition or abolition of a rate, operates just as the increase or reduction of a rate. The only difference will be in the extent to which occupiers neglect variation in established charges, as contrasted with entirely new ones.

For the reasons already given, I hold that the rent of land tends to be lowered by (a) and (b), while it tends to rise under the influence of (c).

At each new valuation or letting, the average amount of rates is taken into account as a deduction from rent.*

In respect to other rateable property it may be said (in addition to answer 6 (c)) that the more it approaches the character of land—in Professor Marshall's terminology the more its yield is a quasi-rent—the more will the influence of the changes enumerated be the same. It is because a proportion (generally a considerable one) of rates rests on the occupier that changes are of such importance to him, and, further, (in this, like the farmer) he bears the *temporary* increases.

XII.

Like the last question, this is an inquiry as to a special form of the process of shifting. The effect under existing contracts would be to place the occupier in

* This is borne out by the *Poor Law Report* of 1832, which states that farmers preferred to place their labourers on the rates, which would be taken into account in valuing for rent, to paying them higher wages which would not be so taken (pp. 60, 61, 8vo. ed.) Judicial rents in Ireland are fixed with a deduction for rates.

possession of the advantages that he would have if no contract were in force. In all cases, too, it would bring the influence of "friction" (*i.e.*, custom, *inertia*, carelessness or ignorance) to tell *for* him, not as now, *against* him.

XIII.

I cannot see that this admits of a determinate answer. The effect of applying "different scales of duty" encourages the formation of those classes which are favoured, while it discourages the continuance of those that are differentially taxed. Higher rating of large properties (*i.e.*, large in value) would tend to lower their rent, but it would also tend to raise the rental of properties of small value which are, *ex hypothesi* rated lower than they would otherwise be.

In the same way lower rating of property used for special purposes is so far a bounty on its employment for those purposes, and enables more rent to be obtained, but it is *pro tanto* a tax on the use of property for other purposes and lowers its rent.

XIV.

It is right to remark at once, that so far as can be seen, the principal local resource must continue to be found in the taxation of land and houses. Any other revenues can only be subsidiary.

In accordance with this principle, I would suggest that (*a*) the remains of the land tax (or rather the rentcharges which bear that name) and (*b*) the Inhabited House Duty should be handed over to local authorities. The transfer of the latter would be only the accomplishment of Mr. Goschen's proposal made nearly 30 years ago.

As subsidiary sources of revenue I would notice:—

- (1) Licences on business and communications. The remaining licences in the United Kingdom might be surrendered and greater liberty given to the larger local bodies in their imposition. The "horse and wheel" licences which Mr. Goschen failed to carry in 1888, would probably be used by local bodies. Drink licences also could be made more effective.
- (2) What American writers describe as "franchises" or rents for special privileges. Tramways, water, gas, and electric lighting companies (where those businesses have not been taken over by the municipality), may fairly be made to contribute specially to local revenues. It is open to question whether the contributions of railways to rates might not in principle be treated as franchise charges and regulated accordingly.
- (3) In the case of important improvements benefiting definite properties, the American system of special assessments might be applied, subject, of course, to a judicial inquiry in each case as to its propriety. That these assessments have been badly used, affords no reason against their employment under due restrictions.

If with these resources local bodies are unable to meet their growing expenditure, the remaining expedients are either the assignment of parts of the Imperial revenue or the transfer of certain items of expenditure from localities to the central government. Both have been to some extent tried, but there are grave objections to the extension of either. It seems plain that Imperial expenditure is on the increase, and circumstances may at any moment arise that would put severe pressure on even so elastic a revenue system as the British one.

Any arrangement therefore which would definitely adjust the relations of central and local finance and, especially, force on ratepayers the advisability of economy and prudent administration, is eminently desirable.

Answers by Professor Gonner.

I.—THE EQUITY OF A TAX OR SYSTEM OF TAXATION.

Question 4.—In treating of equity, especially in view of existing fiscal conditions, it must be observed that any tests which can be applied relate to the system of taxation, and not to any separate taxes. Taxation is the exaction from the various members of the State of contributions towards the common expenditure. To make such equitable, and to prevent evasion, it has been and is necessary to levy different

taxes, which, in many instances, are complementary, and not merely additional. This doctrine has been so frequently and authoritatively enforced by both fiscal writers and statesmen that it requires little further emphasis. It is true, indeed, that complaints are frequently made as to the equity of particular taxes, but these, when not arising out of a general and inexact use of the term, are due in the main to the belief, either that the tax in question falls upon and is paid by others than those whom it is designed to affect, or that the particular tax, by its imposition, or, if an old tax, by alterations brought about by time, occasions inequality in the fiscal system, and overweights it to the disadvantage of particular classes.

To judge correctly of the equity of any system of taxation, we must arrive at some conclusion, not only as to the particular standard or theory on which it is based, but as to the actual extent to which it conforms to such a standard. The principal theories of importance are two. According to the one, the amount of taxation contributed by the individual depends upon his "ability"; according to the other, upon the services rendered to him by the State, or, in other words, the extent of his benefit in the common expenditure. This latter theory, which is wholly unrelated to the first, represents State expenditure and taxation very much in the light of an ordinary mercantile transaction, the State, on its side, performing a number of individual services on behalf of its various members, and these paying for such services as they appropriate and enjoy. Instances of such a relationship between the State and its members occur when industrial functions capable of private management are undertaken by a public body. Far more important with regard to the present question is the case where the expenditure in view of which specific taxation is imposed, while undertaken for the general good, results in additional benefits to particular classes or individuals. This would seem to be more common in local than Imperial taxation. But, despite such instances and their obvious importance in the fiscal system of the country, the view that taxes are or should be proportioned to the benefits derived by the individual from the public expenditure does not seem to furnish an adequate theory of taxation. Not only does it ignore the true nature of the bond between the individual citizen and the country, and the distinction between the common interests for which expenditure is undertaken and specific services which are, as it chances, more conveniently rendered by a public body than an individual or number of individuals; but it suggests the apportionment among individuals of such items as the benefit of the naval, military, judicial, and civil, establishments. For these reasons it would seem that this view must be rejected as furnishing a theory of taxation or a standard to which an equitable system should tend to conform. Its importance is of another kind. It accounts for certain apparent deviations from what may be considered the correct theory. This applies mainly to those cases where, as observed above, the benefits conferred upon individuals are incidental rather than intentional. Local rates, for instance, are levied in respect of expenditure much of which enhances the value of real property in the district, but such benefit, however much it may serve as a reason for the imposition of taxation upon the land, is incidental. The object of local expenditure is the general benefit of the district and not an increase in the value of landed property. On the other hand, in cases where public bodies perform services directly and intentionally with a view to private benefit, the payment made in return by those who enjoy these services, and so made because they enjoy them, must not be confused with taxes contributed in view of the furtherance of the common interests of the community.

The other theory mentioned, that contributions to taxation should be determined by the respective "ability" of the individual, may be regarded as receiving a fairly general assent on the part of modern economists and financial writers. We may adopt this as the standard to which the system of taxation in a country should conform, always remembering that all taxes must be regarded as falling upon a person, and not on either property or commodities, save in so far as these are representative of a person. The main fiscal problem is to devise taxes which may affect the various members of the community in due relation to their "ability" or fiscal capacity. To achieve this, and to prevent evasion of an equitable burden, different methods of taxation are adopted, of which two require particular notice. Persons are taxed in their capacity as recipients or owners of income, and in their capacity as consumers of income. Between these two classes a distinction has been occasionally drawn in favour of regarding taxes on commodities which enter into consumption as less obligatory in character. It is unnecessary to point out the error of such a distinction from a purely fiscal standpoint. Taxes are placed on commodities entering into consumption because, by their means, certain classes are affected

which have hitherto escaped taxation, and other classes made to contribute more largely than would otherwise be the case. It is true, no doubt, that these taxes can be escaped by a refusal to consume the articles in question, but the possibility of doing this without serious inconvenience is a mark of imperfection in the tax; while if such inconvenience is incurred, it is clear that the individual concerned is penalising himself by not spending his income in the way he desires. The meaning of his income to a man depends on the pleasure, or, to use the technical phrase, the utility, which he derives from its consumption; and to avoid a tax by sacrificing some part of this pleasure or utility is much the same as striving to avoid the income tax by not receiving an income. Of course where commodities are capable of being substituted for one another, and are so substituted with but little loss of pleasure, the preference in favour of one over the other being but small, great care and skill is needed in the adjustment of different taxes. At the present time considerable dissatisfaction is manifested on account of alleged inequalities between taxes on spirits and on beer, while those to whom alcoholic liquors are distasteful escape a considerable burden of taxation. In this latter instance extraneous and non-fiscal motives have exerted considerable influence. But notwithstanding the possibility of such escape, such taxes must be viewed in the same light as those levied directly on income. They are imposed in order to affect in due proportion the income-owning and consuming person, and are not to be regarded as more voluntary in intent than these others. Those who pay them are as definitely taxed as those who contribute in other ways less easy to avoid.

The theory that taxation should be apportioned according to "ability" requires considerable definition before it can be accepted as a test of the equity of any particular system. In the first place, it must be observed that such apportionment assumes that the sacrifices or inconvenience undergone in the contributions of respective persons are equal, or approximately equal; but this is not necessarily achieved by the exaction from each of the same proportion of his wealth or income. But the question of graduation, while important in view of the general equity of a fiscal system, is too slightly connected with the particular purposes of the present inquiry to deserve argument. Two remarks will suffice. The income or wealth of the individual is a sum of utilities and necessaries, comforts and luxuries, which such enables him to consume; and inasmuch as in the choice of such preference is first given to those more keenly desired, the deprivation actually undergone by different individuals, if their contribution towards taxation be proportioned to their wealth or income, is very different in character. The poorer the man, the less easily dispensable any portion of the commodities he consumes, and the more acutely felt their loss. Secondly, graduation has been recognised in our present system in several instances, as in abatement or exemption under the Income Tax, in the Estate Act, and in the Inhabited House Duty.

If, moreover, fiscal "ability" be regarded as represented by income-owning capacity, a distinction must be drawn according as incomes arise from personal exertion or property, in view of the smaller liability imposed upon those enjoying the latter of making provision for emergencies, for their own future needs, and the subsequent requirements of their families. Such inequality is regarded as met by the death duties and, to some extent, by the taxes imposed on the transfer of property.

The foregoing considerations raise two questions of great importance, relating respectively to taxes on property and to taxes on rateable property:—

- (a.) The greater liability of persons owning property, and deriving their income from property, to contribute to the revenue of the country as compared with that of those who depend upon incomes due to personal exertion.
- (b.) The liability of owners of rateable as compared with other property, owing to their contributions being, in part, due both to hereditary burdens on the land, that is, a special liability to yield revenue, and to particular benefits conferred by certain expenditure.

Thus, in applying the test of contribution according to ability, allowance must be made for payments due to the special circumstances enumerated. Only after such has been done can the theory be regarded as affording any standard of equity.

There are particular difficulties in employing this test under our present system of taxation. One of these consists in the large proportion of taxation raised by imposts placed upon the consumption of some few commodities. The convenience of the customs and excise, so far as collection and administration is concerned, is obvious—not so their equity. Putting aside the small number of articles from which this large revenue is raised, and the possibility of escape by changes in

consumption, and the substitution of untaxed for taxed commodities, the articles in themselves cannot be regarded as entering into consumption in any necessary relation to the respective "ability" of different persons and classes. Owing to the practical difficulty of proportioning the duty according to value, these taxes probably bear most heavily on the less wealthy classes. Graduation in other taxes where it exists, as in the income tax, to take the case most pertinent in this connexion, counteracts the hardships thus involved; but this relief is afforded only within very circumscribed limits, and the class just above the limit at which it stops is severely treated. On its expenditure and in comparison with the classes above it, it is almost certainly taxed out of proportion to its "ability," while in direct taxes it obtains no corresponding set-off.

Again, onerous rates and taxes on rent of houses and premises, in so far as they fall on the occupier or consumer, are levied in respect of expenditure which does not stand in a necessary relation to "ability."

Another difficulty arises in distinguishing from other expenditure that which results in particular benefits to particular classes. In these cases there is a *prima facie* case for the exaction of special contributions from persons thus affected, and such contributions should not really be regarded as taxes. It is worth noting that such expenditure is twofold in character, and, in consequence, a similar distinction attaches to the so-called taxes levied to meet it. The question arises in connexion with rates, some of which are really a payment for specific services rendered, while others may be looked on as a payment made because the character of the expenditure has been such as to enhance the value of the property concerned.

It is, I think, clear, that due allowance being made for the points urged above, the system of taxation, with reference to which the question of equity is raised, must include local as well as Imperial taxes.

So far as the correspondence of our existing system of taxation with the standard of fiscal ability is concerned, I would suggest the following conclusions as important:—

- (a.) Of existing taxes the larger proportion (that is, 58·7 per cent. of the whole) stand in no necessary relation to the supposed "ability" of the taxpayer.
- (b.) Income tax by itself, and irrespective of the question of graduation, does not conform to the required standard. Under a scientifically "equitable" system the income taxed would be the income available for purposes of living, and not that which, in addition, must serve as a fund out of which necessary provision for the future must be made.
- (c.) In the case of taxes on property, regard must be had to the particular grounds which may exist for considering them as rectifying defects in the foregoing, or as being of the nature of payment for special services or advantages.

II.—THE CLASSIFICATION OF IMPERIAL TAXES.

Question 1.—While agreeing with much that is urged by Sir Edward Hamilton in his Memorandum, as to the difficulties of correct and also practicable forms of classifying taxes, and especially as to the necessity of distinguishing between the questions of classification and ultimate incidence, I rather dissent from his conclusion as to the desirability of the form finally adopted. The object of such classification is, I take it, to exhibit the chief avenues through which Imperial taxation approaches the individual, and to do this with particular regard to the taxes imposed on property, and those not so imposed. Of course this is irrespective of the results brought about by the shifting of any such taxation. Here I differ as to the desirability of including the income tax with other taxes levied on property, and this I do, in the main, for two reasons. In the first place the aim of taxation, as I have suggested above, is to catch the individual at his true fiscal value, or "ability." This, as it seems to me, is attempted by taxing him in his *income-owning* and *income-spending* capacities. By itself, income imperfectly represents the true fiscal ability, a defect which, so far as our own system is concerned, is largely rectified by the imposition of other taxes on property. In this contention "ability" is taken as the test of equitable taxation; and, further, it is assumed that the main items in our system are capable of being placed in these classes, though it is not contended that the above have been the historical reasons for their imposition. Notwithstanding difficulties as to certain items, I think that, in the main, the three headings of *income*, *property*, and *consumption* are suitable for the purpose of classification.

under our existing system. In the second place I cannot but think that the classification in Table D. is somewhat unnecessarily liable to wrong interpretations. It suggests, for instance, a distinction between taxes levied on income accruing from property, and those levied on income derived from personal exertion; and, again, a similarity between income derived from personal exertion and commodities, as a basis for taxation. Further, it appears to me undesirable to place certain of the stamp duties (namely, 5, 6, 9, 10, 12—those alluded to by Sir Alfred Milner in his Memorandum, p. 64) under the same heading as taxes derived from property and from income on property, whilst separating them from income derived from personal exertion.

The most suitable form of classification would, I think, be as follows:—

I. Taxes forming part of a general income tax and levied in respect of income derived from—

1. Property—*a.* Rateable.
b. Non-rateable.
2. Personal exertion.

II. Taxes incidental to the ownership, occupation, and transfer of property, and not levied as part of a general income tax—

1. Rateable.
2. Non-rateable.

III. Taxes levied in respect of commodities, and miscellaneous forms of consumption—

1. Commodities.
2. Miscellaneous.

In any case the tax on incomes derived from personal exertion should be more distinctly separated from those imposed on commodities and miscellaneous. Its interposition between these is liable to misinterpretation.

This classification has, I fully recognise, obvious defects. To meet the difficulty of local rates, the tax on income has been restricted to the instances where such income tax is general and levied on income, and not on income arising from a particular source. An income tax imposed on one particular kind of income should be regarded as imposed rather on the source of the income than on the income itself. But while the defects are obvious, the advantages are equally so. In the first place, taxes on *income*, *consumption*, and *property* are distinguished. This is important, not only from a scientific standpoint, but by reason of the different relation in which these stand to the standard of equitable taxation. It is, of course, true that final correspondence with such a standard is a matter of ultimate incidence, and that classification does not show this; but a system of classification should distinguish between taxes which are obviously further distributed, and those which may or may not be shifted; between taxes shifted in one way and those shifted in another; between taxes according to some standard of "ability" and those justifiable in view of the defective working of these former. In the second place, where practical use is made of a system of classification, as on page 43 of Sir Edward Hamilton's Memorandum, where the classified taxes of 1868-9 and 1895-6 are compared, it is important to know how far the changes which have occurred are due to changes in the income accruing on rateable property, on non-rateable property, and from personal exertion, or how far these form an index of the changes. The inclusion of part of a direct tax, that on incomes derived from personal exertion, with indirect taxes, while the remainder is separately classified, has this obvious disadvantage, that a transfer of taxation from indirect taxes to direct taxes affecting incomes, necessarily occasions an apparent increase in the taxes falling on property. When this amount of taxation is levied by an indirect tax, all of this falls under the heading of "Taxes not incidental to property," whatever its incidence may be, but where levied by a direct income tax, a portion will be classified as falling on property. This alteration does not take place in any necessary relation to changes in incidence. A particular ground for urging the separate classification of the income tax occurs in relation to the portion falling on income accruing from non-rateable property. Much of the increase in the income tax under this heading is due to the substitution of joint stock companies for private traders. The profits arising under the two systems are the same in nature, but owing to differences in method, are, in the one case, regarded partly as interest or income on capital, and partly as trading profit, but in the other case wholly as income on capital.

Question 2.—Passing to the distribution of particular taxes in Table D., there are a few points which seem open to criticism. It would be desirable to mark the close connexion between taxes appearing as miscellaneous and those on commodities, both being in the main levied on consumption. The separation of the dog tax from the tax on playing cards, for instance, is purely a matter of form. The same holds good in the main of the establishment taxes. In the case of stamp duties, some part of the tax levied on contract notes arises on fictitious transfers; but the impossibility of correct apportionment, together with the smallness of the amount affected, is a sufficient reason for leaving the tax as it stands. But this does not seem to be the case with the other duties specially referred to by Sir Alfred Milner. With the exception of those on life and marine insurances, which I should leave where they are I agree with Sir Alfred Milner's opinion, that those duties ought not to be regarded as incidental to property. They appear to me to be incidental to certain commercial operations which, like all commercial operations, are concerned with either commodities or services. They are thus sometimes incurred when property is not only unaffected, but not even an incident in the operation. Their connexion with property is not essential. The arguments with regard to the peculiar nature of the land tax are too well known to require recapitulation. Its place by itself, rather as payment for release from particular burdens than as a tax, does not affect its position in the classification. The difficulty which arises in the case of income tax on the income of public companies and on income derived from personal exertion, has already been referred to. The business profit which is the remuneration for normal risk, as also for exceptional risk, in the case of companies stands related to capital, in the case of private traders to exertion.

Question 3.—I feel no doubt as to the soundness of the decision to regard the net revenue of the Post Office as a tax, and to place it under the heading of "Miscellaneous taxes not incidental to property." The matter is, it is true, not unattended with difficulties, but the most important of these seems to me to arise from a want of clear distinction between the nature of taxes and their incidence. Taxes are the contributions exacted from persons who are members of the State towards its general expenditure.

If this is so, payments made by the individual to the State in regard of definite personal services are taxes, in so far as they are in excess of the cost incurred. The mere fact that they are, in the first instance, exacted from persons availing themselves of these services is not sufficient to deprive them of the character of a tax. Like any other tax, a tax on communication, which this net revenue represents, is open to the charge of arbitrariness in its imposition.

Many definitions of taxes are offered by various writers. In view of the considerations put forward above, I would add one. Taxes are contributions towards the general expenditure, Imperial or local, of the State, exacted by it from its members in respect of something they possess, or something they do. This definition, which corresponds in many ways with that laid down by Sir Edward Hamilton in his Memorandum, if rigidly construed, removes from the category of strict taxes payments made to cover the cost of personal services rendered by the State.

III.—INCIDENCE OF TAXES.

Question 5.—Without a knowledge of the final incidence of the taxes composing the fiscal system, any decision as to its equity is obviously impossible. Classification, which has already occupied our attention, is, when applied to taxes as they are levied, only of use in so far as it places together those which either are capable of similar treatment or approach the individual through the same avenue. Even in this respect its employment is of doubtful use since, against its advantages, must be placed the disadvantage of beginning an examination of facts by grouping together items which afterwards will have to be separated. It would be different with a classification of taxes as they affect persons in their ultimate incidence; but then, such a classification would mean the decision of the most difficult points before this Commission.

Though incidence in the main must be discussed according to the capacity in which persons are affected by any tax or group of taxes (spending, earning, and owning capacities), there are three general points which may be briefly dealt with.

In the first place, there is the question of taxes on the poorer classes of the community. Broadly speaking, the doctrine of many of the more rigid early economists was that taxes imposed upon this class, and not capable of evasion as those placed

upon non-necessary commodities are, would be shifted from their shoulders by reason of actual insufficiency of means for aught but bare physical support. This view depended for its particular validity upon the doctrine that the wages of labour, through the elastic response of population, not only could be, but actually were, forced down to the level of subsistence. The introduction of the theory of a *variable* standard of comfort and life, adapted to the particular stage of development in which the community found itself, deprived the so-called law of its rigidity, and so far as the shifting of taxation is concerned, of part of its importance. What was once thought to be true of taxes on wages only, and wages were taken in the sense of payment for manual work, and not as remuneration for all efforts and exertions, is now seen to be true of wages just as it is true of taxes on profits, salaries, capital, earnings, and, in fact, on all the shares into which the income of society is divided. If this distribution of wealth is regulated by any definite law, effected through competition, an undue burden of taxation on the remuneration of any one class of agents will lead to rectification of the distribution.

In the second place, the shifting of incidence must be looked on as arrested fiscal loss. In other words, it occurs when the class immediately affected, by doing something else, or consuming something else, is able to escape the tax. If a tax be imposed on a commodity for which another can be easily substituted, the consumer, sooner than pay the augmented price, will take the non-taxed commodity instead of the taxed commodity. Now, if the producers of the commodity thus taxed were monopolists, who had formerly been able to gain more than the ordinary rate of return by right of strict monopoly, and this extra gain be larger in amount than the new tax imposed, it will be to their advantage to pay the tax. The tax will be shifted on to their shoulders. In a like manner the imposition of a tax on incomes and profits derived from a particular business will tend to deter people from entering that business, unless the tax can be placed upon the consumer through an increase of price.

In the third place, the friction, uncertainty, and time involved in the process of "shifting" give definite force and meaning to the remark that "taxes tend to stick where they are imposed."

Incidence, when more closely approached, should, I think, be considered first with regard to taxes on commodities or consuming capacities and then with regard to taxes on incomes and property. Taxes on commodities fall, it must be remembered, on persons, and affect them by restricting their effective incomes or means of support and enjoyment. A man's income is not his money income, but what he can get with it, and anything which increases or decreases the quantity of commodities he obtains affects his income. So far as production is directly concerned, taxes on certain commodities will finally handicap the particular industries. Till, however, an adjustment of the productive forces takes place, considerable hardship will be inflicted on those employed in these directions, as the enhanced price will restrict the market for their products. But the incidence of the tax is not determined by saying that it will be paid by the consumers in the first instance. Their payment of the tax occasions a necessary alteration in their income, and what is important to note, in their income as compared with the income of others. Commodities for our purpose may be divided into three classes : those which enter more or less equally into the consumption of all, and which may be described as necessary, or articles customarily consumed ; those which enter more largely into the consumption of the richer, and are more evidently of the nature of luxuries ; those which are pure luxuries, and are rather determined by individual choice than assigned by custom to a particular class. Now, with the exception of taxes imposed on those in the third and last class, taxes on such commodities may tend to disturb the equilibrium previously established between the incomes of different classes. In this case shifting may take place. If, for instance, to take an extreme case, an ordinary necessary of life, such as bread, were heavily taxed, the strict wage-earning class would be more seriously affected than any other ; and the question of readjustment between profits, interest, and wages would arise. Again, if the commodities of the second class taxed were those consumed wholly, or almost wholly, by profit-receiving classes, a similar question would arise. If, however, they were such that the tax would progressively affect the more wealthy of all kinds, the matter reduces itself to one of graduated taxation ; or, again, the tax may be such as to fall on incomes in simple proportion to their size. So far as taxes on commodities of the third class which form the subject of individual choice are concerned, the final incidence of the tax is on the consumer. But is this so when the tax is imposed so as to disturb the relations between the incomes of the different classes among which the income of society is distributed ? Of course here it must be noticed that a tax which

produces such an effect may be offset, and its effects balanced by other taxes. But this does not affect the question of incidence. The countervailing tax is called for by reason of the shifting which takes place, or would take place.

Taxes on commodities, though imposed on persons in their spending capacity, are paid out of income or property, and thus they may be said to be shifted on to their income and owning capacities. They must be considered with regard to these.

All taxes, both those levied directly and those levied indirectly, either disturb or do not disturb the relations otherwise existing between the incomes of different classes, and different groups or ranks in those classes. The distinction in point of theory is important, because when they disturb this relation there are specific grounds for arguing that the incidence will be shifted until readjustment takes place, and the equilibrium previously existing is re-established. When there is no disturbance taxes will rest where they fall, provided that no class is so placed that it is unable to bear the burden of taxation. This position was predicated by some writers as that of the wage-receiving class; but, for reasons urged above, this view is untenable.

The above statement is theoretical, and depends for its validity on the accuracy of certain hypotheses. Firstly, rents in their pure economic sense are omitted. Secondly, it is assumed that the incomes of the various classes and various groups are adjusted and held in their place by the action of competitive forces, whereas at all times such adjustment is rather a matter of tendency than of existing fact. Without doubt the working of competition tends to bring about some correspondence between remuneration and income, and effort; equally without doubt, in all societies, and especially in a society varying so greatly in its condition as does ours, there is at any time a great divergence between these. Both the abstract theory, and the divergence between it and actual conditions, are important on account of one conclusion. In view of the theory, it has sometimes been argued that the mode of imposition of taxation is unimportant, inasmuch as the forces of competition will distribute the taxes in the same way, however imposed. Such a conclusion is thoroughly vicious in theory. It is obviously dangerous in practice since much time must elapse before final distribution takes place. Even should this occur in the end, there would be a long period during which the wrong class or wrong persons would be taxed. Moreover, the theory on which it is based premises a competition which does not exist and the absence of monopolies or combinations which enable those interested in the monopoly or the combination to obtain an income out of proportion to their effort, and unrelated to other incomes. When such exist, correct imposition is of the very highest importance. It assumes, indeed, that the relations between wages, profits, and rent depend on simple competition, an assumption which is, to say the least, only approximately correct.

To return to the distinction between taxes according as they disturb or do not disturb the relations between incomes. Such relations are not disturbed by taxes which fall on commodities of the third class, that is, luxuries which are a matter of individual, rather than of class or average class, preference. Again, taxes which affect the wealthier classes progressively, as also duly graduated taxation of a more direct character, may be held, for reasons previously suggested, to leave the relations between incomes, as represented by their *utilities*, undisturbed, that is, much as they would be were there no taxation. But what if taxes do disturb this relation? Does it matter? The point seems to me to be of practical importance with regard to one of the important questions necessarily before the Commission, namely, the possibility of taxing property and capital, or incomes arising out of such, in a higher proportion than incomes derived from personal exertion. The possibility of taxing rents will be separately dealt with. The imposition of such taxes is worse than useless if they occasion alterations in the competitive relations between the different agents in production, and so are "shifted" through an alteration in the proportions in which the income of the society is distributed among the various classes.

It is not questioned that, in a state of competition, a tax laid on the earnings of a particular trade will be gradually "shifted" through a rise in its remuneration, or the price of its products, until the rate of remuneration current in it and proportioned to the efforts involved, will stand in the same relation to the earnings of other trades which it previously held. In like manner it has been urged that a tax falling out of proportion on any particular kind of income as wages, profits, or interest, on the earnings of labour, of the employer, and of capital, will similarly distribute itself. Taxes and a system of taxation which affect each factor equally, thus leaving their proportions undisturbed, will not occasion "shifting." Let us take the case of most practical importance, that of taxes on all capital. Here it is argued that such taxes tend to occasion a diminution in the rate of saving, and thereby raise the share of

income, in other words the interest, allotted to capital. Put in plain words, this amounts to the assertion that taxes on capital are not paid by capital alone, but by capital and labour, the latter having to yield a portion of its share to induce sufficient accumulation. But the case is not so simple as it seems. *Firstly*, a tax on incomes derived from capital may fall very largely on incomes due to monopoly rights, which are already strained to their full extent. In this relation it is impossible to pass over, without notice, the views sometimes expressed to the effect that some part of the incomes received by those representing capital is due to the greater advantages they possess over labour in any question of division. It is practically suggested that they take what they can get, and would be content with less if they could not get more. *Secondly*, it seems to me impossible to regard the contention that accumulation depends on the rate of interest as beyond controversy. The accumulation of wealth in a community depends on the particular comparison formed in that community, and at that time, between the conditions of the present and those of the future. The grounds on which such an estimate is based are many, and very various in character, and the rate of interest is but one element among many. To assert further that, but for a certain rate of interest, capital when saved would remain unemployed, is to ignore the conditions which allow of saving. The great mass of saving must take place through the employment of capital in some form of productive enterprise. *Thirdly*, it must be remembered that the great argument used in support of the special taxation of capital is the relief of income derived from personal exertion, in view of the necessity laid upon those receiving it of saving, and thus aiding accumulation of capital. Thus, even if the assumption as to the detrimental effect of a fall in interest on accumulation be true, it may be argued that, though the inducement to save is diminished, the fund out of which saving takes place is increased, those who possess incomes not derived from capital being under a greater impulse to save, and more likely to save, than those whose incomes are derived from capital. Such a consideration involves matters of difficult computation.

Next, as to taxes which fall on rents. The apparently simple rule that rent, being a payment for differences inherent in situation or fertility, taxes imposed on it must be borne by the landlord, is complicated in practice by certain circumstances. *Firstly*, rent is used to describe payments not only differential in character, but by way of remuneration for investment of capital. *Secondly*, the existence of fixed contracts must be taken into account, as taxes may be imposed during their continuance. Thus taxes may be imposed, on the one hand, when the sum payable by the occupier to the owner is fixed for a short term of years; again, on the other hand, during the course of a building lease, where the payment made to the ground landlord is determined. *Thirdly*, different scales of taxation prevail in different districts. In the main this is due to differences in beneficial rates, and such differences correspond, or are held to correspond, to actual differences in advantage. They may be due to differences in local management.

The cases raised in the last sentences may be dealt with first. When differences in the scale of taxation, that is, differences in rates, correspond to benefits conferred by local expenditure, the occupier or consumer will obviously pay the rate. In addition to the usual advantages of a particular kind of house, or of particular land, he enjoys the benefits of the district. Such differences in rates are a payment for differences in advantages by those who enjoy them. Sometimes, however, these advantages are enjoyed by those who do not pay for them. This happens when local expenditure, though paid for at the time by rates, results in ultimate improvements, the advantage of which accrues to the owner, or in the last resort to the ground landlord. Again, at the time, property outside the district in which the expenditure takes place participates in the benefit. In this instance, too, an advantage is conferred on the owner or landlord. But differences due to local management being better or worse than the average, though, in the first instance, they affect the occupier, will, if maintained, come to affect the owner.

In this connexion the whole question of beneficial rates needs some notice. It is argued that these, being for services rendered, are paid for by the occupant, and, in point of fact, such a result is to be anticipated, though the mode in which it is attained is more intricate, and requires more precise statement than is thus suggested. If these rates are levied according to consumption, their incidence on the occupier is obvious, but where levied on rent, the power of the landlord to prevent the occupier shifting them may be questioned. The power of the occupier to do so rests, of course, on the supposition that such rates, by affecting price, alter his position in the competition with his landlord. Now, two things require notice. Firstly, these rates

are levied on a scale (*i.e.*, the rent) which is supposed to correspond to the benefit enjoyed by the occupier. Secondly, they are levied in respect of expenditure which confers advantages either formerly conferred by private services paid for by the occupier, or new in character. In neither case do they, granted the correctness of the assumptions made under these two headings, affect price, and consequently the position of the occupier is not altered with regard either to the landlord or, when using the houses or land for trade purposes, to the consumer. When the rent is not a correct scale some little shifting may take place in process of time.

Irrespective of alterations arising out of the foregoing, the circumstances enumerated under the first and second headings give rise to great variety in the final incidence of taxes imposed on rents. There are two general rules. Taxes on pure rents, and under conditions of competition, fall upon the ground landlord, whether imposed directly upon him or upon the owner. In the latter case, the shifting of the tax may be slow, and, where leases for fixed terms exist, is postponed definitely for the given term. On the other hand, taxes which fall on the capital invested in and on the land, like taxes on the profits on particular trades, will be shifted off the shoulders of the trader and borne by the consumers. Consumers of houses are like consumers of any other necessary commodity. They cannot dispense with the commodity, but they may diminish their consumption of it.

Question 6.—In view of the considerations already laid down, the incidence of the different taxes and of the onerous rates may be separately treated.

(a.) *Inhabited House Duty.*

As this is not a local, but an Imperial tax, no considerations of differences between districts, with the corresponding influence of possible escape, enter into discussion. It is levied on a consumable commodity, namely a house, and thus will fall in the first instance on the immediate consumer. The consumer cannot shift it on to the owner, as in that case the profits of a particular trade would be specially taxed. But as the tax is levied according to the rent, which includes both house rent and ground rent, the point arises as to the particular incidence of this latter portion. In the long run, and in a state of perfectly free competition, uninterfered with by fixed contracts, this portion would fall on the ground landlord but for one circumstance, namely, that the tax only arises when land is put to a particular use. The occupant, who is the cause of the land being put to the particular use suited to his purpose, will consequently have to bear the tax on that part of the ground rent which the landlord can obtain if the land is used for cultivation instead of being given over to building. The general question as to temporary differences in incidence due to leases, &c., will be discussed below. Finally, it must be observed that this tax is slightly graduated. This will affect the building of houses; and the shifting of a certain portion may occur, but this point will be discussed below (Question 13).

(b.) *Rates levied on Houses and Trade Premises.*

For the moment we may leave on one side the possible shifting of the tax on to consumers, due to houses or premises being used for trade purposes, and confine ourselves to the question of the incidence of taxes and rates as affecting the occupier, or the so-called owner, or the ground landlord. Here we must take into account the particular reasons which prevent the ground landlord from shifting on to others the taxes which fall on the ground rent. Under taxes, rates are here included. The land is not subject to further increase, and the payment, as its rent, is a payment in view of differences between one plot and another. But neither the one nor the other circumstance is present in the case of houses. Here rent is paid as a profit on a trade, and more houses can be built in partial competition, or existing houses enlarged, if only it be worth while to build or enlarge them. Of course they will not be built, that is, in the long run, unless those employed in the building trade can add to the price taxes which would otherwise fall on their particular profits. In pure theory, and in long periods of time, it may be said then, that the occupier will pay the tax which falls on the part of the rent which forms the profits of the builder, whether acting as owner himself or having transferred his rights to others; while the tax, so far as it falls on the ground rent, will fall on the ground landlord. But in point of fact, such taxes are imposed while fixed contracts exist, and it is important to realise how far these temporarily interfere with their incidence. Taxes imposed during an occupying lease fall obviously on the occupant till the termination of his lease. But

what if taxes be imposed during the owner's lease, that is, after the owner and ground landlord have settled the ground rent for a long term of years? In that case, we must take as distinct that part of the tax which falls on the portion of the rent which is the builder's, and through him the owner's profits, and that which falls on the rest of the rent. It is, I think, clear that the former portion will fall on the occupier. But what of the latter part of the tax? It cannot fall on the ground landlord till the termination of the ground lease, as the ground rent is fixed, and is fixed in view of the taxes levied at the time when fixed, and of no others. But for these then levied it might have been higher. New taxes, however, will not affect it. Will this part of the tax fall on the occupier or the owner? The assumption underlying the argument is, we must remember, that the ground rent is fixed, *but* here it must be noticed that this is only true of the land on which houses are built, and of some other land. There will be land in greater or less proximity which can be taken in for building purposes. When such is done, the ground rent of the land thus taken in, on which new houses are constructed, will be fixed in view of existing taxes, including, of course, those recently imposed. Thus, when the houses are built, the owners or builders of the new houses will be able to let their houses at a proportionately lower rent than would be possible if their ground rents had been fixed before the new taxes could be taken into account, and thus these houses will tend to be proportionately cheaper, wholly irrespective of differences in rent due to differences in advantage and situation, than those the ground rent of which was fixed prior to the new impositions. In other words, the owners of the old houses will have to bear that portion which should fall on the ground rent, and which will do so at the termination of the contract.

When houses and premises are used for trade purposes, the occupier will be able to shift on to the consumer (by an increase in the price of his products) that part of the tax which falls on the portion of the rent which forms the ordinary profits of the builder and owner. But this would not take place if the profits of all trades were equally affected. In practice, such a case is hardly likely to occur. Throughout it must be remembered that lapse of time, with its changes, may really create a kind of second ground rent in the possession of the owner, as distinct from the strict earlier ground rent. Both are payment for differences in advantage and situation. Taxes on the rent, which is a payment for such, cannot be shifted on to the consumer.

(c.) Rates levied on Agricultural Land.

In this consideration, the incidence of rates as affecting farm-houses and premises is, I imagine, not involved. These are cases which fall under the foregoing heading; farm-houses, however, being buildings partly used for dwelling and partly for trade purposes. So far as the rent of agricultural land is differential, or pure economic rent it is of the nature of the ground rent in the case of a house, and taxes levied on it fall on the landlord. This is on the assumption that such rents are rack rents, and that the rent is not paid to encourage or compensate investment of capital in the improvement of the land. To such extent as one or other of these is the case the tax falls on the occupier, and will be shifted by him on to the consumer. To such extent, and to such extent only, do they hamper agriculture, by necessitating a rise in the price of its products. The tax which falls on the landlord will not be shifted on to the consumer.

The tax, so far as it falls on the rent which forms the profits of the builder or the owner of the house, is in the position of a tax on certain profits. All occupations may be said to involve outlay of two kinds, the immediate outlay required to fit the product for sale, and the preparatory outlay which makes such employments possible and prepares the way for their exercise. One part of this preliminary outlay consists in the construction of houses, and of some kinds of permanent improvements in land. Owing to differences in the amount of such preliminary outlay required by different trades, and the fact that it is remunerated by a payment included in the rent, one part of a tax on total rents may form a tax on the profits of particular trades. In the case of agriculture many improvements occur in the ordinary course of cultivation, and these cannot be said to have the above consequences. Other permanent improvements are undertaken in view of increased rental. Here the rental calculated upon is probably rental for a period during which the outlay is recouped, and after which the improvement, so far as it is unexhausted, may be treated as consolidated with the land.

In this connexion it is perhaps useful to remember Ricardo's argument that in many cases improvement in fertility, while beneficial to the nation, would not lead to an increase in the total rental of the country, and might occasion a positive decrease.

(d.) Taxes on the Transfer of Property.

Taxes levied on the transfer of property of various kinds are an obstacle to free transfer, and must be viewed as taxes on a particular operation whereby a particular commodity comes into the possession of a consumer. As such they fall, as a general rule, upon the consumer through a rise in price, while, in addition, they may lead to a restriction in the consumption of the property concerned. It has been maintained that, in the case of real property, taxes on transfer fall on the seller or owner of the property, for the reason that the offer of land and real property for sale is occasioned by considerations rather of necessity than of price; and it seems obvious that when the supply is fixed, independently of the price, such will tend to be the case. When the property transferred is purchased in view of trade operations, and used by the purchaser to assist him in an industrial capacity and in the production of commodities, the tax will tend to be shifted on to the consumers of these commodities.

(e.) Taxes on Profits.

Some of the questions involved in the consideration of taxes on profits have been discussed in the answer to the previous question (Question 5). Like a tax on income arising from capital, or a tax on all capital, a tax on all profits will have a different incidence according as profits are determined by competition, or are in part, at any rate, the result of a monopoly advantage. Taxes on the income of capital have been treated of.

(f.) Death Duties.

These are, in effect, a tax on a very particular kind of transfer. The objection taken to them on the part of early economists was that, as they were paid out of capital and not income, they would tend to diminish the stock of capital and thus hamper progress. At the present time the objections raised to them are, first, that they are easy of escape; and second, their bad effect on accumulation. With regard to the first, their rate should be so determined that the tax on transfer at death is not sufficient to overcome the great objection felt by possessors of property to relinquishing control over their possessions during their lifetime. The differential scale, according to which property going to distant relatives and strangers is more heavily burdened than that devolving on those nearer of kin, really emphasises this. With regard to accumulation, the possible effect of such taxes in this direction has, I think, been often over-estimated. It seems to me to be slight. Indeed, at the present time, practical illustrations are said to exist in increasing numbers of a contrary tendency. So far are the taxes from discouraging the rate of accumulation that sinking funds and other methods have been adopted to meet these duties. In these cases the tax is free from the objection urged by early writers, as it falls on income and not on capital; and forms, in actual fact, an increased income tax on incomes derived from property, and not from personal exertion. Where such methods are not adopted it may be looked on as a commutation of such a tax paid in a lump sum; but in this case it may fall on capital, and not on income.

It must be remembered that in the treatment of these particular cases, as indeed in that of the whole question of incidence, a state of fairly active competition is assumed. Defects in competition bring about a corresponding tendency on the part of taxes and rates to continue to be borne for a long time by those first affected. Hence the importance where possible of imposing taxes directly on those who, even if they are indirectly imposed, would come to bear them in the process of time.

It is also assumed in the case of the rent of houses and premises that the conditions of the country are such that these are not fixed in number or amount, and that building, replacement, and repairs, are continually proceeding. When this is not the case, when, that is, the supply of houses is fixed, and the demand for them or for further accommodation is not increasing, the occupier will be able to force the owner or landlord to bear a large portion of the tax which naturally affects him in his house-consuming capacity, and this will continue till the supply is reduced. Such results, even though they may not be widespread, occur in the case of houses and of large improvements on the land, because both of them are durable and not capable of withdrawal like some other forms of capital.

IV.—DISTINCTION BETWEEN LOCAL AND IMPERIAL TAXATION.

Question 7.—The difficulty of furnishing a clear criterion is mainly due to the fact that the division between the functions of the central government and local bodies in certain instances is determined by simple motives of convenience and administrative economy. Still, most of the functions undertaken by local bodies, and forming the bulk of local expenditure, may be placed under two headings:—

- (i.) Cases where the expenditure is undertaken for the particular advantage of the district, and its benefits appropriated in the main by those dwelling or possessing property in the district. Under this heading comes the expenditure met by beneficial rates.
- (ii.) Cases where the need for expenditure is largely or, at any rate, partly determined by the administration. The poor law expenditure furnishes an illustration of this.
- (iii.) Cases where functions are delegated to local authorities for purposes of administrative convenience and economy. Though economy is effected here as well as in the second heading, it is not effected in the same way. In this instance the primary need or occasion for expenditure is not so largely determined by the mode of administration.

Question 8.—In order to determine how far, if at all, local expenditure should be borne by the central government, that is, paid for, not by the taxpayer of the district, but by the taxpayer of the whole country, it is necessary to arrive at some sort of decision with regard to two separate matters.

In the first place there is the general question as to the liability of the district, and the liability of the country, in view of the particular purpose. Here we have to consider separately the three classes of expenditure. The first should obviously be borne by those who particularly benefit. So far, that is, as beneficial rates are concerned, the decision seems easy; they benefit those living in the district, and they fall mainly on the occupier. So far as differences in respect of such expenditure exist they fall entirely on him. In the case of the second, local liability seems clear, but it is doubtful if the incidence is so equitable. The expenditure involved under the third heading, it might be thought, should be borne by the central government.

In the second place it must be remembered that the apportionment of taxation is entirely different in the local, from what it is in the Imperial system. The larger part of Imperial taxation is so levied that it does not necessarily correspond to ability. In the local system the correspondence, though not necessarily exact, is probably greater. Again, real property is more burdened under local than under Imperial taxation. A transfer then from local to Imperial taxes, or *vice versa*, unless some particular adjustment be made, means not merely a transfer from the district to the country, but a transfer from one class to another class of taxpayers. In the case of expenditure of the third kind, the right people to pay may seem to be the general taxpayers of the country. This is not so in the other two instances. But even in the third case, or indeed whenever change is suggested, attention must be paid to the system of taxation as a whole. That system includes both local and Imperial taxes; and a change from one of these to the other may upset the balance attained, and thus, though apparently equitable when considered apart, really result in a disturbance of the imposition of taxes according to a standard of equity.

V.—FURTHER QUESTIONS.

Question 9.—Some division of the rates between owners and occupiers of real property is most certainly desirable, on account of the delay which occurs before the part falling on pure rent is gradually shifted off the occupier on to the owner. As has been incidentally pointed out, pure rent often arises not only in the rent due to the ground landlord, to take the case of houses, but in the form of part of the rent due to the so-called owner of houses during the time of the ground lease. That is, the situation and other advantages of position possessed by the house, have improved since the grant of the ground lease and the fixing of the ground rent due under it. The aim of division is not to alter the final incidence of the

tax, but to accelerate its establishment. So far as taxes stick where first imposed, division is obviously important. The same holds good of the rent of agricultural land, in which case the division of rates in the first instance is peculiarly important. Rates on agricultural land, to such extent as they fall on the pure rent are, in essence, a tax imposed on the landlord; but until they attain their final incidence, they fall on the income of the occupant, and thus on the profits on farming. Custom, moreover, exerts great influence in the regulation of rents, making them singularly irresponsive, and thus enabling the postponement of this final incidence.

The proportion in which such division should take place is largely a matter of practical knowledge. I would suggest, however, that the rates should be levied on the owner in a higher proportion when land is concerned than in the case of houses. If in the latter case the rates be equally divided, in the former the owner should, I think, bear two-thirds and the occupier one-third.

Question 10.—The separate rating of ground values and rent to local taxation, if accompanied by a deduction of the rent (or the rent formed on the estimate of ground value) from the rent paid by the occupier, will in one case do nothing more than accelerate the shifting of part of taxes imposed during leases on to the ground landlord. As we have previously seen, final incidence will not take place till the termination of the lease, until when a burden will be laid on the owners of the old houses. This view rests on the assumption that the rates levied on the ground rent, or the estimated income of the ground value, will be the same as those levied on the other rent. In such case separate rating, if practicable, must be viewed as a method of securing the rapid shifting of the tax. But if the ground rent or values be more heavily charged, or if, what amounts to the same thing, the ground rent be taxed twice, once separately and once as forming part of the total rent, other considerations enter in.

The special liability of ground rents and values to taxation, and in particular local taxation, has been urged on these grounds.

In the first place, the land is said to be subject to hereditary burdens with regard to taxation. Objection is taken to the basis on which services which had fallen into desuetude were commuted, and in particular to the artificial valuing of land in the case of the Land Tax. Further, the early incidence of taxation on the land has been alleged as an argument for regarding the land as the main and rightful source of revenue. These arguments apply to more than local taxation. With regard to the first, moreover, it has been answered that a bargain is a bargain, even though after generations may disapprove of the terms on which it was concluded. The second argument with reference to the historical incidence of early taxation is not conclusive, for it must be remembered that, at one time, the possession of land and a free status were in inevitable connexion; the land was the badge of freedom.

In the second place, it has been contended that the land is the natural source of public revenue, a view which any new community, or nation, or colony, would do well to adopt, at any rate in part.

In the third place, the particular benefits accruing to land from public expenditure and national growth are given as grounds for a particular liability to taxation. This argument acquires additional force in the case of local taxation, which is raised largely in view of expenditure which affects the value of the land. This is increased by the growth of population, by the development of various resources, and by improvements in the opportunities for leading comfortable lives and earning an adequate living; and while all national expenditure may be said to conduce to these, local expenditure, as some urge, is of such a kind as to be peculiarly effective and immediate in its action.

In opposition to these views it is urged that special taxation of ground values would partake of the nature of confiscation, and in particular cause substantial injustice to those who have bought land or ground rents instead of resorting to other investments, and in view of the income they yield. Apart from general grounds this contention would not necessarily be valid if such special taxation were introduced to meet the changes occasioned by relief being given to local taxation from Imperial taxation, for such relief might be intended to lighten the burden on the local occupier and not on the land. Speaking generally, the objections urged to such special rating and taxation of ground values seem directed not so much against any injustice in this particular mode of taxation, as against its adoption under existing circumstances. They certainly indicate the need of great care in its imposition. But I think they are insufficient to deprive the community of the particular revenue to be derived from a fund so well suited to local taxation, and which owes so much of its present extent to general growth and public expenditure.

Question 11.—Given certain conditions, the rent received by the owner of land or ratable hereditaments will be affected by alterations in rates, that is, diminished by their imposition or increase, and increased by their reduction or abolition.

The conditions are as follows:—First, the existence of an active competition; second, the absence of custom so strong as to prove an effective check; third, the non-existence of fixed contracts. When these conditions are not present, rent will not necessarily be affected, and when these conditions are only partially present, as is the invariable case, a considerable time will elapse before the full effect is produced. Even then, rent will not be increased or diminished by the full amount of the rates concerned, but only by that part of the rate which is proportioned to the pure economic rent, that is, that rent which expresses the difference between site and site, or land and land. So far as the rent is a return calculated upon and received on account of expenditure of capital and labour on the land, or in the construction of houses and premises, the tax corresponding to it will fall on the occupier.

The theory thus stated rests on certain conditions, most imperfectly realised, and, so far as actual practice is concerned, is mainly important as displaying the tendency which, but for the renewed interferences, would be realised over long periods of time. The creation of new contracts, the constant changes in rates, the influence of custom, prevent it from being more than a tendency. The effect of leases has been dealt with in the answer to previous questions (5, 6), and this, together with the other interrupting agencies, constitutes a forcible argument for a division of rates. Further, it may be added that the rapidity with which the rent is affected by the shifting of the tax will largely depend on the respective keenness and competitive strength of the two parties, that is, the tenants and the landlords. Rents do not, as we know, readily adapt themselves to alterations in price arising from other causes, and it is hardly probable that they will prove more elastic when the alteration is due to a tax.

The power of the occupier to shift part of the tax on to the rent, and of the landlord, in case of reduction or abolition, to increase the rent, is due to the connexion between price and rent, and its mode of operation can be briefly summarised. So long as the tax falls on the occupier, it involves a rise of price, either, in the case of houses, of price to him as paying both rent and tax, or, in the case of trade premises and agricultural land, of price of the product he sells; and, in consequence, the demand tends to be restricted. So far as the rent which forms the profits on outlay is concerned, the case is the same as that which occurs when taxes are levied on particular commodities. Outlay in that direction will cease unless the ordinary rate of profits is assured, or thought to be assured, except, of course, in the instance of monopolies. But the effect of that part of the tax which is proportioned to the pure economic rent is different. Here the supply is in the hands of owners letting their acres at different rates, and the supply is and will be there. It is, so to speak, fixed and immovable. If the reduction in demand and price take place, some land or sites will fall into disuse, being naturally the lower in fertility or situation, and rent on those above them will diminish; but the desire to let will prevent this reduction, and force each landlord to take his rent less by the tax. The landlord who refuses will be outbid by those who offer their land at a reduced rental, and thus disproportionately cheaper than his, the respective differences in fertility being allowed for. But such a result will be very gradual, and much delayed in its attainment.

The case where a rate is reduced or abolished is the reverse of the above.

Question 12.—In abstract theory, and granted the assumptions enumerated in the previous answer, no difference would occur through the change of method suggested in the present question. But taking things as they are, and allowing for the friction which is an inevitable element in social conditions, differences may occur through one or more of the following causes. The amount to be shifted, if the whole or part of the tax be thus deducted from the rent, may be altered. If only part of the tax be deducted, the amount liable in theory to be shifted would probably be decreased. Again, the power of the landlord to procure a rapid adjustment may be greater or less than that of the tenant. And, lastly, the greater prominence and definition given to the question of the incidence of the tax by its formal deduction may have some influence, and consequently affect the time occupied in readjustment.

On the whole, I am inclined to think that the deduction of a part would facilitate such readjustment, as occasioning imposition in greater approximation to final incidence. Furthermore, at present the whole burden of new rates, until the shifting of such part as should fall on others is accomplished, lies on the occupier, who, in

addition to the portion of rates falling on him according to the laws of final incidence, is always bearing some other portion in the interval—often the long interval—elapsing before readjustment.

Question 13.—The result of such rating in both instances will differ according as it is viewed in its more direct effects under existing circumstances, and those which may be produced when it has been taken into account in building, improvement, and other ways. At the present time, houses have been built, and land improved and brought into cultivation, without reference to changes in these directions, and, as houses and improvements are very durable, the owners of those houses and of that land more highly and differentially rated would be seriously affected, and their rent would tend to be diminished. There would be a change in the direction of demand on the part of occupiers, unless the extra tax on the rent (profits) due to owners, and due under these new circumstances, was paid by the owner.

But such temporary effects may be put on one side.

Then, in the first case (*a*) the tax will be graduated on the total value, and the alterations in rate must occur with long intervals between. Under these circumstances, and especially if the difference in the scale of graduation be marked, there will be a tendency to avoid building and improvements which will just transfer the property from one class of rates to another class, and a consequent diminution in the total rental of the country. Further, in the case of house property, and this question is mainly important in the case of houses, inasmuch as value is determined by the tenement and not by the total value of tenements and ground per acre, there is a certain inducement to the ground landlord to build small property. Thus he will in all probability be able to force the occupier or consumer to bear the extra tax on higher value so far as that is proportioned to the ground rent. The occupier will have to bear that in addition to the tax falling on the building profits. If the ground value be separately valued, and rated according to acreage, the ground landlord will bear the graduated increments as well as the minimum tax.

In the second case (*b*) the occupier of the property employed for the particular purposes more highly rated will have to bear the extra tax, not only on the strict house rent, but on the ground rent, except in so far as the ground rent which can be obtained for that particular purpose is in excess of that which the landlord can obtain if the ground be used for a purpose not liable on the heavier scale. The part of the tax falling on this increase of ground rent will tend to be borne by the landlord.

Question 14.—One marked defect in the system of local taxation is the escape of personal property, owing to the alleged danger of hampering enterprise, and its especial mobility. A remedy for this can only be found by a resort to Imperial or central taxation, and to supplement local funds out of taxes raised by the central government is open to danger and abuse. At present the case appears to be much as follows. It is not desired to tax more heavily the income derived from personal exertion. Again, real property is taxed together with other property, and by itself in rates. Personal property escapes more lightly. If this be the case, and without any minute investigation and discussion the relative proportions in which taxes should fall on personal and real property could not be determined, one of two alternatives presents itself. Either to adjust the property taxes in the Imperial system so that they fall more heavily on personal property, or to raise a new revenue by fresh additions to these taxes so far as they affect such personal property, such revenue to be kept distinct, and to form a fund out of which rates might be supplemented. The fund would be raised centrally, but ear-marked for local purposes. The temptation to bad local economy would have to be met by making the contributions subsidiary, and never allowing them to bear more than a certain proportion to funds raised locally by rates.

Question 15.—There are two points to which I have already drawn attention, which I should like to emphasise. The one is the importance, in dealing with local taxation, of remembering that it does not form a system of taxation by itself. The system is constituted by the combination of local and Imperial taxes, and the equity of contribution by any class of property owners or other persons can only be judged with regard to it in its entirety. The other is the clear distinction which should be drawn between contributions to the revenue from income and from property. The latter contributes not only in its income, but as property.

In conclusion, I append a brief summary of certain of the conclusions arrived at in the foregoing answers:—

(1.) The system of taxation, with regard to which all questions of equity must be considered, comprises both Imperial and local taxes.

(2.) Imperial and local taxes affect the various tax-paying classes differently, so that a transfer from one to the other means not only a change from local to central funds, and *vice versa*, but an alteration in the incidence of taxation.

(3.) Taxes levied on commodities do not fall on persons according to their ability. The same is true, though possibly in a less degree, of that portion of the local rates which is borne by the occupier of a house, or, in the case of trade premises and agricultural land, by the consumers of the products there produced.

(4.) There are certain grounds for holding that property is more liable to taxation than income.

(5.) Real property in particular lies under very peculiar liability, which may be met by the separate taxation of ground values.

(6.) The shifting of taxation is attended by very great delay, and in consequence the occupier is constantly burdened by taxes which finally fall on others, but which he has to bear until they achieve their final incidence. This gives grave importance to the division of the rates along the lines of final incidence.

(7.) The difficulty of taxing personal property locally can be met by an adjustment of the property taxes in Imperial taxation.

E. C. K. GONNER.

Answers by Mr. Edwin Cannan.

1. It is impossible to offer useful criticism of a classification without knowing for what purpose the classification is intended. In order to discover what this is, I must have recourse to the reference to the Commission.

The reference seems to ignore the commonplace of economists which asserts that taxes cannot be defrayed by things, but must, like all other payments, be defrayed by persons. It seems to ignore this commonplace not only, as Sir Edward Hamilton observes,* by speaking of property "contributing" to taxation, but also by its assumption that there can be equity in taxation as between different kinds of property. Now, in spite of Blackstone's phrase, the "rights of things,"† things cannot be wronged or suffer inequitable treatment, whether in regard to taxation or anything else. It is necessary, therefore, to "interpret liberally" the terms of the reference, rather in the sense in which sacred writings, whether by theologians or economists, are "liberally interpreted" by modern teachers who shrink from leaving the shelter of the wings of authority. That is to say, the Commission will have to endeavour to answer not the question actually put (which is impossible), but the question which would have been put if its framers had been advised by someone familiar with the most recent scientific discussion of the subject.

The question which would have been put under those circumstances might, I think, have been divided into three branches:—

(1.) Is the present taxation‡ of persons in respect of property equal as between the various kinds of property?

(2.) Is it equitable as between different persons?

(3.) If it is inequitable, what, if any, alterations in the law would make it more equitable?

The first two of these inquiries are perfectly distinct from one another, since a negative answer to the first does not necessarily involve a negative answer to the second, nor *vice versa*. In my opinion any confounding of the two as they are habitually confounded in the press and on the platform would render the labours of the Commission, however arduous and prolonged, wholly nugatory, if not actively pernicious.

Accordingly, it appears to me that the Commission's first object in classifying national taxes must be to discover how far the present national taxation of persons in respect of property is equal as between the various kinds of property. For the purpose of answering the second question, how far the taxation is equitable as between persons, this first classification may be, and probably will be, altogether unsuitable.

* Memorandum, p. 33.

† Quoted with the same purpose as here in Bastable, "Public Finance," 2nd Ed., p. 255, note.

‡ I omit the words of the reference "for local purposes" since it is conceivable (and is, as a matter of fact, argued) that certain inequalities and apparent inequities in the one kind of taxation are balanced by corresponding inequalities and apparent inequities in the other.

The first thing to do, in framing the classification, is to divide the various taxes into those which are equal and those which are unequal as between the various kinds of property. I take it that a tax is equal as between the various kinds of property if its abolition would neither benefit the present owners of a particular class of property more than the present owners of another class of property, nor, by making a particular class of property a more desirable investment than another class of property, tend to increase the quantity of the first class in comparison with the quantity of the second class. In the shorter but more metaphorical and consequently dangerous language of everyday life, an equal tax in respect of property is one which "lays no peculiar burden" on any particular kind of property. The term "burden" is used because the unequal tax, so to speak, weighs or presses down either the clear value to the owner, or the quantity produced and maintained in existence.

Without going into minute details further than is done in Table D., we may say that the following taxes are obviously unequal as between different classes of property :—

Customs duties.	Playing cards tax.
Excise duties.	Marine insurance tax.
Railway passenger tax.	House tax.
Telephone tax.	Land tax.
Bankers' notes tax.	Patent medicine tax.

The Customs and Excise duties have the effect of restricting the consumption of intoxicating beverages, tea, and tobacco. If they were abolished the capital employed in the importation and production of these commodities would increase in comparison with other forms of capital.

The abolition of the railway passenger tax would both benefit the present owners of existing railways in comparison with the present owners of other property, and, by making railways a more profitable form of investment, tend to cause an increase of railways in comparison with other forms of capital.

The telephone tax, which is none the less real because it happens to be called a "royalty" and to be hidden away in the receipts of the Post Office, is exactly like the railway passenger duty. It makes an extension of business on the part of the telephone company less profitable than it would otherwise be. Its abolition would both benefit the telephone company more than the owners of other kinds of property, and tend to increase the proportion of the capital of the country taking the form of telephone wires, instruments, and exchanges.*

The abolition of the tax on bankers' notes would disproportionately benefit the bankers who retain the old privilege of issuing notes.

The abolition of the tax on playing cards would lead to an increased consumption of cards, and consequently to the investment of a larger proportion of the capital of the country in the machinery necessary for the manufacture and distribution of cards.

The abolition of the tax on marine insurance would tend to increase the proportion of the capital of the country invested in the form of shipping. The abolition of the Inhabited House Duty would disproportionately benefit the owners of the existing stock of houses of 20*l.* annual value and upwards for a time, and would eventually tend to increase the proportion of the capital of the country invested in the form of houses of 20*l.* annual value and upwards.

* The abolition of the land tax would disproportionately benefit the owners of property at present subject to land tax. It would also tend to increase the proportion of the capital of the country invested in the form of rateable property on the areas which are at present subject to the tax.†

The abolition of the tax on patent medicines would disproportionately benefit the owners of the patents, and would tend to increase the proportion of the country's capital invested in things necessary for the manufacture and distribution of the patent medicines.

The remaining taxes are either equal, or so nearly equal, as between different kinds of property that their inequality is not worth considering. The various stamp duties, doubtless, do not, when taken together, form an absolutely equal tax, but *de minimis non curat lex*. It would be absurd to inquire whether more receipt stamps and cheques are used in connexion with houses or with ships. The income tax and the death duties are both professedly equal taxes on all kinds of property, and in spite of their necessary and unnecessary imperfections, the mere fact that Table D. (taken in conjunction with

* In short, the railway passenger duty and the telephone royalty are both vingtièmes, and liable to the objections which have always been made to tithes and other taxes on gross produce.

† I assume that re-assessment within a parish does actually take place when new rateable property is created there. See below, Question 14, fourth paragraph.

the estimates of the value of property furnished to the Royal Commission on Agriculture) represents them as unequal as between rateable and unrateable property, is not nearly sufficient to destroy the presumption in favour of their equality. The great inequality indicated by the table in the case of the death duties is presumably due to the fact that the changes made in 1894 have not yet made themselves fully felt in the returns. When this has taken place we may expect to see a somewhat higher rate in the £ or percentage yielded in respect of rateable property than in respect of non-rateable property, since, as a rule, rateable property belongs to richer people, whose estates, under the progressive scale, will be chargeable at the higher rates. The inequality indicated by the table in the case of the income tax is trifling, and probably does not really exist. Here, too, we should expect to find a higher rate in respect of rateable property, since it is not much held by persons whose incomes are small enough to entitle them to exemption or abatement. But inequalities of this kind, resulting from progressive taxation, are not inequalities of taxation as between different kinds of property, but inequalities as between persons possessing different totals of all kinds of property taken together. The abolition of the progression would not make anyone more ready to buy or produce any particular kind of property.

Now in view of the classification in Table D., and the evidence given before the Royal Commission on Agriculture, it seems that the next step is to ask whether the amounts raised by the unequal taxes can be disintegrated, classified, and summed up in such a way as to show whether any inequality, and if so, how much inequality there is in taxation as between rateable property and unrateable property, each being taken as a whole. I am not prepared to deny that it is conceivable that this might be done by an omniscient statistician. He might discover and set down exactly the proportions in which the property affected by customs, excise, railway passenger duty, and the other unequal taxes, is divided between rateable and non-rateable. But no actual statistician approaches near enough omniscience to produce anything worth looking at in this direction. Moreover, even if correct figures were obtained, they would be of no use for the purposes of the Commission. The fact that one species of rateable property is more "burdened" than property in general, is not, and cannot be, counterbalanced by the fact that some species of unrateable property is more "burdened" than property in general. A special tax in respect of ships is no set-off to a special tax in respect of houses. It is not possible to set off against the land tax the fact that carriages and dogs render their owners liable to taxation. In addition to all this, we have to remember that the amount of tax collected does not measure the magnitude of the burden. The burden surely increases when the tax is made higher, whereas the amount collected does not always increase with the heightening of the tax, and seldom increases exactly in proportion to it. A tax on some non-rateable article might be made heavier and heavier till it finally prevented any new capital being invested in that form. Then, as soon as the existing stock was consumed or worn out, the article would cease to appear in Table D.; but would this be any "relief" to non-rateable property? Obviously not.

2. The classification in Table D. is valueless for the purposes of the Commission, because it overlooks the considerations mentioned under Question 1. But it is to be condemned for several other reasons.

In the first place, following, I admit, numerous and high authorities, it distinguishes between "taxes levied in respect of commodities" and "taxes incidental to the ownership, occupation, or transfer of property." But what commodities are not property, and what property, with the possible exception of land, is not composed of commodities? I know of no definitions of property and commodities which distinguish things into things which are property and things which are commodities. The old distinction between taxes on commodities and taxes on property is a merely temporal one, *i.e.*, a distinction based, not on the nature of the thing taxed, but on the time or times at which the taxation takes place. A barrel of beer is taxed at the time it is produced; therefore the beer tax is called a tax on a commodity. A house is taxed, not when it is built, but annually while it remains in existence; therefore it is called a tax on property. If the house duty were levied on the builder, we should call it a tax on a commodity; if the wine merchant or the private epicure were annually taxed on the stock of wine in their cellars, we should call the duties on wine taxes on property. But this distinction is of no importance to the present inquiry, and the classification, as a matter of fact, does not adopt it, since the duties exacted from public-houses annually in proportion to their annual value (on a certain arbitrary scale) do not appear under "Rateable Property" taxes, but are huddled away under "Miscellaneous Taxes," the framers of the classification having evidently thought that they were too

near akin to the taxes on the gallon of beer and spirits to be classified in the other main division of the Table as a "tax incidental to the occupation of property," which they certainly are. The same confusion probably is the cause of the strange classification of the carriage tax and dog tax among "miscellaneous taxes," instead of among "non-rateable property" taxes, and to the setting down of the railway passenger duty under "Miscellaneous," instead of dividing it between "rateable" and "non-rateable" property.

If it is once recognised that the 50,928,000*l.* classified as "taxes levied in respect of commodities," and a considerable proportion of the 5,052,000*l.* classified as miscellaneous taxes do, as indeed is obvious, affect the interests of the owners of property in diverse degrees according to the nature of their property, and also affect the distribution of the capital of the community between the various forms of property, it seems almost unnecessary to criticise the Table in further detail. I will add, however, that it seems very extraordinary to treat the 1*l.* which I pay to the income tax collector on receiving 30*l.* for a term's lectures as a "tax levied in respect of income derived from personal exertion," and then to say that the penny stamp I put on the receipt is a "tax on non-rateable property." And how is it that the receipt stamp paid for by my landlord when I pay my rent, is a tax on non-rateable property?

3. Many definitions of the word "tax" have been proposed, but I know of none which would include just so much of the Post Office revenue as happens to be in excess of the amount expended in the year and no more.

I believe that the desire to reckon this amount and no more as a tax, arises from a somewhat dim impression that it is the sum which the State exacts in excess of what a private company, without any legal or natural monopoly, would have to be satisfied with for performing the same services.* But it is not. In the first place, such a private company would expect and receive about 3 per cent. on its capital in addition to the mere working expenses. We do not know what the capital of the Post Office is, but it must be very great, seeing that all the more important offices are owned in fee simple. Secondly, a company would raise new capital for new buildings and the purchase of more land instead of defraying the expense as if it were current working expenditure. Thirdly, a company would not "encourage thrift" by giving away upwards of 700,000*l.* a year to the depositors in the savings bank, by paying 2½ per cent. on deposits which are invested in a stock which yields less than 2 per cent.† Fourthly, in all sorts of ways the Post Office is not conducted as a commercial enterprise would be. For example, it spends more than a company would do in the less profitable districts.

The only argument I know of in favour of treating the so-called "net revenue" alone as a tax, thus breaks down. If any part of the gross revenue is a tax, the whole must be.

Whether the gross revenue is called a tax or not, does not strike me as being a very important question. The State revenues which are always called taxes do not appear to me to be divided by any sharp line from those which are never called taxes. If the Crown happens to have confiscated some pretender's land in the middle ages, and still holds that land, no one calls the rent of it a tax. If the Crown by the same or similar means happens to possess some manorial right or a rent-charge on some parcel of land, no one calls that a tax. But the unredeemed portion of the charges on the parishes imposed by Parliament in the seventeenth and fixed in the eighteenth century is the "land tax." Similarly, in local finance, though receipts of all kinds are very properly included in the *Annual Local Taxation Returns*, no one calls the local authority's revenue from lands and houses or even gasworks "taxes" or "rates." About the revenue from waterworks there is occasionally a little hesitation; people are apt to say that the "water rate is not a rate," or something absurd of that kind. The revenue levied for the collection of house refuse and the disposal of sewage, on the other hand, is always called a rate and regarded as a tax.

* I think this is implied in Sir E. W. Hamilton's remark (*Memorandum*, p. 37) that "the amount actually expended by the State represents direct and immediate service rendered to those who write letters or send telegrams." It would be at least equally true to say that the amount received by the State represents direct service rendered. If I put a letter in the pillar box rather than walk half a mile to deliver it by hand, it is clear that I value the service rendered at one penny at least, and if its true value is to be taken as less than a penny, it must be assumed that someone would have carried the letter for less than a penny if the Post Office monopoly had been absent. But to deal thoroughly with this question it would be necessary to enter on a discussion of the Austrian theory of value and Marshall's conception of "consumer's rent."

† The loss does not appear in the savings bank accounts; but that is the fault of the accounts. The subsidy to depositors is paid out of the interest received by the savings bank on a fund which is the result of profitable banking in previous years, and on which present depositors have no claim.

Obviously, whether a particular form of revenue is called a tax or not is only a question of degree. The water rate is more a tax than the bill for gas, partly because it is generally more difficult to dispense with the public water supply than with gas, and partly because the quantity of water taken is not measured, the payment being usually regulated by various standards in combination, such as the value of the house, number of water-closets, baths, and garden taps.

In considering the "equity of taxation" it is not desirable to adopt any narrow view of the meaning of taxation, since the action of the State must be considered as a whole. I should therefore not be inclined to exclude the whole or any part of the Post Office gross revenue from the present inquiry.

I think there is no reason for supposing that Post Office charges affect different kinds of property unequally to any extent which can be appreciated or discovered. They may, therefore, be classified along with the income tax, death duties, &c.

4. "What is equity?" is a question which has exercised the minds of philosophers for many ages, and is likely to do so for many more. It will not be finally settled, it is safe to say, by the present or any other Royal Commission. The ideas of mankind (the genus to which, after all, the species of philosophers belongs) have changed and will change, and moreover these changes do not take place at exactly the same dates in all portions of the world. But this Commission, fortunately, is not appointed to lay down rules of equity for the taxation of the inhabitants (if any) of Jupiter and Saturn, but to point out where the existing system of raising public revenues in the United Kingdom is not in accordance with the idea of equity which prevails in the United Kingdom at the end of the nineteenth century.

It will be asked at once, "Is there any 'prevailing idea of equity' as to the raising of public revenue in the United Kingdom? Are not the opinions of different classes and interests so divergent that it is hopeless to expect general agreement in any 'conclusions'? It is, doubtless, true that nothing can be laid down on the subject which will not be vigorously denied by some philosopher or some professor of economics. But there are, I believe, several generalisations which will be agreed to either cheerfully or with no very great reluctance by at least nine-tenths of those who are capable of understanding them.

(i.) The first of these generalisations is that when a particular means of raising public revenue, *coupled with a particular way of expending that revenue*, cannot be supposed to affect the distribution of wealth between individuals in the sense of making it different from what it would be in the absence of such State action, the question of equity does not arise at all.

If, for example, it is found that of three suburban residents Smith pays a private individual 6d. a week to come and remove his house refuse. Jones pays him 5d. a week, and Robinson 3d., and then the State, in the person of an extending "urban district," steps in and takes over the business of dust-collection, performing it no better and no worse than it was performed before, and charging Smith, Jones, and Robinson a penny in the £ on their houses, which are rated at 312*l.*, 260*l.*, and 156*l.*, then no question of equity can be raised as between Smith, Jones, and Robinson. The position of each compared with that of the others remains exactly as it was, and it will not occur to them as ordinary persons to allege that the fact of the State having for the general convenience taken over a particular business is a reason for altering the distribution of wealth between them. This example is typical of the whole mass of expenditure which is now usually called "beneficial," in contradistinction to "onerous" expenditure. It is true, of course, that in no one case is what may be called the "private enterprise cost" of a particular service exactly proportionate to the rateable values of all the property in the district. It is certain that with regard to dust collection, taken apart from other municipal services, rateable value does not form anything like an exact standard. But with regard to all the various municipal services of a "beneficial" character taken together, it forms as exact a standard as any which can be obtained consistently with performing the services economically. To charge accurately for dust collection, a local authority would have to send round with each cart a weighing machine to get the weight, a dry measure to get the bulk, and a smellometer to get the offensiveness. It would have to keep each person's refuse separate, so that account might be taken of the value of any special articles in it. A departmental committee of the Local Government Board would sit from time to time to determine whether pounds avoirdupois should be multiplied by cubic feet or whether the cubic root of the pounds should be multiplied by the square root of the feet. Minute account keeping of this kind prevailed in the great houses of the Middle Ages, and survives in the kitchens and butteries of some Oxford colleges, where toast and

water is charged $\frac{1}{4}d.$, but is totally unsuitable to modern civilisation. Taking the various "beneficial" services together, the rateable value of the property is a sufficiently accurate standard. It was not adopted by any sudden resolution of the legislature on the recommendation of a Commission advised by experts, but has been gradually adopted all over the country by the spontaneous desire of the persons chiefly affected. In some cases other standards still survive. For example, though in many towns the local authority cleans the pavements and the cost is thus borne in proportion to rateable value, in others the occupier of each house is expected to clean the piece before his own premises, and the cost is thus borne in proportion to length of frontage multiplied by liability to splashing from the roadway. There is no probability that a change which has been accomplished so gradually and so universally as the abandonment of the old standards in favour of the standard of rateable value is regarded by any considerable proportion of the persons concerned as inequitable.

(ii.) The second generalisation is that when a particular means of raising public revenue coupled with a particular way of expending that revenue, does affect the distribution of wealth between individuals, it will be inequitable if it causes the distribution to be more unequal.

The average or ordinary person holds vaguely in his mind three different and wholly inconsistent principles with regard to the distribution of wealth. He believes:—

- (a.) That incomes should be equal, with some modifications to meet differences of need.
- (b.) That incomes should be proportionate to moral merit.
- (c.) That incomes should be proportioned to the value of the services rendered by the receiver.

On some occasions he follows almost exclusively one or other of these three conflicting principles. Adrift in a ship's boat on the Atlantic, or in charge of the administration of a hospital, he follows the first or communist principle. In his almsgiving to individuals he follows the second, which we may call the day-nursery principle. In his ordinary business transactions he adopts the third principle. But in regard to the raising and expending of public revenue he wavers between the three.

Now it happens that a man wavering between these three principles is certain to regard any action of the State which will increase the existing inequality of wealth as inequitable. Such action will obviously be inconsistent with the first principle. It will, if general in its operation, be inconsistent with the second principle, since there is no reason at all for believing that the rich as a class are more meritorious in as great a degree as they are richer than the poor. It will also, if general in its operation, be inconsistent with the third principle, because the very rich are very rich as a class, not so much in consequence of any services performed by themselves, as in consequence of inheriting property. Any action of the State, therefore, which increases the existing inequality of wealth, except in a very partial and unusual way, will offend the ordinary person's conception of equity in distribution, no matter which of his three principles happens at the time to have most prominence in his mind.

Whether this is, so far as it goes, a correct account of the origin of the idea that it is inequitable to cause greater inequality by State action or not, there is no doubt about the fact that State action causing greater inequality is almost universally regarded as inequitable. To show that, on certain principles, it would be necessary to tax the rich at a lower percentage on income than the poor is considered a *reductio ad absurdum* of those principles.*

(iii.) The third generalisation is that State action which reduces inequality of wealth will be inequitable unless the reduction is carried out in a fair and proportionate manner. To this generalisation universal assent will be given, except by land nationalisers. It means that no inequality of treatment shall be meted out as between individuals possessing similar amounts of wealth; to tax Sir Gorgius Midas 10,000*l.* specifically for the benefit of Mr. W. Sikes would diminish the inequality of wealth, and yet would be flagrantly unjust. This may seem an absurd example, but it is only a strong case. If a more likely one is required, take the proposal of land nationalisers for a special tax on a particular form of property, which, in this country, at any rate, is so largely held by the wealthy, that a special tax on it would probably reduce inequality. The proposal is by the ordinary person very rightly considered unjust, because it deducts unequal amounts from A., who has 10,000*l.* worth of land, and from B., who has, say, 10,000*l.* worth of ships.

(iv.) The fourth generalisation is one in which all except revolutionary socialists agree. It is that it is inequitable to disappoint legitimate expectations. Of course,

* Bastable, "Public Finance," Bk. III., Ch. iii., § 2, 2nd. Ed., p. 284.

the difficulty here is to say what are legitimate expectations, and it is quite hopeless to expect any two persons to agree absolutely as to where legitimate expectations end and illegitimate expectations begin. It is and must remain merely a question of degree. But the generalisation is not useless. It explains to a great extent the otherwise curious phenomenon that the ordinary person is so much guided in his opinion as to the equity of new progressive taxation by the nature of the scale chosen. The establishment of a slowly rising scale, which never reaches any very large percentage on any actual income or estate, is not considered inequitable by many persons who would consider a quickly rising scale, reaching a very high percentage, grossly inequitable. The truth is that the inequity is measured by the disappointment of the persons made subject to the tax. The millionaire, most other people think, ought not to have expected to continue to be taxed only at the same percentage as the man with 10,000*l.*, but nearly everyone will admit that he might legitimately expect not to be taxed at a percentage twenty times as high. Whether it was legitimate or illegitimate for him not to expect to be taxed twice as high is a question on which opinions are divided more equally.

There are, then, four tests to be applied in the consideration of the equity of alterations in means of raising and ways of spending public revenue:—

- (A.) Will the change make any difference in the distribution of wealth? If not, whether it should be introduced or not is purely a question of production, not of equity.
- (B.) Will the difference in distribution be in the direction of greater or less equality in distribution? If in the direction of greater inequality, it is inequitable.
- (C.) Will the greater equality in the distribution of wealth be brought about without unfairness as between the various individuals who lose by the change and as between the various individuals who gain by it? If not, it is inequitable.
- (D.) Will the greater equality, brought about in a fair and proportionate manner, stop short of disappointing what are regarded as the legitimate expectations of the rich?

A proposal which passes these four cumulative tests may of course be inexpedient, but it will satisfy the public conscience as an equitable measure.

5. It is usual in economic and financial treatises, as well as in parliamentary and royal inquiries, to plunge into the question of the primary and ultimate incidence of taxation, without considering at all what is meant by "incidence." But this is highly dangerous.

We do not talk of the "incidence" of the cost of papering and painting houses, or of the cost of supplying a family with butcher's meat. If the price of wheat goes up owing to a bad season, we do not discuss the incidence of the addition to the price caused by the bad season. But if the cost of sewage disposal is raised (no matter whether it is by some new requirement of the Mersey and Irwell Joint Committee, or by an earthquake or some other "act of God"), or if a frontier war brings about an increase of the tax on beer, we immediately find ourselves engaged in foggy discussions about incidence. One friend has suggested that the reason why we discuss the incidence of taxes, and not the incidence of any other kind of expense, is that, as taxes can be more easily altered by public authority than any other expenses, the question of their incidence is of more practical interest than the question of the incidence of a wet August or an earthquake, and that the appropriation of a special term for use in connexion with taxes is the result of the greater practical interest. Another says that the reason is that the rain falls alike on the just and the unjust, but that legislators intend taxes to fall on certain classes of persons, and, as a matter of fact, they always fall on other classes.

However this may be, I have no doubt that it is desirable to eschew the use of the term "incidence" of taxation. It unduly restricts inquiries into the justice and expediency of taxes, since it is always held that the "real incidence" of a tax is upon the persons who ultimately pay or provide the money for the tax. But, as I have already hinted (Question 1), persons who pay a tax are often less injured by its imposition than those who pay no portion of it. The man who goes two miles out of his way daily to avoid a bridge toll would be more benefited by the freeing of the bridge than most of those who pay the toll. It is, therefore, far better to consider the *effects* of taxation. By using this more general term, we shall find it easier to avoid the usual mistake of supposing that taxes are subject to an economics of their own, instead of having effects just like any other expense. We shall also be less likely to lose our way by attempting to travel by short cuts.

The true question then, I take to be, "Can you offer any suggestions which would assist the Commission in following out the effects of taxation"?

I would suggest:—

(i.) That the effect of a tax can only be discovered by supposing it either (1) newly-imposed or increased, or (2) abolished or reduced. This is so obvious that I will not argue it. I only mention it because when the equity of a tax is being considered, differences of opinion constantly arise and fail to make themselves understood owing to the fact that one side is considering the tax when newly imposed, and the other is considering what would happen if it were abolished. To take an example, the present land tax would be a most inequitable tax to impose, since it would not treat holders of equal amounts of property equally, and would disappoint legitimate expectations; but after it has been imposed for one or two centuries, and both the properties subject to it and those not subject to it have been bought and sold over and over again, always on the assumption that it would continue, it would be inequitable to abolish it, since the abolition would not treat holders of equal amounts of property equally.

(ii.) That "strong cases" should always be taken. It is no use to inquire what is the effect of adding a $\frac{1}{2}d.$ in the £ to the rates of Oxford. Ask rather what would be the effect of raising the rate from 3s. to 8s., or what would be the effect if a benevolent millionaire presented the city with property which would bring in enough income to pay all present expenses and return the ratepayers 1s. in the £ as well. Of course, those who have constructed theories about "economic friction" will cry out against this course, but they will do so because the shoe pinches. Nothing is more ludicrous than the argument that because a drop makes no perceptible difference in a big bucket it has produced no effect.* The little changes which occur in practice obviously must have just the same effect in kind, though not in degree, as the great changes which may be properly and conveniently imagined for the purpose of illustration and argument.

(iii.) That as no tax is levied all over the world at the same rate, all existing taxation is local, i.e., levied in different places on different principles or at different rates. The local areas differ enormously in size, the United States being 3,500,000 square miles in area, and Furnival's Inn one acre. The larger the area and the more peculiar the language, religion, and manners which prevail in it, the more nearly is it safe to ignore the local character of its taxation, but in no case can it be altogether ignored. The areas dealt with by the Commission are small, and their populations are divided from each other in most cases by no differences of language, religion, or manners. Consequently the local character of the taxation is all-important, and any attempt to consider the effects of the taxes as if they were universal instead of local can only lead to misapprehension and confusion. The pernicious practice of taking averages of local rates is to be condemned on this ground. If local rates were all at the average instead of being, as they are, very much lower in some cases, very much higher in others, and substantially different in nearly all, then almost everything with regard to the effects of the taxation would be different from what it actually is. Especially in considering the equity of taxation, is it absurd to begin by assuming that people in different places are all taxed at the same rate, when, as a matter of fact, they are not.

6. (a to c.) I do not care to accept the classification suggested in sub-questions (a), (b), and (c.). It is more convenient to deal with all these taxes together. In any case it would not be desirable to classify trade premises along with houses separately from agricultural land, which is the trade premises of the farmer.

To attempt to take short cuts in a matter of this kind only leads to waste of time, and I shall therefore approach the end in view in what will appear at first sight an unnecessarily roundabout way.

I shall ask first what is the effect of a uniform and universal *ad valorem* tax on all kinds of property levied periodically for unproductive purposes either on the true capital value or the true annual value of the property. Let us not trouble ourselves with the practical question whether such a tax has ever existed or ever can exist; it is quite conceivable that it might exist in a world where all were honest, and such a world is imaginable, though not likely to be known for some time, at any rate.

Let us suppose that this tax is now imposed for the first time, and levied directly from the owners. There appears to be no reason for supposing that they will be able *at once* to charge more for the productive contribution (as Wieser calls it) of their

* The savants who disputed as to the reason why the addition of the fish to the bucket of water made no difference had a sprat rather than a whale in their minds.

capital than they could before. But immediately one or both of two things must happen. The owners must curtail either their expenditure or their savings. If they curtail their expenditure only, all that happens is that the State now spends unproductively what they spent before. If, however, they curtail their savings, two results will follow, (1) the future produce will be less per head, and (2) the division of that lessened produce will be effected on terms not so advantageous to the worker. In the first case, the Government expenditure, to defray which the tax was levied, would damage nobody but the owners of property. In the second case the evil effect would be felt by the whole community. As a matter of fact, of course, the owners would curtail both their expenditure and their savings; the evil of the expenditure would consequently be felt both by them and the rest of the community, but would be felt somewhat more lightly by the rest of the community than if it had all been met by a curtailment of owners' savings. On the whole, therefore, it seems probable that the effect of a universal *ad valorem* property tax would not be very substantially different from that of a universal income-tax.

Now let us consider the effect of a universal uniform tax on some one particular class of property, the smaller the better, let us say 2s. in the £ on the capital value of bicycles. Now here, if we think only of the majority of cyclists who own their own machines, we will at once declare that "the incidence" of this tax is on the owners of bicycles. But when we recollect that large numbers of machines are kept for hiring out, we begin to question this conclusion. We see that though he would not be able to do so at the very first, the cycle-shop man would very soon be able to charge hirers of machines more than he could before the imposition of the tax, since the relative advantages of hiring and purchase would be altered as soon as the purchaser was made subject to a tax which the hirer is not asked to pay directly. We should then alter our previous opinion, and say that "the incidence" of the tax was on, not the owner, at any rate *qua* owner, but upon the consumer, or more accurately, the user of bicycles, and the people who benefit (*e.g.*, by having their errands done cheaper) by the fact that other people use bicycles. Then, reflecting a little more, we should see that whatever may be the case with the "incidence" of the tax, its effect reaches not only to those who use bicycles and benefit because other people use them, but also to those who would have used bicycles or would have benefited by other people using them if the obstruction of the tax had not intervened. This last class, of course, has kept its money and been able to spend it in some other way, but not to so great advantage.

To take as another example the one mentioned in sub-question (a.), let us suppose that there has hitherto been no house tax, and that a universal tax of 5s. in the £ for unproductive purposes is placed on all dwelling-houses and levied from the occupiers. Let us suppose also that the occupiers are on quarterly tenancies, all of which expire between the passing of the Act and its coming into force. The immediate effect must be a fall in house rent. All occupiers must restrict either their expenditure or their savings in some direction, and enough of them will try to reduce their expenditure in rent-plus-house-tax to make a great diminution in the demand for house room. As the number of houses has not yet been altered by the tax, the supply remains the same, and consequently the price must be reduced. But this reduction of rent, of course, reduces the capital value of houses; the capital value being reduced, some professional builders retire from the business and others become bankrupt, and the supply of houses is consequently reduced. Building stops, or proceeds at a slower rate, until building profits are restored to the ordinary level by a rise of house rent and the capital value of houses. The occupiers then have to pay more for the same accommodation, or to be content with worse accommodation for the same money.

It would appear from this that while a tax on all kinds of property is what is sometimes called "diffused" over the whole community, a tax on some one particular class of property is damaging to the consumers or enjoyers of the commodity obtained by the use of that kind of property, and not to the owners of it, except, of course, in so far as they are consumers of it. The untrained mind probably often accepts the conclusion as it stands, but the more scientific inquirer sees a contradiction. "If," he points out, "this is so, you could get a different result by taxing each class of property "separately from that which you get by taxing them all together in one operation, "which is absurd." To meet this perfectly sound objection, the statement with regard to the effect of a tax on a particular class of property requires amendment. Something has been omitted, which, though of trifling importance in the case of a tax on a small class of property, becomes of more and more importance as the magnitude of the class or the number of the classes taxed increases. This is the fact that a tax which checks the investment of capital in any one form of property necessarily encourages investment

in other forms. If less goes into one form, there will be more to put into other forms. Now if the amount invested in bicycles is reduced, the extra amount put into other forms of property and spread over the whole field will have so trifling an effect that we treat it as inappreciable, and say nothing about it. But the more of the total property made liable to the tax, the more important will the increased flow into other forms of property become. The extra influx, whether small or great, of course tends to decrease the return to capital in the untaxed forms of property. Consequently a tax on a particular form of property does damage the owners of property in general as well as the consumers of the commodity connected with the particular class of property.

For several reasons unnecessary to mention here,* local taxation in this country is taxation of immovables, and it is therefore desirable to consider the particular case of the effect of a universal uniform tax on all immovable property. Such a tax must differ very little in its effect on distribution from a universal uniform tax on all kinds of property. It would, of course, have the effect of discouraging the investment of capital in immovable, and encouraging investment in movable property, so that if there are any consumers who consume a disproportionately large amount of products which require for their production the use of disproportionately large amounts of immovable as compared with movable property, that class of consumers would suffer more than others. But there is little evidence of the existence of such a class, so that it may be supposed a universal uniform tax on all immovables for unproductive purposes would "diffuse" the burden of the unproductive expenditure over the whole community approximately in proportion to income enjoyed.

Now let us ask what difference will be occasioned by the tax on all immovables being local, i.e., levied at different rates in different places between which migration of persons and property is possible. Suppose, for example, that the tax instead of being 2s. in the £ everywhere, is 6d. in one group of districts, 1s. in another, 3s. in a third, and 3s. 6d. in a fourth group, the total raised being the same as if all were taxed at 2s.

The important fact here is that somehow or other in spite of the difference of rate from 3s. 6d. down to 6d., the return to the marginal investment of capital will be the same in all these districts. Some people, of course, are fools enough to do anything, but there are not enough fools to affect the matter. The action of the people who do affect it is guided by common sense, and common sense tells the investor not to invest in a place where the return to capital is 3 per cent. less 3s. 6d. in the £, when he can invest in a place where the return is 3 per cent. less 6d. in the £.

How, then, is the equality of return brought about? The first answer that suggests itself to the rent-paying householder or farmer is that he, the occupier, equalises the return to capital by paying more in the highly rated than in the low rated places.

But this answer is obviously absurd. The occupiers do not as a body, move from one place to another after the manner of the ancient Israelites, but enough of them do or can move to prevent any such result. That the result does not actually occur is proved by the fact that an acute business man acquainted with every material circumstance may think it just as advantageous to occupy premises in some place where the rates for unproductive purposes are 3s. 6d., as in some other place where they are 6d. in the £. Occupiers are clearly just as well off in places where the rates for unproductive purposes have long been high as in places where they have long been low.

The second answer which suggests itself is that the consumers equalise the return by paying more for commodities in the high rated than in the low rated places. This answer is still more obviously absurd than the last. People nowadays can get many commodities from almost anywhere, and will not, therefore, pay more for them if they come from a producer or distributor who carries on his business in a high rated district. We constantly find people living in low rated districts procuring things by parcel post from high rated districts.

The true answer is that the equalisation of the returns to investment is effected by the investment of capital in immovables being stayed a little higher up in the scale in the high rated than in the low rated districts. Everywhere the most profitable known investments are chosen first, and the more capital there is to invest the lower down in the scale of profit will investment necessarily go. Investment in immovables will stop a little sooner in the high rated than in the low rated places, so that the return to the last investment may be the same everywhere in spite of the difference in the tax. We have, let us say, 10,000 houses in Oxford, where the rates are 3s. 8d., and 20,000 of

* See my "History of Local Rates in England," pp. 132-4 and *passim*. For the same reasons State taxation in the United States is tending in the same direction; see the Report of the Massachusetts Commission on Taxation just published (December 1897).

the same size in Norwich, where the rates are about 9s. Builders make equal profits in the two places simply because building is carried exactly to that pitch where the profits are equal, taking into account that the different rates will have to be paid on the houses. Similarly in two rural districts, in one of which rates are double what they are in the other, the returns to the last investment in agricultural improvement will be the same simply because investment in agricultural improvements is carried exactly to that pitch in each where the returns are the same after allowing for the difference in taxation.

Everything which tends to discourage the investment of capital in immovable property in a district tends to diminish the demand for "unimproved land" or space in that district, and this diminution in the value of space of course mitigates the effect of the discouragement to investment.

The consequence then, so far as distribution is concerned, of rates being for unproductive purposes higher in one place than another is to cause less creatable immovable property to exist in the high rated and more in the low rated, and to make the value of the land lower in the high rated and higher in the low rated places than would be the case if the rates were equal in all places.

The effect of inequality of rates for unproductive purposes, so far as production is concerned, is to diminish the productiveness of industry by causing an uneconomical distribution of capital between the various districts.

The effect of rates for productive purposes is the same as the effect of any other payment for productive purposes. It is all the same to me whether I pay a "water company" or a "local authority" for my water, and whether I pay a private individual or an inspector of nuisances to remove my house refuse, provided that I pay the same in both cases, and have the work equally well done. It is all the same to the ratepayers in general if they pay to lenders as much interest as would have been obtained by private individuals doing the work under a system of private enterprise. I have endeavoured to show, in the "Economic Journal," Vol. V., pp. 31, 32, that any equalisation of rates for purposes productive of special benefit to the particular locality would be extremely undesirable, from the point of view of production. It would also be unjust, inasmuch as there is no reason for benefiting persons who happen to own particular localities at the expense of others. If, for example, the cost of sewerage and sewage disposal were to be paid from a national fund, the creation of towns in situations difficult to drain and distant from the sea would be encouraged, and the owners of land in these situations benefited, while the creation of towns in situations easy to drain and on the sea coast would be discouraged, and the owners of land in these situations damaged.

(d.) "Taxes on the transfer of property," *ad valorem*, are too much like "taxes on property" to be worth separate discussion. A "tax on property" is levied at regular intervals, a "tax on the transfer of property" at irregular intervals. The regular tax is, of course, to be preferred. Taxes on the transfer of property not *ad valorem*, as, e.g., receipt stamps, when the charge is the same, no matter how great the property involved (after 2*l.*), are relics of barbarism, so capricious in their effect that it would be a waste of time to consider them seriously, the amount involved being so small.

(e.) I doubt if I understand this question. A tax on the profits of a particular trade would have the same effects as a tax on the particular property used in that particular trade. A tax on all trade profits would be an income tax, or something very like it. What is "trade"?

(f.) Death duties, again, are taxes on all kinds of property, levied at irregular intervals, and their effect is substantially the same as taxes on all kinds of property levied at irregular intervals. Perhaps, on account of a certain obvious peculiarity of the time at which they occur, they discourage accumulation somewhat less than annual taxes, and, consequently, are rather more favourable to the non-propertied class. (See above under a. to c.) If they are graduated, they necessarily tend to cause greater equality of wealth.

7. My views on this subject will be found at length in the "Economic Journal," January, 1895 (pp. 22-34), and the "National Review," November 1896. The gist of the matter is that the *raisons d'être* of local taxation are—

(a.) To secure economical and efficient local administration.

(b.) To secure economical distribution of population and capital.

The services which should be charged on local taxation for the first only of these two reasons, vary from time to time. The central Government of the United Kingdom is far more likely now to do better than local authorities in regard to many services which in the middle ages were better performed by small local authorities.

The services which should be paid for out of local taxation for the second of the two reasons, as well as for the first, are all such as tend to increase the value of the fixed property in the particular locality where they take place. If these were paid for by general taxation, towns would grow up with a disregard of advantageousness of situation which would be extremely hampering to the productiveness of industry. (See above under Question 6, *a* to *c*, last paragraph.)

8. When a service is paid for out of local taxation, merely because of the first of the two reasons mentioned in the answer to Question 7, the central government should endeavour to secure that no inequalities of rating for it should be allowed to exist, except such as are necessary in order to secure good management. Grants from the central Government, if made at all, ought to be directed towards reducing the inequalities of this portion of local taxation.

No grant ought to be made for purposes which, when accomplished, and not counterbalanced by a rate, raise the value of property.

Any grants made ought to be made openly, and not by metaphorical ear-marking, which confuses the accounts both of the central and local governments. (See below, Question 14, last paragraph and note.)

9. Local rates ought not to be divided between owners and occupiers, but should be charged on either the owners or the occupiers. At present, in case of low-priced houses in towns, it is almost universal to charge the owner. In all other cases the occupier is charged. This is a very sensible arrangement. It is better to take the rate from the person most immediately and directly affected by its expenditure whenever you can get it from that person. This is possible whenever the occupier is a "substantial man." When he is not substantial, you must be content to take it from the owner.

So much of the rates as is raised to pay off capital expenditure ought, strictly speaking, to be paid by the owners, since it is payment for a remote benefit (that of being free from the payment of interest on the loan raised for the capital expenditure).

In the case of new occupiers, the payment will be allowed for just like any other disadvantage, but some injustice is done to old occupiers unable to revise their bargains with their landlords if new and unforeseen payments for capital expenditure are saddled upon them. The amount involved, however, is so small that it is perhaps scarcely worth while to apply the remedy, which is the creation of redeemable rentcharges for the payment of interest on loans for capital expenditure.*

10. Ground values should not be separately rated. To rate them separately would only introduce confusion, with no counterbalancing advantage whatever.

11. (a.) and (b.) The increase of an old rate, or (which is exactly the same thing), the imposition of a new rate, in any particular locality, will diminish rent in that locality by making the competition for land and other property which is not moveable and not quickly alterable in quantity less than it otherwise would be.

(c.) The reduction or abolition of a rate would have the contrary effect.

12. If occupiers were allowed to deduct either rates, or the cost of getting their hair cut, or any other expense, from their rents, then their rents would be that much higher.

If they were not allowed to deduct the income tax their rents would be that much lower.

13. (a.) This system can obviously only be applied where the properties form distinct units. I imagine that in practice it is only applied to houses and perhaps other buildings.

Rating the more expensive houses at a higher percentage must discourage to some extent the building of such houses. Where such a system has been long in operation, the supply of houses of different values will have accommodated itself exactly to the demand.

I do not feel sure whether the difference in the number of houses in each division of the scale could be called "an effect upon rent."

(b.) When a certain kind of property is partially exempted from the general rate, the rent of that kind of property will be higher than it otherwise would be, provided that, and in so far as, that kind of property is insusceptible of increase by human

* The occupier receives the benefit of the things provided by the capital expenditure till the conclusion of his term of tenancy, and should therefore pay the interest on the capital. But it is no advantage to him that the capital should be sunk or written off. Therefore, let a charge be created which he has to pay during his term and let the owner redeem the charge afterwards.

exertion. Obviously, if the property is susceptible of increase, as, e.g., houses apart from sites of houses, the exemption from rating will encourage investment of capital in that form of property till competition reduces its value to the landlord. But if the property is not susceptible of increase, as, e.g., land considered apart from buildings, fences, artificial fertility, and so on, it is equally obvious that the exemption will cause the rent to be higher than it otherwise would be.

14. It would be easy to suggest other means of raising revenue for local purposes, but it would be difficult to suggest any better means than rates on all kinds of immovable property without any exceptions or exemptions. One point which should not be overlooked is, that most feasible means of raising revenue locally have very much the same effects as rates. An octroi, for example, will reduce the desirability of a town as a place for the investment of capital and a place of residence just as a rate does.

It is probable that local authorities would often find new and harmless ways of raising revenue if it were not for a superstition which prevails in many quarters that it is wicked for an authority to make a profit, even up to such an extent as is necessary to pay ordinary interest on the capital originally expended. This superstition prevails even at the Board of Trade, which interfered a few years ago to prevent the borough of Bournemouth from making a profit out of the landing of excursionists on its pier, alleging that it was a principle with the Board that local authorities were not to make a profit out of "navigation." Thus municipal enterprise is prevented from being profitable and then denounced as a failure.*

If the Inhabited House Duty is to be maintained, it should be given to the local authorities in place of some of the present subsidies, but I should much prefer to see it abolished. The advantage it gives to persons who choose to live in lodgings and hotels is indefensible, and its scale of graduation makes it a progressive tax on large families in the very class from which it is most desirable the population of the country should be recruited.

It is probably unnecessary to argue against the outrageous proposal that the land tax should be given to local authorities. They might as well ask for the Crown lands which happen to be situate within their jurisdiction. In order to make it clear even to the person who has to pay it that the land tax has by prescription (the foundation of all property in land) become property of the State, it would be well to put a stop to further re-assessments and make the tax a permanent fixed charge on the land. The tax ceased to be reassessable between parishes more than a century ago, and it is time the final step was taken.

As, I presume, the Commission is considering proposals for economising expenditure as well as for raising revenue, it may be desirable here to draw attention to the enormous waste which results from the insistence of the Treasury on usurious rates of interest for loans to local authorities, and the policy of the Local Government Board, which compels, or at any rate induces, local authorities to borrow money and invest it at a lower rate of interest than that which they have to pay.

Disguise it in the form of paper "terminable annuities" payable from the waistcoat pocket to the breeches pocket as best the Treasury may, there is no denying the fact that in one way or another (by the Post Office or the Supreme Court of Judicature, or some other body,) seven millions of consols are bought for the nation every year at present at a large premium, which reduces the saving of true annual charge from $2\frac{1}{2}$ to less than 2 per cent.

At the same time perfectly solvent local authorities are borrowing in the open market from the public at above 2*l.* 13*s.* per cent. and paying in addition 1*s.* to a bank for management and 1*s.* for stamp duty composition. In the name of common sense then, why cannot the Treasury lend at $2\frac{1}{2}$ per cent. or even $2\frac{1}{4}$ instead of buying consols, and save 14*s.* per cent. to the nation and the local authorities combined? Instead of doing so, it maintains a scale of rates† which deter all the most solvent borrowers from applying to the Public Works Loan Board.

The policy of the Local Government Board causes local authorities to borrow when it would be more profitable for them to part with their investments, partly in consequence of insistence on the absurd ear-marking of different moneys which is required by the

* In "The State in relation to Trade," 1883, p. 80, Lord Farrer says that Liverpool, as owner of the Liverpool docks, "taxed the trade of the country for its own benefit." But no one says that "Bristol has for many years been unselfishly subsidising the trade of the country."

† The scale embodies a futile attempt to discourage borrowing for long terms. Elective local authorities care little for a remote future, and consequently regard nothing but the annual payment (i.e., interest plus sinking fund), and the lower amount charged for interest on short loans does not nearly counterbalance the larger amount required for sinking fund. Consequently they invariably apply for the longest term they think the Local Government Board is the least likely to disallow.

legislation of 1875 and 1888*, and more largely by a method of calculating the amounts in sinking funds which discourages rate-raising bodies from purchasing their own or any stock which stands at a premium. The consequence is that local authorities all take in each others' washing—they borrow with one hand and invest sinking funds, police pension funds, and other funds in a loan to some other authority, usually overlooking the fact that the stamp duty composition, the payment for management on stock issued, and the income tax on dividends or interest received on stock bought or loans made make a difference of 4*s.* per cent. in favour of cancelling their own stock. The city of Oxford has, or lately had, about 32,000*l.* of consols and about 28,000*l.* invested in the stock of, or in loans to, Llandudno, Peterborough, Middlesbrough, Tynemouth, Wakefield, Thornaby-on-Tees; yet in all probability the city of Oxford will shortly issue another 40,000*l.* of Oxford Corporation stock. Instead of encouraging this course of conduct the Local Government Board should in every case require the local authority which obtains permission to borrow to show good reasons for borrowing from the public instead of using (as any private individual in a similar position would do in the absence of special reason to the contrary) their own funds.

15. My answers to the preceding questions will have shown to anyone who has done me the honour of reading them, that I take a very conservative view of the system of local taxation which evolved itself in this country down to 1896 without much interference from Parliament. I regard the allegations of injustice made by the urban occupier on the one hand, and the landed interest on the other, as equally unfounded.

But approval of the system of raising what ought to be local expenses by local rates on all kinds of immovable property (levied from the occupiers, where the occupiers are substantial, and from the owners where they are not,) by no means commits anyone to approval of the whole of the "present system" of local and (for the two must be considered together) national finance.

In the first place, supposing no question to arise as to what ought to be local, and what national, expenditure, the present system is unsatisfactory in regard to the absence of any impartial authority with the will as well as the power to change the local taxation areas whenever equity and expediency require it. That the central portion of a town should be in a local taxation area all by itself is bad enough, but that the various suburbs should each be in different taxation areas is much worse. In order to secure equity and economy every town should be treated as a whole. What is a town? In the vast majority of instances no difficulty arises in deciding whether a populous district is a town or the suburb of another town. No one, except, possibly, a town councillor of West Ham, believes that West Ham is not as integral a part of the economic town of London as Fulham or Woolwich. A man might live in Manchester for a year, and yet have entirely erroneous ideas as to what exactly was included in Salford without incurring any reproach for stupidity. Salford gets just as much and perhaps more benefit from the canal than Manchester, and pays no 1*s.* 8*d.* rate for it. Nearly every large town is divided into several areas for poor law taxation. Absurdities like these ought to be put an end to, whether the local authorities and the ratepayers desire a change or not. At present the principle of the Local Government Board seems to be that no alteration of any magnitude is to be effected unless both parties concerned

* The most important instance of this system is the separation of the Exchequer contribution account, the borough fund, and the general district account. There is no reason at all why the Exchequer contribution should not be paid direct into the borough fund, and the chief result of the present arrangement is to make some people imagine that the central Government still pays half the cost of pay and clothing of the police as before 1888. The only reason for keeping the borough fund and the general district account apart is that the borough rate was before the Agricultural Rates Act leviable on the full annual value of agricultural land, and is at present leviable on 50 per cent. of that value, while the general district rate is only leviable on 25 per cent. But this is in practice of little importance. In many towns no borough rate and in some no general district rate is levied. In Oxford, in order to prevent the necessity of a borough rate, we keep the waterworks and the market (which bring in a sum equal to a rate of 4*d.* in the £ net) upon the borough fund, and put the library and school board (which cost 2*d.* in the £) upon the general district account. Yet, according to the rule, the former belong to the general district account, and the latter to the borough fund; and the Local Government Board, in publishing the Annual Local Taxation Returns so arranges them, thereby making our borough fund appear to have an annual deficiency of 8,000*l.* To satisfy the Local Government Board we have sometimes actually to personify the borough fund and the general district fund. One of my first duties as a member of the Oxford City Council was to serve on a committee which reported that the general district fund had built a new town hall on land belonging to the borough fund, and that it was "equitable" as well as "expedient," that the general district fund "should be deemed to be the lessee" of the town hall for 50 years at a ground rent of 1,500*l.* per annum, while the borough fund should be the tenant of the general district fund as regards certain parts of the building and pay the general district fund 800*l.* a year for them. At the end of the lease the borough fund, as ground landlord, will take possession of the whole. The difficulty experienced by the ordinary mind in maintaining sound finance when the accounts are encumbered by such an accumulation of fictitious payments and repayments need not be enlarged upon.

agree to it, and as it nearly always happens that one of the two parties will at any rate gain less than the other, the difficulty of securing a change is enormous. If it were not for the fortunate fact that one political party in a town usually desires to annex one suburb and the other party another, the *morcellement* would be more ridiculous than it is.

Secondly, supposing the question of area settled, the present system is unsatisfactory inasmuch as there is no recognition of the *raisons d'être* of local taxation in the distribution between the various localities of the vast subsidies handed over by the national Government to local authorities, among whom, for the present purpose, I include voluntary school managers.

There is no denying the fact that the subsidies have been divided between the localities at haphazard.

Local authorities perform some services, *e.g.*, refuse and sewage removal, the benefit of which is almost confined to the locality. They perform other services, *e.g.*, the provision of police, which is of primary benefit to the locality, but is also of great benefit to the rest of the country and world. They perform a third set of services, *e.g.*, the provision of a night's board and lodging for vagrants, which are of no special benefit to the locality, but are of benefit to the community at large. The administration of these services is allotted to them by the State, because it is supposed that local knowledge and control is necessary for efficiency. The *duty of paying for* the administration of services which are of special benefit to the locality is placed upon the locality in order to secure the most economical distribution of capital and population over the country, as well as to secure economical administration. The *duty of paying for* the local administration of services which are of no special benefit to the locality is placed on the locality only in order to secure economical administration, and *it ought only to be placed on the locality to such an extent as is necessary in order to secure economical administration.*

If this principle were recognised, the subsidies would be distributed so as to equalise as far as is possible without removing the local authorities' motive for economy, the burden of the expenditure which is for the national benefit and not for the special benefit of the locality. In the distribution of the old subsidies before 1888 the principle was recognised, and it was attempted to carry it out by paying from the Exchequer half the cost of various services, it being hoped that the fact that the local authority had to pay the other half would prevent undue increase of expenditure. It is said that this hope was disappointed. At any rate, in 1888, Mr. Goschen proposed a plan the popular objection to which was that it would have made the local authorities too sparing in the administration of poor relief. This plan being rejected, the present system of division between administrative counties plus the county boroughs of the ancient county on the basis of the distribution which happened to prevail in 1887-8, and of division between each administrative county and the county boroughs of the ancient county on the basis of rateable value was adopted as a temporary measure, and now threatens to become as permanent as the seventeenth century distribution of the land tax.* Since then the condition of things has been made still worse by the haphazard distribution of the Agricultural Rates Act subsidy (which must in many cases pay not only for the whole loco-national expenditure, but also for a portion of the exclusively local expenditure, *e.g.*, that for local highways), and the voluntary schools grant, which is paid most largely to those localities where the cost of education is lightest. On the other hand, the principle has been again recognised in the elaborate scale under which the additional grant to school boards has been made.

What steps should be taken to re-establish the correct principle? This is a question for others than supposed economic experts. I will only suggest that poor relief and education are the particular expenses which it is most desirable to equalise so far as that can be done without removing the motives for reasonable economy. I cannot believe that it passes the wit of man to re-arrange the apportionment of expenses in such a way as to affect this end.† If the whole of the subsidies, including the agricultural rates grant and the recent education grants, could not be used in this way, the Chancellor of the Exchequer might very conveniently get rid of

* It is a land tax upside down. Instead of the locality paying a fixed sum to the State, the State pays a fixed sum (or, strictly speaking, a fixed proportion of a varying sum) to the locality.

† Population, it should be observed, is not a good basis for the distribution of subsidies, since it inevitably leads to the falsification of the census, as was illustrated in the first census of London taken under the Equalisation of Rates Act (see "Economic Review," Vol. VI. pp. 409-12), and is well-known to take place in the United States.

the resulting surplus by abolishing or reducing as far as was necessary the house tax, the railway passenger tax, and some of the numerous and pernicious taxes on the transfer of property.

Answers by Mr. L. L. Price.

Question (1.)—An attempt to establish, on theoretical grounds, an absolute standard of correctness, by reference to which a classification of taxes may be approved or rejected, is beset by considerable difficulties. Such difficulties would present themselves, even if the questions, of which the solution was sought by the aid of such a classification, were pure abstract problems of academic interest; and a classification, for instance, of taxes as *direct* and *indirect*, which might be suitable for determining a hypothetical question on the influence of taxation generally, or of some particular species of tax, on the *production* of wealth, might easily prove inadequate to the solution of another hypothetical question on the influence of taxation on the *distribution* of wealth, where it became necessary to push the investigation beyond broad, apparent, immediate, incidence. When the matter under discussion is no longer of mere academic importance, but is concerned with the relations of speculative theory to actual practice, an attempt to establish and maintain a rigid unvarying standard would seem to be, not only impossible, but useless and misleading.

It would appear, therefore, that the correctness of the classification of Imperial taxation indicated in Table D. might be judged with more advantage and certainty by examining its relative suitability to the purpose in hand, than by reference to any absolute standard, were such standard, in fact, discoverable in economic treatises. As it is, for the adequate solution of theoretical problems a classification may require alteration, according to the particular problem to be attacked; and *a fortiori*, when dealing with questions of actual practice, which rarely, if ever, admit of being brought into exact accord with the nice distinctions of theory, the criterion of a good classification can hardly with certainty be said to consist of more than conformity to two conditions:—

- (a.) That it should be sufficiently broad to avoid, or at least to minimise, the difficulties necessarily attending any endeavour to bring the roughness of practice into accord with the exactness of theory.
- (b.) That it should be sufficiently definite and precise to assist in the solution of the particular practical question under discussion.

Tried by these tests, the classification in Table D. may be pronounced "correct," so far as it is possible to judge without an intimate acquaintance with the detailed processes by which the figures have been collected and arranged. The terms of reference to the Commission draw a distinction between "real" and "personal" property; but, as Sir Alfred Milner points out in the Memorandum submitted to the Commission on Agriculture, such a distinction rests on a legal technical basis, and brings together species of property, which, for the purposes apparently contemplated, though not expressed *iisdem verbis*, in the terms of reference, should be kept distinct, and on the other hand it separates some kinds of property, which should be treated together.

If regard be paid to the past history of the question, as set forth in Sir E. W. Hamilton's Memorandum prepared for the present Commission, and to the immediate occasion of the appointment of the Commission itself, it can hardly be doubted that a distinction between taxation on rateable and on non-rateable property, (roughly corresponding to *immobilia* and *mobilia*), supplemented by taxation which is not "incidental to property," is calculated to assist in the solution of a problem, or problems, which have arisen in consequence of the claim that the exclusive pressure of local taxation on rateable property (or *immobilia*) demands some compensatory contribution from the Imperial Exchequer, drawing its revenues to so large an extent from non-rateable (or *mobilia*) as well as rateable property (or *immobilia*), and from taxes which apparently are not "incidental to property" at all. In other words, for the purpose of determining whether the "rates," to use a compendious description, should be, or be not, relieved from the "taxes," the separation of taxation on rateable property from the other classes of Imperial taxes seems specially suitable; and it would be difficult to find any division of taxes recognised in economic treatises, which would be equally adequate.

Nor, taking the first requisite of a good classification, would it be easy to suggest any better classification of taxes, which are not "incidental to property," than a division into taxes "levied in respect of commodities," taxes "levied in respect of incomes derived from personal exertion," and "miscellaneous taxes."

But it must be added that the classification only satisfies the condition of suitability to the purpose in hand, if it be taken for granted that that purpose is the determination of broad issues, and not the establishment of nice distinctions. For example, while the classification may be regarded as adequate, so long as the broad, apparent, immediate incidence of the taxes is alone considered, it is impossible, and it is misleading, to attempt to determine the "equitable contribution" of "all kinds of real and personal property" to "Imperial" or to "local" taxation, unless allowance be made for ultimate as well as for apparent incidence; and, in making this necessary allowance, it is hazardous to use the figures reached in a broad practical classification as if they conformed with the nice refinements of theory. The dilemma thus presented may, in actual fact, prove to be more largely apparent than real; but it certainly points to the desirability, if not the necessity, of caution.

Again, Sir Alfred Milner himself, both in his Memorandum, and also in his evidence before the Commission on Agriculture, lays stress on the difficulties attending the actual execution of the classification, and on the approximate character of the results obtained; and with these observations it is as impossible for the external student to disagree as it is to overrate their pertinence when any departure is made, or contemplated, from the consideration of broad issues.

The criticisms of Sir Robert Giffen in the Interim Report of the same Commission undoubtedly tend to emphasise the necessary qualifications, with which the interpretation, and translation into practice, of such a classification must be conducted; although it may be noted that the question of the correctness of the classification does not immediately raise the further question, to which a large part of his criticism is directed—the mode of computing the values of the different classes of properties or incomes on which the burden of taxation falls—even if such computation be necessary to the complete solution of the problems before the present Commission. Nor is the subdivision between land and other kinds of rateable property introduced into the present classification, or the disputed point explicitly raised of the nature and incidence of the burden of the redeemed land tax. It may also be noted that, according to accepted statistical principles, the figures of such a classification may be safely used, as in Sir E. W. Hamilton's Memorandum, for the purpose of comparing different periods, and indicating the relative growth or diminution of the taxation falling under the respective headings, if there is a reasonable certainty that no serious alteration has been made in the classification at each particular period.

For determining broad issues, then, involving considerations of apparent incidence alone, and as the starting point of further investigation, the classification may be regarded as correct. But further investigation seems to be necessary to any adequate solution of the questions submitted to the Commission, and the figures would require readjustment accordingly. The probable ultimate incidence of the different taxes would need some consideration. The operation of existing "grants in aid" from the Imperial Exchequer, and of more recent assignments of the proceeds of certain taxes to local authorities, would alter the proportions of the burden of Imperial taxation on rateable and on non-rateable property, and on other sources of revenue, exhibited by the figures of the Table; and the readjustment of the statistics would be attended by the difficulty to which allusion was previously made—the difficulty, namely, that the figures have been originally distributed according to a rough convenient practical classification, and can only be employed with caution and hazard on the supposition that they accord with the nicer distinctions of more precise theory.

Question (2).—While it may be possible for the external critic, with more or less accuracy, to pass judgment on the general principles, and the broad lines of a classification, it is difficult, if it is not really impossible, to arrive at any satisfactory estimate of its detailed completeness, or of the correct distribution of its several items, without the possession of an intimate acquaintance with the particular processes by which the data have been originally obtained, and with the precise nature of the statistical machinery by which their subsequent arrangement has been effected. A personal knowledge of the inner history of the statistics of Table D. would alone suffice to pronounce on the accuracy of its details; but it would appear, both from Sir Alfred Milner's Memorandum and from his oral evidence before the Commission on Agriculture, that in the case of some items of taxation it had been necessary, in default of more certain information, to proceed by the method of arbitrary division,

and in that of others to extend a distribution, based upon more or less definite data in particular instances, to cases held to be analogous. The latter of these two methods is a recognised instrument of statistical investigation, and without recourse to it many useful inquiries, yielding trustworthy results, would become impossible; but its legitimacy obviously depends on the closeness of the analogy, which it is sought to establish, while the former method of procedure by arbitrary division can only be justified, if the cases, with which it deals, constitute, in comparison with the mass of statistical material handled, *une quantité négligeable*.

Thus the distribution effected of Schedule B. of the Income Tax is confessedly arbitrary; but there seems to be no valid reason for disputing the pertinence of Sir Alfred Milner's contention that Schedule B. is rapidly becoming of inappreciable importance, and that the amount of error involved in any arbitrary division is comparatively inconsiderable. Such considerations, however, would hardly apply to the distribution of the item "Trades and Professions," in Schedule D., which is also avowedly based on an assumption that can scarcely be regarded as other than arbitrary, if that assumption could be proved, on trial, not to correspond with actual fact.

Nor can it be denied that a large use is made of the other method—that of extending results, ascertained, with more or less certainty, in the case of particular taxes, to analogous instances. For example, under the same Schedule D. of the Income Tax, the distribution of the item "Railways in the United Kingdom" is thus described by Sir Alfred Milner:—

"We know from the income tax assessments the total profits on which railways are charged. We know from the returns of local taxation their gross estimated rental. The tax on so much of the profits as is equal to gross estimated rental, 645,000*l.*, has been attributed to 'rateable property'; the tax on the balance, 388,000*l.*, to 'non-rateable property'."

Much of the criticism, passed by Sir Robert Giffen on this distribution in the Interim Report of the Commission on Agriculture, seems to be more pertinent to the question of the ultimate incidence of the taxation than to the correctness of a classification, which may be taken to aim only at exhibiting the broad features of immediate apparent incidence. But it is certainly noteworthy that the distribution thus effected, which confessedly rests to some extent on hypothesis, is extended to the analogous instances of "quarries," "mines," &c., and that in the case of the Probate Duty, while "cash," "funds," "foreign securities," and "household furniture" fall easily into the category of "non-rateable property," a certain amount of the property subject to the duty belongs wholly or in part to the "rateable" class, and in the distribution, actually effected, of the "shares of public companies," which admittedly form a large item of the class, Sir Alfred Milner adopts as his guiding principle the division previously reached in the case of "Railways in the United Kingdom" under Schedule D. of the Income Tax. Having effected, partly by the aid of this guiding principle, partly by other more definite data, the distribution of the Probate Duty as a whole, the proportions thus established are used in making the division of "personalty" in the case of the Estate, Legacy, and Succession Duties. They appear again in the distribution of the "stamps on transfers of stocks and shares"; and in the case of "contract notes" Sir Alfred Milner follows, with some misgiving, the distribution adopted in that of "stamps on transfers of stocks and shares." For the purpose of arriving at broad results, the original division of railways under Schedule D. may be substantially accurate, and the analogy of the cases, to which it is extended, may hold good; but it is obvious that the division, once adopted, governs no small number of analogous cases, and that an error of any magnitude in the governing instance, or the failure of the analogies, which it is sought to establish, might exercise a considerable influence on the general result.

It may also be noted that an apparent discrepancy exists, which might disappear on acquaintance with the inner history of the statistics, between the mode in which "railways, &c." are treated and companies other than those dealt with under the previous items of Schedule D. In the case of these other companies, it is assumed that their rateable property is already assessed under Schedule A., and that the income tax paid by them under Schedule D. may be entirely credited to "non-rateable" property; but in the case of railways another assumption is apparently made.

On the other hand, there are taxes where the data available for effecting the distribution are fuller and more reliable, and the distribution itself is made on easier and more obvious lines. Such is the case with the Customs and Excise; and in answering this question, as in replying to the first, it should be borne in mind that the issues involved in the division between lands and other rateable property, with which the

Commission on Agriculture was concerned, are not, directly at least, raised here. The Redeemed Land Tax, again, which was entered separately in the last line of the Table, as originally presented to the former Commission, is excluded from the present Table; and, unless account be taken of other taxes imposed in the past, and since removed, by the Legislature, it is probably safer to exclude the item in framing an estimate of the present burden of taxation.

Question (3).—The academic question of nomenclature, whether the net revenue of the Post Office should be *called* a tax, which may be answered in the affirmative or negative, according to the definition of a tax which is adopted, and the distinction which is drawn between taxation and other forms of revenue, may be distinguished from the practical question, whether, in estimating the burden of taxation, the net revenue of the Post Office should be *treated* as a tax. This is no mere problem of nomenclature or terminology, and it can hardly be doubted that the monopoly enjoyed by the Post Office enables it to compel those, who avail themselves of its services, (in other words, the great mass of the nation), to make the payments, which yield the net revenue. If this net revenue were not obtained, the burden of taxation in other forms would have to be increased. If it were reduced, or dispensed with, by economy of management, or reduction of charges, those, who use the Post Office, would be *pro tanto* relieved. In either case, whether the matter be regarded from the standpoint of the Government which receives, or of the individuals constituting the mass of the nation who pay, the net revenue of the Post Office seems to fall naturally under the description of taxation by monopoly, and is appropriately *treated* as a tax in computing the burden of taxation. It does not appear to come appropriately under any one of the previous headings of the table, and any division of it between the different headings would be arbitrary. It therefore seems to be most conveniently and appropriately classified as a "Miscellaneous" tax.

Question (4).—The ultimate standard, to which, in the last analysis, theoretical considerations appear to conduct, as affording the best test of the "equity" of a tax, or system of taxation, is its accord with relative "ability to pay." The discussions of the text books agree in pointing to this general conclusion, which is also dictated by plain common sense. The differences of economic theorists, and the difficulties of fiscal practice, arise in the interpretation of the test.

Where "ability to pay" can be measured by definite specific *benefit* received from some particular act of administration, and not merely by that vague notion of a proportion of the general benefit derived by the citizens of a community from its efficient government, which led earlier writers to propound what is sometimes known as the "social dividend" theory of taxation, considerations of equity certainly seem to suggest the adjustment of the relative burden of a tax to the proportion of *benefit* respectively received. And it may be noted that, when in the case of a particular tax, or group of taxes, such an adjustment has been carried into effect, the equitable arrangement of the other parts of a fiscal system may be considered with little, or no, reference to the burden imposed by the tax, or group of taxes, which has thus been treated.

In matters of *local* taxation more opportunity is afforded for the measurement of "ability to pay" by specific *benefit* received than that presented in the collection of the Imperial revenue, and recent developments of local administration have tended in a direction favourable to the application of the principle. The discussions, for example, which have lately been raised on the question of "betterment," may perhaps indicate a more general extension to this country of the methods of taxation by "special assessment" adopted in the United States of America, and theoretical considerations may certainly be advanced in support of the equity of such "special assessments," although, in actual practice, difficulties may arise, of which theory, from its very nature, takes little or no notice.

Where, however, a definite or approximately definite measurement of specific *benefit* received is impossible, or difficult of application, it becomes necessary to fall back on the ultimate test of "ability to pay," and a rough measure of this is afforded by the amount of *income* or the value of *property* enjoyed. On the whole, it may be said that the great practical difficulties of a property tax point to an income tax as the more preferable mode of taxation according to "ability to pay," and it may be noted that the occurrence of serious practical difficulty in collection is almost certain to lead to inequality. Most writers would agree that an income tax is theoretically one of the most equitable that can be devised, but that it is beset by certain practical difficulties, which, although less serious than those arising in the case of a property tax, are yet sufficiently important to render it necessary that for the attainment of

equity it should be supplemented by other modes of taxation. It depends, almost of necessity, to some extent on the honesty of the taxpayer, and it is practically impossible, as it is certainly inconvenient and uneconomical, to reach by its means the smaller incomes.

Considerations of equity, again, would, in accord with the results of more recent economic speculation, point in the direction of *graduation* of this as of other taxes. But there are no theoretical considerations, by which it is possible to determine in practice the precise amount of graduation, which will be perfectly equitable, and some of the most obvious practical difficulties of the income tax are avoided by taxing a large amount of income at its source, such as interest on the Government debt, and dividends on shares in public companies, and salaries of officials—a method which is incompatible with progressive taxation. By “degressive” taxation, as it is called, by allowing partial or total exemptions, that is, in the case of incomes falling below a certain level, an amount of graduation may be introduced, without departing from the general rule of *proportional taxation*, and it may be the case, that, supposing higher incomes were taxed at a progressive rate, theoretical considerations of equity would suggest a relaxation of this rate, or what is known as “regressive” taxation, when a certain point had been reached.

But that precise point theoretical considerations could not determine, and for these, as for other reasons, considerations of equity seem rather to favour the establishment of a mixed system of taxation, in which the income tax would be supplemented by other taxes; by taxation on commodities falling—if the approved English method of selecting a few commodities of large consumption, and imposing a low *specific tax*, be followed—with inevitably greater weight on the poorer classes, who do not contribute to direct taxation; by death duties, which intercept property as it passes from one person to another, where it is more easily possible, within certain limits, to apply a principle of graduation, and by other modes of raising revenue. Theoretically, income affords an equitable test of “ability to pay”; practically, an income tax is liable to result in inequalities, which are corrected, it may be roughly and imperfectly, by assigning to it a place of importance in a mixed system of taxation.

In the case of *local taxation*, the *house* (or, more correctly, the land or tenements), which a man occupies, whether for residence or for business, affords the most available indication of “ability to pay.” In no inconsiderable number of cases the *house* or tenement occupied corresponds roughly with specific *benefit* received; and, historically speaking, its important place in local taxation seems to be due to some confusion in the minds of legislators between *benefit* received and “ability to pay.” It is also a rough indication of *income*, and it admits of the adoption of some amount of graduation. But in practice, like income in the case of Imperial taxation, it seems an imperfect measure; and, while the income tax is supplemented, and its imperfections roughly corrected, by other forms of Imperial taxation, local taxation is confined, practically, to the *house* or *business premises* (in urban districts) as the single test of “ability to pay.”

Theoretical considerations of equity, again, undoubtedly show that certainty of taxation is a primary desideratum, and, in Adam Smith’s language, a small amount of uncertainty is a greater evil than a large degree of inequality, for uncertainty almost inevitably results in inequality. But certainty is most easily attained by taxing what is visible and tangible, and the *house* (or land or tenement occupied) is undoubtedly a visible tangible test of *income* and of “ability to pay”; while what is generally known as *personalty* is, comparatively speaking, invisible, and also admits of removal with far less difficulty beyond the reach of the local tax-collector.

The *house* or *tenement* thus suggests itself as an equitable standard, but broader considerations of equity conduct to the desirability of supplementing its imperfections; and, in the absence of any system of mixed taxation, such as that prevailing in the Imperial taxes, and in view of the inevitable drawbacks and economic objections attending the local taxation of commodities, and of the difficulty of reaching by any machinery of local collection in visible income, considerations of equity seem to point to “grants-in-aid,” or assignment of the proceeds of certain taxes, or some similar contribution from the Imperial Exchequer, as a means of securing an adjustment of the burden of local taxation (considered alone) to “ability to pay.”

Question (5).—In determining the general question of the *real*, as distinguished from the *primary, apparent* incidence of taxation it is hardly possible to pass with safety beyond the broadest considerations. The possibility, like the probability, of shifting the incidence of a tax undoubtedly depends on the degree in which competition is

present and active, and the process is as certainly arrested, or prevented, by the existence of "friction."

On the one hand, there is a considerable measure of truth, and no less an amount of pertinence, in the statement that the burden of a tax is likely to rest where it is first imposed. To shift it requires an effort, which may, or may not, be within the power, and, if within the power, may, or may not, form part of the active desire, of the person on whom the tax is primarily laid. Recent economic speculation has certainly tended to emphasise the importance and reality of economic "friction," which will at least retard, if it does not prohibit, the process of shifting.

On the other hand, there can be little doubt that, to some extent at least, the burden of taxation, wherever the tax, or taxes, are first imposed, will be gradually diffused throughout a competitive society. The process may indeed take a long while to accomplish; and here, again, recent economic speculation, which has brought into a new prominence the interaction of "mutually determining influences," suggests that shifting forwards may occasion some amount of compensatory shifting backwards.

Between these two hypotheses of the accord, and disagreement, of *primary* with *ultimate* incidence, cases occur where it is obvious that some shifting takes place, but it seems equally obvious that it is confined to a certain distance. It is a generally accepted doctrine of economic treatises that the main burden, at least, of taxation on commodities falls in ordinary cases on the consumers; but it is also possible that the conditions of supply and demand may be so affected by the imposition of a tax, or may be of such a character at, or prior to, its introduction, that part of the burden may fall on the producers. To some extent, again, it seems probable that in some cases the burden of old taxation is "capitalised," and that the new purchaser of property discounts, in the purchase-money, the taxation imposed on the object of purchase, and thus, escaping its burden for the future, compels the vendor to bear the whole weight in a diminished price.

In judging, then, of the *real* as distinguished from the *apparent* incidence of taxation, the safer plan seems to be to start with the hypothesis, that, in the absence of distinct evidence to the contrary, the main burden of the tax will remain where it is first imposed, and to proceed to argue that in the ordinary circumstances of a competitive society some portion at least will be diffused, but that at each successive shifting the extent and success of the movement will depend on the conditions of supply and demand, on the amount and activity of competition, which is present, on the character and degree of economic "friction," which is operative. These conditions require separate scrutiny in each particular case; but it may be broadly asserted, on the one hand, that, wherever the tax comes in contact with monopoly, there it is likely to rest, for monopoly, to the extent to which it is effective, is the negative of competition; and on the other it may be urged that a distinction should be drawn between that *commercial* competition of dealer with dealer, which is more easily established, and calculated to stimulate and permit more rapid and extensive shifting, and that *industrial* competition of producer with producer, which is at once more sluggish in its action, and more liable to be hindered by economic "friction."

Question (6.)—(a.) The primary incidence of the Inhabited House Duty falls on the occupier, and it is probable that to a very large degree the real incidence of the tax corresponds with its primary and apparent incidence. Some, at least, of the reasons, which may be adduced in support of the theory that the burden of local rates is shifted from the occupier, do not apply to the case of the Inhabited House Duty. The occupier is unable to remove, or diminish, the burden, to any practical extent, by changing his abode. He cannot move to another district, where the duty is lower, for it is an Imperial tax, levied on uniform principles throughout the country. He may also be held to be unable to shift the burden to any material extent by moving into a house of lower value; for his house accommodation is, within narrow limits of increase or decrease of requirements, a fixed item in his standard of comfort; and he will probably need a more powerful motive than the payment of a slightly diminished Inhabited House Duty before he takes the unpleasant, and, it may be, difficult, step of changing his abode or manner of life; and regarding the mass of occupiers as a whole, it is improbable that the payment of duty at an increased rate on houses of higher value induces an appreciably large number to move into tenements exempt from duty altogether, or into those taxed at a lower rate. The more probable assumption seems, therefore, that the chief, if not the entire, burden of the Inhabited House Duty falls on the occupier, and that the real corresponds with the primary incidence.

(b.) In the case of rates levied on houses, and on trade premises, the primary incidence also rests with the occupier, and an effort is needed to shift the burden. But the opportunities are greater in number and easier of achievement. Some amount of movement, at least, is possible from more to less highly rated districts, and thus the burden of the rates may be partly shifted from the shoulders of the occupiers.

It is probable that this movement from district to district is more easily effected in the case of the occupiers of residential houses than in that of those who are prosecuting a business or trade, for in their case departure from a particular district may imply the surrender of a valuable connexion; and from this point of view it seems likely that the burden of rates upon houses may be more rapidly and extensively shifted than the burden of rates on business premises.

It can hardly be doubted, again, that, where a choice is open, the occupier, selecting his residence, and the trader, deciding on his business premises, pay some regard to the amount of the *existing* rates, and accordingly, so far as the rates fall on the *ground* on which the house or trade premises are built, some part at least of the burden of existing rates is then shifted to the landlord. Similar considerations apply to the burden of *future* rates, so far as they are likely to enter into the forecast of the average man; and at the expiration or renewal of a tenancy an opportunity is afforded for striking a new bargain, the terms of which will be affected by the amount of the rates then actually levied or considered probable.

But the pertinence of this reasoning depends on the activity and reality of the competitive forces which are present. The choice by the trader of suitable business premises may be more narrowly circumscribed than that of the residential occupier; but, on the other hand, he may be more awake to economic considerations, and keener to take advantage of favourable opportunities for driving a bargain. In any event, the shifting of the burden of taxation requires an effort which the occupier may, or may not, be able or desirous to make; the house or premises may be held on a lease of some duration, during the continuance of which no opportunity is offered for shifting the burden of rates newly imposed; and in many urban tenancies a number of stages may separate, and more than one "middleman" intervene between the occupier, on whom the rates are primarily levied, and the ground landlord; and, while competitive forces may prove the more powerful in some of these cases, they may be overcome in others by economic friction. So far, therefore, as the rates fall on the *ground* on which the houses or trade premises stand, it is probable that the real incidence to some extent corresponds with the primary incidence, and that to some extent also the burden is shifted to the immediate, the remoter, and, finally, the ultimate landlord; but theoretical considerations can hardly determine *a priori* the precise degree in which the burden will be distributed.

So far, again, as the rates fall on the *houses* or *trade premises*, as distinct from the *ground* on which they are built, the primary incidence rests on the occupier, and according to the keenness or weakness of the demand for building accommodation, and the amount of foresight and alertness he himself possesses and exhibits, he will be able to shift a less or greater part of the burden on to the builder. The builder will in ordinary cases expect to secure an average profit; and in the *long run* building operations will be contracted, if average profits are not realised, while the continuance of abnormal profits will in the *long run* attract increased competition to the building trade. Similarly, the occupier, or trader, will in the *long run* be disposed to seek a less expensive house, or less commodious business premises, if the burden of the rates be increased, or to move to a less highly rated district; and thus in the *long run* the demand for house or business accommodation of a certain quality, or in a certain locality, will decline. The conditions of supply and demand may in this way affect the distribution of the burden of the rates, but it is to be noted, on the one hand, that houses and trade premises are commodities which it is not easy to increase or diminish with any rapidity, and, on the other, as was remarked before, that expenditure on house accommodation is, within limits, elastic, and that similar considerations apply also to some extent to trade and business premises.

On the whole, so far as concerns the rates falling on the *ground* on which the houses or trade premises are built, the presumption seems to be that part of the burden will be shifted, and ultimately, though in diminished quantity, reach and rest with the ground landlord, while, so far as the rates falling on the *buildings* themselves are concerned, the presumption is rather that their real incidence coincides with their primary and apparent incidence. But it does not appear to be probable either that the whole, or even the main part, of the rates on the ground are shifted to the ground landlord, or that the occupier is never able to shift part of the rates on the buildings to

the shoulders of the builder. The onus of making the necessary effort rests primarily in either case with the occupier, and his success depends on his character and circumstances.

(c.) The primary incidence of rates levied on agricultural land, like that of those imposed on urban houses and trade premises, falls on the occupier. But the opportunities of readjusting the rent are more numerous where middlemen, like the builder, are infrequent, where yearly tenancies are the rule, and leases of even short duration are uncommon; and, setting aside his house, to which the considerations affecting urban residencies to some extent apply, the farmer, regarding his land as an instrument of profit, can hardly fail to recognise that, if the rates form a heavier charge, the rent must *ceteris paribus* take a smaller share. The possibility of shifting the burden depends here, as elsewhere, on the varying conditions of supply and demand, on the extent to which tenant and landlord respectively are influenced by pure economic motives, and are able and willing to drive a good bargain. But it certainly seems that the presumption inclines in favour of the removal in the main of the burden of rates on agricultural land to the landlord, and that the primary does not correspond with the ultimate incidence. Where leases of some duration exist, the process of shifting is suspended during the continuance of the lease. Where tenants are not rack-rented, the motive, as the opportunity, for shifting the burden is not present. Where tenants are unintelligent, or unable, or unwilling, for various causes, to move to other districts, or, if necessary, to other occupations, economic "friction" retards, and may even prohibit, the operation of competitive forces; and it is on the hypothesis of competition that any presumption of the transfer of the rates is founded.

(d.) Taxes on the transfer of property are *pro tanto* an obstacle to the transfer. They add to the expense of the transaction, and fall on whichever party may prove to be economically weaker. The more probable presumption seems to be that the vendor is likely to be more anxious to sell than the purchaser to buy, and that, therefore, the former bears, at any rate in the majority of cases, the larger portion of the burden. But the reverse may occur; or the real incidence of the taxes may be distributed in varying proportions.

(e.) Taxes on trade profits may be imposed generally, or on some particular trade. They fall primarily on the trader, and an effort on his part is needed to shift the burden. If they are specially levied on some particular business, and that business is of the nature of a monopoly, the real incidence of the tax will tend to accord with the primary incidence. For the burden can only be shifted by surrendering the monopoly, on the assumption that the most advantageous use of their position has been previously made by the monopolists. It is possible, indeed, that the imposition of the tax may supply the stimulus required to prompt a more profitable policy, and that previously the monopolists had not been awake to all the advantages of their position; and in this case part of the burden of the tax may be transferred to the consumers or customers. It is also conceivable that the imposition of the tax may bring about a manipulation of the monopoly that will place the consumers in a better position than that which they previously occupied. But these consequences are more accidental than normal, and the more probable presumption remains that the burden of the tax will rest with the monopolists.

In the case of trades, where competition prevails, the opposite presumption holds good. The traders will endeavour, probably with success, to shift part of the burden, it may be to consumers, it may be to wage-earners, it may be to those engaged in auxiliary industries, which supply the materials used or the machinery employed. Of these classes it seems probable that the consumers will be most largely affected; though it should be noted that the ultimate effects may differ according to the nature of the trade,—whether its productions obey a "law of *increasing*," or a "law of *diminishing returns*." In the latter case, the imposition of a tax may supply a motive for contracting, and in the former, for extending, the scale of production; and it is on the varying conditions of supply and demand, which would thus be variously affected, that the distribution of the real incidence of a tax will depend.

If, lastly, taxes be imposed generally on trade profits, the opportunity of shifting to an untaxed trade will not be present; but it may be noted that it is by no means certain, as the older economists would generally have held, that the imposition of an uniform tax will produce an uniform effect. Its ultimate results will depend on the reaction respectively occasioned by the different circumstances of different industries.

Finally, it may be observed that *extraordinary* profits are of the nature of a differential advantage, and that taxation tends to rest on the possessors of differential

advantages when once it reaches them. So far, indeed, as rates on business premises considered in (b) above rest on the trader, they form a burden on profits, which will be shifted, or not, in accordance with the presence, or absence, of the conditions just examined.

(f.) Death duties diminish the *corpus* of the inheritance, and claim a share for the State. In a sense they may be regarded as analogous to taxes on the transfer of property; but the transferor cannot feel their burden, and the transferee cannot shift it to anyone else but himself. Just as a purchaser will probably discount a tax on the transfer of property in making his bargain, so the amount of an inheritance may be discounted by an expectation of death duties. There is some reason for thinking that they do not so much impose a burden on individuals as embrace a favourable opportunity for claiming a portion of wealth for the State.

Question (7).—It is not easy to frame any criterion for distinguishing the purposes, for which taxation should be raised locally, from those, for which it may be more appropriately levied by the central Government, which will not involve some cross-division. A large and increasing amount of local expenditure, for example, is "beneficial" rather than "onerous" in character. It is devoted to the execution of public improvements, or to the furtherance of objects which directly conduce to the public welfare; and, where it is possible to apportion the taxation to the amount of specific benefit received by particular individuals, or by the dwellers in definite districts, it would seem indisputable that the expenditure on such objects should be met by taxation raised locally. The local taxpayers, who in this case are *ex hypothesi* the persons immediately affected by the expenditure, are thus interested in securing economy no less and no more than efficiency.

More doubt, however, arises where the nature of the benefit, and the area affected, are less easy to determine. For some local expenditure, which is unmistakeably of a "beneficial" rather than "onerous" character, may yet be devoted to objects, the benefit accruing from which extends to a larger area than that immediately affected, or the efficient execution of which might be hindered by the urgent appeal of considerations of economy to residents in the actual locality, while the contributors to Imperial taxation, realising the pressure less vividly, would be less likely to neglect considerations of efficiency.

It may, for instance, be the case that the benefit of some public improvement, effected in certain poor districts, would be considerable, and, though primarily affecting the residents, would indirectly be of real advantage to the community generally, or at any rate to a larger area than that directly concerned; and similar considerations may apply to cases where no actual "improvement" is contemplated, but merely administrative acts or the execution of a policy. In such instances some such arrangement as an "equalisation of rates," or some contribution from the resources of the central Government, would seem to be dictated both by considerations of equity and by those of practical expediency. Where the area of probable benefit is fairly defined, but is larger than that immediately concerned, the former alternative is suggested; but, where the benefit exceeds to the whole community, which is interested in efficient execution, the latter is recommended by the circumstances of the case.

Again, it may be expedient, or even necessary, for the attainment of satisfactory results from certain public expenditure of a local character, that uniformity of administration and simultaneity of action should be secured; and the most effective mode of achieving this object may be for the central Government to raise the revenue required and to direct the expenditure. It may indeed exercise control over expenditure without providing the whole, or even a portion, of the revenue; but its powers of efficient control are *ceteris paribus* likely to vary with the extent of its possession of the purse.

On the other hand, although central control may command a higher standard of general administrative ability, and a greater width of experience, and may be comparatively free from the more petty considerations of economy, and the narrower and less enlightened views of the common interest, which may on some matters of more than mere local importance exert an undue influence on the electors, or administrators, of local government, it is, nevertheless, more rigid and uniform. It is unable, from its very nature, to make experimental trial, save on rare occasions, and within comparatively narrow limits, of the effects of differences of administration in different districts; and it can only adapt its policy to the varying needs of particular localities with difficulty and imperfection. It does not possess the local experience, which is often needed even to suggest the most suitable and effective policy, and it is not actuated by the immediate personal interest, or amenable to the influence of the

intimate personal motives, the constant presence of which may be required to secure real efficiency and to obtain genuine economy. Even local administration may suffer from undue routine, but central administration is, with rare exceptions, more prone to uniformity, and more averse to engage in promising experiments; and, while economy of management may sometimes increase with the scope of the undertaking, which permits of stricter and more perfect system—of a more extensive and effective division of labour, and a more advantageous purchase and employment of materials and machinery—it remains true that, the smaller the size of the enterprise, the more real and active, the more satisfactory and effectual, is likely to be the personal control of the entrepreneur.

While, therefore, in cases of beneficial expenditure, the advantage of which can be specifically assigned, the presumption is in favour of taxation raised locally, in cases where the benefit is not generally diffused, a balance must be struck between the need of uniformity and the advantage of variety, between the prospect of economy prevailing over efficiency through the undue influence of immediate interest, or of efficiency conflicting with economy through the lack of local experience or control, and between the degrees, in which the particular locality and the central Government are, as a matter of actual fact, directly concerned. In such cases the appropriate distribution of the duty of raising the revenue required may be found at any point between wholly local and entirely central taxation, and in the majority of instances, perhaps, the balance inclines in the direction of mainly local taxation, supplemented by some contribution from the Imperial Exchequer.

In the case, lastly, of expenditure, the taxation requisite for which may be described more strictly as "onerous"—as necessary indeed to the public interest, but not as directly conducive to the receipt by the taxpayers, whether individually or collectively, of distinct advantage—while considerations of economy and efficiency do not cease to be pertinent, comparisons of equity, and of ability to pay, would seem to be more conspicuously needed. And, owing to the inequalities attending the absence of a mixed system of local taxation, the presumption appears clearer in favour of meeting some portion at least of the expenditure by Imperial taxation. But even here the presumption is not of universal application, and sometimes, if not often, it will be the case that the interest chiefly concerned is that of the locality and not that of the general community, and that, while the latter is involved only to a small extent, a great preponderance of weight rests with the former.

Question (8.)—In considering in question (4) the tests to be applied in determining the equity of a tax, or system of taxation, it was seen that in matters of local taxation the house, or building (or, more correctly, the occupation of land and other tenements) was taken as a practical visible test of "ability to pay"; but that the attainment of equity suffered from the circumstance that this test (and, in urban districts, in the main the house or business premises alone) formed, practically speaking, the sole standard of local taxation, while, in the case of the Imperial Taxes, the necessary imperfections of the Income Tax were corrected, it might be roughly and imperfectly, but probably with substantial justice, by the contributions of other taxes to that mixed system of revenue, of which the Income Tax formed one very considerable item. So far, indeed, as local expenditure is directed to purposes, the fulfilment of which results in definite, specific benefit, the house (or land or tenement occupied) is a good rough test of the proportion of benefit reaped, but, so far as the test of benefit received is inapplicable, and it is necessary to have recourse to the ultimate test of "ability to pay," it seems desirable to supplement rates levied on houses and other occupancies by taxation raised from some different source or sources. The taxation of commodities for local purposes by local authorities is, by general admission, uneconomic. The direct taxation of invisible personality for local purposes by local authorities is, as experience shows, very uncertain and difficult. The policy remains of contributing to local expenditure from the central exchequer; and it is a policy, which, despite of certain obvious drawbacks, it seems hardly possible to avoid without abandoning the attempt to secure substantial equity.

Question (9.)—In view of the considerations advanced in answer to question (6-b.) on the real incidence of rates levied on houses and trade premises, a division of the rates between the owners and occupiers of real property would appear more equitable than the assessment of occupiers alone. The argument does not apply with as much force to agricultural as to urban property, but it is not irrelevant. In the case of urban property, however, it has very considerable weight. If, as it is, the occupiers bear the main burden of the rates, considerations of equity would certainly suggest an

endeavour to elicit some direct contribution from the owners. If, on the other hand, some portion at least of the real incidence now falls on the owners, considerations of equity do not oppose the suggestion that a portion of the rates should be explicitly demanded, and manifestly levied, from the source which now invisibly, or at least obscurely, contributes. In any event, it is certain that to shift the burden of taxation requires an effort, and can only be effected as opportunity occurs; and it is therefore more probable that the incidence of taxation will fall where it is intended, if it be directly imposed, than if it be indirectly obtained through the more or less effective medium of another party.

Practical difficulties, no doubt, present themselves in distinguishing, as theoretical equity might suggest, between occupiers, who are subject to long leases and have had less frequent, or no, opportunities for transferring, at the conclusion of a new bargain, part, or the whole, of the burden of new or unforeseen rates, and occupiers, who have already enjoyed, and embraced, such opportunities, and in dealing with the different varieties of tenure, and the less or more numerous "middlemen" who may intervene between the immediate occupier and the ultimate owner. In other words, inequity may conceivably attend the uniform treatment of so-called "occupiers" and "owners"; and in some cases, as it is, the immediate owners directly pay the rates. But, setting aside particular questions of practical, though by no means unimportant, detail, general considerations of theoretical equity certainly seem to point to a division of the rates between the owners and occupiers of real property.

Theoretical considerations, however, can scarcely determine the proportions in which the rates should be thus divided. On the practical grounds of existing Scotch experience, and of simplicity of assessment, an equal division may be suggested; but, on the other hand, it may be tentatively affirmed that, probably in the case of urban, and certainly in the case of agricultural land, some portion of the incidence is shifted under existing circumstances, and that, accordingly, it would be more equitable that the division should, to some extent, incline in favour of the owner. A different distribution might on such grounds be conceivably recommended in the case of *agricultural* land from that adopted in the case of *urban* real property; but, on the other hand, with the longer tenancies of urban property, another consideration, favouring the landlord, tells in the opposite direction, for he does not derive the same immediate advantage from local administration and expenditure as that secured by the occupier. He may possibly enjoy, at the termination of a lease, the results of an improvement to the expense of which he has not contributed; but it is also possible that, before he enters into the reversion, the chief benefits of the improvement, and not the cost of meeting it, may be at an end. For these reasons a division, both in the case of *urban* and in that of *agricultural* real property, in which the part borne by the owner is to that borne by the occupier as one to two, may, theoretically, be more equitable than an equal distribution.

Question (10).—Similar considerations to those noticed in reply to the last question would point to the desirability of explicitly and directly imposing a portion of the burden of local taxation on ground values; and they derive some additional strength from the argument that these ground values afford a conspicuous illustration of "unearned increments," which it is desirable to reach by taxation, wherever it is possible. In answer to, or qualification of, the latter contention, it may be urged, with no little force, that injustice is involved in selecting for special taxation a particular species of "unearned increment," when other less obvious and tangible, but no less real and extensive, varieties are allowed to escape, that in the peculiar case selected it is difficult and hazardous to apply the nice theoretical distinction of what is "earned" and what is "unearned" to the rough confusion of practice, and that the present possessors of ground values are not necessarily the actual receivers, but only the purchasers at a full price, of "unearned increment." To these theoretical objections to a special tax on ground values as examples of "unearned increments" must be added the practical difficulty, advanced by experts before the Town Holdings Committee, of separating the value of the ground from that of the building upon it; and these considerations appear to turn the scale against the separate rating of ground values, especially if the owners of such values are reached by a division of the rates between owners and occupiers, according to the method, suggested in Question (12), of allowing a deduction, by each successive tenant in turn, of a portion of the rates, similar to that at present pursued in the collection of Income Tax under Schedule A.

Question (11).—The manner, in which the rent obtained by an owner of land, or rateable hereditaments, would be affected by the increase of an old rate, the imposition of a new, or the reduction or abolition of a rate, would depend:—

- (1) on the nature of the tenure;
- (2) on the conditions of supply and demand prevailing in the case of land or rateable hereditaments.

If the tenancy were for a long term of years, and the change in the rates occurred during its continuance, and could not reasonably have been foreseen at its commencement, the rent would be left unaffected until its termination.

When opportunity for a readjustment of rent occurred, the conditions of supply and demand would determine the manner in which the rent would be affected. If, as is generally the case, the rates were paid by the occupier, and levied primarily upon him, with him also would rest the onus of shifting the burden, and the first option of transferring the boon. If, as is sometimes the case, the owner had previously paid the rates, he would bear the brunt of the burden of an increase, and would reap the first-fruits of the benefit of a decrease.

But the extent of the ultimate shifting would depend on the conditions of demand and supply, and on the economic circumstances and calibre of either party. If the occupier were the weaker, he would bear the main part of the increased burden, and lose the greater portion of the relief. If the owner were the stronger, he would succeed in securing a lion's share of the relief, and in transferring a preponderance of the burden.

The imposition of a new rate would probably operate as a more powerful motive in inducing the occupier to attempt to shift the burden than the increase of an old rate with which he was already familiar. The benefit derived from the *reduction* of a rate would similarly be, in all probability, less eagerly disputed than that obtained by its *abolition*. In this, as in the first case, the change effected would be likely to be greater in magnitude, and would less easily escape notice. It would, therefore, seem to be more calculated to stimulate the operation of economic motives and competitive forces, while the *vis inertiae* opposing the effort necessary to shifting would be more powerful where the change was less in amount, and more readily avoid effective detection.

Again, it seems more probable that the *reduction* or *abolition* of a rate would be likely to produce less effect on the rent than the *increase* of an old or the *imposition* of a new rate. The removal of a burden would not, in all probability, so powerfully stimulate the efforts of the other party to obtain a share of the relief, as its imposition would urge the party, on whom it primarily fell, to shift a portion to other shoulders. Here, again, the motive prompting to action is keener, and the *vis inertiae* opposing change is less, in the one set of cases than in the other.

But in no case can benefit be reaped, or injury avoided, except on the hypothesis of economic superiority; and theoretical considerations will not determine whether the landlord or the tenant, the owner or the occupier of land, or of rateable hereditaments, is, generally speaking, economically the stronger or the weaker party. Rent is, theoretically described, a payment for a differential advantage, and when once taxation has reached differential advantages, it has a tendency to remain; but, to attain this result, an amount of economic activity may be required, which may prove impossible under the circumstances. An examination of the special circumstances of particular cases can alone determine whether or not this amount of activity is present; and, on this point, it does not seem to be possible to add anything to the general considerations advanced in answer to Question 6 (b and c) above.

Question (12).—Similar considerations to those advanced in answering the last question apply to the determination of this. But it may be noticed in addition that the power of deducting the whole, or a portion, of a rate would, during the continuance of a tenancy, were the provision applied to existing tenancies, operate entirely for the benefit of the tenant, and would be, strictly and really, a deduction from the rent. At the close of a tenancy, when an opportunity for striking a new bargain occurred, the conditions of demand and supply might enable the owner to shift part of the burden, or even, in exceptional cases, to transfer the whole, but the onus of making the necessary effort would rest with him and not with the occupier.

Question (13).—(a.) The immediate consequence of rating property on different scales of duty according to its value would probably be an additional stimulus to the occupier to transfer the burden to the owner. The scale of the duty may rise or fall with the increase of value, and the more probable assumption is that it will rise. On

the hypothesis of free competition the tenant is already paying a higher rent for the more valuable property, and the occupier of the less valuable is giving a lower rent to his landlord. Rent, being theoretically a payment for the use of a differential advantage, tends to equalise the economic position of the occupiers of properties of different value. A rate, increasing in scale with the value of the property, is a disturbing factor, and presses with more than proportionately greater weight on the occupiers of the more valuable property. It, therefore, supplies a powerful motive for endeavouring to shift the burden. Assuming that the occupiers are partly or wholly successful in transferring the incidence of the rate to the owners, it will form, to the extent to which they succeed, a deduction from the rent of more than proportionate amount in the case of the more valuable property, which *ex hypothesis* was yielding a proportionately, but not more than proportionately, higher rent. The rate will, therefore, tend to lessen the differential advantage of the more highly rented and valuable property, and to improve the relative position of the less valuable.

If the scale of the duty falls, and does not rise, with the value of the property, it will tend to increase the differential advantage of the more valuable property, and, while there will be a less powerful inducement to the occupier of this to shift the rate, the tenant of the less valuable property will feel a yet keener anxiety to transfer a burden which falls on him with disproportionate weight. The rate, as before, will be a disturbing factor; and, assuming that its incidence is transferred from occupier to owner, it will place the owners already favoured in a yet more advantageous position, not indeed absolutely, but relatively to their less fortunate brethren, who possess the less valuable property.

(b.) The imposition of scales of duty, differing according to the character of the property, or the purposes for which it is used, will tend to induce a diversion of property from the use which is more highly rated to that which is rated less highly, and it will constitute an additional advantage to property of a character which is less, and a new disadvantage to property of a character which is more, onerously rated. It can hardly fail to exert an effect on rent, and will tend to diminish relatively that of the property which, whether it be due to its character, or to the purpose to which it is applied, is charged with the heavier burden, and to increase relatively that of the more favoured property. But in either case, on the hypothesis of competition, the incidence of the rate can hardly fail to fall in the long run on rent; for rent is a payment for differential advantage, and a rate of this nature introduces a new and obvious differential advantage or drawback.

Answers by Mr. G. H. Blunden.

Prefatory Note.

In presenting the subjoined answers to the questions submitted to me by the Royal Commission, I wish to mention that they had already been completed, and were being copied when Sir E. W. Hamilton's Memorandum reached my hands. In these circumstances I have thought it to be the most convenient course to embody my observations upon that document in the form of an appendix. Footnote references to this appendix have been attached to the answers where necessary.

I have thought it desirable to deal with some of the questions at considerable length in order to avoid the somewhat inconvenient alternative of referring the Commission to passages in my published writings. The subjects were, in these cases, too complex to admit of brevity without sacrifice of intelligibility. I have, moreover, considered it due to the Commission to explain my answers where they could not be made self-explanatory by a simple statement. If, however, I had received Sir E. W. Hamilton's Memorandum in time, I could probably have curtailed some of the answers without disadvantage by signifying my assent to his reasonings where they coincided with my own.

If I can further assist the Commission, I shall be happy to respond to any intimation to that effect.

Q. 1. Is the classification of Imperial Taxation, indicated in the accompanying Table, a correct classification; if not, what alterations can you suggest?

A. The classification adopted in Table D. is, in my judgment, an immense improvement upon that adopted in the similar Table submitted to the Royal Commission on

Agricultural Depression, as well as upon those in Mr. Goschen's tables and Mr. Paget's return. It is almost identical with that in Table VII. of my own series (*Statistical Journal*, Vol. LIX., p. 656), and I do not think much further improvement is possible at the present time. If it were possible, it would be highly advantageous to show the real or ultimate incidence of the several taxes, as I have attempted to do with regard to rates in Table VI. of the series above referred to. Without this it seems impossible to break through the misleading association of the house tax with "property"—an association which has been a fruitful source of error in the past. The house tax is the only item in the list which is, in any real sense, incidental to the *occupation* of property, and I am disposed to suggest the omission of the word "occupation" from the first heading, and the transference of the yield of the house tax to the column headed "Taxes levied in respect of Commodities."* I shall deal with the incidence of the house tax in my answer to Question 6, and it is only necessary to add here that occupation and consumption are, in relation to houses, economically the same thing.†

Q. 2. Assuming the classification, is it complete, and are the several items correctly distributed?

A. Apart from the treatment of the house tax, referred to above, I am of opinion that the distribution of the items would be improved by the following alterations:—
 (a.) The transfer of the railway duty to the "Property" columns; (b.) The total omission of the land tax; (c.) The allocation of a small portion of the income tax on quarries, mines, &c. to the "Personal Exertion" column; and (d.) The omission of the Post Office profit. The reasons for these suggestions are:—(a.) The incidence of the railway duty appears to be mainly, if not wholly, upon the shareholders; and the duty therefore falls into the same category as the income tax on railways. (b.) I regard the land tax, as, in Mill's phrase, "a rentcharge in favour of the public."‡ The force of the reasons for classifying it as a national property, and not as taxation, appears to me overwhelming. The charge is perpetual, and fully secured; one half of the original total has been sold by the State on terms which implied a proprietorial character, and has been treated as property by the buyers; and the buyers have in many cases been persons, other than the owners of the residues of the charged properties, who invested in land tax exactly as they might have done in ground rents or rectorial tithes.§ The true analogy appears to be to the tithe or to a perpetual rentcharge, and the receipts from the land tax should no longer be classed with the tax revenues in the Budget, but with those from the Crown lands and the Suez Canal shares.|| (c.) A large proportion of the mines and quarries of the United Kingdom are worked by private persons and firms, and in these cases the assessments include not only the return on the capital invested, but also the "wages" of the managing proprietors. Perhaps 50,000l. of tax would suffice to cover this. (d.) See answer to next question.

Q. 3. In particular should such an item as the net revenue of the Post Office, be treated as a tax, and if so, under which of the heads specified in the Table?

A. The net revenue from the Post Office should not, in my opinion, be classed as taxation. The charges do not appear to me to be higher than would be made if the business were still in the hands of private persons or corporations, and I regard the surplus as profit and not as taxation. Professor Seligman has discussed this question at some length ("Essays in Taxation," p. 295, *et seq.*), and I am disposed to regard his analysis as scientific and his conclusions as sound. I judge that he regards our Post Office charges as "prices" and the surplus as profit.¶

Q. 4. In considering the equity of any tax or system of taxation what tests should be applied?

A. Equity in taxation is usually defined in terms denoting equality of sacrifice. But this does not carry us much farther, the authorities being divided in opinion as to whether this involves progressive taxation or merely a proportional system. In either case it is obvious that equality of sacrifice, as applied to individuals, is quite unattainable. Such equality is certainly not to be attained by the use of any single gauge or measure, such as income, or house rent, and still less by that of consumption. But although the pursuit of equality can never be wholly, or even very largely,

* This has been done by Sir E. W. Hamilton on pp. 49–50 of his Memorandum.

† I concur in the views on this point set out in Sir E. W. Hamilton's Memorandum, page 38, &c.

‡ *Principles of Political Economy* (People's Ed.), p. 494.

§ See Bourdin's *Land Tax*, 3rd Ed., pp. 67, 77, 80 and 81; and Pitt's Speeches, Vol. III., p. 268 *et seq.*, especially p. 272. See also App. III., Ch. 3.

|| See answer to Question 6 c.

¶ See App. I., par. 1.

successful, the quest is not therefore to be abandoned. In general taxation for national purposes the exaction of contributions *in proportion to ability* should be aimed at, ability being measured, until more perfect criteria can be devised : (1) by the amount of each contributor's property ; (2) by his income ; and (3) by his expenditure on dwelling-house accommodation.* Equity demands, as a matter of course, that there shall be no exemptions of, or omissions to tax, particular classes or individuals. In local taxation the element of benefit is more conspicuous, and as the degrees of benefit resulting from the expenditure of the monies raised by such taxation are more obviously variable, and therefore more susceptible of estimation, the apportionment of certain classes of local taxation amongst the benefited parties appears to be necessary on equitable grounds.† The application of these latter observations will be pursued in my answers to Questions 9 and 10.

Q. 5. Can you offer any suggestions which would assist the Commission in determining the question of the real incidence of taxation as distinguished from its primary or apparent incidence ?

A. The first point for consideration in this branch of the inquiry is, I think, whether the particular tax which may be brought under discussion is a general tax or a special impost peculiar to one class of subjects ; or, again, one falling somewhere between these two categories. Where the payment of a tax is incidental to the occupation of land or buildings, the nature of the occupation, i.e., whether for residence or business purposes, is a factor of absolutely vital importance. The bearing of these primary considerations will become apparent as I proceed.

Q. 6. Could you, for example, state your view as to the real incidence of :—

- (a.) The Inhabited House Duty ;
- (b.) Rates levied on houses and trade premises ;
- (c.) Rates levied on agricultural land ;
- (d.) Taxes on the transfer of property ;
- (e.) Taxes on trade profits ;
- (f.) Death duties.

A. (a) The Inhabited House Duty :—The real incidence of this tax is normally and generally upon the occupier.‡ The essentials of the theory may be very briefly stated. Houses are (1) commodities, and (2) necessities of life. The occupier is the consumer. There appears to be no reason for supposing that he is any better able to shift the tax on his house than he would be to shift a tax on corn or bread. Adam Smith and Mill held the view, stated shortly, that a small portion of the tax fell finally upon the ground landlord ; the rule of incidence governing the case of agricultural land being held to apply to so much of the tax as was proportionate to the ground rent or ground value. Several living economists have expressed similar views. Ricardo, on the contrary, expressed the opinion that "in ordinary cases the whole tax would be paid both immediately and finally by the occupier."§ This view appears to have received little or no support from succeeding writers until it was re-stated and (for the first time) elaborated by me in the Economic Review for October 1891.|| It was, however, at the same time receiving a fresh and full embodiment in the work on "The Shifting and Incidence of Taxation" which Prof. Seligman published in the following year ; and it has likewise been more recently affirmed by Dr. N. G. Pierson.¶ There seems to be no valid reason for the supposition that the theory of taxes on agricultural land has any relation to a house tax. The site of a house is, so to speak, absorbed by the building, and it appears to exercise no modifying influence upon the character or incidence of a house tax. I entirely accept Mill's dictum that a house tax is, in its effect upon the occupier, virtually a tax upon income, measured by a particular branch of expenditure.** My experience and observation lead me to believe that this view is largely and increasingly held by the occupiers of private dwelling-houses who are payers of the Inhabited House Duty, and that the exaction of the tax has no more influence on rent than the income tax has on wages and profits. Shops pure and simple are not

* I approve also the present system of taxation of luxuries, regardless of ability.

† See answer to Question 9.

‡ See App. I., par. 2. I find myself in entire agreement with Sir E. W. Hamilton upon this very important matter.

§ Principles of Political Economy (Groner's edition), p. 182.

|| Cliffe Leslie had however said something very similar. See Essays in Political Economy, 2nd Ed., p. 400. Professor Thorold Rogers also approximated to it in his speech on local taxation in the House of Commons, March 23rd, 1896; and Dr. Fleeming Jenkin likewise, see App. I., par. 2.

¶ See App. I., par. 2.

** Principles of Political Economy (People's Ed.), p. 503.

chargeable to the Inhabited House Duty, and those possessing residential accommodation are charged at rates of duty one-third lower than the rates applicable to private dwelling-houses. This reduction of rate is not, in the majority of cases, sufficient to wholly exonerate the business portion of the premises from charge, and the question of real incidence would be of interest were not the tax so very light. If all shops were taxed the shopkeepers would usually be able to add the tax (except so much as might be applicable to attached residences) to the prices of the goods sold, as in the case of local rates. But as mere shops are exempt the occupiers of combined premises must bear the whole tax themselves. In the latter class of cases there is a small measure of taxation of trade profits.

6 (b.) Rates levied on houses and trade premises:—I hope it will not be considered out of place if I suggest here, that rates are not levied on houses. They are levied, even when paid by the owners, upon specified persons, in respect of the occupation of the houses. They are not payable for periods during which the premises are unoccupied, and if the occupier fails to pay, there is no remedy (except under compositions) against the owner or succeeding occupier. No charge whatever rests upon the property in any case.* So far as private dwelling-houses are concerned, the real incidence of local rates is the same as in the case of the Inhabited House Duty, viz., on the occupier.† The essential difference between land rates and house rates has been well stated by Mr. M'Neel-Caird as follows:—“ Dwelling-houses on the other hand, are not “ instruments of production, but necessities of life. Demand and supply in each “ locality, determine their rent; but the question of its amount is not embarrassed by “ any consideration on the tenant's part of produce to be raised or profit to be made “ by their use.”‡ An increasingly large number of householders rightly regard the rates they pay as a sort of income tax, and not as an increase of the rent or price of the house. But the theory of incidence here propounded is in no degree dependent upon their so doing. Dealing with commodities which are also necessities of life, Professor Seligman observes: “ Prices may rise considerably without appreciably “ affecting the demand. The demand for absolute necessities of life is not apt to “ diminish much unless the people starve. The effect of a tax on such commodities “ would rather cause a diminution in the more elastic demands for comforts, or for the “ less absolute necessities.”§ When elaborating this point on a former occasion, I said:—“ In estimating the proportion of occupiers who would remove to inferior houses “ if the rates were substantially increased we may safely eliminate the majority “ of those who are able to save any considerable portion of their income, the diminution “ of the rate or scale of future savings being a smaller evil than the loss of comfort “ and convenience which would result from the alternative course. We may also “ exclude those whose means enable them to enjoy luxuries which they value less than “ the luxury of a good house; and those who, having no luxuries to surrender, yet “ prefer to give up some other necessary or decency of life in order to retain the use “ of a house of the class to which they have become accustomed. The surrender of “ some portion of their customary house accommodation is, for many reasons, repugnant “ to the feelings of the great majority of householders, and would only be resorted to “ under the strongest pressure, and in a small proportion of cases. Apart from the “ loss of accommodation and amenities involved, the trouble and expense of removal “ are not to be overlooked. But a still more powerful deterrent exists in the feeling “ that removal to an inferior house is a proclamation of poverty to the world. “ Whatever we may think of the sentiment, there can be no doubt that it is widely “ prevalent, and would cause a retrenchment upon privately consumed necessities, such “ as food and fuel, to be preferred in many cases where there are neither luxuries nor “ savings to surrender.”|| There remain those who have been especially extravagant “ in the matter of house accommodation, and who naturally turn their thoughts in “ this direction whenever retrenchment is necessary from any cause; those also who “ in estimating the value of the comforts and luxuries they enjoy give their extra “ house accommodation a low place; and those, finally, who are already on the extreme

* I find this quite clearly and correctly stated in Sir E. W. Hamilton's Memorandum, p. 37.

† See App. I., par. 2.

‡ Local Government and Taxation in Scotland: Cobden Club Essay, 1875.

§ Shifting and Incidence of Taxation, p. 148. See also App. I., par. 2.

|| All this was ignored by Adam Smith, who also assumed a stationary demand rather than a growing one. Ricardo, however, breaks away from Smith on this point, observing that “if the tax be moderate, and the circumstances of the country such that it is either stationary or advancing, there would be little motive for the occupier of a house to content himself with one of a worse description.” Gonner's edition, p. 182. Ricardo follows Smith in abnormal cases.

"verge of pauperism."* The disturbance of rents by the removal of these sections to inferior houses or to the workhouse would not in any case be equal to the rise of rates which caused it, and would usually be much less appreciable. But even this effect would only be temporary. Low-class houses would probably suffer no depreciation; whilst the rents of medium-class and high-class houses would gradually regain their original levels through the check or stoppage of building until the demand had once more overtaken the supply.† It is sometimes assumed that the builder of houses is under the necessity of gauging the rent-paying capacity of the prospective tenants of the houses which he proposes to build. This is surely a gratuitous supposition. Is it not more consonant with fact to say that the builder finds that a demand exists for houses of certain classes, and that he meets it, just as a butcher or baker meets the demand for food? He buys land and bricks, just as the baker buys flour; and, whilst paying the market price for what he buys, receives the market price for that which he sells. The letting of the land to him, or of the house by him, instead of its purchase or sale, is immaterial, the economic effect being the same in either case. There is no rigid limitation of rent-paying capacity. The rents paid by the artizan and labouring classes range from a tenth or twelfth to a third of the entire income, according to the locality and other circumstances.‡ This proves the existence of considerable elasticity in the case of the poorest classes. But how much more elastic must the capacity of the middle and upper classes be when their luxurious expenditure and savings are taken into account? High rates and high rents so frequently co-exist as to practically disprove the unvarying and indissoluble converse relationship sometimes suggested.§

There are, of course, exceptions to the general rule laid down in the foregoing passage. These are found to arise from the absence of competitive conditions, such as in the cases of (a.) congested areas in the central portions of the metropolis, (b.) exceptionally advantageous suburban sites, and (c.) stagnant or dwindling towns. In the first two exceptions the burden of the rates will ultimately be wholly or partially transferred to the owner of the ground value according as his monopoly is found to be relative or absolute; whilst in the third case this result will depend upon the extent and duration of the excessive supply of houses in the particular locality.

The real incidence of the rates on shops and other business premises would appear to be mainly upon the consumers of the goods made or sold therein. So far as the nature and circumstances of the trades permit, the tax is no doubt re-charged by the traders to their customers in the prices of the goods or charges for work done. But the power to do this is limited by outside competition, and the tendency towards uniformity in prices consequent thereupon. Unless compensated by local advantages, any excess of rates beyond a general average may fall primarily upon the traders and ultimately upon the property owners in the affected locality.|| In the case of mills and manufactories for the production of goods for export, and in trades subject to severe foreign competition, it is probable that the real incidence of rates is to some extent upon wages also.¶

6 (c.) Rates levied on agricultural land:—Subject to the following qualifications, I concur in the general opinion that their real incidence is upon the property. (1.) I concur in Mill's dictum, more recently urged by Sir R. Giffen and some others, that the older rates on land have assumed the nature of a rentcharge in favour of the State similar in effect to the Land Tax. Speaking of the Land Tax, Mill says:—"Wherever and in so far as income derived from land is prescriptively subject to a deduction for public purposes, beyond the rate of taxation levied on other incomes, the surplus is not properly taxation, but a share of the property in the soil, reserved by the State."** He proceeds, in a footnote, to apply this observation to the local rates on land, and says:—"As much of these burdens as is of old standing ought to be regarded as a prescriptive deduction or reservation, for public purposes, of a portion of the rent." There seems to be no escape from the conclusion that the remission of the poor rate,

* Local Taxation and Finance (*G. H. Blunden*), p. 51.

† See App. I., par. 2. In advancing localities, the check is either not experienced, or is so slight as to be unobservable.

‡ Mr. Spender (*The State and Pensions in Old Age*, p. 11) states that one-half is a "by no means uncommon" proportion amongst the very poor in London.

§ A long study of the facts has led me to conclude that the very high rates in London, and some of the large provincial towns, have had absolutely no effect in lowering rents or preventing their rise.

|| Although Professor Bastable does not commit himself upon the question of the incidence of house rates, I find myself in entire agreement with him as regards shops, &c.; See *Public Finance*, 2nd Ed., p. 420.

¶ I believe this opinion has been expressed by Cliffe Leslie, but I do not remember to have seen it elsewhere.

** People's Edition, p. 494 (*Principles of Political Economy*).

or a substantial portion of it, would, if the other circumstances remained unchanged add to the selling value of the property a sum approaching the capital value of the remitted tax. To effect this at the cost of the payers of general taxation would be equivalent to a present by the State to the landowners for the time being of this capital sum, inasmuch as they would be able to realize it by selling, and thus appropriate to themselves the entire future advantage. The buyers and their successors would not share this advantage, because of its having been discounted in the price. Mr. Edwin Cannan has lately expressed his views upon this point in his usual fearlessly vigorous fashion. He says :—" No one is brought up in the belief that he is to inherit land or " houses free of poor rates. No one buys land or houses without knowing that such " things exist. The man who sells consols and buys land, and then clamours for " remission of rates, is no better than a thief."* (2.) In times of exceptional or prolonged disturbance of agricultural prices and rentals, such as that experienced in recent years, the process by which the tax is normally transferred from the first payer to the property is liable to arrest, and the real incidence would be temporarily upon the occupier. (3.) There seems to be no reason for supposing that the rule of incidence applicable to agricultural land extends to the farm-houses. On the contrary, the rule applicable to dwelling houses generally would operate here, as elsewhere, and to this extent the rates payable by farmers will usually fall finally upon themselves.†

6. (d.) Taxes on the transfer of property :—I have given less attention to this branch of the great subject of incidence than to some other branches. I am, however, disposed to agree with Professor Bastable, rather than with Adam Smith and Mill in thinking that some portion of the tax will fall on the buyer. Sales are not, as the older economists imply, generally due to the necessity of the seller, but to the expectation of advantage by both buyer and seller. It is, therefore, reasonable to assume that they will share the attendant disadvantage of a tax on the transaction.

6. (e.) Taxes on trade profits :—If the tax is assessed on trade profits in common with all the other branches of income, as in the case of the income tax, it will remain where it is first laid. But peculiar taxes on particular trades, such as the tobacconist's license duty, will usually fall upon the trader's customers. The element of uncertainty attaches to the case where a tax is imposed upon a trade of a more or less monopolistic character, such as that of innkeepers. If this trade should now be regarded as a monopoly, owing to the extreme reluctance of the magistrates to grant new licenses, the tax must be regarded as falling upon the profits of the persons carrying on the trade.‡

6. (f.) Death duties :—These cannot be shifted. They fall on the property either (1) as an exaction of a part of the capital itself, or (2) by diminishing the net income for a number of years.

Q. 7. Is it possible to frame any criterion whereby the purposes for which taxation should be raised locally can be distinguished from those for which taxation should be raised by the central Government?

A. No single criterion for this purpose can be framed. But there are distinctions which to some extent may serve as criteria. (1.) Taxation for providing or maintaining local advantages or services should be always raised locally. This distinction would mark off the paving, cleansing, and lighting of streets, sewerage and sewage disposal, refuse removal, water supplies, cemeteries, markets, municipal buildings, baths, parks, libraries and museums, and street improvements, as purposes for which the taxation should always be local. (2.) Public money which is of necessity expended by local authorities and officials, in cases where the results cannot be measured or tested by a national authority, should also be raised locally, unless overwhelmingly strong evidence of grave injustice can be adduced in opposition. This determines the case of poor relief in its various forms. (3.) In the matter of elementary education we have the modifying consideration that the results can be tested and, in some sense, measured; but opposed to this is the element of voluntaryism, permitted and even encouraged by law, which would make it unjust§ to throw the whole of the school taxation of the country upon the country as a whole. If voluntary subscriptions greatly diminished, there would be no strong reason to oppose to the transfer of the

* National Review, November 1896.

† These qualifications appear to have received from Sir E. W. Hamilton a somewhat inadequate degree of attention. I ought also to have referred in the text to the view urged by Professors Thorold Rogers and Cliffe Leslie, Mr. Purdy, and Mr. Palgrave, that poor rates lower *wages*, not rent..

‡ Cf. Seligman's " Shifting and Incidence of Taxation," pp. 164 and 168.

§ I mean unjust to those who tax themselves to a really substantial extent for the support of voluntary schools.

whole charge for efficient secular elementary education to the taxes raised by the central Government. The whole cost of the local administration of justice, and, perhaps, that of the maintenance of the police forces also, might, I think, be charged upon the national revenues without serious disadvantage. Security should, of course, be taken for efficiency and economy.

Q. 8. Should the two kinds of purposes and the expenditure on them be kept distinct or should the expenditure for local purposes be partly borne by the central Government?

A. The two kinds of purposes and the expenditure on them should certainly be kept distinct, and the expenditure for local purposes should only be partly borne by the central Government after a case has been made out for a departure from the established practice. My reasons for this view are already stated in my reply to the previous question.

Q. 9. Should local rates be divided between owners and occupiers of real property, and if so, in what proportions?

A. I am strongly of opinion that all the existing local rates should be equally divided between the occupiers and the owners of the rated premises or property. As regards agricultural land, I have never heard or read any reply to the numberless suggestions which have been made that the apparent incidence should, to this extent, be made to correspond to the normal real incidence. Scottish experience of this system has, I believe, been wholly favourable. As regards urban rates, and those borne by householders in rural districts, quite other grounds have to be urged. "About two-fifths of the entire sum raised by rates in England and Wales are expended in poor relief and elementary education. If to these be added the further expenditure out of the rates on lunatic asylums, hospitals, public health and vaccination, the proportion will be raised to about one-half of the whole. These expenses, to which that for police should, perhaps, be added, are incurred in the discharge of moral obligations and public duties, and a considerable portion of the cost is borne by the general taxation of the country. It follows, therefore, that the local taxation needed to defray the balance of the cost should be imposed as nearly as possible in conformity with the principles which regulate the distribution of the burden of the national taxes."* This would mean the entire exoneration of the poorest ratepayers, and a substantial reduction of the contributions of the less poor and of the lower middle classes, in respect of the local taxation for these purposes. It would also mean the exaction of a much larger measure of contribution from some kinds of property than is now secured by local taxation. The equal division of the rates for these purposes (called by Sir A. Milner "onerous" rates)† would not, of course, effect a close adjustment between the weight of the burden and the ability to bear it in individual cases, or even as affecting large classes; but it would, if made effectual, contribute substantially to the removal of that "over-burdening of the poorer classes" of which Prof. Seligman, a warm admirer of the British national fiscal system, has spoken,‡ as resulting from our system of local taxation.§

In Scotland, the poor, school, and highway rates are equally divided between owners and occupiers, and the system appears to give general satisfaction. As recently as 1889, the method of equal division received fresh legislative sanction, the Scotch Local Government Act of that year enacting that county rates for new purposes and increases in the old ones beyond the average of the previous ten years shall be equally divided.

Turning to those rates which are more largely in the nature of payments for services rendered and advantages conferred, we enter a region in which the "benefit" theory becomes much more generally applicable than in relation to the "onerous" rates. The rates of which I am now speaking are mainly urban, those for rural highways being the most important exception. The great advantage these latter confer upon the owners of the estates served by them is sufficiently obvious, but the case is largely covered by my earlier observations as to rates on agricultural land. (See Q. 6 (c.).)

The heaviest of the non-"onerous" rates are those for the paving, cleansing, and lighting of the streets, sewerage and sewage disposal, and public improvements. A very large proportion of the expenditure for these purposes takes the form of payments

* Local Taxation and Finance, p. 75.

† I find this is Mr. G. H. Murray's phrase. I had forgotten its origin.

‡ Economic Journal, December 1894. See also Cliffe Leslie's Essays, 2nd Ed., pp. 404-5; and Jevons' "Match Tax," p. 49.

§ This "over-burdening" is aggravated by the circumstance that rental has ceased to afford a reasonably accurate measure of either "ability" or "benefit." The poor pay away a far higher proportion of their income in rent than the upper and middle classes, although they too often live in slums which would be considered unfit for the domestic animals of the other classes.

in respect of principal and interest of loans, or, in other words, of capital outlay. It has long been regarded as a flagrant injustice that a single generation of occupiers should not only bear the whole charge for maintenance and interest but that also for repayment of principal; whilst the property-owners, who alone are permanently benefited by the outlay, escape scot free. The provision of main sewers and sewage disposal works especially is as much a part of the laying out of a building estate as that of the minor sewers which are a recognised charge on the owners. Whether a town consists of one estate or many is immaterial, the character of the outlay being the essential point. Apart from capital expenditure, considerable outlay is incurred in sewerage work which is in the nature of estate maintenance, and the rates for interest and maintenance, as well as that for repayment of principal, should, I submit, be wholly borne by the owners. The public outlay on the lighting, paving, and cleansing of the streets, not only adds to the comfort of the occupiers of the houses, but also raises the letting and selling values of the adjacent land and buildings. Were the work not done at all, the houses would not command equally high rents, and there seems to be little room for doubt that under the existing system the tenants are twice taxed for these developments of civilization, first to meet the outlay of the public authority, and secondly in extra rent upon their own improvements.* The cases of street improvements, the building, freeing and maintaining of bridges, and such works as the Thames Embankment are, so far as they cannot be met by "betterment" assessments, still more clearly advantageous to the owners of property, and such as to call for the application of the principle of division of the rates.

In none of the foregoing cases is it possible to work out the just proportions in which the division should be made with any degree of precision; but I am persuaded that if, in order to secure simplicity, the division is to apply uniformly to all rates, nothing less than an equal division will meet the equitable claims of the occupiers.

Q. 10. Should ground values be separately rated for local purposes, and if so, on what principles?

A. The separate rating of ground values is, in my opinion, extremely desirable, provided that the practical difficulties can be sufficiently overcome to allow of successful administration. I am not one of those who think that this development of our rating system would prove no more difficult and costly in practice than the portions now applicable to houses inclusive of their sites. The invaluable criterion of rental, adjusted by competition to the true annual value, which alone makes the present system workable, would be absent from a site-tax system. If sales of sites, with or without buildings, were sufficiently frequent and sufficiently distributed as to locality to afford a good basis of fact in arriving at the capital values of all sites at all times, there would be no need to object to a selling value basis for the new tax. But I am bound to say that I do not believe these conditions anywhere exist, and that they are distinctly absent in London and other leasehold towns. The alternative of hypothetical valuations by experts appears to me inadmissible, having regard to the astounding disparities constantly revealed in evidence of this class in the law courts and elsewhere, and in view of the costliness of such a method. I am, however, not without hope that some way out of the difficulty may be found which is not at present apparent to me. Failing this, I am disposed to recommend that the taxation of ground values should be effected by (1) giving occupiers who are tenants for short terms the right to deduct one-half of the rates from the rents; and (2), in cases of leaseholds and perpetual chief rents and feu duties, by giving a similar right of deduction to the holders of intermediate interests. I would suggest that the proportion of the total rate or rates to be deducted by these persons should be that (not exceeding one-half) borne by the lease or chief rent to the rateable value of the whole property.

May I state here my views as to the theory applicable to the taxation of ground values? (1.) I am of opinion that this class of property at present escapes, in the great majority of cases, all share of contribution to local taxation. This exemption appears to be unintentional and accidental, as well as inexpedient and unjust, and therefore to require revocation. (2.) The reasoning of my answer to Question 9, as to "onerous" rates, of course, applies to urban land, but I think there are special reasons for making the contribution to be exacted from this class of property a substantial one.

* Palgrave (*Local Taxation of Great Britain*, p. 67) says on this point:—"Thus the improvement of the locality would be effected with the tenant's money, to his immediate as well as abiding prejudice." He considers that the taxation of occupiers for general district, sewerage, drainage, town improvement, roads and bridges, paving and lighting, and sanitary purposes inflicts great injustice, and he approves the suggestion that the rates for these purposes should be equally divided, *Ibid.*, pp. 13, 24, and 64 *et seq.*

I need not dwell on the arguments which have become familiar in relation to "unearned increment." But I would like to suggest that a very considerable portion of the increase of value usually referred to under this description is directly due to the expenditure of local public funds raised by rates. This happens in two ways: (a.) When a building site in a town or its suburbs is sold or leased, it is sold or let with an endowment of advantages and improvements created by successive generations of inhabitants, acting as an organised society, at great cost. This cost has been borne by a long succession of occupiers, but the advantage largely accrues to the owners, who have contributed nothing. The endowment consists of some or all of the following items: street improvements, bridges and approaches, ferries, open spaces and parks, sewers and sewage disposal works, waterworks and gasworks for public purposes, markets, municipal buildings and estates, museums, art galleries, libraries, schools, baths, fire stations and equipment, and cemeteries and streets repaired, improved, and lighted since their first formation. (b.) The site is sold at a price which also includes the value of the expectation that all these advantages will be maintained at the public cost for ever. The argument is greatly simplified by supposing that a town is built entirely on one estate. It is evident that if the estate or any part of it be sold or leased the seller or lessor will realise and appropriate the value imparted to the property by both the accumulated publicly-acquired advantages and the expectation of maintenance and further improvement at the public expense which the existing laws cast upon the occupiers. The money value of all this must, of course, vary in different towns, and will be difficult to calculate. But that it exists, and is realisable, hardly admits of doubt. If the rulers of the town had the legal power, and it were practicable, to treat with the landowner on equal terms, and to bargain with him for the use by the occupiers of his land of everything created by the townspeople acting as an organised society, and for the maintenance in the future of such advantages thus conveyed as involve continuous or recurrent expense, there can be no reasonable doubt that the landowner would be glad to compound for the enfranchisement of his land by the payment of a share of the enhancement of value or rental to the town.

If I am right in believing that a considerable portion of the great jump in the rent or value of urban and suburban land which results from its conversion from agricultural to residential uses is to be thus accounted for, the scale of contribution suggested above,* which might appear at first sight to be unreasonably high, will not be found inequitable. It is, I think, unfortunate that the definition of the term "private improvement works" should have been so narrowly restricted, and that the local authorities should be unprovided with other means of recovering outlays and levying contributions beside those of the general district rate and the so-called private improvement rate. Were the scope of the latter enlarged, so as to cover all sewerage and sewage disposal works and public water supplies,† the necessity for so high a scale of deduction from ground rent would partly disappear. But this would not suffice by itself. Equity would still require that the owner of each new building estate should pay a composition to the local authority for participation in the endowment of improvements and advantages created and maintained at the public expense. If this were partly in the nature of a capital payment at the outset, the character of the payment would be better understood, and the odium attaching to the levying of a high rate of taxation would be avoided.

Q. 11. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, by—

- (a.) The increase of an old rate.
- (b.) The imposition of a new rate.
- (c.) The reduction or abolition of a rate.

A. This question is partly answered in my replies to Questions 6b and 6c. It is necessary to distinguish the cases of (a) agricultural land; (b) houses; and (c) shops and other business premises. The rent of land would, in normal circumstances, be lowered by either the increase of an old rate or the imposition of a new one, and would be raised by the reduction or abolition of a rate. The rent of a dwelling-house would, in normal circumstances, be unaffected by either circumstance. The rent of a shop might be somewhat affected, upward by the last, and downward by either of the others. In the first and third cases the effect would probably not be immediate, and might, owing to other circumstances, not be very noticeable when it did occur.

* See answer to Question 10, last sentence of par. 1.

† There are precedents for charging *owners* with the cost of public water supplies in the private Acts in force in Liverpool, Newcastle, and Bury (Lancs.); and possibly in other cases.

Q. 12. Under what conditions and in what manner would the rent which could be obtained by an owner of land or rateable hereditaments be affected, if at all, if an occupier by whom a rate had hitherto been paid were empowered to deduct the whole or a portion thereof from the rent in the same manner as he is now entitled to do in the case of Income Tax (Schedule A.) ?

A. If land rents were nicely adjusted at the time of the grant of a right of deduction to the occupier, the change would cause them to rise, but under present conditions such a result would probably not be very general. House rents would not be permanently affected by such a change, provided that the house owner, when not the freeholder, had a corresponding right of deduction. In towns possessing an ample supply of houses the temporary effect would be very slight, if felt at all; in towns inadequately supplied the effect might be to cause a more prolonged rise of rents. Shop rents would probably be similarly governed by the state of supply and demand, but might permanently rise to some slight extent. This rise would, if experienced at all, probably not be general.

Q. 13. What is the effect, if any, upon rent of rating property :—

(a.) On different scales of duty according to the value of the property.

(b.) On different scales of duty according to the character of the property or the purposes for which it is used.

A. (a.) The effect of charging different scales of duty according to the value of the property would be, *if the differences were considerable*, to induce some occupiers to endure an inferior class of houses. For a time low-class houses would be appreciated, and high-class houses depreciated, but this effect would gradually disappear. The plan suggested is already in operation in the case of the Inhabited House Duty and in that of rates on houses of values below the compounding limits. The effect is scarcely perceptible in the former case owing to the lowness of the scales of duty.

(b.) The Scotch plan of "classification" is of little effect in areas in which the holdings are chiefly of one class. But where operative, the effect would be to raise farm rents and possibly shop rents also; the rise being at the expense of the occupiers of private dwelling-houses. In Scotland, the method only applies to the occupier's half of the parochial rates, the owners paying the other half according to a uniform scale. This limitation gives the method a justification which it would not otherwise possess.

Q. 14. Can you make suggestions to the Commission as to any methods of raising revenue for local purposes, otherwise than by means of rates?

A. After many years' careful consideration of this question from many points of view, I have come to the conclusion that the best method of raising revenue for local purposes, otherwise than by means of rates, would be the creation of a new tax which should fall equally upon the income or annual value of every description of income-yielding property, whether personal or real, visible or invisible. Shortly before I received the list of printed questions from the Secretary to the Royal Commission, I completed an essay in which this course was proposed and the outlines of the contemplated fiscal machine were drawn. This essay was submitted to the Editor of the "Economic Journal," and at once accepted for publication in the December number of that organ. It will, I hope, appear in time for submission to the Royal Commission, and I need not, therefore, enter into details here. It will be observed that the suggestion is to tax the annual product, and not the capital value; and the scheme follows the income tax model as far as possible. Assuming that the exemptions, abatements, and deductions now operative in the case of the income tax, were extended to the suggested new tax, a rate of sixpence in the £ might be expected to yield a revenue of ten millions a year.*

Another suggestion may be thought deserving of consideration, viz., that the money value of all new liquor licenses should be secured to the local authorities at the time of the grants. At present, the grant of a new full license is equal to a gift of, in many cases, from 5,000*l.* to 10,000*l.*, which can be at once realised by the sale of the premises to which the license attaches. This value, created by the act of a public authority, should clearly be retained by that authority for the public use. Perhaps it would be advisable to secure the annual value rather than the capital value, in order to avoid complications in the event of the license being subsequently withdrawn. It would be as easy to obtain tenders expressed in terms of annual value as in terms of capital value.

* See Appendix 3.

I have already, in my answer to Question 10, suggested that future sewerage and sewage disposal works should be charged for as private improvements; and that new building sites should be charged with a composition for pre-existing improvements and advantages created at the public expense. Another mode of relieving the public rates will be suggested in the answer to the next question.

Q. 15. Does any point not included under any of the foregoing questions occur to you on which having regard to the terms of reference to the Commission you wish to express an opinion?

A. I am of opinion that a very serious and wholly unnecessary waste of local revenue is at present going on owing to the imperfections of the legislation governing compounding for rates. It appears to me to be perfectly just and reasonable that, if the public interest requires the payment of the rates on houses and other tenements of small value by the owners, the latter should perform the duty without reward, as is done by the importers of tea, spirits, wine, &c.; by British brewers and distillers; and by tenants of houses, lands, &c., in the case of the property tax (Income Tax Schedule A.). As a matter of fact, small houses let much better when the rates and water rent are included in the weekly or fortnightly rent, and the system is advantageous to the owners, even without any compounding allowance beyond a deduction for empties and lost rents. I submit that the maximum allowance for all purposes, under both the Poor Rate Assessment and Collection Act of 1869 and the Public Health Act of 1875, should be cut down to 15 per cent., but that the owner should have the option of electing in advance to forego the composition and to claim instead an allowance on the actual empties. In Gateshead, where the Corporation raised 60,252*l.* by means of rates in 1895-96, and notwithstanding that the Corporation induced the owners of compounded property to accept an allowance of one-third instead of one-half under the Public Health Act, 1875, the loss by compositions (exclusive of poor rates) amounted to 6,603*l.* I judge that not more than one-fourth or one-fifth of this sum was properly applicable to empties, and that the remainder was a gratuity to the compounding owners at the expense of the non-compounding ratepayers. I am informed that judicial decisions have converted the word "may" in the proviso to section 211 of the Public Health Act, 1875, into "must," and that the compounding owners in Gateshead could have insisted upon their legal right to a deduction of one-half had they been so minded. As it was, the gratuity (taking it at 4,500*l.*) was equal to the produce of a rate of 4*d.* in the £ over the whole borough.

The only other matter upon which I propose to offer an opinion is the urgent need of a Provincial Valuation Act, framed mainly upon the lines of the Metropolis Valuation Act. The absence of such an Act makes the actual levy of the rates operate most unjustly upon certain classes of the ratepayers in many localities. The chief sufferers in recent years were the occupiers and owners of land, but the Agricultural Rates Act has now made their case less important. The co-operation of the surveyors of taxes would now be welcomed by most of the overseers and assessment committees, as calculated to strengthen their hands and to secure uniformity. The position assigned to this officer under the Metropolitan Act should not be weakened in the Provincial Act, as proposed in Mr. Sclater Booth's latest Bill, the need for a strong official being greater in the provinces than in London.* I could give illustrations of the injustice of the present system due to this legislative failure, if desired. I enclose a copy of a leading article on this subject contributed by me to the "Manchester Guardian" of January 7th, 1890.†

G. H. BLUNDEN.

APPENDIX 1.

OBSERVATIONS upon Sir E. W. HAMILTON's MEMORANDUM on LOCAL TAXATION.

The points upon which I find myself in agreement with the writer of this extremely able official paper are so numerous that it would be tedious to go over them seriatim. I am able to give my unqualified assent to the great bulk of his statements and conclusions, and I trust that the spirit of my observations may not be misunderstood if I confine them to those points as to which the agreement is not complete.

* Mr. Albert Pell strongly urges this view in the "Journal of the Royal Agricultural Society," 1895, pp. 631 and 634. If I remember aright, he opposed it (in company with Mr. C. S. Read) 20 years ago.

† Appendix 2.

1. Post Office Surplus.—I am unable to discover any essential difference of character by which the charges of the Post Office for the carriage of parcels and for telephone services may be distinguished from those of the railway and telephone companies for the like services. I regard these charges as falling into the same class as railway and steamship companies' charges for the carriage of passengers, freight, and mails; and I think the Post Office charges for the carriage of letters and the transmission of telegrams must be similarly classified. The charges of those local authorities which possess waterworks and gasworks, for domestic and trade supplies of these commodities, are not officially classified as rates or taxes, although, in the case of water, the charge is not proportioned to the consumption. Influenced by the latter fact, and by the monopolistic character of Governmental postal, telegraph, and water undertakings, Professor Seligman originally classified the charges in these cases as taxes (*see "Quarterly Journal of Economics," April 1893*). But he has since changed his views upon the subject, and now classifies them as prices (*see my answer to Question 3*).

2. The Incidence of the Inhabited House Duty, and of the Local House Rates.—I think it a matter for congratulation that this subject has been so largely and successfully freed by Sir E. W. Hamilton from the state of complexity and confusion into which it had fallen in recent years. Much of the confusion was caused by the disregard of the fundamental and vital distinction of house rates from land rates, which all the older economists had been careful to emphasise. More confusion was created by the careless (not to say reckless) description and classification of these imposts as "taxes on real property." Sir E. W. Hamilton not only avoids these errors but strongly emphasises the necessity for a more careful discrimination in these respects. But I hope he will allow me to say that, after his clear recognition of the close analogy between the house duty and the local house rates, and of the fact that these imposts "are taxes not differing economically from the duties in respect of consumable articles,"* I am a little disappointed to find him, further on, placing only one-half of the house rates under the heading of "taxes in respect of commodities."† These rates being "a tax in respect of a commodity which is a necessary of life,"‡ and being also payable by the occupiers in the first instance without any legal right of recovery, I find it very difficult to discover how, in normal circumstances, the occupier can shift any portion of the burden whatever. The former duty on corn in this country, and all such taxes on commodities which are necessaries of life (other than houses) elsewhere, have invariably been held by economists to fall wholly upon the consumers. I am, therefore, at a loss to understand why, assuming a normal demand, any exception should be made in the case of houses. I have always been careful to allow that under abnormal conditions the incidence may be partly, or even wholly, upon the owners; and I have similarly insisted on the necessity of distinguishing the case of shops and other business premises from that of private dwelling-houses. Sir E. W. Hamilton is himself led by the course of his argument to say (page 39):—"It would seem, therefore, to follow that such rates must fall on the occupiers"; and although he proceeds to say that "this is not a necessary consequence," the reason given relates only to shops, regarding which I am in substantial agreement with him. Two reasons are given on page 38, which appear to me to have more validity in relation to dwelling-houses. In these the rates are contrasted with the Inhabited House Duty by reason of (1) their variability, and (2) their effect when the rate in the pound is unusually high. The first of these reasons will be found, on examination, to merge into the second; and this, in its turn, may be quite fairly said to relate, as pointed out by Ricardo, to an exceptional condition of affairs in particular localities. Happily, high rates do not, in the great majority of British towns, prevent the rapid growth of population and wealth, or the maintenance of an active demand for new houses.§ I have, therefore, felt justified in regarding the existence of a steady demand as the normal ruling factor in working out my theoretic views upon the subject. As the result of a long and close consideration of this question, I have arrived at the conclusion that the difference (generally only slight) between my views and those of Adam Smith, J. S. Mill, and Professor Bastable is mainly due to my having taken a condition of growth and advance as the normal one, whilst they have apparently assumed a stationary or decaying condition as the basis of their arguments. Professor Bastable, it is true, says: "Even in an advancing locality the shifting may be on the ground rent.—The increase of house rent that checks building thereby reduces the demand for building ground, and consequently lowers its value."|| But this rising of both rent and rates has been

* p. 38.

† p. 46.

‡ p. 53.

§ See answer to Question 6b.

|| Public Finance, 2nd Ed., p. 420.

going on for many years in nearly all the larger British towns and urban districts without the resulting check to building which he assumes as a necessary consequence. Instead of lowering ground values, these have continued to rise, even in the most heavily rated towns, in a persistent fashion strongly indicative of freedom from fiscal hindrances. Professor Edgeworth ("Economic Journal," March 1897) agrees that "dwelling-houses belong to the general category of consumable products";* but he dissents from the opinion that they are "absolute necessities of life" of which it can properly be said that "prices may rise considerably without appreciably affecting the demand."† As, however, he allows that this view is correct "in the case of the dwelling-houses of the labouring classes in certain localities";† that "the occupant in the suburbs has in general to pay the entire tax";‡ that "when the demand of the consumer, the occupier, is perfectly inelastic, he will bear the whole tax";§ that "there is an essential difference between the effects of a tax on ground rent and a tax on occupation rent";|| and, finally, that "taxes are very apt to rest where they strike";¶ it would appear that the difference between his views and my own arises from his disposition to regard as exceptional the conditions which I regard as normal or actually prevalent in a preponderating degree. I am content to accept his dictum that "the law of value for house accommodation is (for long periods) essentially the same as for corn."**

I am disposed to think that even if the views of Adam Smith, J. S. Mill, Professor Bastable, and Professor Edgeworth are to prevail over those of Ricardo, Professor Seligman, and Dr. N. G. Pierson†† (with which my own substantially agree), the resulting apportionment of the local rates between owners and occupiers would still place more than one-half of the final burden on the occupiers; probably not less than three-fourths. Whilst thinking it right to dwell upon this subject at some length with the object of assisting in the work of accurate tabulation so courageously undertaken by Sir E. W. Hamilton, I am prepared to agree in recommending the equal division of all rates as a fair and reasonable working arrangement.

3. The Tables on pages 44 to 51.—As the Table on page 45 is not used as a step in the series of calculations, and as it conflicts with the facts, it might be advisable to omit it from any reprint for public use. Similarly, the whole of the figures on page 46 proper are so considerably upset by those in the footnote as to make it worth while to reconstruct the whole of the calculations based upon them. Sir E. W. Hamilton has anticipated my objection to the classification of the house duty as a tax on property; and, if my answers to Questions 2 and 3 are admitted to be correct, the elimination of the Land Tax and the Post Office surplus will also be necessary. Finally, I am hopeful that fuller consideration will bring both Sir E. W. Hamilton and the Commission as a whole to the conclusion that at least three-fourths of the rates on houses should be treated as at present a charge on the occupiers as urged above. Allowing for differences of area, these points largely explain the divergent results shown in Table J. (page 47) and Table V1. of my own series ("Statistical Journal," December 1896); and those also revealed by a comparison of Table N. (page 50) with my Table VII. The mode of calculation pursued in working out my Tables will be found explained in chapters 2 and 3 of the paper to which they are appended.

4. Concluding Remarks.—Paragraph 5, p. 52, appears to me to need a slight emendation. For four centuries the ancient English system of distributing local taxation was based on "ability measured by property."†† In the seventeenth century this was modified by the substitution of taxes on householders proportioned to rental or annual value for taxation of personal property. §§ The non-assessment of stock-in-trade under this new rule was much more probably deliberate, and less the result of accident, than is generally supposed. It was the necessary complement of the exoneration of the farmer's cattle and crops. Instead of the words, "Hence annual value of visible property displaced 'ability' as the measure of contribution," I suggest that it would be more correct to say that, "annual value became the standard by which the 'ability' of householders was to be measured." The next paragraph is also a little too wide. The exemption of stock on lands from chargeability to the

* Op. Cit. p. 66. † p. 52. ‡ p. 62. § p. 64. || p. 67, note and text.
 ¶ p. 67. ** p. 66.

†† See, as to Dr. Pierson, "Economic Journal," Vol. 6, p. 435. I have ascertained that the figure 3 on p. 436, line 10, should be (as the context shows) a 2. See also "Economic Journal," Vol. 7, p. 52 and p. 61, note 6. I may also mention the late Dr. Fleeming Jenkin as one of the authorities who held the same views on this subject as Professor Seligman and myself. See Papers, Vol. 2, pp. 116 and 117.

†† Cf. Dowell's History of Taxation, Vol. I, pp. 59 *et seq.* and 130; and Seligman's Essays in Taxation, p. 44.

§§ Cannan's History of Local Rates, p. 50 *et seq.*

land tax removed what was then much the largest class of personal property outside the area of assessment. Apart from this, the paragraph is a welcome contrast in the matter of accuracy to some previous official documents and utterances on the subject of the land tax. I desire also to express my concurrence in the observations in the succeeding paragraph, but with the reservation as to the Land Tax contained in my answer to Question 2.

The foregoing observations are offered, not as criticism, but as a contribution to the discussion of the extremely difficult problems reviewed in Sir E. W. Hamilton's Memorandum. I should like to be allowed to add that I consider the memorandum to be one of the ablest official papers ever written on the subject of local taxation.

G. H. BLUNDEN.

APPENDIX 2.

ARTICLE contributed to "THE MANCHESTER GUARDIAN," Tuesday, January 7th, 1890.

When the Metropolis Valuation Act was passed, 20 years ago, it was the intention of the Government to proceed without delay to extend its operations, subject to such modifications as might be necessary, to the remainder of England and Wales. But nothing whatever has been done, and that chaos of rates, authorities, and areas of taxation, so forcibly described by Mr. Goschen in his speeches as President of the Poor Law Board, remains still unsubdued into anything resembling an ordered system. So long a period has elapsed since the question was prominently before the public, that it may be worth while to recall the main points in respect of which reform is required. In order that a system of valuation may be just and fair, it is absolutely essential that there shall be uniformity of method and equality of treatment: (1) as between one person and another in the same parish; (2) as between parish and parish in the same union; and (3) as between union and union in the same county. Unless these fundamental principles be secured, it is obvious not only that any ratepayer may be required to pay more than his fair share of the rates levied in his parish, but that the parishes in any union may be contributing in unfair proportions to the common charges of the union, and that the unions may in like manner be required to contribute too large or too small a quota of the county rate. Now, as a matter of fact too notorious to need proof, these necessary and inevitable results of the absence of uniformity and equality do actually follow in a large proportion of the parishes of England and Wales outside the capital, and in a lesser degree in the bulk of the remainder. That this should be so will occasion no surprise, when it is stated that the overseers (to whom the preparation of the parochial valuation list is confided) have no means whatever of ascertaining at first hand what rents are paid for the properties they are required to value. Very rarely, indeed, professional valuers are called in, but then only to deal with special classes of property, such as railways, mines, and mansions, it being no easier for the valuer to ascertain the rents of houses and lands than it is for the overseers. In some of the larger towns this defect is remedied by procuring copies of the triennial property-tax valuations. The latter are based upon the actual rents in all cases of *bonâ-fide* annual tenancies at rack-rent, the amounts being returnable by the individual occupiers, under penalties for fraud or evasion. Where these copies are regularly procured and acted upon there is seldom much room for criticism of the resulting valuation list, but even in these cases there are a sufficiently large number of holdings not rented at rack-rents or not rented at all to furnish considerable scope for difference of opinion between the valuing authorities for local and for Imperial purposes. In the great majority of provincial parishes no regular system of ascertaining the rents is attempted by the overseers.

The inequality of the assessments of individual ratepayers is, however, by no means the only matter needing attention. It not unfrequently happens that in a union where the majority of the parish valuations are fairly well made one parish will be a flagrant exception, and, by the undervaluation of the property within it, will shift a portion of its burdens to the shoulders of the ratepayers in the other parishes of the union. A further difficulty arises from the absence of a uniform scale of deductions from gross value for the purpose of arriving at the rateable value. From these causes it has come about that the County Rate Basis Committees all over the country have declined to accept either the gross or net value column of the poor-rate assessments as the basis for apportioning the county rates amongst the several unions in the respective

counties, but have instead adopted the property-tax assessments as the basis for this purpose. A good deal of friction and inconvenience also results from the existence of two independent valuations with distinct revising authorities, double appeals being necessary in order to secure a rectification of rates and taxes in cases of reduction of rent, with sometimes a conflict of judgment in the end. The whole of these defects are met, and in the main overcome, so far as London is concerned, by the provisions of the Metropolis Valuation Act, which amalgamates the proceedings of the overseers for preparing the valuation list with those of the surveyor of taxes in the preparation of the property tax assessment, and the valuation thus jointly produced stands good, subject to appeal, for all rates and taxes, whether local or Imperial. It may be asked why the benefits of this measure have not been extended to the provinces, and the answer appears to be that the delay is chiefly due to the objection of provincial rating authorities to the position assigned in the Metropolitan Act to the surveyor of taxes. The point is one which only arises in connexion with holdings for which no rack-rent is paid, inasmuch as the rent is in all other cases the basis of valuation, and is binding on all parties. In those cases where the occupier is also the owner, or is a beneficial occupier under a lease, provision for a difference of opinion is necessary, and in the Metropolitan Act this is secured by giving the surveyor of taxes an effectual right of objection to the figures of the overseers, with the power to substitute other figures, subject to appeal. This appeal may either be made by the overseers or the ratepayer, or by both; but the overseers claim that the position should be reversed, and that the surveyor of taxes should be required to appeal, and produce evidence for all objections made by him to their lists. In the last of Mr. Sclater-Booth's abortive Valuation Bills this point was conceded, but as the Bill was not proceeded with, it would appear that this was in other quarters considered too great a sacrifice of existing Crown rights of taxation. It would, indeed, be a very serious innovation to transfer the onus of proof from the person taxed (upon whom it rests at present) to the taxing authority, and it may fairly be said that while it is comparatively easy for the former to prove an overcharge, it would often be very difficult for the latter to produce evidence of under-assessment. To some extent such a charge would not only jeopardise the Imperial revenues from the property tax and house duty, but also that from publicans and beersellers' licences, by placing them mainly under the control of officers owning no responsibility to the Crown.

Lest this statement should appear to cast any reflection upon gentlemen such as those who in Manchester and the other large towns fill the office of overseer with credit, it must be pointed out that in the small towns and rural districts the overseers are necessarily drawn from a very much less independent class of persons. In many small towns, favour and discrimination are by no means unknown, and in rural districts, where the overseers are chiefly drawn from the farming class, the influence of the squire is necessarily more or less felt. The overseers are an unpaid body, often changed year by year, and having no special training for their duties; and when an assistant overseer is elected by the ratepayers and paid out of the rates, the fear of giving offence is frequently more potent than the desire to be impartial in determining his attitude in particular cases. Whilst it must be admitted that the surveyor of taxes is prone 'to take a "prerogative view" of his duties, he has the advantage of being entirely independent and free from the fear of his more powerful neighbours, whilst he rarely remains sufficiently long in one place to acquire any strong prejudices against or preferences for particular individuals. Probably less objection would be entertained to his acting as the official assessor if the tribunal for hearing appeals were a representative instead of a nominated authority, as in the case of the present local commissioners of taxes. In Scotland, where the county and borough authorities appoint the official assessors, their choice almost invariably falls upon the surveyor of taxes, and arrangements are made with the Board of Inland Revenue for the devotion of a portion of his time to the performance of the duties of the office. This plan works extremely well, and has received the approval of many authorities upon the subject; but it is possible that the responsibility felt by the assessor to his local employers somewhat mitigates the rigour with which he discharges his duties to the Crown in his other capacity of surveyor of taxes. However that may be, his special training and official advantages will probably always carry considerable weight. In London the officer of the Crown is placed at a considerable disadvantage, as compared with his present position in the provinces, in having to submit to the adjudication of the assessment committees of the unions upon all appeals in matters of value; and the objection on the part of the Inland Revenue Department to the application of this portion of the Metropolitan plan to the

provinces would be as great as that of the overseers to the predominance of the Crown surveyor in the preparation of the list. Possibly the County Councils will be called upon to undertake the hearing of valuation appeals by means of local committees, and if the continued existence of the present bodies of local tax commissioners in an age of representative institutions is not found desirable, no better tribunal than the County Council could be found to replace them. Mr. Ritchie will, in dealing with this subject, have the assistance of a most competent authority, in the person of his new private secretary, Mr. T. H. Elliott, whose paper on "Taxation and Rating," read before the Manchester Statistical Society in February, 1888, may still be in the recollection of some of our readers. After 20 years' experience of the working of the London Act, there should be no great difficulty in framing a thoroughly satisfactory measure for the provinces, which would put an end to a state of things now little short of scandalous.

APPENDIX 3.

Article contributed to the "Economic Journal," December 1897.

A NEW PROPERTY TAX.

I.—INTRODUCTION.

The direct taxation of property, for national and local purposes alike, has been largely and constantly resorted to in this country from a very early period. Whilst it was, for national purposes, supplemented by the customs, the feudal revenues, and the Crown lands, "the property tax remained for centuries the sole local tax."^{*} During the 13th, 14th and 15th centuries the assessments usually took the form of rough valuations of farm stock, crops, and other movables, although rents were sometimes included.[†] In the 16th century lands were gradually added,[‡] and, in that which followed, the rating of householders in respect of their dwelling-houses very largely took the place of assessments of "goods."[§] The growing multiplicity and diversity of the forms of personal property made its direct assessment exceedingly difficult, and the practice of including it in the valuations fell into almost complete disuse. In 1660 the excise was introduced into the national revenue system, and numerous other novel fiscal expedients were subsequently brought into requisition. Prior to the imposition of Pitt's "triple assessment" in 1798, the taxation of property for national purposes had fallen off considerably from the scale of earlier times, and the intention of this measure was to lay "a general tax on persons possessed of property, commensurate as far as practicable with their means."^{||} The "shameless evasion" of this assessment compelled Pitt to have recourse, in the following year, to an income tax, and he drew up a list of the chief branches of income to be taxed. In this list the profits of "skill and industry" occupy the last place, as an addendum to the "profits of capital employed in domestic trade."[¶] It appears to have formed no part of Pitt's original intention to tax the earnings of industry and skill, but the difficulty of separating these from interest of capital in the case of persons engaged in trade seems to have led to their ultimate inclusion. In spite, however, of the fact that "wages" have been charged to the income tax for the greater part of a century, it still remains the fact that the great majority of the taxpayers, even where these are themselves owners of property, refuse to accept the equal taxation of incomes from earnings and from property as just or reasonable. It must be said that so long as nearly three-fifths of the Imperial tax revenue are raised by customs and excise duties, the sentiment of aversion felt for the direct taxation of earnings will continue to possess a solid foundation of reasonable justification.

A new tax, which shall be largely productive and yet not burdensome to the poorer classes, is one of the most pressing needs of the present time in the region of public finance. Notwithstanding the great reforms of our revenue system effected within

* Seligman's "General Property Tax," reprinted in "Essays in Taxation," p. 44.

† Dowell's "History of Taxation," Vol. i., p. 59, &c.

‡ *Ibid.*, p. 130.

§ Cannan's "History of Local Rates," p. 50, *et seq.*

|| Pitt's speeches, quoted in "Dowell's History of Taxation" Vol. ii., p. 221.

¶ *Ibid.*, p. 225.

the last half century, much yet remains to be done. In the department of Imperial taxation, two defects stand out with especial prominence; these are: (1) the high rate and unequal incidence of the income tax, and (2) the continued existence of the breakfast-table duties. The recent inquiry into the financial relations of Great Britain and Ireland has had one important result in securing the practically unanimous assent of all parties to the proposition that the Imperial taxes, leviable throughout the whole of the United Kingdom are unduly burdensome to the poorest classes of the people.* The trend of opinion points to the probability that an effort will be made before long to remedy, or at least alleviate, this condition of fiscal affairs; and it certainly appears that the first step to be taken in order to attain that end is the repeal of the duties on tea, coffee, cocoa, and dried fruits. The material reduction of the rate of the income tax at an early date is not less urgently needed, and is only hindered by the feeling that this tax affords the only sure means of obtaining a substantial contribution from the well-to-do sections of the community. The severity with which it bears upon the middle, and especially upon the professional, classes, has been admitted alike by the chief modern economists and by the greatest financial experts.† Since 1894, moreover, it has been no longer possible to excuse the continuance of the oppressive incidence of the tax upon precarious incomes by reference to the assessment of real property on the gross value. The allowance of a liberal scale of deductions for repairs has quite rightly removed this old-standing grievance; but it has, at the same time, taken away the last vestige of excuse for the continued assessment of incomes from personal exertion on the gross amount. So long as the income tax was regarded as a temporary impost, and was charged at a low rate in time of peace, the hardships and anomalies arising from its operations were endured with tolerable patience. Since, however, the tax has assumed a position of permanence in our fiscal system, the wisest policy would appear to be to endeavour to remedy the more glaring and most oppressive defects in its structure. The necessity for a reduction of the rate of the tax does not rest solely, or even mainly, upon the ground of the excessive weight of its pressure upon the middle classes. Considerations of high national policy point to the advisability of reserving a wide margin of expansiveness for time of war or other serious and unprovided for emergency.‡ This margin has, in recent years, been perilously encroached upon, and is at present curtailed of its proper amplitude.

If we turn to the department of local taxation, we find the need for new sources of revenue even more urgent still. Professor Seligman, whose admiration for British fiscal progress is such as to make him an extremely friendly witness, speaks of this branch of our revenue system as follows:—"Even in England, where so many reforms have been made in the national revenue, the whole system of local taxation, with its absence of special assessments,§ its exemption of non-productive realty or land held for speculative purposes, and its imposition in the first instance on the occupier, means the relative overburdening of the poorer classes."|| The claims of the agricultural interests for relief of local taxation having been fully conceded, it is unnecessary to make more than a passing reference to this aspect of the question. The matter which now demands attention is the crushing burden upon the occupiers of houses in London and the large provincial towns. This will, it may be hoped, be partially remedied in the course of a few years by measures for the taxation of ground values, for betterment assessments, and for the equitable division of the rates between occupiers and owners. But something more than these measures appears to be required. There has long been, and still is, a widely-felt desire that those descriptions of personal property which now escape local taxation should be laid under contribution;¶ and, although there is much to be said in opposition to the suggestion, many proposals have been made for carrying it into effect. These have all proved impracticable, except so far as the transfers effected in 1888 and subsequently have thrown local charges upon the income taxpayers.** If invisible personality is to be required to contribute to the funds of the local authorities, it is eminently desirable that the taxation to be imposed for this purpose shall be direct and specific, and that it shall be imposed equally upon every class of income-yielding property. Any

* See, generally, the Debates in the House of Commons on Financial Relations and Budget, 1897.

† See, amongst other references, Mill's "Principles" (People's edition), p. 491; Mr. Gladstone's "Financial Statements," pp. 50 and 432; and Mr. Goschen's Budget speeches, 1883 and 1889.

‡ Cf. Mr. Gladstone's Budget speech, 1853; and Mr. Goschen's ditto, 1888 and 1889.

§ i.e., for betterment.

¶ "Economic Journal," Vol. iv., p. 639. See also Cliffe Leslie's Essays, 2nd Ed., pp. 401, 405.

|| Cf. Mr. Goschen's Budget speech, 1888.

** This latter point is dealt with at some length in my paper on "The Distribution and Incidence of Rates and Taxes," in the "Statistical Journal" for December 1896.

further allocation of the death duties or the beer and spirit duties to local uses, which is unaccompanied by an increase of the rate of the transferred tax or taxes, will almost certainly not fall upon the payers of this taxation, but upon the payers of the income tax and the breakfast-table duties.* It is only by the imposition of a new tax, or an increase of the rate of an old one, and the specific application of the proceeds to the purpose in view, that the actual ultimate destination of the transferred charge can be traced and determined. The suggestion contained in the title of this paper, by which the reform of both local and Imperial taxation may be secured with perfect certainty as to the ultimate effect, will be more fully elaborated in the next chapter.

II.—DESCRIPTION OF PROPOSED NEW TAX.

A very brief study of the subject will, it is believed, suffice to convince an unprejudiced inquirer that any new taxation by which it is sought to raise a large additional revenue in the United Kingdom must necessarily take the form of property taxation. Death duties at once suggest themselves, but only to be dismissed from consideration. Apart from the fact that this form of property taxation has been lately brought into requisition, and utilised to the full extent for which public opinion is at present prepared, it should be remembered that these duties are less scientific, less certain, and less just in their operation than a property tax such as that which at present forms a part of the fabric of the income tax. The death duties may be, and often are, legally evaded. They are also unequal in their incidence, owing to the irregularity of the periods at which they fall due. A series of successions at short intervals may easily cause the duties to operate harshly and oppressively. The plan of taxing the property in proportion to the annual income which it produces, or is capable of producing, secures the highly important elements of certainty as to amount, regularity as to time of payment, and equality of incidence. The income tax, so far as it falls on property, possesses these merits, but the structure of the tax is such that it cannot be applied to property alone. The necessity of charging the earnings of personal exertion (wages) along with income from property (rent and interest), has restricted the use of the tax within the limits applicable to the first-named class of incomes. Suggestions have been made with the object of confining the application of the income tax to incomes from property. But the great present, and still greater potential, value of the tax in its existing shape has rightly prevented their adoption.† The proposal submitted in this paper is for the creation and imposition of a new tax on rent and interest, using the terms in their full economic sense. The design of the proposed new tax follows, as far and as closely as possible, the lines of the income tax, in order to secure the maximum of unity and correspondence in the administration of both. The chief deviations from the income tax model are: (1) the omission of the whole of Schedule E. (salaries and pensions of officers of the Crown, public bodies and public companies); (2) the omission of professional incomes, salaries of employés and other personal earnings from Schedule D.; (3) the division of the incomes of private traders, merchants, manufacturers, mine owners, ship owners, &c. into two parts, and the inclusion of that part only in Schedule D. which represents interest on capital; and (4) the similar treatment of the incomes of farmers, nurserymen, and other occupiers of land assessed under Schedule B. The one really serious difficulty to be surmounted in the filling in of this outline and giving it an effective character centres in the third of these deviations, and it is probably due to its existence that no effort to frame a tax of the kind herein suggested has ever before been made. It will undoubtedly be a delicate administrative function to assess to the new tax those persons who fall into the category there set out. But the difficulty does not extend to those concerns which are carried on by limited companies, railway companies, joint stock banking and other companies, and similar bodies and corporations. In all these cases the remuneration of those charged with the direction and management of the business is already distinguished from the profits applicable to the payment of dividends and interest. The rapid absorption of private businesses by limited companies has already narrowed the area of the difficulty, and the diminution may be expected to continue still more rapidly in the future. A large measure of guidance in the assessment of private traders to the new tax would moreover be afforded by the income tax returns and assessments, it being assumed that the management of both taxes would be conducted side by side by the existing officials and commissioners.

* This latter point is dealt with at some length in my paper on "The Distribution and Incidence of Rates and Taxes," in the "Statistical Journal" for December 1896.

† See my article on "The Position and Function of the Income Tax in the British Fiscal System," "Economic Journal," Vol. ii., p. 637.

It would probably be necessary to resort to rule-of-thumb methods of calculation to some extent at first; but such a method is already in use in the assessment of incomes from farming, and is found to be very little objected to by those affected.

Assuming that the exemptions, abatements, and deductions now operative in the case of the Income Tax were extended to the New Property Tax, the amount of the net assessable income or annual value might be expected to work out as follows:—

TABLE No. 1.
Estimate of Assessment to the New Tax.

Income Tax Schedule		Net Assessments, Year 1894-95.
	£	
Schedule A.	-	159,203,019
Schedule B.	-	3,675,450
Schedule C.	-	38,644,997
Schedule D., Part I.	-	21,600,000
Schedule D., Part II.	-	162,000,000
Total	-	385,123,466
Add, for growth since 1894 and for minor adjustments, say		14,876,534
Estimated net sum assessable to new tax	-	£400,000,000

A comparison of these figures with those given on pp. 109 and 123 of the Inland Revenue Blue-book for 1895-96 will show that under Schedules A. and C. they exactly agree, the needful adjustments being of a minor character. Under Schedule B. it is necessary to compute the income by a calculation from the duty at the rate of 8d. in the £. For the new tax it is here assumed that one half of this income should be assessed as interest on capital. Under Schedule D. a deduction of about 3,000,000l. is made in Part II. to cover the remuneration of personal services in the management of privately-owned mines, &c., and incomes not derived from property included under the head of "Other Profits." The greater portion of Schedule D., Part I., and the whole of Schedule E., as assessed to the income tax, relate to "wages," as distinguished from "rent" and "interest"; but there is at present no statistical information available from which the proportions may be ascertained in the former case. Recourse has therefore been had to an estimate quoted by the present writer in an article on "The Income Tax" which appeared in the "Economic Journal" for December, 1892 (p. 646). This placed the interest on capital employed in private businesses (exclusive of mines, &c.) at 21,600,000l., a sum probably well within the mark when the estimate was framed, 10 years ago, and not less so at the present time. The total thus arrived at for the new tax would probably be somewhat enlarged by the necessary minor adjustments and by the withholding of the allowance in respect of life insurance premiums. It would be still more largely augmented by the growth of taxable incomes since 1894. There is little room for doubt that the net income assessable to the new tax would, if the lines here laid down were substantially adhered to, reach a total of 400,000,000l.; and that a rate of 5 per cent., or 1s. in the £, would yield a revenue of 20,000,000l. a year. But if the imposition of such a tax were to be decided upon and undertaken at the 5 per cent. rate, it should be accompanied by a substantial diminution of the rate of the income tax, say to 3d. in the £, which would reduce the actual addition to the taxation of property to 7d. in the £, or about 3 per cent. If a further portion of the proceeds of the new tax were applied to the reduction of local taxation, it is probable that property would share in this relief likewise, although the extent of the relief so obtained cannot be estimated in advance.

One of the advantages which the imposition of the new tax would afford would be the opportunity for the release of the estate duty and the beer and spirit duties from the existing partial allocation to local uses. The application thereto of an equivalent portion of the new tax would be attended by several advantages, viz., (1) the managers of the imperial finances would no longer be embarrassed in the manipulation of the fiscal resources of the nation by the existence of the local lien; (2) the taxes now partially allocated are such as from their nature it is desirable the Imperial Government should retain entirely in its own hands, and the proposed new tax is, owing to its character, much more suitable for the purpose of meeting local needs; (3) the existing doubt as to the classes of taxpayers by whom the cost of relieving local taxation is

borne would be removed; and (4) the local authorities would secure a regular and reliable augmentation of their revenue in place of fluctuations and uncertainty. This suggested transfer of the local lien from the estate, beer and spirit duties to the new tax, would not affect the amount available for the remission of taxation as the result of the imposition of the new tax. Putting this at 20,000,000*l.*, it would be possible to lower the rate of the income tax to 3*d.* at a cost of ten and a half millions; to abolish the duties on tea, coffee, cocoa, and dried fruits, at a cost of four and a half millions, and to devote a further sum of five millions to the relief of local taxation. This hypothetical disposition of the proceeds is formulated as a graphic means of indicating how large a readjustment of our fiscal system might be effected by this means at the cost of an additional contribution of 2½ or 3 per cent. from the annual product of property possessed by persons whose incomes exceed 500*l.* a year, and still smaller payments by those whose incomes range downwards from this point to 160*l.* a year.* It will be seen that we have here, in outline, the design of a new tax of great productive capacity which, without touching the poorer classes, would be so widely and so equitably spread over the realised wealth of the country that the ratio of burden would be very light. As the whole of the necessary machinery for its administration is already in active operation, and the present processes for the assessment and collection of the income tax would largely suffice for both, the initial difficulties would be reduced to a minimum, and the percentage of cost of administration would certainly be extraordinarily small.

III.—THE TAXATION OF PROPERTY IN THE UNITED KINGDOM.

It has been for many years a widely desired object that the taxation "borne by" or "falling upon" property, and especially real property, should be tabulated and set out in statistical form. Several attempts have been made to comply with this desire, but the difficulties of the undertaking have not, in either case been overcome, and the results have been extremely unfortunate. Mr. Goschen's Report on Local Taxation, 1870 (House of Commons, Paper 470 of 1870), is, perhaps, the most important of these compilations, and clearly illustrates the point. In the body of the report (p. 30 of folio reprint, No. 201 of 1893), we find a statement of the imperial taxes "falling on real property" in England and Wales, the total amounting to 5,677,000*l.* But in this total is included land tax, 1,082,000*l.*, and house tax, 1,062,000*l.*, neither of which falls on real property or any other kind of property. The percentage of imperial taxation "borne by real property" is put at 12·17, but if these two items are omitted, the percentage is reduced to 7·57. The land tax is not in any real sense a tax at all, but is itself a property. The true analogy is to the tithe, or to a perpetual rentcharge. This has been quite clearly pointed out by Mill,† and, more recently, by Sir R. Giffen;‡ but it is not generally known that the land tax was from 1802 till 1853 saleable by the Crown, not merely to the owners of the residues of the charged properties but also to strangers. There were 2,073 such sales to strangers, the land tax being converted into fee-farm rents payable out of the charged estates; but it is probable that some of these charges have since been bought out by the owners of the residues. There are also 247 cases in which the land tax has been sold by the Crown to persons interested in the charged properties; but by request of the purchasers the tax is still collected and paid over to them or their representatives or assignees. In both of the above sets of cases the charges created are still freely saleable. There are, moreover, other cases of land tax converted into rentcharges, but their number is not known. These features stamp the land tax with the character of property in a manner which appears to admit of no dispute. The house tax falls almost wholly, if not entirely, upon the occupiers of the houses, and is of the nature of a tax upon their incomes. This view has been uniformly held by all the economists who have referred to the subject, and can hardly be said to be disputed. Similarly, in dealing with local taxation, the whole amount of the "rates" is described in Mr. Goschen's report as "taxes on real property."§ But on reaching this portion it becomes apparent that, although the expressions "falling on" and "borne by" are used in the headings of the Tables without qualification, they are not to be understood to mean that the rates and taxes in question are paid or ultimately borne by the owners, but that they are measured out to the payers in proportion to the annual value of the premises occupied by them, without regard to the problems of ultimate

* The property of persons whose total incomes do not exceed 160*l.* a year would be exempt from the tax.

† "Principles" (People's edition), p. 494.

‡ Agricultural Commission, Second Report, p. 47; see also his "Essays in Finance."

§ Page 81.

incidence. Referring to the figures of local taxation, the report proceeds:—"It should not be forgotten in this comparison that the amount of taxation borne by real property is overstated. The profits of railways, canals, &c. are rated, and supply a very considerable sum, which ought not to have been included in the amount derived from taxes on real property; and, further, it has been conclusively proved that a great proportion of the rates, especially in towns, does not fall upon the owner, but is paid by the occupier, i.e., the consumer of the houses." This observation is equally applicable to the house tax, and explains the method of compilation applied to Imperial and local taxation alike. Sir Alfred Milner explained his adoption of the same method of compilation in a series of tables prepared by him last year as follows: "I do not think that in these tables we were looking at the person out of whose pockets the tax came, but at the kind of property on which the taxation was levied."* If the word "measured" is substituted for "levied," as is evidently meant, the limitations of the value of the statistics so compiled will be apparent to those who have given the subject of the incidence of taxation some attention. Similar errors of description and computation were made in a return called for by Mr. Richard Paget and presented to the House of Commons in 1885†; but in this case, as in the case of Mr. Goschen's report, the subsequent raising of the rate of the income tax has brought up the total of imperial taxation of visible property to a figure equalling or exceeding that erroneously stated in the return. As regards local taxation, the situation is reversed, and the overstatement is now greater than before. In a Table appended to a paper read before the British Association last year,‡ the present writer endeavoured to show the actual distribution of the burden of the imperial taxes under certain heads. It therein appeared that for the year 1894-95 the per-centages were: on land, 3; on other rateable property, 10·4; on non-rateable property, 16·2; on consumers' income, 64·9; and on the earnings of personal exertion, 5·5. The total contribution from property amounted to 29·6 per cent., but as the new death duties had not then taken full effect the present proportion will probably reach 32 per cent. In another Table of the same series, the ultimate incidence of the local rates in England was worked out thus: real property, 12·6 per cent.; personal property, 12·1 per cent.; and on occupiers' and consumers' income 75·3 per cent. The Agricultural Rates Act has now reduced the contribution from real estate to less than 8·0 per cent., and from real and personal property together to about 20·0 per cent. Of the total taxation of the country, local and Imperial, the proportion borne by property would appear to be about 30·0 per cent. It must, however, be remembered that although these figures are believed to represent quite fairly the proportion of the taxation of the country which falls upon property as such, a portion of the taxation falling upon consumers and occupiers will also descend upon incomes derived from property. How much this may amount to there is no means of estimating, and the inquiry must therefore remain incomplete in this particular direction.

IV.—THE NATIONAL INCOME.

Turning back to the income tax statistics, and taking up another thread of the inquiry, some interesting comparisons may be drawn from the materials there placed at our disposal. In 1894-95 the total *net* income charged with tax in the United Kingdom (after making the necessary adjustment under Schedule B.) was 525,689,820*l.*; and of this sum no less than 385,123,466*l.* was, as we have seen, of the nature of "rent" and "interest," and 140,566,354*l.* of the nature of "wages." Property, therefore, furnished nearly three fourths of the aggregate income actually charged with income tax. Proceeding a step further we get:—

TABLE No. 2.

Amount of Income charged with Income Tax (including Abatements)—

	£
Total net assessments, 1894-95	525,689,820
Statutory abatements after adjustment, Schedule B.	60,829,621
Life insurance allowances	3,085,302
 Total income of persons liable to tax	 <hr/> <u>£589,604,743</u>

* Royal Commission on Agricultural Depression; reply to Q. 63,253.

† H. of C. Paper, No. 345.

‡ See "Statistical Journal" December 1896.

ROYAL COMMISSION ON LOCAL TAXATION:

The net assessment of property bears to this total the proportion of 65 per cent.; but it is necessary to add to the former a corresponding sum for abatements and life insurance, and although this can only be guessed at, it will probably bring up the proportion to two-thirds. It thus appears that property yielded two-thirds of the income of the persons assessed to the income tax, and paid nearly three-fourths of the tax actually charged. No doubt the application of the method of "stoppage-at-the-source" renders it necessary for many property owners to claim repayment, and a slight lowering of these proportions is required on this account.

In order to find the aggregate income of the nation it is necessary to make a calculation of which some important elements must necessarily be based to some extent upon conjecture. The following figures are offered with this reservation:—

TABLE NO. 3.

The Aggregate Income of the Nation. Year 1894-95.

	£
Total income of persons liable to income tax (Table No. 2)	589,604,743
Add exemptions, Schedule A.	13,178,103
", ", B.	9,504,158
", ", C.	2,000,000
Untaxed interest from foreign investments	30,000,000
Manual labour wages (Sir R. Giffen's estimate)*	633,000,000
Other incomes exempt from tax (ditto)†	100,000,000
 Total	 £1,377,287,004

TABLE NO. 4.

Aggregate Income of the Nation from Property.

	£
Net assessments, 1894-95, as in Table No. 1	385,123,466
Add exemptions and abatements, Schedule A.	14,669,001
", ", B.	5,715,000
", ", C.	2,000,000
", ", D.	8,000,000
Income of non-income tax-paying classes derived from capital and not accounted for above	30,000,000
Untaxed interest from foreign investments	30,000,000
 Total	 £475,507,467

This total will, it is believed, be found smaller than any similar total compiled in recent years, the net income tax assessments being taken as the basis instead of the gross as in other calculations, and the income falling under Schedule B. being here properly worked out. The last item but one is here taken at one half the amount of Sir R. Giffen's estimate of 1878, which was followed in the return of 1885. Notwithstanding the growth of capital since 1878, and the raising of the limit of exemption from income tax, the present writer is unable to follow these authorities in adopting so high an estimate. The income from foreign investments which eludes the income tax was estimated by Sir R. Giffen in 1878 to amount to 40,000,000*l.*, and by Mr. Bowley at 46,000,000*l.* for 1891.‡ In the return of 1885, this item is placed at 30,000,000*l.*, and this figure has been adopted in this paper.

V.—CONCLUSION.

It is now apparent that, taking these figures as correct, the proportion which the income of the nation from property bears to the whole national income is 34·5 per cent. We have previously made out the proportion of the total taxation of the country, Imperial and local, which falls upon property, as such, to be 30·0 per cent. Whilst the taxation of property, and especially of realty, has been greatly overstated in previous computations, owing to the practice of including the local rates, the house

* Labour Commission Evidence (whole Commission), p. 472.

† Quoted by Mr. Bowley, "Statistical Journal," 1895, p. 247.

‡ "Statistical Journal," 1895, p. 248.

duty, and the land tax amongst the taxes falling thereupon, the fact that some part of the customs and excise taxation falls upon incomes from property has hitherto passed unnoticed. It does not, however, suffice to compare the proportions of income and taxation; it is necessary also to consider the taxable capacity or ability represented. The bulk of the property of the country is owned by persons of the income tax-paying classes, and a very large part of it by those whose incomes exceed 500*l.* a year.* On the other hand, 59 per cent. of the adult male labour wages in the United Kingdom do not exceed 25*s.* a week, and the bulk of the wages of women and young people may probably be taken to possess an equally restricted taxable capacity. Without labouring the point, it is submitted that, having regard to the relatively high degree of taxable capacity possessed by the bulk of the income from property, the existing fiscal arrangements of this country favour realised wealth at the expense of earnings. If to the 30 per cent. falling upon property, 12 or 15 per cent. were added to cover the taxes on consumption and occupancy payable out of the income from property, the resulting proportion would still leave some room for a readjustment in favour of earnings.

In the description of the proposed new tax, a 5 per cent. rate was used to illustrate the great possibilities realisable by its adoption, but neither this rate, nor the suggested disposition is in any way essential. The new tax could be quite appropriately levied at a lower rate to provide for the relief of local taxation, or either of the other suggested ends, singly. If used, in the first instance, solely for the reduction of the rate of the income tax, it would be found that a remission of 5*d.* in the latter could almost be provided for by the imposition of a 6*d.* property tax.

It is recognised that the proposed new tax is, like every fiscal expedient yet invented, open to objection. The difficulty of accurately charging the interest on the capital employed by private traders must be fully admitted. Its existence would make it necessary to apply the new tax to this class of income somewhat leniently, and to provide ample means of appeal. But this class is, after all, not an important one from the fiscal point of view, the estimated assessment amounting to only 21,600,000*l.* out of a total of 400,000,000*l.* The advantages which it is believed may be gained by the adoption of such a tax are, however, so great as to entirely outweigh this defect. It is also claimed that the design of the suggested impost is drawn on lines which are both theoretically conformable with the demands of economic science and capable of practical application by means of the most perfect portions of the fiscal machinery of the nation.†

G. H. BLUNDEN.

Answers by Mr. C. H. Sargant.

ANSWER TO QUESTION 5. (Suggestions as to real incidence of local taxation.)

In endeavouring to supply answers to certain of the particular cases put in Questions 6 to 13, inclusive, I found that it was necessary to perpetually refer to, and bring the particular cases within, certain general principles or propositions as to the incidence of Imperial or local taxation which appear to have met with more or less general acceptance in discussions of this nature, but never to have been definitely formulated. It was at once unsatisfactory to assume in each case the validity of one or more of these propositions without any definite statement of them, and at the same time impossible even to state, still less to attempt to prove, the propositions in question on each occasion when they were used. I have accordingly endeavoured to formulate certain propositions or assumptions as to the incidence of taxation, which I found that I was from time to time using; and the remainder of the answer to this question is the result.

It will be noticed that in some cases a statement of the problem in question, and some attempt at a proof, form part of the proposition; and I am fully conscious of the incompleteness of these propositions with regard both to matter and to form. But I have, in fact, found that the attempt to express definitely under general heads the arguments that I was impliedly using in various particular cases has been useful to me individually by way both of suggestion and elucidation. And I have therefore the less scruple in submitting the result to the Commission.

* See above, Ch. iv., pars. 1 and 2.

† See my articles on "The position and function of the Income Tax in the British fiscal system," "Economic Journal," December 1892; and "A Progressive Income Tax," *ibid.*, December 1895.

1. In the case of existing property incapable of free increase (land for example) the burden of any taxation thereon necessarily falls on the owner of such property at the time when the taxation is imposed or anticipated. This is obviously so if he retains the property. And it is no less clearly so if he disposes of the property, since any purchaser or lessee will, to the extent of the burden cast on the property, give a correspondingly less price or rent than he would have given prior to the date of the imposition or anticipation. (It may here be remarked that in using the phrase "imposed or anticipated," or any similar phrase, in this and the following propositions, it is intended to denote that one of the two dates which is the earlier.)

2. In the case of property yet to be produced, and which can be produced under circumstances of free competition* (new wearing apparel, for example), the burden of any taxation falls on the person who after the imposition or anticipation of the taxation requires the production of the property, that, is the consumer; indeed, this person may be regarded as the "owner" of the property the production of which he requires. But of course the taxation may prevent the production of the article.

3. In the case of property coming partly under the first head and partly under the second, i.e., property much of which already exists, but which is from time to time consumed, and the consumption of which is or has to be from time to time replaced (the structures of houses, for example, or food supplies, of which there are large stocks in hand which can be identified and taxed), the burden of any taxation that may be imposed falls on the owners of stocks existing at the date of the imposition or anticipation of the taxation, if or so long as the taxation prevents production. But if production is not prevented at all, or when production has ceased to be prevented, then inasmuch as the price of the property to be produced will have risen to the extent of the taxation, the price of existing property of the same kind will be similarly enhanced also, and the tax will be shifted from the owner of the already existing stock to the subsequent ultimate purchaser or consumer.

So far the cases considered have been kept comparatively simple by assuming (a) one single absolute owner of any particular property, in the case, for instance, of land or houses an absolute fee simple owner; (b) taxation at a single definite moment, and not, as is in general the case, recurrent taxation at successive annual, semi-annual, or other periods; and (c) uniform taxation over the whole of a State, between which and any adjoining State there is little, if any, free competition, not (as is often the case) special local taxation or rating over a comparatively small area, with which other adjoining or similar areas are in more or less complete competition. One or two of the chief alterations and complications of result arising from (a) the division of the interests in land and houses, (b) the recurrent character of Imperial and local taxation, and (c) the variable character of local taxation, will now be stated.

4. By virtue of mortgages, charges, grants of rentcharges and the like, all sorts of charges on, and more or less secured interests in, land and houses (meaning by a house, both site and structure) are from time to time created and are operating at the same time, that is affecting the disposition of the income thereof in any single year. None of the owners of these interests can properly be regarded as the owner of the land or house in question for the purposes of taxation. The owner of land or houses for these purposes is the person entitled (subject to any such partial interests) to enjoy or dispose of the occupation and beneficial user thereof, and enjoying the full amount of any gain, and bearing the full amount of any loss, in fact *the owner of the margin*.

5. By virtue of wills, settlements, leases for lives and years and the like the right to enjoy and dispose of the occupation and beneficial user of land and houses often becomes vested at any one time in different persons *for different successive periods*. In any such case the owners of any land or house are the persons so entitled in succession, each such person being the owner thereof either at the time or in anticipation for the period for which he has or will have the right (whether subject or not as stated in Proposition 4 to any capital or annual mortgage money, interest, rentcharge, rent or the like) to enjoy and dispose of the occupation and beneficial user of the land or house; and will, therefore, for the period in question, enjoy the full amount of any gain, and bear the full amount of any loss. In fact, the owners are the successive owners of the margin for the time being for the periods for which they will so enjoy such margin. For instance if a house has been let by a fee simple owner on lease for 21 years either at a rack-rent, or (in consideration of a premium) at less than a rack-rent, the lessee is *for the period of the lease* the true owner of the house, having for that time the right to occupy and use it, or to dispose of the occupation and user thereof, and would by a sudden

* Taxation on a patented or monopolised product would appear to fall on the owner of the patent or monopoly.

appreciation or depreciation of property in the locality have his lease made either a beneficial or onerous one; while the lessor has during the period of the lease merely the right to receive a fixed rent, together with the expectation or vested right of becoming the owner again at the end of the lease.

6. Imperial and local taxation are, as a rule, imposed not in one lump sum, but by annual or other periodic instalments. Nevertheless, so soon as an Imperial or local tax has been once imposed (or once definitely anticipated) its recurrence at least, and often its increase, are in all ordinary cases anticipated. It is obvious, therefore, that in the case of a fee simple owner, the result of the imposition of the taxation is to cast on him a burden equal to the capitalised present value of the whole annual taxation, if he is an owner of land only, or of that part of the taxation attributable to the site at least (the taxation on the structure may be thrown on the occupier as consumer, *see proposition 2*), if he is the owner of a house. In the case of persons who at the date of the imposition or anticipation of the taxation have vested interests in succession in the ownership thereof as herein-before defined, a burden is cast equal to the capitalised present value of the annual taxation during the successive periods for which they are respectively so entitled at the date of the imposition or anticipation. And where the recurrent taxation is based on annual value for the time being, and (as is generally the case in letting for building purposes) a progressive increase in annual value is anticipated, the burden cast on the owner or successive owners at the time when the property comes to be disposed of, and in respect of which a deduction will be made by a purchaser or lessee, will be in respect of a progressively increasing taxation. For the purchaser or lessee will receive a part only, instead of the whole, of the increase in annual value that might otherwise have been anticipated, or in other words the progressive net rental that will be payable by a tenant who has to bear the progressively increasing tax will be less than he would pay if the tax remained stationary.

7. In the particular but very general case of short occupation tenancies, such as annual tenancies, the annual tenant (though ordinarily spoken of as the occupier as distinguished from the permanent owner) must, in fact, be regarded as the *temporary owner* for the duration of his tenancy, that is, till the expiration of the year or so at the end of which either party can terminate the tenancy and so obtain an adjustment of the terms of tenancy; and the lessor must be regarded as the owner only from and after that time. Many persons, notably Mr. Goschen in his Draft Report on local taxation, have laid great stress on the disinclination of either party to take the initiative in revising the terms of tenancy, and so on the tendency of any fresh burden on, or benefit to, the actual occupier to stick where it is imposed or conferred beyond the year or so for which, according to the above view, the occupier is to be regarded as owner. But for various reasons, into which it would be impossible to go here, there appears to be, at any rate at the present time, a much readier adjustment of burden and benefit between occupier and permanent owner, even in the case of agricultural tenancies, than Mr. Goschen supposed. And in the case of town tenancies (with which I am mainly concerned) the main reasons which tend in the case of agricultural tenancies to retard this adjustment do not appear to exist. In my view, annual occupiers must, like lessees, be considered for purposes of taxation as owners for the currency of their annual tenancies and for that period only.

8. The case has now to be considered, not of constant taxation over the whole area of a State, but of varying local taxation or rating over distinct local areas within the same State, and in competition. Assume that at the various prices or rents asked for land in these districts there is a practical equilibrium at any one time, that is, that there is an equal demand in each district, and then assume a sudden increase of local taxation (without equivalent return) in one of these districts. It is obvious that the effect of this increase will be to throw an extra burden on the successive owners of land in the district in question, and that intending purchasers and intending lessees (intending to take on the usual terms, viz., that they are to pay rates) will deal after the increase only upon the terms of paying a price or rent lessened to the equivalent of the increase. And, in the particular case of land to be developed for building purposes, the increase of prospective rate for which these purchasers or lessees will have to be compensated, will be the increase of the prospective rate, measured, not only on the rental value of the land, but on the rental value of the structure also. In other words, "differential" rates (which may be defined as the excess of local taxation, or, perhaps more correctly, of the burden of local taxation in heavily or averagely rated districts, over "constant" rates, that is, the local taxation or the burden of local taxation in the most lightly rated districts), so far as imposed or anticipated at the time when land is about to be developed for building purposes, and to the extent of the rental or rateable value not merely of the site but also of the intended structure, are thrown by anticipation

on, and operate in diminution of, the price or rent that can be obtained by the owner of the site.

For simplicity's sake it has been assumed in the foregoing discussion, and it will be assumed in general, that the rates considered are (as is undoubtedly the case to a greater or less extent with Inhabited House Duty, poor rates, and education rates) merely onerous, and not in any degree remunerative. In fact, however, many rates are merely payments for services rendered, and may be remunerative to an extent much exceeding the amount actually contributed. It is obvious that the same considerations that govern the determination of the incidence of an onerous rate govern that of the incidence of a remunerative rate, and the following rule easily follows:—9. So far as any benefits result from the expenditure of any rates, these benefits go in general to the same persons on whom the burden falls, and either, (a) if less than the burden, diminish the burden to that extent, (b) if equal to the burden, cancel it and leave everyone in the same position as if there had been no rates, or (c) if greater than the burden, confer the excess of benefit on the same persons and to the like extent on whom and to which the ultimate burden would have fallen had there been one. Of course, in cases where there are successive owners, and the benefit of rates results over a period longer than, or different from, that during which they were raised, this rule may have to be modified, as in the case of a sinking fund to defray the capital expenditure on a permanent improvement. But these cases can be considered separately.

ANSWER TO QUESTION 6. (The real incidence of certain particular taxation.)

(a.) *Inhabited House Duty.*

This (though in form a tax) is practically a "constant rate" and a purely onerous rate.

The only case which has practically to be considered at the present day is the application of land for building purposes since the imposition of the duty.

In this case the duty, so far as levied on the annual value from time to time of the site, is thrown by anticipation on the person or persons being at the time when the site was disposed of for building purposes, the owner or successive owners of the site, and operates by way of diminution of the price or rent he or they will obtain.

So far as levied on the annual value of the structure, the duty is thrown on the successive inhabitants of the house as the "consumers" of the house, and operates by way of increase of the rent payable by them.

The incidence would also appear to be the same in the case (which is rather an unpractical one with regard to this particular tax) of houses built before the imposition or anticipation of the duty, at any rate by the time (which would not be long deferred) when any check that the imposition of the tax might have caused to the production of new houses had been removed by the rise of the gross rents of structures to an extent equal to the burden of the tax, so that the net rent earned by a structure would be the same as before.

In the above answer no account has been taken of three comparatively unimportant tendencies of the Inhabited House Duty, the first two of which certainly, and the last of which probably, tend to throw by anticipation a small part of the constant rates, even in respect of the structure of houses, on to the owners of the sites. These are (1) the tendency of the tax to make occupiers inhabit smaller houses or tenements, (2) the tendency of the tax to make the more roving classes live abroad, and (3) the tendency of the tax to promote the building of shops or professional chambers or offices rather than residential houses in places where these purposes compete, and so on the whole to interfere with what might otherwise be the most advantageous development of land. So far as they go, it appears to me that the first two of these tendencies certainly, and the last of them probably, operate to diminish the prices or rents that can be obtained for building sites. But the conjoint operation of these causes is probably very small, and certainly almost incapable of accurate estimation. And I have accordingly neglected them in the above answer, and propose to neglect them, and any other small similar tendencies of the kind, in my subsequent answers.

(b.) *Rates levied on Houses and Trade Premises.*

"Constant Rates" on houses and trade premises, so far as onerous, have an incidence similar to that of Inhabited House Duty; that is, so much thereof as is levied on the annual value from time to time of the site is thrown by anticipation on the owner or owners of the site at the time when it was developed, and so much thereof as is levied on the annual value of the structure is thrown on the "consumers" of the house or trade premises.

It must be noticed, however, that, while the "consumers" of a house are the successive occupiers thereof, the consumers of trade premises are the persons demanding the goods for the production or distribution whereof the trade premises are built and used.

The above incidence of constant rates seems, as in the analogous case of Inhabited House Duty to be the same whether the constant rates were imposed or anticipated before or after the development of the site for building. For, as these constant rates apply equally to every site in the kingdom, future houses and trade premises will have to bear them wherever built, and gross rents for structures will be forced up till net rents are the same as before the imposition or anticipation of the constant rates. Inasmuch, however, as there is probably a more effective competition between different countries in respect of trade premises than in respect of dwelling-houses, the slight tendency noticed in the case of Inhabited House Duty to throw a portion of it even in respect of structures on the owners of building land may be more accentuated in the case of land adapted for development for the purpose of trade premises.

"Differential Rates," so far as onerous, and so far as existing or anticipated at the date of the development of land for houses or trade premises, are in respect of both site and structure thrown by anticipation on the owner or successive owners of the land at the time when it comes to be developed, and operate by way of diminution of the price or rent obtained by him or them.

Differential Rates, so far as onerous, and as first imposed or anticipated *after* the building of houses or trade premises, fall on the owners or successive owners of the house or trade premises (*i.e.*, of the property comprising both site and structure) at the time when these rates are first so imposed. There is nothing to enable the then owner or owners of the house or trade premises to get rid of the differential rates so imposed even as regards the structure. For, unlike the case of constant rates, structures can be built in other neighbourhoods to escape the differential rates, and in the same neighbourhood sites which are, still uncovered and compete with the covered sites on equal terms are, as has just been seen, lowered in value to the extent of the differential rates so imposed or anticipated on the value both of the sites and of the structures intended to be built thereon.

(c.) Rates levied on Agricultural Land.

These appear to me to fall practically exclusively on the owner or successive owners of the land at the time when they are first imposed or anticipated.

As regards rates of the nature of hereditary burdens, or even rates to the amount existing or reasonably anticipated at the date of the last letting, this is almost obviously so. The intending occupier or lessee can give so much in all, and to the extent to which he will have to pay rates is unable to pay rent also.

As regards rates imposed during an existing occupation, the occupier (or temporary owner for the term of his occupation) has undoubtedly to bear them down to the time when his occupation terminates or is terminable. The only question appears to be how soon after that period these fresh rates are, if the occupation still in fact continues, shifted on to the landlord or permanent owner. Mr. Goschen, in his Draft Report, expressed the view that this shifting was a matter of difficulty, and evidently thought that it would take a long time. I am inclined to think that, at any rate at the present time, the difficulty is much less and the time much shorter than Mr. Goschen thought, and that even in the case of agricultural land.

The view expressed in the first paragraph of this answer is (having regard to the definition previously given of ownership as including occupation for the term certain of that occupation and no more) that fresh rates are shifted immediately occupation *may* be, though it is not in fact, terminated. This view is probably quite correct as a statement of tendency—as a statement of what actually occurs it may need more or less correction with regard to fresh rates, as Mr. Goschen's view is more or less completely accepted.

In the above remarks no account has so far been taken of the incidence of the rates in respect of so much of the rental or rateable value of agricultural land as may be due to the expenditure of money on permanent improvements, a question very analogous to that of the incidence of the rates in respect of the annual value of the structure of trade premises. It is clear that the *differential rates* on these permanent improvements must, like the differential rates on the structure of trade premises, fall by anticipation on the owner of the land at the time when these improvements were made. But are the *constant rates* on these permanent improvements, like the constant rates on the structure of trade premises, entirely or mainly thrown from the landowner on to the consumer,

i.e., the purchaser of the agricultural produce? I am inclined to think that foreign competition in agricultural produce is so much keener and more real than that with regard to trade premises, and still more than that with regard to dwelling-houses, that even these constant rates practically become differential for this purpose, and cannot be shifted from the landowner to the consumer to any considerable extent.

(d.) *Taxes on the Transfer of Property.*

These fall on the owner or successive owners of the property at the time when they are first imposed or anticipated. There appears to be no method by which they can be shifted on to anyone else. Their burden will, of course, vary in proportion to (1) the rate per cent., and (2) the average frequency of transfer of the property.

That they do, in fact, fall on existing owners at the date of imposition or anticipation seems to be recognised by the practice of many companies or borrowers, who pay a lump sum by way of composition of such duties. This would not be done if the burden could be thrown on an unascertained class of future purchasers.

I cannot think that, as suggested by Professor Sidgwick,* any considerable part of taxes on the transfer of property falls with more weight on traders as such, and so may be regarded as a tax on trade or production, in which case the part in question would be thrown on the consumer.

(e.) *Taxes on Trade Profits.*

These taxes, if imposed on trade profits alone, and not on all kinds of income also, would appear clearly to fall on the ultimate purchaser or customer.

If imposed on trade profits together with all other kinds of income these taxes would appear to fall wholly or mainly on the owners of property.

There are, however, many other considerations to be taken into account, which might, more or less, alter the ultimate incidence of these taxes, as, for instance, (1) the extent to which trade on either of the above suppositions might leave the country, in which case some burden, but not necessarily a burden equivalent to the tax, might fall on the consumer obtaining the products of trade under hampered conditions; or (2) the extent to which saving might be affected by these taxes, and the creation hindered of capital for extension of trade, in which case also there would probably be an increase of prices to consumers.

(f.) *Death Duties.*

These taxes fall directly and immediately on the owners of property, and there seems to be no method by which they can be shifted on to anyone else.

All classes may, however, ultimately be more or less affected by them, if they result in any discouragement of the accumulation of capital by saving.

ANSWER TO QUESTION 7. (Criterion for distinguishing purposes for which taxation should be raised locally.)

There is not, I think, any serious difference of opinion that taxation should be raised locally for *local purposes*, and for local purposes only, that is, *for purposes which are for the benefit of present and future inhabitants of the locality as such*. And, if all purposes for which taxation is levied could be definitely divided and classified either as "local" or "Imperial," there would not, I think, be any dispute (apart from any question of hereditary burdens which it is impossible to deal with within the compass of this answer) that the whole of the former class of purposes should be met by local taxation, that is, by the taxation of the present and future inhabitants of the locality as such; and the whole of the latter class of purposes should be met by Imperial taxation. But, in fact, many works and services, such as main roads and bridges, criminal prosecutions, police protection and the like are performed for the benefit, partly of the inhabitants of the localities, and partly of the nation at large. And in other cases, particularly those where services have to be provided by the inhabitants of a locality as a body for part of those inhabitants, as in the case of education or poor relief, the services though rendered exclusively to inhabitants may either not be limited in result to those localities (since educated children may spread themselves over the Empire at large) or may for the credit of the nation at large (which is a kind of national benefit or purpose) be fixed, as in the case both of education and of poor relief, at a higher and more expensive standard than the inhabitants of localities would by themselves be prepared to adopt.

* *Principles of Political Economy* (1883), Book III., Ch. 8, p. 572.

In all these cases (and I think that all the cases mentioned on pages 24, 25 and 26 of Sir Edward Hamilton's recent Memorandum, are cases in which the relief of local taxation from Imperial resources is justified by considerations of the above nature) it seems right that local taxation should be aided from general or national taxation, and the only question is the extent to which this aid should go. This question is (apart from the consideration of hereditary burdens) one depending on proportionate degree of benefit, and is one of detail and administration, as to which I am not competent to express an opinion. .

ANSWER TO QUESTION 8. (The expediency of keeping expenditure for local and national purposes distinct.)

It would seem quite impossible in the nature of things to keep the expenditure for many local purposes quite distinct from that for national purposes, as many works and services subserve both purposes. In these cases, therefore, a contribution by the central Government, and (in most cases) an expenditure by the local authority of the aggregate fund, subject to such supervision by the central Government as may be necessary, appear to be the only practical methods of supply and expenditure.

Where local purposes are clearly distinguishable from national purposes, there it would in general appear to be advisable that both the supply and the expenditure of the funds raised for these purposes should be in the hands of the local authority, that is, that they should transact their own business. Indeed, it is in general for the transaction of this business that they are created.

ANSWER TO QUESTION 9. (The division of rates between owner and occupier.)

I take a very definite view that *in towns*, and particularly in large towns, such as London, where there are often several interests in each house, rates should not be divided between owner and occupier (or, as I should prefer to call them for this purpose, "permanent owner" and "temporary owner"), but should, as at present, be entirely paid by the occupier, except in those very numerous cases (such as furnished houses, flats, weekly or monthly tenancies, and small tenements) where the difficulties of collection from the actual occupiers make it convenient for the local authority to treat the landlord as the actual occupier and to rate him solely or primarily.

My main reasons for entertaining this view may be briefly summarised as follows:—

- (1.) The ultimate incidence of rates is the same whether the occupier pays or the owner or both. The question who should be rated is, therefore, mainly one of convenience.
- (2.) It is inconvenient that both owner and occupier should be troubled with the ascertainment and payment of rates. This is particularly the case where there are several interests in houses, between each of which payments or allowances in respect of rates would have to be made: for every plan for dividing rates divides them not merely between the actual occupier and his landlord, but between the parties to all superior tenancies, though I doubt whether this is so in large Scotch towns, such as Glasgow, Edinburgh, &c.
- (3.) If one person only should pay, then (except in the excepted cases above referred to, where convenience of collection prescribes the contrary) that person should be the annual occupier or temporary owner. For it is for his benefit, as the inhabitant for the time being, that the great bulk of the rates is expended for purposes as recurrent and temporary as his own occupation or temporary ownership. And there is no apparent hardship in this, even should he be thought to actually bear the rates, since there is nothing unjust or unscientific in taxation on expenditure as measured by style of living.
- (4.) If, where there are several interests in houses, a proportion of the rates in the £ is to be deducted on each payment between successive interests, the effect will be to rate mere annuitants or rent chargers, and to relieve to this extent the real owners, i.e., *the owners of the margin*.
- (5.) The result of the proposal mentioned in the last head would be to make every rent received in respect of every interest in houses a variable one, and so to drive cheap or trust capital out of houses as an investment, and to necessarily raise rents.
- (6.) If any division of rates between owner and occupier is to be applied to existing contracts (and all proposals that I have seen on the subject contemplate this) there will necessarily be much hardship and loss inflicted on a prudent class of investors.

In country districts also I consider that the present system is the fairest and best, and that the whole of the rates should be borne by the occupier or temporary owner rather than by the landlord or permanent owner. But obviously some of the reasons given above do not apply at all to country districts, and others apply with less force to country districts than to town districts.

I should add that in this answer I am dealing merely with the payment by owner and occupier of such part of the taxation for local or kindred purposes as has to be raised and met out of the rates, whatever that part may be. The part that has to be paid out of national taxation or national funds is paid neither by owner nor occupier as such.

I should also add that the foregoing part of this answer does not apply to that comparatively small part of the rates which goes to pay the sinking fund for the repayment of capital borrowed for permanent improvements. Theoretically, and in default of contract to the contrary, I consider that whatever its ultimate incidence, this small part of the rates should be primarily imposed on the persons to benefit, that is, the persons who will by virtue of their present and future right to enjoy or dispose of the occupation, reap the benefit of the permanent improvement. But, practically, this part of the rates is so small, and would be so extremely difficult to calculate, that (as is done now in the case of the sewers rate) occupiers would in all cases where they agree to pay the bulk of the general rates, agree to pay this part also; and, this being so, I see no reason for any statutory interference with an arrangement for the mutual convenience of landlords and tenants.

ANSWER TO QUESTION 10. (The separate rating of ground values.)

The only proposals with which I am acquainted for rating ground values are (1) those propounded by Mr. Fletcher Moulton in the autumn of 1889, and (2) those embodied in certain recent resolutions of the London County Council, and about to be laid before the Royal Commission. Both these sets of proposals appear to me to be open to the following fatal objections:—

- (1.) They would rate owners of fixed rents in respect of an expenditure, the benefit of which accrues primarily to the owners of marginal rents, or in other words, to the persons having the right to the actual beneficial occupation and enjoyment of the property rated. They would in fact *rate the wrong man*.
- (2.) They would be most difficult to work in practice, for while the annual value of a house site and structure together is easily ascertainable with reasonable precision, there would be great difficulty in ascertaining the annual values of the site and structure separately, particularly if (as would rather appear to be the case) the annual value of the site is to be ascertained, not with reference to its use in connexion with the building actually on it, but with reference to the use to which it might be put if vacant.
- (3.) They would prevent secured interests in houses from being arranged so as to yield a fixed income, and so would drive cheap or trust capital out of house property and raise rents.
- (4.) As applied to future contracts, they would fail of their purpose and hamper building, inasmuch as they would impose on developers of land for building purposes, and builders and the persons claiming under them, a prospective liability in respect of the rents forming the reward for development and building, with the result that such rents would rise and the rate be ultimately thrown on the occupier, if (as I presume will be the case) the rate is to be a constant one, *i.e.*, applying to the whole kingdom.
- (5.) As applied to existing contracts, they are markedly confiscatory.

And the recent proposals of the London County Council appear to be open to this further very serious objection (which is one not as between the different owners of a single house, but as between the different sets of owners of different houses), namely,—

- (6.) As between two houses of the same rateable value, but one of which comprises a small structure on a valuable site while the other comprises a large structure on a much less valuable site, an excess of rating will be thrown on the owners and occupiers of the smaller house in relief of that thrown on the owner and occupiers of the larger house, although in most cases it would be the inhabitants of the larger house that would derive the greater benefit from the rates.

ANSWER to QUESTION 11. (How far rent is affected by the increase, decrease, or imposition of a rate?)

The answer to this question is obviously covered by the answers I have already given to Question 6 (a), (b), and (c).

As regards houses and trade premises, the increase or imposition of a "constant rate," so far as such increase or imposition is onerous, reduces the net rent otherwise obtainable from a tenant who is to pay the rates (1) permanently to the extent of the extra burden in respect of the annual value of the site, and (2) temporarily, while building is checked and the annual value of structures is rising to meet the extra burden on the annual value of the structure, to the extent of a gradually diminishing part of this extra burden; and perhaps permanently to the extent of some small portion of this extra burden.

As regards houses and trade premises, the increase or imposition of a "differential" rate, so far as such increase or imposition is onerous, reduces the net rent otherwise obtainable from a tenant who is to pay the rates, to the extent of the extra burden in respect of the annual value of both site and structure.

As regards building land, the increase or imposition of a rate, whether constant or differential, so far as such increase or imposition is onerous, reduces the net rent otherwise obtainable from a building tenant as stated in the two foregoing formulæ, but substituting for "structure," "anticipated structure."

As regards agricultural land, the increase or imposition of a rate, whether constant or differential, so far as such increase or imposition is onerous, reduces the rent otherwise obtainable from a tenant who is to pay the rates to the full extent of the burden.

As regards all the above kinds of property the reduction or abolition of a rate, so far as such reduction or abolition is beneficial (*i.e.*, does not involve the loss of an equal or greater benefit), operates in exactly the contrary way to that above stated; that is, increases the rent otherwise obtainable from a tenant who is to pay the rates to the like extent to which that rent would have been decreased by a corresponding increase or imposition of the rate so far as onerous.

ANSWER to QUESTION 12. (How rent would be affected by occupiers being allowed to deduct rates.)

A deduction by the occupier of the whole or a portion of the rates would not of course be quite equivalent to a reduction of rates to that extent, since the total rates levied in respect of the property generally would remain the same, and the only alteration would be in the primary incidence of these rates.

In my opinion, this alteration in the primary incidence would not make any alteration in the ultimate incidence, except so far as existing contracts were disturbed without appropriate compensation. Rents would, I think, rise to the extent to which the landlord paid rates instead of the tenant. Indeed, as before pointed out, in towns, and assuming that the process of deduction were carried out between all successive interests, ground rents, improved rents, and other secured rents would in future building rise in order to compensate for their not yielding a fixed income, and so being worth a smaller number of years' purchase; and so rack rents would be increased beyond the amount of rates of which tenants would be nominally relieved.

Perhaps I should add that the phrase in the question "under what conditions" seems to suggest a reference to the view sometimes entertained that a benefit of this kind to the tenant could or could not be appropriated by the landlord according to whether there was or was not a brisk demand for houses, or that the incidence of an increase or decrease of rates is determined by the state of supply and demand in the market for houses (*see*, for instance, Mr. Goschen's Draft Report, p. 168 of his collected reports and speeches on local taxation). This view does not appear to me to be sound. If a brisk demand for houses enables a landlord to throw an increase of rates on a tenant and still to obtain the same rent as before, he could presumably have obtained an extra rent had rates remained stationary; and the loss of this extra rent involves the extra rates being thrown on the landlord as clearly (though he may not feel it so much) as if he had had to submit to a reduction of rent where, but for the increase in rates, he might have obtained the same rent. And if a slackness in the demand for houses enables a tenant, who is by an alteration in the law empowered to deduct a portion of the rates, to make a fresh bargain at the same rent as before, this tenant could presumably have obtained his house at a lower rent than before, had he not been empowered to deduct any part of the rates; and the loss

involved in not obtaining a reduction in rent exactly counterbalances the gain in being at liberty to deduct part of the rates, so that though the tenant is a gainer, it is by virtue of rents falling through a slackness in the demand for houses, not by virtue of the alteration in the law enabling him to throw on the landlord what he previously bore himself.

The state of the market for houses or land produces effects of its own which are quite independent of the effects produced by an increase or diminution of rates. All that can fairly be said is that the effects produced by the state of the market may be in the contrary direction to, and so disguise or cancel, those produced by an alteration in rates. But, on the other hand, the two sets of effects may tend in the same direction, and may aggravate each other.

ANSWER TO QUESTION 13. (Effect on rent of rating property on different scales.)

The general effect of rating property on different scales according to value, character, or user will obviously be to encourage the production of property of the value and class and the user of property in the manner in respect of which the rating is light, and to discourage the production of property of the value and class and the user of property in the manner in respect of which the rating is heavy. But the effect upon rent is difficult to state with anything like precision, unless a great many other conditions of the problem are first fixed.

Perhaps the best practical answer to the question can be given by assuming certain fixed conditions in a particular case.

Assume that the revenue that has to be raised for Imperial purposes by some tax or other on buildings is such as can be and is raised by a tax of 4d. in the £ on the rental value of all occupied buildings, whether trade premises or inhabited houses, and that trade premises and houses throughout the country are occupied and have their rents fixed upon the basis of this condition amongst other existing conditions. And then assume that the law on this point is altered in the following manner, viz., (a) by the increase of the duty on inhabited houses of 50*l.* annual value and upwards to 9d.; (b) by the diminution of the duty on inhabited houses under 50*l.* annual value to 3d.; and (c) by the entire abolition of the duty as regards trade premises. What will be the effect on the net rent to be obtained for these several classes of property from tenants who pay rates and taxes?

Take, first, the case of trade premises, and assume (what is no doubt nearly the case) that foreign competition does not operate, and that there must, in spite of the change in taxation, be practically the same proportion in the future between trade premises and inhabited houses that there has been in the past. Then, when fresh trade premises come to be built (and it is by this that the rents of existing trade premises will be regulated), on the principles already stated, the builder will be content with the same net rent as before in respect of the structure, and this net rent will not be altered, the relief from the reduction of the tax in respect of the annual value of the structure going into the pockets of the "consumer" of the structure, that is, the ultimate purchaser of the goods produced or distributed on the trade premises.

The effect on that part of the rent of trade premises which represents the annual value of the site is equally clear. The superiority of position for which site-rent is paid continues the same as before, and a tenant having less to pay in the shape of taxation for that superiority will be willing to pay an excess of rent equal to the relief. Rents of trade premises will, therefore, rise on this account to an extent equal to the relief from the reduction of tax in respect of the annual value of their sites.

Take next the case of dwelling-houses of 50*l.* annual value and upwards. Here, if the existence of dwelling-houses of under that value is for the moment disregarded, and attention paid to the alteration in taxation between dwelling-houses and trade premises only, the result will clearly be analogous to that with regard to trade premises. The result will, in fact, be that net rents, so far as representing structures, will remain constant after some short interval of possible depression, with the result that the extra burden on the annual value of the structures will be thrown on occupiers as a class; and that net rents, so far as representing site values, will diminish to the extent of the extra burden on the annual value of the sites, with the result that this part of the burden will be thrown on the owner or successive owners, as herein-before defined, of the dwelling-houses (which include both sites and structures). But now, if the existence of houses under 50*l.* annual value is again regarded, then, inasmuch as there will probably be a real competition between houses of 50*l.* annual value and just over on the one hand, and houses of under 50*l.* (which can, of course, be produced to any extent) on the other hand, it may well be that the interval

during which the net rents for existing structures will be lowered will be a very considerable one, and that such rents may even to some extent be lowered permanently.

Take, thirdly, the case of dwelling-houses of less than 50*l.* annual value. It is pretty clear that the effect of the change will, in this case, be to leave unaltered the net rent in respect of structures, the benefit thus going to occupiers; but to increase the net rent in respect of sites, the benefit thus going to the owners of the houses.

Lastly, there has to be considered the effect of the alteration in the prospective rents of uncovered building sites in general. The change would obviously increase the rents that would be obtained for sites for trade premises or small houses, and decrease the rents that could be obtained for sites for larger houses. On the whole, probably the effect would be to very slightly diminish the total rent of all sites for all these purposes, since the free operation of supply and demand would be somewhat more interfered with than before.

6th January 1898.

CHAS. H. SARGANT.

Answers by Mr. T. Mackay.

I.—CLASSIFICATION.

Taxes on commodities are distinguishable in many ways from the other taxes enumerated in the Table, but I cannot follow the reasoning which distinguishes them on the ground that commodities are not property. Nor does it appear to me scientific to say that "taxes levied in respect of incomes derived from personal exertion" are "taxes not incidental to property." An income is a property, and so are the services by which that income is earned. Personal skill or labour is, of course, a less permanent source of income than an investment in the funds, but in many cases the goodwill of a professional or trade income can be sold or bequeathed, and, in any case, the distinction does not rest on the fact that one source is property and the other not property.

By reason of this objection, which may appear hypercritical, and of the great difficulty of the question of real incidence, I doubt the possibility of making anything in the nature of a scientific classification of taxes. The most that can be done is to supply a catalogue. For the purpose in hand, such catalogue should divide taxes into those which are levied on property which is also rateable, and those which are levied on property which is not rateable. The question of equity, which must naturally engage much attention, is to be decided, not by the relative amount of burden borne by different classes of *property*, but by the taxable ability of the *persons* who own that property, which, I submit, is a totally different thing.

I do not feel justified in setting out my views on a technical question of this nature, at any length, but the following illustration will, I hope, explain my meaning. Taxes on food, like the old corn laws, are generally held to be inequitable, not, I submit, because they are not taxes on property, but because they press heavily on a class whose property often extends very little beyond its daily bread. Conversely, taxes on ground rents are sometimes advocated because it is assumed that the owners are persons of taxable ability. This is a question of fact. Having regard to the large amount of ground rents held by working class insurance and friendly society associations, and the probability that the private investment of the more successful members of this class follows the example of their public investment, I should not be surprised to find that ground rents form a larger proportion of the whole investments of the poorer class than they do of the whole property of any other class.

What appears to me to be wanted in the present connexion is (1) a list of the taxes levied on rateable and non-rateable property, (2) some sort of estimate as to the ability of the persons who own each different class of property. This, of course, is not a classification in the scientific sense of the term.

Such a catalogue would throw some light on the preliminary question as to how far the exemption of certain forms of property from local burdens has been equalised by their greater liability to Imperial taxation. The equity of the situation, however, must be decided with a reference to persons, not to things. An equal division of all taxation between real and personal property would not, of necessity, be an equitable division as between persons.

II.—THE NET REVENUE OF THE POST OFFICE.

The usual objection to monopolies is that they prevent the public from getting a cheap and efficient supply. The Post Office would seem to be no exception to the rule. In those departments where private competition is permitted, it has, more or less, been beaten out of the field. In the last report of the Postmaster General, he expresses some surprise at the decreased number of newspapers which he has to carry, and he congratulates himself, on the assumed explanation that private enterprise had taken away a branch of work which in Post Office hands has been unprofitable. It is to be presumed that the private enterprise which now distributes newspapers does it more efficiently, and at a remunerative rate. In London the different corps of messenger boys pay a heavy license to the Post Office for leave to ply their trade, and yet, even so burdened, they compete successfully with the messenger service of the Post Office, which has, practically, proved still-born. Its insurance business is infinitesimal, and has been entirely distanced by private enterprise. Its banking was last year conducted at a loss, and the constitution of this department is a grave source of anxiety to those responsible for our public finance. In many of its departments the Post Office makes a loss; if, therefore, the net result is a profit of three millions, it is obvious that this must be obtained by excessive profits in other departments.

It might plausibly be argued that the monopoly of the Post Office (granted for what may be good and sufficient reasons) is in itself a tax. There can, I think, be no doubt that any profit which it makes is a tax, and that it is levied on the property of those who have to pay excessively for its services.

III.—TESTS OF THE EQUITY OF TAXATION.

The following is abbreviated from the work of M. P. Leroy Beaulieu, and is obviously based on the well-known canons laid down by Adam Smith. I reproduce it rather for the sake of the comment appended by the author than because of any belief that such maxims will prove of much practical use.

Taxes should be in proportion to ability; should be easily calculated and intelligible; their collection should be convenient and economical; they should, as far as possible, exercise no disturbing influence on the development of agricultural industry and commerce. The author then remarks that no State can attain this ideal. There is a certain irreducible element of injustice, arbitrariness and vexation in every tax. *The ideal can be most nearly reached in those states and localities whose wants are moderate, and it is most widely departed from in places where such charges are heavy.* Equity is much more promoted by good administration than by any conceivable readjustment of taxation.

This consideration, and the wide diffusion of burden which I believe to be characteristic of all taxation, suggest that we may exaggerate the importance of "equity" as a principle to be observed in readjustments of taxation.

To begin with, too close a regard to equity would deprive a government of many productive forms of revenue. The experience of progressive taxation is that, though it may be very equitable, it is not productive. The taxpayer also can contract himself out of taxes on luxuries by foregoing them, and it is generally recognised that, after a certain point, the taxation of luxuries ceases to be productive. In a country where a large revenue is required for local and Imperial purposes, it is impossible to avoid placing taxes on objects of common and general use. This obviously bears heavily on the poorer classes, and is inequitable and inevitable.

In discussing, later on, the question of incidence, it is suggested that there is a certain readjustment of taxation according to ability going on automatically, more particularly in regard to old taxes, and to taxes on commodities which are finally brought into the market after a long series of exchanges. Thus it is recognised that no one but a comparatively rich man can afford to be a landowner. Generally also at every sale of a taxed commodity the purchaser's ability to pay the tax is more or less guaranteed by the fact of his willingness to buy. An exception to this tendency is the case of taxes on necessities, and it is one of the utmost importance. This, however, is part of the inevitable injustice incident to all taxation. The revenues of public bodies spending largely cannot be raised solely by taxes on luxuries. The revenue will be deficient, unless recourse is had to a taxation which cannot be evaded, i.e., on objects more or less of necessity. The only remedy for this is better and more economical administration.

In view of the great rise of urban rates in recent years, it seems to me probable that we shall see, if we have not already seen, some shifting of the centres of industry. Just as in mediæval times trade forsook the old chartered towns because of the restrictions imposed on it, so in modern times trade will show a disposition to leave the towns which are most heavily burdened by rates, and if this is true of towns it is also true of countries. A manufacturer proposing to open works, say, at Preston, is met by the fact that he has to pay a rate of 2s. 3d. in the pound for an unsuccessful speculation in docks. To avoid such infected areas is an equitable remedy open to labour and to capital, which can be exercised in so far as these values are not *adscripta glebae*. It leaves, however, a burden, which in time might actually extinguish, as in the famous case of Cholesbury, the value of *immobilia* altogether.

The remedy for this state of things is not a readjustment, which must be inequitable to persons brought in to share the loss, but better administration.

With regard to the form of readjustment which has been largely adopted in this country, namely, subventions in one shape or another from the Imperial Exchequer to local authorities, it is to be observed first that taxpayers and ratepayers are not two mutually exclusive divisions. Very little general satisfaction will result from taking money out of one pocket to put it into another. And if the result of these Imperial subventions is universally the same as that which, I have little doubt, has arrived in the case of poor law administration, it seems very probable that the divided financial responsibility tends to increase the expenditure both of rates and taxes. The money drawn from the Imperial Exchequer is spent with the proverbial profusion characteristic of a body spending a fund for which it is not responsible, and the temporary relief to the local rate relaxes and disarms the vigilance of the ratepayer.*

The general conclusion which I draw from these considerations is that equitable relief will mainly be obtained by better administration; that divided financial responsibility will not tend in that direction; that financial and administrative responsibility should be closely connected, or that, if they be separated, it must be done under safeguards more effective than at present exist.

The argument further appears to me to tell in favour of putting up with the *status quo*, notwithstanding its anomalies and irreducible minimum of injustice, rather than resort to large and revolutionary measures of readjustment. Even if we admit that excessive taxation is preventing the development of one trade more than another, if *ex hypothesi* there is an absolute necessity for a taxation of objects of general and common use, it is difficult to see what advantage will be gained by transferring the heavier burden from one trade which has grown accustomed to it to another which is not likely to prove patient under the irritating influence of a new tax.

The one thing certain about all readjustment is that the number of those who fancy themselves injured will always be more numerous and more clamorous than those who admit that they have profited.

Generally, I submit that no readjustment will be equitable or satisfactory which does not provide for an improved and more economical administration.

IV.—THE REAL INCIDENCE OF TAXATION.

Any generalisation as to real incidence of taxation should, I submit, be applicable to all forms of taxation. To say, for instance, that the incidence of taxation levied on the occupier of agricultural land follows one law, and the taxation levied on commodities a different law, and then to dispute whether taxes on dwelling houses conform to the first or the second law, seems to me eminently unsatisfactory. A proposition which aspires to the dignity of a scientific law should admit of no exceptions. If a generalisation is shown to be inapplicable in a single case, it ceases at once to be scientifically valid. Such a law ceases to be of any use to the practical man, who is thrown back on purely empirical methods of inquiry. It may, of course, be found that no general law can be laid down, and that the subject must be studied in an entirely empirical fashion.

The problem may, I think, be conveniently considered in two stages, which I venture to distinguish as incidence proper and *répercussion*.

I.—A tax is levied on a person in respect of his property. The term property must be held to cover not only material property but services or labour. If the tax is levied on a temporary owner (e.g., an occupier) or on a consumer, it is obvious that, during the temporary ownership, the burden will remain on the occupier, or, in respect of his

* I have gone into this question more fully in a memorandum on the Poor Law in answer to question 15.

store of the particular commodity on which he has had to pay the tax, on the consumer.

At the end of the temporary ownership or lease, the property vests again in the superior owner burdened with the liability of a tax, and its value is diminished to a corresponding extent. This condition must continue till a new contract is concluded.

Similarly the consumer, when he has finished his store of the taxed commodity is free from liability till he decides to purchase again. The burden therefore, for the moment, at all events, must rest on the owner. The owner in this case will, I apprehend, include all who have stocks of the manufactured commodity, as well as those who own the component labour and material, which the *entrepreneur* combines for the purpose of production. The *entrepreneur*, of course, is in a sense a consumer, and at the conclusion of current operations, he may desist from further operations. Ultimately, therefore, the burden, till the occupier or consumer decides to purchase again, must sink down to a bed rock of ownership where it cannot be further subdivided. This being so, I submit that, *prima facie*, the incidence of taxation is on the owner. This, of course, is a very small part of the general problem, but up to this point the analysis seems to show that the first effect of a tax is to increase the cost of production as against the producers of the object of taxation. In other words a barrier has been imposed, in the shape of a tax, between the owner of the object taxed and the market for his commodity.

We now direct our attention to what happens when the consumer decides (as, of course, in most cases he will decide) to purchase again, the tax notwithstanding.

II.—Here the problem assumes a larger aspect, and ceases to be one of taxation. Our inquiry now will be: What is the effect on Price of an increase of the Cost of Production? Will the owner (*i.e.*, the constituent owners) bear the burden, or will the purchaser or subsequent owner assume the burden by paying a higher price?

The answer may be indicated at once. An increase in the cost of production, whether it be caused by taxation, or any other cause, will not of necessity cause a rise of price. If an increased cost of production obliges a mine owner to spend 30s. instead of 15s. in raising a sovereign weight of gold, that particular sovereign does not become worth 30s. The additional cost of production does not pass into price, but remains on the mine owner, in so far as he does not shift the burden downwards to those I have termed the constituent owners, *i.e.*, the owners of the labour and material employed in the mine. Similarly, a tax put on English-grown wheat would not, under existing conditions, affect the price of wheat, except in an infinitesimal manner. The price of wheat is regulated by the relation of demand and supply, and any shrinkage in the supply of English wheat would be readily made up by increased supply from abroad. This last illustration, with the above comment thereon, indicates the rule. Changes in the Cost of Production will influence Price only in so far as they alter the relation of Demand to Supply. There is nothing in the nature of Cost of Production, or of taxation as an element in cost of production, to oblige a purchaser to pay an increased price. This aspect of the question is illustrated by the instances given above. If supply is not thereby restricted, or if demand is not thereby increased, an increase in the cost of production will not raise price.

In most cases, however, a restriction of supply does follow an increase of the cost of production, and for obvious reasons. An increased cost of production is an additional impediment placed between the producer and his market, and, unless the purchaser or consumer can draw his necessary supply from a source not affected by the tax or other increase in the cost of production, he must, in order to insure a regular supply, give a sufficient price to make it worth while for the producer to continue his enterprise. Obviously the supply of such things as land and labour is not so readily restricted as the supply of manufactured commodities. The application of the rule here suggested as it affects different forms of value will be more easily understood by the consideration of a few typical cases.

Let us take first what appears to be the least complex case, a rate or tax on agricultural land.

Authorities seem to be more or less unanimous in holding that a tax on the occupier is transferred back to the owner at the expiration of existing contracts.

In passing, it may be remarked that the occupier cannot shift the liability of paying and collecting the tax, or the burdensome exertion involved in "shifting." A certain burden, therefore, will stick. This does not appear to me to be any exception to the rule. The levy on the occupier is a confiscation of his time and his credit, and, although the pecuniary burden may be shifted to the landlord, the occupier's ownership of his own time and credit is affected by the new liability thrown on him.

Let us pass on, and suppose that at the end of a lease, a farm is put on the market. Obviously it is stricken with sterility to the extent of the new tax, and, unless some restriction of supply or additional demand has supervened, a tenant will only pay for the farm on the same basis as in former years, i.e., he will only pay the same sum for free occupation as before. Part of that payment will now go to the tax collector, leaving a diminished amount for the landowner.

We are here considering the first stage of the inquiry, namely : What shifting (if any) can the owner make to other subsidiary owners (if such there be) of the burden? In so far as a person popularly known as "the owner" can do this, he is really in the position of an occupier or *entrepreneur*.

Now, an English landlord is not a mere rent charger, he is in a sense an *entrepreneur*. He has to put on the market a farm with its full complement of buildings and labourers' cottages, and he is responsible for the making and up-keep of certain permanent improvements. He is, in fact, an occupier in respect of a great deal of labour and material. The ability of the landlord to purchase the labour and material incidental to his share in the agricultural partnership constitutes the demand for that material and labour, and in fact is one of the elements which confer value on them. It will appear, moreover, that material can, as a rule, be analysed and resolved into more simple constituent elements, on each occasion bringing in a wider circle of the owners of labour to share in the burden.

If a landlord's receipts from his tenant diminish, he has no option; he cannot buy so much labour and material. Many persons, it is true, purchase and manage land regarding it as a luxury conferring social position, and not as part of the raw material of the agricultural industry. Still, the willingness of rich men to act in this way must be more or less proportionate to the revenue bearing character of the investment. Increasing burden will impair the ability of even the richest.

In this way, through the restricted ability of the landlord to spend, some of the loss percolates downwards, and rests, momentarily at all events, on those whom I have termed the constituent owners.

We next come to what is, perhaps, the most important aspect of the question, viz., the *répercussion* of taxation against those who subsequently acquire ownership in the various properties concerned; in other words, what amount of the burden can these constituent owners, on whom in the first instance the detriment must rest, throw back on the consumer?

I have argued above that, in respect of the labour and material expended on the up-keep of his farms, the landlord is a consumer or occupier. The farmer again is occupier or consumer in respect of the labour he employs, and the land which he hires. He is owner in respect of his own services and skill. The labourer is owner of a property which, though it may be turned to other purposes, cannot be resolved into simpler constituents. The consumer (i.e., the general public), who ultimately assumes ownership of the products of agriculture, has as yet no interest. Our problem is, on what terms will he assume an interest, and what is the result to the other factors in the long series of exchanges.

It appears to me that in this, as well as in other cases, the various parties will take detriment from taxation in proportion to the permanence and necessity of their interest as owners.

Let us take first the case of the labourer, which, on a superficial view of the facts, might be made to appear an exception. *Ex hypothesi*, in respect of the fact that his interest is inalienable, he might be expected to suffer most from the rise of rates and agricultural depression; but in view of the undoubted rise of agricultural wages, and the fall in the price of necessaries, his position is clearly better than it was, though that does not prove that he has not been the greatest loser. If his condition is now better than it was, there must have been, *from other causes*, more than an equivalent compensation. That this is so can, I think, be easily shown.

From a variety of causes, *inter alia* increasing taxation, the cost of production has been raised against the landlord and the farmer relatively to the prices to be obtained for their product. This has brought about a weaker demand for agricultural labour. Happily, however, the labourer has been able to evade the depression which would have forced him to accept lower wages. He has carried his services to other markets, and in this way has decreased the supply of agricultural labour to an extent more than proportionate to the decreased demand. The injury done to him is not, of course, cancelled. A market for his labour, which would have given him healthy and agreeable employment, is destroyed. His employer has been unable to give him the wages which would keep him from migrating to the town. The town, therefore,

buys his services at lower wages than it would otherwise be obliged to offer, and lower wages all round is the result. We may sum the matter up: the labourer, though he cannot contract himself out of loss caused by a depreciation of labour, "his inalienable property," is not bound to one form of labour, is not, in fact, *adscriptus glebae*. He migrates to fields of enterprise where the raw material of industry is less heavily burdened. Thus, though not escaping detriment, the labourer leaves the more tangible share of the burden to be borne by the landlord, the farmer, and, if he can be made to undergo the yoke, the consumer.

The landlord being unable to decrease his cost of production by giving lower wages to the labourer, and unable to get a higher rent from the farmer, inevitably is obliged to put a worse article on the market. Repairs and improvements will be less liberally done, and inferior land may even go out of cultivation. In other words, there will be a deterioration or restriction of supply. The farmer, if he is to continue farmer, cannot go elsewhere, and he will therefore obtain an inferior instrument in exchange for his rent. This loss, in so far as the landlord can communicate it to the tenant, the tenant, in all probability, cannot pass on to the consumer who purchases from him. The grain dealer and the consumer generally can obtain their supply elsewhere. The tax has brought about no change in the relation of demand and supply, and there will be no change of price.

The detriment of taxation on agricultural land would thus appear to be shut off from the general public and confined to the agricultural interest.

To sum the matter up, comparatively little of the burden, I apprehend, is recovered in increased price from the consumer. The result has been a great shrinkage in the value of agricultural land, an exodus, still going on, of owners of land, their place being taken by a class which buys land as a luxury and a means of acquiring social position, and which often pays the charges and necessary improvements out of income derived from personal property. The exodus of the labourer has already been mentioned. The farmer or occupier has been probably less affected by agricultural depression than the landowner. His ownership in the agricultural interest is more temporary and fugitive. His capital as a rule is more easily withdrawn, and he is, therefore, better able to shake off the burden. If the farmer is not now making the normal profits of industry, a matter on which I do not feel competent to form an opinion, there can be no doubt that rents must submit to a further reduction. If this has not already happened, it must to some extent be ascribed to the fact that farming and landowning are much influenced by personal and semi-feudal considerations which tend to remove them from the cognisance of economic speculation.

The *répercussion* which, if we are correct, is not able to throw an increased burden on the consumer, recoils on the agricultural interest, but its force is by no means spent, for of course the impoverishment of the agricultural interest reacts on every other interest. If the productive efforts of any class are struck with an artificial sterility, we know that, such is the sensitive character of the laws which govern exchange, decreased production in one place means decreased production in another. Deduction made for the purposes of taxation from the produce put on the free market means deduction from the dividend which goes to each producer. It is therefore difficult to limit the range of an inquiry into the incidence of taxation. The valuation of a tax in terms of money, and an indication of the persons who pay to the exchequer, tell us very little. We have to realise that, in taking what appears to be A's supply, we are also operating on the demand which enables B to live by his industry. We must trace the result as it manifests itself, sometimes in higher prices, at others in depreciated values, and, finally, in a community impoverished by a diminished ability for Exchange.

The amount of each man's demand or effective claim on the common market of industry is strictly limited by his power to produce supply. It is a superficial view to regard the consumer as merely the person who comes with money in his hand. That money is merely a counter representing his produce. If his productivity is decreased, his demand on other producers is likewise decreased, and thus the whole market, and the dividend which each obtains from it, shrink.

As Adam Smith long ago pointed out, every exchange gives a benefit to both parties. Exchange, therefore, not only lubricates the machinery of industry, but, by distributing profit on all sides as it goes, converts the inexhaustible latent powers of consumption inherent in human kind into effective demand. It is not only a conservation, but a reduplicating source of industrial energy. Values subtracted by the hand of the tax collector from this living and vibrating organism are a withdrawal of vital energy, and act as an impediment to the expansion of effective demand. To vary the metaphor,

the imposition of taxes and the subsequent inquiry as to their incidence is like putting a bagful of sand into a complicated piece of machinery and then pausing to wonder on which wheel of the machine the friction and strain will press most heavily. The expression, the "shifting" of taxation, which has obtained considerable currency, it may here be remarked in passing, is not altogether an appropriate metaphor. The interdependence and mutuality of industrial life is so close and penetrating that it is impossible to say that a burden imposed on one member can be "shifted" or cancelled. If the language of metaphor must be employed, the operation will be more correctly described as the communication of a certain contagion of infertility throughout the whole industrial membership.

These considerations, which seem to warrant a belief that the diffusion of the burden of taxation is very general and far-reaching, have been introduced in the discussion of one illustration, but they are equally relevant to the whole question of taxation.

We may consider next the case of taxation of commodities.

The proposition which I am endeavouring to establish is that all taxation falls, in the first instance, on the owners of the object of taxation, and that their power of transmitting the burden to purchasers or consumers will depend on the extent to which the taxation affects the relation between demand and supply.

We saw, in regard to agricultural land, that the burden of taxation showed a tendency to settle on the fixed capitals, e.g., land and labour; that the occupier, as owner of a capital free to seek other employment, or, in the last resort, to be hoarded or spent, could (as far as the question is governed by economic considerations) shift the burden down to constituent owners; and that, though part of the burden was returned to him in the shape of a restricted or deteriorated supply, he could not pass the whole of this forward again to consumers who were free to buy in the foreign market.

Precisely the same rule seems to me to govern the case of taxes on what are called commodities. The consumer will not pay a farthing more for his supply because of a tax or any other increased cost of production. He will and must pay more, however, if the increased cost of bringing into the market, being laid on all supply, tended, as undoubtedly it would, to restrict supply. The entrepreneur in this case is much more independent than the farmer. Except as regards existing stocks, his capital is comparatively free. He will not habitually take steps to replenish the market unless the consumer will pay him such a price as will give him the normal profits of trade.

The instantaneous and apparent completeness of the *répercussion*, in the case of commodities where the whole supply is affected by a tax, is very remarkable. It contrasts forcibly with the more lethargic movement of *répercussion* when operating among the encumbered tenures of real property.

Taxation is a burden from which everyone tries to run. The most temporary ownerships break loose first. Circulating capital and labour—the last a permanent, but convertible form of property—go elsewhere. Land, on the other hand, is less mobile, it does not easily lend itself to other uses, while the cumbrous nature of land transfer and other causes make land sales infrequent. Thus the opportunities for a rapid diffusion are not so numerous. In the case of commodities, the restriction of supply, or even the prospect of it, instantaneously carries the whole burden of a tax and places it on the consumer. There is probably some detriment occasioned to the producers, but the tax appears to attain its maximum effect on the consumer. A further diffusion of the burden is brought about by the fact that the demand of the consumer, being elastic in its nature, has been stretched in one direction in order to cover the extra cost of the taxed commodity, and contracted in another direction, diminishing his effective demand for all other commodities. To take an instance: if the British public has to purchase what it considers its necessary supply of spirits under a tax of several hundred per cent. *ad valorem*, it stands to reason that its purchasing power elsewhere is proportionately contracted.

Effective demand, it may be pointed out, is really a power of purchase which the consumer distributes at his fancy. The complaint is sometimes made against the spirit duties that they are an impost, out of which many men will contract themselves. This is true of all taxes on luxury. The restricted supply consequent on a tax may, in the case of commodities not of absolute necessity, be met by a weaker demand. It follows, therefore, that the incidence of a tax on necessities will more certainly exercise an effect on consumers than a tax on superfluities. Out of this last many persons will contract themselves, leaving a larger share of the burden on the producers. It is this consideration which, after a certain point is reached, renders a tax on luxuries

unproductive, and obliges a country, where public expenditure and debt are increasing, to continue impolitic taxes on raw material (*e.g.*, agricultural land), and on necessaries (*e.g.*, houses, tea, coffee, &c.). Thus, the heaviest burden of *incidence proper* seems to attach itself to the owners of labour, and the heaviest burden of *répercussion* to those whose demand power is more or less fully exhausted in the purchase of necessities, *i.e.*, the poor. This seems the inevitable result, levy taxation how we will. The burden of a tax in this connexion is not to be identified with a mere specific payment of money. It is rather a general economic result manifesting itself sometimes in the necessity of paying a higher price, or of selling a smaller amount of produce, sometimes in the necessity of foregoing a luxury and submitting to a stinted use of ordinary articles of consumption, and sometimes in experiencing a shrinkage in the value of property owned. The sum of these various manifestations is a diminished ability to exchange, widely diffused throughout the whole of an industrial society.

The foregoing remarks may now be applied to the intermediate case of urban rates.

Some writers on the subject appear to find a difficulty in the fact that rising rates and rising rents sometimes go together. If, as is alleged, the burden of the rate leads as a principal effect to a depreciation of the owner's property, an increasing rate ought to be accompanied by a falling rent. The argument is obviously fallacious. Rent depends on demand and supply, and there are many other things besides taxation which cause the relation between these to vary. It remains that demand, in the case of supply which cannot be drawn from an area outside the range of taxation, has to meet both rent and taxes before it can enter into possession. Rent plus taxes is the rack price that demand is able to give for possession, and it seems to be immaterial whether this is paid to one or to more persons. If rates are higher, rent must be less. Conversely, if an area could be made sanctuary against rates, obviously the owners of land and houses so situated would receive a higher rent than could be obtained in a contiguous and similar area liable to rates.

The important point for consideration, therefore, here, as in the other cases, is the *répercussion* which begins to act when the tax has, in the first instance, settled down to the constituent owners.

To what extent and how will this *répercussion* affect the relation of demand and supply? It was pointed out that even the agricultural landlord was not a mere rent charger, but an *entrepreneur* providing a manufactured commodity; the remark applies with even greater force to the urban landlord. I apprehend that what happens is somewhat as follows: We may take the case of the landlord of artisans' dwellings, who pays his tenants' rates under a discount as permitted by the compounding Acts. To my own knowledge landlords of this class of property have occasionally demanded a higher rent on the expressed plea that rates had risen. Their success, as far as my information goes, was varied. Those who did obtain an increase of rent only did so because, quite apart from taxation, the state of the market warranted it. They would have obtained the increase if they had pressed for it, even if no additional tax had been imposed. Those, on the other hand, who did not get a higher rent, failed because the market did not warrant it. Those who did not ask, or who, asking, failed to obtain an increase of rent, in all probability recouped their loss to some extent in other ways. Thus they were of course less ready to repair their houses, or, if they built new houses, they built inferior houses, or possibly they went out of the business, and built or caused to be built no more houses at all. There is only one market for capital and enterprise, and, if the business of house-building is to go on, it must give the normal rate of profit to those engaged in it. The producer may evade the loss involved in the increased cost of production (1) by charging more for the same house (*i.e.*, by a keener higgle), (2) by limiting supply till increased demand raises the price, or (3) by restricting repairs, or building an inferior house, he may obtain the same rent for his now reduced outlay. I am inclined to believe that successful resort is had to all these three expedients, more particularly the two last, and further that the unsatisfactory condition of the dwellings of the poor is in part due to an excessive burden of taxation. I am confirmed in this opinion, by observing that persons (and I have known several) who, from philanthropic motives, have made experiments in owning and managing property of this class, rarely succeed in earning anything approaching a commercial profit. Further, the great artisan dwellings companies, although they pay a steady 5 per cent., do not earn what may be called the normal profits of trade. They supply a limited number of excellent dwellings, but the great majority of the poorer class are accommodated in dwellings built and owned by tradesmen who expect to get the normal rate of profit. Various causes, all tending to increased cost of production, and among them by no means the least important

heavy taxation, have proved most injurious to this industry. The house-jobber has an evil reputation, but he is very much what circumstances have made him. I believe it to be almost impossible for an owner of this class in a heavily rated urban district to put a really good house on the market and, at the same time, to retain, what he is entitled to retain, a normal commercial profit. The price which the lower grade of labourer is able to offer is not sufficient to enable the purveyor of working class dwellings to pay rates to the extent of some 25 or 30 per cent. of their yearly value, and, at the same time, give a good article. Yet the workman's ability to pay rent is stretched to the utmost extent. The rent of the London labouring class absorbs probably not less than a quarter of their income. The consequence is that the relation between tradesman and customer seems in the matter of houses of this class to be entirely reversed. In other industries we find an enterprising tradesman eager to attract custom by offering the best possible value. Here there is nothing of the kind, and the trade is assimilated to that of the lower class of usury. The risks and the conditions are such as to repel the enterprise of the better class of tradesman, and their place is not adequately filled by the semi-philanthropic house builder.

It will be said that some of these unfortunate consequences would be avoided if the incidence of rates could be in some way confined to the ground landlord. The answer to this appears to me to be that the ground landlord's interest has been taxed when he made his contract with the leaseholder. If his contract absolved him from liability for rates, he obviously received a smaller rent than if he had agreed to pay rates. To deprive him of the benefit of this contract is not a permanent shifting of a burden, but merely an arbitrary revision of an existing contract, and, as I have pointed out above, to a large extent it would be a confiscation of the property of the poor.

If the tax is confined to old leases renewed and to new leases created, the bargain between landlord and tenant will obviously take into account the fact that one of the parties is, by agreement or statute, required to pay the rates. The intending occupier, as at present, will pay the rack price, and it appears to be immaterial whether he pays this in one sum under the name of rent, or, as at present, in two sums under the separate headings of rent and rates. In every conceivable case, as it appears to me, the incidence sooner or later will fall on the owner. The owner's power to evade the loss by driving a harder bargain, or by putting an inferior article on the market is a separate question. The objection, as I understand it, to placing the first incidence of the rate on the owner, on whom, both prospectively at the beginning of the lease and ultimately at the end of the lease, the whole burden tends to fall, is (1) that the rate is expended by the occupier vote, (2) the change would revolutionise and throw into disorder the custom and practice of one of the most important industries of the country. Unless it is accompanied by a remission of taxation, no one would be a jot the better for it.

The high annual price (*i.e.*, rent plus rates) paid for urban dwellings is due to the concentration of demand on a limited and inferior supply. If, notwithstanding, the property of the ground landlord is taken and applied to the relief of the occupier for the time being, it is a gift to that occupier, but not to the occupying class generally. The only circumstance that can give relief to the occupying class, both present and future (a class whose demand will probably increase rather than diminish), is an increase or improvement of supply. That a remission of taxation would, to some extent, affect this, there can be no doubt. The first effect would be to increase the value and the profits of house-property and building land, the next would be that building land and new houses would be pressed into the market to share in the profit released by the remission of taxation. At the present time, in view of the increasing facilities of locomotion, there is a considerable amount of building land which a favourable turn of the market would at once bring into use. Having regard, however, to the enthusiasm with which the public urges on expenditure by public bodies, it is, I fear, idle to talk of remission. Obviously, a country cannot enjoy the advantages of free trade when its public expenditure and indebtedness is increasing by leaps and bounds. The question of the housing of the working classes seems to me to be suffering from exactly the same mistaken fiscal policy which affected their food supply before the repeal of the corn laws. A total remission of taxation on the raw material of shelter, a prime necessity of life, would, for the first time in the history of this country, allow the house-supply industry to be organised under healthy conditions. The result (altogether unattainable, I fear, in the present temper of the times) would be an abundant and improving supply, closely waiting on, but never overtaken by demand, a gradually diminishing price, and to all industrially concerned the normal rate of reward.

The incidence of a rate on trade premises does not appear to me to differ from that on houses.

A part of it will probably come back in one form or another from the owner to the first consumer, *i.e.*, the occupier, and, of course, increases of rate arising during a tenancy will, for the time being, rest on the occupier.

The question then is, can an occupier for trading purposes, throw forward a part of the burden on his customers? As in the cases already considered, this appears to me to depend on whether the demand is sufficiently elastic not to be deterred by the increased price which the highly-rated tradesmen will undoubtedly be inclined to ask. To take an instance, the reason that a Bond Street shopkeeper probably charges more than a tradesman in an unfashionable neighbourhood is not because his rent and taxes are high, but because a demand of a very special character, the demand of the fashionable world, concentrates itself on the articles to be sold in Bond Street shops. There is a point, however, at which customers will be deterred and driven to meaner streets; they are free, so to speak, to buy abroad. The tradesman is already getting the full or "rack" price for articles brought into that particular market. He has already put his prices as high as he thinks prudent, having regard to the character of his *clientèle*. There is no reason why a Bond Street shop should not convert itself into a cheap store and endeavour, by multiplicity of customers, to obtain a better profit than is to be obtained by larger profits, and a smaller and more select class of customers. A tradesman's rent and taxes have no effect whatsoever on his customers' demand, but the nature and extent of his customers' demand make it possible for him and worth his while to pay high rates and rent.

A general rise of rates would increase the number of bankruptcies among the weaker traders, and cause some prudent and solvent traders to withdraw, and thus, by diminishing supply, would bring round an increase of price to the purchaser, and so on, through the whole series of exchanges which we have already considered. This, however, as already remarked, is a separate question.

Death Duties are a tax on the inevitable transfer of property which takes place on the death of its owner. Their imposition, though certain to occur once on all owners of property, is extremely uncertain, both as regards the property affected, the persons inheriting, and the time at which they become payable.

To the testator they present themselves as an optional tax which he may entirely evade. On the other hand, if he so chooses, he may insure his heirs against loss by burdening himself with saving or insurance. Such a course will naturally diminish his effective demand for other things, and the incidence will be diffused hither and thither as in other cases. If the initial burden is left to fall on the inheritor, it becomes payable, in many cases, at a very inconvenient time, when the family income has perhaps been suddenly and largely reduced, and being levied progressively in respect of the wealth of its late owner, it often bears hardly on its present owner. Its incidence also will be very unequal as between realty and personalty. An inheritor of personalty finds it comparatively simple to sell a fraction of his inheritance, but the heir to realty very often finds it impossible to sell a portion without destroying the value of the remainder. He is obliged, then, to make large economies which often press hardly, not only on him, but on those who are dependent on him. There is nothing in the case of death duties to prevent the same wide diffusion of the burden which appears to me characteristic of all taxation.

V.—TAXATION FOR LOCAL AND IMPERIAL PURPOSES.

Revenue to meet expenditure which only concerns the locality should be raised locally. The only justification for any departure from this is to be found in those local services which can be more efficiently performed by Imperial administration. There are grave and obvious objections to local bodies administering Imperial funds, but there does not seem to me to be the same objection to a body of experts responsible to a central authority spending funds raised locally. [For an instance, see answer to Question 15.]

It has been suggested that local expenditure is in part onerous, and in part beneficial to the ratepayers, and that onerous expenditure is better entitled on equitable grounds to Imperial subvention. I do not think that the question of equity should prevail against considerations of administration. For instance, if I am correct in arguing that the divided financial responsibility with regard to the poor law has deteriorated administration, I do not think the argument as to its onerous character should prevail.

On the other hand, if a transference of administrative as well as financial responsibility is practicable, the argument based on the suggested distinction would, no doubt, give additional support to such a policy.

With reference to the term "beneficial" rate, I do not think that a consistent free trader can admit that any taxation is beneficial. The mere withdrawal of any service from the economising and improving influence of the open market is a misfortune. In this case science will support the popular feeling that a heavy rate is an onerous rate. There are some misfortunes which are inseparable from associated life, and the necessity of rating is one of them. Nor do I think that the distinction between onerous and beneficial can be sustained. The poor rate, which will probably be named as one of the most obvious instances of an onerous tax, is, or is intended to be, a beneficial tax (1) to the pauper; (2) to the relatives and others morally liable for the support of the particular poor person; (3) to the general community, which thus relieves itself of the duty of caring for the poor, a duty which, properly performed, is just as solid a source of satisfaction or benefit as a well contrived system of sewers.

On the other hand, a main sewer rate might fairly be cited as a beneficial rate. Yet an occupier living in a jerry-built house, with a leaky house drain—a condition of things which he rightly or wrongly attributes to the fact that he and his landlord between them have to pay a rate of about 30 per cent. *ad valorem* on yearly value of his house—may be excused, if he is sceptical about the beneficial nature of the impost.

A knowledge of the evils of the old poor law, and the warning which it affords, has made the educated philanthropist disposed to be careful about extensions of the poor law; but there is still a mass of uninstructed opinion which, on every opportunity offered, votes with the utmost enthusiasm for increased expenditure in this direction. The number of persons who believe that taxation is beneficial is, of course, much larger when their opinion is asked about the education rate, another so-called onerous rate. A considerable section of the rate-paying public, not only those who make personal use of the education provided at the public charge, but those who merely pay the rate, regards the school rate as a benefit.

Generally, I submit, the distinction drawn between what is onerous and what is beneficial, must always turn on matters of opinion, and should not weigh in the decision against the much more important consideration of administration.

VI.—OCCUPIER AND OWNER.

A division of rates between occupier and owner would, I think, be an advantage, for whatever the truth be as to incidence, the plain ratepayer is influenced largely by the actual payment. The system, also, is equitable as regards a decreasing or increasing rate. The policy, of course, should apply to future contracts only, and should include a direct and separate representation of the owner, proportionate to the share of the rate paid by him. Without this safeguard it would be a great injustice. At present the interests of economy are, to some slight extent, protected by the fact that, whatever the real incidence may be, the actual ratepayer feels the first weight of the rate. If half, or any other large fraction of the rate, is nominally shifted to the owner while the financial control remains with the occupier, the very slight protection now given by the "vigilance" of the ratepayer would become more and more inoperative.

VII.—THE POOR LAW AND CENTRAL ADMINISTRATION.

I avail myself of the general character of Question 15 to append a note on certain financial and administrative aspects of the poor law.

I have argued above that relief of local taxation, brought about by transference of whole or part of the burden to the Imperial Exchequer, ought to be accompanied by safeguards, which, if they do not improve administration, should at least prevent the relief so given becoming an incitement to extravagance.

This caution seems to be particularly necessary with regard to the poor law; for in respect of this branch of administration I must demur to Sir E. Hamilton's contention, that economy is the most popular platform on which a candidate can take his stand (see Sir E. Hamilton's Memorandum, p. 52). "Economy and Efficiency" is, of course, a stock phrase used by every candidate for every kind of election, but a line of policy which really tends to economy in poor law matters is not popular. A large section of the electors do not pay their rates direct, and a still larger section regards the poor

rate as a charitable fund, and profusion in relief a merit. It is quite true that poor law elections, in many cases, turn on matters which have absolutely nothing to do with the poor law. It is true, also, that in absence of any organised agitation, a strict and economical administration, once established, is contentedly accepted by the population, and that several boards seriously devoted to an administration of this character have been allowed to continue in office for periods of a quarter of a century. The fact confirms the view of those who maintain that a strict administration does not produce any intolerable hardship, but does not prove that such an administration is popular, in the sense that a poor law electorate will deliberately prefer it to a policy of profusion.

These admissions notwithstanding, it is perfectly certain that a strict administration has no chance against an organised agitation in favour of a profuse system, and in elections which turn, not on general politics, but on poor law policy, promises of profusion are more likely to carry a candidate than promises of economy.

With regard to the poor law, this is nothing new. If space permitted, it might be shown how, from the days of Elizabeth onwards, every single local authority entrusted with the administration of the poor law, has succumbed, more or less, to this prevalent motive, and that even the authorities whose aid was, at different crises, invoked to check abuses (e.g., vestries and magistrates), in their turn fell victims to the passion for lavish expenditure. It was their recognition of this tendency, resulting in the utter incompetence of local bodies, as far as the poor law is concerned, which induced the Royal Commissioners of 1832-4 to insist upon the appointment of a non-elective central board of control. The legislation of 1834 introduced a dual administrative responsibility, represented by the control of what is now the Local Government Board, and further emphasised by the fact that the principal union officers are the servants, not of the union, but of the central authority. To this dual administrative responsibility there has been added, from time to time, a divided financial responsibility. This has been effected by a system of subventions paid to the local authorities from the Imperial Exchequer.

The question to which I desire to draw attention is the effect of such grants, from whatever source they come, upon an administration liable to this excessive desire to spend.

The Metropolitan Common Poor Fund, which dates from 1867, affords a better object lesson than the county contributions settled by the Local Government Act of 1888, which have been, comparatively, a short time in operation. The common poor fund is raised by a rate over all London, and not by a tax on the whole kingdom, but its effect, I apprehend, will not be different. Criticism which touches a local common fund will apply *a fortiori* to an Imperial common fund.

The object of the fund was, presumably, twofold, (1) an equalisation of rates over London, (2) an improvement of administration on the lines laid down by the report of 1834. The following charges are payable out of the common poor fund to the relief of the local unions:—Maintenance of lunatics in asylums, fever and small-pox patients in special hospitals, pauper children in separate schools and boarded out orphan and deserted children, casual paupers, expenses of medical relief, salaries and rations of officers, and an allowance of 5d. per diem for adult indoor paupers. Practically, the whole current expense of institutional administration, and all but a small fraction of the institutional relief, falls on the common fund. Outdoor relief only is left entirely on the local rate. By the 43rd section of the Local Government Act of 1888, the London County Council pays from the Exchequer Contribution Account an additional sum of 4d. per diem for indoor paupers. This, however, is paid on the average number of indoor paupers for the five years next before the passing of the Act. There are other sums payable from the same source for lunatics, teachers' salaries, &c., but as these items are already thrown on the Metropolitan Common Poor Fund, none of them can have much influence, one way or another, on administration.

The general effect of these financial arrangements might have been expected to be that guardians would incline towards institutional methods of relief, of which practically the whole charge was taken off the local rate. The initial spending part of the policy thus recommended by the Local Government Board was easily learnt. A great impetus was given to increasing the costliness of the indoor establishments. Separate schools, infirmaries, and better workhouse accommodation have been provided, and a large and adequately paid staff of officials, nurses, &c. has been engaged, with the usual arrangement for increments of salary, &c. So far the purpose of these financial arrangements has been fulfilled, and probably more than fulfilled.

An expensive series of institutions is not, however, the whole of the policy pressed on the local administration. The object and justification of such institutions is that

they shall be used as a test of destitution. Adequate, humane, and appropriate forms of relief were to be placed at the disposal of all, guarded only by the discipline necessary to make the lot of the pauper, on the whole, less eligible than that of the independent. With the exception of some three or four unions, this side of the policy has been entirely neglected, and with a result which is not a little curious. The exceptional unions above mentioned, which have adopted the whole policy of the Poor Law Commissioners, and their recommendation of institutional relief, have not been influenced by these financial considerations. The determining factor in the mind of those who are principally responsible has been the belief that on philanthropic grounds the strict policy is best. If, as is sometimes alleged, the strict policy has been created by these bribes to administration, the effect would have been more general. Their influence really has been in the opposite direction. A lavish administration of outdoor relief has been accompanied by a lavish administration of indoor relief and such a relaxation of discipline that the number of paupers who prefer indoor relief is, in some unions, greater than that of those who prefer outdoor relief.

This last proposition can, I think, be established with considerable certainty. That London shows a larger proportion of indoor as compared with outdoor pauperism than the rest of the country is true; but that this is the result of pressure brought to bear by the Guardians is, I believe, a fallacious conclusion.

In an article in the "Contemporary Review," Dr. Hunter, lately Member for Aberdeen, divided the London unions into what he called outdoor and indoor unions. This division he based on some statistical computation of the policy which actually prevailed in such unions. Among his indoor unions appeared several which were well known to follow a profuse outdoor relief policy. This finding was, at first sight, very puzzling, but the explanation is comparatively simple. I was enabled to see a classified list of the admission orders by means of which applicants for relief obtained admittance to the indoor establishments of one of the unions in question. The list covered about 19 consecutive weeks, and from inquiries made elsewhere, I believe that the facts disclosed are fairly typical.

During the period in question 1,767 admissions were recorded. Of these only 162 went in on orders made by a relief committee of the board; whether they asked for outdoor relief or not is not stated, but they may have. The rest—1,605—applied direct to the relieving officer or to the master, and became indoor paupers by their own choice. The practice of the union was such that persons not homeless and not legally disqualified would have had no difficulty in obtaining outdoor relief if they had preferred it.

The real result of these common fund subventions is that a costly and admirable instrument of dispauperisation has been put into the hands of bodies which do not or will not understand its use. Far from being used as a means of dispauperisation, the London indoor establishments, as they are generally managed, have helped to create the large and more or less homeless class known as the ins and outs. The result has been waste in every direction, a costly machine wasted because not handled by persons who understand its use, its misapplication producing a new brood of pauperism; all this tending to increase the drain on the common funds, while the local fund is left even more unprotected than before, to be spent on a lavish outdoor relief policy. To speak metaphorically, the candle of extravagant expense has been lighted at both ends.

While readily admitting that much of the increased expense is legitimate, and only illegitimate when used for pauperising, and not for dispauperising purposes, I think the following figures will appear somewhat startling.

The total relief to the poor in London was—

	£	s.	
In 1861	832,155, equal to	5 11·2	
„ 1871	1,646,103, „	10 1·3	per head.
„ 1881	1,907,155, „	9 11·9	of population.
„ 1891	2,435,164, „	11 6·7	

The cost of in-maintenance has risen from 275,422*l.* in 1861 to 728,158*l.* in 1891, while the decrease of the cost of outdoor relief has been inconsiderable—208,674*l.* in 1861 to 184,118*l.* in 1891. Salaries have risen 93,460*l.* in 1861 to 508,178*l.* in 1891. The county of Lancaster follows London most closely in showing a reduction in its outdoor relief, but its expenditure does not show an increase in anything like the same extent. Administration in Lancashire has not been under the influence of a common poor fund, and, though adopting the same policy as London, appears to have done so at a much lower cost.

The total cost of relief in Lancashire was—

	£	£	s.	
In 1861	429,616, equal to	3	5·8	
„ 1871	683,625, „	4	9·5	per head
„ 1881	782,766, „	4	5·8	of population.
„ 1891	811,204, „	4	1·1	

The expenditure charged on the Metropolitan Common Poor Fund has risen from 540,876*l.* in 1871 to 1,175,209*l.* in 1895.

The basis on which the subventions from the county contribution are paid is not always satisfactory. Thus in 1874, and later in the rearrangement in 1888, a grant of 4*s.* per head has been given for pauper lunatics maintained in asylums. This sum was supposed to represent the difference between the bare maintenance cost of lunatics in the workhouse and in asylums. The cost, however, has been much reduced since that date, and as a consequence 4*s.* often represents a good deal more than the difference.

As originally fixed, this grant was not supposed to influence the administration at all; now, however, there is often a financial advantage to be gained by the locality if it can get its feeble, weak-minded, and senile paupers classed as lunatics. The result, it is alleged, has been an otherwise unaccountable increase in lunacy.

Dr. Campbell, superintendent of the Cumberland and Westmorland Asylum, read a paper at the Northern District Poor Law Conference in 1894 "On the operation of the four-shilling grant for pauper lunatics," in which he argues that the grant has been the occasion of considerable abuse. He quotes Dr. Maudesley ("Journal of Mental Science," April 1877), a well known expert on lunacy, as remarking in 1877:—

"The effect has been to empty the workhouses of all the cases which it was possible by any device to send to the asylum, and to remove the last vestige of desire which there might be to retain a pauper lunatic under any sort of care outside an asylum. The Government has in effect said to the parish officials, 'We will pay you a premium of 4*s.* a head on every pauper whom you can, by hook or crook, make out to be a lunatic, and send into the asylum'"

It is, of course, desirable that considerations of expense should not prevent a poor man from being treated as a lunatic, if that is the right course to pursue, but most people will agree with Dr. Campbell that it is a distinct hardship to send an old man away to an asylum, when he is merely failing through the ordinary decay of age, and cannot possibly be cured. "Ordinary feeding, nursing, and attention are what he requires, and why should he not get this in the workhouse of his district if his relatives will not take care of him?"

One other anomalous result of the basis on which the London county contribution is calculated is worth notice, not so much because of its intrinsic importance, but merely for the sake of showing how a scheme, which was no doubt carefully considered, may be turned to penalise successful administration. The grant of 4*d.* per diem for each indoor pauper is calculated on the average of the five years preceding the Act of 1888. The London County Council has recently been suggesting to the different Boards of Guardians that the time for a revision has come, and, as before, it is proposed that it should be based on the last five years. Since 1883-88 the pauperism of St. George-in-the-East has largely decreased, and the grant based on the years previous to 1888 brought in to the local authorities a much larger sum than if it had been based on the current indoor pauperism. They received in fact an allowance for an average of about 1,500, while their current average had dropped to about 1,000. Having thus gained unduly, the St. George's ratepayers will now suffer unduly. I am credibly informed that the new arrangement, if carried out, will cost the local ratepayer a 3½*d.* rate. The advantage under the rearrangement will be given to those unions where indoor pauperism has increased—a result which has been brought about in many cases by bad management and nothing else.

The information at my disposal does not enable me to say whether the different method of allocating the county contributions outside the metropolis has prevented these anomalies. The argument about the 4*s.* lunatic grant, of course, applies to the country, but the indoor pauper grant is peculiar to London.

The general situation with regard to the whole country is summed up on page lxvii of the Report of the Local Government Board for 1895-6:—

"It will be seen from the above table that not only has the gross expenditure on the relief of the poor increased year by year since 1889, but that the net expenditure in relief borne by the rates was larger in 1895 than in any of the preceding years, notwithstanding the operation of sections 26 and 43 of the Local Government Act, 1888,

under which Boards of Guardians have, since that Act came into force, received grants from the county and borough councils in respect of the maintenance of the indoor poor in London, and of the cost of union officers and other expenditure in the country."

If I may now assume that my contention is established, viz., that local administration, combined with central chargeability, does not work well, the problem is narrowed down to the question: *Is it possible to transfer the administrative as well as the financial responsibility to a central authority?*

The Commissioners of 1834 describe a national poor law as a plan which "nothing but the certainty that a parochial system is unsusceptible of real improvement, and that a national system is the only alternative against immediate ruin, the only plank in the shipwreck, could induce us to embrace." The language in which they proceed to state their objections is not a little remarkable. At the outset, such a change would probably work well; there would be "a vigilant and uniform administration, a reduction of expenditure, a diminution of pauperism, an improvement of the industry and morality of the labourers, and an increase of agricultural profit and rent. But in this case, as in many others, what was beneficial as a remedy might become fatal as a regimen. It is to be feared that, in time, the vigilance and economy, unstimulated by any private interest, would be relaxed; that the workhouses would be allowed to breed an hereditary workhouse population, and would cease to be objects of terror; that the consequent difficulty of receiving in them all the applicants would occasion a recurrence to relief at home; that candidates for political power would bid for popularity by promising to be good to the poor; and that we should run through the same cycle as was experienced in the last century, which began by laws prohibiting relief without the sanction of the magistrates; commanding those relieved to wear badges, and denying relief out of the workhouse; and when, by these restrictions, the immediate pressure on the rates had been relieved, turned round, and by statutes with preambles reciting the oppressiveness of the former enactment, not only undid all the good that had been done, but opened the flood-gates of the calamities which we are now experiencing."

It will be admitted that, by the legislation of 1834, a parochial system has been shown "susceptible of improvement." At the same time, as I have endeavoured to show, it can be plausibly argued that the improvement, though "real," is still very limited; that, under the present division of authority, workhouses are breeding a workhouse population which, though not hereditary, is artificially created and fostered; that they are ceasing to be used as tests of destitution; that the local administrator is not above bidding for popularity by promises of profusion; and that vigilance and economy "unstimulated by private interest" are relaxed. In a word, the partial system of centralisation introduced by the Act of 1834, and the subsequent readjustments of financial responsibility, have produced some of the evils which the Commissioners pointed out as inseparable from a national poor law.

As against national chargeability and local administration, the argument of the Commissioners seems to me unanswerable. It is not, however, equally conclusive (and in view of the large qualifications introduced, I do not think it was intended to be so) against a change of chargeability accompanied by a change of administration. Indeed, it is well known that some of the Commissioners, notably Mr. (afterwards Sir) E. Chadwick, were in favour of pushing centralisation of administration very much further than subsequent events ever permitted. Sir E. Chadwick derived his ideas from Bentham, whose plans of pauper and prison management received great encouragement from Pitt's government. One of them, indeed, was only prevented from being carried into effect by the veto of George III.

The principal features of Bentham's plan were (1) management by salaried experts through the intervention of a contractor. Bentham, himself, actually proposed to be the first contractor; (2) management on a large scale and consequent economy; (3) improved classification summed up in the phrase "aggregation for the purpose of segregation." He does not appear, however, to have contemplated anything but local chargeability. Mr. Chadwick lived in the house of Bentham during the last years of the philosopher's life, and through him many of these ideas, couched sometimes in identical terms, found their way into the reports and administration of the Commission of which Mr. Chadwick was the first Secretary.

During the last years of Sir E. Chadwick's life I had more than one opportunity of hearing his views. He complained that the policy intended by the Poor Law Commissioners, as he, at all events, understood it, was not carried out. His maxims were: (1.) Management by salaried experts responsible to a central body. A great step in this direction had been taken. The union officers are the officers of the Local

Government Board, but the success of their management is altogether impaired by the continued irruption of local empirics in the shape of Boards of Guardians. (2.) He entertained strong and possibly exaggerated opinions as to the corruption of a local system of contracts, and dwelt on the economy of large contracts and expert knowledge, and the possibilities of better classification. The legislation of 1834 by introducing union instead of parish management had, he said, already approved of the principle. (3.) The revolutionary part of his ideas, entertained; he seemed to think, by some at all events of his colleagues, was (a) the reduction of Boards of Guardians to the position of visiting justices of prisons; (b) the supersession of domiciliary relief of the poor by institutional relief. The first is generally inadequate, arbitrarily dispensed, and sometimes a fraud upon the ratepayer; the last is adequate, appropriate to each form of destitution, and, if judicially managed, it acts automatically, and without undue severity, as a test of destitution.

The practical question to which this prelude is intended to lead is: Is it practicable at the present day to revive and obtain a hearing for these views?

If they were arguable when no suggestion of a central chargeability had been made, the case in their favour is now much stronger, when the chargeability has already been, to some extent, and may be still further removed from the local area of taxation.

There is a great objection in this country to centralisation, and in some quarters the mere name carries condemnation. It was pointed out, however, by many able writers in defence of the new poor law, among others by John Austin, that centralisation was not to be identified with over-government. As a system of administration, centralisation must be judged on its own merits in each case. When any given form of service or responsibility is removed from private initiative and made the prerogative of the State, it is an open question whether the duties so assumed are best discharged by local or centralised management. Up to 1834 the relief of the poor had been a purely local responsibility. This resulted in over-government of a most ruinous description. Vestries, magistrates, overseers, seemed to be competing wildly in using their legally created authority for the demoralisation of the poor and the destruction of the property of the nation. A limited measure of centralisation was introduced to curb these excesses. Its partial success might embolden a survivor of the school of Bentham and Chadwick to argue that a further advance in that direction was desirable.

It is no disparagement to representative government to say that there are some matters of public administration which cannot be conveniently transacted within hearing of the hustings. Popular government has recognised this in regard to currency, military discipline, the appointment of the judicial bench, the management of the police, and I submit that the time may now have arrived when it may be willing to relegate the question of poor law administration to the same sphere. The work of a guardian is or ought to be a judicial office; it requires also expert and appropriate knowledge just as much as the work of the physician or the surgeon.

The proposal to hand over the poor law establishments now managed by numerous Boards of Guardians to some more centralised and judicially independent body is not such a revolutionary measure as might at first sight appear. I have no hesitation in saying that the best managed unions are those where the services of capable officials have been secured, and where the work of the board is confined to supervision, and in the main to acquiescence in the acts of the permanent staff. Occasionally, of course, the moving spirit is the chairman or an individual guardian, but under the proposed change the services of such men need not be lost. Some nomination of visitors to workhouse, schools, and infirmaries would be a necessary part of the new plan. At present, also, there is a most elaborate and cumbrous system of supervision exercised by the Local Government Board, which would be much facilitated and simplified if it was dealing with its own servants direct. Now it is dealing with a fluctuating body, some of whom are always new to the work and others constitutionally incapacitated for judicial duties.

The real difficulty in the proposal is the administration of outdoor relief. It may be surmountable if it is boldly grasped, certainly not otherwise. How far a bold treatment of the difficulty is practicable, it is not for me to say. One or two remarks on the subject I may venture to make.

Obviously, a body of salaried officials could not administer outdoor relief. If they were to attempt it, it could only be on definite and literally construed rules. Rules of such a character would amount to conferring on certain classes of paupers a statutory right to outdoor relief, than which nothing could be more detrimental to the best interests of the poor.

It remains then, that if there is to be outdoor relief, it must be given by a local body. I do not see why a committee of the district council should not be nominated for this purpose. They should be put in possession of the dole charities of the district and of such voluntary funds as might be entrusted to them. If there is to be a rate, it ought to be like the library rate, optional and limited. These precautions are, I think, necessary in view of the fact that relief to the rates in the past, by disarming the vigilance of the ratepayer, has been apt to set loose the too powerful influences which make for profusion and mismanagement. Such rate as may be deemed necessary should, I think, be levied on the parish for the relief of its own poor, while the administration should be in the hands of a body representing some larger local area. The idea that the smaller the area of administration the more careful and vigilant it is, as far as poor law matters are concerned, has been proved a complete delusion. It was shown conclusively in the report of 1834 that corruption and mismanagement were most rife in the smaller parishes.

With regard to the outdoor relief question generally there are, of course, many combinations which could be made. I may, perhaps, be permitted to add that the relief to the ratepayer by a transference of the poor rate seems to me to be of comparatively slight importance compared with the benefit to the poor and the addition to the wealth of the country which would result from a firmer and more consistent administration of the poor law. Whether greater firmness and continuity of policy would result from the change suggested is a matter which must depend largely on the details of the measure by which it is proposed to carry it out. I do not think that such a change would necessarily be incompatible with an improvement in administration.

At the same time, I do not venture to recommend such a reorganisation. Personally, I prefer the present system—mischievous and ill-considered as, in many respects, I believe it to be—to any half measures. The whole principle of the poor law is so dangerous that only the most drastic precautions can avail against the inroad of abuse; and unless precautions such as I indicate can be adopted, I would deprecate any nationalisation of either the chargeability or administration of the poor law.

The conclusion which I desire to press on the Commission is (1) that the severance of financial and administrative responsibility has not answered well in the past, and there is no reason to suppose that further extensions of it in the future will give a different result; (2) that, if it is determined to give the ratepayer relief in respect of this "onerous" charge, the difficulty must be faced of transferring the administration as well as the charge to some more centralised authority.

T. MACKAY.

Answers by Mr. G. L. Gomme

[As I have given evidence before the Commission on behalf of the London County Council, I must note that these questions were addressed to me personally, and are answered on my own responsibility as a student of economics.]

Question 1.—As far as the classification goes I think it is correct in principle, but as a matter of criticism, two rather important questions occur to me as essential to the inquiry before the Commission; first, that the Table should be divided between the taxes devoted to Imperial purposes and the taxes devoted to local purposes; secondly, that the use of the words "rateable property" for column 1 prejudges the question as to whether buildings on the land are as a matter of fact rated. In reply to a later question I shall advance the proposition that buildings do not at present bear any proportion of local taxation, and it therefore seems to me essential that column 1 should be divided between land and buildings thereon. I am aware of the difficulties in the way of such a division, as pointed out by Sir Alfred Milner at p. 577 of the Agricultural Commission, Vol. IV., but until we get that division approximately stated I think the classification of Table D. does not present to the Commission the real figures which the Commission must have before it in the determination of the questions at issue.

Question 2.—The items which seem to me to require reconsideration in view of my answer to Question 1 are—the death duties, which are levied partly upon lands

and partly upon buildings thereon ; the stamp duties which relate to properties partly land and partly buildings ; the Inhabited House Duty, which is levied on the basis of the value of land and houses, but which, as I shall discuss under a later question, must really fall in one of two ways, either upon the owners of land or upon the income of the occupier, that is to say, in no sense upon the buildings ; the income tax which is charged on rent derived from lands and buildings.

It would be convenient, and, I think, more correct, to fully classify the taxes included under the heading of miscellaneous taxes. They are capable of classification, and what is needed in these matters above all things is correct classification. The licence duties, other than those falling on consumable articles are, I presume, the taxes on businesses, for the purpose of regulating such businesses, or, in the cases of establishment licences, gun licences, licences for killing game, and dog licences, are taxation of luxuries, which really falls upon the incomes of the persons taxed, although such incomes do not form the basis of taxation. These are two distinct classes of taxation, and yet they are included together in the same column as if they were analogous in character.

The railway passenger duty I would classify as a tax on the commodity, under heading 1. The licences and certificates are presumably the stamp duties on certain professions and businesses, and should be classed under the same heading as the licence duties. I deal with the Post Office revenue in the next answer.

Question 3.—The net revenue of the Post Office is in my judgment, correctly treated as a tax, and I think it might just as properly be classed under the heading of "Taxes levied in respect of commodities" as under the present rather unmeaning heading of "Miscellaneous taxes." It is a tax upon the persons using the letter-carrying industry performed by the Government.

Question 4.—The tests that I would apply in considering the equity of any tax or system of taxation are—

that the tax should be regulative, having the following characteristic :—

- (1) That it be levied as a system of regulation of any business or industry which, but for taxation, would be carried on injuriously to the community, e.g., beer, spirits, tobacco, &c.

that the tax be levied upon luxuries, having the following characteristics :—

- (2) That the luxury in respect of which the tax is levied be not a general desire of the community but only of classes with perfect liberty of action, e.g., plate, armorial bearings, &c.

that the tax should be administrative, having the following characteristics :—

- (3) That it be levied for the express purpose of meeting expenditure upon a service administered for the benefit of the community by the Imperial Government or by a local government.

- (4) That the extent of the tax (that is, the aggregate of persons, property, and interests upon which the tax is levied) should be the same as the locality of the tax (that is, the aggregate of persons, property, and interests benefited by the tax).

- (5) That the kind of tax imposed should be such that it should be paid directly by the persons, property, or interests which are intended to be taxed ; or, if this is not possible, that its final incidence should fall upon such persons, property, or interests.

These tests apply more particularly to local taxation, as it frequently happens in practice that the expenditure incurred for a locality is met by a tax extending over a different set of taxpayers than those benefited by the expenditure. In short, I think that every tax should have a definite relationship to the service for which it is incurred, but especially this rule should apply to local taxation.

Question 5.—I think the incidence of all indirect taxation is to fall upon the consumers of the commodities taxed. But I presume that the question is directed more particularly to the vexed problem of the local tax upon rental value, and I shall direct my answer to this. In order to answer the problem, I start with the proposition that expenditure for local purposes, so long as it is not extravagant and improper expenditure, is expenditure that benefits property. This proposition is admitted in respect of the greater number of local services, but it is not generally admitted with respect to such services as poor law. Without wishing to go over the whole of this question in detail, I would submit that it is at the root of the consideration of the incidence of local taxation, and I might perhaps venture to refer

the Commission to what I have said as to poor law in my recently published book on the *Principles of Local Government*, pp. 179-86.

Assuming that my conclusions as to the benefits derived from local expenditure are accepted, I will proceed as shortly as possible to indicate the suggestions which occur to me in answer to the Commissioners' question.

If a tax falls in exact proportion to the benefit conferred in respect of such tax there is no incidence of taxation in the strictest sense, because taxation has not occurred. Payment for services rendered has occurred and nothing else. This point is generally lost sight of. If local authorities could charge according to services rendered, as they do for gas and for water for trade purposes, the incidence of taxation would not arise. It is only because services rendered are charged upon a basis of assumed equality of benefit, and that rental value is taken to be the measure of the assumed equality, that the question of incidence arises. But it is clear that these two fundamental assumptions of local taxation represent by no means correlative elements. Equality of benefit is one thing ; rental value is another thing. They may equate, but they do not necessarily do so. It is indeed the antagonism between equality of benefit and the basis by which this equality is measured which produces taxation. Because taxation pure and simple only occurs where the charge falls (1) in no relationship to the benefit conferred, (2) where it is in excess of the benefit conferred.

The elements of the problem as regards the direct tax are as follows : first, the nature of the tenancy ; secondly, the value of the premises ; thirdly, the position of the tax.

The *tenancy* is of two kinds, agricultural and urban. The agricultural tenancy consists generally of a single item, namely, rack-rent for a term of years to the ground landlord. The urban tenancy consists always of three items, oftentimes of many more. The two principal cases of urban tenancy may be separately stated.

First we have—

- (1) ground rent,
- (2) building rent,
- (3) tenant's rent,

Secondly we have—

- (1) ground rent,
- (2) building rent,
- (3) improved rents, held by one or more leaseholders,
- (4) tenant's rent.

The tenant's rent in each case is the sum of the preceding items.

Secondly, the *value* of the premises is what the premises are worth to the tenant. The tenant in competition with other tenants takes premises at their competition value to him—that is at the rent *plus* the taxes assessed on the rent. Rent alone is not value, and it is the failure to see this which has caused so much difficulty in perceiving the incidence of direct taxes. Rent plus taxes is the value at the time of taking the premises. But there is something beyond this. There is the tenant's value. This is created in several ways. By sentiment, that is, attachment to premises long occupied, or dislike to change as a matter of expense. By trade, that is by the establishment of a particular business in particular premises, which creates for the tenant alone a value to him which might not be transferable to any other tenant, or which on the contrary, might be a valuable asset to transfer to another tenant. So that value may be expressed in the two cases to consist of the following separate items—

- (1) ground rent,
- (2) building rent,
- (3) rates,

and—

- (1) ground rent,
- (2) building rent,
- (3) improved rent or rents,
- (4) tenant's value,
- (5) rates.

Finally, we have the elements of *taxation*, namely—

- (1) rates levied on rental value,
- (2) rates or taxes levied by other means,
- (3) beneficial local expenditure met out of municipal property,
- (4) local expenditure, not beneficial, met out of rates;

the total of the first three being the potential benefit, conferred upon property, the net total of all four being the actual benefit conferred.

The key-note of the whole question is, I think, the definition of value, as including rent and taxes combined.

If this definition is not correct, it means that rent is really the equivalent of value, and that the occupier pays local taxes out of his income; that is, pays a local, as well as a national, income tax. But this supposition carries on the face of it too much. It means, if it means anything, that the occupier pays in the first place, in the shape of rent, the full value of his premises, which includes the value of the local services, and in addition to this value he pays a tax upon his private resources, his income, in fact, in the shape of the annual amount of the assessed rates.

But there is more behind this elementary objection than appears on the face of it. The facts of local taxation will help us to realise how difficult it is to conceive that the occupier allows himself to be taxed with the whole cost of local expenditure. To appeal to these facts I will take the case of London.

In London the rates of a very large amount of property are actually paid by the owners. This means that this property is let to tenants or held by the owners at its economic value, not at its rental value. Now, if we consider to what extent in London property is held at this economic value, we find that this is the case with property below 20*l.* rateable value, property let out in tenements or flats, all public property, railway, gas, water, docks, and similar property; all large warehouses, banks, insurance offices, and general business premises in the City and immediate neighbourhood, all highly rented residential property. This, then, leaves for other consideration only the smaller property let on three years' agreements, ranging from 21*l.* to 60*l.* or 80*l.*, and the larger property let for occupation on 7, 14, or 21 years' leases.

Roughly speaking, I would estimate these two classes of property as follows:—

Property which is let or held at economic value, that is rent plus rates—22 million pounds.

Property which is let at rental value, that is, rent exclusive of rates—13½ million pounds.

Now this introduces an important factor in this question, namely, that there are two classes of property; one class let or held at economic value, that is, rent plus rates; a second class, let at rental value, that is, rent exclusive of rates. And it is inconceivable that the same law should not govern the incidence of rates on both these classes of property. To suggest otherwise would involve the conditions that the owners of 62 per cent. of London property are only able to get economic value for their property, while the owners of 38 per cent. of London property are able to get much more than economic value by the mere process of shifting the taxation off their own shoulders on to those of the occupiers.

If these considerations are worth anything it seems that the occupier does not bear the incidence of taxation—he pays for value received.

There is next the builder. He receives for his building the profits of the building trade, and any infringement upon these profits would cause a cessation of building and hence a rise in the rent of buildings until again the normal profits of the building trade were realised. Building rent, that is, the equivalent of the builders profits, does not, therefore, bear any part of the taxes assessed on rent.

If the builder does not, and the occupier does not, bear the incidence of taxation, of course it must fall upon the owner, or owners, of land values. I will attempt now to state the problem in terms which will allow it to be discussed in the easiest fashion.

First, the elements of the problem :

(1.) Municipal expenditure, so far as it is proper and efficient expenditure, benefits the total property of the locality at least to the extent of the expenditure.

(2.) The benefit obtained from municipal expenditure accrues to individual property in exact accordance with the value of services rendered—police protection, drainage, fire protection, lighting, road maintenance, poor relief would be of higher value to property in St. James's, Westminster, than to property in Poplar; while education, sanitation, public libraries, baths, would be of higher value to property in Poplar than to property in St. James's, Westminster.

(3.) The value of the property is affected not only by (a) municipal expenditure, but also by (b) the general improvement or deterioration of the neighbourhood, (c) the improvement or deterioration of the business conditions, (d) special causes, such as proximity to certain classes of business, public-houses, laundry works, noxious trades, &c., or position in a business or residential thoroughfare.

- (4.) The value of the property as determined by all these causes is what the tenant pays for.
- (5.) This value is the amount of the rent and the amount of the rates and taxes calculated on the rent, for the tenant pays both these amounts from the same fund; that is, the gross profit of his business if the premises are used for business purposes; the net profits or personal income, if the premises are used for residence.
- (6.) The payment by the tenant for the premises is in accord with the benefit or value received, namely, value of the premises *per se* and value of the benefits attached to the premises from municipal expenditure, and, as it is made out of the same fund as payments for other commodities of value, so soon as such fund is diminished or increased by personal affairs the tenant moves either to property of less value or to property of greater value, thus creating a competition value for property.
- (7.) Payment for the benefits accruing to property from municipal expenditure is not in accord with the amount of benefit, but in accord with the rental value of property.

The first very important conclusion to be drawn from these facts is that one set of conditions (Nos. 1, 2, and 3) determines the value of property, and a totally different condition (No. 7) determines the method by which the benefit accruing to property from municipal expenditure is paid for.

The second conclusion is that the tenant gets equivalent value for his money (Nos. 4, 5, and 6).

I will now illustrate these propositions by examples, and will take two cases of property, valued originally at, say, 100*l.* per annum. In the one case the conditions assumed are—

Municipal expenditure increases the value of the property from 100*l.* to (say) 110*l.* per annum; general rise of property in the neighbourhood resulting from the rebuilding of property and the consequent exodus of poor people further increases it to (say) 140*l.*; special causes, such as the development of a new business centre, further increase it to (say) 150*l.* Therefore the tenant at competition value is willing to stand charged at 150*l.* for the property; that is, 150*l.* for value of premises *per se* and for value of municipal expenditure.

In the second case the conditions assumed are—

Municipal expenditure increases the value of the property from 100*l.* to 120*l.* per annum; general fall of property, owing to bad building and consequent decay of neighbourhood and influx of poor people decreases it to 90*l.*; special causes, such as laundries or other objectionable businesses being erected near it further decrease it to 70*l.* Therefore the tenant, at competition value, is willing to stand charged at 70*l.* for the property; that is, 70*l.* for value of premises *per se* and for value of municipal expenditure.

In the first case the rise is from the original 100*l.* to 150*l.* In the second case the fall is from the original 100*l.* to 70*l.* But in both cases the benefit from municipal expenditure of 10*l.* and 20*l.* per annum respectively is contained in the value of the property.

In order to see exactly what happens it is best to put the examples into tabular form, as follows :—

	Original Value.	Increase by Municipal Expenditure.	Effect of General Conditions of Property.	Effect of Special Causes.	Total Value as Altered.	Payment made for Value.	
						Rates at 5 <i>s.</i> in the £.	Rent Received.
a	100	+10	+30	+10	150	30	120
b	100	+20	-30	-20	70	14	56

I will first show the course of events as regards the tenant :—

In each case the tenant pays only for what he actually receives in return, namely, in case (a) a house and site worth 140*l.* and municipal services worth 10*l.*, together 150*l.*; but he pays for this in two sums of 120*l.* as rent, and 30*l.* as rates; and in

case (b) the tenant gets a house and site worth 50*l.* and municipal services worth 20*l.*; but he pays for this in two sums of 56*l.* rent, and 14*l.* rates.'

Then as to the owner:—

In the first case, (a) the owner should receive the total value, 150*l.*, less 10*l.* cost of the benefit to his property by municipal expenditure, or 140*l.*; but he only receives 120*l.* Therefore he pays 10*l.* in payment for municipal services, and 20*l.* as the result of those services being paid for by equal rating; that is to say, his true tax is 20*l.* In the second case, (b), the owner should receive the total value 70*l.* less 20*l.*, the cost of the benefit to his property by municipal expenditure, or 50*l.*, but he actually receives 56*l.* Therefore he pays 20*l.* in payment for municipal services, and receives, by the taxation of other owners, 6*l.* as a contribution to such payment, making his net payment for services, 14*l.*

It seems clear from these two cases that the point turns upon which party, owner or occupier, feels the result of taxation, has, in other words, to pay for a service at taxation value, and not at economic value. The examples show that the movements caused by taxation take place in the transactions relating to ownership, and not in the transactions relating to occupancy, and that, therefore, the effect of charging benefits according to taxation falls upon the owner and not upon the occupier.

An analysis of the conditions attached to rent and to assessed rates may be given as follows:—

- (a.) The economic value of premises is paid by the occupying tenant, that is, he pays the amount of the economic value of the premises for the user thereof, and in return for the value of the premises to him.
- (b.) The economic value consists of two elements, viz., rates or taxes paid to municipalities or the State, and rent paid to the owner.
- (c.) Rent consists of two elements, namely, the profit on the building and the balance left after allowing for this profit.
- (d.) The profit on the capital cost of building is governed by ordinary economic laws, and remains at a reasonably fixed amount according to the profits of the building trade in relation to other trades.
- (e.) The amount of the site value is determined by circumstances which are frequently changing, being affected by questions of neighbourhood, health, municipal operations, &c., but the amount of the site value included in the rent is fixed from time to time by lease or agreement.
- (f.) The total amount of the combined elements (taxes, building profit, and site value rent) included in economic value must be limited by the bounds determined by economic value. But of this total amount, rates and taxes are determined arbitrarily according to the requirements of the municipality or the State, and not according to the economic value of premises; building rent is fixed according to economic conditions (see d.); and site value therefore remains as the only fluid element to give way to the pressure of the two elements above it.
- (g.) Site value included in the rent, therefore, is affected by the pressure of increased rates and taxes or by the relief from decreased rates and taxes, as one of the changing circumstances which determine its amount (see e.), and it must equally have been affected by the original imposition of rates and taxes.
- (h.) As the municipality or State intercepts from economic value the amount of the rates and taxes, and therefore leaves only the balance as rent for the landlord, the whole of the economic value does not go and has never gone to the landlord.
- (i.) The expenditure by the municipality or State improves property, and the rates and taxes intercepted from economic value are the cost of such improvement properly falling upon owners.
- (j.) The amount so falling upon owners is not a measure of a loss incurred by the owners, but of a charge incurred by the municipality or State on behalf of owners, which has the effect of increasing the value of the property.

This analysis of the relationship between rent and assessed rates shows that the occupying tenant pays both rent and rates from the same fund, but pays them in return for value received. So long as he receives value in return for his money he is not charged with a tax, but with a payment for value. The incidence of the rates, therefore, as rates, is entirely clear of the occupying tenant. The analysis next shows that rates are intercepted from economic value in return for services rendered to property. That these services are real services is shown by the fact that in spite of increased rates the value of property is raised. This is true equally of town and

rural property. The rise in value shows itself openly in town property. In the case of rural property it is a set-off against deterioration from other causes; property that was not drained, where sanitation and police and roads were not attended to, would fall in value to lower depths than property which had benefited from all these causes, and in discussing the fall in value of rural property, care must be taken to examine the fall after taking into due consideration the rise which is too often neglected. The services rendered to property by the expenditure of local authorities are therefore rightly charged upon property, and the particular element in rent which bears the charge is that element which is most easily affected by influences—namely, site value.

The reason that taxation falls upon owners of site value is that site value attaches to itself all the benefits which arise from local expenditure, all the benefits, therefore, which an occupier is willing to pay for in connexion with his habitat. In this way site value and the value of municipal services become practically undistinguishable one from the other, and accrue to the benefit of the owner of property before they are redistributed to the occupier of property. When a person takes a house, whether for residential or for business purposes, he takes it with certain rights attached to it—rights of sanitation, fire protection, water supply, public lighting, police protection, protection from indigent poor and the insane, rights of public education, rights of intercommunication, and so on. He wants all these rights for the benefit of his person, of the persons of his family, and of his property; but he can only obtain them as an occupier. As a mere personality he does not exist in respect of local government. He must be encased, as it were, in a habitat, and thus the habitat is not merely a plot of ground with a building thereon, but a plot of ground, *plus* a building, *plus* various attached services which tend to make the habitat what it is. Thus the services are local services in a special sense. They can only be used locally. They are only of value locally. When a person ceases to be a resident of a locality he ceases to benefit from the local services of that locality, and receives the benefit from the local services of another locality. Wherever he may be he is protected by the State laws of his country, but the State cannot secure for him the benefit of its own system of local services if he chooses to reside in a distant country. While State government confers personal benefit without regard to place of residence, local government can only confer personal benefit by means of place of residence. Of course the fact that in all civilized countries the services administered by localities are administered pretty equally all over the country tends to produce a certain sense of general personal benefits, apart from residence in a particular locality. But the actual personal benefit thus conferred is not a measurable quantity. What is measurable to some extent is the benefit conferred upon property through it being the only medium by which the benefits of local services reach the person. It is the aggregate of properties with which local taxation has to deal, not with the aggregate of persons—with the tangible visible object of taxation, as it has come to be styled—and it is upon the properties that the taxation is charged, upon the assumption that they benefit from expenditure out of local taxation in proportion to their rental value. But the benefits are paid for by the occupier, not according to the amount charged upon the property, but according to the benefits actually conferred upon the property, partly in rates paid to the governing authority and partly in the balance of value (namely, rent) paid to the owner of the property. The occupier pays for local services at the value of the benefit to him; the owner pays for local services at the taxation charge on his property.

This theory does not apply to any increase or decrease in rates which takes place while a tenancy agreement is in force. When rent is fixed for a period of years, any alteration in rates cannot, of course, affect the owner. An increase falls, for the time being, upon the tenant, or a decrease goes to his relief, but as soon as the lease falls in, the new level of the rates is taken into account in fixing the rent for the new period.

Question 6.—(a.) I confess that the incidence of the Inhabited House Duty has always occurred to me to be a problem of considerable difficulty, but on the whole I am inclined to think that, inasmuch as local rates for local services are taken into account when the value of premises to the occupier is being ascertained, the fact of there being another tax, although not for local purposes, levied upon rental value, to be paid by the occupier (and, in direct contrast to the Imperial income tax, levied at the same time and by means of the same demand note, not to be charged back upon the owner) causes the house duty to fall upon the owner rather than upon the occupier. I put this as a general proposition, with the qualifying remark that

individual circumstances may affect this general rule and cause the Inhabited House Duty to be the marginal tax within which owner and occupier give and take as the question of value comes up from time to time, without causing an alteration in conditions of tenancy.

(b.) I think that rates levied on houses and trade premises fall upon the owners of site values in accordance with my answer to No. 5.

(c.) I think that rates on agricultural land fall upon owners of site value.

(d.) I think that taxes on transfer of property fall upon the person from whom the transfer is made.

(e.) I think that a tax on trade profits would fall principally upon the income of the trader, who would be able to shift a proportion, varying under different circumstances, upon the consumers who are his customers.

(f.) I think that the death duties fall upon the property of the dead owner, and thereby decrease the value of the property coming to his successors, by inheritance or by legacy.

Question 7.—I have practically answered this question on page 241, “When a person takes a house apart from residence in a particular locality,” the criterion being that the purposes for which taxation should be raised locally should be services which can only be made available through residence, and hence confer benefit upon property in the several localities in which the services are administered, while, on the other hand, the purposes for which taxation should be raised by the central government should be services which are available through the person of the subject wherever he may reside.

Question 8.—I think that the two kinds of purposes should be kept entirely distinct, and that taxation and administration should be in the same hands; and I am strongly of opinion that in no case should expenditure for local purposes be partly borne by the central government. But, on the other hand, I think that the development of local services may approach the stage when such services become Imperial instead of local. I would instance, for example, the maintenance of prisons, which was a local service until the Act of 1877 was passed. The clauses of this Act set forth in a singularly clear way the transition from local to Imperial purposes (see *Principles of Local Government*, pp. 199–200). In the same manner I am inclined to believe that the three important services of poor law, education, and police are gradually becoming, if they have not already become, Imperial services. Whenever the stage of development from local to Imperial service has been reached the transfer should be made to Imperial taxation and administration.

Question 9.—I do not think that local rates should be divided between owners and occupiers of real property, but that the whole of local expenditure should be charged upon the owners of site values.

Question 10.—I think that ground values should be rated directly for all local services, and for this purpose the valuation lists should contain only the site value of each property, together with the names of the owners of such site value and the amount held by each owner, so that the taxation should fall upon each owner in proportion to the amount held by him.

Question 11.—I think that the rent which could be obtained by an owner of land or other hereditaments would be decreased by an increase in an old rate and by the imposition of a new rate, and increased by the reduction or abolition of a rate, on the following condition: that the increase or decrease of rent would take place when old conditions of tenancy were being revised and new conditions of tenancy entered into.

Rent, according to my theory, represents a portion of the value of property, the entire value of the property being dependent upon many considerations which are outside the question of the incidence of local taxation.

Question 12.—If the occupier were allowed to deduct taxation from rent the amount of the rent, when a revision of the tenancy took place, would be increased to the amount of the economic value of the premises, if the whole amount of taxation were deducted and proportionately if only a portion of taxation were deducted. Assuming that no other element of value affected the matter it may be shortly stated that if taxation were deducted from rent, rent would increase by the amount of taxation deducted.

Question 13.—I think the differential treatment of different classes of property is simply a bad attempt to remedy the evils of the present system of valuation of property, whereby owners of property in poor neighbourhoods, where no increment of value has taken place, are rated upon the same basis as owners of property where large increments have taken place. Rateable value, upon which the rating is based, is arrived at by taking rental value of both land and building and deducting a uniform percentage from the total "On account of repairs." But repairs are only possible to the structure and not to the site. Where the proportion of value between structure and site is the same in every part of the locality, as it may be, perhaps, in rural and undeveloped districts, no great harm is done by making a uniform reduction all the way round. But where, as in towns and great developing centres, the proportion of value between structure and site is very different, very great injustice is done. For example, the land value of the City of London may be estimated at 3,923,000*l.*, and the building value at 1,500,000*l.* The deductions for repairs according to the legal standard amount to 927,000*l.*, but if deducted from buildings only would amount to 257,000*l.*; in other words the City of London is assessed at 670,000*l.* too little. The land value of St. James's, Westminster, may be estimated at 424,000*l.*, and the building value at 540,000*l.* The deductions for repairs amount to 162,000*l.*, whereas they should amount to 91,000*l.* These are two of the most valuable sites in London, and I will contrast them with two of the poorest—Poplar and Mile End. The land value of Poplar may be estimated at 88,500*l.*, and the building value at 394,000*l.* The deductions for repairs amount to 147,000*l.*, whereas they should be 120,000*l.* In Mile End the land value may be estimated at 95,000*l.*, and the building value at 398,000*l.* The deductions for repairs are 94,000*l.*, whereas they should be 74,000*l.* The following Table shows these facts in concise form:—

—	Site Value.	Building Value.	Amount deducted for Repairs.	Amount which ought to be deducted.	Excess Deductions from Site Value.	Rates which Site Values thus escape paying.	Percentage of excess Deductions to Total Value.
City - . . .	£ 3,923,000	£ 1,500,000	£ 927,000	£ 257,000	£ 670,000	£ 167,500	12
St. James's - . .	424,000	540,000	162,000	91,000	71,000	14,200	7
Poplar - . .	88,500	394,000	147,000	120,000	27,000	10,800	5
Mile End - . .	95,000	398,000	94,000	74,000	20,000	7,000	4

It will be seen that the site value of the City is greater than the building value, that the site value of St. James's is 80 per cent. of the building value, of Poplar, 22 per cent., and of Mile End, 24 per cent. The excess deductions for repairs become deductions from site value, and represent the amount of site value which escapes taxation altogether. This causes injustice all round. It relieves the City from 52,000*l.* which it ought to pay to the county authorities, and St. James's from 2,500*l.*; while this relief to the wealthy centres causes an increased burden upon the poorer centres, Poplar having to pay 500*l.* in excess of its fair quota and Mile End 2,000*l.*

This, I think, is one of the great inequalities of the present system. It is an inequality which operates chiefly between the rating units. But there is an inequality in the present system which operates upon individual properties. I will give an example, as follows:—

Year.	Ground Rent.	Improved Rent.	Building Rent.	Total Rent.	Taxation.	Total Value of Premises.	Site Value.
1818	£ 20	£ —	£ 120	£ 140	£ 15 0	£ 155	£ 35
1843	20	15	120	155	18 0	173	53
1850	20	260	120	400	60 0	460	340
1870	20	360	120	500	87 10	587	467
1885	20	460	120	600	125 0	725	605
1890	20	510	120	650	160 0	810	690
1896	20	510	120	650	184 0*	810	690

* 24*l.* of this, that is, the increase of rates, is paid by the tenant, and is not represented by value.

The total taxation in this case is 18*l.*

Of this 15*l.* falls upon ground rent (ground rent having been fixed when rates upon the premises were 15*l.*); 14*l.* upon site value (that is, in 1890, when site rent was last fixed by lease); and 24*l.* upon the tenant's income (that is, the increase of rates since 1890, when rent was last fixed).

The proportions of taxation falling upon the several interests concerned are therefore as follows :—

- (a.) On the original ground value of 35*l.*, a tax of 15*l.* = 8*s.* 7*d.* in the pound.
- (b.) On the improved site value of 65*l.*, a tax of 14*l.* = 4*s.* 5*d.* in the pound.
- (c.) On the tenant's income, a tax of 24*l.*, for which he receives no equivalent.

Inequalities are here patent. The taxation of the original ground value may be accepted as the price the owner was willing to pay for the deferred value which would accrue to him at the falling in of the lease. But the taxation of the improved site value not only escapes its legitimate burden of increased taxation, which falls upon the tenant, but does not bear its due proportion of the total taxation, but only such a proportion as happens to fall upon it after assessing taxation upon the false basis of including building value with site value, and after allowing all sorts of relief to taxation of site values by other systems of taxation, namely, indirect taxation and appropriations from Imperial taxation.

There is another important aspect in which the present system tells against the tenant. Property is taxed so unequally that it is allowed to stand for occupation in any condition. Owners of poor or slum property and owners of ordinary villa property shirk their responsibilities to an enormous extent. The value which the tenants pay for is in respect of a theoretically perfect article ; they receive in return a demonstrably bad article, and the excessive burden of taxation which falls upon site values of unimproving property is thus shared partly by the owner and partly by inroads upon the standard of comfort adopted by the tenants. These inroads upon the standard of comfort increase until they produce not only structurally bad property but sanitarily bad property, and in order to correct this state of things additional taxation is imposed under the Public Health Acts ; in fact, the process is to throw off legitimate owners' charges at the poorest end of occupied property and re-impose it as a tax upon the richer end. This tax would be altogether obviated if site values were properly assessed, because owners could then be compelled to let for occupation fit and proper houses.

Question 14.—I think there are no other proper methods of raising taxation for local purposes than by rates on site values.

Question 15.—The only additional observation which I have to make is that the question of incidence of taxation becomes a comparatively simple matter so soon as it is recognised that local taxation is the legitimate burden upon site value imposed in return for benefits received. It is from this point that the consideration of the incidence of Imperial taxation should start. It should not include the incidence of local taxation as a part of the question. Imperial taxation may be made to fall upon the several interests in any manner that is deemed fair and proper without having regard to the fact that site value already bears the burden of local taxation.

Answers by Mr. J. W. S. Callie.

No. 1.—The classification seems a good one as a basis, though it may require to be altered, as in Sir Edward Hamilton's Memorandum, in order to find the real incidence of the various taxes upon individuals.

No. 2.—So far as I can judge, it is complete.

No. 3.—Yes. I think it is correctly placed.

No. 4.—The Second, Third, and Fourth Canons of Adam Smith are good, but I do not think the first has, necessarily, connexion with justice in Taxation. I prefer the test laid down in Montesquieu's "Spirit of Laws," Book XIII., Chapter 1, *viz.*, "The public revenues are not to be measured by what the people are able, but by what they ought to give."

No. 5.—In regard to this Question, and also to Nos. 6, 11, and 12, I agree generally with the views laid down in Sir Edward Hamilton's Memorandum as to the incidence of taxation. I do not agree, however, with his remarks upon page 52, in regard to Imperial Taxation not inflicting any strain upon the community. The Report of the Commissioners upon the financial relations between Great Britain and Ireland, while confined to the discussion of the incidence of taxation upon the two countries now as compared with what was intended by the Act of Union, proves conclusively, in my opinion, that the incidence of the Imperial taxes is most unjust as between class and class, and not merely between country and country. This is owing to the large amount raised in customs and excise duties, and it is only because the people who pay do not know that they are paying that it is not more generally objected to. Direct taxes are grumbled at. The income tax is as keenly felt as the estate duty. Nor do I agree that "the ratepayers are always demanding to be relieved at the expense of the taxpayers." It is more the demand of a small but noisy section than of any considerable body of the people.

No. 6.—(a.) I think the Inhabited House Duty practically falls upon the occupier of the house.

(b.) It is impossible to say upon whom these fall. It all depends upon the circumstances. When anyone takes a house or shop he will add the amount of rates to the rent in order to find out how much he will have to pay altogether. When, however, he has formed a connexion in his business, he cannot afford to remove unless under great pressure, and the increase of rates would need to be very heavy to cause him to give notice that he would remove unless the rent were correspondingly reduced. The same applies, though in a lesser degree, to the occupier of a private house. The higher the rates are in any locality, the less people can afford to pay in rent, but, when once a district gets inhabited, any increase of rates will be almost entirely paid by the occupiers.

The close connexion between rates and rent and their reaction upon each other, has caused the Bureau of Labor Statistics of Illinois, in their Report on "Taxation," to class ground rents—in the American "rent for site," not the restricted British sense of the term—as "Private Taxes." While we may dispute as to the amount of rates that fall upon landowner and tenant, respectively, in any particular place, it cannot be disputed that were any millionaire to pay the whole of the rates of any town, provide it with parks, &c., and do all in his power to make it a pleasant place to live in, the landowners, as soon as the arrangements with their tenants could be ended, would be able to appropriate the whole benefit, in the shape of increased rentals.

(c.) I agree with what Mr. Chaplin said, in the House of Commons, on February 27th, 1891,—"The effect on the (land)owner is that if rates are high he gets less rent, and if they are low he gets more rent." It is in this sense only that the landowner can be said to bear the burden of rates.

(d.) These fall upon the owner transferring the property.

(e.) These fall upon the trader.

(f.) These fall on the heir of the property taxed.

No. 7.—Generally speaking, where money is expended in a locality for the benefit of that locality as such, the taxation ought to be raised for such expenditure from that locality; while money expended for the benefit of the nation at large, and not for the inhabitants of any locality in particular, ought to be collected over the whole nation. Thus water, sewers, &c., are required for the inhabitants of localities as such, and the cost ought to be defrayed from local taxes, while expenditure such as for education ought to be a national charge, since the children are educated, not because they live in any special locality, but because they are the citizens of the future, and it is to the benefit of the nation that its citizens should be educated. The line between the two expenditures, while distinct at any particular time, is not rigidly fixed, for, with progress the classification may alter. Thus the poor rate is a local tax, but should old age pensions come into operation, they would, to a large extent, supersede the poor relief, and yet these would, in all probability, be a national tax.

No. 8.—Yes, as far as possible, but administrative economy may render it advisable, sometimes, that the expenditure of money for "national" purposes, as defined above, be left in the hands of the local authorities.

No. 9.—(See answer to Question 10.)

No. 10.—Yes. Personally, I would make land values *the source* of local revenue. I would do so because land is different from every other form of property, if indeed, it—any more than the possession of slaves—can be rightly termed “property.” It is the only source from which wealth can be produced, and, from whatever point of view we look at it, is clearly intended for the use of all, and not merely to be a rent-yielding machine for a privileged few. By refraining from taxing land values, we allow a landowner, if he thinks fit, to prevent the people having access to the use of “his land.”

The full case for the taxation of land values cannot be gone into in connexion with taxation alone, for the social results are as great as the fiscal ones. But, even from the taxation point of view, land values seem the natural source from which to raise the revenue for the public needs. Especially is this the case in regard to local taxation, since this local expenditure, in almost all cases, increases the value of the land in the locality.

The need for local taxation only arises with the growth of population. The greater that growth, the greater the need for local revenues. But as that growth increases so, step by step, the value of the land increases also. Nor is this value caused by the owner of the land. If it were, it would not be fair to tax it especially. It is created solely by the presence and industry of the people, and would exist even though there were no landowner, as such, in existence. Take away the landowner; still the land value remains; but take away the population and leave the landowner, and the value has gone. Therefore, in taxing land values, we are not taking away from the landowner anything that he has produced. We are inflicting no harm upon him.

But, when the representatives of the community refrain from taking for the communal needs the value created by the community that attaches to the land, they are, thereby, inflicting a grievous wrong upon all, especially upon the poorest classes. The people are doubly taxed; first, they pay to the landowner that which would pay all their local needs, and, secondly, they have to pay another tax to the local authority.

The desirability of taxing land values is now being urged by a large section of the people, and feeling that the Members of the Royal Commission on Local Taxation would like to have the best exposition of the grounds upon which it is urged, I have respectfully taken the liberty of appending the following summary of reasons, from the pen of one who has been the leader in this agitation; I refer to the late Mr. Henry George. It was written for the “Financial Reform Almanack” by him in response to a request for a definite statement of his reasons for urging this tax. Personally, I entirely agree with these reasons, nor have I seen in the criticisms of Professor Seligman, the late Professor Thorold Rogers, or any of the opponents of this method of taxation—though Professor Thorold Rogers can hardly be said to be an opponent of Mr. George’s views—anything to shake my belief in its justice or advisability.

I would point out that the Financial Reform Association, of which I am Secretary, though in favour of the principle of the taxation of land values and of opinion that it should be immediately applied for local purposes, in place of the vicious system of grants-in-aid, is not in any way committed to that or any other form of taxation being the sole source of revenue.

The remaining questions are, I think, dealt with, as far as I can, in the reply to No. 5.

J. W. S. CALLIE.

EXTRACT referred to in No. 10.

I shall briefly state to the readers of the “Financial Reform Almanack” the fundamental principles of what we who advocate it call the single tax.

We propose to abolish all taxes save one single tax levied on the value of land, irrespective of the value of improvements in or on it.

What we propose is not a tax on real estate, for real estate includes improvements. Nor is it a tax on land, for we would not tax all land, but only land having a value irrespective of its improvements, and would tax that in proportion to that value.

Our plan involves the imposition of no new tax, since we already tax land values in taxing real estate. To carry it out we have only to abolish all taxes save the tax on real estate, and to abolish all of that which now falls on buildings or improvements, leaving only that part of it which now falls on the value of the bare land. This we

would increase so as to take as nearly as may be the whole of the economic rent, or what is sometimes styled the "unearned increment of land values."

That the value of the land alone would suffice to provide all needed public revenues—municipal, county, and national—there is no doubt.

From the single tax we may expect these advantages:—

1. It would dispense with a whole army of tax-gatherers and other officials which present taxes require, and place in the treasury a much larger proportion of what is taken from the people, while, by making government simpler and cheaper, it would tend to make it purer. It would get rid of taxes which necessarily promote fraud, perjury, bribery, and corruption, which lead men into temptation, and which tax what the nation can least afford to spare, honesty and conscience. Since land lies out of doors, and cannot be removed, and its value is the most readily ascertained of all values, the tax to which we would resort can be collected with the minimum of cost, and the least strain on public morals.

2. It would enormously increase the production of wealth—

(a.) By the removal of the burdens that now weigh upon industry and thrift. If we tax houses, there will be fewer and poorer houses; if we tax machinery, there will be less machinery; if we tax trade, there will be less trade; if we tax capital, there will be less capital; if we tax savings, there will be less saving. All the taxes, therefore, that we would abolish are taxes that repress industry and lessen wealth. But if we tax land values there will be no less land.

(b.) On the contrary, the taxation of land values has the effect of making land more easily available by industry, since it makes it more difficult for owners of valuable land, which they themselves do not care to use, to hold it idle for a larger future price. While the abolition of taxes on labour and the products of labour would free the active element of production, the taking of land values in taxation would free the passive element by destroying speculative land values, and preventing the holding out of use of land needed for use. If any one will but look around to-day, and see the unused or but half-used land, the idle labour, the unemployed or poorly employed capital, he will get some idea of how enormous would be the production of wealth were all the forces of production free to engage.

(c.) The taxation of the processes and products of labour on the one hand, and the insufficient taxation of land values on the other, produces an unjust distribution of wealth which is building up in the hands of a few fortunes more monstrous than the world has ever before seen, while the masses of our people are steadily becoming relatively poorer. These taxes necessarily fall on the poor more heavily than on the rich; by increasing prices, they necessitate larger capital in all businesses, and, consequently, give an advantage to large capitals; and they give, and in some cases are designed to give, special advantages and monopolies to combinations and trusts. On the other hand, the insufficient taxation of land values enables men to make large fortunes by land speculation and the increase in ground values—fortunes which do not represent any addition by them to the general wealth of the community, but merely the appropriation by some of what the labour of others creates.

This unjust distribution of wealth develops on the one hand a class idle and wasteful because they are too rich, and on the other hand a class idle and wasteful because they are too poor; it deprives men of capital and opportunities which would make them more efficient producers. It thus greatly diminishes production.

(d.) The unjust distribution which is giving us the hundred-fold millionaire on the one side and the tramp and pauper on the other, generates thieves, gamblers, social parasites of all kinds, and requires large expenditure of money and energy in watchmen, policemen, courts, prisons, and other means of defence and repression. It kindles a greed of gain and a worship of wealth, and produces a bitter struggle for existence which fosters drunkenness, increases insanity, and causes men whose energies ought to be devoted to honest production, to spend their time and strength in cheating and grabbing from each other. Besides the moral loss, all this involves an enormous economic loss which the single tax would save.

(e.) The taxes we would abolish fall most heavily on the poorer agricultural districts, and thus tend to drive population and wealth from them to the great cities. The tax we would increase would destroy that monopoly of land which is the

great cause of that distribution of population which is crowding people too closely together in some places and scattering them too far apart in other places. Families live on top of one another in cities because of the enormous speculative prices at which vacant lots are held. In the country they are scattered too far apart for social intercourse and convenience, because, instead of each taking what land he can use, every one who can grabs all he can get, in the hope of profiting by the increase of value, and the next man must pass farther on. Thus we have scores of families living under a single roof, and other families living in dug-outs on the prairies afar from neighbours—some living too close to each other for moral, mental, or physical health, and others too far separated for the stimulating and refining influences of society. The wastes in health, in mental vigour, and in unnecessary transportation result in great economic losses which the single tax would save.

Answers by Mr. C. P. Sanger.

Answer to Questions 1, 2, 3.—Before proceeding to classify Imperial taxation, it would be well, in the first place, to define what is meant by taxation, and, in the second place, to determine what items of the Imperial revenue fall within this definition. We shall then have a list of items of Imperial taxation which we wish to classify.

At the outset we are met with a difficulty in the use of the words "taxation" and "tax." They are used in both a broad and a narrower sense. Sometimes the word tax is used in contradistinction to the words "rate," "duty," "Government profit," and the like, and such distinction has had considerable historical importance; on the other hand, as in the expression "Imperial taxation," the word taxation is used to cover, not only taxes, but also duties and other exactions of the Imperial Government. It would therefore, I think, be convenient to have some word other than "tax" when we mean to use it in an extended sense; and, with great diffidence, I venture to suggest the expression "Public burden." The phrase is an awkward one, but it is useful in so far as it reminds us that a tax, rate or duty is essentially a burden, and that, in so far as it is not a burden, it should be omitted from our classification. It also is wide enough to sweep in such items as the large profit the Government makes by the Postal monopoly, which is not conveniently called a tax, and yet is burdensome. Further, it would be well to restrict our inquiries to those burdens whose incidence is on the inhabitants of the United Kingdom, and also to exclude from our consideration, so far as possible, those burdens which are not really burdens, but fees for services rendered.

Public burdens are called Imperial when they fall on the inhabitants of the United Kingdom, and are collected by a central authority. This use of the word Imperial is most curious, but appears to be sanctioned by usage. They are called local if exacted only from a portion of the United Kingdom.

The first question to be settled is, "What are the Imperial public burdens in a given year?" To answer this we turn to the public accounts. It is practically certain that the items of receipt under the heads of Customs, Excise, Death Duties, Stamps, House Duty, Property and Income Tax represent public burdens; and that, on the other hand, the receipts from Crown lands and Suez Canal shares, do not. The difficulties begin when we consider the Land Tax, the Post Office profits, and the miscellaneous items. There are also the appropriated items. In Sir A. Milner's Memorandum the appropriated and miscellaneous items are neglected. It is very hard to say how far this is correct. That it is not strictly correct is, I think, obvious; but after considering the details, I find that, in my opinion, most of these items are not public burdens, and therefore I agree in omitting them. I cannot help thinking, however, that it is a step which should not be taken except after the most careful consideration.

With regard to the Postal profits, they are most clearly a burden. If the Post Office was carried on in such a way that it only just made a profit, I do not see that anyone could feel aggrieved. The Government, however, use their monopoly to make an enormous profit; this profit is a burden.

With regard to the Unredeemed Land Tax, I cannot see how it can possibly be considered a burden. When land is conveyed, enquiries are always made as to the Land Tax; and the purchaser knows that he is buying the land subject to it (if it is unredeemed). If the Unredeemed Land Tax is included, I cannot see why, on the one hand, anyone who has obtained money under a residuary bequest from a person who

in his lifetime redeemed some land tax, should not be now considered to pay land tax ; or why, on the other hand, any rentcharge issuing out of land should not be considered to be a public burden.

I therefore propose to amend Sir A. Milner's list of Imperial public burdens by omitting the item of Land Tax.

It is useless to discuss the classification given in Table D. in an abstract way. The object of it is presumably to ascertain what proportion of the Imperial public burdens are levied in respect of rateable property. If this is the sole object, it would be simpler to classify Imperial public burdens merely into those in respect of rateable property, and those which are not. That is, I should keep column (1) as it is, and add the second, fourth, fifth, and sixth columns together, omitting the third column. This would simplify the Table, and avoid many subtleties. If, however, the Table has some further object beyond the one I have supposed, I cannot think that the classification is a very useful or happy one. No doubt it is easy to criticise any form of classification for our Imperial public burdens, yet I cannot but think that the classification proposed is open to at least as much criticism as any that has been suggested. Suppose, for instance, we are discussing the equity of our public burdens, it would be most important to distinguish between taxes on transferring property—that is, in carrying on a business, and taxing people for owning property—that is, because they are rich. This distinction is lost sight of in Table D. Or, again, what is property ? Until we have distinguished property from commodities, the distinction between " incidental to property " and " in respect of commodities " is likely to be no distinction. As, however, the terms of reference of the Commission do not refer to the equity of our system of Imperial public burdens, except in so far as the receipts are paid over to local authorities and for local purposes, no good can be done by insisting on the difficulties incidental to the proposed classification. Nor, again, is it worth while to criticise the detailed figures until the precise meanings of the headings of the different columns are settled.

Answer to Question 4.—In the first place, I think it better to consider the system of taxation as a whole, and not to discuss in too great detail the fairness of each individual tax. Then, taking the system as a whole, we should aim at securing that classes of people of about the same income should pay about the same amount of taxes irrespective of their local position, their sex, the kind of property they possess, and, within certain limits, their general habits. Then people with different incomes should be taxed so as to make the sacrifice of each about the same. In our present state of knowledge we cannot lay down any certain rules for this, and therefore it is better to take the principle of Adam Smith and Bernouilli that (subject to a possible deduction from all incomes) the taxation should be proportional to the income. But one further proviso should, I think, be made that not the actual income earned, but the capitalised value of the probable income is a better measure of taxable capacity. In so far as certain taxes are put on for moral, and not financial, reasons, they should be considered as fines, and not taxes. It is however, I think, of the utmost importance to consider in the first place what taxes are really burdens, and to apply the above tests to such burdens only. Those taxes or duties which are either in the nature of fees for special services rendered, or are in the nature of fines, must be tested by other considerations. In considering the equity of fees for special services rendered, I think the State should act as if it were a public company dealing in the commodities or services sold and subject to competition from similar public companies. Taxes in the nature of fines should be judged by the same principles (if any) as the other forms of punishment current in the country.

Answer to Questions 7 and 8.—The difficulty in deciding whether a public burden should be local or Imperial is not, I think, so much one of laying down a criterion, but of applying any criterion that we may adopt. In a few cases there is no difficulty. Probably everyone would admit that the cost of the Army and Navy should be an Imperial public burden, and that, on the other hand, the cost of (say) lighting the streets of a town should be a local public burden; but most of the cases that occur are intermediate ones. If a matter is really local, I think that the policy of giving Imperial grants-in-aid of it is most dangerous and objectionable. If, on the other hand, it is Imperial rather more than local, as education, there is, I think, much to be said in favour of Imperial grants supplemented by local public burdens and managed by local management. The best test in these cases appears to me to be one merely of administrative efficiency, and not of the equity of the burden as between the Imperial and local funds. Many matters are practically matters of Imperial interest, and yet are clearly better administered locally. In these cases local management with no local

burden might lead to wasteful expenditure, and therefore some part of the burden should be borne locally. How much is to be determined by experience. If an increase of the local burden would create a more efficient management, I should say that the local burden should be increased; if not, that the local burden is sufficient.

Broadly speaking, therefore, the present system of Imperial doles must be continued; but the local and Imperial contributions to any undertaking should be most carefully separated, and the question of the relative amounts of the local and Imperial contributions should be fixed in each case so as to obtain as much efficiency in management as possible.

Answer to Question 14.—Possibly the Inhabited House Duty could be made a local burden.

Answer to Question 15.—Referring to page 37 of Sir E. W. Hamilton's Memorandum, I doubt whether the distinction he draws between "onerous" and "beneficial" rates is a very useful one. If the benefit is one not obtained by a special person or persons, but by the locality generally—such as lighting the streets—it may be beneficial, and yet be properly called a local burden.

In England the receipts of the local authorities may be classified as follows:—

1. Public rates.
2. Government contributions (including receipts from local taxation account).
3. Tolls, duties, and dues.
4. Receipts from property and sales of property.
5. Fines, fees, and licences.
6. Revenue from waterworks, gasworks, markets, &c.
7. Repayments from private improvement works.

We want to know which of these items are burdens, and I think that sufficient accuracy is obtained if we say that item 1 is a local public burden, item 2 an Imperial public burden, items 3-7 not burdens at all, but fees for special services rendered. Again, in Ireland the receipts from rates may be classified thus:—

1. Grand jury cess.
2. Poor rate.
3. Town taxes.
4. Belfast water rate.
5. Rutland Square tax.
6. Dublin Police taxes.
7. Dublin Port and Docks Board taxes.

Of these, I think, we may take 1, 2, 3, and 6 to be burdens; 4, 5, and 7 not to be burdens.

C. P. SANGER.

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