

## SECTION V.—LOCAL GOVERNMENT AND LOCAL TAXATION.

MEMORANDUM ... ..	Page 73
-------------------	------------

### CHARTS:—

Chart 1. Local Rates, Rateable Value, and Population in England and Wales, 1850-1908 ... ..	<i>To face</i> 74
„ 2. Local Rates in England and Wales classified ... ..	76
„ 3. Local Rates, Rateable Value, and Population in London, 1850-1908 ... ..	82
„ 4. Local Rates in London classified ... ..	84
„ 5. Total Revenue of Local Authorities: distinguishing Rates, Exchequer Grants, and other income, 1868-1906 ... ..	86
„ 6. Local Debt in England and Wales. Amounts owing by the principal classes of local authorities, 1875-1906 ... ..	88
„ 7. Local Debt in England and Wales. Amounts owing in respect of each of the principal local services, 1875-1906 ... ..	90
„ 8. Local Debt in London, 1850-1907 ... ..	92
TABLES showing the data on which the charts in this Section are based... ..	93

## SECTION V.—LOCAL GOVERNMENT AND LOCAL TAXATION.

### MEMORANDUM.

Section V. is designed to illustrate the development of local government in England and Wales by reference to local finance, as exemplified in the growth of local rates and of local debt.

1. *Growth of local finance.*—The period of review (1850–1907) covers virtually the entire history of modern local government, and a glance at the charts in this Section will show the proportions which local finance has assumed within this period, whether measured by rates, by income or by indebtedness.

The more immediate causes which have contributed to this development may be briefly classified under four heads—

- (i) Growth of population, and more especially of urban population ;
- (ii) Legislation, which has imposed on local authorities from time to time specific *duties* (such as provision for the poor and lunatics, sewerage and other works of primary necessity for public health, and elementary education) ; and, at the same time, has conferred on local authorities various wide *powers* capable of being exercised at their discretion, subject in certain cases to the sanction of a central authority (such as power to provide hospitals, dwellings for the working classes, parks and recreation grounds, free libraries, &c., and in recent years especially, undertakings of a remunerative nature such as gas, electricity supply, and tramways) ;
- (iii) Development of medical, sanitary and engineering science and practice, leading to the use of more elaborate and often more costly methods in all local services (*e.g.*, road-making, sewerage and sewage disposal, and poor law and hospital service) ;
- (iv) Miscellaneous causes, such as the increase in the rate of general salaries and wages, the increased cost of materials used in construction (affecting building operations, road-making, &c.), and the enhanced value of urban sites (which has affected the cost of housing schemes, of public buildings, of poor law institutions, &c.).

Beyond these causes, there is the less tangible but not less important factor of public opinion, which, acting on Parliament, on the central departments, and even more potently on the popularly elected bodies responsible for local administration, has operated as a constant stimulus to the extension and improvement of local services. The action of public opinion is nowhere more apparent than in the development of the poor law.

2. All these factors must be borne in mind in considering the charts and figures in this section, though their precise effect cannot be expressed in figures, and with this view, a short summary has been given of the principal legislative measures which have affected local government and local rates. The growth of local rates or of local debt is, however, statistically measurable by two standards only—population and wealth—and in this memorandum and in most of the charts in this section care has been taken to correct the bare figures of the amount of rates raised, or of local debt, by showing the burden borne per head of population, or per pound of the annual value of property assessed to local rates.

3. *Control by central authorities over local finance.*—The control exerciseable over local finance is limited in character. In some instances, mostly of minor importance, the amount of rates leviable for a specified purpose is limited by statute, but for the great bulk of local rates (*e.g.* those levied under the Public Health Acts), no limit is imposed. Such powers of control as are possessed by any central authority—other than Parliament itself—are exercised mainly by the Local Government Board, and this (*a*) through the system of audit by auditors appointed and paid by the State, and (*b*) in virtue of the statutory necessity for obtaining the sanction of the central authority to borrowing. These powers are, however, not universal. The financial transactions of some local authorities, including Town Councils generally,\* who are the largest spending authorities, are not subject to official audit ; and as regards control over local borrowing, a very large portion of local debt has been directly sanctioned by Parliament through the medium of local Acts promoted by the local authorities interested. But in the case of loans raised under the Public

\* The general accounts of only eight out of 326 provincial Town Councils are subject to official audit ; though the accounts of all Town Councils in regard to Elementary and Higher Education are so audited, as are also the entire accounts of Metropolitan Borough Councils.

Health Acts, the Municipal Corporations Act, and other general Acts, sanction must in the first instance be obtained from the Local Government Board.\* Before giving their sanction, it is the practice of the Board to satisfy themselves (most commonly by local inquiry conducted by their staff of engineering inspectors) as to the local need for a proposed undertaking, the correctness of the estimated cost, the ability of the locality (in view of any existing debt and of the annual value of rateable property within its area) to bear the annual charges for the proposed loan, and to determine the period within which any loan contracted for the purpose should be repaid, regard being paid to the general utility and permanence of the work to be undertaken. Further, in regard to debt already contracted by local authorities, a measure of control is exercised—and here again, mainly by the Local Government Board—over the repayment of the debt. For about one half of the total debt of local authorities (241 million out of 482 million pounds) returns are made to the Local Government Board who examine them for the purpose of seeing that the proper provision for repayment is made annually, whether by instalments, or by contributions to Sinking and Redemption Funds.

#### Local Rates in England and Wales.†

4. <i>Nature and incidence of local rates.</i> —The rates levied by local authorities are :—			
			£
(i) The Poor Rate, by which was raised (1905-6) ...	...	27,100,000	
(ii) The General District Rate, by which was raised (1905-6) ...	...	12,600,000	
(iii) The General Rate in London, by which was raised (1905-6) ...	...	13,100,000	
(iv) Various rates, such as separate Borough rates, Consolidated and Police Rates in City of London, Improvement rates in Boroughs and other urban districts, rates for special expenses in rural districts, and rates levied by local commissions for land drainage, &c., which together accounted in 1905-6 for ...	...	5,400,000	
Total ...	...	58,200,000	

The "Poor Rate," which accounts for more than half of the total sum raised by rates outside London, is the oldest of the principal rates levied by local authorities. But relief of the poor has long ceased to be the chief purpose of the rate. Little more than one-third (£9,500,000) of the total poor rate raised in 1905-6 was required to meet the expenses of poor law authorities; the remainder was levied for the purposes of local authorities whose expenditure is met out of rates which, under various names, are levied as part of the poor rate, such as county rates, borough rates (with a few exceptions), rates for general expenses of rural district councils and for education expenses of urban district councils, and rates raised for burial authorities, &c.

The General District Rate is the principal rate levied to meet the sanitary and highway expenditure of the councils of boroughs and other urban districts outside London (*e.g.*, for maintenance of roads, sewerage, lighting, scavenging, &c.).

Local taxation in London differs from that of provincial districts in that one rate only, the General Rate, is levied to meet the expenditure (whether poor law, county, municipal, or sanitary) in the entire Metropolitan area, except the City of London, in which a separate Poor Rate and a rate for sanitary purposes and police are levied.

All local rates, with a few trifling exceptions, are levied on the annual or letting value of occupied property, less certain deductions in respect of repairs and insurance. Under the Agricultural Rates Act, 1896, the occupiers of agricultural land are assessed to the poor rate and certain other rates (*e.g.*, the general rate in London, borough rates, &c.), at one-half only of its rateable value (see paragraph 21). Further, land used as arable, meadow or pasture land, and for railways, canals, and certain other purposes, is assessed to the general district rate at one-fourth only of its full rateable value. Several of the minor rates, especially those levied with the general rate in London, are also levied on a reduced assessment of particular classes of property.

5. *Rates, rateable value, and population*; Chart 1.—Chart 1 and Tables 1 and 2 illustrate the comparative growth of local rates, of the annual value of property assessed

\* Except that the amount of loans proposed to be raised from time to time by the London County Council is usually embodied in Finance Bills and submitted to the Treasury, and finally to Parliament for confirmation. Loans proposed to be raised for the construction of Tramways and Light Railways must be sanctioned by the Board of Trade, and loans required by the Receiver of the Metropolitan Police District by the Home Office.

† Paragraphs 4 to 12 relate to the whole of England and Wales including London, but London is also dealt with separately in paragraphs 13 to 19.

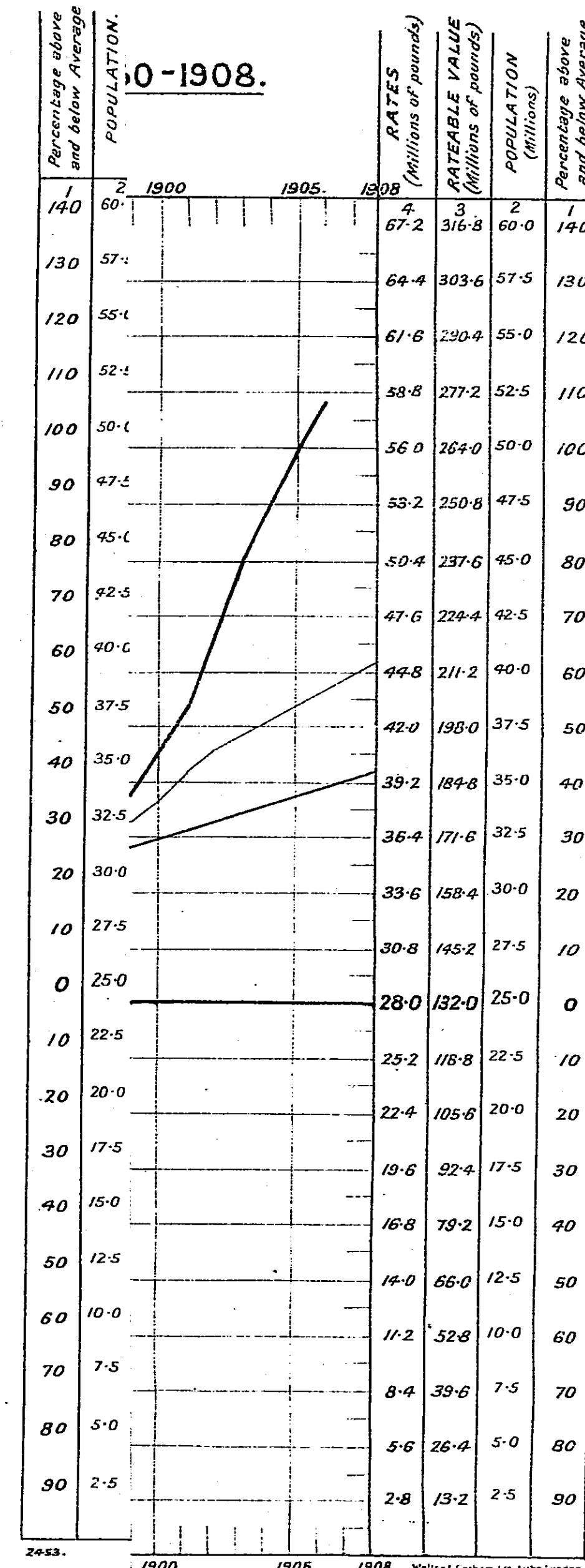
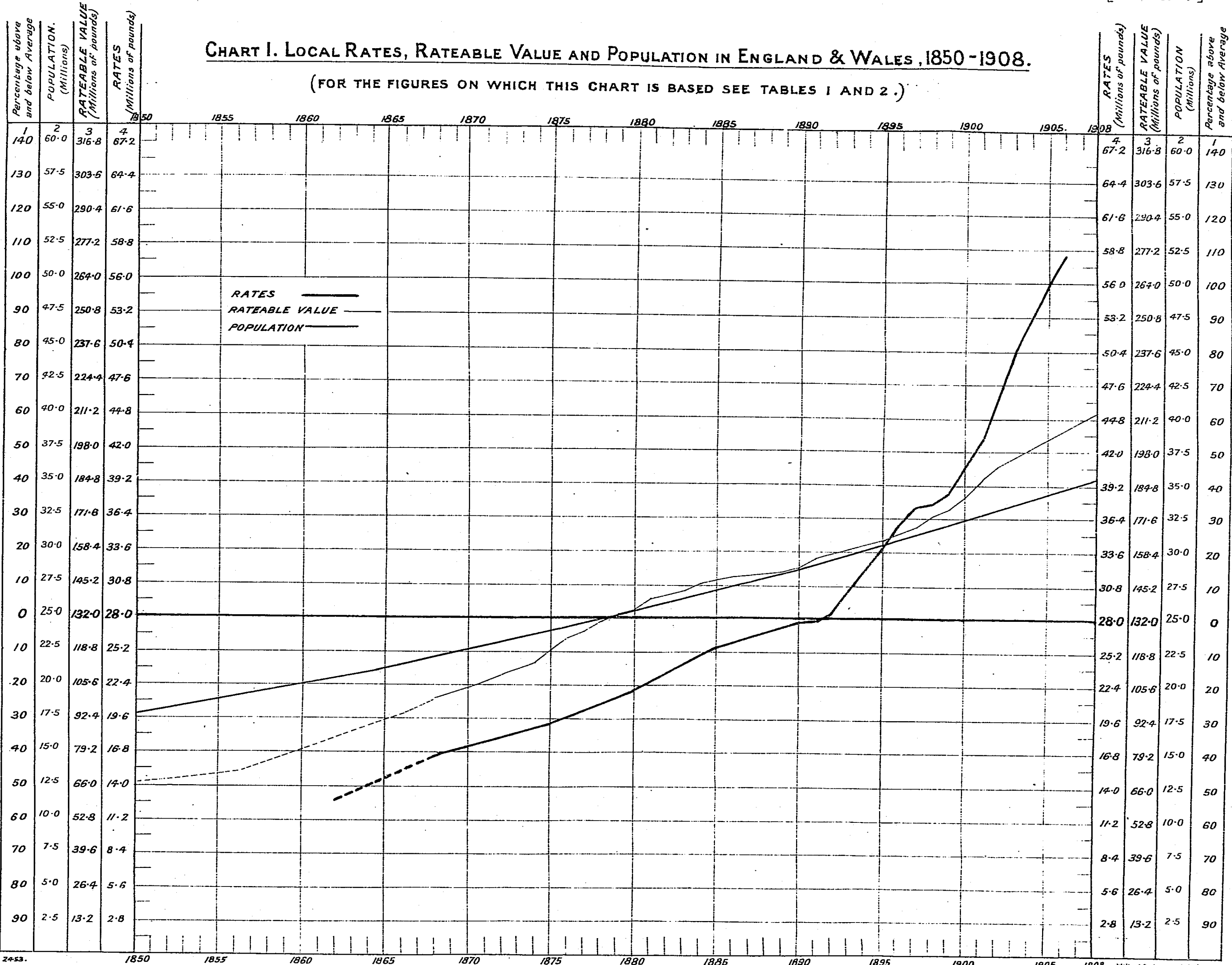


CHART I. LOCAL RATES, RATEABLE VALUE AND POPULATION IN ENGLAND & WALES, 1850-1908.  
(FOR THE FIGURES ON WHICH THIS CHART IS BASED SEE TABLES 1 AND 2.)



Note. To enable comparison to be made between factors of such widely different quantity as Rates (58 Millions in 1906), Rateable Value (208 Millions in 1906) and Population (34 Millions in 1906), an average of each of these three factors has been calculated which is represented on the chart by a single line (the thick line) common to them all, and the curves of each factor have then been calculated in percentage variations above or below this average, as indicated in the outer Column at each side of the Chart. At the same time the exact value of a point, representing a given year in any one of the three Curves can be ascertained from the appropriate one of the three columns at the sides of the Chart, headed "Rates", "Rateable Value", & "Population". Thus it can be seen that in 1875 Rates amounted to £19,000,000. (Column 4) Rateable Value £119,000,000 (Column 3) Population, nearly 24,000,000. Persons, (Column 2)



to rates, and of population in England and Wales from 1851 to 1906. It will be apparent that the burden of local rates measured either by the value of rateable property or by population shows no very material increase during the period from 1867-8 to about the year 1890, but that since 1890 the rise in the amount of rates raised has much exceeded the growth of both rateable value and population. 11X

The comparison between local rates on the one hand, and rateable value and population on the other hand, may be conveniently summarised in the following table:—

Year.	Total amount of rates raised.	Average amount of rates raised.	
		Per pound of valuation.	Per head of population.
	£	s. d.	£ s. d.
1850-1 ... ..	(a) 9,916,000	(a) 2 11	(a) 11 1
1867-8 ... ..	16,503,000	3 3½	— 15 3
1874-5 ... ..	19,199,000	3 3½	— 16 2
1879-80 ... ..	22,022,000	3 3½	— 17 4
1884-5 ... ..	25,667,000	3 6½	— 19 1
1889-90 ... ..	27,713,000	3 8½	— 19 6
1894-5 ... ..	33,855,000	4 2½	1 2 6
1899-1900 ... ..	40,734,000	(b) 4 11½	1 5 7
1904-5 ... ..	56,048,000	(b) 5 11½	1 13 2
1905-6 ... ..	58,256,000	(b) 6 1½	1 14 1

(a) These amounts can only be regarded as approximate—see paragraph 7.

(b) Rates per pound of valuation for years succeeding 1897 are in this and other tables calculated on assessable value under the Agricultural Rates Act, 1896, *i.e.*, the rateable value reduced by an amount equal to one-half the rateable value of agricultural land. As to the grant under this Act, see paragraph 21.

It will be seen from the table that during the period of 22 years from 1867-8 to 1889-90 the amounts of rates raised increased by only 5d. per pound of valuation and by 4s. 3d. per head of population; whereas during the period from 1889-90 to 1905-6 (16 years only) the increase amounted to 2s. 5d. per pound and to 14s. 7d. per head. 11X

#### *Classification of Rates in England and Wales.*

6. A complete classification of local rates according to the various purposes for which they have been raised is not practicable. It would also be useless to trace the development of any particular rate or rates, since the amount raised at different periods by any particular rate (*e.g.*, the poor rate, borough rate) does not afford any reliable means of ascertaining to what extent the rates for any particular service or group of services have risen. This is owing partly to the fact that the rates out of which the expenses of local authorities are defrayed have from time to time been changed, and partly also to the fact that the burden imposed on any particular rate may be increased or diminished by the transference to one local authority of duties formerly carried out by another. This is especially so in regard to the poor rate, which now bears items of expenditure (*e.g.* highway expenses) which in earlier years were to a great extent charged upon other rates.

In order, however, to show, as far as possible, how the increase in rates may be accounted for, Chart 2 and Table 2 have been so arranged as to show the amounts raised by the principal classes of local authorities, which have been grouped in four divisions, according to the main purpose of the functions exercised by them. The divisions adopted are (1) poor law authorities; (2) county and municipal authorities (excluding rates raised by councils acting as elementary education authorities\*); (3) sanitary authorities (excluding rates raised by urban district councils acting as elementary education authorities\*); and (4) elementary education authorities.\* This division is necessarily somewhat arbitrary, inasmuch as there is some slight overlapping in the functions exercised by county and municipal authorities on the one hand and by sanitary authorities on the other hand†; but for the purpose in view the division is one which may fairly be adopted.

\* Prior to the Education Act, 1902, and the Education (London) Act, 1903, elementary education was (where not provided in voluntary schools) the concern of a distinct local authority, the School Board. But the School Board was not responsible for higher or secondary education, the power to provide which had been given to County Councils and to borough and other urban authorities by an Act of 1889 and was only continued by the Act of 1902, which also transferred to those authorities the duties of the School Boards in regard to primary education.

† For example, county councils exercise some powers relating to public health (*e.g.* provision of isolation hospitals) which are also exercised by sanitary authorities, whilst councils for urban districts (other than boroughs), which have been grouped under the head of sanitary authorities, have power concurrently with county councils to provide higher education.

7. *Amount of Rates raised by principal authorities.*—The total amount shown as raised by means of rates in 1851 was £9,916,000\* as compared with £58,256,000 in 1905-6. The figure for the first-mentioned year is, however, to some extent the result of an estimate,\* and is, probably, understated, since in years prior to the formal collection of returns as to local taxation the information obtained on the subject was necessarily incomplete. The first Act dealing with the matter was passed in 1860, and in 1861-2 the total rates raised are stated to have been £12,708,000.\* But this figure again is partly an estimate, though to a less extent than that quoted for 1851. The first year for which complete figures are available is 1868, when the total rates raised in England and Wales amounted to £16,503,000. As compared with this sum, the amount raised in 1905-6—less than 40 years later—represents an increase of £41,753,000 or 253 per cent.

The following table shows the amounts of rates raised by the four main groups of local authorities above referred to in 1874-5, 1884-5, 1894-5, and 1905-6 :—

	1874-5.		1884-5.		1894-5.		1905-6.	
	Amount.	Percentage of Total.	Amount.	Percentage of Total.	Amount.	Percentage of Total.	Amount.	Percentage of Total.
Rates raised for purposes of :—	£		£		£		£	
(1.) Poor law authorities :—								
(i.) Relief of the poor (a)	6,774,000	35.3	7,153,000	27.9	7,085,000	20.9	10,602,000	18.2
(ii.) Other purposes	1,247,000	6.5	1,197,000	4.7	1,654,000	4.9	2,442,000	4.2
(2.) County and municipal authorities (excluding elementary education)...	3,808,000	19.8	4,782,000	18.6	7,035,000	20.8	11,370,000	19.5
(3.) Sanitary authorities :—								
(i.) Sanitary authorities in London and other urban districts (excluding elementary education) ...	4,889,000	25.5	7,934,000	30.9	11,823,000	34.9	20,512,000	35.2
(ii.) Sanitary authorities and highway authorities in rural districts, and certain minor miscellaneous authorities	2,107,000	11.0	2,393,000	9.3	2,526,000	7.5	3,500,000	6.0
(4.) Elementary education authorities	374,000	1.9	2,208,000	8.6	3,732,000	11.0	9,830,000	16.9
Totals	19,199,000	100.0	25,667,000	100.0	33,855,000	100.0	58,256,000	100.0

(a) The figures given as the rates raised for "Relief of the Poor" exclude amounts estimated to have been raised by boards of guardians to meet the expenditure of the Managers of the Metropolitan Asylum District in connection with their fever and smallpox hospitals, which are more properly regarded as a public health service and are included under heading 1 (ii). See note (f) to Table 2 on page 94.

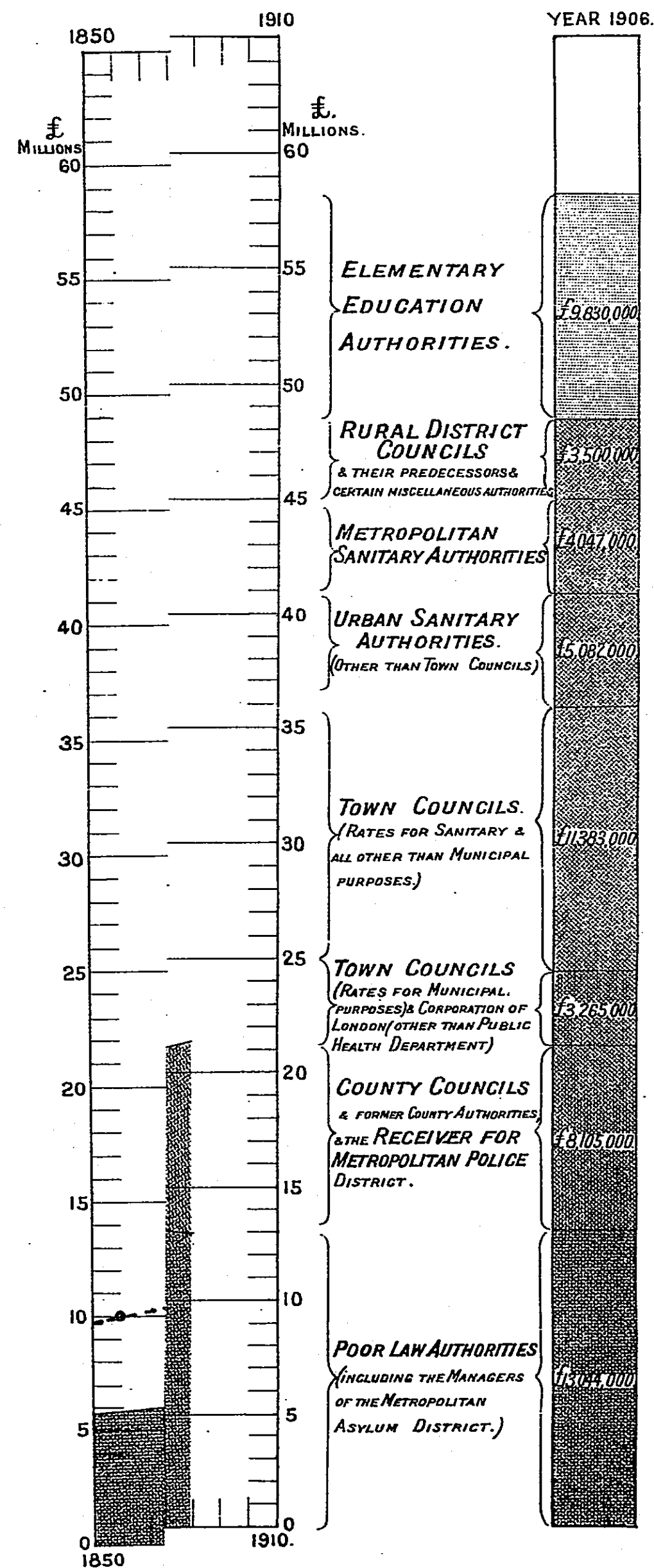
The greater part of the increase in local rates is, according to the above figures, due to the increased expenditure of sanitary or public health authorities in urban districts and to elementary education, in the first place, and to the increased cost of county and municipal government in the second place. The total increase of £39,057,000 in the amount of rates raised in 1905-6 as compared with 1874-5 may be accounted for in the following manner :—

Rates raised for purposes of :—	Increase
Poor law authorities—	£
Relief of the poor† ...	3½
Other purposes ...	1½
County and municipal authorities ...	7½
Sanitary authorities in London and urban districts ...	15½
Sanitary authorities and highway authorities in rural districts ...	1½
Elementary education authorities ...	9½
	39

\* See pages 127 and 129 of Parliamentary Paper, No. 470 of Session 1870 (201 of Session 1893).

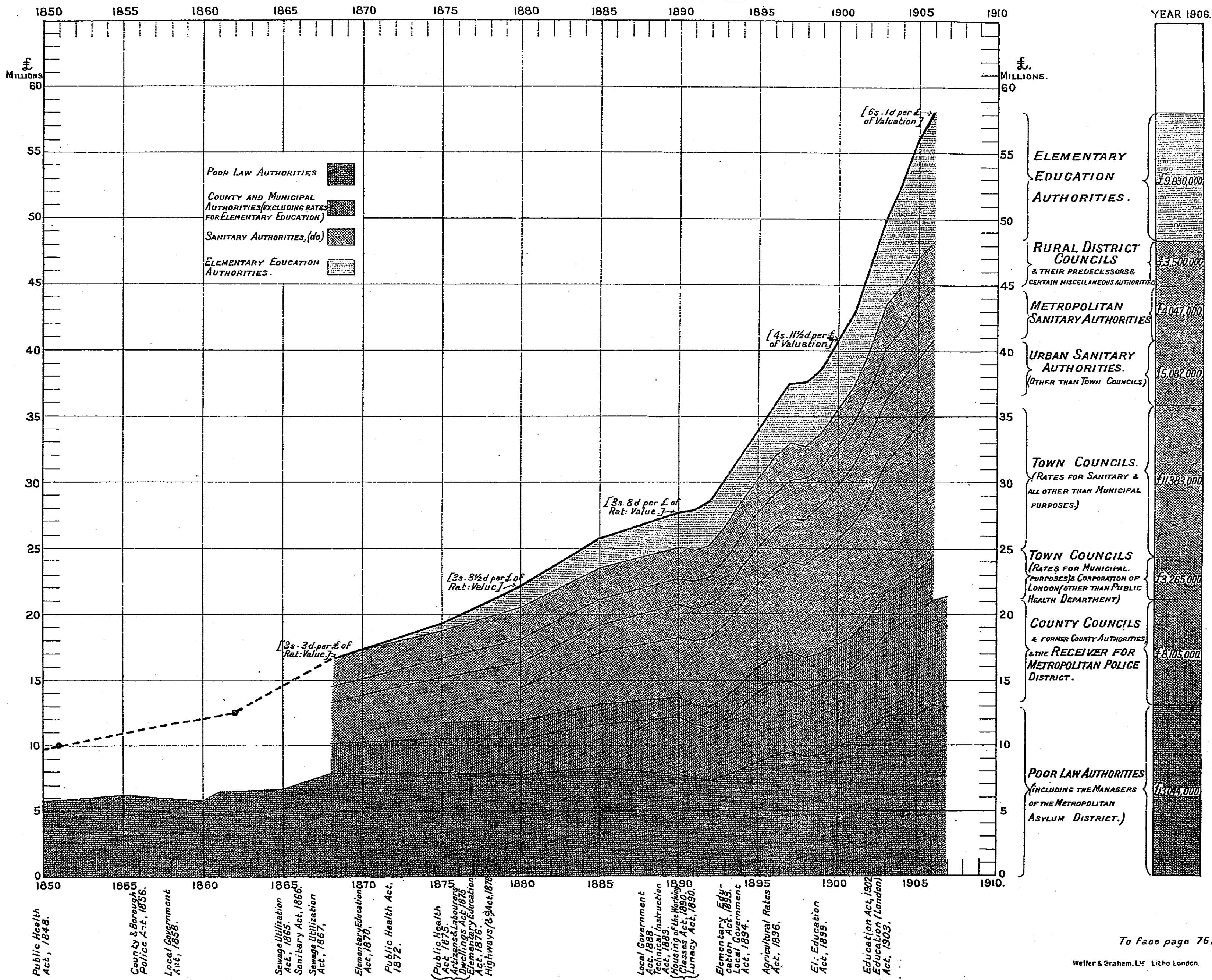
† See note (a) above.

## DISTIES.



To Face page 76.

CHART 2. LOCAL RATES IN ENGLAND & WALES.  
DISTINGUISHING AMOUNTS RAISED FOR EACH OF THE PRINCIPAL CLASSES OF LOCAL AUTHORITIES.  
FOR THE DATA ON WHICH THE CHART IS BASED SEE TABLE 2.





*Local Government Legislation and its effect on Local Taxation.*

8. The whole period from 1850 to the present date may be divided roughly into three groups of years, namely:—

- (1.) 1850–1870. A period during which municipal and sanitary administration in urban areas was being developed and consolidated;
- (2.) 1870–1888. A period during which public health administration was organised in rural areas, and elementary education became a charge upon local rates; and
- (3.) From 1888 onwards. A period distinguished by the passing of the Local Government Act, 1888, involving the creation of county councils and other administrative and financial changes: by the creation of parish councils and parish meetings under the Local Government Act, 1894: by a further development in the charge imposed upon local rates in respect of elementary education, and, finally, by a marked expansion of municipal trading.

The following paragraphs show briefly the principal legislative changes affecting rates which have taken place during the period under review, together with a few details as to the amounts of rates raised for certain of the more important purposes. The subject of rates in London and legislation affecting local government in the metropolis is dealt with separately in paragraphs 13 to 19.

9. *Poor Law Authorities.*—The rates shown in Chart 2 and Table 2 as raised by poor law authorities comprise, in the first instance, rates raised to meet the expenditure of boards of guardians including their own direct expenditure (on relief of the poor, vaccination, valuation, &c.) and also the expenditure of the various joint authorities formed under the poor law (such as the Managers of the Metropolitan Asylum District and managers of poor law school and sick asylum districts) and, in the second place, rates raised to meet the separate expenses of overseers of the poor (cost of collection of rates, valuation, &c.).\*

(i) *Guardians of the poor and poor relief.*—The legislation and orders of the Local Government Board and their predecessors affecting the administration of poor relief, since 1850, have been referred to in Section IV. The following table shows for certain years, from 1857 to 1907, the approximate amount of rates raised exclusively for the relief of the poor, and the average amount of such rates per pound of valuation and per head of estimated population.

Approximate amount of rates raised by guardians for the relief of the poor.†				Average amount per pound of valuation.		Average amount per head of estimated population.	
£				s.	d.	s.	d.
1857	...	...	5,616,000	1	6 $\frac{3}{4}$	5	11
1867	...	...	6,598,000	1	5	6	2
1875	...	...	6,774,000	1	2	5	9
1880	...	...	7,032,000	1	0 $\frac{1}{2}$	5	7
1885	...	...	7,153,000	—	11 $\frac{3}{4}$	5	4
1890	...	...	6,280,000	—	10	4	5
1895	...	...	7,085,000	—	10 $\frac{1}{2}$	4	8
1900	...	...	7,871,000	—	11 $\frac{1}{2}$	4	11
1905	...	...	10,479,000	1	1 $\frac{1}{2}$	6	2
1906	...	...	10,602,000	1	1 $\frac{1}{4}$	6	2
1907	...	...	10,576,000	1	1	6	1

These figures show that whilst the amount of rates raised by poor law authorities to meet expenditure on relief of the poor nearly doubled during the period from 1857 to 1907 the average burden on the ratepayer represented by these rates shows a gradual decrease until shortly after 1890, since when there has been a slight upward tendency: the averages per pound of valuation for 1905, 1906, and 1907 are, however, actually lower than those for 1857 and 1867.

In addition to relief of the poor, the guardians are also concerned with public vaccination (under the Vaccination Acts, 1867 to 1898), with valuation (under the Union Assessment Acts and the Valuation (Metropolis) Act), the registration of births and deaths (under Acts of 1836 and 1874) and certain minor matters.

\* Except for recent years as regards London—see note (b) to Table 3 on page 96.

† See note (a) to the Table on page 76.



(ii) *Overseers of the Poor*.—The duties of overseers comprise the registration of voters, the making of the valuation lists, the levying of the poor rate, and, in a few instances, of separate (borough and other) rates. The rates required to meet the separate expenses of overseers have in recent years amounted on an average to about 1*d.* in the £ on the valuation of the property assessed to the poor rate.

10. *County and municipal authorities*.—Under this heading have been grouped all rates (other than rates for elementary education) raised for county authorities, for the Receiver for the Metropolitan Police District, and for town councils under the Municipal Corporations Act, 1882, in their capacity of municipal (as distinct from sanitary) authorities to meet expenditure usually charged on borough funds (principally expenses of police and administration of justice, higher education, lunatic asylums, public libraries, and municipal buildings). Rates raised for town councils to meet their expenditure under the powers which, in common with all other urban sanitary authorities, they possess under the Public Health and kindred Acts are included under the head of 'Sanitary Authorities'—see paragraph 11.

The county authority, which, until the Local Government Act, 1888, came into operation, consisted of the Justices in Quarter Sessions, was during the earlier portion of the period under review concerned principally with the maintenance of police forces, the provision and upkeep of lunatic asylums and gaols,\* the administration of justice, and the maintenance of county bridges.

In regard to municipal government outside London, a uniform constitution in cities and boroughs on the elective principle had been secured by the Municipal Corporations Act, 1835. The provisions of this Act, and its amending Acts, were repealed and substantially re-enacted by the Municipal Corporations Act, 1882, which contains the existing law on the subject. The duties of municipal corporations, as such, were in many respects similar to those of the county authorities.

The charges falling on county and borough rates were increased by the County and Borough Police Act, 1856, which made the provision of a police force (till then optional) compulsory, and by 1868 out of a total county rate of £1,500,000 more than one-third (£550,000) was raised to meet the cost of the county police.

During the period from 1870 to 1888 further powers and duties were given to county and municipal authorities. These included the provision and maintenance of reformatory and industrial schools; the power to promote, &c., Bills in Parliament; the inspection, &c., of diseased animals, and the analysis of food and drugs. More important in its effect on county rates was the Highways and Locomotives (Amendment) Act, 1878, which provided that half the cost of maintaining main roads (*i.e.*, roads ceasing since 1870 to be turnpike roads or subsequently declared to be main roads) should be charged on the county rate. The remaining half of the cost continued, until 1882,† to be borne by the parish and district highway authorities (surveyors of highway parishes, highway boards, and urban and rural sanitary authorities) who had until 1878 borne the whole of the cost of such roads. The burden thus thrown upon the county rate was an increasing one, owing to the rapid extinction of turnpike trusts, during the years subsequent to 1878.

The Local Government Act, 1888, transformed county government, creating for the purpose of local administration sixty-two administrative counties in place of fifty-four existing ancient counties (after certain boroughs which under the Act were created county boroughs had been eliminated), and placing in the hands of County Councils, elected by ratepayers, most of the administrative, as distinct from the judicial, business which had formerly been performed by the justices. The councils of the county boroughs were to have the same powers and duties, with some modifications, as the county councils under the Act. By the same Act, the whole cost of the maintenance and repair of main roads in England and Wales was to be borne by the councils of counties and county boroughs, and the duty of maintaining a police force in every borough with a population, according to the Census of 1881, of less than 10,000 was transferred to the county.

Further charges on county and borough rates were involved by two Acts of 1889 which gave councils of counties and boroughs power to provide technical instruction up to

\* By an Act of 1877 the obligation to provide prison accommodation ceased.

† As to the grants voted by Parliament in 1882 and 1888 towards the maintenance of disturnpiked and main roads, see paragraph 21.

the produce of a rate of 1*d.* in the pound, and to provide technical or intermediate education in Monmouth and Wales up to the produce of ½*d.* rate. The first mentioned Act was repealed by the Education Act, 1902, which raised the maximum rating limit in counties to 2*d.* in the pound or such higher rate as the Local Government Board should allow,\* and in county boroughs removed the limit altogether. At the same time the councils of non-county boroughs were given concurrent powers of raising rates to provide higher education up to the produce of a rate of 1*d.* in the pound. The powers of the councils under the Education Act, 1902, in regard to elementary education are dealt with in paragraph 12.

By other Acts since 1888 additional powers and duties have been given to the councils of counties and boroughs. Among these may be mentioned Acts of 1890 relating to police pension funds and increasing the obligations of the councils in regard to the provision of asylum accommodation: whilst power to provide small holdings was given to the councils of counties and county boroughs by Acts of 1892 to 1908, and increased powers were conferred on borough councils in relation to public libraries by Acts of 1892 and 1893.

The following table shows briefly the rates raised for the principal classes of county and municipal authorities, excluding rates for purposes of elementary education, in the years 1874-5, 1889-90, and 1905-6:—

Class of Authority.	1874-5.		1889-90.		1905-6.	
	Amount of rates raised.	Approximate average rate in pound of rates raised.	Amount of rates raised.	Approximate average rate in pound of rates raised.	Amount of rates raised.	Approximate average rate in pound of rates raised.
London County Council and their predecessors(a) ... ..	£ 566,000	s. d. — 7	£ 1,858,000	s. d. 1 2½	£ 3,255,000	s. d. 1 7
Receiver for the Metropolitan Police District (whole of district) ... ..	£ 483,000	s. d. — 5½	£ 732,000	s. d. — 5	£ 1,065,000	s. d. — 5
County Councils (except the London County Council) and former county authorities ... ..	£ 1,515,000	s. d. — 4½	£ 1,930,000	s. d. — 5	£ 3,785,000	s. d. — 9
Town Councils (for municipal purposes):						
County Boroughs ... ..	£ 1,178,000	s. d. — 11	£ 1,019,000	s. d. — 8	£ 2,503,000	s. d. 1 0
Other Boroughs ... ..			£ 318,000	s. d. — 6½	£ 625,000	s. d. — 7½

(a) The Metropolitan Board of Works, and the County Authorities for the Metropolitan parts of Middlesex, Surrey, and Kent which were united in 1889 to form the administrative County of London. The London County Council is necessarily included in this table, though it exercises certain powers and duties in regard to public health and other matters which are beyond the sphere of provincial County Councils.

11. *Sanitary Authorities*.†—Under the general term "Sanitary Authorities"—who, as is evident from Chart 2, are responsible for a larger and more rapidly increasing share of the aggregate rates raised than is any other group of local authorities—are included the councils of municipal boroughs acting under the Public Health Acts and Highway Acts and, generally, in respect of matters not belonging to municipal government, the councils of urban districts other than boroughs, metropolitan sanitary authorities, and sanitary, highway, and other authorities in rural areas. The most important of the powers exercised by this group of authorities in their effect on local rates are those connected directly or indirectly with (a) public health and (b) maintenance and construction of roads, though many of these authorities, *e.g.*, urban and rural district councils, have, as the local authorities of their areas, been given also a number of powers not directly connected with their primary functions as sanitary authorities.

\* The Local Government Board have allowed this amount to be exceeded in the case of five counties—Anglesey, Glamorgan, Merioneth, Lancaster, and the West Riding of York.

† For the authorities included under this heading see Table 2 on page 94.

Some account of the constitution and development of public health authorities has already been given in Section II. As there stated, the first general Act dealing with Public Health was passed in 1848. The period succeeding that Act, and prior to 1872, was marked by a series of measures dealing with various branches of public health (such as nuisance removal, sewerage, burial grounds, &c.), the administration of which was given either to existing sanitary authorities (*e.g.*, the Local Boards constituted under the Public Health Act, 1848, and the Local Government Act, 1858), or to other local bodies such as sewer authorities, nuisance authorities, &c. The powers conferred by the Acts of 1848 and 1858 were available in urban districts only and were, for the most part, merely adoptive; in consequence, the various public health authorities had not uniform powers, and many large areas were without any adequate sanitary authority. Public health legislation was finally consolidated by the Public Health Acts of 1872 and 1875, which provided for the constitution of a single sanitary authority, with power to raise rates, and to borrow money subject to the sanction of the Local Government Board, in every district (urban and rural) of England and Wales.

Subsequent legislation has been directed to extending the powers and duties of sanitary authorities. Thus they were given further powers in regard to the provision of open spaces (Open Spaces Acts, 1887 and 1890, and Commons Acts, 1876 and 1899); of public baths and washhouses (Baths and Washhouses Act, 1878); of public libraries (Public Libraries Acts, 1892 and 1893); and of allotments (Allotments Acts, 1887 and 1890, Local Government Act, 1894, and Small Holdings and Allotments Acts, 1907 and 1908). Power to provide higher education was also given to sanitary authorities in urban districts other than boroughs by an Act of 1889, and, more recently, by the Education Act, 1902. The Housing of the Working Classes Act, 1890, greatly increased the powers possessed by sanitary authorities under the Artizans and Labourers' Dwellings Act, 1875, and other Acts to purchase and clear unhealthy areas and to erect dwellings for the working classes (*see* Section II., paragraphs 15 to 17). The extension of the powers of sanitary authorities with a view to the prevention of disease have been referred to in Section II.

The period since 1890 has also been marked by an extension of local "trading" undertakings and remunerative services, such as waterworks, gasworks, electric lighting, and tramways, some of which are only indirectly connected with public health. These have affected local debt rather more than they have local rates, and are, therefore, referred to in more detail in paragraphs 23 to 26. The cost of these works is, of course, primarily a charge on the revenues of the undertakings; but in some cases deficiencies in revenue have to be met out of rates.

Finally, under the Local Government Act, 1894, parish councils and parish meetings were added to the list of local authorities, with power to raise rates which (excluding rates for their expenses under the Adoptive Acts) were not to exceed 6*d.* in the pound on the rateable value of the parish.

*Rates raised for upkeep of roads.*—The upkeep of roads is an important and growing item of charge on the rates of sanitary authorities. The burden of maintaining and repairing roads in urban districts where not already borne by the sanitary authorities was transferred to them by the Public Health Act, 1872, from the separate highway authorities (surveyors of highways and highway boards). The corresponding duty in rural districts was (partially under the Highways and Locomotives (Amendment) Act, 1878, and finally by the Local Government Act, 1894) similarly transferred to the rural sanitary authority. As regards main roads, however, *see* paragraph 10.

The amount of expenditure on the upkeep of highways which falls on the rates of sanitary authorities cannot be determined with precision; but the net expenditure of such authorities outside London on highways and street improvements (after deducting receipts in aid known to have been definitely applied to highway purposes) amounted, approximately, in 1905-6 to £7,500,000.\* The cost of the upkeep of roads (other than main roads) in rural districts formed, in 1905-6, more than one-half the total expenditure of the rural district councils.

\* This amount does not include expenditure out of loans, but does include loan charges (principal of loans repaid, and interest on loans).

The following table shows the rates raised for the principal classes of sanitary authorities in each of the years 1874-5, 1889-90, and 1905-6:—

Class of Authority.	1874-5.		1889-90.		1905-6.	
	Amount of rates raised.	Approximate average rate in pound of rates raised.	Amount of rates raised.	Approximate average rate in pound of rates raised.	Amount of rates raised.	Approximate average rate in pound of rates raised.
	£	s. d.	£	s. d.	£	s. d.
Metropolitan Borough Councils and authorities superseded by them (a) ...	1,282,000	1 5	1,808,000	1 3½	(b) 3,644,000	(b) 1 11½
Town Councils as sanitary authorities:—						
County boroughs...			3,423,000	2 4½	8,198,000	3 5
Other boroughs ...			1,265,000	2 5	3,185,000	3 2½
Urban sanitary authorities and urban district councils, other than town councils (excluding rates for purposes of elementary education) ...	3,474,000	(c)	2,327,000	2 3½	5,082,000	3 2½
Rural sanitary authorities, and rural district councils, and other highway authorities in rural districts ...	1,707,000	— 7½	1,793,000	— 8	3,008,000	1 4½

(a) See note (\*) to Table 3 on page 96.

(b) Includes rates raised by the councils to meet their expenses as overseers.

(c) Cannot be stated. The approximate amounts in 1879-80 were—town councils, 1*s.* 8½*d.*; other urban sanitary authorities, 1*s.* 9½*d.*

It is hardly necessary to point out that the actual amounts of the rates raised by the several groups of provincial authorities in each period are not properly comparable. In the 30 odd years covered by the Table the number and extent of rural sanitary areas have been in process of continual reduction while urban sanitary areas have been correspondingly enlarged: and hence the increase of rates attributed to urban sanitary authorities must be discounted by the fact that during the period from 1874-5 to 1905-6, 362 new urban districts were formed and 413 urban districts were extended by the inclusion of places previously forming part of rural districts.\*

*12. Elementary Education Authorities.*—Previous to the year 1870, public elementary education was not the concern of any local authority.† The Education Act, 1870, made provision for the formation of school districts under school boards, who were to provide public elementary schools out of the rates in all cases where the public school accommodation was found insufficient by the Education Department (now the Board of Education) and were empowered to compel the attendance of children at school.

Subsequent legislation, combined with the growth of urban population, has tended to increase both the number of schools provided out of rates, and the number of children in attendance at the schools. Among the various measures may be mentioned an Act of 1876, providing for the appointment of school attendance committees and officers to enforce the attendance of children where there were no school boards; Acts providing for the education of children in canal boats (1877), of blind and deaf children (1893), and of defective and epileptic children (1899). The age to which children can, save under certain circumstances, be compelled to attend school is now 14, and the minimum age at which exemption can be obtained has been raised from 10 to 12, but children engaged in agriculture may be so employed at 11 if they attend school 250 times a year up to 13.

From 1870 to 1903 the authority for public elementary education was thus a distinct local authority, and in Chart 2, the rates raised for elementary education have accordingly, for purposes of comparison, been treated throughout as those of a separate authority, though the Education Act, 1902, and the Education (London) Act, 1903, completely altered the organisation for elementary education by transferring the duties, &c., of school boards to other classes of local authorities. By those Acts the whole of England and Wales is now divided into areas under local education authorities which are in London, the London County Council, and outside London (i) the councils of county boroughs, (ii) the

\* The number of urban sanitary authorities, including Town Councils, in 1874-5 was 921, and in 1905-6, 1,138. The area under the jurisdiction of urban sanitary authorities was in 1881, 2,850,000 acres, and in 1906, 3,880,000 acres.

† Except as regards the provision of poor law schools by Boards of Guardians, and of reformatory and industrial schools by certain county and borough authorities.

councils of other boroughs with a population over 10,000, (iii) the councils of urban districts other than boroughs with a population over 20,000, and (iv) elsewhere, the council of each administrative county. To these authorities were transferred all schools within their respective areas which had formerly been under the jurisdiction of School Boards, and, in addition, they were given the control of all voluntary ("non-provided") schools in regard to the secular education given in them.

The following figures, which show the growth of the rates raised for elementary education in relation to the value of rateable property and population, will be of interest:—

Year.	Amount.	Average amount per pound of valuation.	Average amount per head of estimated population.
	£	s. d.	s. d.
1871-5... ..	374,000	- 0 $\frac{3}{4}$	- 4
1881-5... ..	2,208,000	- 3 $\frac{1}{4}$	1 8
1891-5... ..	3,732,000	- 5 $\frac{1}{4}$	2 6
1899-1900... ..	5,169,000	- 7 $\frac{1}{4}$	3 4
1902-3(a)... ..	6,744,000	- 9 $\frac{1}{4}$	4 2
1901-5... ..	8,837,000	- 11 $\frac{1}{4}$	5 3
1905-6... ..	9,830,000	1 0 $\frac{1}{2}$	5 9

(a) Year before the coming into operation of the Education Act, 1902.

Within 30 years the charge on the rates in respect of elementary education is thus seen to have grown—in spite of large annual grants from Imperial funds (see below, paragraph 21)—from £400,000 to nearly £10,000,000, while the burden imposed on the ratepayer has increased by nearly 1s. in the pound.

#### Local Rates in London.\*

##### Rates, Rateable value, and Population in London.

13. A comparison of Charts 1 and 2 with Charts 3 and 4 and the accompanying Tables shows that the rise during the period under review in the amount of rates raised has been rather more rapid in London than in England and Wales as a whole.

The following table shows the amounts of rates raised (in 1906), and of rateable value and estimated population (in 1908) in London, and the percentage proportions of the totals for England and Wales which such amounts represent:—

	London.	England and Wales.	Percentage proportion which amounts for London represent.
Rates raised (1905-6) ... ..	£14,875,000	£58,256,000	25.5
Rateable value (in 1908) ... ..	£44,726,000	£212,757,000	21.0
Estimated population (middle of 1908) ... ..	4,796,000	35,349,000	13.6

At the same time the growth of rates has not exceeded the increase in the rateable value to the extent that has been noticed as regards the country generally—a circumstance which may be attributable in some measure to the more regular valuation of property which in London is, under the Valuation (Metropolis) Act, required to be effected quinquennially.†

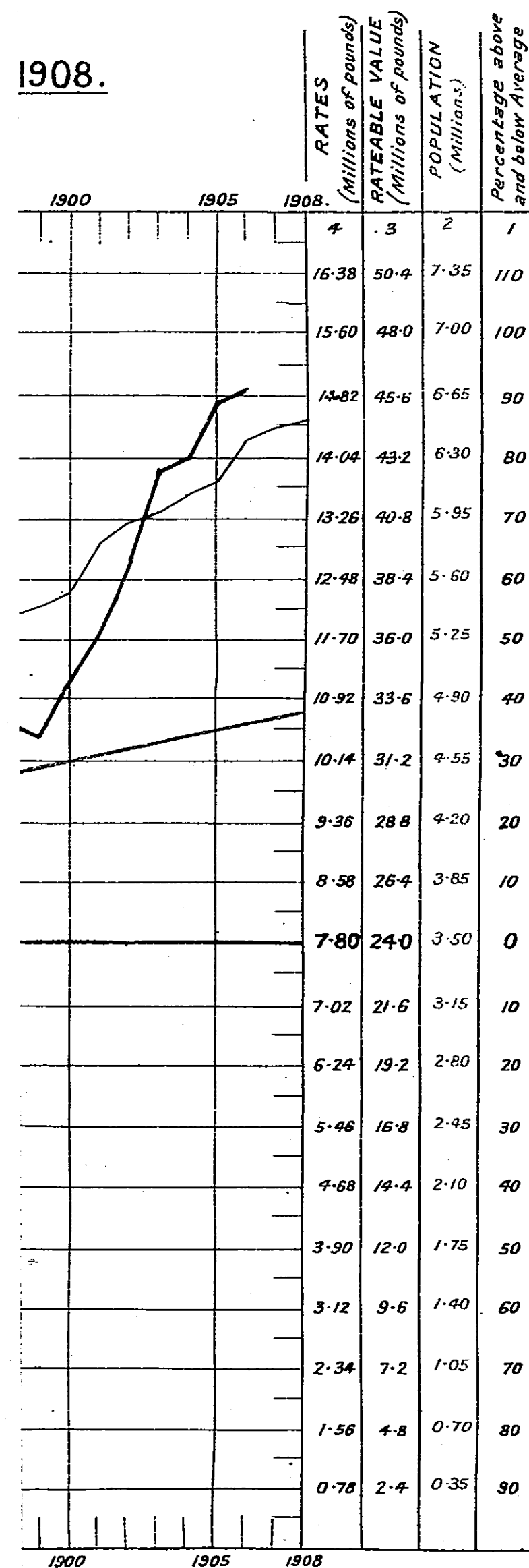
The population of London, on the other hand, has, it will be seen, grown far less rapidly than have the rates raised: but the comparison is somewhat misleading, since, as has been noticed in Section I., the rate of increase of the resident population of London has for some years shown an appreciable falling off—though it need scarcely be pointed out that the resident and the rate-paying population of the county are far from being identical.

\* The area dealt with in Section V. under the head of "London" is that of the administrative county for 1889-90 and later years, and for earlier years the area under the jurisdiction of the Metropolitan Board of Works.

† In London, but not elsewhere, the valuation lists are conclusive for purposes of imperial as well as local taxation, and can only be settled after reference to the surveyors of taxes appointed by the Commissioners of Inland Revenue. Comparison of the income tax (Schedule A) and poor rate (gross rental) valuation in recent years shows that, in the case of property which is assessed for both purposes, the two valuations are practically identical in metropolitan unions, while outside London the poor rate valuation, generally speaking, falls short of the income tax valuation.

#### [SECTION V.]

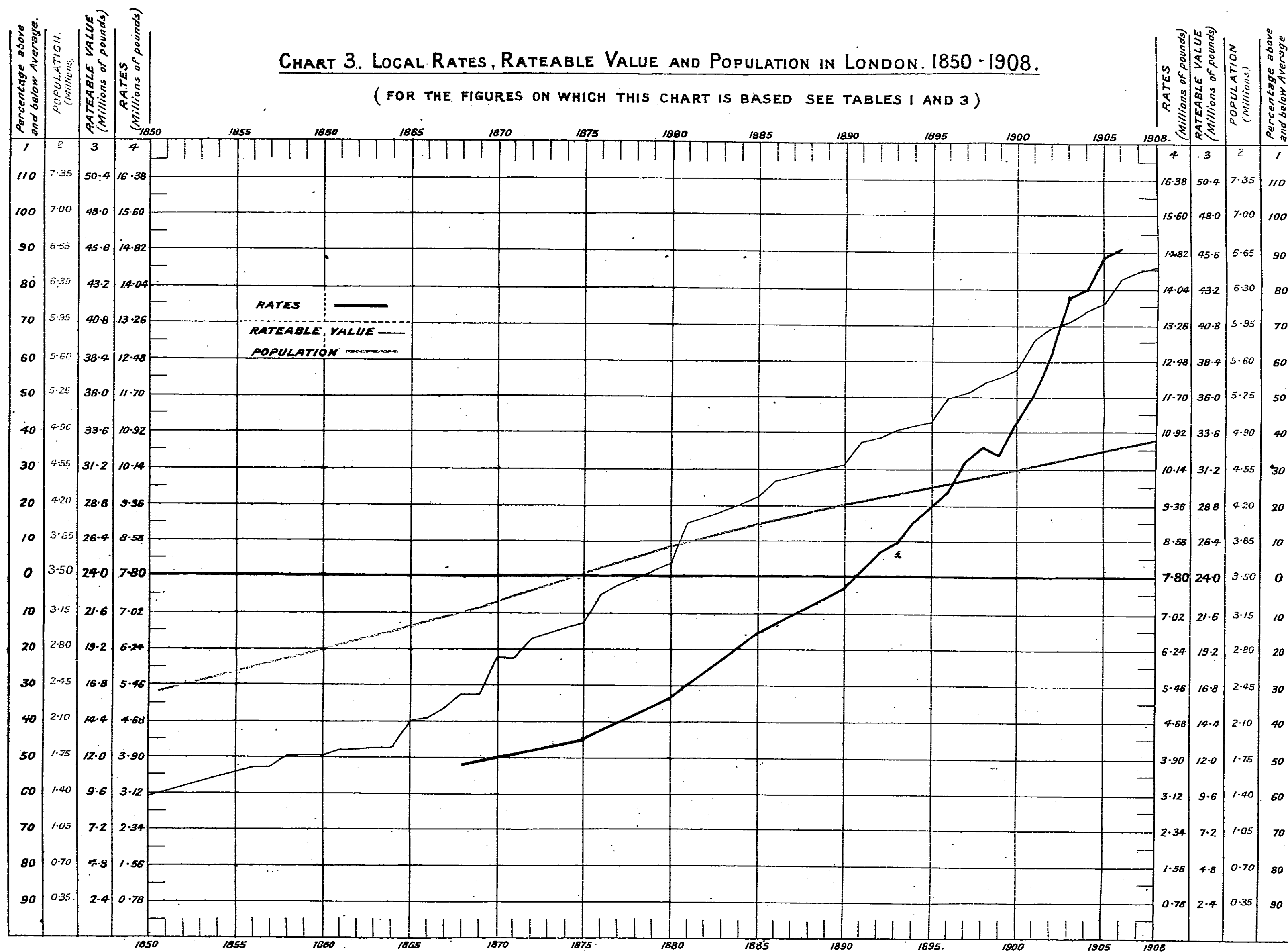
1908.





# CHART 3. LOCAL RATES, RATEABLE VALUE AND POPULATION IN LONDON. 1850-1908.

(FOR THE FIGURES ON WHICH THIS CHART IS BASED SEE TABLES 1 AND 3)



Note. As to the Construction of this Chart, See note to Chart 1.



The following table sets out the amounts of rates raised in London during certain years from 1867-8, and their average relation to rateable value and population :—

Year.	Total amount of rates raised.	Average amount of rates raised	
		Per pound of valuation.	Per head of population.
	£	s. d.	£ s. d.
1867-8... ..	3,703,000	4 4½	1 4 0
1874-5... ..	4,272,000	4 1½	1 4 11
1879-80... ..	5,195,000	4 3	1 8 0
1884-5... ..	6,579,000	4 6½	1 13 5
1889-90... ..	7,567,000	4 10	1 16 7
1894-5... ..	9,336,000	5 5¾	2 2 11
1899-1900... ..	11,155,000	5 11½	2 9 8
1904-5... ..	14,729,000	(a) 7 0¾	(a) 3 3 4
1905-6... ..	14,875,000	(a) 7 0¾	(a) 3 3 6
1906-7... ..	15,397,000	7 0½	3 5 3

(a) See note (c) to Table 3 on page 96.

*Classification of rates raised by local authorities in London.*

14. Chart 4 and Table 3 on page 96 show that the increase in the amount of rates raised in London has been rather more rapid in recent years (since about 1890) than in earlier periods. It will be seen that the amount was almost exactly doubled during the period of 22 years from 1867-8 to 1889-90, and again during the period of 17 years from 1889-90 to 1906-7. In 1867-8 the total amount of rates raised in London was £3,703,000, and in 1906-7 £15,397,000—an increase of £11,694,000, or 316 per cent.

The total increase during the period from 1867-8 to 1906-7 in the amount of rates raised in London may be accounted for as follows :—

Rates raised for purposes of :—	£ (millions)
Poor law authorities :	
Relief of the poor* ... ..	2
Other purposes* ... ..	½
Metropolitan borough councils and authorities superseded by them, and the Corporation of London ... ..	3
London County Council and their predecessors (excluding rates for elementary education), and the Receiver for the Metropolitan Police District ... ..	3½
Elementary education authorities ... ..	3
	<hr/> 11¾

*Legislation affecting local taxation in London.*—The following paragraphs contain a short account of the principal legislative measures which have affected local government and finance in London, together with a few details as to the amount of rates raised during the period under review.

15. *Poor Law Authorities.*—(i) *Boards of Guardians.*—Reference has been made in Section IV. to the principal statutes and orders affecting the administration of poor relief in London.

The following figures show that the rate expenditure of poor law authorities in London on relief of the poor\* measured by rateable value has fluctuated somewhat, but the burden of cost was in 1907 approximately no more than it had been in 1868 :—

\* The item "Relief of the poor" excludes, and "other purposes" includes the estimated amount of rates raised for the expenses of the Managers of the Metropolitan Asylum District in respect of their fever and small-pox hospitals which are strictly a public health service. See note † to Table 2 on page 94, and paragraph 18 of Section II.

		Approximate amount of expenditure falling on rates. £	Average amount per pound of valuation of amounts in preceding column. s. d.
1868	...	1,220,000	1 5½
1880	...	1,531,000	1 3
1890	...	1,763,000	1 1½
1895	...	2,050,000	1 2½
1900	...	2,420,000	1 3½
1905	...	3,163,000	1 6½
1906	...	3,165,000	1 6
1907	...	3,134,000	1 5½

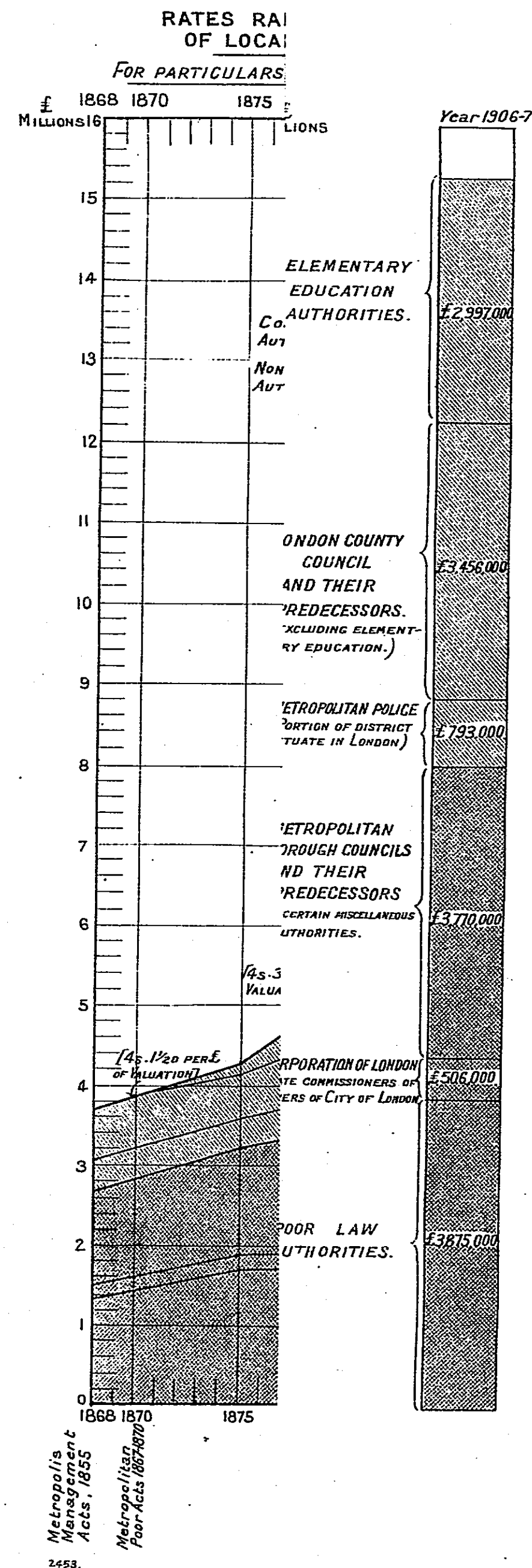
(ii) *Overseers*.—The powers of overseers in regard to valuation and rating and other matters were under the London Government Act, 1899, transferred to the metropolitan borough councils constituted under that Act, who became the overseers of every parish within their borough, and under an Act of 1907, the Corporation of London have now similar powers in the City of London.

16. *County Authorities*.—The county authorities (other than elementary education authorities), grouped under this name in Chart 4, include the Metropolitan Board of Works and the former county authorities for the metropolitan portions of the counties of Middlesex, Surrey and Kent; their successors the London County Council; and the Receiver for the Metropolitan Police District.

The present form of London government dates substantially from the Metropolis Local Management Act, 1855, and its amending Acts. Under these Acts the districts comprising very nearly the present County of London, which had previously been governed solely by a number of elective or co-optive vestries, various bodies of Commissioners of Sewers, and other authorities, were organised under Vestries and District Boards, which, in turn, nominated members to form a central body for London, the Metropolitan Board of Works. The central body had the duty of providing and maintaining the main and general sewerage system of London, of widening and improving streets, and effecting other matters of common benefit. The Board were given power to raise rates and to borrow money by the issue of stock, both for their own purposes, and to advance to the local vestries and district boards. The Metropolitan Board of Works were superseded, under the Local Government Act, 1888, by the London County Council, the members of which are directly elected by the ratepayers. Later legislative measures added largely to the powers and duties of the central authority for London; among these must be noticed the Public Health (London) Act, 1891; the Diseases of Animals Act, 1894; the London Building Act, 1894, which gives the Council wide powers in regard to the construction of buildings, and the Inebriates Act, 1898. The London County Council have also powers under the Housing of the Working Classes Acts, and other general Acts applicable to London. The Council thus exercise most of the powers of county councils generally, except in regard to police, while possessing large additional powers which other councils of counties do not possess, *e.g.*, in regard to tramways, housing, main drainage and disposal of sewage, street improvements, the maintenance of a fire brigade, &c.

In regard to police, London (except the City of London, which has a separate police force), forms part of the Metropolitan Police District which also embraces the County of Middlesex and portions of the counties of Surrey, Kent, Essex, and Hertford. The proportion of the expenditure in respect of the Metropolitan Police which is met out of rates has varied from time to time. Since 1878-9 it has, in effect, been limited to the produce of a rate of 5d. in the pound on the rental of the police district.

17. *Metropolitan Sanitary Authorities*.—The Vestries and District Boards formed under the Metropolis Management Act, 1855, were concerned with matters of purely local concern, such as the maintenance and repair of roads, local sewerage, lighting, and scavenging; but their powers as sanitary authorities were inferior to those possessed by provincial sanitary authorities. Their duties were greatly increased by the Public Health (London) Act, 1891, which consolidated and amended the provisions with regard to the detection and abatement of nuisances, the prevention of infectious disease, the removal of refuse, and the appointment of medical officers of health for their districts; and empowered them to deal with various other sanitary matters. The London Government Act, 1899, transferred the powers of these bodies to the Metropolitan Borough Councils, to whom also, at the same time, were transferred the functions of minor authorities acting under the Adoptive Acts (*e.g.*, burial boards, and commissioners for baths and



Rate amount structure falling rates.	Average amount per pound of valuation of amounts in preceding column.
£	s. d.
20,000	1 5½
31,000	1 3
33,000	1 1½
50,000	1 2½
20,000	1 3½
33,000	1 6½
55,000	1 6
34,000	1 5½

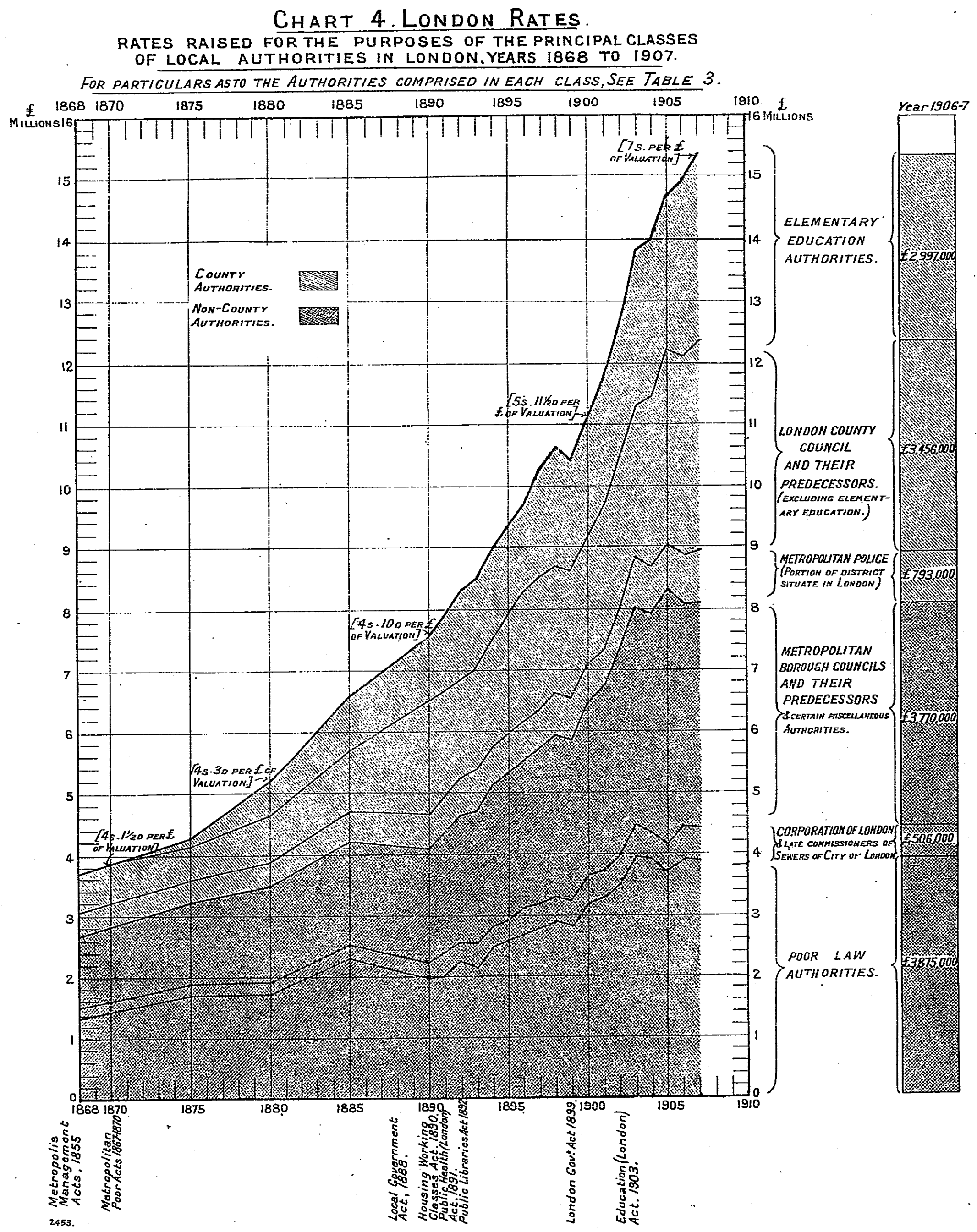
overseers in regard to valuation and rating and London Government Act, 1899, transferred to the rated under that Act, who became the overseers of d under an Act of 1907, the Corporation of London of London.

County authorities (other than elementary education one in Chart 4, include the Metropolitan Board of cities for the metropolitan portions of the counties of successors the London County Council; and the District.

government dates substantially from the Metropolis s amending Acts. Under these Acts the districts t County of London, which had previously been elective or co-optive vestries, various bodies of er authorities, were organised under Vestries and inated members to form a central body for London, The central body had the duty of providing and verage system of London, of widening and improving i common benefit. The Board were given power to he issue of stock, both for their own purposes, and district boards. The Metropolitan Board of Works vernment Act, 1888, by the London County Council, lected by the ratepayers. Later legislative measures es of the central authority for London; among these London) Act, 1891; the Diseases of Animals Act, 1894, which gives the Council wide powers in regard nd the Inebriates Act, 1898. The London County e Housing of the Working Classes Acts, and other The Council thus exercise most of the powers of egard to police, while possessing large additional powers ot possess, e.g., in regard to tramways, housing, main street improvements, the maintenance of a fire

cept the City of London, which has a separate police n Police District which also embraces the County of unties of Surrey, Kent, Essex, and Hertford. The spect of the Metropolitan Police which is met out of e. Since 1878-9 it has, in effect, been limited to the d on the rental of the police district.

thorities.—The Vestries and District Boards formed Act, 1855, were concerned with matters of purely nance and repair of roads, local sewerage, lighting, ers as sanitary authorities were inferior to those authorities. Their duties were greatly increased t, 1891, which consolidated and amended the provisions abatement of nuisances, the prevention of infectious the appointment of medical officers of health for their deal with various other sanitary matters. The London the powers of these bodies to the Metropolitan Borough time, were transferred the functions of minor authorities e.g., burial boards, and commissioners for baths and





washhouses and public libraries). The Councils have power also to carry on electricity supply undertakings and are authorities under the Housing of the Working Classes Acts.

The Corporation of the City of London occupies an exceptional position, having many powers not exercised by the Borough Councils (*e.g.*, in regard to police, administration of justice, provision of lunatic asylums, &c.), and retains a large measure of independence in relation to the County Council.

18. *Elementary Education Authorities*.—The London County Council are now under the Education Act, 1902, and the Education (London) Act, 1903, the authority for purposes of elementary education in the County of London, in succession to the late School Board for London.\*

The following figures illustrate the progressive increase in the amount of rates required for elementary education in London.

			Amount of rates raised. £	Average amount per £ of valuation. s. d.	
1874-5	...	...	106,000	—	1 $\frac{1}{4}$
1884-5	...	...	887,000	—	7 $\frac{1}{4}$
1894-5	...	...	1,408,000	—	10
1902-3	...	...	2,476,000	1	2 $\frac{3}{4}$
1904-5	...	...	2,529,000	1	2 $\frac{1}{2}$ (6d.)
1906-7	...	...	2,997,000	1	4 $\frac{1}{2}$ (4d.)

19. The following table shows briefly the rates raised in certain years for the purposes of the principal central and local authorities in London.

Classes of Authority.	1874-5.		1889-90.		1906-7.	
	Amount of rates raised.	Approximate average amount per pound of valuation of rates raised.	Amount of rates raised.	Approximate average amount per pound of valuation of rates raised.	Amount of rates raised.	Approximate average amount per pound of valuation of rates raised.
	£	s. d.	£	s. d.	£	s. d.
Elementary Education Authorities (London County Council and late School Board for London) ...	106,000	— 1 $\frac{1}{4}$	1,062,000	— 8 $\frac{1}{4}$	2,997,000	1 4 $\frac{1}{2}$
London County Council (other than rates for purposes of Elementary Education) and their predecessors (a) ...	566,000	— 7	1,858,000	1 2 $\frac{1}{2}$	3,456,000	1 7 $\frac{1}{4}$
Receiver for the Metropolitan Police District (portion of district in London) ...	397,000	— 5 $\frac{1}{4}$	569,000	— 5	793,000	— 5
Poor Law Authorities (a) ...	1,716,000	1 8	1,951,000	1 3	(b) 3,837,000	(b) 1 9
Metropolitan Borough Councils and their predecessors (a) ...	1,282,000	1 5	1,808,000	1 3 $\frac{3}{4}$	3,700,000	1 11
Corporation of London, and (late) Commissioners of Sewers of City of London...	199,000	1 6 $\frac{1}{2}$	311,000	1 7 $\frac{1}{4}$	506,000	1 10 $\frac{1}{2}$

(a) As to the authorities included under these headings, see Table 3 on page 96.

(b) Not including for 1906-7 rates required to meet the separate expenses of overseers. These amounted in the case of the City of London to nearly 1  $\frac{1}{4}$ d. in the pound. In the case of parishes in London outside the City, the amount has not been ascertained and is included under the head of "Metropolitan Borough Councils." In 1900-1 it amounted to about 1d. in the pound.

The foregoing figures show that the rise in London rates over the whole period since 1874-5, measured by the additional burden on the ratepayer, is due mainly to the expenditure on elementary education and to the expenditure of the London County Council and their predecessors, the Metropolitan Board of Works. Between 1874-5 and 1906-7 the total rates rose from 4s. 1  $\frac{1}{4}$ d. to 7s. 0  $\frac{1}{2}$ d. in the pound: and of the whole increase (2s. 11d.) represented by these rates, 2s. 3d. is attributable to the two sources mentioned. Since 1889-90, however, the rates of Metropolitan Borough Councils and poor-law authorities have shown a larger increase than have the rates of the London County Council.

\* The law relating to elementary education in London forms part of the general law, an outline of which has been given in paragraph 12.



### Total Revenue of Local Authorities.

*Rates, Exchequer Grants, and other Revenue of Local Authorities: Chart 5.*

20. The preceding paragraphs have dealt exclusively with rates. But rates form only a portion of the total revenue of local authorities, and a review of local finance would be incomplete without reference to the aggregate of their financial transactions. Accordingly Chart 5 and Table 4 on page 97 have been added to show the aggregate revenue of local authorities from 1867-8 to 1905-6.

The following table shows for certain years the total receipts of local authorities in England and Wales from all sources (except loans) and the proportion of the total which was derived from (i.) rates, (ii.) Exchequer Grants,\* and (iii.) other sources of income.

Revenue derived from	1867-8.		1887-8.		1894-5.		1905-6.	
	Amount.	Per-centage of total.	Amount.	Per-centage of total.	Amount.	Per-centage of total.	Amount.	Per-centage of total.
Rates ... ..	£ 16,503,000	67·8	£ 27,195,000	58·7	£ 33,855,000	56·0	£ 58,256,000	51·2
Exchequer Grants ..	951,000	3·9	4,268,000	9·2	8,994,000	14·9	19,850,000	17·5
Other sources ...	6,883,000	28·3	14,895,000	32·1	17,607,000	29·1	35,612,000	31·3
Total ... ..	24,337,000	100·0	46,358,000	100·0	60,456,000	100·0	113,718,000	100·0

21. *Exchequer Grants.*—The amount derived annually by local authorities from the Imperial Exchequer in relief of local taxation has increased, perhaps, to a more marked extent than the amount of rates raised. In 1905-6 rates were, roughly, three times the amount raised in 1867-8: while Imperial grants at the latter date were more than twenty times the figure for 1867-8. The burden imposed by rates on the ratepayer and the relief afforded by Exchequer grants to the ratepayer at the expense of the taxpayer may be measured in terms of rateable value, thus:—

	1867-8.	1887-8.	1905-6.
Rates per £ of Rateable value ... ..	s. d. 3 3¼	s. d. 3 7¼	s. d. 5 8¼
Grants per £ of Rateable value—			
(i) For education (elementary and higher)	—	0 2	1 2½
(ii) For other purposes ... ..	0 2½	0 4¾	0 9
Total ... ..	3 5½	4 2½	7 8¼

It is, however, open to question whether, had no Imperial grants been made, the burden on the rates would have been equal to the sum of Imperial grants and of the rates actually levied.

(i.) *Grants in aid of Education.*—By far the greater part of the increase shown above is due to the annual grants received by local authorities in aid of the cost of elementary education. These, in 1905-6, amounted to 10½ million £. (See the table at the end of this paragraph.) The increase is noticeably large in the period since 1900, but it must be borne in mind that large amounts which had formerly been paid by the Board of Education directly to the Managers of "voluntary" schools were, by the operation of the Education Act, 1902, paid to the local education authorities under the Act, and, consequently, appear for the first time as an item in the accounts of local authorities.† The nature and amount of the grants which have been voted annually by Parliament since the passing of the Elementary Education Act, 1870, have been altered from time to time. In particular, large additional grants were provided for by the Elementary Education Act, 1891, which effected the almost universal abolition of school fees, by an Act of 1897, and by the Education Act, 1902. The cost of "higher" education has also since 1889 been assisted by grants which (including £842,000 so applied out of the "residue" of the customs and excise duties, see next page) amounted in 1905-6 to £1,561,000.

(ii.) *Grants in aid of local purposes other than Education.*—Prior to the Local Government Act, 1888, grants were voted annually by Parliament in aid of specific local purposes,

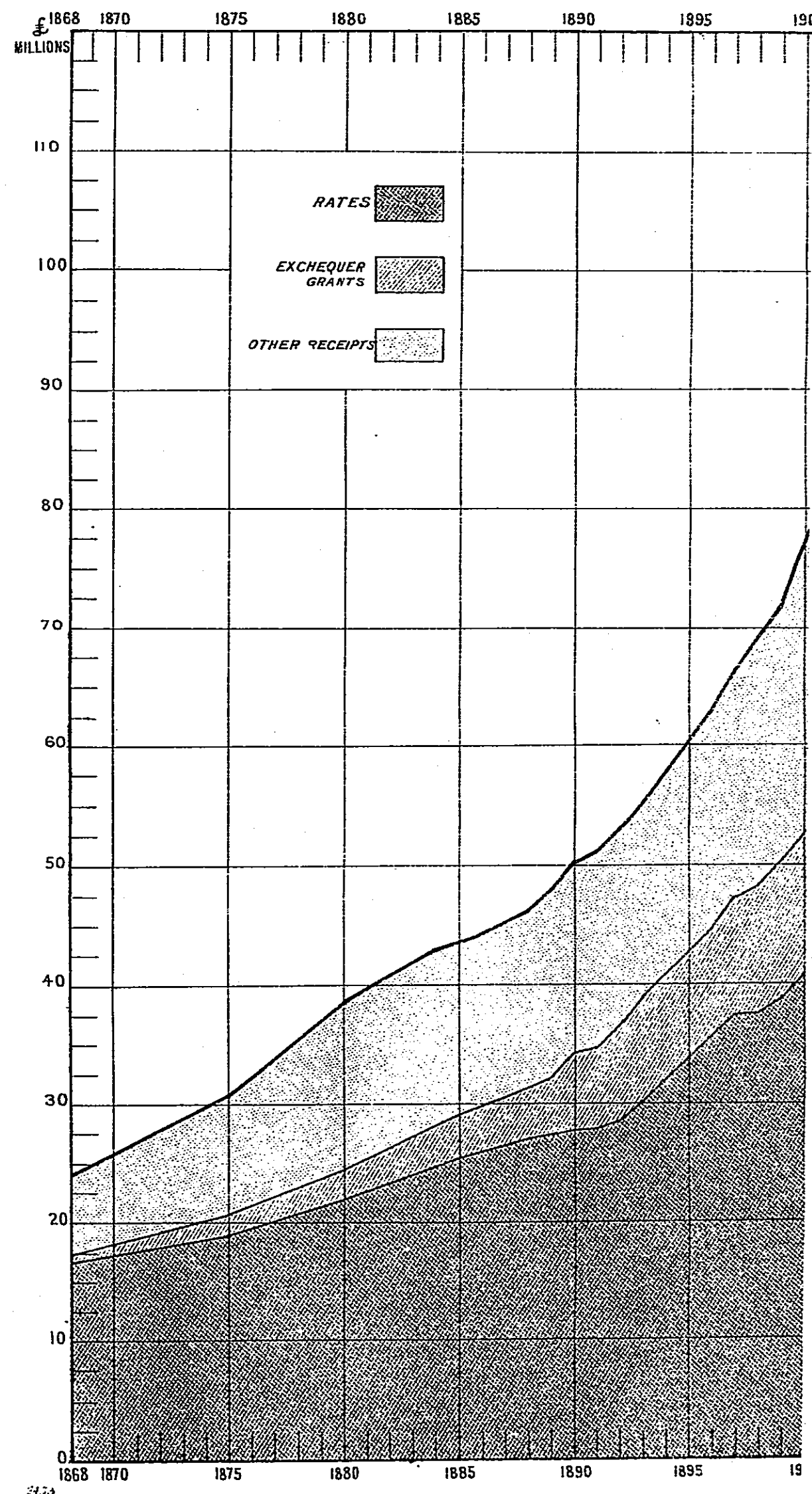
\* Sums paid as contributions in lieu of rates on property occupied by the Government are included, not under the head of Grants, but under that of Rates.

† The sums so paid to the managers in the year ended 31st December, 1902, in respect of day schools, appear to have amounted to £5,090,000—see page 5 of Parly. Paper [Cd. 1476 of Session 1903].

### CHART 5. REVENUE OF LOCAL AUTHORITIES (E)

THE AMOUNTS RECEIVED FROM (1) RATES (2) EXCHEQUER GRANTS, (NOT BEING LOANS) IN CERTAIN YEARS FROM 1867-8 TO 1905-6.

FOR THE DATA ON WHICH THIS CHART IS BASED SEE



### Total Revenue of Local Authorities.

*Rates, Exchequer Grants, and other Revenue of Local Authorities: Chart 5.*

20. The preceding paragraphs have dealt exclusively with rates. But rates form only a portion of the total revenue of local authorities, and a review of local finance would be incomplete without reference to the aggregate of their financial transactions. Accordingly Chart 5 and Table 4 on page 97 have been added to show the aggregate revenue of local authorities from 1867-8 to 1905-6.

The following table shows for certain years the total receipts of local authorities in England and Wales from all sources (except loans) and the proportion of the total which was derived from (i.) rates, (ii.) Exchequer Grants,\* and (iii.) other sources of income.

Revenue derived from	1867-8.		1887-8.		1894-5.		1905-6.	
	Amount.	Per-centage of total.	Amount.	Per-centage of total.	Amount.	Per-centage of total.	Amount.	Per-centage of total.
Rates ... ..	£ 16,503,000	67·8	£ 27,195,000	58·7	£ 33,855,000	56·0	£ 58,256,000	51·2
Exchequer Grants ..	951,000	3·9	4,268,000	9·2	8,994,000	14·9	19,850,000	17·5
Other sources ...	6,883,000	28·3	14,895,000	32·1	17,607,000	29·1	35,612,000	31·3
Total ... ..	24,337,000	100·0	46,358,000	100·0	60,456,000	100·0	113,718,000	100·0

21. *Exchequer Grants.*—The amount derived annually by local authorities from the Imperial Exchequer in relief of local taxation has increased, perhaps, to a more marked extent than the amount of rates raised. In 1905-6 rates were, roughly, three times the amount raised in 1867-8: while Imperial grants at the latter date were more than twenty times the figure for 1867-8. The burden imposed by rates on the ratepayer and the relief afforded by Exchequer grants to the ratepayer at the expense of the taxpayer may be measured in terms of rateable value, thus:—

	1867-8.	1887-8.	1905-6.
Rates per £ of Rateable value ... ..	s. d. 3 3¼	s. d. 3 7¼	s. d. 5 8¼
Grants per £ of Rateable value—			
(i) For education (elementary and higher)	—	0 2	1 2½
(ii) For other purposes ... ..	0 2½	0 4¾	0 9
Total ... ..	3 5½	4 2½	7 8¼

It is, however, open to question whether, had no Imperial grants been made, the burden on the rates would have been equal to the sum of Imperial grants and of the rates actually levied.

(i.) *Grants in aid of Education.*—By far the greater part of the increase shown above is due to the annual grants received by local authorities in aid of the cost of elementary education. These, in 1905-6, amounted to 10½ million £. (See the table at the end of this paragraph.) The increase is noticeably large in the period since 1900, but it must be borne in mind that large amounts which had formerly been paid by the Board of Education directly to the Managers of "voluntary" schools were, by the operation of the Education Act, 1902, paid to the local education authorities under the Act, and, consequently, appear for the first time as an item in the accounts of local authorities.† The nature and amount of the grants which have been voted annually by Parliament since the passing of the Elementary Education Act, 1870, have been altered from time to time. In particular, large additional grants were provided for by the Elementary Education Act, 1891, which effected the almost universal abolition of school fees, by an Act of 1897, and by the Education Act, 1902. The cost of "higher" education has also since 1889 been assisted by grants which (including £842,000 so applied out of the "residue" of the customs and excise duties, see next page) amounted in 1905-6 to £1,561,000.

(ii.) *Grants in aid of local purposes other than Education.*—Prior to the Local Government Act, 1888, grants were voted annually by Parliament in aid of specific local purposes,

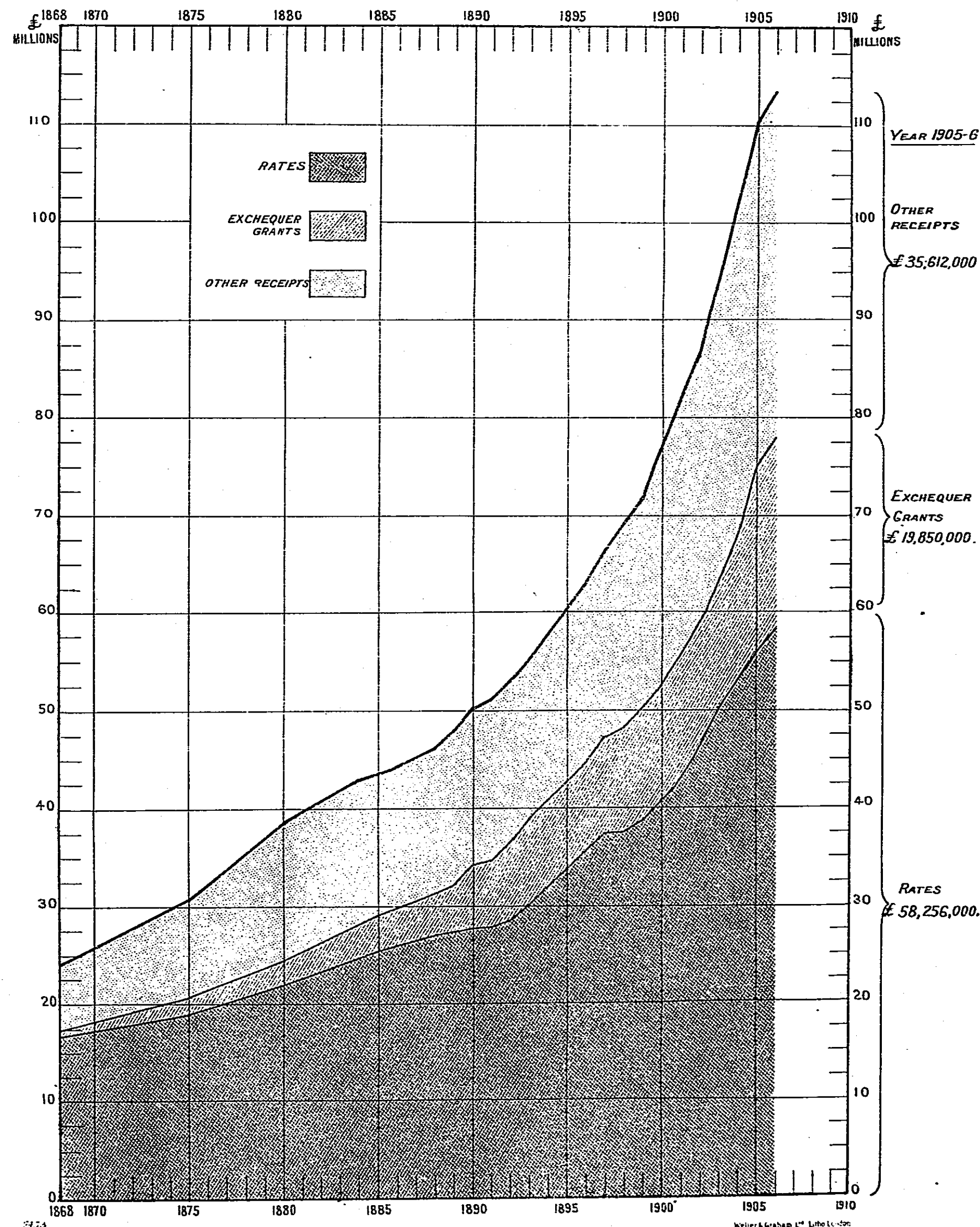
\* Sums paid as contributions in lieu of rates on property occupied by the Government are included, not under the head of Grants, but under that of Rates.

† The sums so paid to the managers in the year ended 31st December, 1902, in respect of day schools, appear to have amounted to £5,090,000—see page 5 of Parly. Paper [Cd. 1476 of Session 1903].

### CHART 5. REVENUE OF LOCAL AUTHORITIES (ENGLAND & WALES)

THE AMOUNTS RECEIVED FROM (1) RATES (2) EXCHEQUER GRANTS AND (3) OTHER SOURCES, (NOT BEING LOANS) IN CERTAIN YEARS FROM 1867-8 TO 1905-6.

FOR THE DATA ON WHICH THIS CHART IS BASED SEE TABLE 4.



other than education, which were held to be objects, mainly or largely, of national concern. The county rate and the poor rate were the earliest objects of Imperial subvention, and at the beginning of the period under review, grants from national taxation amounting in the aggregate to half a million £ (year 1852-3) were voted towards meeting the cost of poor relief (for teachers in poor-law schools and medical officers and auditors' salaries), of criminal prosecutions, of the maintenance of prisoners, and of the Metropolitan Police. A few years later (1856) the national subvention in aid of the cost of police was extended to cover the cost of one-fourth—increased in 1874 to one-half—of the pay and clothing of all local police forces: and in 1874 a grant was made towards the cost of pauper lunatics in county and borough asylums. In 1875-6 a small grant was given in aid of the cost of registration of births and deaths. In 1882\* a grant intended to cover one-fourth of the cost of the maintenance of disturnpiked and main roads was voted, and in 1888\* this grant of one-fourth was (temporarily) increased to one-half.

The net effect of the new grants taken in conjunction with the normal growth in such of the older grants as were based on expenditure was to raise the total amount of Imperial subvention for all purposes except education from £951,000 in 1868 to £3,000,000 in 1888.

The Local Government Act, 1888, changed the system under which certain grants had been voted annually by Parliament and paid directly to local authorities in aid of specified items of expenditure and, in lieu of such grants, assigned to the councils of counties and county boroughs the bulk of the Excise licences, and two-fifths of the probate duty (now estate duty). Out of the sum received by them under the Act, the councils were required to make specified payments (so-called "priority" payments) to boards of guardians and to municipal and sanitary authorities within their areas, both in substitution for the local grants discontinued by the Act and otherwise. The balances ("free balances") remaining in their hands could be applied by the councils (within certain limits) at their own discretion. Under Acts of 1890 the Imperial taxes thus assigned to local purposes were augmented by the proceeds of a surtax on beer and spirits which was allocated to local authorities to be applied, as to £300,000, in aid of police superannuation, and the residue, at the discretion of the councils, in aid of technical education.†

The practical effect of the legislation of 1888 and 1890 on the amount of grants received by local authorities may be shown as follows:—

The Parliamentary grants discontinued under the Act of 1888	£
amounted for the year 1887-8 to ... ..	2,860,000
The proceeds of the Excise and other duties collected by the Excise and Inland Revenue Departments and transferred to local authorities under the Acts of 1888 and 1890 amounted in—	
1889-90 to ... ..	4,806,000
1890-1 to ... ..	6,009,000
1899-1900 to ... ..	7,145,000
1906-7 to ... ..	7,324,000

Thus, in place of the older system of fixed grants or of grants based on expenditure, local authorities obtained the benefit of an expanding revenue derived from certain Imperial taxes, the proceeds of which have tended to grow with the increase of wealth and population.

The Finance Acts, 1907 and 1908, abolished the system of "assigned" revenues and provided that the duties on certain licences should in future be collected by the county and county borough councils themselves, but neither Act has altered the amount payable to the councils, except that under the latter Act a further sum of £40,000 per annum is to be paid to them in respect of their expenses under the Act.

The only important addition to local grants (other than for education) since 1890 is that effected by the Agricultural Rates Act, 1896, under which an attempt was made to relieve the occupiers of agricultural land, who were held to be disproportionately burdened, as compared with occupiers of other classes of property, by the increase of local rates. Under that Act, which was in the first instance to remain in force for five years, but which has been continued by Acts of 1901 and 1905, a further grant was given to local authorities amounting to about £1,300,000 per annum and was to be applied towards meeting the deficiency caused in the produce of certain rates on agricultural land by the exemptions allowed under the provisions of the Act.

\* The grant voted in 1882 was paid to the several highway authorities to whom repayment of a moiety of the cost of maintenance of disturnpiked and main roads had been made by the county authority under the Highways and Locomotives (Amendment) Act, 1878 (see paragraph 10), whilst the grant voted in 1888 was paid to the county authorities.

† Now, by the Education Act, 1902, the "residue" must be applied in aid of "higher" education.



The following table shows for certain years from 1875 to 1906 the increase which has taken place in the amount of Exchequer Grants received by local authorities in respect of the principal purposes.

Purpose.	1874-5.	1879-80.	1884-5.	1894-5.	1899-1900.	1905-6.
Administration of poor relief and maintenance of lunatics ...	£ 359,000	£ 564,000	£ 632,000	£ 1,636,000	£ 1,758,000	£ 1,926,000
Education :—						
Elementary ...	70,000	514,000	1,013,000	2,819,000	3,772,000	(a) 10,690,000
Higher ...	—	—	—	624,000	1,034,000	1,561,000
Police (b) ...	(b) 1,187,000	(b) 1,594,000	(b) 1,665,000	2,053,000	2,253,000	2,516,000
Other purposes (including the amount of the "free balances" referred to on page 87 and the Grant under the Agricultural Rates Act, 1896) ...	65,000	80,000	311,000	1,881,000	3,431,000	3,177,000
Totals ...	1,681,000	2,752,000	3,621,000	9,013,000 (c)	12,248,000 (c)	19,870,000 (c)
Amount per pound of rateable value of totals given above ...	s. d. 0 3½	s. d. 0 5	s. d. 0 6	s. d. 1 1½	s. d. 1 4¾	s. d. 1 11½

(a) Includes grants formerly paid to managers of "voluntary" (now "non-provided") schools, see page 86.

(b) Including, for 1874-5, 1879-80, and 1884-5, grants (now discontinued) towards the cost of prosecutions.

(c) These totals differ slightly from those given in Table 4 on page 97. This is due to the fact that the latter include sums received by county and borough councils for distribution to other local authorities, whilst the totals given above include sums actually received during each year by the local authorities to whom distribution was made—see page 87.

22. *Other revenue of local authorities.*—Concurrently with the increase in the amounts of rates and grants received by local authorities, there has been a large increase in the amounts derived by them from other sources (not being loans), which, as in the case of rates and grants, has been most marked during the period since 1890. To a great extent this must be attributed to the development of municipal enterprise in recent years. Some local authorities have from a very early date owned waterworks, markets, and (in a few cases) harbours, docks, and other local services of profit from which they have derived a substantial revenue. But the more important local undertakings date from a comparatively recent period: power to carry on tramways was given in 1870; to supply electricity in 1882, and to provide light railways in 1896. In regard to the supply of water and gas, additional powers were given by Acts of 1870 and 1871, and by the Public Health Act, 1875. To a very large extent also, local authorities have obtained power to purchase or provide such works, by direct application to Parliament, by means of private Bills.

Table 4 on page 97 shows that the revenue which local authorities derived from sources other than rates, grants and loans, rose from £6,883,000 in 1867-8 to £16,002,000 in 1889-90, and again to £35,612,000 in 1905-6. A large and growing proportion of these sums represents revenue derived by local authorities from trading undertakings, as the following figures indicate :—

Revenue derived from :—	Year 1889-90.	Year 1905-6.
	£	£
Waterworks ...	2,515,000	* 4,430,000
Gasworks ...	3,867,000	7,073,000
Electricity supply ...	†	2,854,000
Tramways and light railways ...	129,000	5,942,000
Harbours, piers, docks, canals, and quays (including tolls, &c.) ...	2,485,000	3,418,000
Markets (including tolls, &c.) ...	655,000	961,000

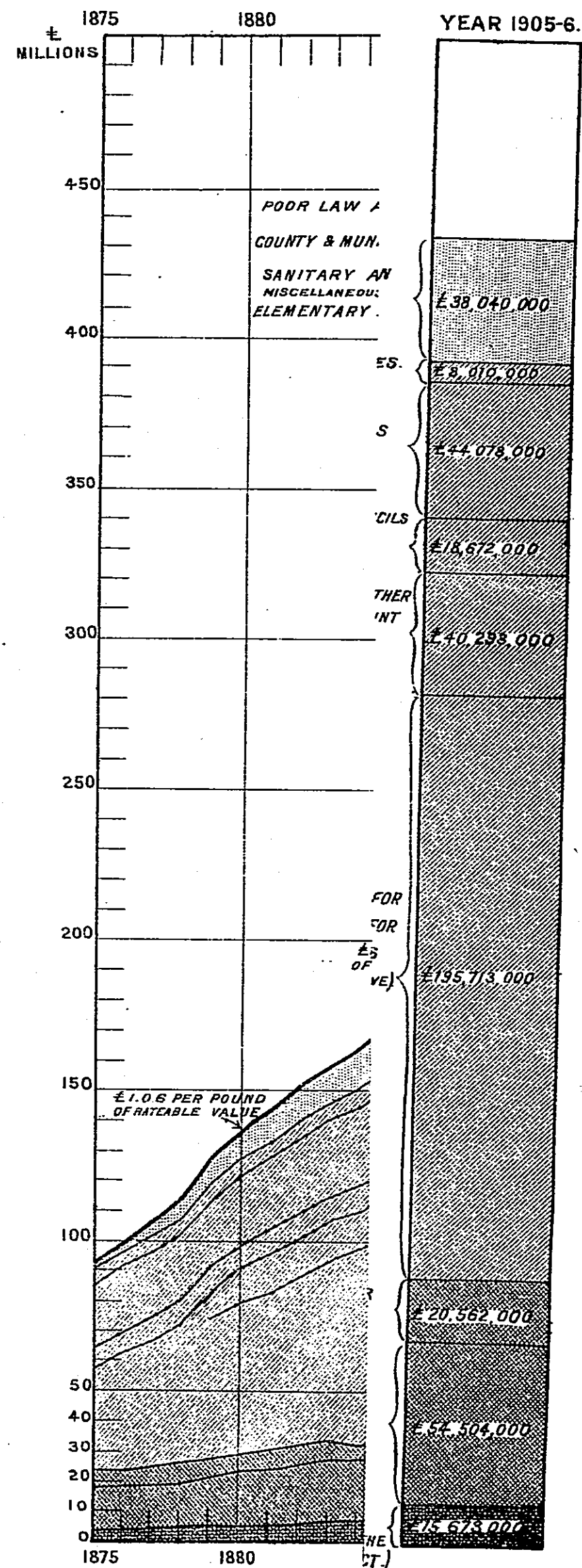
\* Not including (as exceptional) sums received by the Metropolitan Water Board amounting to £3,020,000.

† See note (b) to the table on page 91.

## CHART 6. [SECTION V]

AMOUNTS OWING BY THE

FOR THE



NOTE.—FURTHER DETAILS AS TO THE

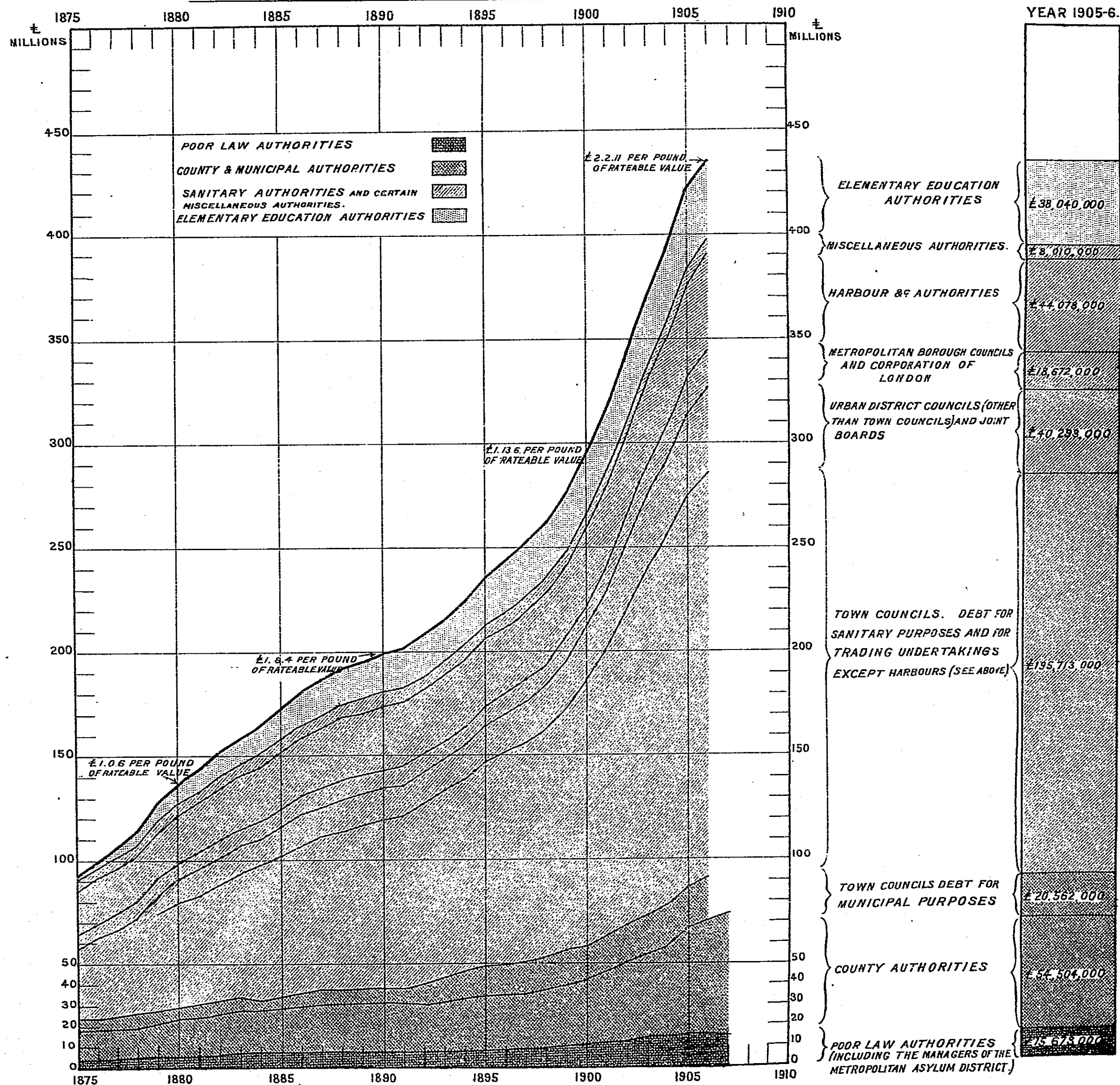
S. Graham, Ltd. Litho London.



# CHART 6. LOCAL DEBT IN ENGLAND & WALES.

AMOUNTS OWING BY THE SEVERAL CLASSES OF LOCAL AUTHORITIES. YEARS 1874-5 TO 1905-6.

FOR THE DATA ON WHICH THIS CHART IS BASED SEE TABLE 5.



NOTE.—FURTHER DETAILS AS TO THE AUTHORITIES INCLUDED IN EACH CLASS WILL BE FOUND IN THE TABLE ON PAGE 97.

Weller & Graham, Ltd. Litho London.

To face page 88.

1875 to 1906 the increase which has been effected by local authorities in respect of

	1891-5.	1899-1900.	1905-6.
£	£	£	£
1,636,000	1,758,000	1,926,000	
2,819,000	3,772,000	(a) 10,690,000	
624,000	1,034,000	1,561,000	
2,053,000	2,253,000	2,516,000	
1,881,000	3,431,000	3,177,000	
9,013,000	12,248,000	19,870,000	
(c)	(c)	(c)	
s. d.	s. d.	s. d.	
1 1½	1 4½	1 11½	

unitary" (now "non-provided") schools, (now discontinued) towards the cost of

on page 97. This is due to the fact that the councils for distribution to other local authorities actually received during each year by the

with the increase in the amounts there has been a large increase in the (being loans), which, as in the case of the period since 1890. To a great extent municipal enterprise in recent years. The owned waterworks, markets, and services of profit from which they derive the important local undertakings date back on tramways was given in 1870; railways in 1896. In regard to the Acts of 1870 and 1871, and to the extent also, local authorities have, by direct application to Parliament,

which local authorities derived from £6,883,000 in 1867-8 to £16,002,000

A large and growing proportion of the authorities from trading undertakings, as

Year 1889-90.	Year 1905-6.
£	£
2,515,000	4,430,000
3,867,000	7,073,000
129,000	2,854,000
2,485,000	5,942,000
655,000	3,418,000
	961,000

the Metropolitan Water Board amounting to

## Local Debt.

*Local Indebtedness in England and Wales.\**

23. *Debt of principal classes of local authority*: Chart 6.—Many of the legislative measures which have given local authorities power to raise rates, have also permitted them to carry out the more permanent works by means of capital borrowed on mortgage of the rates, under condition of repayment within a specified term of years (*see* paragraph 3). The development of this branch of local finance is illustrated in the following paragraphs by comparison of the amount of borrowed capital which remained unredeemed at the end of each financial year.

Chart 6 and the corresponding table (5) on page 98, illustrate the growth of local debt between 1874-5 and 1905-6, the earliest and latest years for which complete information is available. Comparison of these years gives the following results:—

Year.	Amount of local debt.	Average amount per pound of rateable value.	Average amount per head of population.
1874-5	£ 92,820,000	£ s. d. — 16 1	£ s. d. 3 18 3
1905-6	435,545,000	2 2 11	12 15 1
	Or, if the capital borrowed by the Metropolitan Water Board† be included in the latter year,		
1905-6	482,984,000	2 7 7	14 2 10

The amount of local debt has thus increased by 369 per cent. between 1874-5 and 1905-6; or by 420 per cent., if the debt of the Metropolitan Water Board† be taken into account.

The following table shows, approximately, the extent to which the principal classes of local authorities have contributed to the large increase in local debt:—

Increase of outstanding debt between 1874-5 and 1905-6 attributable to:—

	£ Millions.
Poor law authorities—	
Managers of the Metropolitan Asylum District in respect of their fever, &c., hospitals ...	2
Other purposes (mostly relief of the poor) ...	10½
County and municipal authorities ... (excluding loans for purposes of elementary education)	55
Sanitary authorities in urban districts including London ...	214
Elementary education authorities ...	35½
Other authorities (except the Metropolitan Water Board—see below) ...	26
Metropolitan Water Board ...	342¾ 47½
	390¼ mills.

These figures show that the authorities responsible for the largest increase in the amount of the outstanding loans are sanitary authorities in urban districts (including London). The increase in the debt of these bodies, which amounts to about two-thirds of the total increase, may be explained, to a great extent, by the fact that it is in these areas that local authorities have been most active in promoting large works of public health or utility, such as water, gas, and electricity supply, and tramways, which are also very commonly of a remunerative nature.

\* Paragraphs 23 to 26 relate to the whole of England and Wales, including London: but the debt of London is also dealt with separately in paragraph 27.

† The Metropolitan Water Board, which was formed in 1903 to acquire the undertakings of the water companies in and around London, has a capital debt, formed principally by the issue of stock, to the amount of £47 millions. The charges for interest on and redemption of this debt fall primarily on the revenue derived from water rents, but local rates are collateral security. The case is, therefore, parallel with that of many other local authorities which have acquired private undertakings the capital of which has become a part of local debt. But in the present case, owing to the magnitude of the undertaking, it has been found convenient, for purposes of comparison carried over a long course of years, to exclude the debt and the revenue of the Water Board from the charts in this section.

tak  
theAd  
r  
o  
Edi  
E  
E  
Pol  
Oth  
tl  
b  
p  
u  
fAr  
a  
a

see

prc

tha  
aut  
locof  
an  
of  
ex  
So  
(ir  
ha  
frc  
to  
su  
by  
ob  
bysol  
in  
th  
th

££

24. *Local debt classified*: Chart 7.—To appreciate the growth of local indebtedness, classification of loans by services is as necessary as in the case of local rates. Apart from the various causes, such as legislation, and the growth of population, which have led to an increase of local debt equally with local rates, a distinction of primary importance in regard to the increase in local debt is that of productive debt, or debt which is in the nature of industrial capital, as in the case of trading undertakings, and unproductive debt.

Chart 7 and the corresponding table (6) on page 99, have accordingly been prepared with a view to indicating the character of the services or purposes for which debt has been contracted by local authorities. It will be apparent from the chart that three out of the six groups into which local loans have been classified—namely education, “trading” undertakings (as to which see paragraph 26), and public health, are responsible for the larger part of the increase in local debt. This will be readily appreciated from the following figures:—

Amount, and amount per £ of rateable value, of the outstanding debt for:—

	1884-5.*			1905-6.		
	£	£ s. d.		£	£ s. d.	
Trading Undertakings ...	78,805,000	... - 10 10	...	†207,805,000	... †1 0 6	
Public Health§ ...	£57,566,000	... - 7 11	...	†255,244,000	... †1 5 2	
Education (Elementary and Higher) ...	15,252,000	... - 2 1	...	£136,440,000	... - 13 5	
Poor Relief§ ...	£5,951,000	... - 10	...	41,720,000	... - 4 1	
Lunatic Asylums ...	3,326,000	... - 6	...	£13,360,000	... - 1 4	
Miscellaneous purposes...	12,308,000	... - 1 8	...	10,878,000	... - 1 1	
				25,342,000	... - 2 6	
Total ...	173,208,000	... 1 3 10	...	†435,545,000	... †2 2 11	
				†482,984,000	... †2 7 7	

Local debt thus in the twenty-one years increased, roughly speaking, twice as fast as rateable value. Of the six items classified, poor relief (in spite of the extra capital expenditure entailed in recent years by the erection of separate infirmaries and homes for children) added least to the outstanding debt as represented by the above figures while the debt incurred in respect of lunatic asylums and education, measured by rateable value, doubled during the period. By far the greater part of the outstanding debt throughout the period was in respect of purposes which have been classified as “Public Health” and “Trading Undertakings.” Including the debt of the Metropolitan Water Board, these two groups of local services account for no less than 255 millions of the total increase (310 millions) of debt between 1884-5 and 1905-6. The figures relating to these two groups will bear further analysis.

25. Of the total sum of £136,440,000 shown as debt unredeemed at the end of 1905-6 on account of “Public Health” purposes there was owing in respect of:—

£	
Highways and Public Street Improvements (including main roads) ...	51,835,000
Sewerage and sewage disposal ...	38,859,000
Baths and washhouses ...	2,996,000
Burial Grounds and Cemeteries ...	3,140,000
Hospitals (including the fever and small-pox hospitals of the Managers of the Metropolitan Asylum District) ...	6,789,000
Housing of the Working Classes ...	9,345,000
Other purposes ...	23,476,000
	136,440,000

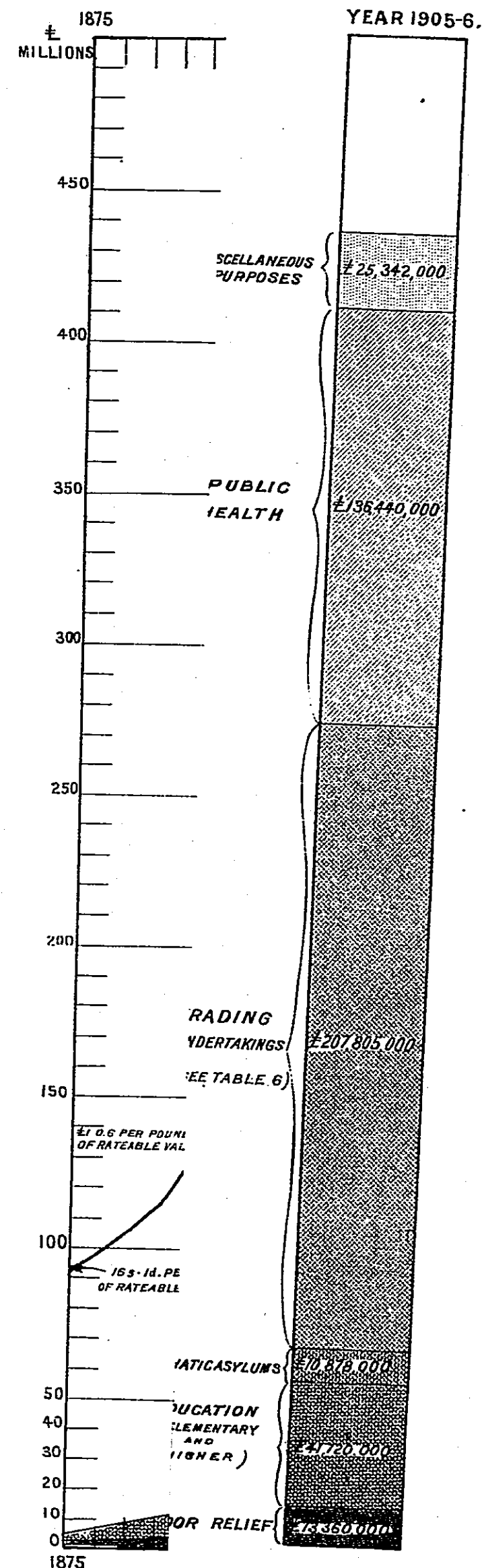
Thus 90 millions or 66 per cent. of the total of 136 millions of “Public Health” debt is due to services of such primary importance as the construction and improvement

\* The year 1884-5 is the first for which a complete classification of local debt according to purposes can be made.

† Excluding } the capital debt of the Metropolitan Water Board.

‡ Including } “Public Health” includes, and “Poor Relief” excludes loans of the Managers of the Metropolitan Asylum District in respect of their fever, &c., hospitals.

# C1 AMOUNTS OW



measure,

1 Water  
the end  
and the  
4-5 and

rease.

£  
063,000  
439,000  
947,000  
493,000  
970,000  
763,000  
713,000  
051,000  
000,000  
439,000

authorities

insured by  
the debt  
tracted for  
lk of the  
ich covers  
nption of  
s relating  
e of these

£

2,571,045

4,202,741

7,789,682

578,622

that of the  
at one-fifth

of London  
authority.  
1890, and  
eable value  
Chart 8  
don, which  
in 1906-7  
outstanding  
he remarks

), House of

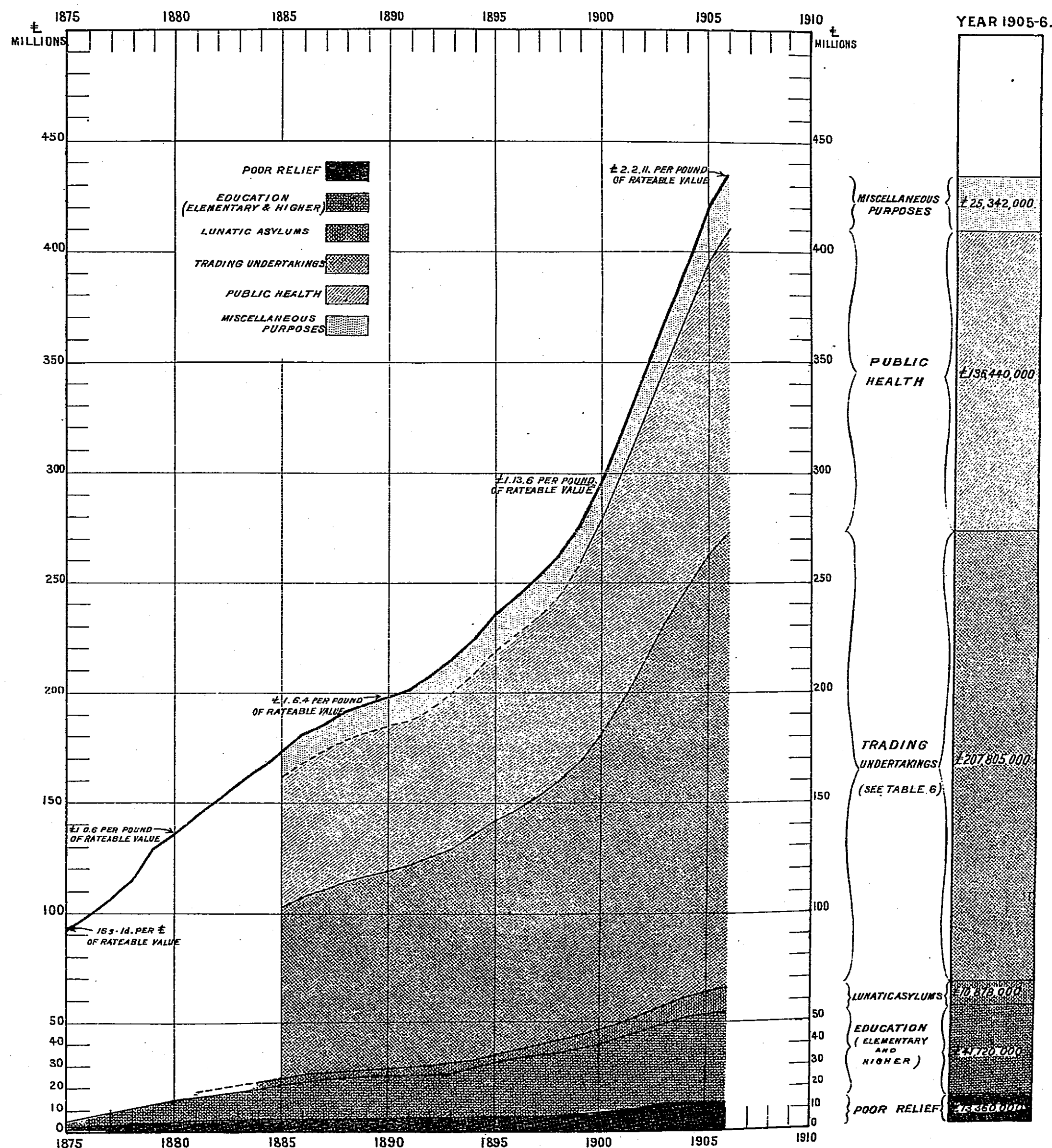
be included  
rather more



# CHART 7. LOCAL DEBT IN ENGLAND & WALES.

AMOUNTS OWING IN RESPECT OF EACH OF THE PRINCIPAL SERVICES, YEARS 1874-5 TO 1905-6.

FOR THE DATA ON WHICH THIS CHART IS BASED SEE TABLE 6.



iate the growth of local indebtedness, in the case of local rates. Apart from th of population, which have led to distinction of primary importance in utive debt, or debt which is in the ing undertakings, and unproductive

n page 99, have accordingly been f the services or purposes for which ill be apparent from the chart that ve been classified—namely education, 26), and public health, are responsible is will be readily appreciated from the

f the outstanding debt for:—

1905-6.

d.	£	£ s. d.
10 ...	£207,805,000	£1 0 6
11 ...	£255,244,000	£1 5 2
11 ...	£136,440,000	£13 5
1 ...	41,720,000	£4 1
10 ...	£13,360,000	£1 4
6 ...	10,878,000	£1 1
8 ...	25,342,000	£2 6
10 ...	£435,545,000	£2 2 11
10 ...	£482,984,000	£2 7 7

sed, roughly speaking, twice as fast as relief (in spite of the extra capital of separate infirmaries and homes for e represented by the above figures while and education, measured by rateable greater part of the outstanding debt which have been classified as "Public the debt of the Metropolitan Water no less than 255 millions of the total nd 1905-6. The figures relating to

n as debt unredeemed at the end of ere was owing in respect of:—

(including main

...	51,835,000
...	38,859,000
...	2,996,000
...	3,140,000
hospitals of the	6,789,000
istrict) ...	9,345,000
...	23,476,000
	136,440,000

of 136 millions of "Public Health" as the construction and improvement

te classification of local debt according to

ter Board.

les loans of the Managers of the Metropolitan



24.  
classific  
the vari  
an incr  
regard t  
nature  
debt.

Ch  
prepared  
debt has  
three ou  
"trading  
for the l  
following  
Am

Tradit  
Public  
Educat  
and  
Poor F  
Lunatic  
Miscell

Loca  
rateable  
expendit  
children)  
the debt  
value, do  
throughout  
Health"  
Board, the  
increase (i  
these two

25. C  
1905-6 or

Hig  
r  
Sev  
Bat  
Bui  
Hos  
A  
Hos  
Oth

Thus :  
debt is due

\* The y  
purposes can  
† Exclud  
‡ Includ  
§ "Publ  
Asylum Dist

of highways and works of sewerage and sewage disposal—a direct result, in great measure, of the continuous growth of urban population.

26. It will be seen that nearly one-half (or, if the loans of the Metropolitan Water Board be included, rather more than one-half) of the total outstanding loans at the end of 1905-6 was in respect of purposes classed as "trading." These purposes, and the amount of capital debt unredeemed in respect of each at the end of the years 1884-5 and 1905-6 respectively were as follows :—

Items.	1884-5.	1905-6.	Increase.
	£	£	£
Waterworks ... ..	30,327,000	71,390,000	41,063,000
Gasworks ... ..	13,769,000	(a) 47,439,000	(a) 47,439,000
Electricity Supply ... ..	(b)	23,716,000	9,947,000
Tramways and Light Railways ... ..	1,167,000	27,493,000	27,493,000
Harbours, piers, docks, canals and quays ... ..	28,538,000	28,137,000	26,970,000
Markets ... ..	5,004,000	44,301,000	15,763,000
Advances to Manchester Ship Canal Company ... ..	—	7,717,000	2,713,000
		5,051,000	5,051,000
Totals ... ..	78,805,000	207,805,000	129,000,000
		(a) 47,439,000	(a) 47,439,000

(a) The outstanding debt of the Metropolitan Water Board.

(b) The heading "Electricity Supply" was not used in the returns furnished by local authorities for 1889-90 and earlier years.

In paragraph 24 the growth of the debt shown in the foregoing table is measured by rateable value: but so far as such a comparison conveys the impression that the debt of these undertakings is a burden on rates in the same sense as the debt contracted for poor law institutions or lunatic asylums it is misleading. Probably the bulk of the capital debt shown in the table belongs to undertakings producing a revenue which covers the cost of working, and permits of a substantial contribution towards the redemption of the capital debt without recourse to the aid of local rates. The following figures relating to the undertakings of Town Councils\* only illustrate approximately the finance of these undertakings :—

Average annual income derived from water, gas and electricity supply, tramways, harbours, and markets, in 4 years, 1899 to 1902 ... ..	£
	12,571,045
Average annual expenditure on the same undertakings :—	
i. Interest on and repayment of capital debt and depreciation ... ..	4,202,741
ii. Other charges ... ..	7,789,682
Difference between income and expenditure (average annual net profit) ... ..	578,622

#### Local Debt of London : Chart 8.

27. Comparison of Chart 8 and Table 7 with Chart 6 and Table 5 shows that of the total amount of £435,545,000 local debt unredeemed at the end of 1905-6, about one-fifth (£82,813,000) was owing by local authorities in London.†

Chart 8, which is based on Table 7, shows both the aggregate debt of London since 1861, and the portions of it which are attributable to each class of local authority. It will be seen that the debt of London has steadily increased. From 1875 to 1890, and again from 1890 to 1907 the amounts doubled. Measured, however, by rateable value the increase in years succeeding 1900 has been more rapid than in earlier years. Chart 8 shows that, per pound of rateable value, the amount of the local debt in London, which in 1874-5 was £1 0s. 2d. and in 1899-1900 was only £1 8s. 4d., had risen in 1906-7 to £1 19s. 9d. For the purpose of effective comparison, London's share of the outstanding debt of the Metropolitan Water Board has not been taken into account in the remarks made in this and the succeeding paragraphs.

\* Taken from Return as to Municipal Corporations (Reproductive Undertakings), House of Commons Paper 398 of 1902.

† These figures do not include the loans of the Metropolitan Water Board. If these be included the figures become £182,984,000 and £121,246,000 and the proportion of London debt rather more than one-fourth.

Of the total amount outstanding at the end of 1907 (£87,228,000) more than one-half (£48,672,000\*) was owing by the London County Council in respect of loans for their own purposes (excluding elementary education). The loans of the County Council have increased during the period from 1890 to 1907 at about the same rate as the loans for the county as a whole. Much of the increase has been in connection with their tramway and housing schemes, in respect of which £6,134,000 and £3,992,000, respectively, were outstanding at the end of 1907, and in connection with drainage, street improvements, and embankments, in respect of which £22,236,000 was outstanding at that date. Excluding the loans of the Managers of the Metropolitan Asylum District in respect of their fever, &c. hospitals, the loans of Poor Law Authorities in London (practically all of which were in connection with relief of the poor) have risen from £1,648,000 in 1875 to £5,407,000 in 1907.

The largest increases in London in recent years have been in the amount shown as owing by the Metropolitan Borough Councils and the authorities superseded by those councils. The amount in 1890 was £2,270,000; in 1901 (the year in which the Metropolitan Borough Councils were created) it was £6,794,000; and in 1906-7, £12,602,000. Much of the increase is due to loans raised in connection with electric lighting and housing schemes of the councils and their predecessors.

The amount of the outstanding loans in respect of elementary education has grown from £1,068,000 in 1875 to £11,353,000\* in 1907.

#### Offsets against Debt.

28. The figures in the foregoing paragraphs represent the gross amounts actually owing by local authorities. In this connexion it is, however, necessary to bear in mind not only the fact (to which allusion has already been made) that in the case of many loans no burden is imposed on the rates, but also the fact that no deduction has been made in respect of (i.) the assets of local authorities consisting of property purchased and buildings or works provided out of loans, or (ii.) amounts standing to the credit of sinking and other similar funds provided by them for the repayment of loans.

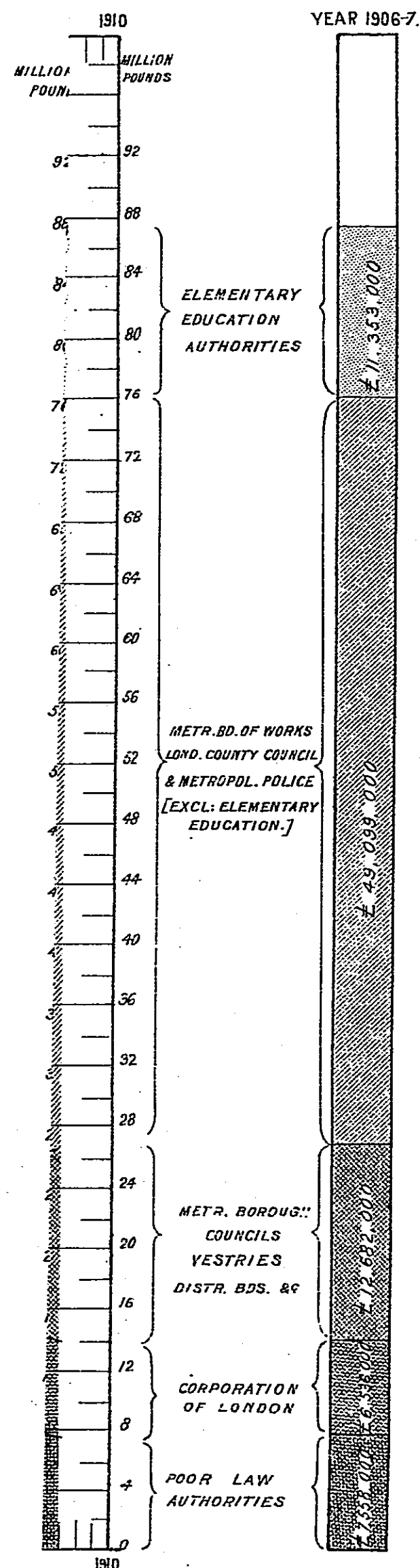
The capital value of the undertakings and other properties purchased by local authorities out of loans has not been ascertained, but it may be stated that, in the aggregate, it represents a very substantial "set-off" to the amount of their outstanding debt,† and that a large proportion of these assets may fairly be described as "realizable," consisting, as they do, of works of a permanent or remunerative character.

In regard to (ii.) loans are repayable either by means of annual instalments or by means of sinking and other similar funds. Considerable provision has been made by local authorities for this purpose, the amount standing to the credit of sinking, &c., funds at the end of 1905-6 having been about £16,500,000. The total sum provided by local authorities for repayment of debt during the year 1905-6 amounted to upwards of £11,000,000.‡ During the period from 1874-5 to 1905-6, the total amount borrowed (not including sums borrowed by the Metropolitan Water Board) was approximately £500,000,000, and the total sum repaid to lenders, or set aside for repayment during that period amounted to upwards of £170,000,000.

\* At the end of 1906-7 the London County Council held surplus lands and other property estimated to be worth £6,818,000, the proceeds of the sale of which would be applicable to the reduction of the sums of £48,672,000 and £11,353,000 shown above as owing by the Council.

† According to figures extracted from Parl. Paper, No. 114, Sess. 1904, the capital value on 31st March, 1903, of the undertakings and other corporate property belonging to town councils was, as estimated by those councils, £241,135,000.

‡ Including upwards of £5,000,000 paid to sinking, &c., funds.



TION.

[N

S, AND

96.)

don.

£

sands.)

308

936

287

889

386

928

809

678

111

675

182

355

309

726

regards

tioned.

appears

197.000

e xxvi.

don.

sands.)

228

537

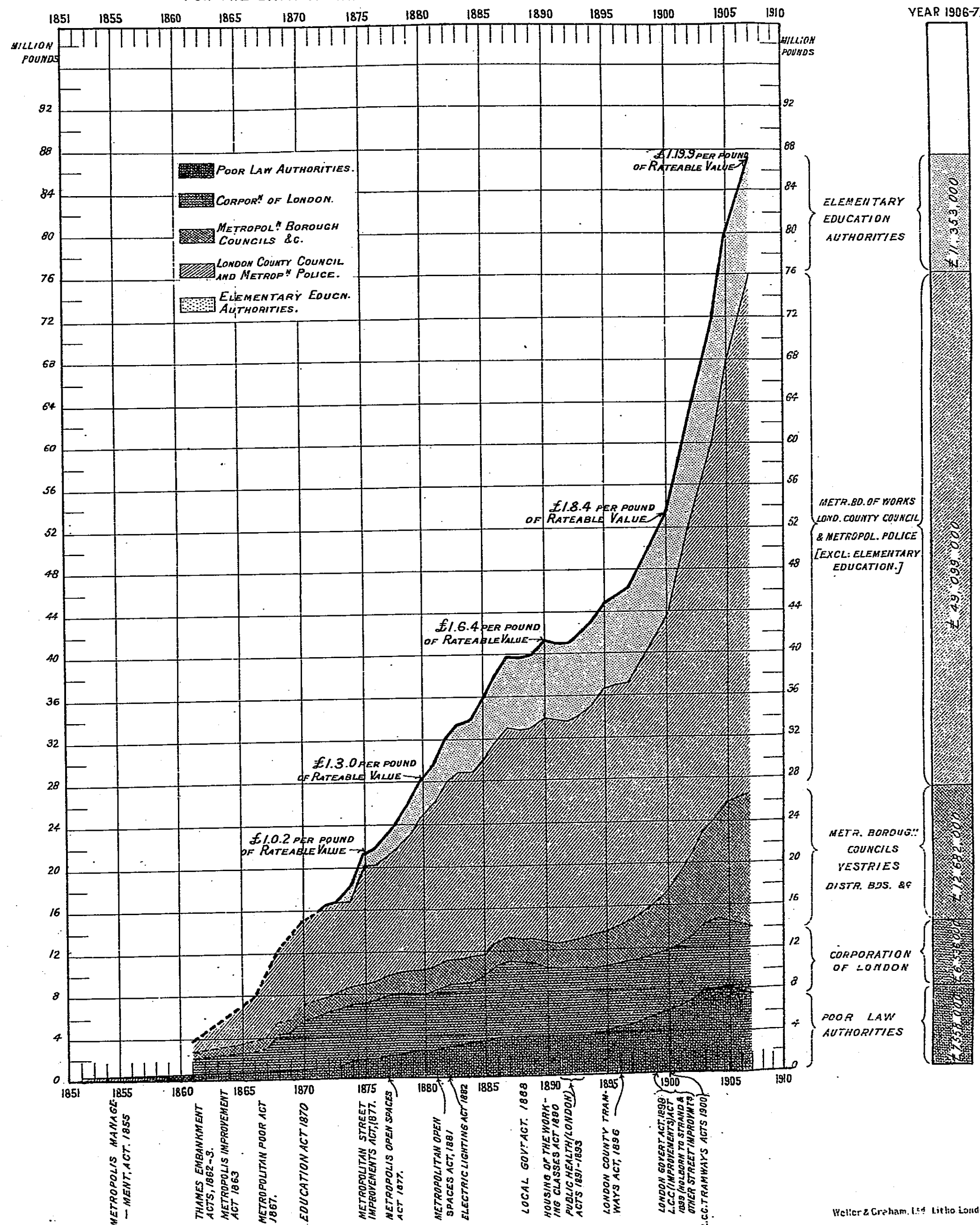
796

# CHART 8:- LOCAL DEBT IN LONDON

[SECTION V]

AMOUNTS OF THE OUTSTANDING LOANS OF THE PRINCIPAL CLASSES OF LOCAL AUTHORITY.  
YEARS 1851 TO 1907.

FOR THE DATA ON WHICH THIS CHART IS BASED SEE TABLE 7.



Wells & Graham, Ltd. Litho. London.

To face page 92.



Of t  
half (£48  
own purp  
increased  
county as  
housing  
outstandi  
embankm  
the loans  
&c. hospi  
in connec  
in 1907.

The  
owing by  
councils.  
Metropol  
£12,602,  
lighting :  
The  
from £1,

28.  
by local a  
the fact (  
burden is  
respect of  
or works  
other sim  
The  
authoritie  
aggregate  
debt,† an  
consisting  
In r  
means of  
local autl  
funds at t  
local autl  
£11,000,  
(not incl  
£500,000  
that peric

\* At  
estimated  
reduction  
† Acc  
31st March  
estimated  
‡ Incl

## SECTION V.—LOCAL GOVERNMENT AND LOCAL TAXATION.

### TABLES CONTAINING THE DATA ON WHICH THE CHARTS IN SECTION V. ARE BASED.

TABLE 1.—RATEABLE VALUE AND POPULATION OF (1) ENGLAND AND WALES, AND (2) LONDON, IN CERTAIN YEARS FROM 1850 TO 1908.

(Information as to the amounts of rates raised will be found in the Tables on pages 94 and 96.)

#### I.—RATEABLE VALUE.

Year.	England and Wales.	London.	Year.	England and Wales.	London.
	£ (Thousands.)	£ (Thousands.)		£ (Thousands.)	£ (Thousands.)
1850 ...	67,700	19,452	1895 ...	162,840	34,308
1856 ...	71,840	11,284	1896 ...	165,990	35,936
1866 ...	93,638	14,525	1897 ...	168,665	36,287
1868 ...	100,669	16,946	1898 ...	172,066	36,889
1870 ...	104,405	18,719	1899 ...	175,623	37,386
1875 ...	119,080	21,020	1900 ...	180,406	37,928
1880 ...	135,645	25,058	1901 ...	186,563	39,809
1885 ...	147,351	29,410	1902 ...	191,107	40,678
1890 ...	152,116	31,597	1903 ...	194,717	41,111
1891 ...	155,896	33,071	1904 ...	199,356	41,675
1892 ...	157,723	33,371	1905 ...	202,859	42,182
1893 ...	159,469	33,730	1906 ...	207,068	43,855
1894 ...	161,140	34,052	1907 ...	209,892	44,309
			1908 ...	212,757	44,726

\* The valuations given for 1875 and succeeding years are those on 6th April, as regards London, and on 25th March, as regards the rest of England and Wales, in each of the years mentioned.

† From Parliamentary Return No. 539 of Session 1852.

‡ These amounts have been taken from Parliamentary Paper 178 of Session 1879. It appears probable that they may be understated, the amount shown in that Paper for 1868 being £16,197,000 as compared with £16,946,000 the amount given above, which has been taken from page xxvi. of Parliamentary Paper 168 of Session 1893.

#### II.—POPULATION.

Year.	England and Wales.	London.	Year.	England and Wales.	London.
	(Thousands.)	(Thousands.)		(Thousands.)	(Thousands.)
1851* ...	17,928	2,363	1891* ...	29,003	4,228
1861* ...	20,066	2,808	1901* ...	32,528	4,537
1871* ...	22,712	3,261	1908† ...	135,349	14,796
1881* ...	25,974	3,830			

\* Census Population.

† Estimated Population in the middle of 1908.

TABLE 2.—LOCAL RATES IN ENGLAND AND WALES, distinguishing amounts

Authorities.	1867-8.	1874-5.	1879-80.	1884-5.	1889-90.	1890-1.	1891-2.	1892-3.
	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).
1.—Poor Law Authorities:*								
(i) For poor relief† (excluding rates raised for the managers of the Metropolitan Asylum District in respect of their fever and small-pox hospitals).	7,101	6,774	7,032	7,153	6,280	5,699	6,207	6,433
(ii) In respect of the fever, &c., hospitals of the managers of the Metropolitan Asylum District†—	—	40	69	383	136	158	165	317
(iii) For other purposes‡ ...	730	1,207	745	814	1,335	1,617	918	847
Total of 1 ...	£ 7,831	£ 8,021	£ 7,846	£ 8,350	£ 7,751	£ 7,474	£ 7,290	£ 7,597
2.—County and Municipal Authorities: (excluding amounts raised for elementary education but including rates raised for the Receiver of Metropolitan Police):—								
(i) County Authorities (including the Metropolitan Police).	2,400	2,564	2,733	3,443	4,520	4,188	4,118	4,451
(ii) Town Councils (municipal accounts) and the Corporation of London (accounts other than those relating to the Public Health Department).		1,244	1,310	1,339	1,431	1,407	1,522	1,608
Total of 2 ...	£ 3,083	£ 3,808	£ 4,043	£ 4,782	£ 5,951	£ 5,595	£ 5,640	£ 6,059
3.—Sanitary authorities and certain minor miscellaneous authorities:—								
(i) Town Councils (other than municipal accounts).			2,695	3,895	4,688	4,975	5,331	5,627
(ii) Urban Sanitary Authorities and Urban District Councils (excluding rates raised for elementary education).			1,841	2,186	2,327	2,371	2,389	2,493
(iii) Metropolitan Sanitary Authorities‡.	1,163	1,415	1,665	1,853	2,025	2,202	2,254	2,513
(iv) Rural Sanitary Authorities and Rural District Councils, and other highway authorities in rural districts.	1,336	1,707	2,021	1,907	1,793	1,734	1,785	1,958
(v) Miscellaneous authorities§ ...	£ 690	£ 400	£ 427	£ 486	£ 512	£ 500	£ 486	£ 493
Total of 3 ...	£ 6,996	£ 8,649	£ 10,327	£ 11,345	£ 11,732	£ 12,245	£ 13,084	£ 13,084
4.—Elementary Education Authorities:—								
(i) School Boards ...	—	374	1,484	2,208	2,666	2,968	3,332	3,462
(ii) County Councils ...	—	—	—	—	—	—	—	—
(iii) Town Councils ...	—	—	—	—	—	—	—	—
(iv) Urban District Councils ...	—	—	—	—	—	—	—	—
Total of 4 ...	£ —	£ 374	£ 1,484	£ 2,208	£ 2,666	£ 2,968	£ 3,332	£ 3,462
GRAND TOTALS ...	£ 16,503	£ 19,199	£ 22,022	£ 25,667	£ 27,713	£ 27,819	£ 28,507	£ 30,202

\* Including guardians of the poor [for their own purposes (relief of the poor, vaccination, valuation, &c.) and for the purposes of the managers of the Metropolitan Asylum District and of school and sick asylum districts] and (except as stated in note (b) to Table 3), overseers of the poor.

† Heading 1. The amounts shown against headings 1 (i) and 1 (ii) as having been raised by means of rates for purposes of poor relief and in respect of the fever, &c., hospitals of the Managers of the Metropolitan Asylum District have been based on actual expenditure, less receipts in aid, and must be regarded as approximate. The expenditure of the Managers in respect of their fever, &c., hospitals is not necessarily expenditure on the relief of the poor [see sec. 7 of the Diseases (Prevention) Metropolitan Act, 1883, and sec. 80 (4) of the Public Health (London) Act, 1891].

‡ Heading 3 (iii). Comprising Metropolitan Borough Councils and authorities superseded by them under the London Government Act, 1899, the Corporation of London (accounts relating to the Public Health Department), and the (late) Commissioners of Sewers of the City of London.

raised for each of the principal classes of local authorities—Years 1867-8 to 1906-7.

1893-4.	1894-5.	1895-6.	1896-7.	1897-8.	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.	1906-7.
£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).	£ (thou- sands).
6,898	7,085	7,323	7,449	7,307	7,707	7,871	8,401	9,150	9,659	10,069	10,479	10,602	10,576
331	279	314	386	432	454	500	515	570	699	578	535	592	584
932	1,375	1,707	1,659	1,462	1,113	1,487	1,470	1,307	1,717	1,716	1,428	1,850	1,791
8,161	8,739	9,344	9,494	9,201	9,274	9,858	10,386	11,027	12,075	12,363	12,442	13,044	12,951
4,843	5,260	5,465	5,591	5,263	5,415	5,425	5,630	6,036	6,467	7,053	7,637	8,105	8,406
1,660	1,775	1,892	2,084	2,190	2,355	2,362	2,387	2,659	2,965	2,978	3,094	3,265	3
6,503	7,035	7,357	7,675	7,453	7,770	7,787	8,017	8,695	9,432	10,031	10,731	11,370	11
6,160	6,360	6,654	6,928	7,178	7,569	8,051	8,578	9,225	9,918	10,518	10,959	11,333	11
2,703	2,804	3,087	3,290	3,461	3,714	4,007	4,312	4,628	4,946	5,063	5,149	5,082	5,156
2,529	2,659	2,714	2,788	2,921	2,899	3,162	3,266	3,600	3,929	3,849	4,459	4,047	4,060
2,053	1,976	2,123	2,284	2,029	2,091	2,200	2,315	2,537	2,792	2,859	2,981	3,008	2,971
496	550	563	512	504	503	500	498	495	492	463	490	492	4
13,941	14,349	15,209	15,802	16,093	16,776	17,920	18,969	20,485	22,077	22,752	24,038	24,012	24
3,619	3,732	3,988	4,571	4,858	4,783	5,169	5,622	6,232	6,744	4,114	362	—	—
—	—	—	—	—	—	—	—	—	—	1,165	4,557	5,468	5,790
—	—	—	—	—	—	—	—	—	—	2,099	3,275	3,685	3
—	—	—	—	—	—	—	—	—	—	418	643	677	683
3,619	3,732	3,988	4,571	4,858	4,783	5,169	5,622	6,232	6,744	7,796	8,837	9,830	9
32,224	33,855	35,898	37,542	37,605	38,603	40,734	42,994	46,439	50,328	52,942	56,048	58,256	58

§ Heading 3 (v). The principal authorities included under this head are parish councils and parish meetings (1894-5 and later years), commissioners of sewers, drainage boards, and other land drainage authorities, and burial boards. Up to and including 1895-6 rates raised for all burial boards are included under the head of "miscellaneous": since that date amounts raised for the purposes of town councils and urban district councils, acting as burial boards, have been included against headings 3 (i) and 3 (ii) above.

¶ Heading 3 (v). Year 1867-8. Including church rates amounting to £230,000.

‡ Year 1906-7. In the cases marked (¶) complete information is not yet available.

TABLE 3.—LOCAL RATES IN LONDON, distinguishing amounts raised for each of the principal classes of local authorities.—Years 1867-8 to 1906-7.

Year.	Rates raised for purposes of—							Totals.
	Poor Law Authorities, including the Managers of the Metropolitan Asylum District.	Corporation of London and (late) Commissioners of Sewers of City of London.	Councils of Metropolitan Boroughs and their predecessors.	Receiver for the Metropolitan Police District (rates raised in portion of district situate in London.)	London County Council and their predecessors, other than amounts in column 7.†	Elementary Education Authorities (London County Council and (late) School Board for London).	Miscellaneous Authorities.	
	1.	2.	3.	4.	5.	6.	7.	8.
	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)
1867-8 ...	1,360	175	1,041	406	622	—	(a) 96	3,703
1874-5 ...	1,716	199	1,282	397	566	106	6	4,272
1879-80...	1,738	208	1,524	422	755	542	6	5,195
1884-5 ...	2,271	292	1,637	531	952	887	9	6,579
1889-90...	1,951	311	1,808	569	1,858	1,062	8	7,567
1890-1 ...	2,016	420	1,878	620	1,719	1,272	8	7,933
1891-2 ...	2,274	315	2,034	607	1,583	1,496	10	8,319
1892-3 ...	2,141	410	2,205	609	1,693	1,445	10	8,513
1893-4 ...	2,505	325	2,305	609	1,777	1,473	9	9,003
1894-5 ...	2,617	365	2,385	619	1,935	1,408	7	9,336
1895-6 ...	2,731	404	2,396	629	2,096	1,454	10	9,720
1896-7 ...	2,812	378	2,505	653	2,204	1,728	10	10,290
1897-8 ...	2,926	385	2,638	658	2,062	1,927	8	10,604
1898-9 ...	2,839	402	2,623	664	2,086	1,770	9	10,393
1899-1900	3,168	488	2,801	679	2,043	1,972	4	11,155
1900-1 ...	3,305	439	2,955	690	2,226	2,118	4	11,737
1901-2 ...	(b) 3,476	489	(b) 3,270	725	2,432	2,267	4	12,663
1902-3 ...	3,989	516	3,586	735	2,530	2,476	3	13,835
1903-4 ...	3,920	467	3,545	742	2,779	2,543	4	14,000
1904-5 ...	3,736	461	(c) 4,125	747	3,128	2,529	3	14,729
1905-6 ...	3,908	540	(c) 3,644	769	3,255	2,755	4	14,875
1906-7 ...	3,875	506	3,700	793	3,456	2,997	(d) 70	15,397

\* Col. 4.—The powers, duties, &c., of Metropolitan District Boards, Vestries, and certain minor authorities, were transferred to the Councils of Metropolitan Boroughs by the operation of the London Government Act, 1899.

† Col. 6.—Including, for years prior to 1889-90, rates raised for the Metropolitan Board of Works, and rates raised in the portions of the counties of Middlesex, Surrey, and Kent, which in 1889 became the county of London.

(a) Year 1867-8.—Col. 8.—Including £72,000 classed in the published Returns as raised in respect of "Highways, London City, Regent's Park," &c., and £24,000 for church rates.

(b) Years 1901-2 to 1906-7.—Cols. 2 and 4.—The entries in col. 2 exclude, and those in col. 4 include rates (the amount of which has not been ascertained) raised by the Councils of Metropolitan Boroughs acting as Overseers.

(c) Years 1904-5 and 1905-6.—Col. 4.—When the London County Council superseded the School Board for London on the 1st May, 1904, the dates for payment of contributions for the expenses of elementary education were altered, but the Councils of some Metropolitan Boroughs did not make a corresponding alteration in the amount of rates levied within the year 1904-5, and consequently raised more than they were called upon to contribute before the end of the year. The excess, which is estimated to have amounted to about £380,000, was, to some extent, applied in reduction of the amount of rates which the Councils would otherwise have had to raise during the year 1905-6.

(d) Year 1906-7.—Col. 8.—Including £67,000 received by the Central (Unemployed) Body for London, under the Unemployed Workmen Act, 1905.

TABLE 4.—AGGREGATE REVENUE OF LOCAL AUTHORITIES IN ENGLAND AND WALES, distinguishing amounts received from (1) Rates, (2) Exchequer Grants,\* (3) other sources (not being loans). Years 1867-8 to 1905-6.

Year.	Rates.	Exchequer grants.*	Other receipts.	Total.
	£ (thousands)	£ (thousands)	£ (thousands)	£ (thousands)
1867-8 ...	16,503	951 †	6,883	24,337
1874-5 ...	19,199	1,681	9,939	30,819
1879-80 ...	22,022	2,752	13,849	38,623
1883-4 ...	24,934	3,493	14,765	43,192
1884-5 ...	25,667	3,621	14,561	43,849
1885-6 ...	26,143	3,788	14,401	44,332
1886-7 ...	26,637	3,976	14,718	45,331
1887-8 ...	27,195	4,268	14,895	46,358
1888-9 ...	27,420	4,791	15,765	47,976
1889-90 ...	27,714	6,522	16,002	50,238
1890-1 ...	27,819	7,079	16,436	51,334
1891-2 ...	28,507	8,003	16,715	53,225
1892-3 ...	30,202	8,923	16,307	55,432
1893-4 ...	32,224	8,814	17,220	58,258
1894-5 ...	33,855	8,994	17,607	60,456
1895-6 ...	35,898	9,240	18,106	63,244
1896-7 ...	37,542	9,635	19,335	66,512
1897-8 ...	37,605	10,969	20,571	69,145
1898-9 ...	38,603	11,791	21,784	72,178
1899-1900...	40,734	12,249	24,219	77,202
1900-1 ...	42,994	12,656	26,336	81,986
1901-2 ...	46,439	12,531	28,209	87,179
1902-3 ...	50,328	12,783	30,824	93,935
1903-4 ...	52,942	15,614	33,822	102,378
1904-5 ...	56,048	19,597	‡34,541	‡110,186
1905-6 ...	58,256	19,850	‡35,612	‡113,718

\* The principal items included under the head of "Exchequer Grants" will be seen on reference to paragraph 21 of the Memorandum. Sums paid by H.M. Treasury as rates, and in lieu of rates on property in the occupation of the Government and the Crown, and sums paid to local authorities by the Commissioners of Inland Revenue under the Tithe Rent-charge (Rates) Act, 1899, are included under the head of "Rates."

† See page 94 of Parliamentary Paper, No. 168 of Session 1893.

‡ Not including sums received by the Metropolitan Water Board amounting in 1904-5 to £2,986,000, and in 1905-6 to £3,020,000, which have been omitted in this Table. The debt of this authority is distinguished but not included with the debt of other authorities in Tables 5, 6 and 7, for the reasons given in note † on page 89.





TABLE 7.—LOCAL DEBT IN LONDON.—Amounts owing by each of the principal classes of Local Authorities—Years 1851-2 to 1906-7.

Year.	Poor Law Authorities.		Corpora- tion of London and the (late) Commis- sioners of Sewers of the City of London.	Metro- politan Borough Councils and their prede- cessors.*	Receiver for the Metropolitan Police District (estimated amounts in respect of portion of district situate in London).†	London County Council (excluding amounts in Col. 8) and their predeces- sors (the Metro- politan Board of Works).‡	Elemen- tary Education Authori- ties [London County Council and (late) School Board for London.]	Miscel- laneous Authorities.	Total.
	Fever and small-pox hospitals belonging to the Managers of the Metropolitan Asylum District.	Other pur- poses (mainly connected with relief of the poor.)							
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)	£ (thou- sands)
1851-2 ...	—	†252	§	§	—	†	—	§	§
1860-1 ...	—	§	1,593	687	—	†1,059	—	69	§
1865-6 ...	—	§	2,109	926	—	†1,134	—	44	§
1869-70...	—	§	4,521	†1,463	—	†7,893	—	32	§
1870-1 ...	179	‡950	4,823	1,537	—	†8,190	—	29	§
1873-4 ...	229	1,555	5,362	1,652	—	†8,986	498	23	18,305
1874-5 ...	224	1,648	5,334	1,660	—	†11,174	1,068	20	21,128
1879-80...	304	2,289	5,406	2,270	—	†14,646	3,346	17	28,278
1884-5 ...	411	3,109	6,098	2,168	—	†18,434	5,582	54	35,856
1889-90...	560	3,298	6,601	2,270	232	21,127	7,165	41	41,294
1890-1 ...	537	3,305	6,420	2,338	345	20,834	7,279	40	41,098
1891-2 ...	524	3,220	6,518	2,571	348	20,371	7,337	38	40,927
1892-3 ...	548	3,278	6,366	2,784	345	20,981	7,588	35	41,925
1893-4 ...	677	3,297	6,235	3,081	342	21,676	7,830	56	43,194
1894-5 ...	833	3,354	6,160	3,291	338	22,646	8,209	63	44,894
1895-6 ...	1,190	3,299	6,101	3,585	334	22,476	8,574	62	45,621
1896-7 ...	1,515	3,294	5,977	3,895	333	22,188	9,127	62	46,391
1897-8 ...	1,789	3,485	5,816	4,229	409	23,526	9,316	71	48,641
1898-9 ...	1,827	3,885	5,751	4,801	403	24,624	9,592	70	50,953
1899-1900	1,826	4,125	5,696	5,677	397	25,543	9,854	71	53,189
1900-1 ...	1,828	4,546	5,910	6,794	388	28,402	10,194	69	58,131
1901-2 ...	1,897	5,144	5,936	7,893	385	31,112	10,528	67	62,962
1902-3 ...	2,336	5,657	6,285	8,760	378	33,000	11,053	46	67,515
1903-4 ...	2,317	5,672	6,715	9,496	371	35,901	11,339	48	71,859
1904-5 ...	2,310	5,751	6,600	11,397	436	41,671	11,561	47	79,773
1905-6 ...	2,262	5,597	6,459	12,213	429	44,237	11,570	46	82,813
1906-7 ...	2,151	5,407	6,536	12,602	427	48,672	11,353	80	87,228
								**38,453	**38,453

\* Col. 5.—See note (\*) to Table 3 on page 96.

† Not including for 1884-5 and earlier years the amounts owing by the County Authorities of Kent, Surrey, and Middlesex in respect of areas which since 1889-90 have formed part of the County of London.

‡ Amount owing in respect of money borrowed and charged on Poor Rates in each Union or Parish not in Union for defraying the cost of building or altering the Workhouse: not including the capitalised value of certain annuities (Parliamentary Paper 989 of 1852-53).

§ Amounts not ascertained.

¶ Excluding outstanding debt (small in amount) of Metropolitan Burial Boards.

|| Not including outstanding debt of Managers of Poor Law School and Sick Asylum Districts which cannot be ascertained.

\*\* Proportion of debt of the Metropolitan Water Board. For purposes of comparison these amounts have been excluded from Chart 8.

## SECTION VI.—MISCELLANEOUS STATISTICS.

	Page
MEMORANDUM ... ..	102

### CHARTS:—

Chart 1. Education (England and Wales) ... ..	To follow page 104
„ 2. Illiteracy (United Kingdom) ... ..	104
„ 3. Friendly Societies (United Kingdom) ... ..	104
„ 4. Trade Unions (United Kingdom) ... ..	104
„ 5. Savings Banks (United Kingdom) ... ..	104
„ 6. Increase of wealth measured by Income Tax returns (United Kingdom) ... ..	104
„ 7. Crime (England and Wales) ... ..	104

TABLES, showing the data on which the Charts have been prepared ... ..	105
--	-----